

Rideau Petroleums Ltd.

Box 520, Station A
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10 July 1997

MR. JOHN N. FOX
Manitoba Energy & Mines
Petroleum
360 - 1395 Ellice
Winnipeg, MB R3C 0G3

Dear Mr. Fox:

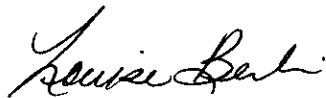
DALY UNIT NO. 5

I am enclosing the following two schedules:

1. Participation Factors as of April 1, 1997 as "Exhibit" D to the Unit Operating Agreement (Revision 3).
2. Schedule of Working Interests, Etc. on Tracts 3,4,5, & 6 as Exhibit A (Revision 3) to the Unit Agreement.

Yours sincerely,

RIDEAU PETROLEUMS LTD.



Louise Berlin

ENCLOSURES

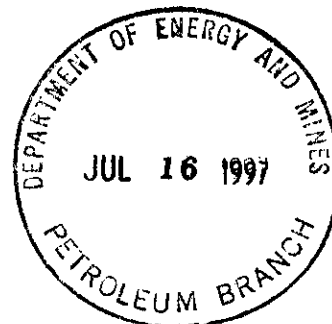


EXHIBIT "D"

Attached to and made part of an agreement entitled

"UNIT OPERATING AGREEMENT - DALY UNIT NO. 5"

WORKING INTEREST OWNER

UNIT PARTICIPATION

Anna Resources Ltd.	03.6453 %
Corsair Petroleum Inc.	02.2756 %
Interwest Enterprises Ltd.	09.1288 %
Maier Resources Ltd.	03.5931 %
Paradox Resources Inc.	13.8598 %
Paradox "In Trust"	03.8594 %
382851 Alberta Ltd.	38.6715 %
Rideau Petroleums Ltd.*	24.2554 %
Ned Studer	00.2844 %
Zero Petroleums Ltd.	00.4267 %

* Rideau Drill Funds

Denali '85	02.0304 %
Rideau-Butler	04.7907 %
SW Manitoba	17.4343 %
Total Drill Funds	24.2554 %

Revision 3
Effective as of the Effective Date
1997

EXHIBIT "A"

ATTACHED TO AND FORMING PART OF AN AGREEMENT ENTITLED

UNIT AGREEMENT - DALY UNIT NO. 5"

TRACT AND TRACT PARTICIPATION

Tract Number	Land Description	WORKING INTERESTS		ROYALTY INTERESTS		
		Working Interest Owner	Share of Working Interest %	Royalty Interest Owner	Royalty Interest %	Tract Participation Factor
3	Lsd 09-28-9-29	Interwest Paradox 382851 AB Rideau	08.5710 14.2860 47.1430 30.0000	Crown	Crown Sliding Scale on 100% of Production	17.5400%
4	Lsd 16-28-9-29 WPM	Interwest Paradox 382851 AB Rideau	08.5710 14.2860 47.1430 30.0000	Crown	Crown Sliding Scale on 100% of Production	22.5601%
5	Lsd 8-28-9-29 WPM	Paradox "In Trust" Interwest 382851 AB Rideau	24.3750 21.5000 37.1250 17.0000	Crown	Crown Sliding Scale on 100% of Production	11.9437%
6	Lsd 10-28-9-29 WPM	Interwest Paradox 382851 AB Rideau	08.5710 14.2860 47.1430 30.0000	Crown	Crown Sliding Scale on 100% of Production	18.0144%