



Mineral Resources
Petroleum Branch
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June 24, 2014

Brad Thiessen
Tundra Oil & Gas Partnership
1700 – One Lombard Place
Winnipeg, MB R3B 0X3

Dear Brad,

RE: Ewart Unit No. 5 – EOR Order & Third Tier EOR Factor

With reference to our letter to you dated March 27, 2014, please find attached EOR Order No.35 which applies to the unit. Tundra is reminded that separate conversion applications are required for any existing horizontals to be converted to injectors within this new Unit.

The EOR order requires Tundra to conduct annual pressure surveys and submit an annual progress report. Tundra is reminded that the 2014 report is to be submitted to the Director within 60 days after the end of the calendar year.

Ewart Unit No. 5 will qualify for a Third Tier EOR Factor (TTEF). The Branch has calculated a proposed TTEF of 0.9908 to apply to all tracts in the unit. Table 1 shows the TTEF calculation. The TTEF is based on summed estimates of remaining primary recoverable reserves and incremental EOR recoverable reserves for unit. Please provide the Branch with any comments on the proposed TTEF by July 24, 2014.

If you have any questions in respect of the approvals or the TTEF calculations please contact Leo Leonen at (204) 945-6570.

Yours truly,

Keith Lowdon
Director

Manitoba
spirited energy

Cc: Administration, Winnipeg
Virden Office

Table 1. Third Tier EOR Factor Calculation

Tundra Ewart Unit #5	
Unit	Ewart Unit No. 5
Operator	Tundra Oil & Gas
Sections	1
Effective Date of Third EOR Production	01-Jul-14
Cumulative Unit Production to March 2014 (m ³)	40,480.0
Primary Recoverable Reserves (m ³)	40,661.0
Incremental EOR Rec. Reserves (IERR) (m ³)	19,447.0
Total Remaining Rec. Reserves (TRES) (m ³)	19,628.0
Third Tier EOR Factor (TTEF)	0.9908



**MINISTER OF
MINERAL RESOURCES**

Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8

MINISTERIAL ORDER

**Subsection 116(2)
THE OIL AND GAS ACT**

ENHANCED OIL RECOVERY (EOR) ORDER NO. 35

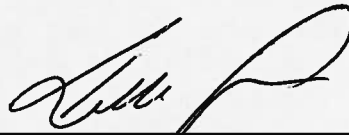
**Pertaining to EOR Operations
in Ewart Unit No. 5**

- 1.0 The Unit Operator shall conduct EOR operations by injecting fluids into the Daly Sinclair Middle Bakken - Three Forks Pool underlying Ewart Unit No. 5 ("the Unit") through the wells listed in Schedule A. The Director may approve the conversion of additional wells in the Unit to injection.
- 1.1 The fluids to be injected are water and/or Nitrogen gas only. Any other injection fluid(s) requires prior approval of the Petroleum Branch.
- 1.2 Every injection well shall be completed as approved under Section 47 of the Drilling and Production Regulation ("the Regulation").
- 1.3 The maximum wellhead pressure at which fluids may be injected is 7 000 kPa.
- 1.4 The Director may, from time to time, establish a maximum or minimum rate at which fluids may be injected into a well.
- 1.5 The annulus of each injection well shall be pressure tested in accordance with Section 50 of the Regulation.
- 2.0 The Unit Operator shall conduct an annual survey to determine the level and distribution of reservoir pressure in the Unit. A summary of the results of any pressure surveys conducted during the year are to be included in the annual EOR progress report required under Section 73 of the Regulation.
- 2.1 The frequency of pressure surveys may be reduced where the Director is satisfied that more frequent surveys will not assist the Unit Operator in monitoring the effectiveness of the EOR.

- 2.2 The Unit Operator is responsible for monitoring the effectiveness of the EOR and for collecting such reservoir data and other information as is necessary to evaluate and optimize EOR performance.
- 2.3 The Unit Operator shall advise the Petroleum Branch of the suspension of injection fluid(s) at any well, any indication of channelling or breakthrough of injected fluid(s) to a producing well or out of zone and any other detrimental effects that may be attributable to the EOR operations.
- 3.0 The Unit Operator shall file a report of production or injection for each well in the Unit in accordance with Section 120 of the Regulation.
- 4.0 The Unit Operator shall file an annual EOR progress report in accordance with Section 73 of the Regulation.

JUNE 27, 2014

Date



Director of Petroleum for
Minister Mineral Resources

SCHEDULE A

ENHANCED OIL RECOVERY (EOR) ORDER NO. 35

EWART UNIT NO. 5

INJECTION WELL(S)

WELL NAME	LSD	SEC	TWP	RGE
Ewart Unit No. 5 Prov. HZNTL WIW	8	34	8	28