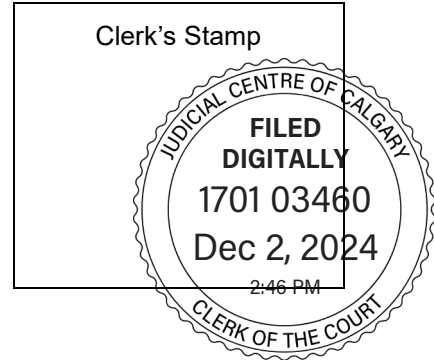




COURT FILE NUMBER: **1701-03460**

COURT: **COURT OF KING'S BENCH
OF ALBERTA**

JUDICIAL CENTRE: **CALGARY**

APPLICANT: **ALBERTA ENERGY REGULATOR**

RESPONDENT: **LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE
PARTNERSHIP, LR PROCESSING LTD. and LR PROCESSING
PARTNERSHIP**

DOCUMENT: **RECEIVER'S SEVENTEENTH REPORT
November 25, 2024**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING DOCUMENT

RECEIVER

Grant Thornton Limited
Suite 1100, 332 - 6 Avenue SW
Calgary, AB T2P 0B2

Attention: Neil Honess / James Saxton
Telephone: 1 (403) 260-2533 / 1 (403) 260-2552
Facsimile: 1 (403) 260-2571
E-mail: Neil.Honess@doane.gt.ca /
James.Saxton@doane.gt.ca

RECEIVER'S COUNSEL

Borden Ladner Gervais LLP
1900, 520-3rd Ave SW
Calgary, AB T2P 0R3

Attention: Kevin Barr
Telephone: 1 (403) 232-9786
Facsimile: 1 (403) 266-1395
Email: Kbarr@blg.com

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Appendices

1. Revival Order dated May 28, 2024
2. Section 48 Order dated July 29, 2024
3. Estimated Final Statement of Receipts and Disbursements Dated November 25, 2024
4. Renunciation Notice
5. Summary of Professional Fees

Introduction

1. On March 20, 2017, on application by the Alberta Energy Regulator (the “**AER**”), the Court of King’s Bench of Alberta (the “**Court**”) granted an order (the “**Receivership Order**”) appointing Grant Thornton Limited (“**GTL**” or the “**Former Receiver**”) as receiver and manager (in such capacities, the “**Receiver**”) of Lexin Resources Ltd. (“**Lexin**” or the “**Company**”).
2. On June 13, 2017, on a consent basis, the Court approved a further receivership order (the “**Expanded Receivership Order**”) adding the following Lexin related entities to the within receivership proceedings (the “**Proceedings**”):
 - a) 1051393 BC Ltd.;
 - b) 0989 Resource Partnership;
 - c) LR Processing Ltd. (“**LR Ltd**”); and
 - d) LR Processing Partnership.

(collectively, along with Lexin, the “**Lexin Group**”)

3. On June 28, 2019, the Receiver filed an application returnable July 11, 2019, seeking various heads of relief, including discharge of the Receiver, supported by a report of the Receiver (the “**Fourteenth Report**”). As a result of this application, the Court granted an Order approving the various relief (the “**Discharge Order**”). The various relief approved by the Discharge Order includes, among others, the following:
 - a) A distribution to the AER (the “**Distribution**”);
 - b) A holdback in the amount of \$594,000; and
 - c) Discharge of the Receiver on the filing of an affidavit (the “**Discharge Affidavit**”) confirming that:
 - i. The Distribution had been made;
 - ii. The sales approved by the Court on July 11, 2019, had closed;
 - iii. With respect to a specific transaction and associated application (the “**HESC Transaction**”), if the Receiver had either completed the HESC Transaction or

given notice of the abandonment of the application to approve the HESC Transaction; and

iv. That the Tolling Period pursuant to the Settlement Agreement had expired.

4. The Receiver filed the Discharge Affidavit to the Court on September 11, 2020.
5. The Receiver issued sixteen reports and their supplements between March 30, 2017, and July 11, 2024 (collectively the “**Receiver’s Reports**”). The Receiver’s Reports should be read in conjunction with this Report.
6. On May 28, 2024, on application of the Former Receiver, the Court granted an Order (the “**Revival Order**”) that, among other things, approved the revival of the Proceedings. A copy of the Revival Order is attached to this Report as “**Appendix 1**”. The various relief approved by the Revival Order includes, among others, the following:
 - a) Reviving the Proceedings and reappointing the Former Receiver as Receiver;
 - b) Confirming the Receiver’s authority to bring an application pursuant to section 48 (the “**Section 48 Application**”) of the *Unclaimed Personal Property and Vested Property Act* (“**UPPVPA**”) and deal with the Land Proceeds; and
 - c) Reviving LR Ltd pursuant to section 210 of the *Alberta Business Corporations Act* (“**ABCA**”) for the purpose of allowing the Receiver to bring the Section 48 Application.
7. On July 29, 2024, on application of the Receiver and supported by a report of the Receiver (the “**Sixteenth Report**”), the Court granted an Order (the “**Section 48 Order**”), a copy of which is attached to this Report as “**Appendix 2**”. The various relief approved by the Section 48 Order includes, among others, the following:
 - a) The authorization of the Land Proceeds to be transferred to GTL subject to all requirements of the UPPVPA; and
 - b) The authorization of GTL to distribute the Land Proceeds to the Alberta Oil and Gas Orphan Abandonment and Reclamation Association (operating under the trade name Orphan Well Association) (the “**OWA**”).

8. The purpose of this Seventeenth Report (the “**Report**”) is to provide the Court and other interested parties with information on these Proceedings and to provide information in support of the Receiver’s application for an Order approving the:
- a) Report and the conduct and activities of the Receiver as described herein;
 - b) Fees and disbursements both incurred and projected to be incurred of the Receiver and its legal counsel, as set out herein;
 - c) Receiver’s Estimated Final Statement of Receipts and Disbursements (the “**Estimated Final SRD**”) attached to this report as “**Appendix 3**”; and
 - d) Discharge of the Receiver, subject to the completion of required administrative matters with respect to the Lexin Group estate.
9. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars. Capitalized terms not otherwise defined herein shall adopt the meaning as defined in the Receivership Order and the Receiver’s Reports.
10. Capitalized terms not expressly defined herein shall have the same meaning as in the Receiver’s Reports.

Limitations of Report

11. The information contained in this Report has been obtained from the available records of the Lexin Group, publicly available information, information obtained from various Lexin Group stakeholders, and discussions with former Lexin Group employees. The information was not audited or otherwise verified by the Receiver as to its accuracy or completeness, nor has it been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this report may not disclose all significant matters about the Lexin Group. Accordingly, unless otherwise stated, we do not express an opinion or any other form of assurance on the information presented herein. The Receiver may refine or alter its observations as further information is obtained or is brought to its attention after the date of this Report.
12. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction, or use of this Report. Any use that any party makes of this Report, or any reliance on or decisions to be made based on it is the responsibility of such party.

13. A copy of this Report and other relevant documents in the Proceedings are available on the Receiver's website at:
<https://www.doanegrantthornton.ca/service/advisory/creditor-updates/>

Background

14. Substantial background on the Lexin Group, its assets and liabilities, the events leading up to the Receivership Order and the conduct of the Proceedings has been detailed in the Receiver's Reports and are available by reviewing the materials filed in these Proceedings and available on the Receiver's website at:
<https://www.doanegrantthornton.ca/service/advisory/creditor-updates/>

Brief Summary of Activities

15. Following the filing of the Sixteenth Report, the Receiver's activities include:

- a) Collecting upon the Land Proceeds in the amount of \$1,055,237 on August 29, 2024; and
- b) Concluding its investigation into the Genset.

Land Proceeds

16. In April 2024, the Former Receiver was contacted by counsel to the OWA regarding approximately \$1.1 million of net proceeds (the "**Land Proceeds**") from the lands upon which the Mazeppa Gas Plant was located (the "**Mazeppa Land**"), formerly owned by LR Ltd.

17. With respect to the Mazeppa Land and the Land Proceeds, the Receiver understands that:

- a) The Mazeppa Land was seized and sold by His Majesty in the Right of Alberta (the "**Crown**") in accordance with its authority under section 29 of the *UPPVPA*;
- b) LR Ltd has been struck from the corporate registry and, as a result, the Land Proceeds have been escheated to the Crown, as represented by the President of Treasury Board and Minister of Finance, pursuant to the *UPPVPA*;
- c) The Mazeppa Lands contained Lexin's licensed sour gas processing facility with a deemed liability for LLR purposes of over \$26.7 million. The OWA (via the AER) is therefore the stakeholder with the primary economic interest in the Land Proceeds; and
- d) The OWA, in discussions with the Alberta Treasury Board & Finance and the AER, determined the most efficient way of dealing with the Land Proceeds is to apply pursuant to section 48 of the *UPPVPA*. Section 48 of the *UPPVPA* allows entities to claim unclaimed personal or vested property transferred to the Minister by filing a claim, with, and as prescribed by the Minister.

18. To bring the Section 48 Application, the Former Receiver sought and was granted an Order on May 28, 2024, which approved the following:

- a) Reviving the Proceedings and reappointing the Former Receiver as Receiver;
- b) Reviving LR Ltd pursuant to section 210 of the *ABCA* for the purpose of allowing the Receiver to bring the Section 48 Application; and

- c) Confirming that the Receiver has the authority to bring the Section 48 Application and deal with the Land Proceeds.
- 19. To obtain the Land Proceeds, the Receiver sought and was granted the Section 48 Order on July 29, 2024, which approved the following:
 - a) A declaration that the Land Proceeds are authorized to be transferred to GTL subject to all requirements of the UPPVPA; and
 - b) Authorizing GTL to distribute the Land Proceeds to the OWA.
- 20. On August 6, 2024, the Receiver filed the Section 48 Application with the Alberta Treasury Board and Finance and subsequently received the Land Proceeds in the amount of \$1,055,237 on August 29, 2024. The Receiver intends to make a distribution to the OWA as authorized by the Section 48 Order and further detailed in the Estimated Final SRD as discussed herein.

Genset Investigation

- 21. In January 2024, the Former Receiver was contacted by the OWA regarding a piece of equipment known as a “2014 Leroy Somers 3.6MW genset” (the “**Genset**”) listed for sale in Edson, Alberta. The OWA believes the Genset to be an asset of the Lexin Group formerly located at the Mazeppa Gas Plant. Prior to its initial discharge, the Receiver was not able to take possession of or locate the Genset and it was believed missing. The Receiver has not been able to verify the Lexin Group’s ownership of the Genset in the books and records of the Lexin Group in its possession.
- 22. The Receiver contacted the parties conducting the sale of the Genset and were directed to Nixon Peabody LLP (“**NP LLP**”), counsel to 104 Power Limited Partnership (“**104 Power**”) and 1046533 B.C. Ltd. (“**104 BC**”). 104 Power and 104 BC are debtors in Chapter 11 bankruptcy proceedings in the US, and are the selling parties of the Genset. NP LLP refutes the Lexin Group’s ownership of the Genset but to date has not provided evidence to support the alleged ownership claim of 104 Power.
- 23. NP LLP did advise the Receiver that, prior to their bankruptcy filings, MFC Power changed its name to 104 Power and MFC General Partner Ltd. changed its name to 104 BC. As noted in the Receiver’s Reports, MFC Power operated a power plant on the Mazeppa Land.
- 24. As with the Land Proceeds, the OWA is the stakeholder with the primary economic interest in the Genset. The OWA requested that the Receiver investigate the Genset further and evaluate any potential realizations to the estate.

25. Following the Revival Order and pursuant to the Receiver's investigation into the Genset, the Receiver, with input from the OWA, determined that it was not in the best interests of the receivership estate to further pursue any potential interest in the Genset, because:

- a) The Renunciation Notice dated April 2, 2019 (the "**Renunciation**", attached to this Report as "**Appendix 4**"), indicates that any interest of the Receiver in the Genset is likely to have been abandoned, renounced and released. This arises from the fact that the Genset was not specifically identified in the Schedule of Retained Properties attached to the Renunciation and would therefore likely fall under the general definition of Renounced Properties. Consequently, this issue alone renders any claim to the Genset highly problematic, if not impossible;
- b) If the Receiver were to successfully argue that the Renunciation does not apply to the Genset, several obstacles to recovering the Genset remain, including that:
 - i. The asset is not in the Receiver's possession;
 - ii. 104 BC, which has disputed Lexin Group's claim of ownership, has recently concluded Chapter 11 bankruptcy proceedings in the United States (the "**US Proceedings**"). The existence of the US Proceedings further complicate recovery efforts as well as increase the possibility of a bona fide third-party purchaser of the Genset from 104 BC which would nullify any claim to ownership by the Receiver;
 - iii. The estimated professional fees to recover the Genset are between \$275,000 and \$400,000, the majority of which being legal fees as estimated by the Receiver's legal counsel; and
 - iv. The Receiver's research indicates that the Genset is potentially worth between \$250,000 and \$700,000.

26. For the reasons set out above, the Receiver does not intend to take any further steps with regards to the Genset.

Professional Fees

27. The Receiver seeks to have its professional fees and disbursements and those of its legal counsel, Borden Ladner Gervais LLP (“**BLG**”), approved by the Court. The fees are summarized in the table below:

SUMMARY OF PROFESSIONAL FEES

	Fees	Disburse.	GST	Total
RECEIVERS FEE'S				
Rendered, paid, & approved by the Court to May 31, 2024	2,570,243	8,190	128,852	2,707,285
Rendered for the period of June 1, 2024 to October 31, 2024	42,596	-	2,130	44,726
	2,612,839	8,190	130,982	2,752,011
BLG LEGAL FEES				
Rendered, paid, & approved by the Court to June 30, 2024	989,033	54,236	51,720	1,094,989
Rendered for the period of July 1, 2024 to October 31, 2024	138,485	7,031	7,256	152,772
	1,127,518	61,267	58,976	1,247,761

28. The Receiver's total fees for the period of June 1, 2024, to October 31, 2024, are \$42,596 plus GST of \$13,483 for a total of \$44,726.
29. BLG's total fees for the period of July 1, 2024, to October 31, 2024, are \$138,485, plus disbursements of \$7,031 plus GST of \$7,256, for a total of \$152,772.
30. The Receiver estimates its professional fees and those of BLG to complete the administration of the Receivership (the “**Completion Estimates**”) to be \$15,000 and \$10,000, respectively.
31. A summary of the accounts rendered by the Receiver and its legal counsel is attached hereto as “**Appendix 5**”. Detailed accounts are available for review by the Court upon request.
32. It is the Receiver's opinion that the fees and disbursements of the Receiver and BLG accurately reflect the work done by the Receiver, and on behalf of the Receiver by BLG, in connection with the receivership and the administration of the receivership for the periods in which they were incurred.
33. It is the Receiver's opinion that the fees and disbursements of BLG are fair and reasonable and justified in the circumstances. The Receiver recommends approval of BLG's accounts by this Court.

Estimated Final Statement of Receipts and Disbursements

34. A Final Estimated SRD as at November 25, 2024 has been prepared and is attached to this Report as "**Appendix 3**".
35. As of November 25, 2024, the estate balance is \$1,594,907 and is held in the Receiver's trust account.
36. After payment of outstanding invoices for professional fees and the Completion Estimates which together total \$93,623, the Receiver proposes to make a final distribution to the OWA in the amount of \$1,501,278 (the "**Estimated Final Distribution**").
37. After the Estimated Final Distribution is made the Receiver estimates the trust account of the Lexin Group estate to be \$nil.

Conclusion and Recommendations

38. The Receiver expects that it will be able to complete the statutory tasks and final administration of the Receivership within two months of the application for discharge.
39. As the Receiver expects to have completed its obligations under the Receivership Order in the near future and in an effort to limit future costs of administering the Receivership, the Receiver is seeking a discharge from its duties. The discharge will be conditional upon the fulfilment of its duties at which time it will file a Discharge Certificate, in the form attached to the Order being sought.
40. The Receiver respectfully recommends that this Honourable Court approve an order:
- a) Approving the professional fees and disbursements of the Receiver, and those of its legal counsel, plus the Completion Estimates, as set out in this Report;
 - b) Approving the Estimated Final SRD, as set out in this Report;
 - c) Approving and ratifying the actions, conduct, and activities of the Receiver, as set out in this Report;
 - d) Declaring that the Receiver has duly and properly discharged its duties, responsibilities, and obligations as receiver;
 - e) Approving the discharge of the Receiver, subject to the completion of required administrative matters and upon filing of the Discharge Certificate;
 - f) Empowering the Receiver, notwithstanding its discharge, to perform any act necessary or incidental to the conclusion of the Receivership, and approving the Completion Estimate in respect thereof; and
 - g) Granting such further and other relief, advice, and directions as counsel may advise and this Honourable Court deems just and appropriate.
41. For the reasons set out in this Seventeenth Report, the Receiver is of the view that the relief requested is reasonable and appropriate in the circumstances and respectfully recommends that this Court grant the relief as sought.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 25th day of November 2024.

Grant Thornton Limited,
in its capacity as receiver of
Lexin Resources Ltd., 1051393 BC Ltd., 0989 Resource
Partnership, LR Processing Ltd. and LR Processing Partnership
and not in its personal capacity



Neil Honess, PhD, CIRP, LIT
Senior Vice President



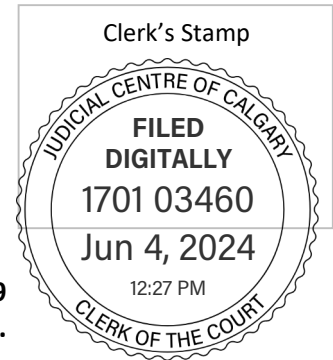
James Saxton, FCCA, CIRP, LIT
Vice President

APPENDIX 1

[ATTACHED]

CERTIFIED *E. Wheaton*
by the Court Clerk as a true copy of
the document digitally filed on Jun 4,
2024

COURT FILE NUMBER	1701-03460
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	GRANT THORNTON LIMITED
RESPONDENT	LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP
DOCUMENT	ORDER (Various Relief)
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Kevin E. Barr / Farrukh Ahmad Borden Ladner Gervais LLP 1900, 520 – 3 rd Avenue SW Calgary, AB T2P 0R3 Telephone: (403) 232-9786 / 9480 Facsimile: (403) 266-1395 Email: kbarr@blg.com / faahmad@blg.com File No. 547730.000021



DATE ON WHICH ORDER WAS PRONOUNCED: May 28, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Neufeld (Commercial Chambers)

UPON the Application of Grant Thornton Limited in its capacity as the former court-appointed receiver (“**GTL**”) of Lexin Resources Ltd. (“**Lexin**”), 1051393 B.C. Ltd. (“**105**”), 0989 Resource Partnership (“**0989**”), LR Processing Ltd. (“**LR Ltd**”) and LR Processing Partnership (“**LR Partnership**” and collectively with Lexin, 105, 0989 and LR Ltd the “**Lexin Group**”); **AND UPON** being satisfied that GTL is an “interested party” in respect of the Lexin Group’s revival pursuant to section 210 of the *Business Corporations Act*, RSA 2000, c. B-9 (“**ABCA**”); **AND UPON** having heard from counsel for GTL, and any other interested parties appearing for this application; **AND UPON** being advised that service of this application has been effected in accordance with subsection 210(2) of the *ABCA*.

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today, and any other service is hereby dispensed with.
2. The within receivership proceedings (the “**Proceedings**”) are revived.
3. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the “**BIA**”), and sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, GTL is hereby reappointed as Receiver and Manager, pursuant to the terms and conditions of the Receivership Order pronounced on March 20, 2017 and later expanded on June 13, 2017 in the within action, of all of the Lexin Group’s current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).
4. GTL is declared to be an “interested person” in the revival of the Lexin Group, pursuant to sections 206.1(d) of the *ABCA*.
5. LR Ltd is hereby authorized to be revived pursuant to section 210 of the *ABCA* and the Registrar of the Corporations of Alberta is directed to forthwith restore LR Ltd to the corporate registry.
6. Lexin and 105 are hereby authorized to be restored pursuant to section 360 of the *Business Corporations Act*, S.B.C. 2002, c. 57 (“**BCCA**”) and the Registrar of Companies of British Columbia may restore Lexin and 105 to the corporate register, subject to all requirements of the *BCCA* being satisfied.
7. GTL, in its capacity as Receiver of LR Ltd, is deemed to have authority to deal with the escheated proceeds of a previously sold property of LR Ltd, and is authorized to file an application under section 48 of the *Unclaimed Personal Property and Vested Property Act*, SA 2007, c U-1.5 (“**UPPVPA**”) to claim the escheated proceeds.
8. GTL is relieved of any obligation to send the Registrar a yearly report regarding the status of the within Action.
9. GTL is relieved of any obligation to file with the Registrar any delinquent or future annual returns.

10. GTL shall cause to be filed a copy of this Order with the Alberta Corporate Registry and the British Columbia Corporate Registry, no later than 10 days after the date of this Order.



Justice of the Court of King's Bench of Alberta

APPENDIX 2

[ATTACHED]

CERTIFIED *E. Wheaton*
by the Court Clerk as a true copy of
the document digitally filed on Jul
29, 2024

COURT FILE NUMBER **1701-03460**

COURT COURT OF KING'S BENCH OF ALBERTA

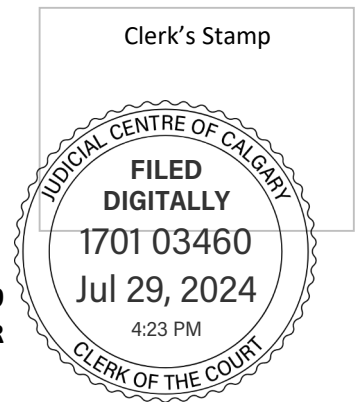
JUDICIAL CENTRE CALGARY

APPLICANT **GRANT THORNTON LIMITED**

RESPONDENTS **LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989
RESOURCE PARTNERSHIP, LR PROCESSING LTD. and LR
PROCESSING PARTNERSHIP**

DOCUMENT **ORDER (Various Relief)**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY FILING
THIS DOCUMENT Kevin E. Barr / Farrukh Ahmad
Borden Ladner Gervais LLP
1900, 520 – 3rd Avenue SW
Calgary, AB T2P 0R3
Telephone: (403) 232-9786 / 9480
Facsimile: (403) 266-1395
Email: kbarr@blg.com / faahmad@blg.com
File No. 547730.000021



DATE ON WHICH ORDER WAS PRONOUNCED: **JULY 29, 2024**

LOCATION WHERE ORDER WAS PRONOUNCED: **CALGARY, ALBERTA**

NAME OF JUSTICE WHO MADE THIS ORDER: **THE HONOURABLE JUSTICE NEUFELD**

UPON the Application of Grant Thornton Limited in its capacity as the court-appointed receiver (the “Receiver”) of Lexin Resources Ltd. (“Lexin”), 1051393 B.C. Ltd. (“105”), 0989 Resource Partnership (“0989”), LR Processing Ltd. (“LR Ltd”) and LR Processing Partnership (“LR Partnership” and collectively with Lexin, 105, 0989, and LR Ltd the “Lexin Group”); **AND UPON** having heard from counsel for the Receiver, and any other interested parties appearing for this application;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the notice of application for this order (the “Order”) is hereby abridged and deemed good and sufficient and this application is properly returnable today, and any other service is hereby dispensed with.

2. The land proceeds designated by His Majesty in right of Alberta, as represented by the President of Treasury Board and Minister of Finance (the “**Crown**”) as Property Id# 478946 and Property Id# 478947 (the “**Land Proceeds**”) are hereby authorized to be transferred to the Receiver, subject to all requirements of the *Unclaimed Personal Property and Vested Property Act* (the “**UPPVPA**”), being satisfied.
3. The Receiver’s accounts for fees and disbursements, in the amount \$284,403 (including GST), as described in the Receiver’s Sixteenth Report, are hereby approved without the necessity of a formal passing of its accounts.
4. The accounts rendered by the Receiver’s legal counsel, Borden Ladner Gervais LLP (“**BLG**”), in the amount \$89,498.88 (including GST), as described in the Receiver’s Sixteenth Report, are hereby approved without the necessity of a formal passing of its accounts.
5. The Receiver’s activities as set out in the Receiver’s Fifteenth Report and the Receiver’s Sixteenth Report, together with the Statement of Receipts and Disbursements as attached to the Receiver’s Sixteenth Report, are hereby ratified and approved.
6. The Receiver is authorized to distribute the Land Proceeds to the Alberta Oil and Gas Orphan Abandonment and Reclamation Association (operating under the trade name of Orphan Well Association (the “**OWA**”)).



Justice of the Court of King’s Bench of Alberta

APPENDIX 3

[ATTACHED]

**In the Matter of the Receivership of Lexin Resources Ltd., 1051393 B.C. Ltd.,
0989 Resource Partnership, LR Processing Ltd., & LR Processing Partnership
Estimated Final Statement of Receipts and Disbursements
For the period to November 25, 2024**

Unrestricted Trust Accounts	Actual to November 25, 2024
<u>Receipts</u>	
Sale of oil and gas properties	8,279,000
Receiver's Certificate	2,462,793
Sale of carbon credits	1,556,711
Sale of Lands	1,055,237
Oil & gas revenue	555,061
Vendor cost reimbursement	520,000
Sale of seismic	517,736
Sale of equipment and vehicles	189,770
GST collected	134,650
Equity of leased vehicles	40,410
Interest earned	116,216
Other receipts	21,309
Refunds - Deposits	13,600
Refunds - Garnishee	8,000
Cash held at receivership	3,636
	15,474,130
<u>Disbursements</u>	
Repayment of Receiver Certificates	2,462,710
Royalty Payments, including FMT	2,434,838
Receiver's fees	2,608,993
Interim Distribution	1,200,000
Receiver's counsel fees and costs	1,136,774
Surface lease rentals	636,603
Utilities and other services	626,774
Property taxes paid	531,739
Interest on Receiver's Certificates	319,109
Consulting and contract services	284,762
GST paid	288,834
Commission expense	265,210
Data Management Specialist	234,079
Storage, records and handling costs	228,243
Software licensing fees and services	193,575
Mineral Lease Payments	135,930
Insurance	93,082
Server set-up & ongoing maintenance	65,962
Repairs and maintenance	65,053
General and administrative	34,702
Funds transferred to bankruptcy estate	32,252
	13,879,223
Ending Cash Balance in Trust (November 25, 2024)	1,594,907
<u>Pending Disbursements</u>	
Receiver's Fees - WIP & Estimated	15,000
Receiver's Fees - Outstanding Invoices	5,356
Legal Fees - WIP & Estimated	10,000
Legal Fees - Outstanding Invoices	63,273
Distribution to the OWA	1,501,278
Total Pending Disbursements	1,594,907
Adjusted Ending Cash Balance	(0)

APPENDIX 4

[ATTACHED]

NOTICE OF RENUNCIATION

WHEREAS Grant Thornton Limited is the court-appointed receiver (the “**Receiver**”) of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), of all of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively “**Lexin**”);

AND WHEREAS the Receiver was appointed with respect to the Lexin assets pursuant to a receivership order granted by the Alberta Court of Queen’s Bench (the “**Court**”) on March 20, 2017, as amended by the Consent Receivership Order granted by the Court on June 13, 2017 (together the “**Receivership Order**”) and the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3;

AND WHEREAS Lexin holds mineral leases, surface leases, non-operated working interests, equipment, and seismic data in the properties attached hereto as Schedule A (the “**Retained Properties**”) with the remaining mineral leases, surface leases, non-operated working interests, equipment and seismic data that Lexin holds an interest in representing the properties being renounced (“**Renounced Properties**”);

AND WHEREAS paragraph 3(a) of the Receivership Order provides that the Receiver shall not take possession of or exercise physical control over any Lexin oil or gas well, pipeline, facility or site regulated by the AER;

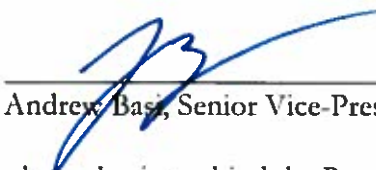
AND WHEREAS paragraph 3(b) of the Receivership Order empowers the Receiver to disclaim, abandon or renounce Lexin’s interest in any of the Property;

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS that the Receiver has never adopted any interest Lexin may have in the Renounced Properties and effective as of the date of the Receivership Order, in accordance with, *inter alia* paragraph 3(b) of the Receivership Order, hereby abandons, renounces and releases any and all interest in respect of any interest Lexin may have in the Renounced Properties, including but not limited to any regulatory licenses, working interests, leases or real property or any immovable property that is affected by or subject to the Renounced Properties.

IN WITNESS WHEREOF, the Receiver executed this Renunciation of Interest this 2nd day of April, 2019.

SIGNED, SEALED AND DELIVERED

) **GRANT THORNTON LIMITED**, in its
) capacity as the court-appointed receiver of **Lexin**
) **Resources Ltd., 1051393 B.C. Ltd., 0989**
) **Resource Partnership, LR Processing Ltd.**
) **and LR Processing Partnership**, and not in its
) corporate or personal capacity
)
)
)
)
)

) Per 
) **Andrew Bass, Senior Vice-President**
)
)

) I have the authority to bind the Receiver
)

**SCHEDULE A – RETAINED PROPERTIES
CROSSFIELD STRIKE AREA ASSETS**

Lands, Petroleum and Natural Gas Rights

Vendor File #	Title Document	Legal Description	Zones	Vendor Interest	Encumbrances
M03042	Cr P&NG Lease 0478080008	23-28-W4M:Ptn. 14	P&NG in Crossfield Member	100% BPO 50% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production Crown
M03042	Cr P&NG Lease 0478080008	23-28-W4M:Ptn. 14	P&NG below base Belly River to base Wabamun Group excluding NG below base Belly River to base Mannville and P&NG in Crossfield Member	67.142% BPO 33.571% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production Crown
M03043	PrairieSky Lease dated August 29, 1978	23-28-W4M:Ptn. NE14	Petroleum in Belly River, Viking, Mannville Group, Glauconitic Sandstone and Basal Quartz	67.142% BPO 33.571% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production 30% Lessor Royalty
M03044	PrairieSky Lease dated August 29, 1978	23-28-W4M:Ptn. NW14	Petroleum in Belly River, Viking, Mannville Group, Glauconitic Sandstone and Basal Quartz	67.142% BPO 33.571% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production 30% Lessor Royalty
M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16	NG in Edmonton	97.6% (pooled)	5% on 97.6% Crown
M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16	Below base Belly River to base Turner Valley	97.5%	2% on 5% 2% on 5% 5% on 97.5% Crown

M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16	Pete in Edmonton	97.5%	2% on 5% 5% on 97.5% Crown
M02940	Cr P&NG Lease 116502	23-28-W4M:28	To base Belly River	100%	15% on 75% 15% on 25% 5% on 100% Crown
M02940	Cr P&NG Lease 116502	23-28-W4M:28	Below base Belly River to base Elkton	75%	11.25% on 75% 5% on 75% Crown
M05652	Cr P&NG Lease 127056A	23-28-W4M:N&SE34	To base Wabamun excluding NG to base Mannville	55.56%	5% on 55.56% Crown
M05653	Cr P&NG Lease 127056B	23-28-W4M:SW34	To base Wabamun	100%	5% on 100% Crown

Wells (including associated equipment)

Location	Licence	Surface Lessor (per Lexin records)
00/04-10-023-28W4	0189985	Simpson Ranching Limited
00/14-16-023-28W4	0182704	Jack & Marlene Begg
00/04-21-023-28W4	0179609	1724732 Alberta Ltd.
00/07-21-023-28W4	0256890	1724732 Alberta Ltd.
00/10-21-023-28W4	0177460	1724732 Alberta Ltd.
02/10-21-023-28W4	0203704	1724732 Alberta Ltd.
00/12-21-023-28W4	0181274	1724732 Alberta Ltd.
00/02-28-023-28W4	0214266	Buerkle et al (c/o Hans Roth Universal Agencies)
02/10-28-023-28W4	0327717	Buerkle et al (c/o Hans Roth Universal Agencies)
00/07-33-023-28W4	0031415	L. Jane Hawkins & Maureen Hawkins
00/05-34-023-28W4	0037686	Sheftel & Paperny

Pipelines (including associated surface leases, if applicable)

From	To	Licence
6-34-23-28-W4M	7-33-23-28-W4M	28351
7-33-23-28-W4M	4-10-273-28-W4M	24493
7-33-23-28-W4M	10-21-23-28-W4M	28709
14-16-23-28-W4M	10-21-23-28-W4M	28709
11-28-23-28-W4M	10-21-23-28-W4M	46191
3-28-23-28-W4M	10-21-23-28-W4M	34879
10-21-23-28-W4M	6-29-22-28-W4M	34425

Facilities (including associated equipment)

Location	Type	Licence	Surface Lessor (per Lexin records)
7-33-23-28-W4M	Battery	F3379	L. Jane Hawkins & Maureen Hawkins
10-21-23-28-W4M	Battery and Compressor Station	F3377	1724732 Alberta Ltd.
10-21-23-28-W4M	Battery	F3378	1724732 Alberta Ltd.

SCHEDULE A – RETAINED PROPERTIES VULCAN AREA ASSETS

WELLS/FACILITY (including associated equipment)	LICENCE	SURFACE LOCATION	WI	SURFACE LESSOR	MINERAL AGREEMENTS
100 / 14-28-015-25 W4 / 0	0335770	14-28-015-25W4M	50%	Pisikla, A	Crown P&NG 0400050044 - All P&NG TB Mannville
102 / 14-28-015-25 W4 / 0	0348415	14-28-015-25W4M	50%	Above	Above
100 / 10-33-015-25 W4 / 0	0358667	10-33-015-25W4M	72.0001 Pooled	Hutterian of Little Bow	11 Freehold Mineral Titles - Caveats Standard Land,
100 / 06-34-015-25 W4 / 0	0337243	06-34-015-25W4M	50%	Schneider	Crown P&NG 0400050048 - All P&NG TB Mannville
100/05-06-016-25W4/0	351489	05-06-16-25W4M	50%	Keith Fisher Farms	Crown P&NG 0405120388 - All P&NG TB Mannville
9-29-15-25W4 Compressor & GGS	F36735	9-29-15-25W4M	50%	Maisey et al	NA

PIPELINES

License #46043

Line 1 9-29-015-25W4 to 11-01-015-25W4
Line 3 14-28-015-25W4 to 09-29-015-25W4
Line 4 05-06-16-25W4 to 04-06-016-25W4
Line 5 10-33-015-25W4 to 14-28-015-25W4
Line 8 06-34-015-25W4 to 14-28-015-25W4

SCHEDULE A – RETAINED PROPERTIES OTHER RETAINED ASSETS

1. Fee Simple lands presently titled to 1059032 BC Ltd. and Compton Petroleum Corporation, but to be transferred to Lexin;
2. Proprietary seismic data until closing of the proposed sale to Paramount Resources Ltd. or other parties should this sale not close;
3. Vulcan mineral leases until closing of the proposed sale to Wilcox Energy Corp. or other parties should this sale not close;
4. 2007 GMC Sierra 1500 truck (VIN - 1GTEK19J27Z521311) – pending R.O. information;
5. Terminated surface leases for LTAM High River sale once re-instated by the SRB for the period of retention, if any, required for Lexin to convey the leases to LTAM in accordance with PSA terms;
6. Those Crown mineral leases where, in the records of the Alberta Department of Energy (“AE”):
 - a. Lexin is the designated representative (des rep) and is also one of two or more lessees, or
 - b. Lexin is the des rep and is not a lessee.
until transfer of the des rep designation is registered with AE. In respect of such Crown mineral leases where the application for the transfer of the des rep designation is not received by AE on or before June 30, 2019, those Crown mineral leases are hereby renounced.

APPENDIX 5

[ATTACHED]

**SUMMARY OF PROFESSIONAL FEES
IN THE MATTER OF THE RECEIVERSHIP OF
LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP
LR PROCESSING LTD., AND LR PROCESSING PARTNERSHIP**

RECEIVER'S FEES

	Fees	Disbursement	Sub-total	GST	Total
Receiver's fees rendered, paid, & approved by the Court to May 31, 2024	2,570,243.09	8,190.15	2,578,433.24	128,851.86	2,707,285.10
to June 30, 2024	23,136.61	-	23,136.61	1,156.83	24,293.44
to July 31, 2024	5,292.76	-	5,292.76	264.64	5,557.40
to August 31, 2024	6,735.65	-	6,735.65	336.78	7,072.43
to September 30, 2024	3,282.23	-	3,282.23	164.11	3,446.34
to October 31, 2024	4,148.93	-	4,148.93	207.45	4,356.38
Total Receiver Fees	2,612,839.27	8,190.15	2,621,029.42	130,981.67	2,752,011.09

RECEIVER'S LEGAL COUNSEL FEES

	Fees	Disbursement	Sub-total	GST	Total
Legal counsel fees rendered, paid, & approved by the Court to May 31, 2024	989,033.45	54,235.99	1,043,269.44	51,719.83	1,094,989.27
to June 30, 2024	79,135.10	6,116.69	85,251.79	4,247.09	89,498.88
To July 31, 2024	24,605.70	848.67	25,454.37	1,268.22	26,722.59
To September 30, 2024	25,168.00	65.92	25,233.92	1,261.70	26,495.62
To October 31, 2024	9,576.00	-	9,576.00	478.80	10,054.80
Total Legal Fees	1,127,518.25	61,267.27	1,188,785.52	58,975.64	1,247,761.16
Total Professional Fees	\$ 3,740,357.52	\$ 69,457.42	\$ 3,809,814.94	\$ 189,957.31	\$ 3,999,772.25