



**MINISTER OF
INNOVATION, ENERGY AND MINES**

Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8

Ministerial Order

Section 126
THE OIL AND GAS ACT

POOLING ORDER NO. 12-1

The Minister of Innovation, Energy and Mines, pursuant to Section 126 of The Oil and Gas Act, orders the pooling of a spacing unit within the Daly Sinclair Field (hereinafter referred as "the Field") as follows:

1. Legal subdivision 1 in Section 17 of Township 9, Range 28, West of the Principle Meridian (hereinafter referred to as "the spacing unit") shall be operated as a unit to permit the production of oil gas from the Bakken and/or Lodgepole Formation(s) from a well (hereinafter referred as "the well") to be drilled under this Pooling Order by Relative Resources Ltd.
2. Relative Resources Ltd. (hereinafter called "the Operator") shall be the Operator of the well and shall be responsible for the well and for all drilling, completing, producing and abandonment operations at the well.
3. The costs of drilling, completing, operating and abandoning the well shall be paid by the Operator, subject to the terms and conditions hereinafter contained.
4. Notwithstanding clause 3, should the well not be placed on production, the Operator is responsible for 100% of the actual costs of abandonment of the well.
5. The Operator shall allocate to each of the working interest owners having an interest in the spacing unit their share of the production of oil and gas from the well, such share being:
 - a) seventy five per cent (75%) to the Operator, and
 - b) twenty five per cent (25%) to Tundra Oil & Gas Partnership (hereinafter called "Tundra").

6. (1) Subject to clauses 7 and 8 hereof, Tundra may elect to take and dispose of, or to direct the disposition of, Tundra's share of production by notice to the Operator given
 - a) within 30 days, of the date of this Pooling Order, or
 - b) thereafter not less than 60 days before the time at which Tundra will start or resume taking in kind or directing the disposition of Tundra's share.

- (2) If Tundra fails to give notice as provided for in subclause (1), the Operator shall sell Tundra's share of production at not less than the selling price the Operator receives for its own share of production from the well and account to Tundra for the proceeds of the sale.

- (3) If dispute arises between the Operator and Tundra who elects to take in kind, or direct the disposition of Tundra's share of production regarding the point of delivery of Tundra's share, the dispute shall be referred to the Director of Petroleum and the Director's decision shall be final.

7. (1) If the well is placed on production, Tundra shall pay to the Operator, 25% of the actual cost of drilling and completing the well in the Formation(s) referred to in clause 1.

- (2) The Operator shall give Tundra a statement in writing of Tundra's 25% share of the actual cost of drilling and completing the well, and subject to the other provisions of this Order, Tundra shall, on or before 30 days after the delivery of the statement to Tundra, pay Tundra's 25% share of the actual costs to the Operator.

- (3) If Tundra's share of the actual costs of drilling and completing the well is not otherwise paid within the time specified in subclause (2), and whether or not Tundra has given notice under clause 6, the Operator shall
 - a) sell Tundra's share of production of oil and gas at not less than the selling price the Operator receives for its share of production from the well,
 - b) apply on Tundra's share of the actual cost of drilling and completing, the portion of the remainder of the proceeds of the sale of Tundra's share of production remaining after payment of the Tundra share of operating expenses pursuant to clause 8 or such lesser amount as may be required to pay the balance of Tundra's share of the actual costs, and
 - c) account to Tundra for the balance of the proceeds of Tundra's share of production.

- (4) If dispute arises between the Operator and Tundra regarding the cost of drilling and completing the well or Tundra's share of the cost, the dispute shall be referred to the Director of Petroleum and the Director's decision shall be final.

8. (1) If the well is placed on production, Tundra shall pay each month to the Operator, Tundra's share of the operating expenses of the well, such share being in the same proportion as the allocation of production in accordance with clause 5.

(2) If Tundra's share of the operating expenses for any month is not paid within 15 days of the time Tundra has been billed for such expenses, and whether or not Tundra has given notice under clause 6, the Operator shall

- a) sell Tundra's share of the production of oil and gas at not less than the selling price the Operator receives for its share of production from the well,
- b) apply on Tundra's share of the operating expenses the remainder of the proceeds of such sale or such lesser amount as may be required to pay Tundra's share of operating expenses, and
- d) account to Tundra for the balance of the proceeds of the sale of Tundra's share of production.

(3) If dispute arises between the Operator and Tundra regarding the operating expenses of the well or Tundra's share of such expenses, the dispute shall be referred to the Director of Petroleum and the Director's decision shall be final

9. (1) This Order shall terminate if the Operator does not:

- (a) retain its rights to the oil and gas in the spacing unit, or
- (b) drill the well in the spacing unit prior to July 1, 2013.

(2) The Minister may, upon written request from the Operator, extend the termination date, should the Operator provide sufficient evidence that in the opinion of the Minister, justifies an extension.

NOV 19 2012

Date



Minister of Innovation, Energy & Mines