



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

November 3, 1986

Manitoba Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Attention: Mr. Bob Dubrieul

Dear Sir:

Re: Waskada Unit No. 7
Effective Date



This letter will confirm our request for an Effective Date of November 1, 1986 for the captioned unit and provide you with the appropriate replacements for the information sent by telecopier.

Enclosed is a copy of each parties execution of the Unit Agreement along with 2 copies of revised Exhibits "A" and "B" providing for the exclusion of the two tracts owned by Waskada Plains Enterprises Ltd., and a copy of each the revised Interim and Final Tract Participation Calculations.

Also enclosed is a copy of the Unit Operating Agreement, along with a copy of each Working Interest Owners execution of same.

Yours truly,

OMEGA HYDROCARBONS LTD.

A handwritten signature in cursive script, appearing to read "R.A. Beamish".

R.A. Beamish
Joint Interest Co-ordinator

Encl:

RAB/tct



HYDROCARBONS LTD.

1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

November 3, 1986

Royalty Owners
Waskada Unit No. 7
(Addressee List Attached)

Dear Sir:

Re: Waskada Unit No. 7
Effective Date

Please be advised that the Manitoba Oil and Natural Gas Conservation Board have approved an Effective Date of November 1, 1986 for the captioned unit.

As the royalty owners for two tracts did not execute the Unit Agreement prior to the Effective Date, Exhibits "A" and "B" are revised to reflect this reduction in the unit's size. Enclosed is a copy of each of the revised exhibits for your file.

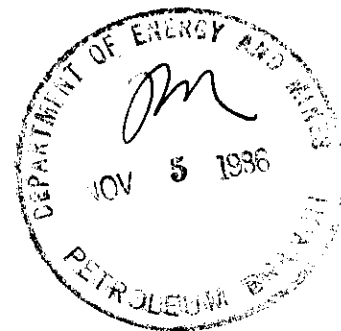
Yours truly,

OMEGA HYDROCARBONS LTD.

R.A. Beamish
Joint Interest Co-ordinator

Encl:

RAB/tct



**WASKADA UNIT NO. 7
ROYALTY INTEREST OWNERS
ADDRESSEE LIST**

Millbridge Oil Ltd.
P.O. Box 125
Waskada, Manitoba
ROM 2E0

Howard Glover Lee
Waskada, Manitoba
ROM 2E0

Jacob Symons Brown
1901, 360 Cumberland Avenue
Winnipeg, Manitoba
R3B 1T4

Wollan Oils Ltd.
122 Broadway North
Deloraine, Manitoba
ROM 0M0

Manitoba Dept. of Energy & Mines
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Charles Carlton McGregor
5 Kasuirak Bay
Brandon, Manitoba
R7A 6H8

Canada Trust Company
230 Portage Avenue
Winnipeg, Manitoba
R3C 2S6

INTERIM TRACT FACTORS 1986-11-01

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UNIT 7 TRACT PARTICIPATION - BASIC DATA

30-Oct-86

		PRODUCTION PERIOD # 1										PRODUCTION PERIOD # 2									
TRACT	LAND	WELLS	AREA	REC.	SW	BOI	PH14h	04-86	LAST	4 MONTHS		FIRST	4 MONTHS								
	DESCRIPTION	INT. (2)	(Hh)	(frac)	(frac)	(h)	(m3)	HRS	OIL	WATER	HRS	OIL	WATER	HRS	OIL	WATER					
1	11-17-1-25	50.00000	16	0.25	0.40	1.17	1.09	2160.6	2879	112.7	110.8	2297	804.6	347.2							
2	12-17-1-25	50.00000	16	0.25	0.40	1.17	1.09	1907.0	2879	53.8	169.1	2704	820.8	567.9							
3	13-17-1-25	50.00000	16	0.25	0.40	1.17	1.09	538.9	2879	25.5	36.3	2663	185.8	155.8							
4	14-17-1-25	50.00000	16	0.25	0.40	1.17	1.01	2636.4	2825	97.4	76.9	2598	810.6	608.4							
5	1-18-1-25	100.00000	16	0.25	0.40	1.17	1.43	741.7	2321	12.3	190.7	2505	529.7	615.4							
6	2-18-1-25	100.00000	16	0.25	0.40	1.17	0.93	248.8	2807	30.7	93.0	2914	147.4	271.6							
7	7-18-1-25	100.00000	16	0.25	0.40	1.17	0.93	491.2	2879	36.0	153.9	2835	347.9	367.6							
8	8-18-1-25	100.00000	16	0.25	0.40	1.17	1.42	684.2	2879	51.8	184.1	2565	271.2	290.2							
9	9-18-1-25	100.00000	16	0.25	0.40	1.17	1.47	297.1	2879	16.5	71.0	2594	175.0	127.8							
10	16-18-1-25	100.00000	16	0.25	0.40	1.17	0.79	311.1	2641	154.6	303.3	2641	154.6	303.3							
11	8-19-1-25	100.00000	16	0.25	0.40	1.17	1.01	284.7	2880	93.1	66.9	2213	191.6	87.5							
12	3-20-1-25	100.00000	16	0.25	0.40	1.17	0.72	486.2	2806	39.4	23.4	1699	173.1	231.9							
13	5-20-1-25	100.00000	16	0.25	0.40	1.17	1.08	190.1	2880	82.6	7.6	2746	107.5	12.9							
14	6-20-1-25	100.00000	16	0.25	0.40	1.17	1.54	153.3	477	148.2	83.5	477	148.2	83.5							
15	11-20-1-25	100.00000	16	0.25	0.40	1.17	1.04	2397.4	2755	230.8	26.7	2595	445.4	49.3							
16	13-20-1-25	100.00000	16	0.25	0.40	1.17	1.22	1518.1	2879	211.1	175.6	2888	237.9	239.9							
17	14-20-1-25	100.00000	16	0.25	0.40	1.17	1.34	4032.4	2879	605.0	2669.9	2889	1099.6	1677.2							
18	15-20-1-25	100.00000	16	0.25	0.40	1.17	1.49	1944.2	2879	118.8	110.7	2636	502.3	249.9							
19	16-20-1-25	100.00000	16	0.25	0.40	1.17	0.85	372.5	2879	16.1	230.7	2259	296.0	445.0							
TOTALS:								51182	2136.4	4786.1	46718	7469.2	6752.3	0.0	0.0						

30-Oct-86

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INTERIM TRACT FACTORS

1986-11-01

WASKADA UNIT NUMBER 7 OWNERSHIP BREAKDOWN

WORKING INTEREST OWNERS, THEIR SHARES IN EACH TRACT, AND THE RESULTING TOTAL WORKING INTERESTS											
TRACT NUMBER	TRACT FACTOR	1	2	3	4	5	6	7	8	9	10
		ONEBA									
		CHEVRON									
		Z M.I.	Z	Z M.I.	Z	Z M.I.	Z	Z M.I.	Z	Z M.I.	Z
1	4.4904	50.0000	2.2452	50.0000	2.2452	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2	2.1456	50.0000	1.0728	50.0000	1.0728	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3	1.9710	50.0000	0.9785	50.0000	0.9785	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4	4.3165	50.0000	2.1583	50.0000	2.1582	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5	0.5858	100.0000	0.5858	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6	1.5803	100.0000	1.5803	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7	1.5243	100.0000	1.5243	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
8	2.0255	100.0000	2.0255	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
9	1.0191	100.0000	1.0191	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
10	5.4025	100.0000	5.4025	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
11	4.2296	100.0000	4.2296	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12	3.0181	100.0000	3.0181	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
13	5.0118	100.0000	5.0118	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
14	25.0414	100.0000	25.0414	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
15	9.0336	100.0000	9.0336	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
16	7.1547	100.0000	7.1547	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
17	16.1539	100.0000	16.1539	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
18	4.6898	100.0000	4.6898	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	0.6201	100.0000	0.6201	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	100.0000	93.5453	6.4547	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

FINAL TRACT FACTORS 1986-11-01

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UNIT 7 TRACT PARTICIPATION - BASIC DATA

30-Oct-86

TRACT	LAND	DESCRIPTION	WATER	AREA	REC.	SW	BOI	PH14h	CUM. OIL	PRODUCTION PERIOD # 1		PRODUCTION PERIOD # 2	
										#	#	#	#
										HRS	OIL	HRS	OIL
											WATER		WATER
											#		#
1	11-17-1-25	50.00000	16	0.25	0.40	1.17	1.09	2160.6	2879	112.7	110.8	2297	804.6
2	12-17-1-25	50.00000	16	0.25	0.40	1.17	1.09	1907.0	2879	53.8	169.1	2704	820.8
3	13-17-1-25	50.00000	16	0.25	0.40	1.17	0.95	538.9	2879	23.5	36.3	2663	155.8
4	14-17-1-25	50.00000	16	0.25	0.40	1.17	1.01	2636.4	2879	97.4	76.9	2598	810.6
5	1-18-1-25	100.00000	16	0.25	0.40	1.17	1.43	741.7	2321	12.3	190.7	2505	615.4
6	2-18-1-25	100.00000	16	0.25	0.40	1.17	0.83	268.8	2807	30.7	95.0	2914	147.4
7	7-18-1-25	100.00000	16	0.25	0.40	1.17	0.93	491.2	2879	36.0	153.9	2835	347.9
8	8-18-1-25	100.00000	16	0.25	0.40	1.17	1.42	684.2	2879	51.8	184.1	2565	271.2
9	9-18-1-25	100.00000	16	0.25	0.40	1.17	1.47	297.1	2879	16.5	71.0	2594	175.0
10	16-18-1-25	100.00000	16	0.25	0.40	1.17	0.79	311.1	2641	154.6	303.3	2641	154.6
11	8-19-1-25	100.00000	16	0.25	0.40	1.17	1.01	284.7	2880	93.1	66.9	2213	191.6
12	3-20-1-25	100.00000	16	0.25	0.40	1.17	0.72	486.2	2806	39.4	23.4	1699	173.1
13	5-20-1-25	100.00000	16	0.25	0.40	1.17	1.08	190.1	2880	82.6	7.6	2746	107.5
14	6-20-1-25	100.00000	16	0.25	0.40	1.17	1.54	153.3	477	148.2	83.5	477	148.2
15	11-20-1-25	100.00000	16	0.25	0.40	1.17	1.04	2397.4	2753	230.8	26.7	2595	465.4
16	13-20-1-25	100.00000	16	0.25	0.40	1.17	1.22	1518.1	2879	211.1	175.6	2888	237.9
17	14-20-1-25	100.00000	16	0.25	0.40	1.17	1.34	4032.4	2879	605.0	2669.9	2889	1099.6
18	15-20-1-25	100.00000	16	0.25	0.40	1.17	1.49	1944.2	2879	118.8	110.7	2636	502.3
19	16-20-1-25	100.00000	16	0.25	0.40	1.17	0.85	372.5	2879	16.1	230.7	2259	296.0
TOTALS:										51182	2136.4	4786.1	46718
												7465.2	6752.3
												0.0	0.0

FINAL TRACT FACTORS 1986-11-01

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UNIT 7 TRACT FACTOR CALCULATIONS

30-Oct-86

REMAINING	RR OIL	OIL RATE	OIL CUT	OIL RATE	OIL CUT	TRACT	TRACT	TRACT	LAND
RECOVERABLE	FACTOR	FACTOR	FACTOR	FACTOR	FACTOR	FACTOR	FACTOR	FACTOR	DESCRIPTION
OIL (m³)	#	#	#	#	#	#	#	#	#
20,453	1.9650	0.7736	0.6357	2.2209	0.6593	0.0000	0.0000	6.2545	11-17-1-25
20,707	1.9894	0.3693	0.3043	1.9246	0.5578	0.0000	0.0000	5.1454	12-17-1-25
19,170	1.8418	0.1750	0.5202	0.4424	0.5133	0.0000	0.0000	3.4927	13-17-1-25
18,318	1.7599	0.6814	0.7045	1.9783	0.5391	0.0000	0.0000	5.6632	14-17-1-25
28,926	2.7791	0.1048	0.0764	1.3407	0.4366	0.0000	0.0000	4.7376	1-18-1-25
12,802	1.2300	0.2161	0.3079	0.3207	0.3320	0.0000	0.0000	2.4067	2-18-1-25
18,803	1.8065	0.2471	0.2789	0.7781	0.4589	0.0000	0.0000	4.5234	7-18-1-25
28,776	2.7647	0.3555	0.2769	0.6704	0.4559	0.0000	0.0000	4.2259	8-18-1-25
30,201	2.9016	0.1133	0.2378	0.4278	0.5434	0.0000	0.0000	3.8172	9-18-1-25
16,079	1.5448	1.1567	0.4257	0.3711	0.3187	0.0000	0.0000	4.9467	10-18-1-25
20,669	1.9858	0.6388	0.7336	0.5489	0.6479	0.0000	0.0000	4.5550	11-18-1-25
14,451	1.3884	0.2775	0.7910	0.6460	0.3844	0.0000	0.0000	3.4873	12-18-1-25
22,216	2.1344	0.5668	1.1545	0.2483	0.8427	0.0000	0.0000	4.9467	13-18-1-25
31,797	3.0349	6.1401	0.8064	1.9700	0.6037	0.0000	0.0000	12.5751	14-18-1-25
19,179	1.8426	1.6554	1.1300	1.1372	0.8534	0.0000	0.0000	6.6188	15-18-1-25
23,793	2.2859	1.4491	0.6883	0.5223	0.4699	0.0000	0.0000	5.4155	16-18-1-25
23,768	2.2836	4.1530	0.2329	2.4132	0.5737	0.0000	0.0000	9.4564	17-18-1-25
28,968	2.7831	0.8156	0.6526	1.2083	0.6303	0.0000	0.0000	6.0899	18-18-1-25
17,262	1.6585	0.1105	0.0823	0.8308	0.3770	0.0000	0.0000	3.0591	19-18-1-25
416,338	40.0000	20.0000	10.0000	20.0000	10.0000	0.0000	0.0000	100.0000	

1986-11-01

30-Oct-86

WORKING INTEREST OWNERS, THEIR SHARES IN EACH TRACT, AND THE RESULTING TOTAL WORKING INTERESTS													
TRACT NUMBER	TRACT FACTOR	1	2	3	4	5	6	7	8	9	10		
	OMEGA	CHEVRON											
	I W.L.	Z	I W.L.	Z	I W.L.	Z	I W.L.	Z	I W.L.	Z	I W.L.		
1	6.7545	50.0000	3.1272	50.0000	3.1272	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
2	5.1454	50.0000	2.5727	50.0000	2.5727	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
3	3.4927	50.0000	1.7464	50.0000	1.7463	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
4	5.6532	50.0000	2.8316	50.0000	2.8316	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
5	4.7376	100.0000	4.7376	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
6	2.4067	100.0000	2.4067	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
7	3.5296	100.0000	3.5296	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
8	4.5234	100.0000	4.5234	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
9	4.2259	100.0000	4.2259	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
10	3.8172	100.0000	3.8172	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
11	4.5550	100.0000	4.5550	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
12	3.4873	100.0000	3.4873	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
13	4.9467	100.0000	4.9467	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
14	12.5751	100.0000	12.5751	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
15	6.6188	100.0000	6.6188	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
16	5.4155	100.0000	5.4155	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
17	9.4584	100.0000	9.4584	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
18	6.0899	100.0000	6.0899	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
19	3.0591	100.0000	3.0591	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
100.0000			89.7222		10.2778		0.0000		0.0000		0.0000		

E X H I B I T " A "

Attached to and made a part of an agreement entitled
"Unit Agreement - Waskada Unit No. 7"

TRACT PARTICIPATIONS

In this Exhibit the names of the Parties have been abbreviated, as follows:

<u>Abbreviation</u>	<u>Party</u>
Chevron	Chevron Canada Resources Limited
Omega	Omega Hydrocarbons Ltd.
Wollan Oils	Wollan Oils Ltd.
Millbridge Oil	Millbridge Oil Ltd.
H.G. Lee	Howard Glover Lee
J.S. Brown	Jacob Symons Brown
Canada Trust	Canada Trust Company
Crown	Department of Energy and Mines Winnipeg, Manitoba
C.C. McGregor	Charles Carlton McGregor

Revision No. 1
1986-11-01

Effective: as of the
Effective Date

E X H I B I T " A "

Tract No.	Land Description (Lsd)	Working Interest Owner	Share, %	Royalty Interests Owner	Share, %	Interim Tract Participation (%)	Final Tract Participation (%)
1	11-17-1-25 WPM	Chevron Omega	50.0 50.0	Wollan Oils	100.0	4.4904	6.2545
2	12-17-1-25 WPM	Chevron Omega	50.0 50.0	Wollan Oils	100.0	2.1456	5.1454
3	13-17-1-25 WPM	Chevron Omega	50.0 50.0	Wollan Oils	100.0	1.9570	3.4927
4	14-17-1-25 WPM	Chevron Omega	50.0 50.0	Wollan Oils	100.0	4.3165	5.6632
5	1-18-1-25 WPM	Omega	100.0	Millbridge Oil H.G. Lee J.S. Brown	40.0 10.0 50.0	0.5838	4.7376
6	2-18-1-25 WPM	Omega	100.0	Millbridge Oil H.G. Lee J.S. Brown	40.0 10.0 50.0	1.5803	2.4067
7	7-18-1-25 WPM	Omega	100.0	Millbridge Oil H.G. Lee J.S. Brown	40.0 10.0 50.0	1.5243	3.5296
8	8-18-1-25 WPM	Omega	100.0	Millbridge Oil H.G. Lee J.S. Brown	40.0 10.0 50.0	2.0255	4.5234

Revision No. 1
1986-11-01

Effective: As of the
Effective Date

E X H I B I T " A "

<u>Tract No.</u>	<u>Land Description (Lsd)</u>	<u>Working Interest Owner</u>	<u>Share, %</u>	<u>Royalty Interests Owner</u>	<u>Share, %</u>	<u>Interim Tract Participation (%)</u>	<u>Final Tract Participation (%)</u>
9	9-18-1-25 WPM	Omega	100.0	Millbridge Oil H.G. Lee J.S. Brown	40.0 10.0 50.0	1.0191	4.2259
10	16-18-1-25 WPM	Omega	100.0	Millbridge Oil H.G. Lee J.S. Brown	40.0 10.0 50.0	5.4025	3.8172
11	8-19-1-25 WPM	Omega	100.0	Canada Trust	100.0	4.2296	4.5550
12	3-20-1-25 WPM	Omega	100.0	Crown	100.0	3.0181	3.4873
13	5-20-1-25 WPM	Omega	100.0	Crown	100.0	5.0118	4.9467
14	6-20-1-25 WPM	Omega	100.0	Crown	100.0	25.0414	12.5751
15	11-20-1-25 WPM	Omega	100.0	C.C. McGregor	100.0	9.0336	6.6188
16	13-20-1-25 WPM	Omega	100.0	C.C. McGregor	100.0	7.1547	5.4155
17	14-20-1-25 WPM	Omega	100.0	C.C. McGregor	100.0	16.1559	9.4564
18	15-20-1-25 WPM	Omega	100.0	C.C. McGregor	100.0	4.6898	6.0899
19	16-20-1-25 WPM	Omega	100.0	C.C. McGregor	100.0	0.6201	3.0591
						<u>100.0000</u>	<u>100.0000</u>

Revision No. 1
1986-01-11

Effective: As of the
Effective Date

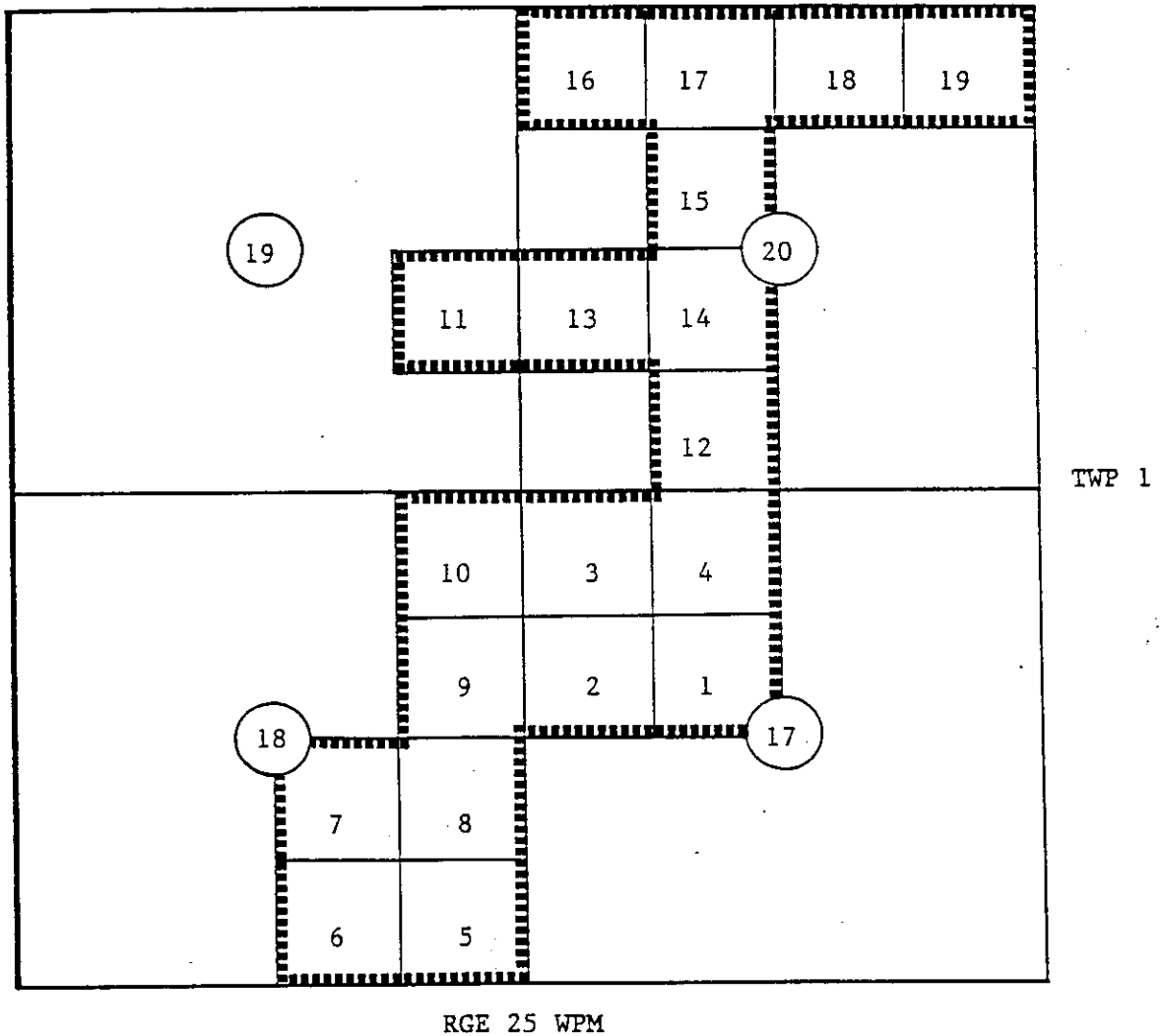
-A3-

...

Exhibit "B"

Attached to and made part of an Agreement entitled
"Unit Agreement - Waskada Unit No. 7"

PLAN OF UNIT AREA



LEGEND

----- Unit Outline

10 Tract Number

20 Section Number

EFFECTIVE:

As of the Effective Date.

Revision No. 1
1986-11-01

ME

ME

ME

ME

ME

ME

ME

ME

ME

ME

E X H I B I T " A "

**Attached to and made a part of an agreement entitled
"Unit Agreement - Waskada Unit No. 7"**

TRACT PARTICIPATIONS

In this Exhibit the names of the Parties have been abbreviated, as follows:

<u>Abbreviation</u>	<u>Party</u>
Chevron	Chevron Canada Resources Limited
Omega	Omega Hydrocarbons Ltd.
Wollan Oils	Wollan Oils Ltd.
Millbridge Oil	Millbridge Oil Ltd.
H.G. Lee	Howard Glover Lee
J.S. Brown	Jacob Symons Brown
Canada Trust	Canada Trust Company
Crown	Department of Energy and Mines Winnipeg, Manitoba
Waskada Plains	Waskada Plains Enterprises Ltd.
C.C. McGregor	Charles Carlton McGregor

Effective: as of the
Effective Date

E X H I B I T " A "

Tract No.	Land Description (Lsd)	Working Interest		Royalty Interests		Interim Tract Participation (%)	Final Tract Participation (%)
		Owner	Share, %	Owner	Share, %		
1	11-17-1-25 WPM	Chevron ✓ Omega /	50.0 50.0	Wollan Oils ✓	100.0	3.5507	5.4740
2	12-17-1-25 WPM	Chevron ✓ Omega /	50.0 50.0	Wollan Oils ✓	100.0	1.6968	4.5522
3	13-17-1-25 WPM	Chevron ✓ Omega /	50.0 50.0	Wollan Oils ✓	100.0	1.5937	3.0756
4	14-17-1-25 WPM	Chevron ✓ Omega /	50.0 50.0	Wollan Oils ✓	100.0	3.4310	4.9525
5	1-18-1-25 WPM	Omega	100.0	Millbridge Oil H.G. Lee ✓ J.S. Brown ✓	40.0 10.0 50.0	0.4605	4.2345
6	2-18-1-25 WPM	Omega	100.0	Millbridge Oil H.G. Lee ✓ J.S. Brown ✓	40.0 10.0 50.0	1.2657	2.1101
7	7-18-1-25 WPM	Omega	100.0	Millbridge Oil H.G. Lee ✓ J.S. Brown ✓	40.0 10.0 50.0	1.2096	3.1179
8	8-18-1-25 WPM	Omega	100.0	Millbridge Oil H.G. Lee ✓ J.S. Brown ✓	40.0 10.0 50.0	1.5998	3.9934

Effective: As of the
Effective Date

EXHIBIT "A"

Tract No.	Land Description (Lsd)	Working Interest		Royalty Interests		Interim Tract Participation (%)	Final Tract Participation (%)
		Owner	Share, %	Owner	Share, %		
9	9-18-1-25 WPM	Omega	100.0	Millbridge Oil / H.G. Lee / J.S. Brown /	40.0 / 10.0 / 50.0	0.8236	3.7582
10	16-18-1-25 WPM	Omega	100.0	Millbridge Oil / H.G. Lee / J.S. Brown /	40.0 / 10.0 / 50.0	4.2070	3.2438
11	8-19-1-25 WPM	Omega	100.0	Canada Trust	100.0	3.3701	3.9528
12	3-20-1-25 WPM	Omega	100.0	Crown	100.0	2.4559	3.0445
13	5-20-1-25 WPM	Omega	100.0	Crown	100.0	4.0479	4.2847
14	6-20-1-25 WPM	Omega	100.0	Crown	100.0	19.2776	10.4193
15	7-20-1-25 WPM	Omega	100.0	Waskada Plains / Chevron (1) /	100.0 / ✓	14.7741	7.4594
16	8-20-1-25 WPM	Omega	100.0	Waskada Plains	100.0	6.9486	6.0944
17	11-20-1-25 WPM	Omega	100.0	C.C. McGregor /	100.0	7.1146	5.6452
18	13-20-1-25 WPM	Omega	100.0	C.C. McGregor /	100.0	5.5953	4.6227
19	14-20-1-25 WPM	Omega	100.0	C.C. McGregor /	100.0	12.3823	7.9249
20	15-20-1-25 WPM	Omega	100.0	C.C. McGregor /	100.0	3.7060	5.3154
21	16-20-1-25 WPM	Omega	100.0	C.C. McGregor /	100.0	0.4892	2.7245
						<u>100.0000</u>	<u>100.0000</u>

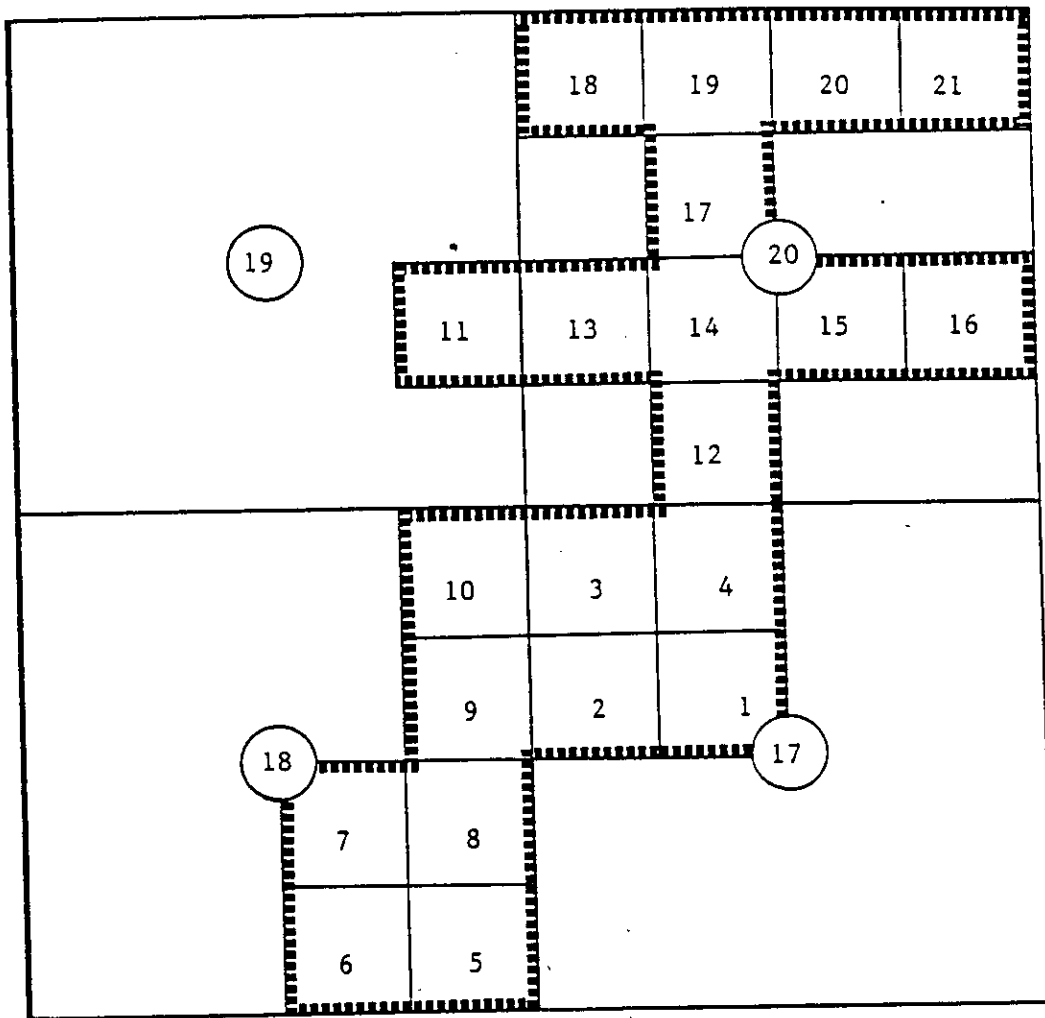
Note: (1) Overriding Royalty Interest convertible at payout.

Effective: As of the
Effective Date

Exhibit "B"

Attached to and made part of an Agreement entitled
"Unit Agreement - Waskada Unit No. 7"

PLAN OF UNIT AREA



TWP 1

RGE 25 WPM

LEGEND

----- Unit Outline

10 Tract Number

20 Section Number

EFFECTIVE:

As of the Effective Date.

SUBMISSION TO CABINET

BY THE

DEPARTMENT OF ENERGY AND MINES

Subject: An agreement to unitize oil development operations in the Waskada oil field.

Background: The Province of Manitoba is the owner of the mines and minerals in the southwest quarter of Section 20, Township 1, Range 25, WPM which is part of the Waskada oil field. Omega Hydrocarbons Ltd. is the holder of a Crown oil and natural gas lease to the subject land. Omega has completed three wells on the property in the Waskada Lower Amaranth A Pool. The three wells are currently producing oil at marginal rates. Omega is planning to develop its waterflood operations in that area of the Pool, but before proceeding, Omega must obtain the agreement of the mineral rights owners affected. As Omega wishes to include the wells in the proposed Waskada Unit No. 7, it has requested the consent of the Minister of Energy and Mines on behalf of the Crown as mineral rights owner. Inclusion of the wells in the proposed Unit enlargement will result in a portion of the total crude oil and natural gas produced from the wells in the Unit being allocated to the Crown wells, and the Crown will receive royalties on the allocated production.

The Mines Act specifically provides for the Minister to enter into unitization agreements on behalf of the Crown with the approval of the Lieutenant Governor in Council.

Communication:

Because of the routine nature of the procedure for Crown consent as a mineral owner to unitization, no communication is required.

Recommendation:

It is recommended that the Minister of Energy and Mines be authorized to enter into the Unitization Agreement for Waskada Unit No. 7 on behalf of the Crown.

Date Typed: July 29, 1986

Original Signed By
VIC SCHROEDER

Vic Schroeder
Minister of Energy and Mines



ON MATTERS OF STATE

To The Honourable the Lieutenant Governor in Council

The undersigned, the ^{ACTING} Minister of Energy and Mines submits for approval of Council a report setting forth that:

WHEREAS

Section 75 of "The Mines Act", being Chapter M160 of the Revised Statutes of Manitoba, provides as follows:

"75(1) Where the Crown is a working interest owner or royalty owner of a tract of land, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into a unitization agreement for the unit operation of the pool or field, or part thereof, within which the tract is situated.

75(2) Notwithstanding any other provision of this Act or of an agreement or other disposition made under this Act, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into an agreement for the calculation of the royalty payable to the Crown on the oil and gas produced from a unit area that includes a tract that is subject to the payment of a royalty to the Crown."

AND WHEREAS Omega Hydrocarbons Ltd. is the holder of Crown Oil and Natural Gas Lease No. L791-001 covering the Southwest quarter of Section 20, in Township 1, Range 25, WPM;

AND WHEREAS Omega Hydrocarbons Ltd. is proposing to unitize its operations in part of the Waskada Lower Amaranth A Pool as Waskada Unit No. 7, which unit includes the tracts described as Legal Subdivisions 3, 5 and 6 of Section 20, in Township 1, Range 25, WPM;

AND WHEREAS Omega Hydrocarbons Ltd. has requested agreement for the proposed unitization from the Crown as the royalty owner of the subject tracts;

AND WHEREAS in order to accomplish the more efficient and economical development and production of the oil and gas resources of the Waskada Lower Amaranth A Pool, it is deemed advisable for the Crown to enter into the said unitization agreement;

THEREFORE, he, the Minister, recommends:

THAT the Minister of Energy and Mines be authorized to enter into the Unit Agreement for Waskada Unit No. 7 in the form hereto annexed and marked as Schedule "A", or any form to the like effect.

Initiating Department/Agency	
Department/Agency	Authorized Officer
<i>[Signature]</i>	
Approved By	
C.S.C.	Finance
Approved as to form by:	
Name	<i>[Signature]</i>
Initials	
Civil Litigation Branch:	<i>[Signature]</i>
or Legislative Counsel:	

Signature ^{ACTING}

IN THE EXECUTIVE COUNCIL CHAMBER, WINNIPEG

Upon consideration of the foregoing report and recommendation Council advises that it be done as recommended.

13 August 1986
Date

[Signature]
President ~~Presiding~~ Member

AT GOVERNMENT HOUSE IN THE CITY OF WINNIPEG

Approved and Ordered this 13th day of August A.D. 1986

[Signature]
Lieutenant Governor



The Oil and Natural Gas
Conservation Board

Room 309
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

(204) 945-3130

OCT 21 1986

Omega Hydrocarbons Ltd.
1300 Sun Life Plaza
112 - 4 Avenue S.W.
Calgary, Alberta
T2P 0H3



Attention: Mr. R. A. Beamish, P. Eng.

Dear Sirs:

Re: Waskada Unit No. 7

Receipt of your letter dated July 7, 1986 and attached royalty owner consents is acknowledged.

The Waskada Unit No. 7 Unit Agreement is hereby approved with an effective date (pursuant to Article XIV of the Unit Agreement) of November 1, 1986. It is understood that Lsd's 7 and 8 of Section 20-1-25 WPM are not being included in the Unit at this time.

Yours sincerely,

ORIGINAL SIGNED BY
CHARLES S. KANG

Charles S. Kang
Chairman

LRD/HCM/lk

b.c. Wm. McDonald
B. Ball
Petroleum



ON MATTERS OF STATE

To The Honourable the Lieutenant Governor in Council

The undersigned, the Minister of ^{ACTING} ~~Energy and Mines~~ submits for approval of Council a report setting forth that:

WHEREAS

Section 75 of "The Mines Act", being Chapter M160 of the Revised Statutes of Manitoba, provides as follows:

"75(1) Where the Crown is a working interest owner or royalty owner of a tract of land, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into a unitization agreement for the unit operation of the pool or field, or part thereof, within which the tract is situated.

75(2) Notwithstanding any other provision of this Act or of an agreement or other disposition made under this Act, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into an agreement for the calculation of the royalty payable to the Crown on the oil and gas produced from a unit area that includes a tract that is subject to the payment of a royalty to the Crown."

AND WHEREAS Omega Hydrocarbons Ltd. is the holder of Crown Oil and Natural Gas Lease No. L791-001 covering the Southwest quarter of Section 20, in Township 1, Range 25, WPM;

AND WHEREAS Omega Hydrocarbons Ltd. is proposing to unitize its operations in part of the Waskada Lower Amaranth A Pool as Waskada Unit No. 7, which unit includes the tracts described as Legal Subdivisions 3, 5 and 6 of Section 20, in Township 1, Range 25, WPM;

AND WHEREAS Omega Hydrocarbons Ltd. has requested agreement for the proposed unitization from the Crown as the royalty owner of the subject tracts;

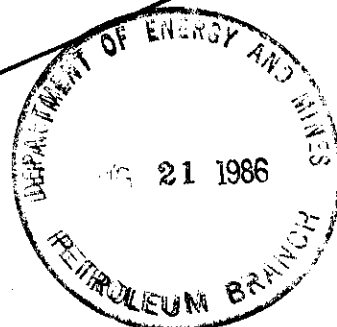
AND WHEREAS in order to accomplish the more efficient and economical development and production of the oil and gas resources of the Waskada Lower Amaranth A Pool, it is deemed advisable for the Crown to enter into the said unitization agreement;

THEREFORE, he, the Minister, recommends:

THAT the Minister of Energy and Mines be authorized to enter into the Unit Agreement for Waskada Unit No. 7 in the form hereto annexed and marked as Schedule "A", or any form to the like effect.

Initiating Department/Agency	
Department/Agency	Authorized Officer
<i>[Signature]</i>	
Approved By	
C.S.C.	Finance
Approved as to form by:	
Name	<i>[Signature]</i>
Civil Litigation Branch:	Initials
Legislative Counsel:	<i>[Signature]</i>

Signature **ACTING**



IN THE EXECUTIVE COUNCIL CHAMBER, WINNIPEG

Upon consideration of the foregoing report and recommendation Council advises that it be done as recommended.

13 August 1986
Date

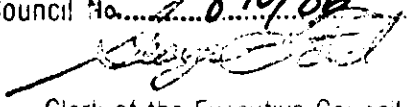
[Signature]
President and Presiding Member

AT GOVERNMENT HOUSE IN THE CITY OF WINNIPEG

Approved and Ordered this 13th day of August A.D. 1986

[Signature]
Lieutenant Governor

This is the Schedule "A" referred to in
Order in Council No. 890/82


Clerk of the Executive Council

SCHEDULE A

UNIT AGREEMENT

WASKADA UNIT NO. 7

SUBMISSION TO CABINET

BY THE

DEPARTMENT OF ENERGY AND MINES

Subject: An agreement to unitize oil development operations in the Waskada oil field.

Background: The Province of Manitoba is the owner of the mines and minerals in the southwest quarter of Section 20, Township 1, Range 25, WPM which is part of the Waskada oil field. Omega Hydrocarbons Ltd. is the holder of a Crown oil and natural gas lease to the subject land. Omega has completed three wells on the property in the Waskada Lower Amaranth A Pool. The three wells are currently producing oil at marginal rates. Omega is planning to develop its waterflood operations in that area of the Pool, but before proceeding, Omega must obtain the agreement of the mineral rights owners affected. As Omega wishes to include the wells in the proposed Waskada Unit No. 7, it has requested the consent of the Minister of Energy and Mines on behalf of the Crown as mineral rights owner. Inclusion of the wells in the proposed Unit enlargement will result in a portion of the total crude oil and natural gas produced from the wells in the Unit being allocated to the Crown wells, and the Crown will receive royalties on the allocated production.

The Mines Act specifically provides for the Minister to enter into unitization agreements on behalf of the Crown with the approval of the Lieutenant Governor in Council.

Communication:

Because of the routine nature of the procedure for Crown consent as a mineral owner to unitization, no communication is required.

Recommendation:

It is recommended that the Minister of Energy and Mines be authorized to enter into the Unitization Agreement for Waskada Unit No. 7 on behalf of the Crown.

Date Typed: July 29, 1986

Original Signed By:
VIC SCHROEDER

Vic Schroeder
Minister of Energy and Mines



MANITOBA

Order in Council

ON MATTERS OF STATE

No.

To The Honourable the Lieutenant Governor in Council

The undersigned, the Minister of**Energy and Mines**.....
submits for approval of Council a report setting forth that:

WHEREAS

Section 75 of "The Mines Act", being Chapter M160 of the Revised Statutes of Manitoba, provides as follows:

"75(1) Where the Crown is a working interest owner or royalty owner of a tract of land, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into a unitization agreement for the unit operation of the pool or field, or part thereof, within which the tract is situated.

75(2) Notwithstanding any other provision of this Act or of an agreement or other disposition made under this Act, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into an agreement for the calculation of the royalty payable to the Crown on the oil and gas produced from a unit area that includes a tract that is subject to the payment of a royalty to the Crown."

AND WHEREAS Omega Hydrocarbons Ltd. is the holder of Crown Oil and Natural Gas Lease No. L791-001 covering the Southwest quarter of Section 20, in Township 1, Range 25, WPM;


AND WHEREAS Omega Hydrocarbons Ltd. is proposing to unitize its operations in part of the Waskada Lower Amaranth A Pool as Waskada Unit No. 7, which unit includes the tracts described as Legal Subdivisions 3, 5 and 6 of Section 20, in Township 1, Range 25, WPM;

AND WHEREAS Omega Hydrocarbons Ltd. has requested agreement for the proposed unitization from the Crown as the royalty owner of the subject tracts;

AND WHEREAS in order to accomplish the more efficient and economical development and production of the oil and gas resources of the Waskada Lower Amaranth A Pool, it is deemed advisable for the Crown to enter into the said unitization agreement;

THEREFORE, he, the Minister, recommends:

THAT the Minister of Energy and Mines be authorized to enter into the Unit Agreement for Waskada Unit No. 7 in the form hereto annexed and marked as Schedule "A", or any form to the like effect.

Initiating Department/Agency	
Department/Agency	Authorized Officer
	
Approved By	Finance
C.B.C.	
Approved as to form by:	
Name	Initials
Civil Litigation Branch: or Legislative Counsel:	

Signature

IN THE EXECUTIVE COUNCIL CHAMBER, WINNIPEG

Upon consideration of the foregoing report and recommendation Council advises that it be done as recommended.

.....
Date

.....
President or Presiding Member

AT GOVERNMENT HOUSE IN THE CITY OF WINNIPEG

Approved and Ordered this day of..... A.D.....

.....
Lieutenant Governor

August 25, 1986

Omega Hydrocarbons Ltd.
1300, 112 - 4th Avenue S.W.
CALGARY, Alberta
T2P 0H3

Attention: R.A. Beamish, P. Eng.
Joint Interest Coordinator

Dear Sir:

Re: Waskada Unit No. 7

Enclosed is one copy of the Unit Agreement for Waskada Unit No. 7 which has been executed by the Minister of Energy and Mines on behalf of the Crown as royalty owner.

Please note that prior to the Unit becoming effective, the Unit Agreement must be approved by The Oil and Natural Gas Conservation Board. Final approval will be granted once all the required consents to the Unit Agreement are obtained by the Board.

Yours sincerely,

[Signature]
L. R. Dubreuil

L.R. Dubreuil
Chief Petroleum Engineer
Petroleum Branch

LRD:dah

encl



Date: AUGUST 21, 1986

To: CLARE MOSTER

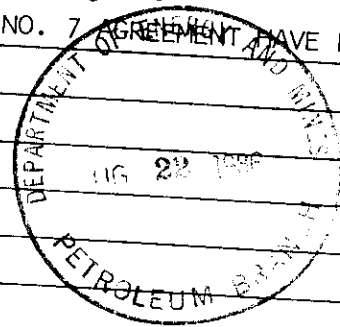
Action / Route Slip

From: Office of the ~~Min. Wilson~~ ~~Parasik~~
Minister of Energy and Mines
Room 301
Legislative Building
Winnipeg, Manitoba
R3C 0V8

- | | | | | |
|---|---|--|---|--|
| <input type="checkbox"/> Take Action | <input type="checkbox"/> Per Your Request | <input type="checkbox"/> Circulate, Initial and Return | <input type="checkbox"/> For Approval and Signature | <input type="checkbox"/> Make _____ Copies |
| <input type="checkbox"/> May We Discuss | <input type="checkbox"/> For Your Information | <input type="checkbox"/> Return With Comments or Revisions | <input type="checkbox"/> Draft Reply for Signature | <input type="checkbox"/> Please File |

Comments THE ATTACHED TWO COPIES OF THE WASKADA UNIT NO. 7 AGREEMENT HAVE BEEN
SIGNED BY MR. SCHROEDER.

ROSALIE





Memorandum

Date July 28, 1986

To Charles S. Kang
Deputy Minister of Energy & Mines
309 Legislative Building

From H. Clare Moster
Executive Director
Petroleum Branch

Telephone

Subject Proposed Waskada Unit No. 7

Omega Hydrocarbons Ltd. is proposing to form a new Lower Amaranth Unit, Waskada Unit No. 7. The Unit will include 21 tracts. This proposed Unit involves 3 tracts (Lsd's) for which the Crown is the royalty interest owner (i.e. - mineral rights owner). Section 74 of The Mines Act states that before a Unitization Agreement may be put into effect, it must be approved by The Oil and Natural Gas Conservation Board. It further states that the Board shall not approve an agreement unless the royalty owners have agreed to the Unit operation. Therefore, Omega has submitted two copies of the proposed Unit Agreement for the Waskada Unit No. 7 for approval (execution) by the Minister, on behalf of the Crown, as an affected royalty owner.

Section 75 of The Mines Act states that the Minister, with the authorization of the Lieutenant Governor in Council, may enter such agreements on behalf of the Crown as a royalty owner.

Recommendation:

It is recommended that the Minister:

1. Request authorization from Cabinet to permit him to enter into the Waskada Unit No. 7 Unitization Agreement on behalf of the Crown (draft OIC attached) with respect to Lsd's 3, 5 and 6 of Section 20-1-25 (WPM).
2. Execute the attached two copies of the Unit Agreement for the Waskada Unit No. 7 as a royalty owner.

Discussion:

The 3 tracts in the proposed Waskada Unit No. 7 which contain Crown-owned mineral rights are Lsd's 3, 5 and 6 of Section 20-1-25 (WPM). These tracts are held under Crown Oil and Natural Gas Lease No. L791-001 covering the southwest quarter of Section 20 by Omega Hydrocarbons Ltd. Omega has drilled 3 wells (in Lsd's 3, 5 and 6) on these lands. Currently, all three of these wells are producing from the Waskada Lower Amaranth A Pool. Two of these wells (3-20 and 5-20) produce at a combined rate of approximately 30 m³ per month or 0.50 m³ per day per well at a low water-oil ratio of 0.21 m³ per m³. At such rates, both wells are, at best, marginally economic. The well 6-20-1-25 has not produced over a period of time long enough to establish an average monthly production rate.

With proposed unitization and planned pressure maintenance operations in the area, it is likely that the productivity of these wells will be enhanced in the future. On this basis, inclusion of these tracts in the Unit is recommended.

By inclusion of these tracts in the Unit, the Crown will receive royalties based on allocated Unit production. The Branch has reviewed the Tract Participation Factors proposed for the tracts and feels they are reasonable.

Original signed by H. C. Moster

H. Clare Moster

MA/lk

Waskada Unit No. 7 - Tract Factors (Øt calculations) - M. Arbez / July 25/86

Location	GR _{CL}	GR _{SH}	"X" % for 50% V _{SH} (=0.7=X, X = $\frac{GR-GR_{CL}}{GR_{SH}-GR_{CL}}$) - Olivier	Øt (m)
11-17	3.2	6.0	4.8	.58
12-17	3.0	6.0	4.5	.68
13-17	3.4	6.3	4.9	.83
14-17	4.5	7.2	5.9	.57
1-18	2.8	5.9	4.4	.52
2-18	3.0	6.0	4.5	.45
7-18	3.0	6.6	4.8	.51
8-18	2.6	6.1	4.4	.39
9-18	2.6	6.1	4.4	.55
16-18	4.5	6.4	5.5	1.57
8-19	3.5	6.0	5.3	.82
3-20	3.7	6.5	5.1	.82
5-20	3.9	6.7	5.3	.48
6-20	3.2	6.3	4.8	.69
7-20	4.0	7.0	5.5	.85
8-20	3.5	6.0	4.8	.76
11-20	5.0	8.0	6.5	.72
13-20	3.7	6.4	5.1	.82
14-20	3.7	6.2	5.0	.74
15-20	3.6	6.2	4.9	.83
16-20	3.0	6.0	4.5	1.05

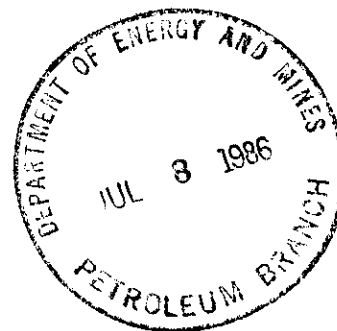
Location	ϕt <u>Abez</u>	ϕh <u>Omega</u>	Unit No. 7. $\frac{\phi t}{\phi h}$	Interim tract factor - Omega	$\frac{\phi t}{I.T.F.}$	Final tract factor - Omega	$\frac{\phi t}{F.T.F.}$
1-17	.58	1.09	.53	3.55	.16	5.97	.11
12-17	.68	1.09	.62	1.70	.40	4.55	.15
13-17	.83	0.95	.87	1.59	.52	3.08	.27
14-17	.57	1.01	.56	3.43	.17	4.95	.12
1-18	.52	1.43	.36	0.46	1.13	4.23	.12
2-18	.45	0.63	.71	1.27	.35	2.11	.21
7-18	.51	0.93	.55	1.21	.42	3.12	.16
8-18	.39	1.42	.27	1.60	.24	3.99	.10
9-18	.55	1.47	.37	0.82	.67	3.76	.15
16-18	.57	0.79	.72	4.21	.14	3.24	.18
8-19	.82	1.01	.81	3.38	.24	3.95	.21
Prov. 3-20	.82	0.72	1.14	2.46	.33	3.04	.27
Prov. 5-20	.48	1.08	.44	4.04	.12	4.28	.11
Prov. 6-20	.69	1.54	.45	19.28	.04	10.42	.07
7-20	.85	0.97	.88	14.77	.06	7.46	.11
8-20	.76	1.39	.55	6.95	.11	6.09	.12
11-20	.72	1.04	.69	7.11	.10	5.65	.13
13-20	.82	1.22	.67	5.60	.15	4.62	.18
14-20	.74	1.39	.55	12.38	.06	7.92	.09
15-20	.83	1.49	.56	3.71	.22	5.32	.16
16-20	1.05	0.85	1.24	0.49	.214	2.72	.39
			Average = 0.64	Average = 0.37		Average = 0.16	



HYDROCARBONS LTD

1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

July 7, 1986



Royalty Interest Owners
Proposed Waskada Unit No. 7
(addressee list attached)

Gentlemen:

Re: Proposed Waskada Unit No. 7

Encouraging results from waterflooding have been obtained in other parts of the Lower Amaranth (Spearfish) oil pool. It is therefore proposed that a new unit be formed and waterflooding be instituted in an area in which you have a royalty interest. Exhibit "B" of the enclosed Unit Agreement shows the area of the new Unit No. 7. Some wells have been excluded at this time as each requires a work-over to obtain satisfactory performance prior to inclusion, which can be done later via an enlargement of the unit.

In order to expand the waterflood to this area of the Pool we must form the unit and receive written approval of all parties affected. This is done by having all Royalty Interest Owners in the proposed unit approve by signing a Unit Agreement, and then applying to Manitoba Oil and Natural Gas Conservation Board for approval of the unit and for technical approval of the waterflood plan.

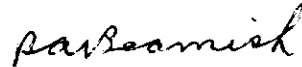
Please signify your approval by signing the enclosed two copies of the Unit Agreement on page 21. If the royalty is held by an individual you should sign before an appropriate witness (Commissioner for Oaths, etc. Shirley Wells of our Waskada staff can serve in this capacity if desired.). If the royalty is held by a corporation the appropriate officer(s) should sign, date, and affix the seal. One copy of the signed Unit Agreement is to be returned to Omega as soon as possible, and the other copy is for your file. If you live in the Waskada area, please drop the copy at our office there, otherwise please mail it to our Calgary office.

We expect to realize long term benefits for all parties through waterflooding by increasing the ultimate oil recovery. As a Royalty Interest Owner in the Unit you share directly in these benefits. Unitization is required for a pressure maintenance project such as waterflooding so that the owner of any tract whose well is converted to water injection is properly compensated for the subsequent lack of oil production from such injection which contributes to the increased recovery from the surrounding producers.

If you have any questions regarding this matter, please call me collect at (403) 261-0743. An impartial third party opinion may be obtained by contacting Mr. Bob Dubreuil of the Manitoba Petroleum Branch at (204) 945-6574.

Yours truly,

OMEGA HYDROCARBONS LTD.

A handwritten signature in cursive script, appearing to read "R.A. Beamish".

R.A. Beamish, P. Eng.
Joint Interest Coordinator

RAB:vb

Encl.

c.c. Proposed Waskada Unit No. 7 File

**WASKADA UNIT NO. 7
ROYALTY INTEREST OWNERS
ADDRESSEE LIST**

Millbridge Oil Ltd.
P.O. Box 125
Waskada, Manitoba
ROM 2E0

Howard Glover Lee
Waskada, Manitoba
ROM 2E0

Jacob Symons Brown
1901, 360 Cumberland Ave.
Winnipeg, Manitoba
R3B 1T4

Wollan Oils Ltd.
122 Broadway North
Deloraine, Manitoba
ROM 0M0

Manitoba Dept. of Energy & Mines
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Waskada Plains Enterprises Ltd.
Waskada, Manitoba
ROM 2E0

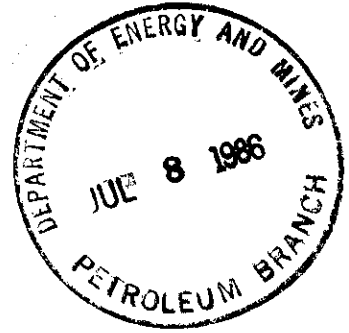
Charles Carlton McGregor
5 Kasuirak Bay
Brandon, Manitoba
R7A 6H8

Canada Trust Company
230 Portage Avenue
Winnipeg, Manitoba
R3C 2S6



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

July 3, 1986



Manitoba Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Attention: Mr. Bob Dubreuil

Dear Sir:

Re: Proposed Waskada Unit No. 7

Unit documents for the captioned unit are in final preparation to be sent to each owner for execution.

As previously requested we are forwarding to you a copy of the Tract Participation calculations. As there is a wide variation in the current producing rates between wells an interim participation will be in effect for one year. Following that period a final Tract Participation will be employed based on a balance between reserves, initial rate and current rate.

There are currently several wells which are excluded from the proposed unit as they either require a work-over to improve performance or are subject to a farm-out agreement with Hudson's Bay - Dome, which is currently being re-negotiated.

Yours truly,

OMEGA HYDROCARBONS LTD.

R.A. Beamish, P. Eng.
Joint Interest Coordinator

RAB:vb

Encl.

c.c. Proposed Waskada Unit No. 7 File

INTERIM PARTICIPATION

UNIT 7 TRACT PARTICIPATION - BASIC DATA

03-Jun-86

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		PRODUCTION PERIOD # 1										PRODUCTION PERIOD # 2									
TRACT	LAND	DESCR(PTION	OMEGA	AREA	REC.	SW	Boi	PHI	h	B6-04-30	LAST 4 MONTHS PRODUCTION										
			WORKING		FACT.					CUM. OIL											
			INT. (X)	(Ha)	(frac)	(frac)		(m)		(m ³)	HRS	OIL	WATER	HRS	OIL	WATER					
1	11-17-1-25		50.00000	16	0.25	0.40	1.17	1.09		2160.6	2879	112.7	110.8								
2	12-17-1-25		50.00000	16	0.25	0.40	1.17	1.09		1907.0	2879	53.8	169.1								
3	13-17-1-25		50.00000	16	0.25	0.40	1.17	0.95		538.9	2879	25.5	36.3								
4	14-17-1-25		50.00000	16	0.25	0.40	1.17	1.01		2636.4	2825	97.4	76.9								
5	1-18-1-25		100.00000	16	0.25	0.40	1.17	1.43		741.7	2321	12.3	190.7								
6	2-18-1-25		100.00000	16	0.25	0.40	1.17	0.63		268.8	2807	30.7	95.0								
7	7-18-1-25		100.00000	16	0.25	0.40	1.17	0.93		491.2	2879	36.0	153.9								
8	8-13-1-25		100.00000	16	0.25	0.40	1.17	1.42		684.2	2879	51.8	161.1								
9	9-18-1-25		100.00000	16	0.25	0.40	1.17	1.47		297.1	2879	16.5	71.0								
10	16-18-1-25		100.00000	16	0.25	0.40	1.17	0.79		311.1	2641	154.6	303.3								
11	8-19-1-25		100.00000	16	0.25	0.40	1.17	1.01		284.7	2880	93.1	66.9								
12	3-20-1-25		100.00000	16	0.25	0.40	1.17	0.72		486.2	2806	39.4	23.4								
13	5-20-1-25		100.00000	16	0.25	0.40	1.17	1.08		190.1	2880	82.6	7.6								
14	6-20-1-25		100.00000	16	0.25	0.40	1.17	1.54		153.3	477	148.2	83.5								
15	7-20-1-25		100.00000	16	0.25	0.40	1.17	0.97		1263.1	2708	634.7	478.9								
16	8-20-1-25		100.00000	16	0.25	0.40	1.17	1.39		605.3	2880	226.9	14.4								
17	11-20-1-25		100.00000	16	0.25	0.40	1.17	1.04		2397.4	2755	230.8	26.7								
18	13-20-1-25		100.00000	16	0.25	0.40	1.17	1.22		1518.1	2879	211.1	175.6								
19	14-20-1-25		100.00000	16	0.25	0.40	1.17	1.34		4032.4	2879	605.0	2669.9								
20	15-20-1-25		100.00000	16	0.25	0.40	1.17	1.49		1944.2	2879	118.8	110.7								
21	16-20-1-25		100.00000	16	0.25	0.40	1.17	0.85		372.5	2879	16.1	230.7								
TOTALS:												56770	2998.0	5279.4	0	0.0	0.0	0.0	0.0	0.0	0.0

UNIT NO. 7 WORKING INTEREST OWNERSHIP BREAKDOWN

WORKING INTEREST OWNERS, THEIR SHARES IN EACH TRACT, AND THE RESULTING TOTAL WORKING INTERESTS											
TRACT	TRACT	1	2	3	4	5	6	7	8	9	10
OWNER	FACTOR	CHEVRON									
		OWB									
		W.M.I.	W.M.I.	W.M.I.	W.M.I.	W.M.I.	W.M.I.	W.M.I.	W.M.I.	W.M.I.	W.M.I.
1	3.5507	50.0000	1.7754	50.0000	1.7753	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2	1.8928	50.0000	0.8934	50.0000	0.8934	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3	1.5937	50.0000	0.7949	50.0000	0.7949	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4	3.4310	50.0000	1.7155	50.0000	1.7155	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5	0.4605	1100.0000	0.4605	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6	1.2657	1100.0000	1.2657	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7	1.2096	1100.0000	1.2096	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
8	1.5998	1100.0000	1.5998	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
9	0.8236	1100.0000	0.8236	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
10	4.2070	1100.0000	4.2070	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
11	3.3701	1100.0000	3.3701	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12	2.4559	1100.0000	2.4559	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
13	4.0479	1100.0000	4.0479	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
14	19.2776	1100.0000	19.2776	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
15	14.7741	1100.0000	14.7741	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
16	6.9486	1100.0000	6.9486	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
17	7.1146	1100.0000	7.1146	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
18	5.5753	1100.0000	5.5753	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	12.3823	1100.0000	12.3823	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	3.7040	1100.0000	3.7040	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
21	0.4852	1100.0000	0.4852	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
TOTAL		1100.0000	94.8549	5.1366	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

FINAL PARTICIPATION

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UNIT 7 TRACT PARTICIPATION - BASIC DATA

30-Jun-86

		PRODUCTION PERIOD # 1										PRODUCTION PERIOD # 2									
TRACT	LAND	AREA	REC.	SW	Boi	PH1th	04-86	04-86	04-86	04-86	04-86	LAST 4 MONTHS	04-86	04-86	04-86	04-86	04-86	04-86	04-86	04-86	04-86
	DESCRIPTION	INT. (1)	INT. (2)	INT. (3)	INT. (4)	INT. (5)	INT. (6)	INT. (7)	INT. (8)	INT. (9)	INT. (10)	INT. (11)	INT. (12)	INT. (13)	INT. (14)	INT. (15)	INT. (16)	INT. (17)	INT. (18)	INT. (19)	INT. (20)
1	11-17-1-25	50.00000	16	0.25	0.40	1.17	1.09	2160.6	2879	112.7	110.8	2297	804.6	347.2							
2	12-17-1-25	50.00000	16	0.25	0.40	1.17	1.09	1907.0	2879	53.8	169.1	2704	820.8	567.9							
3	13-17-1-25	50.00000	16	0.25	0.40	1.17	0.95	538.9	2879	25.5	36.3	2663	185.8	155.8							
4	14-17-1-25	50.00000	16	0.25	0.40	1.17	1.01	2636.4	2875	97.4	76.9	2598	810.6	608.4							
5	1-18-1-25	100.00000	16	0.25	0.40	1.17	1.43	741.7	2321	12.3	190.7	2505	529.7	615.4							
6	2-18-1-25	100.00000	16	0.25	0.40	1.17	0.63	268.8	2807	30.7	95.0	2914	147.4	271.6							
7	7-18-1-25	100.00000	16	0.25	0.40	1.17	0.93	491.2	2879	36.0	153.9	2835	347.9	367.6							
8	8-18-1-25	100.00000	16	0.25	0.40	1.17	1.42	684.2	2879	51.8	184.1	2565	271.2	290.2							
9	9-18-1-25	100.00000	16	0.25	0.40	1.17	1.47	297.1	2879	16.5	71.0	2594	175.0	127.8							
10	16-18-1-25	100.00000	16	0.25	0.40	1.17	0.79	311.1	2841	154.6	303.3	2641	154.6	303.3							
11	8-19-1-25	100.00000	16	0.25	0.40	1.17	1.01	284.7	2880	93.1	66.9	2213	191.6	87.5							
12	3-20-1-25	100.00000	16	0.25	0.40	1.17	0.72	486.2	2806	39.4	23.4	1699	173.1	251.9							
13	5-20-1-25	100.00000	16	0.25	0.40	1.17	1.08	190.1	2880	82.6	7.6	2746	107.5	12.9							
14	6-20-1-25	100.00000	16	0.25	0.40	1.17	1.54	153.3	477	148.2	83.5	477	148.2	83.5							
15	7-20-1-25	100.00000	16	0.25	0.40	1.17	0.97	1263.1	2708	634.7	478.9	2430	527.9	450.4							
16	8-20-1-25	100.00000	16	0.25	0.40	1.17	1.39	605.3	2880	226.9	14.4	2539	314.1	26.5							
17	11-20-1-25	100.00000	16	0.25	0.40	1.17	1.04	2397.4	2755	230.8	26.7	2595	465.4	49.3							
18	13-20-1-25	100.00000	16	0.25	0.40	1.17	1.22	1518.1	2879	211.1	175.6	2888	237.9	239.9							
19	14-20-1-25	100.00000	16	0.25	0.40	1.17	1.34	4032.4	2879	605.0	2669.9	2889	1099.6	1677.2							
20	15-20-1-25	100.00000	16	0.25	0.40	1.17	1.49	1944.2	2879	118.8	110.7	2636	502.3	249.9							
21	16-20-1-25	100.00000	16	0.25	0.40	1.17	0.85	372.5	2879	16.1	230.7	2259	296.0	445.0							
		TOTALS: 56770 2998.0 5279.4 51687 8311.2 7229.2 0.0 0.0																			

PAGE 1

UNIT NO. 7 WORKING INTEREST OWNERSHIP BREAKDOWN

30-Jun-86

WORKING INTEREST OWNERS, THEIR SHARES IN EACH TRACT, AND THE RESULTING TOTAL WORKING INTERESTS											
TRACT NUMBER	TRACT FACTOR	1	2	3	4	5	6	7	8	9	10
		OMEGA	CHEVRON								
		I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.
1	5.4740	50.0000	2.7370	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2	4.5522	50.0000	2.2761	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3	3.0756	50.0000	1.5378	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4	4.9525	50.0000	2.4763	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5	4.2345	1100.0000	4.2345	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6	2.1101	1100.0000	2.1101	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7	3.1179	1100.0000	3.1179	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
8	3.9934	1100.0000	3.9934	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
9	3.7582	1100.0000	3.7582	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
10	3.2438	1100.0000	3.2438	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
11	3.9528	1100.0000	3.9528	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12	3.0445	1100.0000	3.0445	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
13	4.2847	1100.0000	4.2847	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
14	10.4193	1100.0000	10.4193	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
15	7.4594	1100.0000	7.4594	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
16	6.0944	1100.0000	6.0944	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
17	5.6452	1100.0000	5.6452	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
18	4.6227	1100.0000	4.6227	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	7.9249	1100.0000	7.9249	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	5.3154	1100.0000	5.3154	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
21	2.7245	1100.0000	2.7245	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1100.0000		90.9729	9.0271	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000