

This is the Schedule "A" referred to in
Order-in-Council No. 983/62

Dorothy Badson
Clerk of the Executive Council

PLAN FOR UNIT OPERATION
GOVERNING THE UNITIZED MANAGEMENT
OPERATION AND FURTHER DEVELOPMENT OF
NORTH VIRDEN SCALLION UNIT No. 1

MAY 1, 1962

No. 303/62

DEPARTMENT OF MINES
& NATURAL RESOURCES

JUL 23 1962

Memorandum of an order of the Lieutenant-Governor-in-Council
approved and ordered by His Honour the Lieutenant-Governor on

JUL 18 1962

The Honourable the Minister of Mines and Natural Resources
having submitted to Council a report setting forth that:

WHEREAS, Section 73 of "The Mines Act", Statutes of Manitoba,
1959, Chapter 38, provides as follows:

"73. (1) The board, upon its own motion, may, or, upon the application of a working interest owner of a tract that exceeds a spacing unit in area, and that is within the pool, field, or part thereof, shall hold a hearing to consider the advisability or necessity for the operation of a pool, field, or part thereof, as a unit.

(2) A working interest owner applying to the board under subsection (1) shall apply in writing and shall submit to the board a proposed plan of unit operation of the proposed unit area containing the terms and conditions that the applicant desires to be included in the order, together with such number of copies of the plan and such other information as the board may require.

(3) If the board is of the opinion that the operation of the pool, field, or part thereof, as a unit would prevent waste therein having regard

(a) to the production and recovery of oil and gas;

(b) to the gathering and processing of gas;

(c) to the disposal of salt water produced;

(d) to the rights of each owner to a reasonable opportunity of recovering or receiving the oil and gas in which he has an interest or the equivalent thereof without being required to drill unnecessary wells or to incur other unnecessary expenses therefore; and

(e) to any other circumstance pertaining to the drilling for or production of oil and gas;

the board may, with the approval of the Lieutenant-Governor-in-Council, order that the pool, field, or part thereof, be operated as a unit."

AND WHEREAS, Section 74 of "The Mines Act", Statutes of Manitoba, 1959, Chapter 38, provides as follows:

"74. The board shall not make an order under subsection (3) of section 73 unless

(a) the working interest owners of over seventy-five per centum of the area of the proposed unit area have agreed in writing to the proposed plan of unit operation, or, if one working interest owner is the working interest owner of seventy-five per centum or more, but less than one hundred per centum,

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of the area of the proposed unit area, that working interest owner and at least one other working interest owner of a tract in the proposed unit area, have agreed in writing to the proposed plan of unit operation; and

(b) the royalty owners having seventy-five per centum of the royalty interests of the head lessors in the oil and gas produced from the unit area have agreed in writing to the proposed plan of unit operation, or, if one royalty owner has seventy-five per centum or more of the royalty interests of the head lessors in the oil and gas produced from the unit area but does not have all such royalty interests, that royalty owner and at least one other royalty owner having such royalty interests, have agreed in writing to the proposed plan of unit operation.";

AND WHEREAS, The Oil and Natural Gas Conservation Board received an application from The California Standard Company, on behalf of itself and other working interest owners in the North Virden Scallion Field in Manitoba, requesting the Board to hold a hearing to consider the advisability or necessity for the operation of a certain part of the North Virden Scallion Field in Manitoba as a unit and to consider a proposed plan of unit operation of the proposed unit area;

AND WHEREAS, the Board, pursuant to Section 73 of "The Mines Act", held public hearings on April 18, 1962, and July 13, 1962, for the purpose of considering a Plan for Unit Operation Governing the Unitized Management Operation and Further Development of North Virden Scallion Unit No. 1;

AND WHEREAS, upon due consideration of the submissions and testimony at the hearings, the Board has found:

(a) that the operation of a certain part of the North Virden Scallion Field in Manitoba as more particularly delineated in the copy of the plan attached, hereto, and marked with the letter "A", as a unit, is reasonably necessary to prevent waste, and to increase substantially the recovery of oil;

(b) that the value of the estimated additional recovery of oil and gas resulting from such operation will exceed the estimated additional cost incidental to the conduct of such operation;

(c) that such operation will result in general advantage to the owners of oil and gas rights within the proposed unit area;

(d) that the provisions of Section 74 of "The Mines Act" have been complied with;

AND WHEREAS, the Board is prepared to order, subject to the approval of the Lieutenant-Governor-in-Council, that the said pool, field, or part thereof, be operated as a unit.

THAT the Lieutenant-Governor-in-Council hereby approves the Board ordering, effective on and after August 1, 1962, the operation of a certain part of the North Virden Sealion Field in Manitoba as a unit, in accordance with the attached plan for Unit Operation Governing the Unitized Management Operation and Further Development of North Virden Sealion Unit No. 1, dated May 1, 1962, the said unit to be known as "North Virden Sealion Unit No. 1".

And, upon consideration of the said report and recommendation on the 18th day of July A.D. 19 62 (the Hon. Mr. Roblin in the Chair), Council having advised that it be done as recommended by the Honourable the Minister of Mines and Natural Resources His Honour the Lieutenant-Governor-in-Council was pleased to approve the said report and recommendation and to order that it be done accordingly.

Certified correct

CERTIFIED to be a true copy
of a document signed by

DEREK BEDSON

Clerk of the Executive Council

This memorandum is furnished

on

JUL 20 1962

PLAN FOR UNIT OPERATION
GOVERNING THE UNITIZED MANAGEMENT
OPERATION AND FURTHER DEVELOPMENT OF
NORTH VIRDEN SCALLION UNIT NO. 1

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PLAN FOR UNIT OPERATION
GOVERNING THE UNITIZED MANAGEMENT
OPERATION AND FURTHER DEVELOPMENT OF
NORTH VIRDEN SCALLION UNIT NO. 1

PART I

INTERPRETATION

- | | |
|---|--|
| References to Terms and Expressions | 1.01 This Plan shall be construed with reference to The Interpretation Act and the terms and interpretation of The Mines Act and regulations thereunder. |
| Definitions | 1.02 In this Plan unless the context otherwise requires: |
| "Accounting Procedure" | (a) "Accounting Procedure" means the rules, provisions and conditions set forth in Part XXVI hereof; |
| "Common Account" | (b) "Common Account" means the account set up on behalf of the Working Interest Owners under Part VIII hereof. |
| "Conservation Board" | (c) "Conservation Board" or "Board" means The Oil and Natural Gas Conservation Board; |
| "Effective Date" | (d) "Effective Date" means the hour of seven o'clock in the forenoon, Central Standard Time, on the first day of _____ A.D., 19____. |
| "Gas" | (e) "Gas" means natural gas both before and after it has been subjected to any processing and includes all fluid hydrocarbons not defined as Oil. |
| "Investment Account" | (f) "Investment Account" means the account set up and maintained by Unit Operator on behalf of the Working Interest Owners as provided in Part X hereof; |
| "Leases" | (g) "Leases" means severally and collectively the petroleum |

and natural gas leases, petroleum leases, natural gas leases, subleases, agreements to grant a lease and any other agreements whether similar or dissimilar to the foregoing covering the lands described in Part XXII hereof;

- "Oil" (h) "Oil" means crude oil and all other hydrocarbons regardless of gravity, that are or can be recovered in liquid form from a pool through a well by ordinary production methods;
- "Operating Committee" (i) "Operating Committee" means the committee created pursuant to Part V hereof;
- "Outside Substances" (j) "Outside Substances" means all substances obtained from any sources other than the Unitized Strata for injection into the Unitized Strata;
- "Participating Interest" (k) "Participating Interest" means with respect to each Working Interest Owner the sum of the products obtained by multiplying its respective working interest in each Tract by the respective Tract Participation of each such Tract;
- "Royalty Owner" (l) "Royalty Owner" means a person, other than a Working Interest Owner, who has any interest in a right to receive a portion of the Unitized Substances or a portion of the proceeds from the sale thereof, including a reversionary interest, a royalty interest reserved to the lessors named in any Lease, and any overriding royalty interest, or an interest in a payment under, or encumbrance on, a Lease that does not carry with it

the right to search for or produce the Unitized Substances;

"Salt Water Disposal Well"

(m) "Salt Water Disposal Well" means those wells drilled for the purpose of, or converted to, salt water disposal;

"Spacing Unit"

(n) "Spacing Unit" means the area allocated by any governmental body having jurisdiction with respect thereto for each well drilled for the purpose of producing Oil and Gas from the Unitized Strata;

"Tract"

(o) "Tract" means the parcels of land described as such and given a Tract number in Part XXII hereof;

"Tract Participation"

(p) "Tract Participation" means the percentage set forth for each Tract in Part XXIV hereof;

"Unit Area"

(q) "Unit Area" means and comprises the lands set forth and described in Part XXII hereof and included within the boundaries of the solid black outline on the map shown in Part XXIII hereof, insofar as these lands relate to the Unitized Strata, excepting, however, those lands, if any shown cross-hatched in Part XXIII hereof;

"Unit Facilities" (r)

"Unit Facilities" means all tangible property of every kind, nature and description (excepting Unitized Substances, Unit Operated Wells, rental equipment and Unit Operator's exclusively owned equipment) in the possession of Unit Operator hereunder acquired from a Working Interest Owner pursuant to the provisions of

Part X hereof, together with all facilities and equipment purchased, constructed or acquired by Unit Operator pursuant hereto;

- "Unit Operated Wells" (s) "Unit Operated Wells" means all wells (including wells drilled for the production of Unitized Substances, wells drilled for the purpose of producing water only, wells drilled for the purpose of water disposal and wells drilled for the purpose of pressure maintenance operations or secondary recovery operations) in the possession of Unit Operator hereunder, whether acquired from a Working Interest Owner or drilled by Unit Operator pursuant to the terms hereof, but excluding Unit Facilities in and on the said Wells;
- "Unit Operator" (t) "Unit Operator" means the person appointed to manage and conduct the operations hereunder who shall be a Working Interest Owner unless the Operating Committee unanimously otherwise agrees;
- "Unitized Strata" (u) "Unitized Strata" means the Virden and Scallion members of the Lodgepole Formation of the Mississippian Age underlying the lands described in Part XXII hereof, as same are shown on the electrical log of the Calstan Scallion Prov. SWD 9-16-11-26 well in Legal Subdivision Nine (9) of Section Sixteen (16), Township Eleven (11), Range Twenty-six (26), West of the First Meridian, in the Province of Manitoba, between the interval 1,974 feet and 2,237 feet as measured from the Kelly Bushing. The Virden member consists of submembers sometimes known as the Crinoidal and Four Oolites. The Scallion member is sometimes known as the Cherty Zone.

- "Unitized Substances" (v) "Unitized Substances" means the Oil and Gas that are within or are produced from the Unitized Strata;
- "Well" (w) "Well" means any well within the Unit Area which has been drilled to the Virden or Scallion members of the Lodgepole Formation of the Mississippian Age for the Production of Oil and Gas which at some time since such drilling has produced a minimum of three (3) barrels of Oil per day for at least one-month's duration;
- "Working Interest Owner" (x) "Working Interest Owner" means a person who has the right, in whole or in part, to search for and produce and to appropriate the Unitized Substances, either for himself or for others having an interest therein, or for both, whether such right is derived from ownership in fee simple or from a Lease;

PART II

UNIT OPERATION

- | | | |
|---------------------|------|--|
| Unit Name | 2.01 | The name of the Unit shall be "North Virden Scallion Unit No. 1" (hereinafter sometimes called the "Unit"). |
| Operation as a Unit | 2.02 | On and after the Effective Date, the respective interests of the Working Interest Owners and Royalty Owners, in and to the Unit Area, the Unitized Strata and the Unitized Substances, shall be unitized for the purposes of carrying out in the Unit Area and the Unitized Strata any and all operations which may at any time and from time to time be deemed necessary or advisable by the Operating Committee for the purpose of preventing waste, obtaining |

ultimately the greatest possible recovery of the Unitized Substances and accomplishing the more efficient and more economical development and production of the Unitized Substances under prudent and proper operations and practices to the end that all operations for drilling and producing and all other operations in the Unitized Strata may be conducted without regard to the separate Leases or boundary lines of separate Tracts within the Unit Area and as though the Unitized Strata were covered by a single Lease subject to all the terms and conditions hereof.

Effect of Unit
Operation

2.03 Without limiting its general effect, the unitization shall have the following specific effects:

Amendment of
Leases

(a) On and after the Effective Date, the terms and provisions of the Leases are hereby amended to the extent necessary to make them conform to the terms and provisions hereof and, the Leases as amended, shall continue in full force and effect.

Continuation
of Leases

(b) Any operations conducted with respect to the Unitized Strata, or production of Unitized Substances shall, except for the purposes of determining payments to Royalty Owners, be considered as operations upon or production from each Tract and such operations or production shall operate to continue in force and effect each Lease as if such operations had been conducted and a well had been drilled on and was producing from each Spacing Unit or portion thereof

covered by each Lease.

Authority for
Operations

2.04 The Working Interest Owners are hereby collectively authorized to develop and operate the Unitized Strata without regard to the separate Leases or the boundary lines of separate Tracts within the Unit Area, and to drill, use and produce such wells as the Operating Committee deems advantageous to operations on or production from the Unitized Strata, to abandon such wells as they deem unnecessary and in general to do all other things that the Operating Committee deems advisable for the purpose of accomplishing the most efficient and most economical development and operation of the Unitized Strata. Without limiting the generality of the foregoing, the Working Interest Owners are hereby authorized to inject Oil and Gas, water, or other substances, or any combination of them, into the Unitized Strata and from time to time to convert and use as injection wells any well now drilled or hereafter drilled into the Unitized Strata.

Royalty Owners
Not Obligated to
Pay Unitization
Costs etc.

2.05 Nothing contained in this Plan shall be construed as imposing upon any Royalty Owner any obligation to pay for any of the expenses of the unitization herein provided for or for any of the costs and expenses incurred in operations hereunder unless such Royalty Owner is obligated to pay for the same by the terms of any Lease.

PART III

TRACT PARTICIPATION

Determination
of Tract
Participation

3.01 The Tract Participation of each Tract is shown in Part XXIV hereof and was determined with respect to all Tracts by adding one-half ($1/2$) of each of the following:

(a) A current production factor:

such factor is the percentage calculated by dividing the oil production of such Tract during the interval May 1, 1961 to October 31, 1961, by the oil production for all Tracts during the same interval, and multiplying by 100.

(b) An average monthly oil production factor penalized for water production; such factor is arrived at by:

i) determining average monthly oil production of the Tract by dividing its cumulative oil production to October 31, 1961 by the number of calendar months since the well on such Tract first went on production, provided that the first calendar month shall not be counted as such unless the oil production from the well on any such Tract for that calendar month was greater than one-half ($1/2$) of the oil production from such well for the next succeeding month;

ii) calculating a fractional water cut for the Tract by dividing the water production for the interval set out in paragraph (a) hereof by the sum of its water and oil production for the same period; PROVIDED, THAT with respect to those Tracts which did not produce

during the interval referred to, the fractional water cut shall be calculated by dividing the water production for each such Tract during the consecutive six month period that ends with the last recorded production by the sum of such Tract's water and oil production for the same period.

iii) multiplying the average monthly oil production for the Tract obtained in (i) by the fraction one minus the water cut appropriate to the Tract as determined in (ii);

iv) dividing the product obtained in (iii) for the Tract by the sum of all the products obtained in (iii) for all the Tracts and multiplying by one hundred (100).

3.02 The total of the Tract Participations for all Tracts shall at all times equal one hundred (100%) per cent.

3.03 This Part III is explanatory and the Tract Participations shown in Part XXIV shall be deemed to be correctly made in accordance with this Part III.

PART IV

ALLOCATION OF PRODUCTION

Allocation
to Tracts

4.01 All Unitized Substances produced and saved shall be apportioned among and allocated to the several Tracts in accordance with their respective Tract Participations. The amount of Unitized Substances so allocated to each Tract, and only that amount, regardless of whether it be

more or less than the amount of the actual production of Unitized Substances from the well or wells, if any, on such Tract, shall for all intents, uses and purposes, be deemed to have been produced from such Tract.

Delivery of 4.02
Unitized Substances
in kind

The Working Interest Owners entitled to the Unitized Substances allocated to each Tract shall have the right to take such Unitized Substances in kind. Such Working Interest Owners shall have the right to construct, maintain and operate within the Unit Area all necessary facilities for taking production in kind provided the same are so constructed, maintained and operated as not to interfere with unit operations. Any extra expenditures incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the Working Interest Owner receiving the same.

Distribution 4.03
Within Tracts

The Unitized Substances allocated to each Tract shall be distributed by the Working Interest Owners of such Tract among, or accounted for, to the persons entitled to share in the production from such Tract in the manner provided for in the Lease covering such Tract. The Royalty Owners shall accept royalty calculated on the allocated production in full settlement, satisfaction and discharge of the obligation of any Working Interest Owner or Owners to make royalty payments on Unitized Substances under their respective Leases.

Failure to
take in kind

4.04 To the extent that any Working Interest Owner entitled to take and receive in kind any portion of the Unitized

Substances shall fail to take or otherwise adequately dispose of the same currently as and when produced, then so long as such conditions continue, Unit Operator, as agent and for the account and at the expense of such Working Interest Owner may, and upon the instructions of the Operating Committee shall, in order to avoid curtailing the operation of the Unitized Strata, dispose of such production and the account of such Working Interest Owner shall be credited therewith as having received the same. The proceeds of the sale of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owner entitled thereto. The authority of the Unit Operator to enter into contracts for the sale of such production shall be limited to contracts that are limited in time to the minimum needs of the industry and in any event not exceeding one (1) year. Any Working Interest Owner not taking in kind may revoke at will Unit Operator's authority hereunder by notice in writing to Unit Operator and by taking in kind all of its share of production not previously contracted for sale.

Over-production 4.05

- (a) A proper and timely gauge shall be made of all tanks delivered to Unit Operator to ascertain the amount of Oil in such tanks as of the Effective Date. If any Wells producing into such tanks have made more than their cumulative production allowable as set by the Conservation Board, the amount of such over-production

of Oil then in such tanks which has been produced from the Virden and Scallion members of the Lodgepole Formation of the Mississippian Age shall be deemed to be Unitized Substances. Except as aforesaid the Oil in such tanks shall remain and be at the risk of and be the property of the Working Interest Owner owning the same prior to the Effective Date, and upon request shall be delivered in kind to such Working Interest Owner, or, in the absence of such request, shall be sold by Unit Operator for the credit of and on behalf of such Working Interest Owner at not less than the prevailing well-head price, and the proceeds thereof shall be paid by the purchaser directly to such Working Interest Owner.

- (b) If any production in excess of the cumulated production allowable of any Tract as of the Effective Date was sold prior to the Effective Date, the Unit Operator during each subsequent month next following the Effective Date shall withhold from the Unitized Substances which, except for the provisions of this subparagraph, would have been allocated to a Tract or Tracts from which the Oil sold was produced in excess of the cumulated production allowable, an amount equivalent to twenty (20%) per cent of such excess production on the Effective Date, and the amount or amounts so withheld shall be reallocated to all of the Tracts in proportion to their respective Tract

Participations. Such withholding and reallocation shall be continued until the full amount of any such excess production in respect to any Tract or Tracts has been withheld and reallocated.

(c) No allowance shall be made to any interested person for any under-production of Oil from its Wells prior to the Effective Date.

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| Royalty on Outside Substances | 4.06 | If any Outside Substance is injected into the Unitized Strata, any like substance contained in Unitized Substances subsequently produced and sold or used for other than operations hereunder, shall be deemed to be an Outside Substance until the volume of such Outside Substance injected into the Unitized Strata is recovered. No payments shall be due or payable to Royalty Owners on any substance which is deemed to be an Outside Substance. |
| Use of Unitized Substances | 4.07 | The Working Interest Owners may use as much of the Unitized Substances (excluding Oil) as they deem necessary for the operation and development of the Unitized Strata, including, but not limited to, their injection into the Unitized Strata and in the operation of any plant or plants handling Unitized Substances. No royalty or other payment shall be payable in respect thereto or in respect to Unitized Substances unavoidably lost. Such Unitized Substances so used, injected or lost shall be excluded in allocating production. |

PART V

ORGANIZATION OF THE
OPERATING COMMITTEE

- Operating Committee 5.01 There is hereby created an Operating Committee which shall be composed of one representative of each Working Interest Owner designated as hereinafter provided.
- Representatives on the Operating Committee 5.02 Each Working Interest Owner shall, at least ten (10) days prior to the Effective Date, designate by notice in writing to the Chairman of the Conservation Board the name and address of its representative on the Operating Committee and shall further designate an alternate representative, or alternate representatives, on the Operating Committee who, in the absence of the designated representative, shall have the rights and powers of such representative.
- Organization Meeting of the Operating Committee 5.03
- (a) The Chairman of the Conservation Board shall, at least five (5) days prior to the Effective Date, select the representative of a Working Interest Owner to act as chairman pro tem of the organization meeting of the Operating Committee and shall forthwith forward the name and address of each Working Interest Owner's representative, or alternate representative, or alternate representatives, to the person so selected.
 - (b) The chairman pro tem of the Operating Committee shall call and hold an organization meeting of the Operating Committee prior to the Effective Date.

(c) The Operating Committee, at such organization meeting, shall appoint the Unit Operator and the chairman pro tem of such organization meeting shall promptly notify the Chairman of the Conservation Board of such appointment and thereafter the representative of Unit Operator shall act as Chairman of each meeting of the Operating Committee without in any manner restricting or limiting his rights to represent Unit Operator as a Working Interest Owner.

Change of
Representative

5.04 Each Working Interest Owner may change its designated representative or designated alternate representative or alternate representatives, by notice in writing to the Chairman of the Operating Committee and the Chairman of the Conservation Board. Nothing herein shall preclude two (2) or more Working Interest Owners from designating one (1) member on the Operating Committee to represent them and to vote and act for them thereon and such member shall, if so required by his principals cast his vote for each principal separately.

Voting
Interest

5.05 Each member of the Operating Committee, in voting on all matters coming before the Operating Committee, shall have a voting interest equal to the Participating Interest of the Working Interest Owner or Owners represented.

Annual
Meetings
to be Held

5.06 The Operating Committee shall meet on the call of Unit Operator, or at the request of a representative of any Working Interest Owner and, in any event, shall meet on the call of Unit Operator at least once in every calendar

year and not more than sixteen (16) months after the holding of the last preceding meeting. Unit Operator shall notify all members of the Operating Committee in writing at least ten (10) days in advance of any meeting of the time and place of the proposed meeting, and of the specific matters affecting unit operations which will be presented, discussed and voted upon at such meeting, and no other matters shall be voted upon at such meeting unless each Working Interest Owner is represented thereat and agrees that such further matters may be voted upon.

Voting by
Telegram, etc.

5.07 Any member of the Operating Committee not represented at any particular meeting may vote, by letter or telegram addressed to and received by the Chairman prior to the hour fixed for the meeting, on any question presented thereat of which it has been notified. Members so voting shall be considered present as regards such matters on which they so vote, but not for other purposes.

Polls

5.08 Any question within the province of the Operating Committee to decide may be determined in the absence of a formal meeting by a poll of all of the individual representatives. If such poll is taken it shall be conducted by the Chairman, either by telegram or ordinary mail, and he shall keep a written record of the results and report the results thereof to the Working Interest Owners within a reasonable time, either by notice in writing to each of them, or by report to them at the next meeting. The voting interests necessary to act upon and determine

matters or questions submitted by ordinary mail or telegram shall be the same as otherwise herein provided for. Such vote shall be made within fifteen (15) days of the giving of such notice, PROVIDED, THAT any failure to vote within such time, shall be considered as an affirmative vote.

Minutes of
Proceedings

- 5.09 Unit Operator shall keep minutes of the proceedings of each meeting of the Operating Committee and a copy thereof shall be forwarded to each member thereof. Such minutes need not be a verbatim record of all the proceedings, but shall show the names of the representatives present at the meeting, all motions and resolutions offered or acted upon, together with the results of such action and such other formal action as may be taken by the Operating Committee, and shall include a record of all matters voted on by letter or telegram ballot since the date of the last meeting.

PART VI

POWERS AND DUTIES OF
THE OPERATING COMMITTEE

Voting

- 6.01 The Working Interest Owners acting through the Operating Committee and Unit Operator shall carry out the purposes of this Plan and shall determine and decide all matters by concurring vote of members of the Operating Committee representing at least four (4) Working Interest Owners owning at least sixty-five (65%) per cent of the

Participating Interests and such vote shall be binding on all Working Interest Owners; PROVIDED, HOWEVER, that if any one Working Interest Owner at any time has a voting interest of thirty-five (35%) per cent or more, the vote of such Working Interest Owner represented on the Operating Committee shall not serve to defeat any matter unless such vote is supported by members of the Operating Committee representing at least two (2) or more Working Interest Owners having a total Participating Interest of at least five (5%) per cent; and PROVIDED, FURTHER, that any abstention or other failure to vote shall be considered as an affirmative vote.

Quorum

6.02 At any meeting of the Operating Committee a quorum shall consist of the representatives personally present of not less than four (4) of the Working Interest Owners having, in the aggregate, sixty-five (65%) per cent or more of the total voting interest.

Rights Granted
the Operating
Committee

6.03 All rights, powers, privileges and duties hereunder not specifically delegated to Unit Operator or reserved to the individual Working Interest Owners are hereby granted collectively to the Operating Committee. Without limiting the generality of the foregoing, the following rights and powers are granted to the Operating Committee:

- (a) To instruct Unit Operator concerning all unit operations for the production of Unitized Substances.
- (b) To approve or disapprove the drilling of additional wells to the Unitized Strata either for the production

of Unitized Substances or for injection purposes.

- (c) Subject to the rights of Unit Operator pursuant to Section 7.04 hereof, to approve or disapprove in whole or in part each and every estimate and item of expenditures submitted by Unit Operator, except those that were included in a previous approved budget.
- (d) To appoint an auditor to represent all Working Interest Owners to arrange proper annual audits of the accounts of Unit Operator with respect to the operation and development of the Unit Area, approve or disapprove the same and make available to the Working Interest Owner the results of such audit.
- (e) To fill any vacancy occurring in the position of Unit Operator; PROVIDED, that no Unit Operator shall vote to succeed itself in a position of Unit Operator.
- (f) To represent, or determine who shall represent, the Working Interest Owners before any governmental body having jurisdiction with respect to matters pertaining to unit operations; PROVIDED, HOWEVER, that this shall never be construed as authorization to speak on behalf of any Working Interest Owner dissenting from the views to be expressed or to prevent any Working Interest Owner from presenting its own view on such matters.
- (g) To appoint and grant powers to such committees as they may deem proper and requisite.
- (h) To approve an annual budget as in Section 8.04 hereof

provided.

- (i) To approve the method of disposal of surplus equipment.
- (j) To amend Part XXVI hereof from time to time whether in whole or in part, PROVIDED THAT, no amendment increasing the charges to be made by Unit Operator under Section 26.07 (j) hereof shall become effective until the approval of the Conservation Board to such increase in charges has been obtained.

PART VII

POWERS AND DUTIES OF UNIT OPERATOR AND CHANGE OF UNIT OPERATOR

Powers and Duties

7.01 Unit Operator shall, subject to the provisions hereof, and orders given or imposed by the Operating Committee as herein provided;

- (a) Have exclusive charge, management and control of the development, operation and production of the Unitized Strata, and shall have the right and duty to conduct all operations in connection therewith including, but not limited to the following: the drilling, operating, maintaining, repairing, suspension and abandonment of all Unit Operated Wells whether for production, injection or water supply, including wells drilled after the date hereof and wells taken over under the provisions hereof; and the installation, construction and operation of Unit Facilities of

whatsoever character necessary or convenient for the conduct of operations hereunder.

- (b) Conduct operations in a good and workmanlike manner and in the absence of specific instructions from the Operating Committee shall have the right and duty to act in accordance with what a prudent operator would do under the same or similar circumstances.
- (c) Keep true and correct books, accounts and records of its operations hereunder, and shall furnish to each Working Interest Owner, on or before the fifteenth (15th) day of each calendar month, a statement of the amount of production from the Unitized Strata, sales and inventory during the preceding calendar month.
- (d) Keep the lands and Leases used in connection with unit operations free from liens and encumbrances occasioned by its operations, excepting the lien of Unit Operator granted hereunder and excepting liens in connection with which there is a bona fide dispute.
- (e) Freely consult with the Operating Committee and keep it advised of all matters arising in connection with unit operations, which Unit Operator, in the exercise of its best judgment, considers important. Unit Operator shall furnish to the members of the Operating Committee such reports in connection with unit operations as the Operating Committee may direct.

Hiring of
Employees

7.02 Unit Operator shall fix the number of, hire and dismiss and pay and supervise all employees required for the

operations hereunder and shall determine the hours of labour and compensation to be paid to such employees. Such employees shall be the employees solely of Unit Operator.

Letting of
Contracts

7.03 Unit Operator shall let all contracts for the drilling, reworking, deepening or plugging back of, or other operations in connection with any Unit Operated Well on a competitive basis at the usual rates and terms prevailing in the area; PROVIDED, HOWEVER, that Unit Operator shall have the right to use its own equipment in carrying out such drilling, reworking, deepening, plugging back of, or other operations in connection with any Unit Operated Well.

Unit
Operator's
Authority for
Expenditures

7.04 In addition to any expenditures which Unit Operator is specifically authorized to make, Unit Operator is authorized to make an expenditure not in excess of Five Thousand (\$5,000.00) Dollars in respect to any single undertaking without the approval of the Operating Committee. Unit Operator may, without approval of the Operating Committee, take such action and make such expenditures for the Common Account as it may deem necessary in order to protect life or property. Within ten (10) days after taking any such action or making such expenditures, Unit Operator shall advise the Operating Committee of such action and expenditures.

Unit
Operator to
Have Rights
of Working
Interest Owner

7.05 Unit Operator shall continue to have all the rights, duties and liabilities of a Working Interest Owner in addition to its rights, duties and liabilities as Unit Operator as long as it continues to own a Working Interest in the Unit Area.

Change of
Operator

7.06 Unit Operator:

- (a) shall forthwith cease to act as Unit Operator in the event it should become bankrupt or insolvent, or make any general assignment for the benefit of creditors;
- (b) may be removed as Unit Operator by an affirmative vote of members of the Operating Committee representing Working Interest Owners, other than Unit Operator, who own at least eighty-five (85%) per cent of the remaining Participating Interests;
- (c) may resign at any time upon one hundred and eighty (180) days' written notice to the Operating Committee.

Release from
Duties

- 7.07 In the event of a removal or resignation of Unit Operator pursuant to paragraphs (b) or (c) of Section 7.06, Unit Operator shall be released from its duties and obligations hereunder at 7:00 A.M., Central Standard Time on the first day of the calendar month following the expiration of one hundred and eighty (180) days from the date of delivery of notice of such removal or resignation, or such earlier date as a successor Unit Operator shall have been designated by the Working Interest Owners, and shall have assumed the duties of Unit Operator.

Surrender of
Operating
Rights

- 7.08 At the effective time of the release from its duties of any Unit Operator, or upon the selection of a successor Unit Operator, the preceding Unit Operator shall surrender possession of, and deliver to, the successor Unit Operator the exclusive charge, management and control of the development, operation and production of the Unitized Strata

and all Unit Operated Wells, Unit Facilities, common funds in the possession of Unit Operator and all production, if any, which has not theretofore been delivered in kind, or sold, copies of all pertinent books of account and records of the unit operations and all documents, agreements and other papers relating thereto. Upon the transfer and delivery thereof, the preceding Unit Operator shall be released and discharged from and the successor Unit Operator shall assume all duties and obligations of Unit Operator hereunder except the unsatisfied duties and obligations of the preceding Unit Operator accrued prior to the effective time of the change of Unit Operator and for which the preceding Unit Operator shall, notwithstanding its release or discharge, continue to remain liable.

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|--|------|---|
| Selection of Successor Unit Operator | 7.09 | Forthwith upon the removal or resignation of Unit Operator, or at any time when there is no Unit Operator, the Working Interest Owners shall select a successor Unit Operator to take office contemporaneously with the effective time of the release from its duties of Unit Operator. |
| Audit | 7.10 | The successor Unit Operator shall cause an audit of the accounts of the preceding Unit Operator with respect to the operation and development of the Unit Area to be made forthwith upon the effective time of its appointment as successor Unit Operator. |

PART VIII

EXPENDITURES AND LIABILITIES

- | | | |
|----------------|------|--|
| Common Account | 8.01 | Unit Operator shall set up a Common Account on behalf of |
|----------------|------|--|

the Working Interest Owners for all costs and expenses incurred by it and all monies received by it in connection with the development and operation of the Unit and all of the said costs and expenses shall be charged, and all of the said monies shall be credited to the Working Interest Owners in accordance with the provisions hereof.

Charges to
Common Account

8.02 Subject to the other provisions hereof, all costs, expenses and liabilities, whether contractual or tortious, incurred by Unit Operator on account of the operations hereunder shall be for the Common Account and shall be borne by the Working Interest Owners in proportion to their respective Participating Interests.

Unit Operator
to Make Initial
Payments

8.03 Unit Operator shall initially pay and discharge all costs and expenses incurred in the operations hereunder. Unit Operator shall bill each Working Interest Owner for its share of all costs and expenses and each Working Interest Owner shall reimburse Unit Operator for its share of such costs and expenses in accordance with the provisions of Part XXVI hereof. Each Working Interest Owner shall pay all such bills within thirty (30) days after receipt thereof, and should any Working Interest Owner fail to pay its proportionate part of such costs and expenses within the said thirty (30) day period, the same shall, at Unit Operator's discretion bear interest at the rate of six (6%) per cent per annum from the end of the said period until paid, which interest shall be for Unit Operator's sole account, and Unit Operator shall have the right at

its option at any time thereafter, such default continuing, to enforce the lien hereinafter provided for upon the respective interests of such Working Interest Owner.

Annual
Budget, etc.

8.04 As soon as practicable after the Effective Date hereof, Unit Operator shall prepare a budget of estimated costs and expenses for the period from the Effective Date to the 31st day of December A.D. 1962 and on or before the first day of each November after the Effective Date shall prepare a budget of estimated costs and expenses for the ensuing calendar year. Such budget shall set forth the estimated costs and expenses by quarterly periods. Budgets so prepared shall be subject to adjustment and correction by the Working Interest Owners from time to time whenever it shall appear that an adjustment or correction is proper; PROVIDED, HOWEVER, that if Unit Operator's expenditures are within ten (10%) per cent of those costs and expenses approved in any budget, such expenditures shall be considered as having been approved. A copy of each such budget and adjusted budget shall be promptly furnished each Working Interest Owner.

Approval of the budget by the Working Interest Owners shall constitute authorization to the Unit Operator to make the expenditures therein detailed.

Advances to
Unit Operator
- Capital Fund

8.05 Unit Operator, in lieu of advancing monies for the capital costs and capital expenses of unit operations may, at its election, require the Working Interest Owners to advance their respective proportionate share of such costs and

expenses by submitting to each Working Interest Owner on or before the last day of each calendar month an estimate of such costs and expenses for the succeeding calendar month based on an approved budget of estimated costs and expenses or authority for expenditure together with a request for payment of such proportionate share. Within fifteen (15) days from the receipt of such request each Working Interest Owner shall pay its proportionate share to Unit Operator. If any Working Interest Owner defaults in respect of such request for payment, the same shall, at Unit Operator's discretion, bear interest at the rate of six (6%) per cent per annum from the end of the said fifteen (15) day period until paid, which interest shall be for the Unit Operator's sole account. The accounts between the Working Interest Owners shall be adjusted to actual costs by Unit Operator in the month's statement following the month covered by the estimate.

| | | |
|------------------|------|--|
| Advances to | 8.06 | Unit Operator, in lieu of advancing monies for the costs |
| Unit Operator | | and expenses incurred in the maintenance and operation of |
| - Operating Fund | | the Unit Area may, at its election, require the Working |
| | | Interest Owners to advance their respective proportionate |
| | | share of such costs and expenses by submitting to each |
| | | Working Interest Owner on or before the last day of any |
| | | calendar month a request for a working capital fund equal |
| | | to one-twelfth (1/12th) of the expenses as approved in the |
| | | annual budget of estimated costs and expenses for the unit |
| | | operation. Within thirty (30) days from the receipt of |

such request, each Working Interest Owner shall pay its proportionate share to Unit Operator. If any Working Interest Owner defaults in respect of such request for working capital, the same shall, at Unit Operator's discretion, bear interest at the rate of six (6%) per cent per annum from the end of the said thirty (30) day period until paid, which interest shall be for the Unit Operator's sole account. After the establishment of this working capital fund, which will be separate from that required in Section 8.05 hereof, and which shall at no time exceed one (1) month's estimated costs and expenses, each Working Interest Owner will remit its proportionate share of each month's actual billing within thirty (30) days of receipt, thus maintaining the working capital fund intact. The adequacy of the fund in relation to current expenses will be reviewed annually or oftener upon request by a Working Interest Owner and adjustments made as required.

Unit Oper-
ator's Lien

8.07 Unit Operator shall, subject to Section 73 sub-section (4) (k) (i) (A) and (B) of The Mines Act, have a lien upon the interest of each Working Interest Owner in any unsold Unitized Substances, upon the proceeds of the sale of any Unitized Substances, and upon the interest of each Working Interest Owner in the Unit Facilities and upon the title of each Working Interest Owner to and in the Unit Area and Unitized Strata. Such lien shall have priority over any lien by any Working Interest Owner.

In the event of the failure of any Working Interest

Owner to pay its share of the costs and expenses incurred hereunder when due, as provided herein, Unit Operator shall be entitled at any time, and from time to time, to collect and receive the proceeds of the sale of all or any part of such Working Interest Owner's share of the Unitized Substances, including the proceeds from previously executed sale contracts made by or for such defaulting Working Interest Owner. Unit Operator shall apply all such sums so collected against the defaulting Working Interest Owner's unpaid bills, the excess of such proceeds over the unpaid bills, if any, to be paid to the Working Interest Owner entitled thereto and all sums so applied shall be considered as received from such defaulting Working Interest Owner within the meaning of the provisions contained in Section 8.08 hereof relating to contributions by the other Working Interest Owners to Unit Operator in the case of default in payment when due. Unit Operator may likewise take any other credit due any such defaulting Working Interest Owner pursuant hereto and apply the same against sums due from such Working Interest Owner. The rights granted to Unit Operator in this Section shall not be construed as exclusive remedies but shall be in addition to all rights, privileges and remedies afforded Unit Operator by other provisions hereof and by law. Service of a true copy of this Plan shall constitute written authorization on the part of such defaulting Working Interest Owner for such purchaser to pay the proceeds from such sale

to Unit Operator during such default, but such purchaser shall not be considered as having been notified of such authorization prior to the time of such service. Books and records kept by Unit Operator with respect to operations hereunder shall constitute conclusive proof of the existence or non-existence of any such default insofar as the right of Unit Operator to collect proceeds from the sale of all or any part of the defaulting Working Interest Owner's share of the Unitized Substances is concerned, subject, however, to all rights of inspection, verification and audit provided herein.

Contributions 8.08
to Unit Operator
Upon Failure to
Collect Certain
Debts

If Unit Operator shall not have received full reimbursement for any indebtedness that may become due and payable by any Working Interest Owner to Unit Operator after reasonable efforts by Unit Operator to obtain such reimbursement, each of the Working Interest Owners, upon the request of Unit Operator, shall, unless contrary to any then existing law, contribute to the reimbursement of Unit Operator the portion of any such unsatisfied amount equal to the portion that such Working Interest Owner's Participating Interest bears to the total Participating Interests of all of the Working Interest Owners exclusive of the Participating Interest of the defaulting Working Interest Owner; and thereupon, each Working Interest Owner so contributing shall be proportionately subrogated to Unit Operator's rights and lien under Section 8.07 hereof.

Pre-unit
Expense

8.09 Each Working Interest Owner shall pay a part of the

reasonable cost, as approved by the Operating Committee, of unitizing the Unit Area in proportion to its Participating Interest hereunder.

Commingling
of Funds

- 8.10 No funds received by Unit Operator hereunder need be segregated by Unit Operator or maintained by it as a joint fund but may be commingled with its own funds.

PART IX

RESPONSIBILITY FOR PAYMENTS

- 9.01 Each Working Interest Owner shall pay or be responsible for the payment and shall indemnify all other Working Interest Owners, including Unit Operator, against any liability for any Lease rentals, taxes (excepting any taxes assessed on Unit Facilities which shall be paid by Unit Operator and charged to the Common Account), royalties, overriding royalties, oil payments, net profit contracts and all payments out of, or burdens on, the Lease or Leases and Tracts contributed by it and received into the Unit Area.

PART X

DELIVERY OF WELLS AND EQUIPMENT INVESTMENT ACCOUNT

Delivery of
Wells - Salt
Water Disposal
Wells

- 10.01 Each Working Interest Owner shall, as of the Effective Date, contribute to the Working Interest Owners, acting through Unit Operator, the exclusive use for all purposes of all of its Salt Water Disposal Wells shown listed in Part XXI hereof which, in the opinion of the Operating

Committee, are in bona fide use as of the Effective Date and all Wells, both active and inactive, that it has in the Unit Area, together with all information, or true copies thereof, that it has obtained in connection with the drilling, testing, completing and operating of said contributed wells, such as drilling logs, electrical logs, records of coring, testing and special work of every nature, laboratory analyses, records of the amount of production obtained and all other information pertinent to the said Wells and Leases of the Working Interest Owners. Each Working Interest Owner shall also contribute to the Working Interest Owners, acting through Unit Operator, without compensation, the non-exclusive use of roads, dikes, ditches, fire walls, pits and fences it holds in connection with its operations in the Unit Area.

Warranty 10.02 Unit Operator shall, within sixty (60) days of the delivery of any Well, or wellsite and operating equipment, carry out such tests as may be necessary to determine its mechanical condition as of the Effective Date and, in the event any such Well or wellsite and operating equipment is in sound mechanical condition it shall be accepted by Unit Operator and thereupon become a Unit Operated Well. In the event that any such Well or wellsite and operating equipment is not in sound mechanical condition as determined by the Operating Committee, the Working Interest Owner who contributed such Well or wellsite and operating equipment shall, within thirty (30) days after being requested to do

so by Unit Operator as instructed by the Operating Committee, install the equipment necessary to place such well or wellsite and operating equipment in sound mechanical condition or pay to Unit Operator, for the credit of the Common Account, in cash, the cost of purchasing and/or installing such equipment.

Within sixty (60) days of the delivery of any roads, dikes, ditches, fire walls, pits and fences, Unit Operator shall determine which of them, if any, require additional expenses in order to permit efficient operation or to comply with government regulations or to honour surface leases. Unit Operator shall prepare an estimated expenditure and after approval of the Operating Committee, the Working Interest Owner who contributed the properties at fault shall perform the work at its own cost and expense, or if such Working Interest Owner elects not to perform the work it shall be done by Unit Operator and charged to the Working Interest Owner at fault.

| | | |
|---------------------------|-------|---|
| Controllable Equipment | 10.03 | As of the Effective Date all wellsite and operating equipment in and on the Unit Area, used in the normal operation of the Unit Operated Wells and such salt water disposal facilities as are on the Salt Water Disposal Wells shall be delivered to and taken over by Unit Operator, it being the intent hereof that such equipment shall be delivered to and taken over separate and apart from the unitization of the Working Interests and production effected herein and shall become Unit Facilities. |
|---------------------------|-------|---|

Wellsite and operating equipment shall include by way of example, "Controllable Equipment" as hereinafter defined, but shall not include warehouses, warehouse stocks, lease houses, camps and office buildings, automobiles and other service equipment which shall remain the separate property of the several owners thereof.

For the purposes of this Part X, "Controllable Equipment" shall mean and include, but not be limited to, the following:

1. DOWN HOLE EQUIPMENT

| | |
|------------------|---------------------|
| Bottom hole pump | Polish rods |
| Sucker rods | Retrievable down |
| Tubing | hole packers |
| Scraper rods | Bottom hole anchors |

2. WELLHEAD

| | |
|-------------------------------------|----------------------|
| Rotating rod hanger | Flow cross |
| Tubing head complete with hanger | Stuffing box |
| Tubing bonnet | Valves - 2" and over |
| Blowout preventer | |

3. PUMPING EQUIPMENT

| | |
|--------------------|----------------------|
| Pumping units | Back pressure valves |
| Pumping motors | Valves - 2" and over |
| Automatic controls | Pump houses |

4. BATTERY EQUIPMENT

| | |
|--------------------------------------|--------------------|
| Valves - 2" and over | Walkways |
| Separators | Stairways |
| Heaters | Buildings |
| Treaters | Orifice fittings |
| Meters and regulators | Chemical injectors |
| Tanks complete with thief hatches | Fire extinguishers |
| Recycling pumps and motors | |

5. SALT WATER DISPOSAL FACILITIES

| | |
|--|----------------|
| Positive displacement injection pumps | Walkways |
| Settling tanks and skim pits | Stairways |
| Surge tanks | Buildings |
| Meters and regulators | Filters |
| Valves - 2" and over | Backwash pumps |

6. Such other items, whether similar or dissimilar, as the Working Interest Owners deem to be controllable; but shall exclude intangible costs, flow line, surface casing, production casing, casing bowl and casing hanger and valves under 2" in size and similar fittings of a miscellaneous nature.

Tangible Value 10.04 The value of the controllable equipment delivered to and to be Appraised taken over by Unit Operator pursuant to this Part X shall be determined by appraising the same according to condition and pricing the same at a percentage of its current replacement value as determined by the Operating Committee and as of the Effective Date hereof.

Appointment of 10.05 The Operating Committee shall appoint an Inventory Inventory Committee for the purpose of making an inventory of the controllable equipment taken over by Unit Operator, as stated above, and each Working Interest Owner, upon request by the Inventory Committee, shall submit to the Inventory Committee promptly a complete statement in writing of all said Working Interest Owner's controllable equipment so delivered to Unit Operator and a description of the condition of each item at the time of such delivery. In the event a Working Interest Owner has failed to supply such statement as aforesaid, the Inventory Committee shall

proceed to inventory such Working Interest Owner's controllable equipment and shall supply such Working Interest Owner with a copy thereof which shall be binding upon such Working Interest Owner unless it protests or questions such inventory within fifteen (15) days of the receipt thereof. Said Inventory Committee shall take promptly an inventory of all said controllable equipment and check the same against the aforesaid statements furnished by the Working Interest Owners, and accordingly, shall determine the value of said controllable equipment on the basis above set forth and shall make a written report thereof to the Operating Committee.

Working
Interest
Owner's
Initial Share
in Unit Facilities

10.06 Upon approval of the Inventory Committee's report by the Operating Committee, each Working Interest Owner shall have, subject to Section 10.08 hereof, an initial share in the Unit Facilities which is equal to the proportion (expressed as a percentage) that the value of the controllable equipment delivered by it to Unit Operator is to the total value of all controllable equipment delivered by all of the Working Interest Owners to Unit Operator.

Investment
Account

10.07 Unit Operator shall set up an Investment Account for Unit Facilities which shall be calculated at the end of each calendar year and shall be:

- (a) the total value of all controllable equipment delivered by all of the Working Interest Owners to Unit Operator pursuant to this Part X, plus
- (b) the total value of all controllable equipment

subsequently acquired for the unit, the cost of which shall be borne by the Working Interest Owners in accordance with their respective Participating Interests, less

- (c) the total value of all controllable equipment subsequently sold, junked or otherwise disposed of.

For the purposes of calculating the Investment Account, controllable equipment which has been sold, junked or otherwise disposed of from the unit shall be given the same value as it was given when it was originally delivered to or acquired by Unit Operator. At the end of any calendar year the Investment Account shall be the net of paragraphs (a) plus (b) less (c).

Working
Interest
Owner's Share
in Investment
Account

10.08 Each Working Interest Owner shall have a net credit in the Investment Account which shall be the value of all controllable equipment delivered by it to Unit Operator, plus its share of the value of all controllable equipment subsequently acquired for the unit, less its share of the value of controllable equipment sold, junked or otherwise disposed of from the unit. The relationship, expressed as a percentage, between each Working Interest Owner's net credit and the sum of the net credits of all Working Interest Owners shall be its percentage share of the Investment Account. Such percentage shall be carried to five decimal places and rounded to the nearest four decimal places and shall be calculated at the end of each calendar year.

Proceeds from Disposal of Unit Facilities 10.09 Notwithstanding the provisions of Part VIII hereof, the proceeds from disposal of Unit Facilities whether controllable equipment or otherwise up to the end of the first calendar year shall be credited to each Working Interest Owner in accordance with its respective initial percentage share established under Section 10.06 and, thereafter, such proceeds shall be credited to each of them in accordance with their respective percentage share calculated in accordance with Section 10.08.

PART XI

SURFACE RIGHTS

List of Easements, etc. 11.01 As soon as reasonably possible after the Effective Date, each Working Interest Owner shall submit to Unit Operator a list of all easements, rights-of-way, surface leases, rights-of-entry and other surface rights which it holds and which are required in connection with unit operations together with particulars thereof, including rentals payable, if any.

Unit Operator to Advise Surface Rights Required 11.02 Unit Operator shall, as soon as practicable after the receipt of the aforesaid lists, advise each Working Interest Owner in writing which, if any, of its said surface rights will be required for the operations hereunder. Each Working Interest Owner shall, upon request in writing by the Unit Operator, assign such rights to Unit Operator. Any such assignment shall, unless contrary to an existing law, contain a provision permitting the

Assignor of the same the use thereof for exploration and production operations for strata other than the Unitized Strata without interfering with unit operations.

Surrender of
Surface Rights

11.03 Unit Operator may also from time to time surrender said surface rights, or any of them, that are no longer required for the operations hereunder, provided that Unit Operator shall have cleaned up the surface to the satisfaction of any governmental body having jurisdiction with respect thereto and, provided further that Unit Operator shall give the Working Interest Owner who assigned the same sixty (60) days notice of surrendering such surface rights and such Working Interest Owner may elect to receive from Unit Operator an assignment of such surface rights. Any surface rights not required for the operations hereunder may be held or disposed of by the Working Interest Owner holding the same in such manner as it may deem fit.

Surface
Charges to
Common Account

11.04 After the Effective Date hereof all costs of surface rights required for the operations hereunder and all liabilities accruing in connection therewith shall be for the Common Account.

Fee Simple

11.05 Where a Working Interest Owner holds in fee simple surface rights used in connection herewith or where a Working Interest Owner has made arrangements with the owner of any such surface rights for the use of them without cost to such Working Interest Owner, Unit Operator may use the same, provided that such Working Interest Owner shall be

entitled to receive as rental therefor an amount commensurate with rentals paid for other surface rights of a like nature in the Unit Area.

Unit Operator
May Acquire
Additional
Surface Rights

11.06 Unit Operator shall also have the right to acquire such additional surface rights as are necessary for the operations hereunder, and the expense thereof, including rentals, shall be charged to the Common Account.

Unit Operator may also, with the approval of the Operating Committee, enter into an agreement with any Working Interest Owner for the right to share in the use of such Working Interest Owner's surface rights on a basis to be mutually agreed upon between them, and the cost thereof as so agreed shall be charged to the Common Account. Unit Operator may also, with the approval of the Operating Committee enter into agreements with any of the Working Interest Owners or other persons for the non-exclusive use and partial maintenance of any roadways, access road, or similar surface right and the cost or proceeds thereof shall be charged or credited to the Common Account.

PART XII

INDEMNITY

Liability for
Loss of Title

12.01 In the event any Working Interest Owner does not have the right to develop and operate any Tract in which such Working Interest Owner claims to have a Working Interest insofar as such Tract comprises the Unitized Substances, any loss resulting therefrom

shall be borne by the contributing Working Interest Owner and to that end, such Working Interest Owner shall indemnify and hold harmless Unit Operator and all other Working Interest Owners from any and all loss, cost or damage sustained by them and resulting from the failure to have such right; PROVIDED, HOWEVER, that to the extent that such loss, cost or damage is based upon the value of the Unitized Substances produced from such Tract, such indemnity shall be limited to an amount equal to the value of that portion of Unitized Substances allocated hereunder to such Tract.

Maintenance
of Leases

12.02 Each Working Interest Owner shall do all necessary acts and things and make all payments required in order to maintain the Lease or Leases covering the Tracts contributed hereto by it in full force and effect during the term hereof, excepting only obligations arising out of or accruing with respect to the Unitized Strata and not required to be performed by such Working Interest Owner; PROVIDED, HOWEVER, in the event any Working Interest Owner shall fail or refuse to do any act or thing or make any payment required as aforesaid, Unit Operator, on behalf of and for the Common Account, shall have the right to perform such act or make any such payment so required as aforesaid, and thereupon any monies expended by Unit Operator in connection therewith shall be charged to the account of such Working Interest Owner, and Unit Operator shall have the same rights and privileges with respect to

enforcing the payment of such amounts owed by such Working Interest Owner as are given to Unit Operator with respect to any other sum owed by a Working Interest Owner to Unit Operator hereunder.

Liability for
Loss of Title
to Wellsite and
Operating
Equipment

12.03 Each Working Interest Owner shall be liable to each other Working Interest Owner, including Unit Operator for any and all liability, loss, cost or damage sustained by them and resulting from any claim or any cause of action arising in consequence of any failure or deficiency in such Working Interest Owner's title to any wellsite and operating equipment, or other facility taken over by Unit Operator, or in consequence of any action of such Working Interest Owner with respect thereto.

PART XIII

APPROVAL OF TITLES

Titles
Committee

13.01 There shall be a Titles Committee appointed by the Operating Committee which shall examine the titles to all Tracts in the Unit Area. Each Working Interest Owner in the Unit Area shall, upon request, submit to the Titles Committee a current historical search of title, together with original or true copies of all Leases, assignments and other contracts and all other title data and information (including title opinions) as may be requested by the Titles Committee affecting the title to its Tracts within the Unit Area. The Titles Committee shall, in writing, and within a reasonable time, recommend to the

Operating Committee the approval or disapproval of title documents submitted to them pursuant to this Section. Upon the acceptance of the recommendation of the Titles Committee by the Operating Committee, the title documents accepted shall be deemed to have been approved by the Operating Committee; PROVIDED THAT, no approval of title documents by the Operating Committee shall be construed as a warranty or certification of title in and to any portion of the Unit Area or the Unitized Substances.

PART XIV

DISPUTES

Disputes and
Non-approved
Titles

- 14.01 If the title documents to any Tract are not approved by the Operating Committee as in Section 13.01 provided, or if there is now or should hereafter be any dispute involving the working interest in a Tract then the Working Interest Owner concerned shall immediately give written notice thereof to Unit Operator and upon the receipt of such written notice, Unit Operator shall:
- (a) sell the Unitized Substances allocated to the Tract in respect of which the title documents have not been approved by the Operating Committee, or in respect of which the dispute arises;
 - (b) pay the portion of the costs and expenses allocated or apportioned to the Tract out of the proceeds of the sale;
 - (c) pay the balance of the proceeds to a trust company to

be held by it until settlement has been reached by the persons interested therein or until a judge of Her Majesty's Court of Queen's Bench for Manitoba has made an order with respect thereto.

In the event that any such dispute results in a change of ownership in a Working Interest in a Tract such change shall not retroactively affect any vote taken pursuant to the terms of Part VI hereof.

PART XV

FILING

- 15.01 Unit Operator shall file this Plan with the Department of Mines and Natural Resources for the Province of Manitoba and with the appropriate Land Titles Office for the Province of Manitoba in accordance with the provisions of The Mines Act.

PART XVI

TRANSFER OF INTEREST

Plan Binding
on Successors

- 16.01 This Plan shall be binding upon every owner of any lands, Leases and interests in minerals covered hereby who acquires the same regardless of the manner in which the same shall have been acquired.

Assignments,
etc. Subject to
Terms of Plan

- 16.02 Any disposition of any interest owned by any Working Interest Owner in any land or part thereof in the Unit Area shall be made expressly subject to all the terms and provisions hereof. Such disposition of any interest whether expressly so provided or not, shall operate to

impose upon the person or persons acquiring such interest its or their proportionate part of all costs and expenses and other obligations, if any, chargeable hereunder to the interest affected by such disposition, and shall likewise operate to give and grant to the person or persons acquiring such interest its or their proportionate part of all Unitized Substances and other benefits which may accrue thereto under the provisions hereof.

When Change
of Ownership
Binding

16.03 No change in ownership of any interest or rights hereunder (by whatever means accomplished) of any Working Interest Owner shall be binding on Unit Operator or the other Working Interest Owners until Unit Operator has been furnished with notice of such change by the person claiming the benefit thereof, and such change shall become effective at seven o'clock in the forenoon, Central Standard Time on the first day of the month following the month in which the person acquiring such interest delivers to Unit Operator the original or certified copies of all instruments, documents and other information necessary in Unit Operator's opinion to establish a complete chain of title. No other kind of notice, whether actual or constructive, shall be binding on Unit Operator or the other Working Interest Owners.

Disposition
Must Include
Related Interest
in Unit Facilities
or Unit Area

16.04 Notwithstanding the foregoing, no interest in the unit shall be disposed of unless such transaction shall include a like disposition of a related interest in the Unit Facilities and likewise, no disposition of any

interest in the Unit Facilities shall be effective unless such transaction shall include a like disposition of a related working interest in the Unit Area, it being the intention hereunder that no working interest in the Unit Area shall be owned apart from a related interest in the Unit Facilities, and vice versa.

No Working Interest Owner shall dispose of an interest in the Unit Area unless such disposition shall cover its entire interest in a Tract which is subject thereto, or covers an undivided interest in its entire interest in each such Tract.

Any attempted disposition by any means in violation of the provisions of this Section shall be a nullity insofar as the other Working Interest Owners are concerned.

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| Assignment not to Relieve from Obligations | 16.05 | No disposition shall operate to relieve any Working Interest Owner of any obligation hereunder which accrued or was incurred prior to the effective date of such disposition. |
| Unit Operator not to Assign Rights | 16.06 | Unit Operator shall not assign its right to conduct operations hereunder. |
| No Surrender of Lease Without Consent | 16.07 | No Working Interest Owner shall surrender or release its interest in any Lease covering any portion of the Unitized Strata without the written consent of the Operating Committee, and the approval of the Conservation Board. |
| What Term "Disposition" Includes | 16.08 | The term "disposition" as used in this Part shall include, but not be limited to, the following: transfer, assignment, conveyance, and sale. The term "disposition" as used in |

this Part shall not apply to a disposal by way of mortgage, pledge or hypothecation; PROVIDED, THAT, the mortgagee or pledgee shall hold its security subject to all the terms of this Plan and upon any realization or foreclosure of the security, the purchaser, mortgagee or pledgee, as the case may be, shall become bound by all the terms of this Plan.

PART XVII

INDIVIDUAL RIGHTS AND PRIVILEGES OF THE WORKING INTEREST OWNERS

Access to Unit Area

- 17.01 Each Working Interest Owner shall be entitled, at its own sole risk and expense, to have access to the Unit Area at all reasonable times upon notice to Unit Operator for the purpose of inspecting and observing unit operations of every nature; to have access at all reasonable times upon notice to Unit Operator to any and all information pertaining to the Unit Operated Wells, the records of production and the records of all other unit operations; to be present during the drilling, testing and completion of all Unit Operated Wells and to make copies of well logs, drilling, progress and casing reports and reports of production and storage. The presence of a Working Interest Owner or its representative on the Unit Area or on the premises and their activities in connection therewith shall be at the sole risk and expense of such Working Interest Owner.

Plan Affects
Only Unitized
Strata

17.02 This Plan affects only the Unitized Strata. Each Working Interest Owner may, to the extent it may otherwise be entitled, conduct, at its own cost, risk and expense operations on its Tracts for the discovery and/or production of other than Unitized Substances; PROVIDED, HOWEVER, that such operations shall be conducted in such a manner as to interfere as little as possible with the operations hereunder. Such Working Interest Owner shall take all reasonable precautions customary in the industry and as may be required by the Conservation Board and by Unit Operator to protect from waste, pollution, drainage and damage the production of Unitized Substances and the strata from which the same are produced.

Abandonment
of Wells

17.03 If Unit Operator, with the approval of the Operating Committee, should decide permanently to abandon any Unit Operated Well prior to the termination hereof, Unit Operator shall give to the Working Interest Owner of the Tract on which such well is located written notice of such decision, stating whether or not a drilling rig is in place at such well, and said owner shall have the right and option for a period of Forty-eight (48) hours if a drilling rig is in place, or a period of Sixty (60) days if no drilling rig is in place, after receipt of such notice to notify Unit Operator of its election to take over said well, and to deepen or plug back said well to a strata other than the Virden and Scallion members of the Lodgepole Formation of the

Mississippian Age. Within Ten (10) days after said owner has so notified Unit Operator, said owner shall pay to Unit Operator the value of the well equipment as determined in accordance with the provisions of Part XXVI hereof less the cost of salvaging the same as estimated and fixed by the Operating Committee, and at the same time shall agree by letter addressed to Unit Operator:

- (a) to case or seal off the Virden and Scallion members of the Lodgepole Formation of the Mississippian Age in said well in an efficient and workmanlike manner and in accordance with the applicable laws, rules, regulations and orders;
- (b) to produce such well, if the same is produced, from some formation other than the Virden and Scallion members of the Lodgepole Formation of the Mississippian Age while this Plan is in force;
- (c) on the ultimate abandonment of said Well, to plug and abandon it in a workmanlike manner and in accordance with the applicable laws, rules, regulations and orders.

It is understood, however, that such Tract shall continue to have allocated to it a percentage share of the Unitized Substances produced and saved from the Unit Area in accordance with its Tract Participation despite the cessation of the production therefrom and the abandonment of any Unit Operated Well or all Wells thereon. In the event that the Working Interest

Owners of such Tract do not elect to take over such Well, Unit Operator shall proceed properly to plug and abandon the same, in accordance with the applicable laws, rules, regulations and orders, and shall salvage such casing and other equipment therefrom as is reasonably practicable, for the Investment Account.

Upon the abandonment of any Well hereunder, the Working Interest Owner, or Unit Operator, as the case may be, abandoning same shall clean up the surface at the wellsite to the satisfaction of any governmental body having jurisdiction with respect thereto, and to the reasonable satisfaction of the owner and/or occupier thereof.

PART XVIII

INSURANCE

- | | | |
|---------------------------|-------|--|
| Workmen's Compensation | 18.01 | Unit Operator shall comply with all laws relating to Workmen's Compensation in the Province of Manitoba. |
| Insurance | 18.02 | Unit Operator shall carry, for the Common Account, such insurance as may be approved by the Operating Committee and shall notify each Working Interest Owner in writing currently as to the kind and amounts of such insurance. All costs of such insurance, together with actual expenditures incurred and paid by Unit Operator in settlement of any other expenses not covered by such insurance, shall be charged to the Common Account. Notwithstanding anything herein contained each Working Interest Owner shall |

have the right to be a self-insurer as to its interest in the Unit Facilities.

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|---------------------------|-------|---|
| Contractor's Insurance | 18.03 | Unit Operator shall require all contractors employed by it to comply with all laws relating to Workmen's Compensation in the Province of Manitoba and to carry such insurance as may be from time to time approved by the Operating Committee. |
| Settlement of Claims | 18.04 | Unit Operator may settle any claim arising out of unit operations and not discharged by insurance as herein provided, but no claim shall be settled by Unit Operator in an amount in excess of Two Thousand (\$2,000.00) Dollars unless Unit Operator first obtains the approval of the Operating Committee to such settlement. |
| Unit Operator's Liability | 18.05 | Unit Operator, as such, shall not be liable to the Working Interest Owners for any loss or damage except for loss or damage resulting from gross negligence or wilful misconduct of Unit Operator or any of its employees exercising supervisory functions, and each Working Interest Owner proportionate to its Participating Interest herein, hereby indemnifies and holds harmless Unit Operator as such against any claim of, or liability to, any third person resulting from any act or omission of Unit Operator or its employees in acting upon instructions from the Operating Committee expressed or implied or otherwise in carrying out the provisions hereof; PROVIDED, HOWEVER, that Unit Operator shall not be indemnified or held harmless for any loss, damage, claim or liability resulting |

from the gross negligence or wilful misconduct of Unit Operator or any of its employees exercising supervisory functions, but no act or omission of Unit Operator shall, of itself, be deemed gross negligence or wilful misconduct if such act or omission is done or omitted at the instructions of, or with the concurrence of, the Operating Committee.

PART XIX

GENERAL

No Right of
Partition

19.01 No Working Interest Owner or Royalty Owner shall claim the benefit of any laws or statutes of the Province of Manitoba relating to partitioning of real or personal property and no person shall resort to any action at law or in equity to partition the aforesaid Unit Facilities and lands affected by this Plan, including the Unitized Strata.

Force
Majeure

19.02 All obligations hereunder shall be suspended while, but only so long as, any person is prevented from complying therewith, in whole or in part, by strikes, lockouts or other industrial disturbances, fire, explosion, war, civil disturbances, tempest, floods, acts of God or the Queen's enemies, unavoidable accidents, uncontrollable delays in transportation, Federal, Provincial or Municipal laws, rules, regulations or orders, inability to obtain necessary materials in open market, inadequate facilities for the transportation of materials or for the disposition of

production, or any other cause, whether similar or dissimilar to the foregoing, beyond the reasonable control of such person; PROVIDED, HOWEVER, that performance shall be begun or resumed within a reasonable time after such cause has been removed; and PROVIDED, FURTHER, that no person shall be required against its will to adjust or settle any labour dispute; and also PROVIDED FURTHER that lack of funds shall not be construed as a cause beyond the reasonable control of any person. This Plan shall not terminate while operations hereunder are prevented by reason of any of the aforesaid causes.

No Co-operative Marketing

19.03 Nothing herein shall be construed as providing directly or indirectly for any co-operative or joint sale or marketing of Unitized Substances.

Titles Unaffected by Unitization

19.04 Nothing herein shall be construed as a transfer of title to, or interest in, the Leases, Tracts or Unitized Strata or in the Unitized Substances before the production thereof.

Duties Separate not Joint or Collective

19.05 The duties and obligations hereunder shall be separate and not joint or collective, and nothing contained herein shall ever be construed to create a partnership of any kind, or an association, or as imposing any partnership duties, obligations or liabilities.

Individual Obligation

19.06 Except as otherwise expressly provided herein, each person shall be individually responsible only for its own obligations as set out herein, and shall be liable only for its proportionate share of the costs and expenses and liabilities.

PART XX

TERM OF PLAN

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|-------------------------------|-------|---|
| Term of Plan | 20.01 | This Plan shall remain in full force and effect so long as Unitized Substances are produced or are capable of being produced from the Unitized Strata in paying quantities and as long as operations are conducted on the Unit Area, and thereafter until all Wells have been abandoned and plugged, or otherwise disposed of, and all personal property has been salvaged and all real estate has been disposed of by Unit Operator. Notwithstanding anything herein contained, this Plan shall, subject to the approval of the Conservation Board, terminate and be at an end upon the concurring vote of a majority of the Working Interest Owners owning at least Ninety-five (95%) per cent of the Participating Interests and such vote shall be binding upon all the Working Interest Owners and the Royalty Owners. |
| Rights on Termination of Plan | 20.02 | Upon the termination of this Plan, all rights in and to the Tracts shall revert to the owners and lessees thereof, and Unit Operator shall arrange for the salvaging, liquidation and other distribution of the Unit Facilities. The owner of the working interest in any such Tract desiring to take over and continue to operate a Unit Operated Well located thereon may do so by paying Unit Operator, for the benefit of all Working Interest Owners, the fair net salvage value of the |

equipment, including production casing referred to in Part X hereof, used in the operation of such Well and by agreeing to plug the Well in accordance with the applicable laws, rules, regulations and orders at his expense at such time as it is abandoned.

With respect to all Wells not taken over by individual Working Interest Owners, Unit Operator shall salvage as much of the casing and equipment in or on such Wells as can economically and reasonably be salvaged and shall cause such Wells to be properly plugged and abandoned.

- Salvage Costs 20.03 The Working Interest Owners shall share the cost of salvaging, liquidation, or other distribution of assets and properties used in the development and operation of the Unitized Strata in proportion to their respective interests in the Unit Facilities.
- On Termination 20.04 Upon termination of this Plan and further development and of Plan - operation of the Unit Area as a unit shall be abandoned, Operation Shall unit operations shall cease, and thereafter the Working Cease Interest Owners and the Royalty Owners shall be governed by the terms and provisions of the Leases affecting the separate Tracts.
- Working 20.05 The Working Interest Owners shall advise their respective Interest Owners Royalty Owners of the termination of this Plan within to Advise Thirty (30) days of such termination. Royalty Owners of Termination
- Rehearing, 20.06 No application for a rehearing of the matters herein provided for, or for any amendments to this Plan in any Amendments, etc.

respect, shall be heard by the Conservation Board within
Three (3) years of the Effective Date unless:

- (a) a majority of the Working Interest Owners, owning at
least Seventy-five (75%) per cent of the Participating
Interests have agreed in writing to such application
for a rehearing of the matters herein provided for, or
for amendments to this Plan, or
- (b) the Conservation Board, on its own motion, decides to
hold a rehearing.

PART XXI

WELLS DELIVERED TO UNIT OPERATOR PURSUANT TO PART X

| | |
|---|------------------------------------|
| Calstan Scallion Prov. SWD 9-16-11-26 | Calstan Scallion Prov. 4-11-11-26 |
| Cdn-Sup Tapp Scallion SWD 2-22-11-26 | Calstan Scallion Prov. 5-11-11-26 |
| Cdn-Sup Whiteford Scallion SWD 3-28-11-26 | Calstan Scallion Prov. 6-11-11-26 |
| Dome Scallion SWD 13-26-11-26 | Calstan Scallion Prov. 7-11-11-26 |
| Fargo et al Scallion SWD 10-34-11-26 | Calstan Scallion Prov. 8-11-11-26 |
| Imperial Scallion SWD 7-33-11-26 | Calstan Scallion Prov. 12-11-11-26 |
| Shell Moir South Scallion SWD 15-21-11-26 | Calstan Scallion 5-13-11-26 |
| Shell Moir North Scallion SWD 6A-33-11-26 | Calstan Scallion 6-13-11-26 |
| Sun W.C. Tapp Scallion SWD 8-27-11-26 | Calstan Scallion 7-13-11-26 |
| B.A. Union Tapp Scallion 3-28-11-26 | Calstan Scallion 10-13-11-26 |
| B.A. Union Tapp Scallion 5-28-11-26 | Calstan Scallion 11-13-11-26 |
| B.A. Union Tapp Scallion 6-28-11-26 | Calstan Scallion 12-13-11-26 |
| B.A. Union Tapp Scallion 11-28-11-26 | Calstan Scallion 13-13-11-26 |
| B.A. Union Tapp Scallion 12-28-11-26 | Calstan Scallion 14-13-11-26 |
| B.A. Union Tapp Scallion 13-28-11-26 | Calstan Scallion 15-13-11-26 |
| B.A. Union Tapp Scallion 14-28-11-26 | Calstan Scallion 1-15-11-26 |
| B.A. Union Milne Scallion 2-34-11-26 | Calstan Scallion 2-15-11-26 |
| B.A. Union Milne Scallion 3-34-11-26 | Calstan Scallion 3-15-11-26 |
| B.A. Union Milne Scallion 4-34-11-26 | Calstan Scallion 4-15-11-26 |
| Calstan Scallion 6-2-11-26 | Calstan Scallion 5-15-11-26 |
| Calstan Scallion 11-2-11-26 | Calstan Scallion 6-15-11-26 |
| Calstan Scallion 13-2-11-26 | Calstan Scallion 7-15-11-26 |
| Calstan Scallion 14-2-11-26 | Calstan Scallion 8-15-11-26 |
| Calstan Scallion 9-9-11-26 | Calstan Scallion 9-15-11-26 |
| Calstan Scallion 15-9-11-26 | Calstan Scallion 10-15-11-26 |
| Calstan Scallion 16-9-11-26 | Calstan Scallion 11-15-11-26 |
| Calstan Scallion 1-10-11-26 | Calstan Scallion 12-15-11-26 |
| Calstan Scallion 2-10-11-26 | Calstan Scallion 13-15-11-26 |
| Calstan Scallion 3-10-11-26 | Calstan Scallion 14-15-11-26 |
| Calstan Scallion 5-10-11-26 | Calstan Scallion 15-15-11-26 |
| Calstan Scallion 6-10-11-26 | Calstan Scallion 16-15-11-26 |
| Calstan Scallion 7-10-11-26 | Calstan Scallion Prov. 9-16-11-26 |
| Calstan Scallion 8-10-11-26 | Calstan Scallion Prov. 10-16-11-26 |
| Calstan Scallion 9-10-11-26 | Calstan Scallion Prov. 15-16-11-26 |
| Calstan Scallion 10-10-11-26 | Calstan Scallion Prov. 16-16-11-26 |
| Calstan Scallion 11-10-11-26 | Calstan Scallion 1-21-11-26 |
| Calstan Scallion 12-10-11-26 | Calstan Scallion 2-21-11-26 |
| Calstan Scallion 13-10-11-26 | Calstan Scallion 3-21-11-26 |
| Calstan Scallion 14-10-11-26 | Calstan Scallion 6-21-11-26 |
| Calstan Scallion 15-10-11-26 | Calstan Scallion 7-21-11-26 |
| Calstan Scallion 16-10-11-26 | Calstan Scallion 8-21-11-26 |
| Calstan Scallion Prov. 1-11-11-26 | Calstan Scallion 3-22-11-26 |
| Calstan Scallion Prov. 2-11-11-26 | Calstan Scallion 4-22-11-26 |
| Calstan Scallion Prov. 3-11-11-26 | Calstan Scallion 5-22-11-26 |

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| Calstan Scallion 6-22-11-26 | Cdn-Sup Whiteford Scallion 8-28-11-26 |
| Calstan Scallion 11-22-11-26 | Cdn-Sup Whiteford Scallion 9-28-11-26 |
| Calstan Scallion 12-22-11-26 | Cdn-Sup Whiteford Scallion 10-28-11-26 |
| Calstan Scallion 13-22-11-26 | Cdn-Sup Whiteford Scallion 15-28-11-26 |
| Calstan Scallion 14-22-11-26 | Cdn-Sup Whiteford Scallion 16-28-11-26 |
| Calstan Scallion 9-23-11-26 | Dome Cdn Sup Scallion 7-14-11-26 |
| Calstan Scallion 10-23-11-26 | Dome Cdn Sup Scallion 8-14-11-26 |
| Calstan Scallion 11-23-11-26 | Dome Cox Scallion 1-16-11-26 |
| Calstan Scallion 12-23-11-26 | Dome Cdn Sup Scallion 3-24-11-26 |
| Calstan Scallion 13-23-11-26 | Dome Cdn Sup Scallion 4-24-11-26 |
| Calstan Scallion 14-23-11-26 | Dome Cdn Sup Scallion 5-24-11-26 |
| Calstan Scallion 15-23-11-26 | Dome Cdn Sup Scallion 6-24-11-26 |
| Calstan Scallion 16-23-11-26 | Dome Cdn Sup Scallion 11-26-11-26 |
| Calstan Scallion Prov. 11-24-11-26 | Dome Cdn Sup Scallion 12-26-11-26 |
| Calstan Scallion Prov. 12-24-11-26 | Dome Naco Scallion 1-28-11-26 |
| Calstan Scallion Prov. 13-24-11-26 | Dome Scallion 4-3-12-26 |
| Calstan Scallion 4-25-11-26 | Dome Scallion 5-3-12-26 |
| Calstan Scallion 5-25-11-26 | Dome Scallion 12-3-12-26 |
| Calstan Scallion 3-27-11-26 | Dome Cdn Sup Scallion 1-4-12-26 |
| Calstan Scallion 4-27-11-26 | Dome Cdn Sup Scallion 2-4-12-26 |
| Calstan Scallion 5-27-11-26 | Dome Cdn Sup Scallion 7-4-12-26 |
| Calstan Scallion 6-27-11-26 | Dome Scallion 8-4-12-26 |
| Calstan Scallion 11-27-11-26 | Fargo et al Scallion 9-14-11-26 |
| Calstan Scallion 12-27-11-26 | Fargo et al Scallion 10-14-11-26 |
| Calstan Scallion 13-27-11-26 | Fargo et al Scallion 15-14-11-26 |
| Calstan Scallion 14-27-11-26 | Fargo et al Scallion 16-14-11-26 |
| Calstan North Scallion 3-4-12-26 | Fargo et al Scallion 1-26-11-26 |
| Calstan North Scallion 4-4-12-26 | Fargo et al Scallion 2-26-11-26 |
| Calstan North Scallion 5-4-12-26 | Fargo et al Scallion 7-26-11-26 |
| Calstan North Scallion 6-4-12-26 | Fargo et al Scallion 8-26-11-26 |
| Calstan North Scallion 11-4-12-26 | Fargo et al Scallion 5-34-11-26 |
| Calstan North Scallion 12A-4-12-26 | Fargo et al Scallion 6-34-11-26 |
| Calstan North Scallion 13-4-12-26 | Fargo et al Scallion 7-34-11-26 |
| Calstan North Scallion 14-4-12-26 | Fargo et al Scallion 11-34-11-26 |
| CEGO Scallion 1-5-12-26 | Fargo et al Scallion 12-34-11-26 |
| CEGO Scallion 7-5-12-26 | Fargo et al Scallion 14-34-11-26 |
| CEGO Scallion 8-5-12-26 | Imperial Scallion 1-33-11-26 |
| CEGO Scallion 9-5-12-26 | Imperial Scallion 2-33-11-26 |
| Cdn-Sup Veldhouse Scallion 2-16-11-26 | Imperial Scallion 7-33-11-26 |
| Cdn-Sup Veldhouse Scallion 7-16-11-26 | Imperial Scallion 9-33-11-26 |
| Cdn-Sup Veldhouse Scallion 8-16-11-26 | Imperial Scallion 10-33-11-26 |
| Cdn-Sup Tapp Scallion 1-22-11-26 | Imperial Scallion 15-33-11-26 |
| Cdn-Sup Tapp Scallion 7-22-11-26 | Landa et al Drynan Scallion 7-2-11-26 |
| Cdn-Sup Tapp Scallion 8-22-11-26 | Landa et al Drynan Scallion 10-2-11-26 |
| Cdn-Sup Whiteford Scallion 2-28-11-26 | Landa et al Drynan Scallion 15-2-11-26 |
| Cdn-Sup Whiteford Scallion 7-28-11-26 | Landa et al Drynan Scallion 16-2-11-26 |

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| Landa Scallion 16-5-12-26 | Sun T.L. Tapp Scallion 10-22-11-26 |
| Shell Moir South Scallion 9-21-11-26 | Sun T.L. Tapp Scallion 15-22-11-26 |
| Shell Moir South Scallion 10-21-11-26 | Sun T.L. Tapp Scallion 16-22-11-26 |
| Shell Moir South Scallion 11-21-11-26 | Sun E. Hutchison Scallion 5-23-11-26 |
| Shell Moir South Scallion 14-21-11-26 | Sun E. Hutchison Scallion 6-23-11-26 |
| Shell Moir South Scallion 15-21-11-26 | Sun W.C. Tapp Scallion 3-26-11-26 |
| Shell Moir South Scallion 16-21-11-26 | Sun W.C. Tapp Scallion 4-26-11-26 |
| Shell Buker Scallion 16-32-11-26 | Sun P.J. Tapp Scallion 5-26-11-26 |
| Shell Moir North Scallion 3-33-11-26 | Sun P.J. Tapp Scallion 6-26-11-26 |
| Shell Moir North Scallion 4-33-11-26 | Sun P.J. Tapp Scallion 10-26-11-26 |
| Shell Moir North Scallion 5-33-11-26 | Sun W.C. Tapp Scallion 1-27-11-26 |
| Shell Moir North Scallion 6-33-11-26 | Sun W.C. Tapp Scallion 2-27-11-26 |
| Shell Moir North Scallion 11-33-11-26 | Sun W.C. Tapp Scallion 7-27-11-26 |
| Shell Moir North Scallion 12-33-11-26 | Sun W.C. Tapp Scallion 8-27-11-26 |
| Shell Moir North Scallion 13-33-11-26 | Sun W.C. Tapp Scallion 9-27-11-26 |
| Shell Moir North Scallion 14-33-11-26 | Sun W.C. Tapp Scallion 10-27-11-26 |
| Sun W. Milne Scallion 4-14-11-26 | Sun W.C. Tapp Scallion 15-27-11-26 |
| Sun W. Milne Scallion 5-14-11-26 | Sun W. C. Tapp Scallion 16-27-11-26 |
| Sun W. Milne Scallion 6-14-11-26 | Vallat et al Scallion 16-33-11-26 |
| Sun G. Braybrook Scallion 11-14-11-26 | Vallat et al Scallion 13-34-11-26 |
| Sun G. Braybrook Scallion 12-14-11-26 | Vallat Scallion 9-4-12-26 |
| Sun G. Braybrook Scallion 13-14-11-26 | Vallat Scallion 10-4-12-26 |
| Sun T.L. Tapp Scallion 9-22-11-26 | Vallat Scallion 15-4-12-26 |

PART XIII

THE LANDS IN THE PROVINCE OF MANITOBA WHICH COMPRISE THE
NORTH VIRDEN SCALLION UNIT NO. 1 ARE AS FOLLOWS:

| <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 11 RANGE 26 WPM</u> | <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 11 RANGE 26 WPM</u> |
|---------------------|--|---------------------|--|
| 6 - 2 | LSD. 6, SECTION 2 | 14 - 13 | LSD. 14, SECTION 13 |
| 7 - 2 | LSD. 7, SECTION 2 | 15 - 13 | LSD. 15, SECTION 13 |
| 10 - 2 | LSD. 10, SECTION 2 | 4 - 14 | LSD. 4, SECTION 14 |
| 11 - 2 | LSD. 11, SECTION 2 | 5 - 14 | LSD. 5, SECTION 14 |
| 13 - 2 | LSD. 13, SECTION 2 | 6 - 14 | LSD. 6, SECTION 14 |
| 14 - 2 | LSD. 14, SECTION 2 | 7 - 14 | LSD. 7, SECTION 14 |
| 15 - 2 | LSD. 15, SECTION 2 | 8 - 14 | LSD. 8, SECTION 14 |
| 16 - 2 | LSD. 16, SECTION 2 | 9 - 14 | LSD. 9, SECTION 14 |
| 9 - 9 | LSD. 9, SECTION 9 | 10 - 14 | LSD. 10, SECTION 14 |
| 15 - 9 | LSD. 15, SECTION 9 | 11 - 14 | LSD. 11, SECTION 14 |
| 16 - 9 | LSD. 16, SECTION 9 | 12 - 14 | LSD. 12, SECTION 14 |
| 1 - 10 | LSD. 1, SECTION 10 | 13 - 14 | LSD. 13, SECTION 14 |
| 2 - 10 | LSD. 2, SECTION 10 | 15 - 14 | LSD. 15, SECTION 14 |
| 3 - 10 | LSD. 3, SECTION 10 | 16 - 14 | LSD. 16, SECTION 14 |
| 5 - 10 | LSD. 5, SECTION 10 | 1 - 15 | LSD. 1, SECTION 15 |
| 6 - 10 | LSD. 6, SECTION 10 | 2 - 15 | LSD. 2, SECTION 15 |
| 7 - 10 | LSD. 7, SECTION 10 | 3 - 15 | LSD. 3, SECTION 15 |
| 8 - 10 | LSD. 8, SECTION 10 | 4 - 15 | LSD. 4, SECTION 15 |
| 9 - 10 | LSD. 9, SECTION 10 | 5 - 15 | LSD. 5, SECTION 15 |
| 10 - 10 | LSD. 10, SECTION 10 | 6 - 15 | LSD. 6, SECTION 15 |
| 11 - 10 | LSD. 11, SECTION 10 | 7 - 15 | LSD. 7, SECTION 15 |
| 12 - 10 | LSD. 12, SECTION 10 | 8 - 15 | LSD. 8, SECTION 15 |
| 13 - 10 | LSD. 13, SECTION 10 | 9 - 15 | LSD. 9, SECTION 15 |
| 14 - 10 | LSD. 14, SECTION 10 | 10 - 15 | LSD. 10, SECTION 15 |
| 15 - 10 | LSD. 15, SECTION 10 | 11 - 15 | LSD. 11, SECTION 15 |
| 16 - 10 | LSD. 16, SECTION 10 | 12 - 15 | LSD. 12, SECTION 15 |
| 1 - 11 | LSD. 1, SECTION 11 | 13 - 15 | LSD. 13, SECTION 15 |
| 2 - 11 | LSD. 2, SECTION 11 | 14 - 15 | LSD. 14, SECTION 15 |
| 3 - 11 | LSD. 3, SECTION 11 | 15 - 15 | LSD. 15, SECTION 15 |
| 4 - 11 | LSD. 4, SECTION 11 | 16 - 15 | LSD. 16, SECTION 15 |
| 5 - 11 | LSD. 5, SECTION 11 | 1 - 16 | LSD. 1, SECTION 16 |
| 6 - 11 | LSD. 6, SECTION 11 | 2 - 16 | LSD. 2, SECTION 16 |
| 7 - 11 | LSD. 7, SECTION 11 | 7 - 16 | LSD. 7, SECTION 16 |
| 8 - 11 | LSD. 8, SECTION 11 | 8 - 16 | LSD. 8, SECTION 16 |
| 12 - 11 | LSD. 12, SECTION 11 | 9 - 16 | LSD. 9, SECTION 16 |
| 5 - 13 | LSD. 5, SECTION 13 | 10 - 16 | LSD. 10, SECTION 16 |
| 6 - 13 | LSD. 6, SECTION 13 | 15 - 16 | LSD. 15, SECTION 16 |
| 7 - 13 | LSD. 7, SECTION 13 | 16 - 16 | LSD. 16, SECTION 16 |
| 10 - 13 | LSD. 10, SECTION 13 | 1 - 21 | LSD. 1, SECTION 21 |
| 11 - 13 | LSD. 11, SECTION 13 | 2 - 21 | LSD. 2, SECTION 21 |
| 12 - 13 | LSD. 12, SECTION 13 | 3 - 21 | LSD. 3, SECTION 21 |
| 13 - 13 | LSD. 13, SECTION 13 | 6 - 21 | LSD. 6, SECTION 21 |

PART XXII CONT'D

| <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 11 RANGE 26 WPM</u> | <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 11 RANGE 26 WPM</u> |
|---------------------|--|---------------------|--|
| 7 - 21 | LSD. 7, SECTION 21 | 3 - 26 | LSD. 3, SECTION 26 |
| 8 - 21 | LSD. 8, SECTION 21 | 4 - 26 | LSD. 4, SECTION 26 |
| 9 - 21 | LSD. 9, SECTION 21 | 5 - 26 | LSD. 5, SECTION 26 |
| 10 - 21 | LSD. 10, SECTION 21 | 6 - 26 | LSD. 6, SECTION 26 |
| 11 - 21 | LSD. 11, SECTION 21 | 7 - 26 | LSD. 7, SECTION 26 |
| 14 - 21 | LSD. 14, SECTION 21 | 8 - 26 | LSD. 8, SECTION 26 |
| 15 - 21 | LSD. 15, SECTION 21 | 10 - 26 | LSD. 10, SECTION 26 |
| 16 - 21 | LSD. 16, SECTION 21 | 11 - 26 | LSD. 11, SECTION 26 |
| 1 - 22 | LSD. 1, SECTION 22 | 12 - 26 | LSD. 12, SECTION 26 |
| 3 - 22 | LSD. 3, SECTION 22 | 1 - 27 | LSD. 1, SECTION 27 |
| 4 - 22 | LSD. 4, SECTION 22 | 2 - 27 | LSD. 2, SECTION 27 |
| 5 - 22 | LSD. 5, SECTION 22 | 3 - 27 | LSD. 3, SECTION 27 |
| 6 - 22 | LSD. 6, SECTION 22 | 4 - 27 | LSD. 4, SECTION 27 |
| 7 - 22 | LSD. 7, SECTION 22 | 5 - 27 | LSD. 5, SECTION 27 |
| 8 - 22 | LSD. 8, SECTION 22 | 6 - 27 | LSD. 6, SECTION 27 |
| 9 - 22 | LSD. 9, SECTION 22 | 7 - 27 | LSD. 7, SECTION 27 |
| 10 - 22 | LSD. 10, SECTION 22 | 8 - 27 | LSD. 8, SECTION 27 |
| 11 - 22 | LSD. 11, SECTION 22 | 9 - 27 | LSD. 9, SECTION 27 |
| 12 - 22 | LSD. 12, SECTION 22 | 10 - 27 | LSD. 10, SECTION 27 |
| 13 - 22 | LSD. 13, SECTION 22 | 11 - 27 | LSD. 11, SECTION 27 |
| 14 - 22 | LSD. 14, SECTION 22 | 12 - 27 | LSD. 12, SECTION 27 |
| 15 - 22 | LSD. 15, SECTION 22 | 13 - 27 | LSD. 13, SECTION 27 |
| 16 - 22 | LSD. 16, SECTION 22 | 14 - 27 | LSD. 14, SECTION 27 |
| 5 - 23 | LSD. 5, SECTION 23 | 15 - 27 | LSD. 15, SECTION 27 |
| 6 - 23 | LSD. 6, SECTION 23 | 16 - 27 | LSD. 16, SECTION 27 |
| 9 - 23 | LSD. 9, SECTION 23 | 1 - 28 | LSD. 1, SECTION 28 |
| 10 - 23 | LSD. 10, SECTION 23 | 2 - 28 | LSD. 2, SECTION 28 |
| 11 - 23 | LSD. 11, SECTION 23 | 3 - 28 | LSD. 3, SECTION 28 |
| 12 - 23 | LSD. 12, SECTION 23 | 5 - 28 | LSD. 5, SECTION 28 |
| 13 - 23 | LSD. 13, SECTION 23 | 6 - 28 | LSD. 6, SECTION 28 |
| 14 - 23 | LSD. 14, SECTION 23 | 7 - 28 | LSD. 7, SECTION 28 |
| 15 - 23 | LSD. 15, SECTION 23 | 8 - 28 | LSD. 8, SECTION 28 |
| 16 - 23 | LSD. 16, SECTION 23 | 9 - 28 | LSD. 9, SECTION 28 |
| 3 - 24 | LSD. 3, SECTION 24 | 10 - 28 | LSD. 10, SECTION 28 |
| 4 - 24 | LSD. 4, SECTION 24 | 11 - 28 | LSD. 11, SECTION 28 |
| 5 - 24 | LSD. 5, SECTION 24 | 12 - 28 | LSD. 12, SECTION 28 |
| 6 - 24 | LSD. 6, SECTION 24 | 13 - 28 | LSD. 13, SECTION 28 |
| 11 - 24 | LSD. 11, SECTION 24 | 14 - 28 | LSD. 14, SECTION 28 |
| 12 - 24 | LSD. 12, SECTION 24 | 15 - 28 | LSD. 15, SECTION 28 |
| 13 - 24 | LSD. 13, SECTION 24 | 16 - 28 | LSD. 16, SECTION 28 |
| 4 - 25 | LSD. 4, SECTION 25 | 16 - 32 | LSD. 16, SECTION 32 |
| 5 - 25 | LSD. 5, SECTION 25 | 1 - 33 | LSD. 1, SECTION 33 |
| 1 - 26 | LSD. 1, SECTION 26 | 2 - 33 | LSD. 2, SECTION 33 |
| 2 - 26 | LSD. 2, SECTION 26 | 3 - 33 | LSD. 3, SECTION 33 |

PART XXII CONT'D

| <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 11 RANGE 26 WPM</u> | <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 12 RANGE 26 WPM</u> |
|---------------------|--|---------------------|--|
| 4 - 33 | LSD. 4, SECTION 33 | 4 - 3 | LSD. 4, SECTION 3 |
| 5 - 33 | LSD. 5, SECTION 33 | 5 - 3 | LSD. 5, SECTION 3 |
| 6 - 33 | LSD. 6, SECTION 33 | 12 - 3 | LSD. 12, SECTION 3 |
| 7 - 33 | LSD. 7, SECTION 33 | 1 - 4 | LSD. 1, SECTION 4 |
| 9 - 33 | LSD. 9, SECTION 33 | 2 - 4 | LSD. 2, SECTION 4 |
| 10 - 33 | LSD. 10, SECTION 33 | 3 - 4 | LSD. 3, SECTION 4 |
| 11 - 33 | LSD. 11, SECTION 33 | 4 - 4 | LSD. 4, SECTION 4 |
| 12 - 33 | LSD. 12, SECTION 33 | 5 - 4 | LSD. 5, SECTION 4 |
| 13 - 33 | LSD. 13, SECTION 33 | 6 - 4 | LSD. 6, SECTION 4 |
| 14 - 33 | LSD. 14, SECTION 33 | 7 - 4 | LSD. 7, SECTION 4 |
| 15 - 33 | LSD. 15, SECTION 33 | 8 - 4 | LSD. 8, SECTION 4 |
| 16 - 33 | LSD. 16, SECTION 33 | 9 - 4 | LSD. 9, SECTION 4 |
| 2 - 34 | LSD. 2, SECTION 34 | 10 - 4 | LSD. 10, SECTION 4 |
| 3 - 34 | LSD. 3, SECTION 34 | 11 - 4 | LSD. 11, SECTION 4 |
| 4 - 34 | LSD. 4, SECTION 34 | 12 - 4 | LSD. 12, SECTION 4 |
| 5 - 34 | LSD. 5, SECTION 34 | 13 - 4 | LSD. 13, SECTION 4 |
| 6 - 34 | LSD. 6, SECTION 34 | 14 - 4 | LSD. 14, SECTION 4 |
| 7 - 34 | LSD. 7, SECTION 34 | 15 - 4 | LSD. 15, SECTION 4 |
| 11 - 34 | LSD. 11, SECTION 34 | 1 - 5 | LSD. 1, SECTION 5 |
| 12 - 34 | LSD. 12, SECTION 34 | 7 - 5 | LSD. 7, SECTION 5 |
| 13 - 34 | LSD. 13, SECTION 34 | 8 - 5 | LSD. 8, SECTION 5 |
| 14 - 34 | LSD. 14, SECTION 34 | 9 - 5 | LSD. 9, SECTION 5 |
| | | 16 - 5 | LSD. 16, SECTION 5 |

PART XXIV

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> |
|---------------------|----------------------------|---------------------|----------------------------|
| 6 - 2 | .00102 | 4 - 11 | .26233 |
| 7 - 2 | .00157 | 5 - 11 | .15100 |
| 10 - 2 | .05786 | 6 - 11 | .15396 |
| 11 - 2 | .13133 | 7 - 11 | .20152 |
| 13 - 2 | .25292 | 8 - 11 | .07882 |
| 14 - 2 | .18725 | 12 - 11 | .19036 |
| 15 - 2 | .08363 | 5 - 13 | .31773 |
| 16 - 2 | .03146 | 6 - 13 | .14671 |
| 9 - 9 | .37796 | 7 - 13 | .27484 |
| 15 - 9 | .00846 | 10 - 13 | .46194 |
| 16 - 9 | 1.28594 | 11 - 13 | .65098 |
| 1 - 10 | .22998 | 12 - 13 | .87313 |
| 2 - 10 | .30088 | 13 - 13 | .16025 |
| 3 - 10 | .00752 | 14 - 13 | .44258 |
| 5 - 10 | .34099 | 15 - 13 | .12478 |
| 6 - 10 | .42969 | 4 - 14 | .04379 |
| 7 - 10 | .41643 | 5 - 14 | .43204 |
| 8 - 10 | .54667 | 6 - 14 | .53274 |
| 9 - 10 | .52965 | 7 - 14 | .50405 |
| 10 - 10 | .89957 | 8 - 14 | .50001 |
| 11 - 10 | .97841 | 9 - 14 | .47744 |
| 12 - 10 | .56197 | 10 - 14 | .15943 |
| 13 - 10 | .72635 | 11 - 14 | .00212 |
| 14 - 10 | .89163 | 12 - 14 | .11114 |
| 15 - 10 | .72503 | 13 - 14 | .11673 |
| 16 - 10 | .34869 | 15 - 14 | .40868 |
| 1 - 11 | .24795 | 16 - 14 | .16378 |
| 2 - 11 | .15386 | 1 - 15 | .39212 |
| 3 - 11 | .26711 | 2 - 15 | 1.37490 |

PART XXIV CONT'D

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> |
|---------------------|----------------------------|---------------------|----------------------------|
| 3 - 15 | 1.22455 | 10 - 21 | .43281 |
| 4 - 15 | 1.76356 | 11 - 21 | .03404 |
| 5 - 15 | .97238 | 14 - 21 | .44506 |
| 6 - 15 | 1.50972 | 15 - 21 | .18504 |
| 7 - 15 | 1.26276 | 16 - 21 | .83964 |
| 8 - 15 | 1.00225 | 1 - 22 | .02926 |
| 9 - 15 | .14966 | 3 - 22 | .49008 |
| 10 - 15 | .61606 | 4 - 22 | .69709 |
| 11 - 15 | 1.09060 | 5 - 22 | .79007 |
| 12 - 15 | 1.43421 | 6 - 22 | .73097 |
| 13 - 15 | .45819 | 7 - 22 | .54382 |
| 14 - 15 | .21822 | 8 - 22 | .47375 |
| 15 - 15 | .14428 | 9 - 22 | .55255 |
| 16 - 15 | .07135 | 10 - 22 | .56006 |
| 1 - 16 | .17401 | 11 - 22 | 1.31160 |
| 2 - 16 | .40418 | 12 - 22 | 1.33410 |
| 7 - 16 | .58834 | 13 - 22 | .88138 |
| 8 - 16 | .36012 | 14 - 22 | .42125 |
| 9 - 16 | .78014 | 15 - 22 | .19095 |
| 10 - 16 | .11683 | 16 - 22 | .13656 |
| 15 - 16 | .49622 | 5 - 23 | .34158 |
| 16 - 16 | 1.78769 | 6 - 23 | .06036 |
| 1 - 21 | 1.94851 | 9 - 23 | .16509 |
| 2 - 21 | 1.71996 | 10 - 23 | .02560 |
| 3 - 21 | 1.67661 | 11 - 23 | .09134 |
| 6 - 21 | .24330 | 12 - 23 | .54182 |
| 7 - 21 | 1.03763 | 13 - 23 | .22075 |
| 8 - 21 | 1.08509 | 14 - 23 | .22179 |
| 9 - 21 | 1.23553 | 15 - 23 | .13462 |

PART XXIV CONT'D

TRACT NUMBER TRACT PARTICIPATION

| | |
|---------|---------|
| 16 - 23 | . 17017 |
| 3 - 24 | . 50652 |
| 4 - 24 | . 00331 |
| 5 - 24 | . 00451 |
| 6 - 24 | . 15461 |
| 11 - 24 | . 13920 |
| 12 - 24 | . 46465 |
| 13 - 24 | . 23712 |
| 4 - 25 | . 69593 |
| 5 - 25 | . 24208 |
| 1 - 26 | . 15281 |
| 2 - 26 | . 31881 |
| 3 - 26 | . 04223 |
| 4 - 26 | . 34890 |
| 5 - 26 | . 11246 |
| 6 - 26 | . 51683 |
| 7 - 26 | . 72965 |
| 8 - 26 | . 45367 |
| 10 - 26 | . 47875 |
| 11 - 26 | . 24047 |
| 12 - 26 | . 29519 |
| 1 - 27 | . 27529 |
| 2 - 27 | . 21503 |
| 3 - 27 | . 40576 |
| 4 - 27 | . 69145 |
| 5 - 27 | . 43123 |
| 6 - 27 | . 40801 |
| 7 - 27 | . 13845 |
| 8 - 27 | . 36094 |

TRACT NUMBER

TRACT PARTICIPATION

| | |
|---------|---------|
| 9 - 27 | . 53092 |
| 10 - 27 | . 41436 |
| 11 - 27 | . 41829 |
| 12 - 27 | . 61659 |
| 13 - 27 | . 42723 |
| 14 - 27 | . 59188 |
| 15 - 27 | . 60606 |
| 16 - 27 | . 18598 |
| 1 - 28 | . 35779 |
| 2 - 28 | . 65033 |
| 3 - 28 | . 46440 |
| 5 - 28 | . 06751 |
| 6 - 28 | . 34805 |
| 7 - 28 | . 52289 |
| 8 - 28 | . 30140 |
| 9 - 28 | . 59132 |
| 10 - 28 | . 65880 |
| 11 - 28 | . 52977 |
| 12 - 28 | . 15086 |
| 13 - 28 | . 27550 |
| 14 - 28 | . 13700 |
| 15 - 28 | . 44902 |
| 16 - 28 | . 54216 |
| 16 - 32 | . 04685 |
| 1 - 33 | . 08627 |
| 2 - 33 | . 47619 |
| 3 - 33 | . 71973 |
| 4 - 33 | . 18069 |
| 5 - 33 | . 09629 |

PART XXIV CONT'D

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> |
|---------------------|----------------------------|---------------------|----------------------------|
| 6 - 33 | .81970 | 7 - 4 | .16840 |
| 7 - 33 | .38399 | 8 - 4 | .50557 |
| 9 - 33 | .09272 | 9 - 4 | .71312 |
| 10 - 33 | .61299 | 10 - 4 | .80665 |
| 11 - 33 | .51711 | 11 - 4 | 1.00623 |
| 12 - 33 | .41234 | 12 - 4 | 1.29982 |
| 13 - 33 | .55681 | 13 - 4 | .51708 |
| 14 - 33 | .94855 | 14 - 4 | 1.15753 |
| 15 - 33 | .48665 | 15 - 4 | .41414 |
| 16 - 33 | .14792 | 1 - 5 | .55183 |
| 2 - 34 | .00017 | 7 - 5 | .01693 |
| 3 - 34 | .39494 | 8 - 5 | .28510 |
| 4 - 34 | .00965 | 9 - 5 | .20946 |
| 5 - 34 | .05613 | 16 - 5 | .24146 |
| 6 - 34 | .09184 | | |
| 7 - 34 | .19888 | | |
| 11 - 34 | .19900 | | |
| 12 - 34 | .11166 | | |
| 13 - 34 | .75608 | | |
| 14 - 34 | .09346 | | |
| 4 - 3 | 1.49234 | | |
| 5 - 3 | .34302 | | |
| 12 - 3 | .01653 | | |
| 1 - 4 | .33967 | | |
| 2 - 4 | .52285 | | |
| 3 - 4 | .90618 | | |
| 4 - 4 | .70212 | | |
| 5 - 4 | .73527 | | |
| 6 - 4 | .29326 | | |

PART XXV

PARTICIPATING INTERESTS

Provision for
Schedule of Working
Interest Owners and
Participating
Interests

25.01 The Unit Operator shall as soon after approval of title by the Operating Committee under Part XIII is deemed to have been made, prepare and submit to the Working Interest Owners, Schedules setting out the Working Interest Owners of the Tracts and the Participating Interests in the Unit. Upon the approval of the Operating Committee the Unit Operator shall cause such Schedules to be published in one issue of The Manitoba Gazette.

The Unit Operator shall from time to time at the discretion of the Operating Committee prepare and submit to the Working Interest Owners, revised Schedules setting out any change of ownership in the Tracts or Participating Interests in the Unit, and shall cause such Schedules to be published in one issue of The Manitoba Gazette.

PART XXVI

ACCOUNTING PROCEDURE

Definitions 26.01 In this Part:

"Joint Property" (a) "Joint Property" shall mean the respective tracts and interest of the Working Interest Owners and where the context so requires shall include all wells, wellsite and operating equipment taken over by Unit Operator pursuant to Part X hereto, and all material, equipment and supplies purchased or furnished by the Unit Operator for use in the development, maintenance and operation of the unit.

"major material" (b) "major material" means:

Tubing - 1000 feet and over in 'B' condition
Sucker Rods - plain and scraped - 1500 feet and over in 'B' condition

Pumping Unit
Pumping Motor
Automatic Controls
Separators
Heaters
Treaters
Tanks complete with thief hatches

and any other material the current replacement cost of which exceeds one thousand (\$1,000.00) dollars.

(c) with respect to classification of material:

"Condition 'A'" (i) New material (Condition 'A'), being new material purchased or procured for the Joint Property but never used thereon, at one hundred (100%) per cent of current new price.

"Condition 'B'" (ii) Good used material (Condition 'B'), being serviceable material which is further usable without reconditioning:

(a) at seventy-five (75%) per cent of current new price if material was charged to Common Account as new; or

(b) at seventy-five (75%) per cent of current new price less depreciation consistent with its usage on and service to the Joint Property, if material was originally charged to the Common Account as good secondhand at seventy-five (75%) per cent of new price.

"Condition 'C'" (iii) Other used material (Condition 'C'), being material which:

- (a) after reconditioning will be further serviceable for original function as good secondhand material (Condition 'B'), or
 - (b) is serviceable for original function but substantially not suitable for reconditioning,

shall be at fifty (50%) per cent of current new price.
- "Condition 'D'"

 - (iv) Used material (Condition 'D'), being material which cannot be classified as Condition 'B' or Condition 'C' shall be priced at a value commensurate with its use.
- "Condition 'E'"

 - (v) Junk (Condition 'E'), being obsolete and unserviceable material, at prevailing junk prices in the district.
- "Temporarily Used Equipment"

 - (vi) When the use of certain items of equipment for the unit operations is only temporary, and the time of actual use does not justify the reduction in price as provided under paragraph (c) (ii) (b) such equipment shall be priced on a basis that will leave a net charge to the Common Account consistent with the value of the services rendered and adequate for the time the equipment was in use.
- "Current New Price"

 - (d) "Current New Price" means the current cost of material purchased at the nearest store of a reputable dealer or delivered by a reputable dealer at the railway receiving point nearest the Joint Property; tubular goods (2" and over) shall be priced on carload basis regardless of quantity purchased and all other material shall be priced on the basis of a reputable supply company's preferential price list.
- Fixed Asset Records

26.02 Fixed Asset records shall be maintained for all equipment units outlined in Section 10.03 and any other tangible equipment which is included in the Investment Account.
- Statements and Billings

26.03 Unit Operator shall bill each of the Other Working Interest Owners on or before the last day of each month for their proportionate share of charges and credits in respect of unit operations during the preceding month. Such bills shall be accompanied by the following statements:

 - (a) Detailed statement of purchased or acquired equipment ordinarily considered controllable by operators of oil and gas properties.
 - (b) Statement of all ordinary charges and credits to the Common Account summarized by appropriate classification indicative of the nature thereof.

(c) Detailed statement of all other charges and credits.

Payments by
Working Interest
Owners

26.04 See Sections 8.03, 8.05 and 8.06.

Adjustments

26.05 Payments during any calendar year of any statement rendered by the Unit Operator shall not prejudice the right of any Working Interest Owner to take exception to all or any part of such statements within two (2) years following such calendar year, provided such exceptions are made in writing to the Unit Operator; if no exception is made within such time then such statement shall preclude such Working Interest Owner from subsequently protesting or questioning the correctness thereof. All payments made are subject to adjustments when proper, if objections to statements rendered are made within the period hereinabove provided. However, the provisions of this paragraph shall not prevent adjustments resulting from physical inventory of property as provided for in Section 26.13 hereof.

Audits

26.06 Any auditor or auditing committee appointed by the Operating Committee, upon notice in writing to the Unit Operator, shall have the right to audit Unit Operator's accounts and records relating to the accounting hereunder for any calendar year within the eighteen (18) month period following the end of such calendar year. The Working Interest Owners shall have six (6) months next following the examination of the Unit Operator's records within which to take written exception to and make any and all claims on the Unit Operator. Such auditor, or auditing committee shall make every reasonable effort to conduct such auditing in a manner which will result in a minimum of inconvenience to the Unit Operator. The cost of such an audit shall be charged to the Common Account. In addition to the foregoing right, any Working Interest Owner shall have the right to make an individual audit at its own cost and expense.

Charges to
Common Account

26.07 Subject to the limitations hereinafter prescribed, Unit Operator shall charge the Common Account with the following costs of development and operation of the Joint Property;

(a) Salaries, wages and related expense of Unit Operator's personnel directly employed on the Joint Property in other than pumping, gauging and switching operations.

(b) Unit Operator's cost of vacation and expenditures or contributions imposed or assessed by any governmental

body having jurisdiction with respect to such salaries and wages referred to in paragraph (a) of Section 26.07.

- (c) Unit Operator's current cost of established plans for employees' group life insurance, sickness and disability benefits, hospitalization, pension, retirement, stock purchases, thrift, bonus and other benefit plans of like nature, applicable to such salaries and wages provided for in paragraph (a) of Section 26.07, and provided further that the charges under this paragraph (c) shall not exceed twelve (12%) per cent of the total of the salaries and wages charged under paragraph (a) of Section 26.07. It is agreed however, that if this limitation of twelve (12%) per cent shall be found to be insufficient, the same may be increased from time to time when authorized by a vote of the Operating Committee, save that such changes shall not be made more often than once in any calendar year and shall not be applied retroactively to any period.
- (d) (i) Material, equipment and supplies purchased or furnished by Unit Operator for use in connection with the operation of the Joint Property. So far as it is reasonably practical and consistent with efficient and economical operation, only such material shall be purchased for or transferred to the Unit Area as is required for immediate use, and the accumulation of surplus stocks shall be avoided whenever possible.
- (ii) Moving material to the Joint Property from vendor's or from Unit Operator's warehouse in the district or from the other properties of the Unit Operator, but in either of the last two events no charge shall be made to the Common Account for a distance greater than the distance from the nearest reliable supply store or railway receiving point where such material is available except by specific approval of the Operating Committee.
- (iii) Moving surplus material from the Joint Property to outside vendees, if sold f.o.b. destination, or minor returns to Unit Operator's warehouse or other storage point. No charge shall be made to the Common Account for moving surplus major material to Unit Operator's warehouse or other storage point for a distance greater than the distance to the nearest reliable supply store or railway receiving point, except by specific approval of the Operating Committee, and no charge shall be made to the Common Account for moving material to other properties belonging to Unit Operator, except by specific approval of the Operating Committee.

- (e) Cost of contract services and utilities procured from outside sources and use of and service by Unit Operator's exclusively owned equipment and facilities as provided in Section 26.11 .
- (f) Costs or expenses necessary to replace or repair Joint Property damaged or lost through fire, flood, storm or any other cause not controllable by Unit Operator through the exercise of reasonable diligence. Unit Operator shall furnish the Working Interest Owners with written notice of damage or losses incurred by fire, flood, storm or other natural or accidental causes as soon as practical but not later than fifteen (15) days after report of same has been received by Unit Operator.
- (g) All costs and expenses of litigation or legal services otherwise necessary or expedient for the protection of the Joint Property, including Counsel fees and expenses as hereinafter provided, together with all judgments obtained against or chargeable to the Common Account or the Joint Property; actual expenses incurred by any Working Interest Owners in securing evidence for the purpose of defending any action or claim prosecuted or urged against the Common Account or the Joint Property.
 - (i) If the Operating Committee agrees, actions or claims affecting the Common Account or the Joint Property hereunder may be handled by the legal staff of one or more of the Working Interest Owners. A charge commensurate with the services rendered may be made against the Common Account but no such charge shall be made until approved by the Operating Committee.
 - (ii) Fees and expenses of outside Counsel shall not be charged to the Common Account except where the employment of such outside Counsel is authorized by the Operating Committee.
- (h) All taxes of every kind and nature (other than income taxes) assessed upon or in connection with the Joint Property, the operation thereof or the products derived therefrom, and which taxes have been paid by the Unit Operator for the benefit of the Working Interest Owners.
- (i) Insurance as provided for in Section 18.02.
- (j) District and administrative overhead:

The rates set forth below shall be charged to the Common Account in lieu of a proportionate share of

the costs incurred by the Unit Operator under subparagraphs (i) (ii) (iii) and (iv) of paragraph (j) of Section 26.07.

Such rates are subject to revision annually as set forth in paragraph (j) of Section 6.03. These costs include, but are not limited to the following:

- (i) Salaries and expenses of the Unit Operator's district superintendent and other general district or field employees, managing officers and employees of the division and/or principal office other than those who are directly engaged on the Joint Property and whose salaries are chargeable to the Common Account under the provisions of paragraph (a) of Section 26.07.
- (ii) Cost of maintaining and operating a district office and all necessary camps, including housing facilities for employees if necessary. The expense of, less any revenue from, these facilities shall include depreciation or a fair monthly rental in lieu of depreciation on investment.
- (iii) Any other costs of operating the division and/or principal office of the Unit Operator.
- (iv) Salaries, wages, employee benefits as outlined in paragraphs (b) and (c) of Section 26.07 and related expenses of Unit Operator's personnel directly employed on the Joint Property in pumping, gauging, and switching operations.

The rates are as follows:

- (a) One hundred (\$100.00) dollars per well per month for all Unit Operated Wells.
- (b) Forty-five (\$45.00) dollars per day for each drilling well, wells being plugged back, drilled deeper or converted to source or input wells; charges to commence on the date the well is spudded and terminate when the well is on production, or on injection, plugged or capped as the case may be, except that no charge should be made during the suspension of drilling operations for fifteen (15) or more consecutive days.
- (c) An amount to cover the Unit Operator's indirect costs applicable to construction projects and/or special studies other than those mentioned in subparagraph (b) of paragraph (j) of Section 26.07 above, shall be determined by the Unit Operator

and identified as such on the Approval for Expenditure form presented to the Operating Committee for approval.

- (k) A charge to cover the cost of handling material into and in Unit Operator's warehouse shall be assessed on new and used materials and equipment furnished from the warehouse on the basis of two and one-half (2½%) per cent of the cost of tubular goods and major equipment such as tanks, separators, engines, etc., and five (5%) per cent of the cost of all other material which shall in each case be deemed to be the actual cost thereof to Unit Operator.
- (1) Any other expenditures incurred by Unit Operator except that no charge shall be made for any interest or financing charges incurred by Unit Operator except where incurred with the approval of the Operating Committee.

Basis of
Charges to
Common Account

26.08 (i) Outside Purchases

Material and equipment purchases and all services shall be charged to the Common Account at their invoice cost to Unit Operator after deduction of all discounts actually received.

(ii) Material Furnished by Unit Operator

Material required for unit operations shall be purchased for direct charge to the Common Account whenever practicable except that Unit Operator may furnish such material from Unit Operator's stocks under the following conditions:

(a) New Material - Condition 'A'

- (1) New material transferred from Unit Operator's warehouse or other properties shall be priced f.o.b. the nearest reputable supply store or railway receiving point where such material is available, at current replacement cost of the same kind of material. This will include material such as tanks, rigs, pumps, sucker rods, boilers and engines. Tubular goods (2" and over) shall be charged on the basis of carload price effective at date of transfer and f.o.b. railway receiving point nearest the Joint Property, regardless of quantity transferred.
- (2) Other material shall be priced on the basis of a reputable supply company's preferential price list effective at date of transfer and f.o.b.

the store or railway receiving point nearest the Joint Property where such material is available.

(b) Used Materials - Condition 'B' and 'C'

(1) Material which is in sound and serviceable condition and is suitable for re-use without reconditioning shall be classed as Condition 'B' and priced at seventy-five (75%) per cent of current new price.

(2) Material which cannot be classified as Condition 'B' but which

(i) after reconditioning will be further serviceable for original function as good secondhand material (Condition 'B'), or

(ii) is serviceable for original function but substantially not suitable for reconditioning,

shall be classed as Condition 'C' and priced at fifty (50%) per cent of current new price,

(3) Material which cannot be classified as Condition 'B' or Condition 'C' shall be priced at a value commensurate with its use.

(4) Any equipment involving erection costs will be charged on a basis not to exceed seventy-five (75%) per cent of new price for similar materials in a dismantled state.

Premium Price 26.09 Whenever materials and equipment are not readily obtainable at the customary supply point and at prices specified in Section 26.08 because of national emergencies, strikes or other unusual causes over which Unit Operator has no control, Unit Operator may charge the Common Account for the required materials and/or equipment on the basis of Unit Operator's direct cost and expense incurred in procuring such materials and/or equipment, in making it suitable for use, and in moving it to the Joint Property; PROVIDED, HOWEVER, that each Working Interest Owner is notified in writing prior to the acquisition of the material and/or equipment acquired pursuant to this provision, whereupon each Working Interest Owner shall have the right by so electing and notifying Unit Operator within forty-eight (48) hours after receiving notice from the Unit Operator, to furnish in kind or in tonnage as may be agreed, at the location, nearest railway point, or Unit Operator's storage point, within a comparable

distance, all or part of his share of material and/or equipment suitable for use and acceptable to Unit Operator. Transportation costs on any such material furnished by a Working Interest Owner at any point other than at the location, shall be borne by such Working Interest Owner. If, pursuant to the provisions of this paragraph, a Working Interest Owner furnishes material and/or equipment in kind, Unit Operator shall make appropriate credits therefor to the account of the Working Interest Owner.

Warranty
of Material

- 26.10 Unit Operator does not warrant the material and equipment furnished beyond or back of the dealer's or manufacturer's guarantee; and in case of defective material, credit shall not be passed until adjustment has been received by Unit Operator from the manufacturer or their agents.

Unit Operator's
Exclusively Owned
Facilities

- 26.11 The Unit Operator shall charge the Common Account for services rendered by facilities and equipment owned exclusively by Unit Operator. The rates charged shall be commensurate with the cost of ownership and operation and shall not be in excess of current prevailing rates of like services and equipment available in the area.

Whenever requested, Unit Operator shall inform the Working Interest Owners in advance of rates it proposes to charge. Rates shall be revised from time to time when found to be either excessive or insufficient.

Disposal of
Lease Equipment

26.12

- (a) Unit Operator shall be under no obligation to purchase the interest of any Working Interest Owner in jointly owned surplus new or secondhand material and equipment.
- (b) The term "minor equipment" as used in this paragraph shall mean any material or items of Unit Facilities not described as major material. Unit Operator may dispose of any item of minor equipment, which it deems to be unnecessary for the unit operation hereunder, to such person and for such price as it sees fit without reference to the Operating Committee.
- (c) Unit Operator may dispose of any item of major material which it deems to be surplus to the unit operations hereunder. A continuing basis for establishing the sales price of such surplus material shall be determined by resolution at a meeting of the Operating Committee. The Unit Operator will supply to each Working Interest Owner details of surplus major material at least every six (6) months.
- (d) Surplus material and equipment purchased by Unit Operator shall be credited to the Working Interest Owners in

accordance with Section 10.09 and included in the monthly statement of unit operations for the month in which the purchase was made.

- (e) Surplus material and equipment purchased by the Working Interest Owners shall be invoiced by Unit Operator and paid for by the Working Interest Owners to Unit Operator immediately following receipt of invoice. Unit Operator shall credit the Working Interest Owners in accordance with Section 10.09 and include the same in the monthly statement of unit operations.
- (f) Division of surplus material in kind, if made between Unit Operator and the Working Interest Owners shall be in accordance with Section 10.09. Each Working Interest Owner will thereupon be charged individually with the value of the material received or receivable by each Working Interest Owner and corresponding credits will be made by Unit Operator in the monthly statement of unit operations.
- (g) Sales to outsiders of surplus material shall be credited by Unit Operator to the Working Interest Owners in accordance with Section 10.09 at the net amount collected by Unit Operator from Vendee.
- (h) Jointly owned surplus material sold to either Unit Operator or the Working Interest Owners, or divided in kind among them, unless otherwise agreed, shall be valued on a condition basis as defined herein.

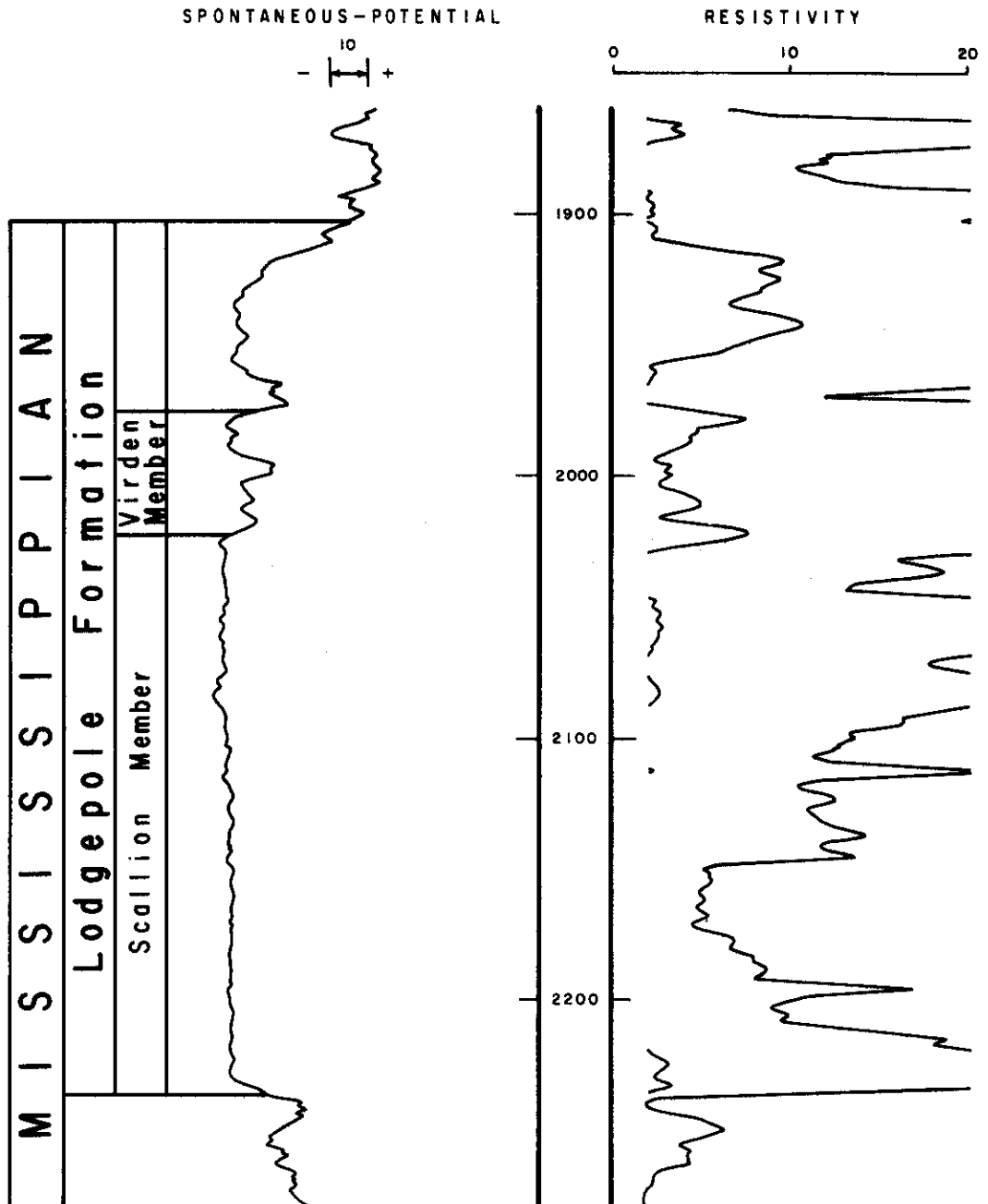
Inventories

26.13

- (a) Regular inventories of controllable material and equipment shall be taken by an Inventory Committee appointed by the Operating Committee and at intervals specified by the Operating Committee; PROVIDED, HOWEVER, that construction projects as outlined in the budget shall be inventoried by the Inventory Committee upon completion and a copy of any such inventory shall be furnished to any Working Interest Owner on request.
- (b) Reconciliation of inventory with the Investment Account shall be made by the Inventory Committee, and a list of overages and shortages shall be submitted to the Working Interest Owners within sixty (60) days from the taking of such inventory.
- (c) Inventory adjustments shall be made by Unit Operator with the Investment Account for overages and shortages but Unit Operator shall only be held accountable to the Working Interest Owners hereto for shortages resulting from lack of reasonable diligence.

- (d) the expense of the Inventory Committee shall be charged to the Common Account.
- (e) Any Working Interest Owner shall have the right at any time to request in writing the taking of a special inventory. The taking of such special inventory shall be commenced within fifteen (15) days after the receipt of notice thereof. The expense of Unit Operator's representative in conducting any special inventory so requested shall be charged to the separate account of the requesting Working Interest Owner.

PART XXVII
ELECTRICAL LOG
Calstan Scallion Prov. SWD 9-16-11-26
K. B. Elevation 1506'



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June / 79.

PLAN FOR UNIT OPERATION
GOVERNING THE UNITIZED MANAGEMENT
OPERATION AND FURTHER DEVELOPMENT OF
NORTH VIRDEN SCALLION UNIT NO. 1

PART I

INTERPRETATION

References to
terms and
Expressions

1.01 This Plan shall be construed with reference to The Interpretation Act and the terms and interpretation of The Mines Act and regulations thereunder.

Definitions

1.02 In this Plan unless the context otherwise requires:

"Accounting
Procedure"

(a) "Accounting Procedure" means the rules, provisions and conditions set forth in Part XXVIII hereof;

"Common Account"

(b) "Common Account" means the account set up on behalf of the Working Interest Owners under Part VIII.

"Conservation
Board"

(c) "Conservation Board" or "Board" means The Oil and Natural Gas Conservation Board;

"Effective Date"

(d) "Effective Date" means the hour of seven o'clock in the forenoon, Central Standard Time, on the first day of _____ A.D. 19__.

"Gas"

(e) "Gas" means natural gas both before and after it has been subjected to any processing and includes all fluid hydrocarbons not defined as Oil.

- "Investment Account" (f) "Investment Account" means the account set up and maintained by Unit Operator on behalf of the Working Interest Owners as provided in Part X hereof;
- "Leases" (g) "Leases" means severally and collectively the petroleum and natural gas leases, petroleum leases, natural gas leases, subleases, agreements to grant a lease and any other agreements whether similar or dissimilar to the foregoing covering the lands described in Part XXII hereof;
- "Oil" (h) "Oil" means crude oil and all other hydrocarbons regardless of gravity, that are or can be recovered in liquid form from a pool through a well by ordinary production methods;
- "Operating Committee" (i) "Operating Committee" means the committee created pursuant to Part V hereof;
- "Outside Substances" (j) "Outside Substances" means all substances obtained from any sources other than the Unitized Strata for injection into the Unitized Strata;
- "Participating Interest" (k) "Participating Interest" means with respect to each Working Interest Owner the sum of the products obtained by multiplying its respective working interest in each Tract by the respective Tract Participation of each such Tract;
- "Royalty Owner" (l) "Royalty Owner" means a person, other than a

Working Interest Owner, who has any interest in a right to receive a portion of the Unitized Substances or a portion of the proceeds from the sale thereof, including a reversionary interest, a royalty interest reserved to the lessors named in any Lease, and any overriding royalty interest, or an interest in a payment under, or encumbrance on, a Lease that does not carry with it the right to search for or produce the Unitized Substances;

"Salt Water Disposal Well"

(m) "Salt Water Disposal Well" means those wells drilled for the purpose of, or converted to, salt water disposal;

"Spacing Unit"

(n) "Spacing Unit" means the area allocated by any governmental body having jurisdiction with respect thereto for each well drilled for the purpose of producing Oil and Gas from the Unitized Strata;

"Tract"

(o) "Tract" means the parcels of land described as such and given a Tract number in Part XXII hereof;

"Tract Participation"

(p) "Tract Participation" means the percentage set forth for each Tract in Part XXIV hereof;

"Unit Area"

(q) "Unit Area" means and comprises the lands set forth and described in Part XXII hereof and included within the boundaries of the solid black outline on the map shown in Part XXIII

hereof, insofar as these lands relate to the Unitized Strata, excepting, however, those lands, if any shown cross-hatched in Part XXIII hereof;

"Unit Facilities" (r) "Unit Facilities" means all tangible property of every kind, nature and description (excepting Unitized Substances, Unit Operated Wells, rental equipment and Unit Operator's exclusively owned equipment) in the possession of Unit Operator hereunder acquired from a Working Interest Owner pursuant to the provisions of Part X hereof, together with all facilities and equipment purchased, constructed or acquired by Unit Operator pursuant hereto;

"Unit Operated Wells" (s) "Unit Operated Wells" means all wells (including wells drilled for the production of Unitized Substances, wells drilled for the purpose of producing water only, wells drilled for the purpose of water disposal and wells drilled for the purpose of pressure maintenance operations or secondary recovery operations) in the possession of Unit Operator hereunder, whether acquired from a Working Interest Owner or drilled by Unit Operator pursuant to the terms hereof, but excluding Unit Facilities in and on the said Wells;

- "Unit Operator" (t) "Unit Operator" means the person appointed to manage and conduct the operations hereunder who shall be a Working Interest Owner unless the Operating Committee unanimously otherwise agrees;
- "Unitized Strata" (u) "Unitized Strata" means the Virden and Scallion members of the Lodgepole Formation of the Mississippian Age as same are shown on the electrical log of the Calstan Scallion Prov. SWD 9-16-11-26 well in Legal Subdivision Nine (9) of Section Sixteen (16), Township Eleven (11), Range Twenty-six (26), West of the First Meridian, in the Province of Manitoba, between the interval 1,974 feet and 2,237 feet as measured from the Kelly Bushing. The Virden member consists of submembers sometimes known as the Crinoidal and Four Oolites. The Scallion member is sometimes known as the Cherty Zone.
- "Unitized Substances" (v) "Unitized Substances" means the Oil and Gas that are within or are produced from the Unitized Strata;
- "Well" (w) "Well" means any well within the Unit Area which has been drilled to the Virden or Scallion members of the Lodgepole Formation of the Mississippian Age for the production of Oil and Gas which at some time since such

drilling has produced a minimum of three
(3) barrels of Oil per day for at least
one-month's duration;

"Working Interest
Owner"

(x) "Working Interest Owner" means a person who
has the right, in whole or in part, to search
for and produce and to appropriate the
Unitized Substances, either for himself
or for others having an interest therein,
or for both, whether such right is derived
from ownership in fee simple or from a
Lease;

2

PART II

UNIT OPERATION

- Unit Name 2.01 The name of the Unit shall be "North Virden Scallion Unit No. 1" (hereinafter sometimes called the "Unit").
- Operation as a Unit 2.02 On and after the Effective Date, the respective interests of the Working Interest Owners and Royalty Owners, in and to the Unit Area, the Unitized Strata and the Unitized Substances, shall be unitized for the purposes of carrying out in the Unit Area and the Unitized Strata any and all operations which may at any time and from time to time be deemed necessary or advisable by the Operating Committee for the purpose of preventing waste, obtaining ultimately the greatest possible recovery of the Unitized Substances and accomplishing the more efficient and more economical development and production of the Unitized Substances under prudent and proper operations and practices to the end that all operations for drilling and producing and all other operations in the Unitized Strata may be conducted without regard to the separate Leases or boundary lines of separate Tracts within the Unit Area and as though the

Unitized Strata were covered by a single Lease subject to all the terms and conditions hereof.

Effect of Unit
Operation

2.03 Without limiting its general effect, the unitization shall have the following specific effects;

Amendment
of Leases

(a) On and after the Effective Date, the terms and provisions of the Leases are hereby amended to the extent necessary to make them conform to the terms and provisions hereof and, the Leases as amended, shall continue in full force and effect.

Continuation
of Leases

(b) Any operations conducted with respect to the Unitized Strata, or production of Unitized Substances shall, except for the purposes of determining payments to Royalty Owners, be considered as operations upon or production from each Tract and such operations or production shall operate to continue in force and effect each Lease as if such operations had been conducted and a well had been drilled on and was producing from each Spacing Unit or portion thereof covered by each Lease.

Authority for
operations

2.04 The Working Interest Owners are hereby collectively authorized to develop and operate the Unitized Strata without regard to the separate Leases or the boundary lines of separate Tracts within the Unit Area, and to drill, use and produce such wells as the Operating Committee deems advantageous to operations on or production from the Unitized Strata, to abandon such wells as they deem unnecessary and in general to do all other things that the Operating Committee deems advisable for the purpose of accomplishing the most efficient and most economical development and operation of the Unitized Strata. Without limiting the generality of the foregoing, the Working Interest Owners are hereby authorized to inject Oil and Gas, water, or other substances, or any combination of them, into the Unitized Strata and from time to time to convert and use as injection wells any well now drilled or hereafter drilled into the Unitized Strata.

2.05 Nothing contained in this Plan shall be construed as imposing upon any Royalty Owner any obligation to pay for any of the expenses of the unitization herein provided for or for any of the costs and

expenses incurred in operations hereunder
unless such Royalty Owner is obligated to
pay for the same by the terms of any Lease.

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PART III

TRACT PARTICIPATION

3.01 The Tract Participation of each Tract shall

be shown in Part XXIV hereof and was

determined with respect to all Tracts by adding
one-half ($1/2$) of each of the following:

(a) A current production factor;

such factor is the percentage calculated by
dividing the oil production of such Tract
during the interval May 1, 1961 to October 31,
1961, by the oil production for all Tracts during
the same interval, and multiplying by 100.

(b) An average monthly oil production factor
penalized for water production; such factor
is arrived at by:

i) determining average monthly oil production
of the Tract by dividing its cumulative oil
production to October 31, 1961 by the number
of calendar months since the well on such
Tract first went on production, provided that
the first calendar month shall not be counted
as such unless the oil production from the well
... on any such Tract for that calendar month was
greater than one-half ($1/2$) of the oil
production from such well for the next suc-
ceeding month;

ii) calculating a fractional water cut for the
Tract by dividing the water production for

the interval set out in paragraph (a) hereof by the sum of its water and oil production for the same period; PROVIDED, THAT with respect to those Tracts which did not produce during the interval referred to, the fractional water cut shall be calculated by dividing the water production for each such Tract during the consecutive six month period that ends with the last recorded production by the sum of such Tract's water and oil production for the same period.

iii) multiplying the average monthly oil production for the Tract obtained in (i) by the fraction one minus the water cut appropriate to the Tract as determined in (ii);

iv) dividing the products obtained in (iii) for the Tract by the sum of all the products obtained in (iii) for all the Tracts multiplied by one hundred (100).

3.02 The total of the Tract Participations for all tracts shall at all times equal one hundred (100%) per cent.

3.03 This Part III is explanatory and the Tract Participations shown in Part XXIV shall be deemed to be correctly made in accordance with this Part III.

PART IV

ALLOCATION OF PRODUCTION

Allocation
to Tracts

4.01 All Unitized Substances produced and saved shall be apportioned among and allocated to the several Tracts in accordance with their respective Tract Participations. The amount of Unitized Substances so allocated to each Tract, and only that amount, regardless of whether it be more or less than the amount of the actual production of Unitized Substances from the well or wells, if any, on such Tract, shall for all intents, uses and purposes, be deemed to have been produced from such Tract.

Delivery of
Unitized Substances
in kind

4.02 The Working Interest Owners entitled to the Unitized Substances allocated to each Tract shall have the right to take such Unitized Substances in kind. Such Working Interest Owners shall have the right to construct, maintain and operate within the Unit Area all necessary facilities for taking production in kind provided the same are so constructed, maintained and operated as not to interfere with unit operations. Any extra expenditures incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances

shall be borne by the Working Interest Owner receiving the same.

Distribution
within Tracts

4.03 The Unitized Substances allocated to each Tract shall be distributed by the Working Interest Owners of such Tract among, or accounted for, to the persons entitled to share in the production from such Tract in the manner provided for in the Lease covering such Tract. The Royalty Owners shall accept royalty calculated on the allocated production in full settlement, satisfaction and discharge of the obligation of any Working Interest Owner or Owners to make royalty payments on Unitized Substances under their respective Leases.

Failure to
take in kind

4.04 To the extent that any Working Interest Owner entitled to take and receive in kind any portion of the Unitized Substances shall fail to take or otherwise adequately dispose of the same currently as and when produced, then so long as such conditions continue, Unit Operator, as agent and for the account and at the expense of such Working Interest Owner may, and upon the instructions of the Operating Committee shall, in order to avoid curtailing the operation of the Unitized Strata, dispose of such

production and the account of such Working Interest Owner shall be credited therewith as having received the same. The proceeds of the sale of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owner entitled thereto. The authority of the Unit Operator to enter into contracts for the sale of such production shall be limited to contracts that are limited in time to the minimum needs of the industry and in any event not exceeding one (1) year. Any Working Interest Owner not taking in kind may revoke at will Unit Operator's authority hereunder by notice in writing to Unit Operator and by taking in kind all of its share of production not previously contracted for sale.

Over-production 4.05

- (a) A proper and timely gauge shall be made of all tanks delivered to Unit Operator to ascertain the amount of Oil in such tanks as of the Effective Date. If any Wells producing into such tanks have made more than their cumulative production allowable as set by the Conservation Board, the amount of such over-production of Oil then in such tanks which

has been produced from the Virden and Scallion members of the Lodgepole Formation of the Mississippian Age shall be deemed to be Unitized Substances. Except as aforesaid the Oil in such tanks shall remain and be at the risk of and be the property of the Working Interest Owner owning the same prior to the Effective Date, and upon request shall be delivered in kind to such Working Interest Owner, or, in the absence of such request, shall be sold by Unit Operator for the credit of and on behalf of such Working Interest Owner at not less than the prevailing well-head price, and the proceeds thereof shall be paid by the purchaser directly to such Working Interest Owner.

- see 2105(a)* (b) If any production in excess of the cumulated production allowable of any Tract as of the Effective Date was sold prior to the Effective Date, the Unit Operator, during each subsequent month next following the Effective Date shall withhold from the Unitized Substances which, except for the provisions of this subparagraph, would

have been allocated to a Tract or Tracts from which the Oil sold was produced in excess of the cumulated production allowable, an amount equivalent to twenty (20%) per cent of such excess production on the Effective Date, and the amount or amounts so withheld shall be reallocated to all of the Tracts in Proportion to their respective Tract Participations. Such withholding and reallocation shall be continued until the full amount of any such excess production in respect to any Tract or Tracts has been withheld and reallocated.

- (c) No allowance shall be made to any interested person for any under-production of Oil from its Wells prior to the Effective Date.

Royalty on Outside Substances

- 4.06 If any Outside Substance is injected into the Unitized Strata, any like substance contained in Unitized Substances subsequently produced and sold or used for other than operations hereunder, shall be deemed to be an Outside Substance until the volume of such Outside Substance injected into the Unitized Strata is recovered. No payments shall be due or payable to Royalty Owners on any

substance which is deemed to be an Outside Substance.

Use of Unitized
Substances

4.07 The Working Interest Owners may use as much of the Unitized Substances (excluding Oil) as they deem necessary for the operation and development of the Unitized Strata, including, but not limited to, their injection into the Unitized Strata and in the operation of any plant or plants handling Unitized Substances. No royalty or other payment shall be payable in respect thereto or in respect to Unitized Substances unavoidably lost. Such Unitized Substances so used, injected or lost shall be excluded in allocating production.

PART V

ORGANIZATION OF THE
OPERATING COMMITTEE

Operating
Committee

5.01 There is hereby created an Operating Committee which shall be composed of one representative of each Working Interest Owner designated as hereinafter provided.

Representatives
on the Operating
Committee

5.02 Each Working Interest Owner shall, at least ten (10) days prior to the Effective Date, designate by notice in writing to the Chairman of the Conservation Board the name and address of its representative on the Operating Committee and shall further designate an alternate representative, or alternate representatives, on the Operating Committee who, in the absence of the designated representative, shall have the rights and powers of such representative.

Organization
meeting of the
Operating
Committee

5.03 (a) The Chairman of the Conservation Board shall, at least five (5) days prior to the Effective Date, select the representative of a Working Interest Owner to act as chairman pro tem of the organization meeting of the Operating Committee and shall forthwith forward the name and address of each Working

Interest Owner's representative, or alternate representative, or alternate representatives, to the person so selected.

- (b) The chairman pro tem of the Operating Committee shall call and hold an organization meeting of the Operating Committee prior to the Effective Date.
- (c) The Operating Committee, at such organization meeting, shall appoint the Unit Operator and the chairman pro tem of such organization meeting shall promptly notify the Chairman of the Conservation Board of such appointment and thereafter the representative of Unit Operator shall act as Chairman of each meeting of the Operating Committee without in any manner restricting or limiting his rights to represent Unit Operator as a Working Interest Owner.

Change of
representative

5.04 Each Working Interest Owner may change its designated representative or designated alternate representative or alternate representatives, by notice in writing to the Chairman of the Operating Committee and the Chairman of the Conservation Board. Nothing herein shall preclude two (2) or

more parties from designating one (1) member on the Operating Committee to represent them and to vote and act for them thereon and such member shall, if so required by his principals cast his vote for each principal separately.

Voting
interest

5.05 Each member of the Operating Committee, in voting on all matters coming before the Operating Committee, shall have a voting interest equal to the Participating Interest of the Working Interest Owner or Owners represented.

Annual meetings
to be held

5.06 The Operating Committee shall meet on the call of Unit Operator, or at the request of a representative of any Working Interest Owner and, in any event, shall meet on the call of Unit Operator at least once in every calendar year and not more than sixteen (16) months after the holding of the last preceding meeting. Unit Operator shall notify all members of the Operating Committee in writing at least ten (10) days in advance of any meeting of the time and place of the proposed meeting, and of the specific matters affecting unit operations which will be presented, discussed and voted upon at such meeting, and no other matters shall be

voted upon at such meeting unless each Working Interest Owner is represented thereat and agrees that such further matters may be voted upon.

Voting by
telegram, etc.

5.07 Any member of the Operating Committee not represented at any particular meeting may vote, by letter or telegram addressed to and received by the Chairman prior to the hour fixed for the meeting, on any question presented thereat of which it has been notified. Members so voting shall be considered present as regards such matters on which they so vote, but not for other purposes.

Polls

5.08 Any question within the province of the Operating Committee to decide may be determined in the absence of a formal meeting by a poll of all of the individual representatives. If such poll is taken it shall be conducted by the Chairman, either by telegram or ordinary mail, and he shall keep a written record of the results and report the results thereof to the Working Interest Owners within a reasonable time, either by notice in writing to each of them, or by report to them at the next meeting. The voting interests necessary to act upon and determine

matters or questions submitted by ordinary mail or telegram shall be the same as otherwise herein provided for. Such vote shall be made within fifteen (15) days of the giving of such notice, PROVIDED, THAT any failure to vote within such time, shall be considered as an affirmative vote.

Minutes of
proceedings

5.09 Unit Operator shall keep minutes of the proceedings of each meeting of the Operating Committee and a copy thereof shall be forwarded to each member thereof. Such minutes need not be a verbatim record of all the proceedings, but shall show the names of the representatives present at the meeting, all motions and resolutions offered or acted upon, together with the results of such action and such other formal action as may be taken by the Operating Committee, and shall include a record of all matters voted on by letter or telegram ballot since the date of the last meeting.

PART VI

POWERS AND DUTIES OF
THE OPERATING COMMITTEE

Voting

6.01 The Working Interest Owners acting through the Operating Committee and Unit Operator shall carry out the purposes of this Plan and shall determine and decide all matters by concurring vote of members of the Operating Committee representing at least four (4) Working Interest Owners owning at least sixty-five (65%) per cent of the Participating Interests and such vote shall be binding on all Working Interest Owners, PROVIDED, HOWEVER, that if any one Working Interest Owner at any time has a voting interest of thirty-five (35%) per cent or more, the vote of such Working Interest Owner represented on the Operating Committee shall not serve to defeat any matter unless such vote is supported by members of the Operating Committee representing at least two (2) or more Working Interest Owners having a total Participating Interest of at least five (5%) per cent, and PROVIDED, FURTHER, that any abstention or other failure to vote shall be considered as an affirmative vote.

Quorum

6.02 At any meeting of the Operating Committee a quorum shall consist of the representatives personally present of not less than four (4) of the Working Interest Owners having, in the aggregate, sixty-five (65%) per cent or more of the total voting interest.

Rights granted
the Operating
Committee

6.03 All rights, powers, privileges and duties hereunder not specifically delegated to Unit Operator or reserved to the individual Working Interest Owners are hereby granted collectively to the Operating Committee. Without limiting the generality of the foregoing, the following rights and powers are granted to the Operating Committee:

(a) To instruct Unit Operator concerning all unit operations for the production of Unitized Substances.

(b) To approve or disapprove the drilling of additional wells to the Unitized Strata either for the production of Unitized Substances or for injection purposes.

(c) Subject to the rights of Unit Operator pursuant to Section 7.04 hereof, to approve or disapprove in whole or in part each and every estimate and item

*Don't forget
to add
this*

of expenditures submitted by Unit Operator, except those that were included in a previous approved budget.

- ✓(d) To determine and fix annually the method of determining charges and the charges to be made by Unit Operator under Section 28.07 hereof.
- (e) To appoint an auditor to represent all Working Interest Owners to arrange proper annual audits of the accounts of Unit Operator with respect to the operation and development of the unit Area, approve or disapprove the same and make available to the parties the results of such audit.
- (f) To fill any vacancy occurring in the position of Unit Operator; PROVIDED, that no Unit Operator shall vote to succeed itself in a position of Unit Operator.
- (g) To represent, or determine who shall represent, the Working Interest Owners before any governmental body having jurisdiction with respect to matters pertaining to unit operations; PROVIDED, HOWEVER, that this shall never be construed as authorization to speak on behalf of any Working Interest Owner dissenting from the views to be expressed or to prevent any Working Interest Owner from presenting its own view on such matters.

- (h) To appoint and grant powers to such committees as they may deem proper and requisite.
- (i) To approve an annual budget as in Section 8.04 hereof provided.
- (j) To approve the method of disposal of surplus equipment.
- (k) *Section* Subject to the approval of the Conservation Board, to amend Part XXVIII hereof from time to time whether in whole or in part.

PART VII

POWERS AND DUTIES OF UNIT OPERATOR AND
CHANGE OF UNIT OPERATOR

Powers and
duties

7.01 Unit Operator shall, subject to the provisions hereof, and orders given or imposed by the Operating Committee as herein provided;

- (a) Have exclusive charge, management and control of the development, operation and production of the Unitized Strata, and shall have the right and duty to conduct all operations in connection therewith including, but not limited, to, the following; the drilling, operating, maintaining, repairing, suspension and abandonment of all Unit Operated Wells whether for production, injection or water supply, including wells drilled after the date hereof and wells taken over under the provisions hereof; and the installation, construction and operation of Unit Facilities of whatsoever character necessary or convenient for the conduct of operations hereunder.
- (b) Conduct operations in a good and workmanlike manner and in the absence of specific instructions from the Operating Committee, shall have the right and duty to act in

accordance with what a prudent operator would do under the same or similar circumstances.

- (c) Keep true and correct books, accounts and records of its operations hereunder, and shall furnish to each Working Interest Owner, on or before the fifteenth (15th) day of each calendar month, a statement of the amount of production from the Unitized Strata, sales and inventory during the preceding calendar month.
- (d) Keep the lands and Leases within the Unit Area free from liens and encumbrances occasioned by its operations, excepting the lien of Unit Operator granted hereunder and excepting liens in connection with which there is a bona fide dispute.
- (e) Freely consult with the Operating Committee and keep it advised of all matters arising in connection with such operations, which Unit Operator, in the exercise of its best judgment, considers important. Unit Operator shall furnish to the members of the Operating Committee such reports in connection with unit

operations as the Operating Committee
may direct.

Hiring of
employees

7.02 Unit Operator shall fix the number of, hire and dismiss and pay and supervise all employees required for the operations hereunder and shall determine the hours of labour and compensation to be paid to such employees. Such employees shall be the employees solely of Unit Operator.

Letting of
contracts

7.03 Unit Operator shall let all contracts for the drilling, reworking, deepening or plugging back of, or other operations in connection with any Unit Operated Well on a competitive basis at the usual rates and terms prevailing in the area, PROVIDED, HOWEVER, that Unit Operator shall have the right to use its own equipment in carrying out such drilling, reworking, deepening, plugging back of, or other operations in connection with any Unit Operated Well.

Unit Operator's
authority for
expenditures

7.04 In addition to any expenditures which Unit Operator is specifically authorized to make, Unit Operator is authorized to make an expenditure not in excess of Five Thousand (\$5,000.00) Dollars in respect to any single undertaking without the approval of the Operating Committee. Unit Operator may,

without approval of the Operating Committee, take such action and make such expenditures for the Common Account as it may deem necessary in order to protect life or property. Within ten (10) days after taking any such action or making such expenditures, Unit Operator shall advise the Operating Committee of such action and expenditures.

Unit Operator to have rights of Working Interest Owner

7.05 Unit Operator shall continue to have all the rights, duties and liabilities of a Working Interest Owner in addition to its rights, duties and liabilities as Unit Operator as long as it continues to own a Working Interest in the Unit Area.

Change of Operator

7.06 Unit Operator:

- (a) shall forthwith cease to act as Unit Operator in the event it should become bankrupt or insolvent, or make any general assignment for the benefit of creditors;
- (b) may be removed as Unit Operator by an affirmative vote of members of the Operating Committee representing Working Interest Owners, other than Unit Operator, who own at least eighty-five (85%) per cent of the remaining Participating Interests;

341/0

(c) may resign at any time upon one hundred and eighty (180) days' written notice to the Operating Committee.

Release from
duties

7.07 In the event of a removal or resignation of Unit Operator pursuant to paragraphs (b) or (c) of Section 7.06, Unit Operator shall be released from its duties and obligations hereunder at 7:00 A.M., Central Standard Time on the first day of the calendar month following the expiration of one hundred and eighty (180) days from the date of delivery of notice of such removal or resignation, or such earlier date as a successor Unit Operator shall have been designated by the Working Interest Owners, and shall have assumed the duties of Unit Operator.

Surrender of
operating rights

7.08 At the effective time of the release from its duties of any Unit Operator, or upon the selection of a successor Unit Operator, the preceding Unit Operator shall surrender possession of, and deliver to, the successor Unit Operator the exclusive charge, management and control of the development, operation and production of the Unitized Strata and all Unit Operated Wells, Unit Facilities, common funds in the possession of Unit Operator and all production, if any, which

has not theretofore been delivered in kind, or sold, copies of all pertinent books of account and records of the unit operations and all documents, agreements and other papers relating thereto. Upon the transfer and delivery thereof, the preceding Unit Operator shall be released and discharged from and the successor Unit Operator shall assume all duties and obligations of Unit Operator hereunder except the unsatisfied duties and obligations of the preceding Unit Operator accrued prior to the effective time of the change of Unit Operator and for which the preceding Unit Operator shall, notwithstanding its release or discharge, continue to remain liable.

Selection of
successor Unit
Operator

7.09 Forthwith upon the removal or resignation of Unit Operator, or at any time when there is no Unit Operator, the Working Interest Owners shall select a successor Unit Operator to take office contemporaneously with the effective time of the release from its duties of Unit Operator.

Audit

7.10 The successor Unit Operator shall cause an audit of the accounts of the preceding Unit Operator with respect to the operation and development of the Unit Area to be made forthwith upon the effective time of its appointment as successor Unit Operator.

PART VIII

EXPENDITURES AND LIABILITIES

Common Account

8.01 Unit Operator shall set up a Common Account on behalf of the Working Interest Owners for all costs and expenses incurred by it and all monies received by it in connection with the development and operation of the Unit *Area* and all of the said costs and expenses shall be charged, and all of the said monies shall be credited to the Working Interest Owners in accordance with the provisions hereof.

Charges to
Common Account

8.02 Subject to the other provisions hereof, all costs, expenses and liabilities, whether contractual or tortious, incurred by Unit Operator on account of the operations hereunder shall be for the Common Account and shall be borne by the Working Interest Owners in proportion to their respective Participating Interests.

Unit Operator
to make initial
payments

8.03 Unit Operator shall initially pay and discharge all costs and expenses incurred in the operations hereunder. Unit Operator shall bill each Working Interest Owner for its share of all costs and expenses and each Working Interest Owner shall reimburse Unit Operator for its share of such costs and expenses in accordance with the provisions

of Part XXVIII hereof. Each Working Interest Owner shall pay all such bills within thirty (30) days after receipt thereof, and should any Working Interest Owner fail to pay its proportionate part of such costs and expenses within the said thirty (30) day period, the same shall, at Unit Operator's discretion bear interest at the rate of six (6%) per cent per annum from the end of the said period until paid, which interest shall be for Unit Operator's sole account, and Unit Operator shall have the right at its option at any time thereafter, such default continuing, to enforce the lien hereinafter provided for upon the respective interests of such Working Interest Owner.

Annual budget,
etc.

8.04 As soon as practicable after the Effective Date hereof, Unit Operator shall prepare a budget of estimated costs and expenses for the period from the Effective Date to December 31, A.D. 1962 and on or before the first day of each November after the Effective Date shall prepare a budget of estimated costs and expenses for the ensuing calendar year. Such budget shall set forth the estimated costs and expenses by quarterly periods. Budgets so prepared

shall be subject to adjustment and correction by the Working Interest Owners from time to time whenever it shall appear that an adjustment or correction is proper; PROVIDED, HOWEVER, that if Unit Operator's expenditures are within ten (10%) per cent of those costs and expenses approved in any budget, such expenditures shall be considered as having been approved. A copy of each such budget and adjusted budget shall be promptly furnished each Working Interest Owner.

Approval of the budget by the Working Interest Owners shall constitute authorization to the Unit Operator to make the expenditures therein detailed.

Advances to Unit
Operator - Capital
fund

8.05 Unit Operator, in lieu of advancing monies for the capital costs and capital expenses of unit operations may, at its election, require the Working Interest Owners to advance their respective proportionate share of such costs and expenses by submitting to each Working Interest Owner on or before the last day of each calendar month an estimate of such costs and expenses for the succeeding calendar month based on an approved budget of estimated costs and expenses or authority for expenditure together with a request for

payment of such proportionate share. Within fifteen (15) days from the receipt of such request each Working Interest Owner shall pay its proportionate share to Unit Operator. If any Working Interest Owner defaults in respect of such request for payment, the same shall, at Unit Operator's discretion, bear interest at the rate of six (6%) per cent per annum from the end of the said fifteen (15) day period until paid, which interest shall be for the Unit Operator's sole account.

The accounts between the Working Interest Owners shall be adjusted to actual costs by Unit Operator in the month's statement following the month covered by the estimate.

Advances to
Unit Operator -
Operating Fund

8.06 Unit Operator, in lieu of advancing monies for the costs and expenses incurred in the maintenance and operation of the Unit Area may, at its election, require the Working Interest Owners to advance their respective proportionate share of such costs and expenses by submitting to each Working Interest Owner on or before the last day of any calendar month a request for a working capital fund ← equal to one-twelfth (1/12th) of the expenses as approved in the annual budget of estimated costs and expenses for the unit operation. Within thirty (30) days from the receipt of

such request, each Working Interest Owner shall pay its proportionate share to Unit Operator. If any Working Interest Owner defaults in respect of such request for working capital, the same shall, at Unit Operator's discretion, bear interest at the rate of six (6%) per cent per annum from the end of the said thirty (30) day period until paid, which interest shall be for the Unit Operator's sole account.

After the establishment of this working capital fund, which will be separate from that required in Section 8.05 hereof, and which shall at no time exceed one (1) month's estimated costs and expenses, each Working Interest Owner will remit its proportionate share of each month's actual billing within thirty (30) days of receipt, thus maintaining the working capital fund intact. The adequacy of the fund in relation to current expenses will be reviewed annually or oftener upon request by a Working Interest Owner and adjustments made as required.

Unit Operator's
lien

8.07 Unit Operator shall, subject to Section 73 sub-section (4) (k) (i) (A) and (B) of The Mines Act, have a lien upon the interest of each Working Interest Owner in any unsold Unitized Substances, upon the proceeds of the sale of any Unitized Substances, and upon

the interest of each Working Interest Owner in the unit facilities and upon the title of each Working Interest Owner to and in the Unit Area and Unitized Strata. Such lien shall have priority over any lien by any Working Interest Owner hereto.

In the event of the failure of any Working Interest Owner to pay its share of the costs and expenses incurred hereunder when due, as provided herein, Unit Operator shall be entitled at any time, and from time to time, to collect and receive the proceeds of the sale of all or any part of such Working Interest Owner's share of the Unitized Substances, including the proceeds from previously executed sale contracts made by or for such defaulting Working Interest Owner. Unit Operator shall apply all such sums so collected against the defaulting Working Interest Owner's unpaid bills, the excess of such proceeds over the unpaid bills, if any, to be paid to the Working Interest Owner entitled thereto and all sums so applied shall be considered as received from such defaulting Working Interest Owner within the meaning of the provisions contained in Section 8.08 hereof relating to contributions by the other Working Interest Owners to Unit Operator in the case of default in payment when due. Unit Operator may likewise

take any other credit due any such defaulting Working Interest Owner pursuant hereto and apply the same against sums due from such Working Interest Owner. The rights granted to Unit Operator in this Section shall not be construed as exclusive remedies but shall be in addition to all rights, privileges and remedies afforded Unit Operator by other provisions hereof and by law. Service of a true copy of this Plan shall constitute written authorization on the part of such defaulting Working Interest Owner for such purchaser to pay the proceeds from such sale to Unit Operator during such default, but such purchaser shall not be considered as having been notified of such authorization prior to the time of such service. Books and records kept by Unit Operator with respect to operations hereunder shall constitute conclusive proof of the existence or non-existence of any such default insofar as the right of Unit Operator to collect proceeds from the sale of all or any part of the defaulting Working Interest Owner's share of the Unitized Substances is concerned, subject, however, to all rights of inspection, verification and audit provided herein.

Contributions to
Unit Operator Upon
failure to collect
certain debts

8.08 If Unit Operator shall not have received full reimbursement for any indebtedness that may become due and payable by any Working Interest Owner to Unit Operator after reasonable efforts by Unit Operator to obtain such reimbursement, each of the Working Interest Owners, upon the request of Unit Operator, shall, unless contrary to any then existing law, contribute to the reimbursement of Unit Operator the portion of any such unsatisfied amount equal to the portion that such Working Interest Owner's Participating Interest bears to the total Participation Interests of all of the Working Interest Owners exclusive of the Participating Interest of the defaulting Working Interest Owner; and thereupon, each Working Interest Owner so contributing shall be proportionately subrogated to Unit Operator's rights and lien under Section 8.07 hereof.

Pre-unit
expense

8.09 Each Working Interest Owner shall pay a part of the reasonable cost, as approved by the Operating Committee, of unitizing the Unit Area in proportion to its Participating Interest hereunder.

Commingling
of funds

8.10 No funds received by Unit Operator hereunder need be segregated by Unit Operator or maintained by it as a joint fund but may be commingled with its own funds.

PART IX

RESPONSIBILITY FOR PAYMENTS

9.01 Each Working Interest Owner shall pay or be responsible for the payment and shall indemnify all other Working Interest Owners, including Unit Operator, against any liability for any Lease rentals, taxes (excepting any taxes assessed on Unit Facilities which shall be paid by Unit Operator and charged to the Common Account), royalties, orveriding royalties, oil payments, net profit contracts and all payments out of, or burdens on, the Lease or Leases and Tracts contributed by it and received into the Unit Area.

6

PART X

DELIVERY OF WELLS AND EQUIPMENT
INVESTMENT ACCOUNT

Delivery of
wells - Salt
Water Disposal
wells

10.01 Each Working Interest Owner shall, as of the Effective Date, contribute to the Working Interest Owners, acting through Unit Operator, the exclusive use for all purposes of all of its Salt Water Disposal Wells shown listed in Part XXI hereof which, in the opinion of the Operating Committee, are in bona fide use as of the Effective Date and all wells, both active and inactive, that it has in the Unit Area, together with all information, or true copies thereof, that it has obtained in connection with the drilling, testing, completing and operating of said contributed wells, such as drilling logs, electrical logs, records of coring, testing and special work of every nature, laboratory analyses, records of the amount of production obtained and all other information pertinent to the said wells and leases of the Working Interest Owners. Each Working Interest Owner shall also contribute to the Working Interest Owners, acting through Unit Operator, without compensation, the non-exclusive use of roads, dikes, ditches, fire walls, pits and fences it holds in connection with its operations in the Unit Area.

10-34-11-26
Leases owned and operated
by party to this lease

Warranty

10.02 Unit Operator shall, within sixty (60)

days of the delivery of any well, or wellsite and operating equipment, carry out such tests as may be necessary to determine its mechanical condition as of the Effective Date and, in the event any such well or wellsite and operating equipment is in sound mechanical condition it shall be accepted by Unit Operator and thereupon become a Unit Operated Well. In the event that any such well or wellsite and operating equipment is not in sound mechanical condition as determined by the Operating Committee, the Working Interest Owner who contributed such well or wellsite and operating equipment shall, within thirty (30) days after being requested to do so by Unit Operator as instructed by the Operating Committee, install the equipment necessary to place such well or wellsite and operating equipment in sound mechanical condition or pay to Unit Operator, for the credit of the Common Account, in cash, the cost of purchasing and/or installing such equipment,

Within sixty (60) days of the delivery of any roads, dikes, ditches, firewalls, pits and fences, Unit Operator shall determine which of them, if any, require

additional expenses in order to permit efficient operation or to comply with government regulations or to honour surface leases. Unit Operator shall prepare an estimated expenditure and after approval of the Operating Committee, the Working Interest Owner who contributed the properties at fault shall perform the work at its own cost and expense, or if such Working Interest Owner elects not to perform the work it shall be done by Unit Operator and charged to the Working Interest Owner at fault.

Controllable
equipment

10.03 As of the Effective Date all wellsite and operating equipment in and on the Unit Area, used in the normal operation of the Unit Operated Wells and such salt water disposal facilities as are on the Salt Water Disposal Wells shall be delivered to and taken over by Unit Operator, it being the intent hereof that such equipment shall be delivered to and taken over separate and apart from the unitization of the Working Interests and production effected herein and shall become Unit Facilities.

Wellsite and operating equipment shall include by way of example, "Controllable equipment" as hereinafter defined, but shall

not include warehouses, warehouse stocks, lease houses, camps and office buildings, automobiles and other service equipment which shall remain the separate property of the several owners thereof.

For the purposes of this Part X, "controllable equipment" shall mean and include, but not be limited to, the following:

1. DOWN HOLE EQUIPMENT

| | |
|------------------|---------------------|
| Bottom hole pump | Polish rods |
| Sucker rods | Retrievable |
| Tubing | down hole packers |
| Scraper rods | Bottom hole anchors |

2. WELLHEAD

| | |
|----------------------------------|----------------------|
| Rotating rod hanger | Flow cross |
| Tubing head complete with hanger | Stuffing box |
| Tubing bonnet | Valves - 2" and over |
| Blowout preventer | |

3. PUMPING EQUIPMENT

| | |
|--------------------|----------------------|
| Pumping units | Back pressure valves |
| Pumping motors | Valves - 2" and over |
| Automatic controls | Pump houses |

4. BATTERY EQUIPMENT

| | |
|-----------------------------------|--------------------|
| Valves - 2" and over | Walkways |
| Separators | Stairways |
| Heaters | Buildings |
| Treaters | Orifice fittings |
| Meters and regulators | Chemical injectors |
| Tanks complete with thief hatches | Fire Extinguishers |
| Recycling pumps and motors | |

As these items are included in the list of equipment to be appraised, they shall be included in the appraisal.

5. PRODUCED WATER DISPOSAL FACILITIES

| | |
|-----------------------|----------------|
| Positive displacement | Walkways |
| injection pumps | Stairways |
| Settling tanks and | Buildings |
| skim pits | Filters |
| Surge tanks | Backwash pumps |
| Meters and regulators | |
| Valves - 2" and over | |

6. Such other items, whether similar of dissimilar, as the Working Interest Owners deem to be controllable; but shall exclude intangible costs, flow line, surface casing, production casing, casing bowl and casing hanger and valves under 2" in size and similar fittings of a miscellaneous nature.

Tangible value
to be appraised

- 10.04 The value of the controllable equipment delivered to and taken over by Unit Operator pursuant to this Part X shall be determined by appraising the same according to condition and pricing the same at a percentage of its current replacement value as determined by the Operating Committee and as of the Effective Date hereof.

Appointment of
Inventory
Committee

- 10.05 The Operating Committee shall appoint an Inventory Committee for the purpose of making an inventory of the controllable equipment taken over by Unit Operator, as stated above, and each Working Interest Owner, upon request by the Inventory Committee, shall submit to the Inventory Committee promptly

a complete statement in writing of all said Working Interest Owner's controllable equipment so delivered to Unit Operator and a description of the condition of each item at the time of such delivery. In the event a Working Interest Owner has failed to supply such statement as aforesaid, the Inventory Committee shall proceed to inventory such Working Interest Owner's controllable equipment and shall supply such Working Interest Owner with a copy thereof which shall be binding upon such Working Interest Owner unless it protests or questions such inventory within fifteen (15) days of the receipt thereof. Said Inventory Committee shall take promptly an inventory of all said controllable equipment and check the same against the aforesaid statements furnished by the Working Interest Owners, and accordingly, shall determine the value of said controllable equipment on the basis above set forth and shall make a written report thereof to the Operating Committee.

Working Interest
Owner's initial share
in Unit Facilities

10.06 Upon approval of the Inventory Committee's report by the Operating Committee, each Working Interest Owner shall have, subject to Section 10.08 hereof, an initial share in

the Unit Facilities which is equal to the proportion (expressed as a percentage) that the value of the controllable equipment delivered by it to Unit Operator is to the total value of all controllable equipment delivered by all of the Working Interest Owners to Unit Operator.

Investment
Account

10.07 Unit Operator shall set up an Investment Account for Unit Facilities which shall be calculated at the end of each calendar year and shall be;

- (a) the total value of all controllable equipment delivered by all of the Working Interest Owners to Unit Operator pursuant to this Part X, plus
- (b) The total value of all controllable equipment subsequently acquired for the Unit, the cost of which shall be borne by the Working Interest Owners in accordance with their respective Participating Interests, less
- (c) the total value of all controllable equipment subsequently sold, junked or otherwise disposed of.

For the purposes of calculating the Investment Account, controllable equipment which has been sold, junked or otherwise disposed of from the Unit shall be given the same value as it was given when

it was originally delivered to or acquired by Unit Operator. At the end of any calendar year the Investment Account shall be the net of paragraphs (a) plus (b) less (c).

Working Interest
Owner's share in
Investment
Account

10.08 Each Working Interest Owner shall have a net credit in the Investment Account which shall be the value of all controllable equipment delivered by it to Unit Operator, plus its share of the value of all controllable equipment subsequently acquired for the Unit, less its share of the value of controllable equipment sold, junked or otherwise disposed of from the Unit. The relationship, expressed as a percentage, between each Working Interest Owner's net credit and the sum of the net credits of all Working Interest Owners shall be its percentage share of the Investment Account. Such percentage shall be carried to five decimal places and rounded to the nearest four decimal places and shall be calculated at the end of each calendar year.

Proceeds from
disposal of Unit
Facilities

10.09 Notwithstanding the provisions of Part VIII hereof, the proceeds from disposal of Unit Facilities whether controllable equipment or otherwise up to the end of the first calendar year shall be credited to each Working Interest Owner in accordance with

its respective initial percentage share established under Section 10.06 and, thereafter, such proceeds shall be credited to each of them in accordance with their respective percentage share calculated in accordance with Section 10.08.

PART XI
SURFACE RIGHTS

List of
easements, etc.

*Letter of Dec 16, 1962.
And all that are required
in connection with unit
operations.*

11.01 As soon as reasonably possible after the Effective Date, each Working Interest Owner shall submit to Unit Operator a list of all easements, rights-of-way, surface leases, rights-of-entry and other surface rights which it holds (in connection with its operations in the Unit Area,) together with particulars thereof, including rentals payable, if any.

Unit Operator
to advise surface
rights required

11.02 Unit Operator shall, as soon as practicable after the receipt of the aforesaid lists, advise each Working Interest Owner in writing which, if any, of its said surface rights will be required for the operations hereunder. Each Working Interest Owner shall, upon request in writing by the Unit Operator, assign such rights to Unit Operator. Any such assignment shall, unless contrary to an existing law, contain a provision permitting the Assignor of the same the use thereof for exploration and production operations for strata other than the Unitized Strata without interfering with unit operations.

Surrender of
surface rights

11.03 Unit Operator may also from time to time surrender said surface rights, or any of them, that are no longer required for the operations hereunder, provided that Unit Operator shall have cleaned up the surface to the satisfaction of any

governmental body having jurisdiction with respect thereto and, provided further that Unit Operator shall give the Working Interest Owner who assigned the same sixty (60) days notice of surrendering such surface rights and such Working Interest Owner may elect to receive from Unit Operator and assignment of such surface rights. Any surface rights not required for the operations hereunder may be held or disposed of by the Working Interest Owner holding the same in such manner as it may deem fit.

Surface charges
to Common Account

11.04 After the Effective Date hereof all costs of surface rights required for the operations hereunder and all liabilities accruing in connection therewith shall be for the Common Account.

Fee Simple

11.05 Where a Working Interest Owner holds in fee simple surface rights used in connection hereof or where a Working Interest Owner has made arrangements with the owner of any such surface rights for the use of them without cost to such Working Interest Owner, Unit Operator may use the same, provided that such Working Interest Owner shall be entitled to receive as rental therefor an amount commensurate with rentals paid for other surface rights of a like nature in the Unit Area.

Unit Operator
may acquire
additional
surface rights

11.06 Unit Operator shall also have the right to acquire such additional surface rights as are necessary for the operations hereunder, and the expense thereof, including rentals, shall be

charged to the Common Account.

Unit Operator may also, with the approval of the Operating Committee, enter into an agreement with any Working Interest Owner for the right to share in the use of such Working Interest Owner's surface rights on a basis to be mutually agreed upon between them, and the cost thereof as so agreed shall be charged to the Common Account. Unit Operator may also, with the approval of the Operating Committee enter into agreements with any of the Working Interest Owners or other persons for the non-exclusive use and partial maintenance of any roadways, access road, or similar surface right and the cost or proceeds thereof shall be charged or credited to the Common Account.

PART XII

INDEMNITY

Liability for
loss of title

12.01 In the event any Working Interest Owner does not have the right to develop and operate any Tract in which such Working Interest Owner is shown in Part XXIV hereof to have a Working Interest insofar as such Tract comprises the Unitized Substances, any loss resulting therefrom shall be borne by the contributing Working Interest Owner and to that end, such Working Interest Owner shall indemnify and hold harmless Unit Operator and all other Working Interest Owners from any and all loss, cost or damage sustained by them and resulting from the failure to have such right; PROVIDED, HOWEVER, that to the extent that such loss, cost or damage is based upon the value of the Unitized Substances produced from such Tract, such indemnity shall be limited to an amount equal to the value of that portion of Unitized Substances allocated hereunder to such Tract.

Maintenance
of Leases

12.02 Each Working Interest Owner shall do all necessary acts and things and make all payments required in order to maintain the Lease or Leases covering the Tracts contri-

buted hereto by it in full force and effect during the term hereof, excepting only obligations arising out of or accruing with respect to the Unitized Strata and not required to be performed by such Working Interest Owner; PROVIDED, HOWEVER, in the event any Working Interest Owner shall fail or refuse to do any act or thing or make any payment required as aforesaid, Unit Operator, on behalf of and for the Common Account, shall have the right to perform such act or make any such payment so required as aforesaid, and thereupon any monies expended by Unit Operator in connection therewith shall be charged to the account of such Working Interest Owner, and Unit Operator shall have the same rights and privileges with respect to enforcing the payment of such amounts owed by such Working Interest Owners as are given to Unit Operator with respect to any other sum owed by a Working Interest Owner to Unit Operator hereunder.

Liability for
Loss of title
to wellsite and
operating
equipment

- 12.03 Each Working Interest Owner shall be liable to each other Working Interest Owner, including Unit Operator for any and all liability, loss, cost or damage sustained by them and resulting from any claim or any cause of action arising in consequence of

any failure or deficiency in such Working Interest Owner's title to any wellsite and operating equipment, or other facility taken over by Unit Operator, or in consequence of any action of such Working Interest Owner with respect thereto.

The words "prior to the date hereof" were deleted from the end of the sentence.

PART XIII

APPROVAL OF TITLES

Titles Committee

- 13.01 There shall be a Titles Committee appointed by the Operating Committee which shall examine the titles to all Tracts in the Unit Area. Each Working Interest Owner in the Unit Area shall, upon request, submit to the Titles Committee a current historical search of title, together with original or true copies of all Leases, assignments and other contracts and all other title data and information (including title opinions) as may be requested by the Titles Committee affecting the title to its Tracts within the Unit Area. The Titles Committee shall, in writing, and within a reasonable time, recommend to the Operating Committee the approval or disapproval of title documents submitted to them pursuant to this Section. Upon the acceptance of the recommendation of the Title Committee by the Operating Committee, the title documents accepted shall be deemed to have been approved by the Operating Committee; PROVIDED THAT, no approval of title documents by the Operating Committee shall be construed as a warranty or certification of title in and to any portion of the Unit Area or the Unitized Substances.

PART XIV

FILING

14.01 Unit Operator shall file this Plan with the
Department of Mines and Natural Resources
for the Province of Manitoba and with the
appropriate Land Titles Office for the
Province of Manitoba in accordance with the
provisions of The Mines Act.

PART XV

DISPUTES

Disputes and
non-approved
titles

15.01 If the title documents or any Tract are not approved by the Operating Committee as in Section 13.01 provided, or if there is now or should hereafter be any dispute involving the working interest in a Tract then the Working Interest Owner concerned shall immediately give written notice thereof to Unit Operator and upon the receipt of such written notice, Unit Operator shall;

- (a) sell the Unitized Substances allocated to the Tract in respect of which the title documents have not been approved by the Operating Committee, or in respect of which the dispute arises;
- (b) pay the portion of the costs and expenses allocated or apportioned to the Tract ~~to the persons entitled to the share~~ out of the proceeds of the sale;
- (c) pay the balance of the proceeds to a trust company to be held by it until settlement has been reached by the persons interested therein or until a judge of Her Majesty's Court of Queen's Bench for Manitoba has made an order with respect thereto.

In the event that any such dispute results in a change of ownership in a Working Interest in a Tract such change shall not retroactively affect any vote taken pursuant to the terms of Part VI hereof.

PART XVI

TRANSFER OF INTEREST

Plan binding
on successors

16.01 This Plan shall be binding upon every owner of any lands, Leases and interests in minerals covered hereby who acquires the same regardless of the manner in which the same shall have been acquired.

Assignments, etc.,
subject to terms
of Plan

16.02 Any disposition of any interest owned by any Working Interest Owner in any land or part thereof in the Unit Area shall be made expressly subject to all the terms and provisions hereof. Such disposition of any interest whether expressly so provided or not, shall operate to impose upon the person or persons acquiring such interest its or their proportionate part of all costs and expenses and other obligations, if any, chargeable hereunder to the interest affected by such disposition, and shall likewise operate to give and grant to the person or persons acquiring such interest its or their proportionate part of all Unitized Substances and other benefits which may accrue thereto under the provisions hereof.

When change of
ownership binding

16.03 No change in ownership of any interest or rights hereunder (by whatever means accomplished) of any Working Interest Owner

shall be binding on Unit Operator or the other Working Interest Owners until Unit Operator has been furnished with notice of such change by the person claiming the benefit thereof, and such change shall become effective at seven o'clock in the forenoon, Central Standard Time on the first day of the month following the month in which the person acquiring such interest delivers to Unit Operator the original or certified copies of all instruments, documents and other information necessary in Unit Operator's opinion to establish a complete chain of title. No other kind of notice, whether actual or constructive, shall be binding on the Working Interest Owners.

Disposition
must include
related interest
in Unit Facilities
or Unit Area

16.04 Notwithstanding the foregoing, no interest in the Unit Area shall be disposed of unless such transaction shall include a like disposition of a related interest in the Unit Facilities and likewise, no disposition of any interest in the Unit Facilities shall be effective unless such transaction shall include a like disposition of a related working interest in the Unit Area, it being the intention hereunder that no working

interest in the Unit Area shall be owned apart from a related interest in the Unit Facilities, and vice versa.

No Working Interest Owner shall dispose of an interest in the Unit Area unless such disposition shall cover its entire interest in a Tract which is subject thereto, or covers an undivided interest in its entire interest in each such Tract.

Any attempted disposition by any means in violation of the provisions of this Section shall be a nullity insofar as the other Working Interest Owners are concerned.

Assignment not to relieve from obligations

16.05 No disposition shall operate to relieve any Working Interest Owner of any obligation hereunder which accrued or was incurred prior to the Effective Date of such disposition.

Unit Operator not to assign rights

16.06 Unit Operator shall not assign its right to conduct operations hereunder.

No surrender of Lease without consent

16.07 No Working Interest Owner shall surrender or release its interest in any Lease covering any portion of the Unitized Strata without the written consent of the Operating Committee, and the approval of the Conservation Board.

What term "disposition" includes

16.08 The term "disposition" as used in this Part shall include, but not be limited to, the following; transfer, assignment,

conveyance, and sale. The term "disposition" as used in this Part shall not apply to a disposal by way of mortgage, pledge or hypothecation; PROVIDED, THAT, the mortgagee or pledgee shall hold its security subject to all the terms of this Plan and upon any realization or foreclosure of the security, the purchaser, mortgagee or pledgee, as the case may be, shall become bound by all the terms of this Plan.

PART XVII

INDIVIDUAL RIGHTS AND PRIVILEGES
OF THE WORKING INTEREST OWNERS

Access to
Unit Area

17.01 Each Working Interest Owner shall be entitled, at its own sole risk and expense, to have access to the Unit Area at all reasonable times upon notice to Unit Operator for the purpose of inspecting and observing unit operations of every nature; to have access at all reasonable times upon notice to Unit Operator to any and all information pertaining to the Unit Operated Wells, the records of production and the records of all other unit operations; to be present during the drilling, testing and completion of all Unit Operated Wells within the Unit Area, and to make copies of well logs, drilling, progress and casing reports and reports of production and storage. The presence of a Working Interest Owner or its representative on the Unit Area or on the premises and their activities in connection therewith shall be at the sole risk and expense of such Working Interest Owner.

Plan affects
only Unitized
Strata

17.02 This Plan affects only the Unitized Strata. Each Working Interest Owner may, to the extent it may otherwise be entitled, conduct, at its own cost, risk and expense operations on its Tracts for the discovery and/or

production of other than Unitized Substances; PROVIDED, HOWEVER, that such operations shall be conducted in such a manner as to interfere as little as possible with the operations hereunder. Such Working Interest Owner shall take all reasonable precautions customary in the industry and as may be required by the Conservation Board and by Unit Operator to protect from waste, pollution, drainage and damage the production of Unitized Substances and the strata from which the same are produced.

Abandonment
of wells

17.03 If Unit Operator, with the approval of the Operating Committee, should decide permanently to abandon any Unit Operated Well prior to the termination hereof, Unit Operator shall give to the Working Interest Owner of the Tract on which such well is located written notice of such decision, stating whether or not a drilling rig is in place at such

drilling well, and said owner shall have the right and option for a period of Forty-eight (48) hours if a drilling rig is in place, and the well is a drilling well, or a period of Sixty (60) days if no drilling rig is in place, after receipt of such notice to notify Unit Operator of its election to take over said well, and to deepen or plug back said well to a strata other than the Virden and Scallion members of the Lodgepole Formation of the Mississippian Age. Within Ten (10) days after said owner has so notified Unit Operator, said owner shall pay to Unit Operator the value of the well equipment as determined in accordance with the provisions of Part XXVIII hereof less the cost of salvaging the same as estimated and fixed by the Operating Committee, and at the same time shall agree by letter addressed to Unit Operator:

(a) to case or seal off the Virden and

Scallion members of the Lodgepole Formation of the Mississippian Age in said well in an efficient and workmanlike manner and in accordance with the applicable laws, rules, regulations and orders;

- (b) to produce such well, if the same is produced, from some formation other than the Virden and Scallion members of the Lodgepole Formation of the Mississippian Age while this Plan is in force;
- (c) on the ultimate abandonment of said Well, to plug and abandon it in a workmanlike manner and in accordance with the applicable laws, rules, regulations and orders.

It is understood, however, that such Tract shall continue to have allocated to it a percentage share of the Unitized Substances produced and saved from the Unit Area in accordance with its Tract Participation despite the cessation of the production therefrom and the abandonment of any
→ Unit Operated Well or all Wells thereon.

In the event that the Working Interest Owners of such Tract does not elect to take over such Well, Unit Operator shall proceed properly to plug and abandon the same, in accordance with the applicable laws, rules, regulations and orders, and shall salvage such casing and other equipment therefrom as is reasonably practicable, for the Investment Account.

not controllable

Upon the abandonment of any Well hereunder, the Working Interest Owner, or Unit Operator, as the case may be, abandoning same shall clean up the surface at the well-site to the satisfaction of any governmental body having jurisdiction with respect thereto, and to the reasonable satisfaction of the owner and/or occupier thereof.

PART XVIII

INSURANCE

Workmen's
Compensation

18.01 Unit Operator shall comply with all laws relating to Workmen's Compensation in the Province of Manitoba.

Insurance

18.02 Unit Operator shall carry, for the Common Account, such insurance as may be approved by the Operating Committee and shall notify each Working Interest Owner in writing currently as to the kind and amounts of such insurance. All costs of such insurance, together with actual expenditures incurred and paid by Unit Operator in settlement of any other expenses not covered by such insurance, shall be charged to the Common Account. Notwithstanding anything herein contained each Working Interest Owner shall have the right to be a self-insurer as to its interest in the Unit Facilities.

Contractor's
insurance

18.03 Unit Operator shall require all contractors employed by it to comply with all laws relating to Workmen's Compensation in the Province of Manitoba and to carry such insurance as may be from time to time approved by the Operating Committee.

Settlement
of claims

18.04 Unit Operator may settle any claim arising out of unit operations and not discharged by insurance as herein provided, but no

Operator shall, of itself, be deemed gross negligence or wilful misconduct if such act or omission is done or omitted at the instructions of, or with the concurrence of, the Operating Committee.

PART XLX

GENERAL

No right of
partition

19.01 No Working Interest Owner or Royalty Owner shall claim the benefit of any laws or statutes of the Province of Manitoba relating to partitioning of real or personal property and no person shall resort to any action at law or in equity to partition the aforesaid Unit Facilities and lands affected by this Plan, including the Unitized Strata.

Force
Majeure

19.02 All obligations hereunder shall be suspended while, but only so long as, any person is prevented from complying therewith, in whole or in part, by strikes, lockouts or other industrial disturbances, fire, explosion, war, civil disturbances, tempest, floods, acts of God or the Queen's enemies, unavoidable accidents, uncontrollable delays in transportation, Federal, Provincial or Municipal laws, rules, regulations or orders, inability to obtain necessary materials in open market, inadequate facilities for the transportation of materials or for the disposition of production, or any other cause, whether similar or dissimilar to the foregoing, beyond the reasonable control of such person; PROVIDED, HOWEVER, that performance shall be begun or resumed within a reasonable

time after such cause has been removed,
and PROVIDED, FURTHER, that no person shall
be required against its will to adjust or
settle any labour dispute; and also PROVIDED
FURTHER that lack of funds shall not be
construed as a cause beyond the reasonable
control of any person. This Plan shall
not terminate while operations hereunder
are prevented by reason of any of the
aforesaid causes.

No co-operative
marketing

*Not in Book
Model of Steelman's 5.*

19.03 Nothing herein shall be construed as
providing directly or indirectly for any
co-operative or joint sale or marketing of
Unitized Substances.

Titles
unaffected by
unitization.

19.04 Nothing herein shall be construed as a
transfer of title to, or interest in, the
Leases, Tracts or Unitized Strata or in the
Unitized Substances before the production
thereof.

Duties separate
not joint or
collective

19.05 The duties and obligations hereunder shall
be separate and not joint or collective,
and nothing contained herein shall ever be
construed to create a partnership of
any kind, or an association, or as imposing
any partnership duties, obligations or
liabilities.

Individual
obligation

19.06 Except as otherwise expressly provided
herein, each person shall be individually

responsible only for its own obligations
as set out herein, and shall be liable only
for its proportionate share of the costs
and expenses and liabilities.

PART XX

TERM OF PLAN

Term of
Plan

20.01 This Plan shall remain in full force and effect so long as Unitized Substances are produced or are capable of being produced from the Unitized Strata in paying quantities and as long as operations are conducted on the Unit Area, and thereafter until all Wells have been abandoned and plugged, or otherwise disposed of, and all personal property has been salvaged and all real estate has been disposed of by Unit Operator. Notwithstanding anything herein contained, this Plan shall, subject to the approval of the Conservation Board, terminate and be at an end upon the concurring vote of a majority of the Working Interest Owners owning at least Ninety-five (95%) per cent of the Participating Interests and such vote shall be binding upon all the Working Interest Owners and the Royalty Owners.

Rights on
termination
of Plan

20.02 Upon the termination of this Plan, all rights in and to the Tracts shall revert to the owners and lessees thereof, and Unit Operator shall arrange for the salvaging, liquidation and other distribution of the Unit Facilities in a manner consistent with the Working Interest Owners' respective interests therein.

The owner of the working interest in any such Tract desiring to take over and continue to operate a Unit Operated Well located thereon may do so by paying Unit Operator, for the benefit of all Working Interest Owners, the fair net salvage value of the equipment, including production casing referred to in Part X hereof, used in the operation of such Well and by agreeing to plug the Well in accordance with the applicable laws, rules, regulations and orders at his expense at such time as it is abandoned.

With respect to all Wells not taken over by individual Working Interest Owners, Unit Operator shall, at the joint expense of the Working Interest Owners, salvage as much of the casing and equipment in or on such Wells as can economically and reasonably be salvaged and shall cause such Wells to be properly plugged and abandoned.

Salvage costs

20.03 The Working Interest Owners shall share the cost of salvaging, liquidation, or other distribution of assets and properties used in the development and operation of the Unitized Strata in proportion to their respective Participating Interests.

On termination
of Plan -
operation
shall cease

20.04 Upon termination of this Plan the further
development and operation of the Unit Area
as a unit shall be abandoned, unit operations
shall cease, and thereafter the Working
Interest Owners and the Royalty Owners shall
be governed by the terms and provisions of
the Leases affecting the separate Tracts.

Working Interest
Owners to advise
Royalty Owners
of termination

20.05 The Working Interest Owners shall advise
their respective Royalty Owners of the
termination of this Plan within Thirty (30)
days of such termination.

Rehearing,
amendments, etc.

20.06 No application for a rehearing of the matters
herein provided for, or for any amendments
to this Plan in any respect, shall be
heard by the Conservation Board within
Three (3) years of the Effective Date
unless;

- (a) a majority of the Working Interest
Owners, owning at least Seventy-five
(75%) per cent of the Participating
Interests have agreed in writing to
such application for a rehearing of
the matters herein provided for, or
for amendments to this Plan, or
- (b) the Conservation Board, on its own
motion, decides to hold a rehearing.

PART XXI

WELLS DELIVERED TO UNIT OPERATOR PURSUANT TO PART X

| | |
|--|------------------------------------|
| Calstan Scallion Prov. SWD 9-16-11-26 | Calstan Scallion Prov. 4-11-11-26 |
| Cdn-Sup Tapp Scallion SWD 2-27-11-26 <i>V O.V.A.</i> | Calstan Scallion Prov. 5-11-11-26 |
| Cdn-Sup Whiteford Scallion SWD 8-28-11-26 | Calstan Scallion Prov. 6-11-11-26 |
| Dome Scallion SWD 13-26-11-26 <i>V O.V.A.</i> | Calstan Scallion Prov. 7-11-11-26 |
| Fargo et al Scallion SWD 10-34-11-26 <i>V O.V.A.</i> | Calstan Scallion Prov. 8-11-11-26 |
| Imperial Scallion SWD 7-33-11-26 | Calstan Scallion Prov. 12-11-11-26 |
| Shell Moir South Scallion SWD 15-21-11-26 | Calstan Scallion 5-13-11-26 |
| Shell Moir North Scallion SWD 6A-33-11-26 | Calstan Scallion 6-13-11-26 |
| Sun W.C. Tapp Scallion SWD 8-27-11-26 | Calstan Scallion 7-13-11-26 |
| B.A. Union Tapp Scallion 3-28-11-26 | Calstan Scallion 10-13-11-26 |
| B.A. Union Tapp Scallion 5-28-11-26 | Calstan Scallion 11-13-11-26 |
| B.A. Union Tapp Scallion 6-28-11-26 | Calstan Scallion 12-13-11-26 |
| B.A. Union Tapp Scallion 11-28-11-26 | Calstan Scallion 13-13-11-26 |
| B.A. Union Tapp Scallion 12-28-11-26 | Calstan Scallion 14-13-11-26 |
| B.A. Union Tapp Scallion 13-28-11-26 | Calstan Scallion 15-13-11-26 |
| B.A. Union Tapp Scallion 14-28-11-26 | Calstan Scallion 1-15-11-26 |
| B.A. Union Milne Scallion 2-34-11-26 | Calstan Scallion 2-15-11-26 |
| B.A. Union Milne Scallion 3-34-11-26 | Calstan Scallion 3-15-11-26 |
| B.A. Union Milne Scallion 4-34-11-26 | Calstan Scallion 4-15-11-26 |
| Calstan Scallion 6-2-11-26 | Calstan Scallion 5-15-11-26 |
| Calstan Scallion 11-2-11-26 | Calstan Scallion 6-15-11-26 |
| Calstan Scallion 13-2-11-26 | Calstan Scallion 7-15-11-26 |
| Calstan Scallion 14-2-11-26 | Calstan Scallion 8-15-11-26 |
| Calstan Scallion 9-9-11-26 | Calstan Scallion 9-15-11-26 |
| Calstan Scallion 15-9-11-26 | Calstan Scallion 10-15-11-26 |
| Calstan Scallion 16-9-11-26 | Calstan Scallion 11-15-11-26 |
| Calstan Scallion 1-10-11-26 | Calstan Scallion 12-15-11-26 |
| Calstan Scallion 2-10-11-26 | Calstan Scallion 13-15-11-26 |
| Calstan Scallion 3-10-11-26 | Calstan Scallion 14-15-11-26 |
| Calstan Scallion 5-10-11-26 | Calstan Scallion 15-15-11-26 |
| Calstan Scallion 6-10-11-26 | Calstan Scallion 16-15-11-26 |
| Calstan Scallion 7-10-11-26 | Calstan Scallion Prov. 9-16-11-26 |
| Calstan Scallion 8-10-11-26 | Calstan Scallion Prov. 10-16-11-26 |
| Calstan Scallion 9-10-11-26 | Calstan Scallion Prov. 15-16-11-26 |
| Calstan Scallion 10-10-11-26 | Calstan Scallion Prov. 16-16-11-26 |
| Calstan Scallion 11-10-11-26 | Calstan Scallion 1-21-11-26 |
| Calstan Scallion 12-10-11-26 | Calstan Scallion 2-21-11-26 |
| Calstan Scallion 13-10-11-26 | Calstan Scallion 3-21-11-26 |
| Calstan Scallion 14-10-11-26 | Calstan Scallion 6-21-11-26 |
| Calstan Scallion 15-10-11-26 | Calstan Scallion 7-21-11-26 |
| Calstan Scallion 16-10-11-26 | Calstan Scallion 8-21-11-26 |
| Calstan Scallion Prov. 1-11-11-26 | Calstan Scallion 3-22-11-26 |
| Calstan Scallion Prov. 2-11-11-26 | Calstan Scallion 4-22-11-26 |
| Calstan Scallion Prov. 3-11-11-26 | Calstan Scallion 5-22-11-26 |

PART XXI CONT'D.

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|---------------------------------------|--|
| Calstan Scallion 6-22-11-26 | Cdn-Sup Whiteford Scallion 8-28-11-26 |
| Calstan Scallion 11-22-11-26 | Cdn-Sup Whiteford Scallion 9-28-11-26 |
| Calstan Scallion 12-22-11-26 | Cdn-Sup Whiteford Scallion 10-28-11-26 |
| Calstan Scallion 13-22-11-26 | Cdn-Sup Whiteford Scallion 15-28-11-26 |
| Calstan Scallion 14-22-11-26 | Cdn-Sup Whiteford Scallion 16-28-11-26 |
| Calstan Scallion 9-23-11-26 | Dome Cdn Sup Scallion 7-14-11-26 |
| Calstan Scallion 10-23-11-26 | Dome Cdn Sup Scallion 8-14-11-26 |
| Calstan Scallion 11-23-11-26 | Dome Cox Scallion 1-16-11-26 |
| Calstan Scallion 12-23-11-26 | Dome Cdn Sup Scallion 3-24-11-26 |
| Calstan Scallion 13-23-11-26 | Dome Cdn Sup Scallion 4-24-11-26 |
| Calstan Scallion 14-23-11-26 | Dome Cdn Sup Scallion 5-24-11-26 |
| Calstan Scallion 15-23-11-26 | Dome Cdn Sup Scallion 6-24-11-26 |
| Calstan Scallion 16-23-11-26 | Dome Cdn Sup Scallion 11-26-11-26 |
| Calstan Scallion Prov. 11-24-11-26 | Dome Cdn Sup Scallion 12-26-11-26 |
| Calstan Scallion Prov. 12-24-11-26 | Dome Naco Scallion 1-28-11-26 |
| Calstan Scallion Prov. 13-24-11-26 | Dome Scallion 4-3-12-26 |
| Calstan Scallion 4-25-11-26 | Dome Scallion 5-3-12-26 |
| Calstan Scallion 5-25-11-26 | Dome Scallion 12-3-12-26 |
| Calstan Scallion 3-27-11-26 | Dome Cdn Sup Scallion 1-4-12-26 |
| Calstan Scallion 4-27-11-26 | Dome Cdn Sup Scallion 2-4-12-26 |
| Calstan Scallion 5-27-11-26 | Dome Cdn Sup Scallion 7-4-12-26 |
| Calstan Scallion 6-27-11-26 | Dome Scallion 8-4-12-26 |
| Calstan Scallion 11-27-11-26 | Fargo et al Scallion 9-14-11-26 |
| Calstan Scallion 12-27-11-26 | Fargo et al Scallion 10-14-11-26 |
| Calstan Scallion 13-27-11-26 | Fargo et al Scallion 15-14-11-26 |
| Calstan Scallion 14-27-11-26 | Fargo et al Scallion 16-14-11-26 |
| Calstan North Scallion 3-4-12-26 | Fargo et al Scallion 1-26-11-26 |
| Calstan North Scallion 4-4-12-26 | Fargo et al Scallion 2-26-11-26 |
| Calstan North Scallion 5-4-12-26 | Fargo et al Scallion 7-26-11-26 |
| Calstan North Scallion 6-4-12-26 | Fargo et al Scallion 8-26-11-26 |
| Calstan North Scallion 11-4-12-26 | Fargo et al Scallion 5-34-11-26 |
| Calstan North Scallion 12A-4-12-26 | Fargo et al Scallion 6-34-11-26 |
| Calstan North Scallion 13-4-12-26 | Fargo et al Scallion 7-34-11-26 |
| Calstan North Scallion 14-4-12-26 | Fargo et al Scallion 11-34-11-26 |
| CEGO Scallion 1-5-12-26 | Fargo et al Scallion 12-34-11-26 |
| CEGO Scallion 7-5-12-26 | Fargo et al Scallion 14-34-11-26 |
| CEGO Scallion 8-5-12-26 | Imperial Scallion 1-33-11-26 |
| CEGO Scallion 9-5-12-26 | Imperial Scallion 2-33-11-26 |
| Cdn-Sup Veldhouse Scallion 2-16-11-26 | Imperial Scallion 7-33-11-26 |
| Cdn-Sup Veldhouse Scallion 7-16-11-26 | Imperial Scallion 9-33-11-26 |
| Cdn-Sup Veldhouse Scallion 8-16-11-26 | Imperial Scallion 10-33-11-26 |
| Cdn-Sup Tapp Scallion 1-22-11-26 | Imperial Scallion 15-33-11-26 |
| Cdn-Sup Tapp Scallion 7-22-11-26 | Landa et al Drynan Scallion 15-2-11-26 |
| Cdn-Sup Tapp Scallion 8-22-11-26 | Landa et al Drynan Scallion 16-2-11-26 |
| Cdn-Sup Whiteford Scallion 2-28-11-26 | Landa et al Drynan Scallion 7-2-11-26 |
| Cdn-Sup Whiteford Scallion 7-28-11-26 | Landa et al Drynan Scallion 10-2-11-26 |

PART XXI CONT'D.

| | |
|---------------------------------------|--------------------------------------|
| Landa Scallion 16-5-12-26 | Sun T.L. Tapp Scallion 10-22-11-26 |
| Shell Moir South Scallion 9-21-11-26 | Sun T.L. Tapp Scallion 15-22-11-26 |
| Shell Moir South Scallion 10-21-11-26 | Sun T.L. Tapp Scallion 16-22-11-26 |
| Shell Moir South Scallion 11-21-11-26 | Sun E. Hutchison Scallion 5-23-11-26 |
| Shell Moir South Scallion 14-21-11-26 | Sun E. Hutchison Scallion 6-23-11-26 |
| Shell Moir South Scallion 15-21-11-26 | Sun W.C. Tapp Scallion 3-26-11-26 |
| Shell Moir South Scallion 16-21-11-26 | Sun W.C. Tapp Scallion 4-26-11-26 |
| Shell Boker Scallion 16-32-11-26 | Sun P.J. Tapp Scallion 5-26-11-26 |
| Shell Moir North Scallion 3-33-11-26 | Sun P.J. Tapp Scallion 6-26-11-26 |
| Shell Moir North Scallion 4-33-11-26 | Sun P.J. Tapp Scallion 10-26-11-26 |
| Shell Moir North Scallion 5-33-11-26 | Sun W.C. Tapp Scallion 1-27-11-26 |
| Shell Moir North Scallion 6-33-11-26 | Sun W.C. Tapp Scallion 2-27-11-26 |
| Shell Moir North Scallion 11-33-11-26 | Sun W.C. Tapp Scallion 7-27-11-26 |
| Shell Moir North Scallion 12-33-11-26 | Sun W.C. Tapp Scallion 8-27-11-26 |
| Shell Moir North Scallion 13-33-11-26 | Sun W.C. Tapp Scallion 9-27-11-26 |
| Shell Moir North Scallion 14-33-11-26 | Sun W.C. Tapp Scallion 10-27-11-26 |
| Sun W. Milne Scallion 4-14-11-26 | Sun W.C. Tapp Scallion 15-27-11-26 |
| Sun W. Milne Scallion 5-14-11-26 | Sun W. C. Tapp Scallion 16-27-11-26 |
| Sun W. Milne Scallion 6-14-11-26 | Vallat et al Scallion 16-33-11-26 |
| Sun G. Braybrook Scallion 11-14-11-26 | Vallat et al Scallion 13-34-11-26 |
| Sun G. Braybrook Scallion 12-14-11-26 | Vallat Scallion 9-4-12-26 |
| Sun G. Braybrook Scallion 13-14-11-26 | Vallat Scallion 10-4-12-26 |
| Sun T.L. Tapp Scallion 9-22-11-26 | Vallat Scallion 15-4-12-26 |

PART XXII

THE LANDS IN THE PROVINCE OF MANITOBA WHICH COMPRISE THE
NORTH VIRDEN SCALLION UNIT NO. 1 ARE AS FOLLOWS:

| <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 11 RANGE 26 WPM</u> | <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 11 RANGE 26 WPM</u> |
|---------------------|--|---------------------|--|
| 6 - 2 | LSD. 6, SECTION 2 | 14 - 13 | LSD. 14, SECTION 13 |
| 7 - 2 | LSD. 7, SECTION 2 | 15 - 13 | LSD. 15, SECTION 13 |
| 10 - 2 | LSD. 10, SECTION 2 | 4 - 14 | LSD. 4, SECTION 14 |
| 11 - 2 | LSD. 11, SECTION 2 | 5 - 14 | LSD. 5, SECTION 14 |
| 13 - 2 | LSD. 13, SECTION 2 | 6 - 14 | LSD. 6, SECTION 14 |
| 14 - 2 | LSD. 14, SECTION 2 | 7 - 14 | LSD. 7, SECTION 14 |
| 15 - 2 | LSD. 15, SECTION 2 | 8 - 14 | LSD. 8, SECTION 14 |
| 16 - 2 | LSD. 16, SECTION 2 | 9 - 14 | LSD. 9, SECTION 14 |
| 9 - 9 | LSD. 9, SECTION 9 | 10 - 14 | LSD. 10, SECTION 14 |
| 15 - 9 | LSD. 15, SECTION 9 | 11 - 14 | LSD. 11, SECTION 14 |
| 16 - 9 | LSD. 16, SECTION 9 | 12 - 14 | LSD. 12, SECTION 14 |
| 1 - 10 | LSD. 1, SECTION 10 | 13 - 14 | LSD. 13, SECTION 14 |
| 2 - 10 | LSD. 2, SECTION 10 | 15 - 14 | LSD. 15, SECTION 14 |
| 3 - 10 | LSD. 3, SECTION 10 | 16 - 14 | LSD. 16, SECTION 14 |
| 5 - 10 | LSD. 5, SECTION 10 | 1 - 15 | LSD. 1, SECTION 15 |
| 6 - 10 | LSD. 6, SECTION 10 | 2 - 15 | LSD. 2, SECTION 15 |
| 7 - 10 | LSD. 7, SECTION 10 | 3 - 15 | LSD. 3, SECTION 15 |
| 8 - 10 | LSD. 8, SECTION 10 | 4 - 15 | LSD. 4, SECTION 15 |
| 9 - 10 | LSD. 9, SECTION 10 | 5 - 15 | LSD. 5, SECTION 15 |
| 10 - 10 | LSD. 10, SECTION 10 | 6 - 15 | LSD. 6, SECTION 15 |
| 11 - 10 | LSD. 11, SECTION 10 | 7 - 15 | LSD. 7, SECTION 15 |
| 12 - 10 | LSD. 12, SECTION 10 | 8 - 15 | LSD. 8, SECTION 15 |
| 13 - 10 | LSD. 13, SECTION 10 | 9 - 15 | LSD. 9, SECTION 15 |
| 14 - 10 | LSD. 14, SECTION 10 | 10 - 15 | LSD. 10, SECTION 15 |
| 15 - 10 | LSD. 15, SECTION 10 | 11 - 15 | LSD. 11, SECTION 15 |
| 16 - 10 | LSD. 16, SECTION 10 | 12 - 15 | LSD. 12, SECTION 15 |
| 1 - 11 | LSD. 1, SECTION 11 | 13 - 15 | LSD. 13, SECTION 15 |
| 2 - 11 | LSD. 2, SECTION 11 | 14 - 15 | LSD. 14, SECTION 15 |
| 3 - 11 | LSD. 3, SECTION 11 | 15 - 15 | LSD. 15, SECTION 15 |
| 4 - 11 | LSD. 4, SECTION 11 | 16 - 15 | LSD. 16, SECTION 15 |
| 5 - 11 | LSD. 5, SECTION 11 | 1 - 16 | LSD. 1, SECTION 16 |
| 6 - 11 | LSD. 6, SECTION 11 | 2 - 16 | LSD. 2, SECTION 16 |
| 7 - 11 | LSD. 7, SECTION 11 | 7 - 16 | LSD. 7, SECTION 16 |
| 8 - 11 | LSD. 8, SECTION 11 | 8 - 16 | LSD. 8, SECTION 16 |
| 12 - 11 | LSD. 12, SECTION 11 | 9 - 16 | LSD. 9, SECTION 16 |
| 5 - 13 | LSD. 5, SECTION 13 | 10 - 16 | LSD. 10, SECTION 16 |
| 6 - 13 | LSD. 6, SECTION 13 | 15 - 16 | LSD. 15, SECTION 16 |
| 7 - 13 | LSD. 7, SECTION 13 | 16 - 16 | LSD. 16, SECTION 16 |
| 10 - 13 | LSD. 10, SECTION 13 | 1 - 21 | LSD. 1, SECTION 21 |
| 11 - 13 | LSD. 11, SECTION 13 | 2 - 21 | LSD. 2, SECTION 21 |
| 12 - 13 | LSD. 12, SECTION 13 | 3 - 21 | LSD. 3, SECTION 21 |
| 13 - 13 | LSD. 13, SECTION 13 | 6 - 21 | LSD. 6, SECTION 21 |

PART XXII CONT'D

| <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 11 RANGE 26 WPM</u> | <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 11 RANGE 26 WPM</u> |
|---------------------|--|---------------------|--|
| 7 - 21 | LSD. 7, SECTION 21 | 3 - 26 | LSD. 3, SECTION 26 |
| 8 - 21 | LSD. 8, SECTION 21 | 4 - 26 | LSD. 4, SECTION 26 |
| 9 - 21 | LSD. 9, SECTION 21 | 5 - 26 | LSD. 5, SECTION 26 |
| 10 - 21 | LSD. 10, SECTION 21 | 6 - 26 | LSD. 6, SECTION 26 |
| 11 - 21 | LSD. 11, SECTION 21 | 7 - 26 | LSD. 7, SECTION 26 |
| 14 - 21 | LSD. 14, SECTION 21 | 8 - 26 | LSD. 8, SECTION 26 |
| 15 - 21 | LSD. 15, SECTION 21 | 10 - 26 | LSD. 10, SECTION 26 |
| 16 - 21 | LSD. 16, SECTION 21 | 11 - 26 | LSD. 11, SECTION 26 |
| 1 - 22 | LSD. 1, SECTION 22 | 12 - 26 | LSD. 12, SECTION 26 |
| 3 - 22 | LSD. 3, SECTION 22 | 1 - 27 | LSD. 1, SECTION 27 |
| 4 - 22 | LSD. 4, SECTION 22 | 2 - 27 | LSD. 2, SECTION 27 |
| 5 - 22 | LSD. 5, SECTION 22 | 3 - 27 | LSD. 3, SECTION 27 |
| 6 - 22 | LSD. 6, SECTION 22 | 4 - 27 | LSD. 4, SECTION 27 |
| 7 - 22 | LSD. 7, SECTION 22 | 5 - 27 | LSD. 5, SECTION 27 |
| 8 - 22 | LSD. 8, SECTION 22 | 6 - 27 | LSD. 6, SECTION 27 |
| 9 - 22 | LSD. 9, SECTION 22 | 7 - 27 | LSD. 7, SECTION 27 |
| 10 - 22 | LSD. 10, SECTION 22 | 8 - 27 | LSD. 8, SECTION 27 |
| 11 - 22 | LSD. 11, SECTION 22 | 9 - 27 | LSD. 9, SECTION 27 |
| 12 - 22 | LSD. 12, SECTION 22 | 10 - 27 | LSD. 10, SECTION 27 |
| 13 - 22 | LSD. 13, SECTION 22 | 11 - 27 | LSD. 11, SECTION 27 |
| 14 - 22 | LSD. 14, SECTION 22 | 12 - 27 | LSD. 12, SECTION 27 |
| 15 - 22 | LSD. 15, SECTION 22 | 13 - 27 | LSD. 13, SECTION 27 |
| 16 - 22 | LSD. 16, SECTION 22 | 14 - 27 | LSD. 14, SECTION 27 |
| 5 - 23 | LSD. 5, SECTION 23 | 15 - 27 | LSD. 15, SECTION 27 |
| 6 - 23 | LSD. 6, SECTION 23 | 16 - 27 | LSD. 16, SECTION 27 |
| 9 - 23 | LSD. 9, SECTION 23 | 1 - 28 | LSD. 1, SECTION 28 |
| 10 - 23 | LSD. 10, SECTION 23 | 2 - 28 | LSD. 2, SECTION 28 |
| 11 - 23 | LSD. 11, SECTION 23 | 3 - 28 | LSD. 3, SECTION 28 |
| 12 - 23 | LSD. 12, SECTION 23 | 5 - 28 | LSD. 5, SECTION 28 |
| 13 - 23 | LSD. 13, SECTION 23 | 6 - 28 | LSD. 6, SECTION 28 |
| 14 - 23 | LSD. 14, SECTION 23 | 7 - 28 | LSD. 7, SECTION 28 |
| 15 - 23 | LSD. 15, SECTION 23 | 8 - 28 | LSD. 8, SECTION 28 |
| 16 - 23 | LSD. 16, SECTION 23 | 9 - 28 | LSD. 9, SECTION 28 |
| 3 - 24 | LSD. 3, SECTION 24 | 10 - 28 | LSD. 10, SECTION 28 |
| 4 - 24 | LSD. 4, SECTION 24 | 11 - 28 | LSD. 11, SECTION 28 |
| 5 - 24 | LSD. 5, SECTION 24 | 12 - 28 | LSD. 12, SECTION 28 |
| 6 - 24 | LSD. 6, SECTION 24 | 13 - 28 | LSD. 13, SECTION 28 |
| 11 - 24 | LSD. 11, SECTION 24 | 14 - 28 | LSD. 14, SECTION 28 |
| 12 - 24 | LSD. 12, SECTION 24 | 15 - 28 | LSD. 15, SECTION 28 |
| 13 - 24 | LSD. 13, SECTION 24 | 16 - 28 | LSD. 16, SECTION 28 |
| 4 - 25 | LSD. 4, SECTION 25 | 16 - 32 | LSD. 16, SECTION 32 |
| 5 - 25 | LSD. 5, SECTION 25 | 1 - 33 | LSD. 1, SECTION 33 |
| 1 - 26 | LSD. 1, SECTION 26 | 2 - 33 | LSD. 2, SECTION 33 |
| 2 - 26 | LSD. 2, SECTION 26 | 3 - 33 | LSD. 3, SECTION 33 |

PART XXII CONT'D

| <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 11 RANGE 26 WPM</u> | <u>TRACT NUMBER</u> | <u>LEGAL DESCRIPTION:</u> <u>TOWNSHIP 12 RANGE 26 WPM</u> |
|---------------------|--|---------------------|--|
| 4 - 33 | LSD. 4, SECTION 33 | 4 - 3 | LSD. 4, SECTION 3 |
| 5 - 33 | LSD. 5, SECTION 33 | 5 - 3 | LSD. 5, SECTION 3 |
| 6 - 33 | LSD. 6, SECTION 33 | 12 - 3 | LSD. 12, SECTION 3 |
| 7 - 33 | LSD. 7, SECTION 33 | 1 - 4 | LSD. 1, SECTION 4 |
| 9 - 33 | LSD. 9, SECTION 33 | 2 - 4 | LSD. 2, SECTION 4 |
| 10 - 33 | LSD. 10, SECTION 33 | 3 - 4 | LSD. 3, SECTION 4 |
| 11 - 33 | LSD. 11, SECTION 33 | 4 - 4 | LSD. 4, SECTION 4 |
| 12 - 33 | LSD. 12, SECTION 33 | 5 - 4 | LSD. 5, SECTION 4 |
| 13 - 33 | LSD. 13, SECTION 33 | 6 - 4 | LSD. 6, SECTION 4 |
| 14 - 33 | LSD. 14, SECTION 33 | 7 - 4 | LSD. 7, SECTION 4 |
| 15 - 33 | LSD. 15, SECTION 33 | 8 - 4 | LSD. 8, SECTION 4 |
| 16 - 33 | LSD. 16, SECTION 33 | 9 - 4 | LSD. 9, SECTION 4 |
| 2 - 34 | LSD. 2, SECTION 34 | 10 - 4 | LSD. 10, SECTION 4 |
| 3 - 34 | LSD. 3, SECTION 34 | 11 - 4 | LSD. 11, SECTION 4 |
| 4 - 34 | LSD. 4, SECTION 34 | 12 - 4 | LSD. 12, SECTION 4 |
| 5 - 34 | LSD. 5, SECTION 34 | 13 - 4 | LSD. 13, SECTION 4 |
| 6 - 34 | LSD. 6, SECTION 34 | 14 - 4 | LSD. 14, SECTION 4 |
| 7 - 34 | LSD. 7, SECTION 34 | 15 - 4 | LSD. 15, SECTION 4 |
| 11 - 34 | LSD. 11, SECTION 34 | 1 - 5 | LSD. 1, SECTION 5 |
| 12 - 34 | LSD. 12, SECTION 34 | 7 - 5 | LSD. 7, SECTION 5 |
| 13 - 34 | LSD. 13, SECTION 34 | 8 - 5 | LSD. 8, SECTION 5 |
| 14 - 34 | LSD. 14, SECTION 34 | 9 - 5 | LSD. 9, SECTION 5 |
| | | 16 - 5 | LSD. 16, SECTION 5 |

NOVEMBER 1, 1961

PART XXIV

| <u>TRACT NUMBER</u> | <u>WORKING INTEREST OWNERS</u> | <u>TRACT PARTICIPATION</u> | |
|---------------------|---|----------------------------|--------------|
| | | <u>SUBTOTAL</u> | <u>TOTAL</u> |
| 6 - 2 | The California Standard Company | .00102 | .00102 |
| 7 - 2 | Landa Oil Company Hi-Tower Drilling Company Limited Security Freehold Petroleum Limited | .00039 .00039 .00039 | .00117 |
| 10 - 2 | Landa Oil Company Hi-Tower Drilling Company Limited Security Freehold Petroleum Limited | .01930 .01929 .01929 | .05788 |
| 11 - 2 | The California Standard Company | .13136 | .13136 |
| 13 - 2 | The California Standard Company | .25298 | .25298 |
| 14 - 2 | The California Standard Company | .18729 | .18729 |
| 15 - 2 | Landa Oil Company Hi-Tower Drilling Company Limited Security Freehold Petroleum Limited | .02789 .02789 .02789 | .08367 |
| 16 - 2 | Landa Oil Company Hi-Tower Drilling Company Limited Security Freehold Petroleum Limited | .01049 .01049 .01049 | .03147 |
| 9 - 9 | The California Standard Company | .37799 | .37799 |
| 15 - 9 | The California Standard Company | .00846 | .00846 |
| 16 - 9 | The California Standard Company | 1.28620 | 1.28620 |
| 1 - 10 | The California Standard Company | .23003 | .23003 |
| 2 - 10 | The California Standard Company | .30096 | .30096 |
| 3 - 10 | The California Standard Company | .00759 | .00759 |
| 5 - 10 | The California Standard Company | .34104 | .34104 |
| 6 - 10 | The California Standard Company | .42767 | .42767 |
| 7 - 10 | The California Standard Company | .41655 | .41655 |
| 8 - 10 | The California Standard Company | .54681 | .54681 |
| 9 - 10 | The California Standard Company | .52979 | .52979 |
| 10 - 10 | The California Standard Company | .89980 | .89980 |
| 11 - 10 | The California Standard Company | .97868 | .97868 |
| 12 - 10 | The California Standard Company | .56208 | .56208 |
| 13 - 10 | The California Standard Company | .72658 | .72658 |
| 14 - 10 | The California Standard Company | .89191 | .89191 |
| 15 - 10 | The California Standard Company | .72522 | .72522 |
| 16 - 10 | The California Standard Company | .34875 | .34875 |
| 1 - 11 | The California Standard Company | .24802 | .24802 |

PART XXIV CONT'D.

| <u>TRACT NUMBER</u> | <u>WORKING INTEREST OWNERS</u> | <u>TRACT PARTICIPATION</u> | |
|---------------------|-----------------------------------|--------------------------------|--------------|
| | | <u>SUBTOTAL</u> | <u>TOTAL</u> |
| 2 - 11 | The California Standard Company | <u>.15389</u> | .15389 |
| 3 - 11 | The California Standard Company | <u>.26717</u> | .26717 |
| 4 - 11 | The California Standard Company | <u>.26241</u> | .26241 |
| 5 - 11 | The California Standard Company | <u>.15104</u> | .15104 |
| 6 - 11 | The California Standard Company | <u>.15399</u> | .15399 |
| 7 - 11 | The California Standard Company | <u>.20159</u> | .20159 |
| 8 - 11 | The California Standard Company | <u>.07884</u> | .07884 |
| 12 - 11 | The California Standard Company | <u>.19042</u> | .19042 |
| 5 - 13 | The California Standard Company | <u>.31780</u> | .31780 |
| 6 - 13 | The California Standard Company | <u>.14674</u> | .14674 |
| 7 - 13 | The California Standard Company | <u>.27492</u> | .27492 |
| 10 - 13 | The California Standard Company | <u>.46205</u> | .46205 |
| 11 - 13 | The California Standard Company | <u>.65116</u> | .65116 |
| 12 - 13 | The California Standard Company | <u>.87335</u> | .87335 |
| 13 - 13 | The California Standard Company | <u>.16031</u> | .16031 |
| 14 - 13 | The California Standard Company | <u>.44271</u> | .44271 |
| 15 - 13 | The California Standard Company | <u>.12481</u> | .12481 |
| 4 - 14 | Sun Oil Company | <u>.04380</u> | .04380 |
| 5 - 14 | Sun Oil Company | <u>.43212</u> | .43212 |
| 6 - 14 | Sun Oil Company | <u>.53289</u> | .53289 |
| 7 - 14 | Dome Petroleum Limited | <u>.50414</u> | .50414 |
| 8 - 14 | Dome Petroleum Limited | <u>.50009</u> | .50009 |
| 9 - 14 | Fargo Oils Ltd. H. J. Schlafly | <u>.23877</u> <u>.23876</u> | .47753 |
| 10 - 14 | Fargo Oils Ltd. H. J. Schlafly | <u>.07974</u> <u>.07974</u> | .15948 |
| 11 - 14 | Sun Oil Company | <u>.00212</u> | .00212 |
| 12 - 14 | Sun Oil Company | <u>.11115</u> | .11115 |
| 13 - 14 | Sun Oil Company | <u>.11677</u> | .11677 |
| 15 - 14 | Fargo Oils Ltd. H. J. Schlafly | <u>.20437</u> <u>.20438</u> | .40875 |
| 16 - 14 | Fargo Oils Ltd. H. J. Schlafly | <u>.08193</u> <u>.08192</u> | .16385 |

PART XXIV CONT'D.

| <u>TRACT NUMBER</u> | <u>WORKING INTEREST OWNERS</u> | <u>TRACT PARTICIPATION</u> | |
|---------------------|---|--|--------------|
| | | <u>SUBTOTAL</u> | <u>TOTAL</u> |
| 1 - 15 | The California Standard Company | .39218 | .39218 |
| 2 - 15 | The California Standard Company | 1.37523 | 1.37523 |
| 3 - 15 | The California Standard Company | 1.22481 | 1.22481 |
| 4 - 15 | The California Standard Company | 1.76395 | 1.76395 |
| 5 - 15 | The California Standard Company | .97250 | .97250 |
| 6 - 15 | The California Standard Company | 1.51011 | 1.51011 |
| 7 - 15 | The California Standard Company | 1.26311 | 1.26311 |
| 8 - 15 | The California Standard Company | 1.00254 | 1.00254 |
| 9 - 15 | The California Standard Company | .14972 | .14972 |
| 10 - 15 | The California Standard Company | .61623 | .61623 |
| 11 - 15 | The California Standard Company | 1.09086 | 1.09086 |
| 12 - 15 | The California Standard Company | 1.43453 | 1.43453 |
| 13 - 15 | The California Standard Company | .45831 | .45831 |
| 14 - 15 | The California Standard Company | .21828 | .21828 |
| 15 - 15 | The California Standard Company | .14434 | .14434 |
| 16 - 15 | The California Standard Company | .07137 | .07137 |
| 1 - 16 | Dome Petroleum Limited Provo Gas (Sask) Limited Welton Becket Pacific Petroleum Ltd. | .05221 .03481 .04352 .04352 | .17406 |
| 2 - 16 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Welton Becket Pacific Petroleum Ltd. | .20214 .06064 .04043 .05053 .05053 | .40427 |
| 7 - 16 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Welton Becket Pacific Petroleum Ltd. | .29422 .08827 .05884 .07356 .07356 | .58845 |
| 8 - 16 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Welton Becket Pacific Petroleum Ltd. | .18010 .05403 .03602 .04502 .04502 | .36019 |
| 9 - 16 | The California Standard Company | .78024 | .78024 |
| 10 - 16 | The California Standard Company | .11685 | .11685 |
| 15 - 16 | The California Standard Company | .49627 | .49627 |
| 16 - 16 | The California Standard Company | 1.78810 | 1.78810 |
| 1 - 21 | The California Standard Company | 1.94899 | 1.94899 |
| 2 - 21 | The California Standard Company | 1.72037 | 1.72037 |

PART XXIV CONT'D.

| <u>TRACT NUMBER</u> | <u>WORKING INTEREST OWNERS</u> | <u>TRACT PARTICIPATION</u> | |
|---------------------|--|--------------------------------------|--------------|
| | | <u>SUBTOTAL</u> | <u>TOTAL</u> |
| 3 - 21 | The California Standard Company | 1.67698 | 1.67698 |
| 6 - 21 | The California Standard Company | .24338 | .24338 |
| 7 - 21 | The California Standard Company | 1.03791 | 1.03791 |
| 8 - 21 | The California Standard Company | 1.08536 | 1.08536 |
| 9 - 21 | Shell Oil Company of Canada, Limited | 1.23585 | 1.23585 |
| 10 - 21 | Shell Oil Company of Canada, Limited | .43292 | .43292 |
| 11 - 21 | Shell Oil Company of Canada, Limited | .03404 | .03404 |
| 14 - 21 | Shell Oil Company of Canada, Limited | .44517 | .44517 |
| 15 - 21 | Shell Oil Company of Canada, Limited | .18508 | .18508 |
| 16 - 21 | Shell Oil Company of Canada, Limited | .83989 | .83989 |
| 1 - 22 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Pacific Petroleum Ltd. | .01149 .00632 .00230 .00287 | .02298 |
| 3 - 22 | The California Standard Company | .49025 | .49025 |
| 4 - 22 | The California Standard Company | .69729 | .69729 |
| 5 - 22 | The California Standard Company | .79029 | .79029 |
| 6 - 22 | The California Standard Company | .73120 | .73120 |
| 7 - 22 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Pacific Petroleum Ltd. | .27198 .14959 .05440 .06799 | .54396 |
| 8 - 22 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Pacific Petroleum Ltd. | .23695 .13032 .04739 .05924 | .47390 |
| 9 - 22 | Sun Oil Company | .55269 | .55269 |
| 10 - 22 | Sun Oil Company | .56021 | .56021 |
| 11 - 22 | The California Standard Company | 1.31195 | 1.31195 |
| 12 - 22 | The California Standard Company | 1.33446 | 1.33446 |
| 13 - 22 | The California Standard Company | .88164 | .88164 |
| 14 - 22 | The California Standard Company | .42139 | .42139 |
| 15 - 22 | Sun Oil Company | .19100 | .19100 |
| 16 - 22 | Sun Oil Company | .13660 | .13660 |
| 5 - 23 | Sun Oil Company | .34168 | .34168 |
| 6 - 23 | Sun Oil Company | .06037 | .06037 |

PART XXIV CONT'D.

| <u>TRACT NUMBER</u> | <u>WORKING INTEREST OWNERS</u> | <u>TRACT PARTICIPATION</u> | |
|---------------------|--|----------------------------|--------------|
| | | <u>SUBTOTAL</u> | <u>TOTAL</u> |
| 9 - 23 | The California Standard Company | .16514 | .16514 |
| 10 - 23 | The California Standard Company | .02561 | .02561 |
| 11 - 23 | The California Standard Company | .09137 | .09137 |
| 12 - 23 | The California Standard Company | .54197 | .54197 |
| 13 - 23 | The California Standard Company | .22079 | .22079 |
| 14 - 23 | The California Standard Company | .22184 | .22184 |
| 15 - 23 | The California Standard Company | .13464 | .13464 |
| 16 - 23 | The California Standard Company | .17020 | .17020 |
| 3 - 24 | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited | .20264 .25331 .05066 | .50661 |
| 4 - 24 | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited | .00133 .00165 .00033 | .00331 |
| 5 - 24 | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited | .00180 .00226 .00045 | .00451 |
| 6 - 24 | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited | .06185 .07730 .01546 | .15461 |
| 11 - 24 | The California Standard Company | .13922 | .13922 |
| 12 - 24 | The California Standard Company | .46475 | .46475 |
| 13 - 24 | The California Standard Company | .23718 | .23718 |
| 4 - 25 | The California Standard Company | .69615 | .69615 |
| 5 - 25 | The California Standard Company | .24214 | .24214 |
| 1 - 26 | Fargo Oils Ltd. | .15286 | .15286 |
| 2 - 26 | Fargo Oils Ltd. | .31889 | .31889 |
| 3 - 26 | Sun Oil Company | .04224 | .04224 |
| 4 - 26 | Sun Oil Company | .34898 | .34898 |
| 5 - 26 | Sun Oil Company | .11249 | .11249 |
| 6 - 26 | Sun Oil Company | .51699 | .51699 |
| 7 - 26 | Fargo Oils Ltd. | .72985 | .72985 |
| 8 - 26 | Fargo Oils Ltd. | .45375 | .45375 |
| 10 - 26 | Sun Oil Company | .47888 | .47888 |
| 11 - 26 | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited | .09622 .12027 .02405 | .24054 |

PART XXIV CONT'D.

| <u>TRACT NUMBER</u> | <u>WORKING INTEREST OWNERS</u> | <u>TRACT PARTICIPATION</u> | |
|---------------------|--|--------------------------------------|--------------|
| | | <u>SUBTOTAL</u> | <u>TOTAL</u> |
| 12 - 26 | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited | .11812 .14765 .02953 | .29530 |
| 1 - 27 | Sun Oil Company | .27536 | .27536 |
| 2 - 27 | Sun Oil Company | .21508 | .21508 |
| 3 - 27 | The California Standard Company | .40589 | .40589 |
| 4 - 27 | The California Standard Company | .69167 | .69167 |
| 5 - 27 | The California Standard Company | .43137 | .43137 |
| 6 - 27 | The California Standard Company | .40814 | .40814 |
| 7 - 27 | Sun Oil Company | .13849 | .13849 |
| 8 - 27 | Sun Oil Company | .36101 | .36101 |
| 9 - 27 | Sun Oil Company | .53105 | .53105 |
| 10 - 27 | Sun Oil Company | .41443 | .41443 |
| 11 - 27 | The California Standard Company | .41842 | .41842 |
| 12 - 27 | The California Standard Company | .61677 | .61677 |
| 13 - 27 | The California Standard Company | .42734 | .42734 |
| 14 - 27 | The California Standard Company | .59206 | .59206 |
| 15 - 27 | Sun Oil Company | .60619 | .60619 |
| 16 - 27 | Sun Oil Company | .18604 | .18604 |
| 1 - 28 | Dome Petroleum Limited Provo Gas (Sask) Limited Western Naco Petroleum Limited | .17894 .10737 .07158 | .35789 |
| 2 - 28 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Western Naco Petroleum Limited | .32525 .16263 .09758 .06505 | .65051 |
| 3 - 28 | The British American Oil Company Limited Union Oil Company of California | .23225 .23224 | .46449 |
| 5 - 28 | The British American Oil Company Limited Union Oil Company of California | .03376 .03377 | .06753 |
| 6 - 28 | The British American Oil Company Limited Union Oil Company of California | .17407 .17406 | .34813 |
| 7 - 28 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Western Naco Petroleum Limited | .26152 .13076 .07845 .05230 | .52303 |
| 8 - 28 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Western Naco Petroleum Limited | .15075 .07537 .04522 .03015 | .30149 |

PART XXIV CONT'D.

| TRACT NUMBER | WORKING INTEREST OWNERS | TRACT PARTICIPATION | |
|--------------|--|--------------------------------------|--------|
| | | SUBTOTAL | TOTAL |
| 9 - 28 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Western Naco Petroleum Limited | .29572 .14786 .08872 .05915 | .59145 |
| 10 - 28 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Western Naco Petroleum Limited | .32946 .16473 .09884 .06589 | .65892 |
| 11 - 28 | The British American Oil Company Limited Union Oil Company of California | .26494 .26495 | .52989 |
| 12 - 28 | The British American Oil Company Limited Union Oil Company of California | .07545 .07544 | .15089 |
| 13 - 28 | The British American Oil Company Limited Union Oil Company of California | .13777 .13777 | .27554 |
| 14 - 28 | The British American Oil Company Limited Union Oil Company of California | .06852 .06852 | .13704 |
| 15 - 28 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Western Naco Petroleum Limited | .22457 .11229 .06737 .04491 | .44911 |
| 16 - 28 | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Western Naco Petroleum Limited | .27115 .13557 .08134 .05423 | .54229 |
| 16 - 32 | Shell Oil Company of Canada, Limited | .04085 | .04085 |
| 1 - 33 | Imperial Oil Limited | .08629 | .08629 |
| 2 - 33 | Imperial Oil Limited | .47634 | .47634 |
| 3 - 33 | Shell Oil Company of Canada, Limited | .71993 | .71993 |
| 4 - 33 | Shell Oil Company of Canada, Limited | .18074 | .18074 |
| 5 - 33 | Shell Oil Company of Canada, Limited | .09630 | .09630 |
| 6 - 33 | Shell Oil Company of Canada, Limited | .81993 | .81993 |
| 7 - 33 | Imperial Oil Limited | .38412 | .38412 |
| 9 - 33 | Imperial Oil Limited | .09276 | .09276 |
| 10 - 33 | Imperial Oil Limited | .61314 | .61314 |
| 11 - 33 | Shell Oil Company of Canada, Limited | .51375 | .51375 |
| 12 - 33 | Shell Oil Company of Canada, Limited | .41245 | .41245 |
| 13 - 33 | Shell Oil Company of Canada, Limited | .55158 | .55158 |
| 14 - 33 | Shell Oil Company of Canada, Limited | .94881 | .94881 |
| 15 - 33 | Imperial Oil Limited | .48681 | .48681 |
| 16 - 33 | E. H. Vallat Ltd. Plute Petroleum Ltd. | .07397 .07397 | .14794 |

PART XXIV CONT'D.

| <u>TRACT NUMBER</u> | <u>WORKING INTEREST OWNERS</u> | <u>TRACT PARTICIPATION</u> | |
|---------------------|---|--|--------------|
| | | <u>SUBTOTAL</u> | <u>TOTAL</u> |
| 2 - 34 | The British American Oil Company Limited Union Oil Company of California | .00008 .00009 | .00017 |
| 3 - 34 | The British American Oil Company Limited Union Oil Company of California | .19751 .19751 | .39502 |
| 4 - 34 | The British American Oil Company Limited Union Oil Company of California | .00483 .00482 | .00965 |
| 5 - 34 | Fargo Oils Ltd. E. H. Vallat Ltd. | .04211 .01404 | .05615 |
| 6 - 34 | Fargo Oils Ltd. E. H. Vallat Ltd. | .06889 .02297 | .09186 |
| 7 - 34 | Fargo Oils Ltd. E. H. Vallat Ltd. | .14920 .04973 | .19893 |
| 11 - 34 | Fargo Oils Ltd. E. H. Vallat Ltd. | .14928 .04976 | .19904 |
| 12 - 34 | Fargo Oils Ltd. E. H. Vallat Ltd. | .08377 .02792 | .11169 |
| 13 - 34 | E. H. Vallat Ltd. | .75626 | .75626 |
| 14 - 34 | Fargo Oils Ltd. E. H. Vallat Ltd. | .07011 .02337 | .09348 |
| 4 - 3 | Dome Petroleum Limited Pacific Petroleum Ltd. | 1.11956 .37318 | 1.49274 |
| 5 - 3 | Dome Petroleum Limited Pacific Petroleum Ltd. | .25735 .08579 | .34314 |
| 12 - 3 | Dome Petroleum Limited Pacific Petroleum Ltd. | .01241 .00413 | .01654 |
| 1 - 4 | Dome Petroleum Limited Provo Gas (Sask) Limited Welton Becket Pacific Petroleum Ltd. | .22085 .03398 .04247 .04247 | .33977 |
| 2 - 4 | Dome Petroleum Limited - Canadian Superior Oil Ltd. Provo Gas (Sask) Limited Pacific Petroleum Ltd. | .14382 .26150 .05230 .06537 | .52299 |
| 3 - 4 | The California Standard Company | .90644 | .90644 |
| 4 - 4 | The California Standard Company | .70230 | .70230 |
| 5 - 4 | The California Standard Company | .73546 | .73546 |
| 6 - 4 | The California Standard Company | .29330 | .29330 |
| 7 - 4 | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited Pacific Petroleum Ltd. | .04633 .08422 .01684 .02106 | .16845 |
| 8 - 4 | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited Welton Becket Pacific Petroleum Ltd. | .07585 .25285 .05057 .06321 .06321 | .50569 |

PART XXIV CONT'D.

| <u>TRACT NUMBER</u> | <u>WORKING INTEREST OWNERS</u> | <u>TRACT PARTICIPATION</u> | |
|---------------------|---------------------------------|----------------------------|------------------|
| | | <u>SUBTOTAL</u> | <u>TOTAL</u> |
| 9 - 4 | E. H. Vallat Ltd. | <u>.71329</u> | .71329 |
| 10 - 4 | E. H. Vallat Ltd. | <u>.80686</u> | .80686 |
| 11 - 4 | The California Standard Company | <u>1.00648</u> | 1.00648 |
| 12 - 4 | The California Standard Company | <u>1.30020</u> | 1.30020 |
| 13 - 4 | The California Standard Company | <u>.51719</u> | .51719 |
| 14 - 4 | The California Standard Company | <u>1.15780</u> | 1.15780 |
| 15 - 4 | E. H. Vallat Ltd. | <u>.41424</u> | .41424 |
| 1 - 5 | Canex Oil Ltd. | <u>.55196</u> | .55196 |
| 7 - 5 | Canex Oil Ltd. | <u>.01694</u> | .01694 |
| 8 - 5 | Canex Oil Ltd. | <u>.28370</u> | .28370 |
| 9 - 5 | Canex Oil Ltd. | <u>.20951</u> | .20951 |
| 16 - 5 | Landa Oil Company | <u>.24151</u> | .24151 |
| | | | <u>100.00000</u> |

PART XXV

| <u>LEASE NUMBER</u> | <u>LAND DESCRIPTION</u> | <u>WORKING INTEREST OWNERS</u> | <u>TRACT PARTICIPATION BY LEASE</u> | |
|-------------------------|---|---|--|--------------|
| | | | <u>SUBTOTAL</u> | <u>TOTAL</u> |
| 1-A | Lsd. 7 in E 1/2 of Sec. 2-11-26 WPM | Landa Oil Company Hi-Tower Drilling Company Limited Security Freehold Petroleum Limited | .00039 .00039 .00039 | .00117 |
| 1-B | Lsd. 10 in E 1/2 of Sec. 2-11-26 WPM | Landa Oil Company Hi-Tower Drilling Company Limited Security Freehold Petroleum Limited | .01930 .01929 .01929 | .05788 |
| 1-C | Lsd's. 15 & 16 in E 1/2 of Sec. 2-11-26 WPM | Landa Oil Company Hi-Tower Drilling Company Limited Security Freehold Petroleum Limited | .03838 .03838 .03838 | .11514 |
| 2 | Lsd's. 6, 11, 13 & 14 in W 1/2 of Sec. 2-11-26 WPM | The California Standard Company | .57265 | .57265 |
| 3 | Lsd's. 9, 15 & 16 in NE 1/4 of Sec. 9-11-26 WPM | The California Standard Company | 1.67265 | 1.67265 |
| 4 | W 1/2 of Sec. 10-11-26 WPM (Excepting Lsd. 4 and CPR R/W) | The California Standard Company | 3.78387 | 3.78387 |
| 5 | 12.56 Acres in Lsd's. 3, 6, 11, 12 & 13 for CPR R/W - Plan 253 | The California Standard Company | .15168 | .15168 |
| 6 | E 1/2 of Sec. 10-11-26 WPM (Excepting Public Road Plan) | The California Standard Company | 3.94621 | 3.94621 |
| 7 | 5.93 Acres in Lsd. 16 of Sec. 10-11-26 WPM lying north and east of the south- west limit of Public Road Plan V129 | The California Standard Company | .05170 | .05170 |
| 8 | Lsd. 12-11-11-26 WPM | The California Standard Company | .19042 | .19042 |
| 9 | SW 1/4 of Sec. 11-11-26 WPM | The California Standard Company | .83461 | .83461 |
| 10 | SE 1/4 of Sec. 11-11-26 WPM | The California Standard Company | .68234 | .68234 |
| 11 | Lsd's. 7, 10 & 15 in E 1/2 of Sec. 13-11-26 WPM | The California Standard Company | .86178 | .86178 |
| 12 | Lsd's. 5 & 6 in SW 1/4 of Sec. 13-11-26 WPM | The California Standard Company | .46454 | .46454 |
| 13 | NW 1/4 of Sec. 13-11-26 WPM | The California Standard Company | 2.12753 | 2.12753 |
| 14 | Lsd's. 7 & 8 in SE 1/4 of Sec. 14-11-26 WPM | Dome Petroleum Limited | 1.00423 | 1.00423 |
| 15 | NE 1/4 of Sec. 14-11-26 WPM | Fargo Oils Ltd. H. J. Schlafly | .60481 .60480 | 1.20961 |
| 16 | Lsd's. 4, 5 & 6 in SW 1/4 of Sec. 14-11-26 WPM | Sun Oil Company | 1.00881 | 1.00881 |
| 17 | Lsd's. 11, 12 & 13 in NW 1/4 of Sec. 14-11-26 WPM | Sun Oil Company | .23004 | .23004 |
| 18 | Sec. 15-11-26 WPM (Excepting CPR R/W) | The California Standard Company | 13.46502 | 13.46502 |
| 19 | 6.5 Acres in Lsd's. 4, 5 & 12 of Sec. 15-11-26 WPM for CPR R/W - Plan 253 | The California Standard Company | .22305 | .22305 |
| 20-A | Lsd. 1 in SE 1/4 of Sec. 16-11-26 WPM | Dome Petroleum Limited Provo Gas (Sask) Limited Welton Becket Pacific Petroleum Ltd. | .05221 .03481 .04352 .04352 | .17406 |
| 20-B | Lsd's. 2, 7 & 8 in SE 1/4 of Sec. 16-11-26 WPM | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Welton Becket Pacific Petroleum Ltd. | .67646 .20294 .13529 .16911 .16911 | 1.35291 |
| 21 | NE 1/4 of Sec. 16-11-26 WPM | The California Standard Company | 3.18146 | 3.18146 |

PART XXV CONT'D.

| <u>LEASE NUMBER</u> | <u>LAND DESCRIPTION</u> | <u>WORKING INTEREST OWNERS</u> | <u>TRACT PARTICIPATION BY LEASE</u> | |
|-------------------------|--|--|---|--------------|
| | | | <u>SUBTOTAL</u> | <u>TOTAL</u> |
| 22 | Lsd's. 1, 2, 3, 6, 7 & 8 in S 1/2 of Sec. 21-11-26 WPM (Excepting CPR R/W) | The California Standard Company | 7.47519 | 7.47519 |
| 23 | Portion 50 feet on each side from the centre line of Canadian Pacific Railway Company tracks in Lsd's. 1, 7 & 8 of Sec. 21-11-26 WPM. Area of above portion is 6.28 acres. | The California Standard Company | .23780 | .23780 |
| 24 | Lsd's. 9, 10, 11, 14, 15 & 16 in N 1/2 of Sec. 21-11-26 WPM. (Excepting CPR R/W and portion transferred to Wallace United Church) | Shell Oil Company of Canada, Limited | 3.10323 | 3.10323 |
| 25 | 6.28 acres for CPR R/W in Lsd's. 9, 10 & 15 of Sec. 21-11-26 WPM | Shell Oil Company of Canada, Limited | .04872 | .04872 |
| 26 | 1 acre in north-east corner of Lsd. 16-21-11-26 WPM | Shell Oil Company of Canada, Limited | .02100 | .02100 |
| 27 | W 1/2 of Sec. 22-11-26 WPM (Excepting School District of Montgomery No. 357) | The California Standard Company | 6.62358 | 6.62358 |
| 28 | 2.001 acres in Lsd. 4-22-11-26 WPM | The California Standard Company | .03489 | .03489 |
| 29 | NE 1/4 of Sec. 22-11-26 WPM | Sun Oil Company | 1.44050 | 1.44050 |
| 30 | Lsd's. 1, 7 & 8 in SE 1/4 of Sec. 22-11-26 WPM | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Pacific Petroleum Ltd. | .52042 .28623 .10409 .13010 | 1.04084 |
| 31 | Lsd's. 5 & 6 in SW 1/4 of Sec. 23-11-26 WPM | Sun Oil Company | .40205 | .40205 |
| 32 | N 1/2 of Sec. 23-11-26 WPM | The California Standard Company | 1.57156 | 1.57156 |
| 33 | SW 1/4 of Sec. 24-11-26 WPM | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited | .26762 .33452 .06690 | .66904 |
| 34 | Lsd's. 11, 12 & 13 in NW 1/4 of Sec. 24-11-26 WPM | The California Standard Company | .84115 | .84115 |
| 35 | Lsd's. 4 & 5 in SW 1/4 of Sec. 25-11-26 WPM | The California Standard Company | .93829 | .93829 |
| 36 | SE 1/4 of Sec. 26-11-26 WPM | Fargo Oils Ltd. | 1.65535 | 1.65535 |
| 37-A | Lsd's. 5 & 6 in Sec. 26-11-26 WPM | Sun Oil Company | .62948 | .62948 |
| 37-B | Lsd. 10-26-11-26 WPM | Sun Oil Company | .47888 | .47888 |
| 38 | Lsd's. 3 & 4 in SW 1/4 of Sec. 26-11-26 WPM | Sun Oil Company | .39122 | .39122 |
| 39 | Lsd's. 11 & 12 of Sec. 26-11-26 WPM | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited | .21434 .26792 .05358 | .53584 |
| 40 | SE 1/4 of Sec. 27-11-26 WPM | Sun Oil Company | .98994 | .98994 |
| 41 | NE 1/4 of Sec. 27-11-26 WPM | Sun Oil Company | 1.73771 | 1.73771 |
| 42 | W 1/2 of Sec. 27-11-26 WPM | The California Standard Company | 3.99166 | 3.99166 |
| 43 | Lsd. 1-28-11-26 WPM | Dome Petroleum Limited Provo Gas (Sask) Limited Western Naco Petroleum Limited | .17894 .10737 .07158 | .35789 |

PART XXV CONT'D.

| LEASE NUMBER | LAND DESCRIPTION | WORKING INTEREST OWNERS | TRACT PARTICIPATION BY LEASE | |
|-----------------|--|--|---------------------------------------|---------|
| | | | SUBTOTAL | TOTAL |
| 44 | Led's. 2, 7, 8, 9, 10, 15 & 16 of E 1/2 of Sec. 28-11-26 WPM | Canadian Superior Oil Ltd. Dome Petroleum Limited Provo Gas (Sask) Limited Western Naco Petroleum Limited | 1.85842 .92921 .55752 .37168 | 3.71683 |
| 45-A | Led's. 3 & 5 in W 1/2 of Sec. 28-11-26 WPM | The British American Oil Company Limited Union Oil Company of California | .26601 .26601 | .53202 |
| 45-B | Led's. 12 & 13 in W 1/2 of Sec. 28-11-26 WPM | The British American Oil Company Limited Union Oil Company of California | .21322 .21321 | .42643 |
| 46 | Led. 6-28-11-26 WPM (Excepting CPR R/W) | The British American Oil Company Limited Union Oil Company of California | .16691 .16690 | .33381 |
| 47 | 1.65 acres of Led. 6-28-11-26 WPM | The British American Oil Company Limited Union Oil Company of California | .00716 .00716 | .01432 |
| 48 | Led. 11-28-11-26 WPM (Excepting CPR R/W) | The British American Oil Company Limited Union Oil Company of California | .24418 .24418 | .48836 |
| 49 | 3.13 acres of Led. 11-28-11-26 WPM | The British American Oil Company Limited Union Oil Company of California | .02076 .02077 | .04153 |
| 50 | Led. 14-28-11-26 WPM (Excepting CPR R/W) | The British American Oil Company Limited Union Oil Company of California | .06314 .06314 | .12627 |
| 51 | 3.14 acres of Led. 14-28-11-26 WPM | The British American Oil Company Limited Union Oil Company of California | .00538 .00539 | .01077 |
| 52 | Led. 16-32-11-26 WPM | Shell Oil Company of Canada, Limited | .04085 .04085 | .08170 |
| 53 | W 1/2 of Sec. 33-11-26 WPM (Excepting CPR R/W and Station Grounds, Public Road Plan and portion contained in C. of T.78284) | Shell Oil Company of Canada, Limited | 3.81012 3.81012 | 3.81012 |
| 54 | 31.45 acres in Led's. 3, 4, 5, 6, 12 & 13 of Sec. 33-11-26 WPM | Shell Oil Company of Canada, Limited | .37090 .37090 | .74180 |
| 55 | .48 acres in Led. 13 of Sec. 33-11-26 WPM | Shell Oil Company of Canada, Limited | .00662 .00662 | .01324 |
| 56 | 4.05 acres in Led. 13-33-11-26 WPM | Shell Oil Company of Canada, Limited | .05585 .05585 | .11170 |
| 57 | E 1/2 of Sec. 33-11-26 WPM (Except Led's. 8 & 16) | Imperial Oil Limited | 2.13946 2.13946 | 2.13946 |
| 58 | Led. 16-33-11-26 WPM (Excepting portion deeded to Rural Municipality of Wallace) | E. H. Vallat Ltd. Piute Petroleum Ltd. | .07212 .07211 | .14423 |
| 59 | 1 1/4 acres in Led. 16-33-11-26 WPM | E. H. Vallat Ltd. Piute Petroleum Ltd. | .00185 .00186 | .00371 |
| 60 | Led. 13-34-11-26 WPM | E. H. Vallat Ltd. | .75626 .75626 | .75626 |
| 61 | Led's. 11, 12 & 14 of NW 1/4 of Sec. 34-11-26 WPM | Fargo Oils Ltd. E. H. Vallat Ltd. | .30316 .10105 | .40421 |
| 62 | Led's. 5, 6 & 7 in S 1/2 of Sec. 34-11-26 WPM | Fargo Oils Ltd. E. H. Vallat Ltd. | .26020 .08674 | .34694 |
| 63 | Led's. 2, 3 & 4 of SW 1/4 of Sec. 34-11-26 WPM | The British American Oil Company Limited Union Oil Company of California | .20242 .20242 | .40484 |
| 64 | Led's. 4 & 5 of SW 1/4 of Sec. 3-12-26 WPM | Dome Petroleum Limited Pacific Petroleum Ltd. | 1.37691 .45897 | 1.83588 |
| 65 | Led. 12-3-12-26 WPM | Dome Petroleum Limited Pacific Petroleum Ltd. | .01241 .00413 | .01654 |

PART XXV CONT'D.

| <u>LEASE NUMBER</u> | <u>LAND DESCRIPTION</u> | <u>WORKING INTEREST OWNERS</u> | <u>TRACT PARTICIPATION BY LEASE</u> | |
|-------------------------|--|--|--|--------------|
| | | | <u>SUBTOTAL</u> | <u>TOTAL</u> |
| 66 | Lsd's. 9, 10 & 15 of NE 1/4 of Sec. 4-12-26 WPM | E. H. Vallat Ltd. | 1.93439 | 1.93439 |
| 67-A | Lsd. 1 in SE 1/4 of Sec. 4-12-26 WPM | Dome Petroleum Limited Provo Gas (Sask) Limited Welton Becket Pacific Petroleums Ltd. | .22085 .03398 .04247 .04247 | .33977 |
| 67-B | Lsd's. 2 & 7 in SE 1/4 of Sec. 4-12-26 WPM | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited Pacific Petroleums Ltd. | .19015 .34572 .06914 .08643 | .69144 |
| 67-C | Lsd. 8-4-12-26 WPM | Dome Petroleum Limited Canadian Superior Oil Ltd. Provo Gas (Sask) Limited Welton Becket Pacific Petroleums Ltd. | .07585 .25285 .05057 .06321 .06321 | .50569 |
| 68 | W 1/2 of Sec. 4-12-26 WPM (Excepting CPR R/W) | The California Standard Company | 6.56000 | 6.56000 |
| 69 | 3 37/100 acres in Lsd. 4-4-12-26 WPM | The California Standard Company | .05917 | .05917 |
| 70 | Lsd. 1-5-12-26 WPM (Excepting CPR R/W) | Canex Oil Ltd. | .55168 | .55168 |
| 71 | 0.02 acres of CPR R/W in Lsd. 1-5-12-26 WPM | Canex Oil Ltd. | .00028 | .00028 |
| 72 | Lsd. 7-5-12-26 WPM | Canex Oil Ltd. | .01694 | .01694 |
| 73 | Lsd. 8-5-12-26 WPM (Excepting CPR R/W) | Canex Oil Ltd. | .25973 | .25973 |
| 74 | 3.38 acres of CPR R/W in Lsd. 8-5-12-26 WPM | Canex Oil Ltd. | .02397 | .02397 |
| 75 | Lsd. 9-5-12-26 WPM (Excepting CPR R/W) | Canex Oil Ltd. | .19306 | .19306 |
| 76 | 3.14 acres of CPR R/W in Lsd. 9-5-12-26 WPM | Canex Oil Ltd. | .01645 | .01645 |
| 77 | Lsd. 16-5-12-26 WPM (Excepting CPR R/W) | Landa Oil Company | .22255 | .22255 |
| 78 | 3.14 acres in Lsd. 16 of Sec. 5-12-26 WPM | Landa Oil Company | .01896 | .01896 |
| | | | | 100.00000 |

Com. out.

PART XXVI

THIS PART INDICATES PRIMA FACIE AND SUBJECT TO ANY DISPOSITION, AND INSOFAR AS THEY ARE KNOWN, THE RESPECTIVE ROYALTY OWNERS IN AND TO THE RESPECTIVE TRACTS IN THE UNIT AREA AND THEIR RESPECTIVE INTERESTS THEREIN, BUT SHALL NOT EFFECT OR ALTER EXISTING CONTRACTUAL OR OTHER RIGHTS

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>ROYALTY OWNERS</u> | <u>ROYALTY OWNERS INTEREST</u> |
|---------------------|----------------------------|---|---|
| 6 - 2 | .00102 | Norma Kathleen Minnis James Symington Gerrand Gwenneth Grace Berry | 1/3 1/3 1/3 |
| 7 - 2 | .00117 | Robert Drynan The Toronto General Trusts Corporation | 3/4 1/4 |
| 10 - 2 | .05788 | Violet Doreen Crabb | Entire |
| 11 - 2 | .13136 | Norma Kathleen Minnis James Symington Gerrand Gwenneth Grace Berry | 1/3 1/3 1/3 |
| 13 - 2 | .25298 | Norma Kathleen Minnis James Symington Gerrand Gwenneth Grace Berry | 1/3 1/3 1/3 |
| 14 - 2 | .18729 | Norma Kathleen Minnis James Symington Gerrand Gwenneth Grace Berry | 1/3 1/3 1/3 |
| 15 - 2 | .08367 | Robert Drynan | Entire |
| 16 - 2 | .03147 | Robert Drynan | Entire |
| 9 - 9 | .37799 | Charles Vinck The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |
| 15 - 9 | .00846 | Charles Vinck The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |
| 16 - 9 | 1.28620 | Charles Vinck The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |
| 1 - 10 | .23003 | George Wesley Braybrook The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |
| 2 - 10 | .30096 | George Wesley Braybrook The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |
| 3 - 10 | .00759 | Lyle Stanley Leslie The Canada Permanent Trust Company, Regina, Saskatchewan Canadian Pacific Oil and Gas Limited | 1/4 of 36.86/40 3/4 of 36.86/40 3.14/40 |
| 5 - 10 | .34104 | Lyle Stanley Leslie The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |
| 6 - 10 | .42767 | Lyle Stanley Leslie The Canada Permanent Trust Company, Regina, Saskatchewan Canadian Pacific Oil and Gas Limited | 1/4 of 36.86/40 3/4 of 36.86/40 3.14/40 |
| 7 - 10 | .41655 | George Wesley Braybrook The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |
| 8 - 10 | .54681 | George Wesley Braybrook The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |
| 9 - 10 | .52979 | George Wesley Braybrook The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |
| 10 - 10 | .89980 | George Wesley Braybrook The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |
| 11 - 10 | .97868 | Lyle Stanley Leslie The Canada Permanent Trust Company, Regina, Saskatchewan Canadian Pacific Oil and Gas Limited | 1/4 of 38.43/40 3/4 of 38.43/40 1.57/40 |
| 12 - 10 | .56208 | Lyle Stanley Leslie The Canada Permanent Trust Company, Regina, Saskatchewan Canadian Pacific Oil and Gas Limited | 1/4 of 38.43/40 3/4 of 38.43/40 1.57/40 |
| 13 - 10 | .72658 | Lyle Stanley Leslie The Canada Permanent Trust Company, Regina, Saskatchewan Canadian Pacific Oil and Gas Limited | 1/4 of 36.86/40 3/4 of 36.86/40 3.14/40 |
| 14 - 10 | .89191 | Lyle Stanley Leslie The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |
| 15 - 10 | .72522 | George Wesley Braybrook The Canada Permanent Trust Company, Regina, Saskatchewan | 1/4 3/4 |

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PART XXVI CONT'D.

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>ROYALTY OWNERS</u> | <u>ROYALTY OWNERS INTEREST</u> |
|---------------------|----------------------------|--|---|
| 16 - 10 | .34875 | George Wesley Braybrook The Canada Permanent Trust Company, Regina, Saskatchewan The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | 1/4 of 34.07/40 3/4 of 34.07/40 5.93/40 |
| 1 - 11 | .24802 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 2 - 11 | .15389 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 3 - 11 | .26717 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 4 - 11 | .26241 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 5 - 11 | .15104 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 6 - 11 | .15399 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 7 - 11 | .20159 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 8 - 11 | .07884 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 12 - 11 | .19042 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 5 - 13 | .31780 | Dora May Hutchison and David Gordon Hutchison The Toronto General Trusts Corporation, Winnipeg, Manitoba Clifford Chapman | 1/2 1/4 1/4 |
| 6 - 13 | .14674 | Dora May Hutchison and David Gordon Hutchison The Toronto General Trusts Corporation, Winnipeg, Manitoba Clifford Chapman | 1/2 1/4 1/4 |
| 7 - 13 | .27492 | The Toronto General Trusts Corporation, Winnipeg, Manitoba The California Standard Company John Wesley Clarke Russell Dennis Darby Vernon E. Holmes) Vergie Lee) Edrie Vandever) | 1/4 1/8 1/4 1/8 1/4 |
| 10 - 13 | .46205 | The Royal Trust Company, Winnipeg, Manitoba and Evalyn Patterson, } Executors, Estate of Walter Henry Patterson } The Toronto General Trusts Corporation, Winnipeg, Manitoba Russell Dennis Darby Frederick Cox Butcher) Elsie May Butcher) Vernon E. Holmes) Vergie Lee) Edrie Vandever) | 1/4 1/8 1/8 1/4 1/4 |

PART XXVI CONT'D.

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>ROYALTY OWNERS</u> | <u>ROYALTY OWNERS INTEREST</u> |
|---------------------|----------------------------|--|---|
| 11 - 13 | .65116 | The Toronto General Trusts Corporation, Winnipeg, Manitoba David Gordon Hutchison Clifford Chapman | 1/4 1/2 1/4 |
| 12 - 13 | .87335 | The Toronto General Trusts Corporation, Winnipeg, Manitoba David Gordon Hutchison Clifford Chapman | 1/4 1/2 1/4 |
| 13 - 13 | .16031 | The Toronto General Trusts Corporation, Winnipeg, Manitoba David Gordon Hutchison Clifford Chapman | 1/4 1/2 1/4 |
| 14 - 13 | .44271 | The Toronto General Trusts Corporation, Winnipeg, Manitoba David Gordon Hutchison Clifford Chapman | 1/4 1/2 1/4 |
| 15 - 13 | .12481 | The Royal Trust Company, Winnipeg, Manitoba and Evelyn Patterson,) Executors of Estate of Walter Henry Patterson) The Toronto General Trusts Corporation, Winnipeg, Manitoba Russell Dennis Darby Frederick Cox Butcher) Elsie May Butcher) Vernon E. Holmes) Vergie Lee) Edrie Vandever) | 1/4 1/8 1/8 1/4 1/4 |
| 4 - 14 | .04380 | William Andrew Milne The Canada Permanent Trust Company, Regina, Saskatchewan The Canada Permanent Trust Company, Winnipeg, Manitoba John Henry Newman | 1/4 1/4 1/4 1/4 |
| 5 - 14 | .43212 | William Andrew Milne The Canada Permanent Trust Company, Regina, Saskatchewan The Canada Permanent Trust Company, Winnipeg, Manitoba John Henry Newman | 1/4 1/4 1/4 1/4 |
| 6 - 14 | .53289 | William Andrew Milne The Canada Permanent Trust Company, Regina, Saskatchewan The Canada Permanent Trust Company, Winnipeg, Manitoba John Henry Newman | 1/4 1/4 1/4 1/4 |
| 7 - 14 | .50414 | William Andrew Milne The Canada Permanent Trust Company, Winnipeg, Manitoba The Canada Permanent Trust Company, Regina, Saskatchewan | 1/2 1/4 1/4 |
| 8 - 14 | .50009 | William Andrew Milne The Canada Permanent Trust Company, Winnipeg, Manitoba The Canada Permanent Trust Company, Regina, Saskatchewan | 1/2 1/4 1/4 |
| 9 - 14 | .47753 | Montreal Trust Company, Regina, Saskatchewan The Canada Permanent Trust Company, Regina, Saskatchewan Dora Anna Marie Stewart Betty Marie Stewart | 1/4 1/4 1/4 1/4 |
| 10 - 14 | .15948 | Montreal Trust Company, Regina, Saskatchewan The Canada Permanent Trust Company, Regina, Saskatchewan Dora Anna Marie Stewart Betty Marie Stewart | 1/4 1/4 1/4 1/4 |
| 11 - 14 | .00212 | Reginald Braybrook) Grace Beatrice Braybrook) The Toronto General Trusts Corporation, Winnipeg, Manitoba Joyce Beatrice Milne | 1/2 1/4 1/4 |
| 12 - 14 | .11115 | Reginald Braybrook) Grace Beatrice Braybrook) The Toronto General Trusts Corporation, Winnipeg, Manitoba Joyce Beatrice Milne | 1/2 1/4 1/4 |
| 13 - 14 | .11677 | Reginald Braybrook) Grace Beatrice Braybrook) The Toronto General Trusts Corporation, Winnipeg, Manitoba Joyce Beatrice Milne | 1/2 1/4 1/4 |
| 15 - 14 | .40875 | Montreal Trust Company, Regina, Saskatchewan The Canada Permanent Trust Company, Regina, Saskatchewan Dora Anna Marie Stewart Betty Marie Stewart | 1/4 1/4 1/4 1/4 |
| 16 - 14 | .16385 | Montreal Trust Company, Regina, Saskatchewan The Canada Permanent Trust Company, Regina, Saskatchewan Dora Anna Marie Stewart Betty Marie Stewart | 1/4 1/4 1/4 1/4 |
| 1 - 15 | .39218 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/2 1/2 |

PART XXVI CONT'D.

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>ROYALTY OWNERS</u> | <u>ROYALTY OWNERS INTEREST</u> |
|---------------------|----------------------------|---|---|
| 2 - 15 | 1.37523 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/2 1/2 |
| 3 - 15 | 1.22481 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/2 1/2 |
| 4 - 15 | 1.76395 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba Canadian Pacific Oil and Gas Limited | 1/2 of 36.86/40 1/2 of 36.86/40 3.14/40 |
| 5 - 15 | .97250 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba Canadian Pacific Oil and Gas Limited | 1/2 of 36.89/40 1/2 of 36.89/40 3.11/40 |
| 6 - 15 | 1.51011 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/2 1/2 |
| 7 - 15 | 1.26311 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/2 1/2 |
| 8 - 15 | 1.00254 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/2 1/2 |
| 9 - 15 | .14972 | William George Fortune Schmidt | Entire |
| 10 - 15 | .61623 | William George Fortune Schmidt | Entire |
| 11 - 15 | 1.09086 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba | 3/4 1/4 |
| 12 - 15 | 1.43453 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba Canadian Pacific Oil and Gas Limited | 3/4 of 39.75/40 1/4 of 39.75/40 .25/40 |
| 13 - 15 | .45831 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba | 3/4 1/4 |
| 14 - 15 | .21828 | William George Fortune Schmidt The Toronto General Trusts Corporation, Winnipeg, Manitoba | 3/4 1/4 |
| 15 - 15 | .14434 | William George Fortune Schmidt | Entire |
| 16 - 15 | .07137 | William George Fortune Schmidt | Entire |
| 1 - 16 | .17406 | George Peter Veldhouse The Canada Permanent Trust Company, Regina, Saskatchewan Victor Colli) Harry Veldhouse) | 1/4 1/2 1/4 |
| 2 - 16 | .40427 | George Peter Veldhouse The Canada Permanent Trust Company, Regina, Saskatchewan Victor Colli) Harry Veldhouse) | 1/4 1/2 1/4 |
| 7 - 16 | .58845 | George Peter Veldhouse The Canada Permanent Trust Company, Regina, Saskatchewan Victor Colli) Harry Veldhouse) | 1/4 1/2 1/4 |
| 8 - 16 | .36019 | George Peter Veldhouse The Canada Permanent Trust Company, Regina, Saskatchewan Victor Colli) Harry Veldhouse) | 1/4 1/2 1/4 |
| 9 - 16 | .78024 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 10 - 16 | .11685 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 15 - 16 | .49627 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 16 - 16 | 1.78810 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 1 - 21 | 1.94899 | Alfred Roy Clarke Giles Joseph Eilers Canadian Pacific Oil and Gas Limited | 1/2 of 36.86/40 1/2 of 36.86/40 3.14/40 |

PART XXVI CONT'D.

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>ROYALTY OWNERS</u> | <u>ROYALTY OWNERS INTEREST</u> |
|---------------------|----------------------------|--|--|
| 2 - 21 | 1.72037 | Alfred Roy Clarke Giles Joseph Eilers | 1/2 1/2 |
| 3 - 21 | 1.67698 | Alfred Roy Clarke Giles Joseph Eilers | 1/2 1/2 |
| 6 - 21 | .24338 | Alfred Roy Clarke Giles Joseph Eilers | 1/2 1/2 |
| 7 - 21 | 1.03791 | Alfred Roy Clarke Giles Joseph Eilers Canadian Pacific Oil and Gas Limited | 1/2 of 39.66/40 1/2 of 39.66/40 .34/40 |
| 8 - 21 | 1.08536 | Alfred Roy Clarke Giles Joseph Eilers Canadian Pacific Oil and Gas Limited | 1/2 of 37.2/40 1/2 of 37.2/40 2.8/40 |
| 9 - 21 | 1.23585 | George Simpson Moir The Toronto General Trusts Corporation Jean Ann Smith Maria Mildred Moir Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame Canadian Pacific Railway Company | 3/8 of 39.99/40 1/8 of 39.99/40 1/8 of 39.99/40 1/8 of 39.99/40 1/12 of 39.99/40 1/12 of 39.99/40 1/12 of 39.99/40 .01/40 |
| 10 - 21 | .43292 | George Simpson Moir The Toronto General Trusts Corporation Jean Ann Smith Maria Mildred Moir Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame Canadian Pacific Railway Company | 3/8 of 36.87/40 1/8 of 36.87/40 1/8 of 36.87/40 1/8 of 36.87/40 1/12 of 36.87/40 1/12 of 36.87/40 1/12 of 36.87/40 3.13/40 |
| 11 - 21 | .03404 | George Simpson Moir The Toronto General Trusts Corporation Jean Ann Smith Maria Mildred Moir Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame | 3/8 1/8 1/8 1/8 1/12 1/12 1/12 |
| 14 - 21 | .44517 | George Simpson Moir The Toronto General Trusts Corporation Jean Ann Smith Maria Mildred Moir Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame | 3/8 1/8 1/8 1/8 1/12 1/12 1/12 |
| 15 - 21 | .18508 | George Simpson Moir The Toronto General Trusts Corporation Jean Ann Smith Maria Mildred Moir Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame Canadian Pacific Railway Company | 3/8 of 36.86/40 1/8 of 36.86/40 1/8 of 36.86/40 1/8 of 36.86/40 1/12 of 36.86/40 1/12 of 36.86/40 1/12 of 36.86/40 3.14/40 |
| 16 - 21 | .83989 | George Simpson Moir The Toronto General Trusts Corporation Jean Ann Smith Maria Mildred Moir Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame Wallace United Church | 3/8 of 39/40 1/8 of 39/40 1/8 of 39/40 1/8 of 39/40 1/12 of 39/40 1/12 of 39/40 1/12 of 39/40 1/40 |
| 1 - 22 | .02298 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 3 - 22 | .49025 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Walter Kucharczyk Leona May Cain Lena Fenton Ketcheson Joan F. Collins John Ketcheson Ruth Mc Morris | 1/4 1/4 1/6 1/12 1/12 1/12 1/12 |
| 4 - 22 | .69729 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Walter Kucharczyk Leona May Cain Lena Fenton Ketcheson Joan F. Collins John Ketcheson Ruth Mc Morris The School District of Montgomery No. 357 | 1/4 of 37.999/40 1/4 of 37.999/40 1/6 of 37.999/40 1/12 of 37.999/40 1/12 of 37.999/40 1/12 of 37.999/40 1/12 of 37.999/40 2.001/40 |

PART XXVI CONT'D.

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>ROYALTY OWNERS</u> | <u>ROYALTY OWNERS INTEREST</u> |
|---------------------|----------------------------|---|---|
| 5 - 22 | .79029 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Walter Kucharczyk Leona May Cain Lena Fenton Ketcheson Joan F. Collins John Ketcheson Ruth Mc Morris | 1/4 1/4 1/6 1/12 1/12 1/12 1/12 |
| 6 - 22 | .73120 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Walter Kucharczyk Leona May Cain Lena Fenton Ketcheson Joan F. Collins John Ketcheson Ruth Mc Morris | 1/4 1/4 1/6 1/12 1/12 1/12 1/12 |
| 7 - 22 | .54396 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 8 - 22 | .47390 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 9 - 22 | .55269 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 10 - 22 | .56021 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 11 - 22 | 1.31195 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Walter Kucharczyk Leona May Cain Lena Fenton Ketcheson John Ketcheson Joan F. Collins Ruth Mc Morris | 1/4 1/4 1/6 1/12 1/12 1/12 1/12 |
| 12 - 22 | 1.33446 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Walter Kucharczyk Leona May Cain Lena Fenton Ketcheson John Ketcheson Joan F. Collins Ruth Mc Morris | 1/4 1/4 1/6 1/12 1/12 1/12 1/12 |
| 13 - 22 | .88164 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Walter Kucharczyk Leona May Cain Lena Fenton Ketcheson John Ketcheson Joan F. Collins Ruth Mc Morris | 1/4 1/4 1/6 1/12 1/12 1/12 1/12 |
| 14 - 22 | .42139 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Walter Kucharczyk Leona May Cain Lena Fenton Ketcheson John Ketcheson Joan F. Collins Ruth Mc Morris | 1/4 1/4 1/6 1/12 1/12 1/12 1/12 |
| 15 - 22 | .19100 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 16 - 22 | .13660 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 5 - 23 | .34168 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Ernest Gordon Hutchison | 1/2 1/2 |
| 6 - 23 | .06037 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Ernest Gordon Hutchison | 1/2 1/2 |
| 9 - 23 | .16514 | Stanley Wilfred Cuthill Russell Dennis Darby Dora Holmes) Vergie Lee) | 1/2 1/4 1/4 1/4 |
| 10 - 23 | .02561 | Stanley Wilfred Cuthill Russell Dennis Darby Dora Holmes) Vergie Lee) | 1/2 1/4 1/4 1/4 |
| 11 - 23 | .09137 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Stanley Wilfred Cuthill Minnie Lee Darby | 3/8 1/2 1/8 |
| 12 - 23 | .54197 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Stanley Wilfred Cuthill Minnie Lee Darby | 3/8 1/2 1/8 |
| 13 - 23 | .22079 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Stanley Wilfred Cuthill Minnie Lee Darby | 3/8 1/2 1/8 |

PART XXVI CONT'D.

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>ROYALTY OWNERS</u> | <u>ROYALTY OWNERS INTEREST</u> |
|---------------------|----------------------------|---|--------------------------------|
| 14 - 23 | .22184 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Stanley Wilfred Cuthill Minnie Lee Darby | 3/8 1/2 1/8 |
| 15 - 23 | .13464 | Stanley Wilfred Cuthill Russell Dennis Darby Dora Holmes) Vergie Lee) | 1/2 1/4 1/4 |
| 16 - 23 | .17020 | Stanley Wilfred Cuthill Russell Dennis Darby Dora Holmes) Vergie Lee) | 1/2 1/4 1/4 |
| 3 - 24 | .50661 | The Toronto General Trusts Corporation The Canada Permanent Trust Company Montreal Trust Company Dora Anna Marie Stewart | 1/4 1/4 1/4 1/4 |
| 4 - 24 | .00331 | The Toronto General Trusts Corporation The Canada Permanent Trust Company Montreal Trust Company Dora Anna Marie Stewart | 1/4 1/4 1/4 1/4 |
| 5 - 24 | .00451 | The Toronto General Trusts Corporation The Canada Permanent Trust Company Montreal Trust Company Dora Anna Marie Stewart | 1/4 1/4 1/4 1/4 |
| 6 - 24 | .15461 | The Toronto General Trusts Corporation The Canada Permanent Trust Company Montreal Trust Company Dora Anna Marie Stewart | 1/4 1/4 1/4 1/4 |
| 11 - 24 | .13922 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 12 - 24 | .46475 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 13 - 24 | .23718 | The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba | Entire |
| 4 - 25 | .69615 | Rural Municipality of Wallace, Manitoba | Entire |
| 5 - 25 | .24214 | Rural Municipality of Wallace, Manitoba | Entire |
| 1 - 26 | .15286 | Hudson's Bay Oil and Gas Company Limited | Entire |
| 2 - 26 | .31889 | Hudson's Bay Oil and Gas Company Limited | Entire |
| 3 - 26 | .04224 | Walter Clare Tapp The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/2 1/2 |
| 4 - 26 | .34898 | Walter Clare Tapp The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/2 1/2 |
| 5 - 26 | .11249 | Percy James Tapp The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/2 1/2 |
| 6 - 26 | .51699 | Percy James Tapp The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/2 1/2 |
| 7 - 26 | .72985 | Hudson's Bay Oil and Gas Company Limited | Entire |
| 8 - 26 | .45375 | Hudson's Bay Oil and Gas Company Limited | Entire |
| 10 - 26 | .47888 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 11 - 26 | .24054 | George Henry Clarke Montreal Trust Company The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/8 1/8 3/4 |
| 12 - 26 | .29530 | George Henry Clarke Montreal Trust Company The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/8 1/8 3/4 |
| 1 - 27 | .27536 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 2 - 27 | .21508 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |

PART XXVI CONT'D.

| TRACT NUMBER | TRACT PARTICIPATION | ROYALTY OWNERS | ROYALTY OWNERS INTEREST |
|--------------|---------------------|--|--|
| 3 - 27 | .40589 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Duncan Archibald Campbell | 3/4 1/4 |
| 4 - 27 | .69167 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Duncan Archibald Campbell | 3/4 1/4 |
| 5 - 27 | .43137 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Duncan Archibald Campbell | 3/4 1/4 |
| 6 - 27 | .40814 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Duncan Archibald Campbell | 3/4 1/4 |
| 7 - 27 | .13849 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 8 - 27 | .36101 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 9 - 27 | .53105 | The Toronto General Trusts Corporation, Winnipeg, Manitoba) Executors of Estate of Richard Tapp) Lionel Verne Tapp) Arthur Sheldon Tapp) Walter Clare Tapp | 1/4 1/4 1/2 |
| 10 - 27 | .41443 | The Toronto General Trusts Corporation, Winnipeg, Manitoba) Executors of Estate of Richard Tapp) Lionel Verne Tapp) Arthur Sheldon Tapp) Walter Clare Tapp | 1/4 1/4 1/2 |
| 11 - 27 | .41842 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Duncan Archibald Campbell | 3/4 1/4 |
| 12 - 27 | .61677 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Duncan Archibald Campbell | 3/4 1/4 |
| 13 - 27 | .42734 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Duncan Archibald Campbell | 3/4 1/4 |
| 14 - 27 | .59206 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Duncan Archibald Campbell | 3/4 1/4 |
| 15 - 27 | .60619 | The Toronto General Trusts Corporation, Winnipeg, Manitoba) Executors of Estate of Richard Tapp) Lionel Verne Tapp) Arthur Sheldon Tapp) Walter Clare Tapp | 1/4 1/4 1/2 |
| 16 - 27 | .18604 | The Toronto General Trusts Corporation, Winnipeg, Manitoba) Executors of Estate of Richard Tapp) Lionel Verne Tapp) Arthur Sheldon Tapp) Walter Clare Tapp | 1/4 1/4 1/2 |
| 1 - 28 | .35789 | The Royal Trust Company, Winnipeg, Manitoba Murial Broderick Size) Lyle Elmer Lake) Meno Truman Lake) Harold Edgar Lake) Carman Whiteford | 3/4 of 315.35/320 1/4 of 315.35/320 4.65/320 |
| 2 - 28 | .65051 | The Royal Trust Company, Winnipeg, Manitoba Murial Broderick Size) Lyle Elmer Lake) Meno Truman Lake) Harold Edgar Lake) Carman Whiteford | 3/4 of 315.35/320 1/4 of 315.35/320 4.65/320 |
| 3 - 28 | .46449 | The Toronto General Trusts Corporation, Winnipeg, Manitoba William Jeremiah Tapp | 3/4 1/4 |
| 5 - 28 | .06753 | The Toronto General Trusts Corporation, Winnipeg, Manitoba William Jeremiah Tapp | 3/4 1/4 |
| 6 - 28 | .34813 | The Toronto General Trusts Corporation, Winnipeg, Manitoba William Jeremiah Tapp Canadian Pacific Oil and Gas Limited | 3/4 of 38.35/40 1/4 of 38.35/40 1.65/40 |
| 7 - 28 | .52303 | The Royal Trust Company, Winnipeg, Manitoba Murial Broderick Size) Lyle Elmer Lake) Meno Truman Lake) Harold Edgar Lake) Carman Whiteford | 3/4 of 315.35/320 1/4 of 315.35/320 4.65/320 |
| 8 - 28 | .30149 | The Royal Trust Company, Winnipeg, Manitoba Murial Broderick Size) Lyle Elmer Lake) Meno Truman Lake) Harold Edgar Lake) Carman Whiteford | 3/4 of 315.35/320 1/4 of 315.35/320 4.65/320 |

PART XXVI CONT'D.

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>ROYALTY OWNERS</u> | <u>ROYALTY OWNERS INTEREST</u> |
|---------------------|----------------------------|--|--|
| 9 - 28 | .59145 | The Royal Trust Company, Winnipeg, Manitoba Murial Broderick Size) Lyle Elmer Lake) Meno Truman Lake) Harold Edgar Lake) Carman Whiteford | 3/4 of 315.35/320 1/4 of 315.35/320 4.65/320 |
| 10 - 28 | .65392 | The Royal Trust Company, Winnipeg, Manitoba Murial Broderick Size) Lyle Elmer Lake) Meno Truman Lake) Harold Edgar Lake) Carman Whiteford | 3/4 of 315.35/320 1/4 of 315.35/320 4.65/320 |
| 11 - 28 | .52989 | The Toronto General Trusts Corporation, Winnipeg, Manitoba William Jeremiah Tapp Dome Exploration (Western) Limited Canadian Pacific Oil and Gas Limited | 1/2 of 36.87/40 1/4 of 36.87/40 1/4 of 36.87/40 3.13/40 |
| 12 - 28 | .15089 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Dome Exploration (Western) Limited William Jeremiah Tapp | 1/2 1/4 1/4 |
| 13 - 28 | .27554 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Dome Exploration (Western) Limited William Jeremiah Tapp | 1/2 1/4 1/4 |
| 14 - 28 | .13704 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Dome Exploration (Western) Limited William Jeremiah Tapp Canadian Pacific Oil and Gas Limited | 1/2 of 36.86/40 1/4 of 36.86/40 1/4 of 36.86/40 3.14/40 |
| 15 - 28 | .44914 | The Royal Trust Company, Winnipeg, Manitoba Murial Broderick Size) Lyle Elmer Lake) Meno Truman Lake) Harold Edgar Lake) Carman Whiteford | 3/4 of 315.35/320 1/4 of 315.35/320 4.65/320 |
| 16 - 28 | .54229 | The Royal Trust Company, Winnipeg, Manitoba Murial Broderick Size) Lyle Elmer Lake) Meno Truman Lake) Harold Edgar Lake) Carman Whiteford | 3/4 of 315.35/320 1/4 of 315.35/320 4.65/320 |
| 16 - 32 | .04085 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Helen Buker Mable Elizabeth Saunders Percival Wellington Buker | 1/2 1/4 1/8 1/8 |
| 1 - 33 | .08629 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Peter Jacob Dyck | 1/4 3/4 |
| 2 - 33 | .47634 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Peter Jacob Dyck | 1/4 3/4 |
| 3 - 33 | .71993 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame Canadian Pacific Railway Company | 3/4 of 36.9/40 1/12 of 36.9/40 1/12 of 36.9/40 1/12 of 36.9/40 3.1/40 |
| 4 - 33 | .18074 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame Canadian Pacific Railway Company | 3/4 of 39.96/40 1/12 of 39.96/40 1/12 of 39.96/40 1/12 of 39.96/40 .04/40 |
| 5 - 33 | .09630 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame Canadian Pacific Railway Company | 3/4 of 37.08/40 1/12 of 37.08/40 1/12 of 37.08/40 1/12 of 37.08/40 2.92/40 |
| 6 - 33 | .81993 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame Canadian Pacific Railway Company | 3/4 of 39.77/40 1/12 of 39.77/40 1/12 of 39.77/40 1/12 of 39.77/40 .23/40 |
| 7 - 33 | .38412 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Peter Jacob Dyck | 1/4 3/4 |
| 9 - 33 | .09276 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Peter Jacob Dyck | 1/4 3/4 |
| 10 - 33 | .61314 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Peter Jacob Dyck | 1/4 3/4 |

PART XXVI CONT'D.

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>ROYALTY OWNERS</u> | <u>ROYALTY OWNERS INTEREST</u> |
|---------------------|----------------------------|---|---|
| 11 - 33 | .51375 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame | 3/4 1/12 1/12 1/12 |
| 12 - 33 | .41245 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame Canadian Pacific Railway Company | 3/4 of 27.42/40 1/12 of 27.42/40 1/12 of 27.42/40 1/12 of 27.42/40 12.58/40 |
| 13 - 33 | .55158 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame Edward Alexander Winkler The Minister, Department of Mines and Natural Resources, Mines Branch, Government of the Province of Manitoba, Winnipeg, Manitoba Canadian Pacific Railway Company | 3/4 of 22.89/40 1/12 of 22.89/40 1/12 of 22.89/40 1/12 of 22.89/40 4.05/40 48/40 12.58/40 |
| 14 - 33 | .94881 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Marion Catherine Matthews Evelyn Louise Montgomery Violet Margaret Frame | 3/4 1/12 1/12 1/12 |
| 15 - 33 | .48681 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Peter Jacob Dyck | 1/4 3/4 |
| 16 - 33 | .14794 | Peter Jacob Dyck The Toronto General Trusts Corporation, Winnipeg, Manitoba Rural Municipality of Wallace | 3/4 of 38.996/40 1/4 of 38.996/40 1.004/40 |
| 2 - 34 | .00017 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 3 - 34 | .39502 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 4 - 34 | .00965 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 5 - 34 | .05615 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 6 - 34 | .09186 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 7 - 34 | .19893 | The Toronto General Trusts Corporation, Winnipeg, Manitoba | Entire |
| 11 - 34 | .19904 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Clifford Wesley Greig | 1/2 1/2 |
| 12 - 34 | .11169 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Clifford Wesley Greig | 1/2 1/2 |
| 13 - 34 | .75626 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Clifford Wesley Greig | 1/2 1/2 |
| 14 - 34 | .09348 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Clifford Wesley Greig | 1/2 1/2 |
| 4 - 3 | 1.49274 | The Toronto General Trusts Corporation, Winnipeg, Manitoba William Jones | 3/4 1/4 |
| 5 - 3 | .34314 | The Toronto General Trusts Corporation, Winnipeg, Manitoba William Jones | 3/4 1/4 |
| 12 - 3 | .01654 | Ila Lenora Collier Frank Harry Collier | 1/2 1/2 |
| 1 - 4 | .33977 | The Toronto General Trusts Corporation, Winnipeg, Manitoba The North Canadian Trust Company Fridrik Fjeldsted and William Thomas Beer | 1/2 1/4 1/4 |
| 2 - 4 | .52299 | The Toronto General Trusts Corporation, Winnipeg, Manitoba The North Canadian Trust Company Fridrik Fjeldsted and William Thomas Beer | 1/2 1/4 1/4 |
| 3 - 4 | .90644 | The Prudential Insurance Company of America, Winnipeg, Manitoba | Entire |
| 4 - 4 | .70230 | The Prudential Insurance Company of America, Winnipeg, Manitoba Canadian Pacific Oil and Gas Limited | 36.63/40 3.37/40 |
| 5 - 4 | .73546 | The Prudential Insurance Company of America, Winnipeg, Manitoba | Entire |
| 6 - 4 | .29330 | The Prudential Insurance Company of America, Winnipeg, Manitoba | Entire |
| 7 - 4 | .16845 | The Toronto General Trusts Corporation, Winnipeg, Manitoba The North Canadian Trust Company Fridrik Fjeldsted and William Thomas Beer | 1/2 1/4 1/4 |

PART XXVI CONT'D.

| <u>TRACT NUMBER</u> | <u>TRACT PARTICIPATION</u> | <u>ROYALTY OWNERS</u> | <u>ROYALTY OWNERS INTEREST</u> |
|---------------------|----------------------------|---|--|
| 8 - 4 | .50569 | The Toronto General Trusts Corporation, Winnipeg, Manitoba The North Canadian Trust Company Fridrik Fjeldsted and William Thomas Beer | 1/2 1/4 1/4 |
| 9 - 4 | .71329 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Fridrik Fjeldsted William Thomas Beer | 3/4 1/8 1/8 |
| 10 - 4 | .80686 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Fridrik Fjeldsted William Thomas Beer | 3/4 1/8 1/8 |
| 11 - 4 | 1.00648 | The Prudential Insurance Company of America, Winnipeg, Manitoba | Entire |
| 12 - 4 | 1.30020 | The Prudential Insurance Company of America, Winnipeg, Manitoba | Entire |
| 13 - 4 | .51719 | The Prudential Insurance Company of America, Winnipeg, Manitoba | Entire |
| 14 - 4 | 1.15780 | The Prudential Insurance Company of America, Winnipeg, Manitoba | Entire |
| 15 - 4 | .44424 | The Toronto General Trusts Corporation, Winnipeg, Manitoba Fridrik Fjeldsted William Thomas Beer | 3/4 1/8 1/8 |
| 1 - 5 | .55196 | Mervin Lorenzo Heaman The Toronto General Trusts Corporation, Winnipeg, Manitoba Canadian Pacific Railway Company | 1/2 of 39.98/40 1/2 of 39.98/40 0.02/40 |
| 7 - 5 | .01694 | Mervin Lorenzo Heaman The Toronto General Trusts Corporation, Winnipeg, Manitoba | 1/2 1/2 |
| 8 - 5 | .28370 | Mervin Lorenzo Heaman The Toronto General Trusts Corporation, Winnipeg, Manitoba Canadian Pacific Railway Company | 1/2 of 36.62/40 1/2 of 36.62/40 3.38/40 |
| 9 - 5 | .20951 | Mervin Lorenzo Heaman The Toronto General Trusts Corporation, Winnipeg, Manitoba Consultants and Management Limited } David Pik } The Royal Trust Company } Edmond De Lotbiniere } Canadian Pacific Railway Company | 1/4 of 36.86/40 1/2 of 36.86/40 1/4 of 36.86/40 3.14/40 |
| 16 - 5 | .24151 | Mervin Lorenzo Heaman The Toronto General Trusts Corporation, Winnipeg, Manitoba Consultants and Management Limited } David Pik } The Royal Trust Company } Edmond De Lotbiniere } Canadian Pacific Railway Company | 1/4 of 36.86/40 1/2 of 36.86/40 1/4 of 36.86/40 3.14/40 |
| | 100.00000 | | |

PART XXVII

THIS PART INDICATES PRIMA FACIE AND SUBJECT TO ANY DISPOSITION,
THE WORKING INTEREST OWNERS AND THEIR RESPECTIVE PARTICIPATING
INTEREST AS OF THE EFFECTIVE DATE.

| <u>Working Interest Owners</u> | <u>Participating Interest</u> |
|--|-------------------------------|
| The California Standard Company | 60.54280 |
| Shell Oil Company of Canada, Limited | 7.45729 |
| Sun Oil Company | 7.30863 |
| Dome Petroleum Limited | 5.01189 |
| Canadian Superior Oil Ltd. | 4.25631 |
| E. H. Vallat Ltd. | 2.95241 |
| Fargo Oils Ltd. | 2.82352 |
| Imperial Oil Limited | 2.13946 |
| Provo Gas (Sask) Limited <i>Dome</i> | 1.21325 |
| The British American Oil Company Limited | 1.18918 |
| Union Oil Company of California | 1.18917 |
| Canex Oil Ltd. <i>CTCO</i> | 1.06211 |
| Pacific Petroleum Ltd. | .99794 |
| H. J. Schlafly <i>Petroleum and Gas</i> | .60480 |
| Western Naco Petroleum Limited <i>Dome</i> | .44326 |
| Welton Becket <i>Contract with Dome Sub.</i> | .31831 |
| Landa Oil Company | .29958 |
| <i>Lauriestown</i> <i>Vallat</i> → Piute Petroleum Ltd. | .07397 |
| <i>Panda</i> <i>Petroleum</i> { Hi-Tower Drilling Company Limited | .05806 |
| Security Freehold Petroleum Limited | .05806 |
| | <hr/> 100.00000 |

When figures are spelled out in this part - they
are capitalized but not in remainder of plan.
Considered under paragraph (d) of Section 603
(C) instead of Section 603 (d)

PART XVIII

ACCOUNTING PROCEDURE

Definitions

28.01 In this Part:

"Joint Property"

- (a) "Joint Property" shall mean the respective tracts and interest of the Working Interest Owners and where the context so requires shall include all wells, wellsite and operating equipment taken over by Unit Operator pursuant to Part X hereto, and all material, equipment and supplies purchased or furnished by the Unit Operator for use in the development, maintenance and operation of the Unit. Area

"major material"

- (b) "major material" means:

Tubing - 1000 feet and over in 'B' condition
Sucker Rods - plain and scraped - 1500 feet
and over in 'B' condition

Pumping Unit

Pumping Motor

Automatic Controls

Separators

Heaters

Treaters

Tanks complete with thief hatches

and any other material the current replacement cost of which exceeds One Thousand (\$1,000.00) Dollars.

- (c) with respect to classification of material:

"Condition 'A'"

- (i) New material (condition 'A'), being new material purchased or procured from the Joint Property but never used thereon, at One Hundred (100%) per cent of current new price.

"Condition 'B'"

- (ii) Good used material (condition 'B'), being good serviceable material which is further usable without reconditioning:
- (a) at Seventy-five (75%) per cent of current new price if material was charged to Common Account as new; or
- (b) at Seventy-five (75%) per cent of current new price less depreciation consistent with its usage on and service to the Unit, if material

was originally charged to the Common Account as secondhand at Seventy-five (75%) per cent of new price.

Condition 'C'

(iii) Other used material (Condition 'C'), being material which:

- (a) after reconditioning will be further serviceable for original function as good secondhand material (Condition 'B'), or
- (b) is serviceable for original function but substantially not suitable for reconditioning,

shall be at Fifty (50%) per cent of current new price.

"Condition 'D'"

(iv) Used material (Condition 'D'), being material which cannot be classified as Condition 'B' or Condition 'C' shall be priced at a value commensurate with its use.

"Condition 'E'"

(v) Junk (Condition 'E'), being obsolete and unserviceable material, at prevailing junk prices in the district.

"Temporarily
Used Equipment"

(vi) When the use of certain items of equipment for the unit operations is only temporary, and the time of actual use does not justify the reduction in price as provided under paragraph (c) (ii) (b) such equipment shall be priced on a basis that will leave a net charge to the Common Account consistent with the value of the services rendered and adequate for the time the equipment was in use.

"Current new
price"

(d) "Current new price" means the current cost of material purchased at the nearest store of a reputable dealer or delivered by a reputable dealer at the railway receiving point nearest the Joint Property; tubular goods (2" and over) shall be priced on carload basis regardless of quantity purchased and all other material shall be priced on the basis of a reputable supply company's preferential price list.

Fixed Asset
records

28.02 Fixed Asset records will be maintained for all equipment units outlined in Section 10.03 and any other tangible equipment which is included in the Unit Facilities Investment Account.

Statements
and Billings

28.03 Unit Operator shall bill each of the other Working Interest Owners on or before the last day of each month for their proportionate share of charges and credits in respect of unit operations during the preceding month. Such bills shall be accompanied by the following statements;

- (a) Detailed statement of purchased or acquired equipment ordinarily considered controllable by Operators of oil and gas properties.
- (b) Statement of all ordinary charges and credits to the Common Account summarized by appropriate classification indicative of the nature thereof.
- (c) Detailed statement of all other charges and credits.

Payments by
Working Interest
Owners

28.04 See Sections 8.03, 8.05 and 8.06.

Adjustments

28.05 Payments during any calendar year of any statement rendered by the Unit Operator shall not prejudice the right of any Working Interest Owner to take exception to all or any part of such statements within Two (2) years following such calendar year, provided such exceptions are made in writing to the Unit Operator; if no exception is made within such time then such statement shall preclude such Working Interest Owner from subsequently protesting or questioning the correctness thereof. All payments made are subject to adjustments when proper, if objections to statements rendered are made within the period hereinabove provided. However, the provisions of this paragraph shall not prevent adjustments resulting from physical inventory of property as provided for in Section 28.13 hereof.

Audits

28.06 Any auditor, inspector or auditing committee appointed by the Operating Committee, upon notice in writing to the Unit Operator,

shall have the right to audit Unit Operator's accounts and records relating to the accounting hereunder for any calendar year within the eighteen (18) month period following the end of such calendar year. The Working Interest Owners shall have Six (6) months next following the examination of the Unit Operator's records within which to take written exception to and make any and all claims on the Unit Operator. Such auditor, inspector or auditing committee shall make every reasonable effort to conduct such auditing in a manner which will result in a minimum of inconvenience to the Unit Operator. The cost of such an audit shall be charged to the Common Account. In addition to the foregoing right, any Working Interest Owner shall have the right to make an individual audit at its own cost and expense.

Charges to
Common Account

28.07 Subject to the limitations hereinafter prescribed, Unit Operator shall charge the Common Account with the following costs of development and operation of the Joint Property;

- (a) Salaries, wages and related expense of Unit Operator's personnel directly employed on the Joint Property in other than pumping, gauging and switching operations.
- (b) Unit Operator's cost of vacation and expenditures or contributions imposed or assessed by any governmental body having jurisdiction with respect to such salaries and wages referred to in Section 28.07 (a) hereof.
- (c) Unit Operator's current cost of established plans for employees' group life insurance, sickness and disability benefits, hospitalization, pension, retirement, stock purchases, thrift, bonus and other benefit plans of like nature, applicable to such salaries and wages provided for in Section 28.07 (a), and provided further that the charges under this Part (d) shall not exceed Twelve (12%) per cent of the total of the salaries and wages charged under Section 28.07 (a). It is agreed however, that if this limitation of Twelve (12%) per cent shall be found to be insufficient, the same may be increased from time to time when authorized by a vote of the Operating Committee, save that such changes shall not be made more often than once in any calendar

para c

year and shall not be applied retroactively to any period.

- (d) (i) Material, equipment and supplies purchased or furnished by Unit Operator for use in connection with the operation of the Unit. So far as it is reasonably practical and consistent with efficient and economical operation, only such material shall be purchased for or transferred to the Unit Area as is required for immediate use, and the accumulation of surplus stocks shall be avoided whenever possible.
- (ii) Moving material to the Unit Area from vendor's or from Unit Operator's warehouse in the district or from the other properties of the Unit Operator, but in either of the last two events no charge shall be made to the Common Account for a distance greater than the distance from the nearest reliable supply store or railway receiving point where such material is available except by specific approval of the Operating Committee.
- (iii) Moving surplus material from the Unit Area to outside vendees, if sold f.o.b. destination, or minor returns to Unit Operator's warehouse or other storage point. No charge shall be made to the Common Account for moving major surplus material to Unit Operator's warehouse or other storage point for a distance greater than the distance to the nearest reliable supply store or railway receiving point, except by specific approval of the Operating Committee, and no charge shall be made to the Common Account for moving material to other properties belonging to Unit Operator, except by specific approval of the Operating Committee.
- (e) Cost of contract services and utilities procured from outside sources and use of and service by Unit Operator's exclusively owned equipment and facilities as provided in Section 28.11.

- (f) Costs or expenses necessary to replace or repair Joint Property damaged or lost through fire, flood, storm or any other cause not controllable by Unit Operator through the exercise of reasonable diligence. Unit Operator shall furnish the Working Interest Owners with written notice of damage or losses incurred by fire, flood, storm or other natural or accidental causes as soon as practical but not later than Fifteen (15) days after report of same has been received by Unit Operator.
- (g) All costs and expenses of litigation or legal services otherwise necessary or expedient for the protection of the Unit, including Counsel fees and expenses as hereinafter provided, together with all judgements obtained against or chargeable to the Common Account of the Unit; actual expenses incurred by any Working Interest Owners in securing evidence for the purpose of defending any action or claim prosecuted or urged against the Common Account or the Unit.
- (i) If the Operating Committee agrees, actions or claims affecting the Common Account or the Unit hereunder may be handled by the legal staff of one or more of the Working Interest Owners. A charge commensurate with the services rendered may be made against the Common Account but no such charge shall be made until approved by the Operating Committee.
- (ii) Fees and expenses of outside Counsel shall not be charged to the Common Account except where the employment of such outside Counsel is authorized by the Operating Committee.
- (h) All taxes of every kind and nature (other than income taxes) assessed upon or in connection with the Joint Property, the operation thereof or the products derived therefrom, and which taxes have been paid by the Unit Operator for the benefit of the Working Interest Owners.
- (i) Insurance as provided for in Section 18.02.

(j) District and administrative overhead;

The rates set forth below shall be charged to the Common Account in lieu of a proportionate share of the costs incurred by the Unit Operator under subparagraphs (i) (ii) (iii) and (iv) of this Section 28.07 (j). *change*

Such rates are subject to revision annually as set forth in Section 6.03 (d). These costs include, but are not limited to the following:

- (i) Salaries and expenses of the Unit Operator's district superintendent and other general district or field employees, managing officers and employees of the division and/or principal office other than those who are directly engaged in the Joint Property and whose salaries are chargeable to the Common Account under the provisions of Section 28.07 (a).
- (ii) Cost of maintaining and operating a district office and all necessary camps, including housing facilities for employees if necessary. The expense of, less any revenue from, these facilities shall include depreciation or a fair monthly rental in lieu of depreciation on investment.
- (iii) Any other costs of operating the division and/or principal office of the Unit Operator.
- Section* (iv) Salaries, wages, employee benefits as outlined in 28.07 (b) and (c) and related expenses of Unit Operator's personnel directly employed on the Joint Property in pumping, gauging, and switching operations.

The rates are as follows:

- (a) \$100.00 per well per month for all unit operated wells.
- (b) \$45.00 per day for each drilling well, wells being plugged back, drilled deeper or converted to source or input wells; charges to commence on the date the well is spudded and terminate when the

well is on production, or on injection, plugged or capped as the case may be, except that no charge should be made during the suspension of drilling operations for Fifteen (15) or more consecutive days.

- (c) An amount to cover the Operator's indirect costs applicable to construction projects and/or special studies other than those mentioned in Section 28.07 (j) (iii) (b) above, shall be determined by the Operator and identified as such on the Approval for Expenditure form presented to the Operating Committee for approval.

- (k) A charge to cover the cost of handling material into and in Unit Operator's warehouse shall be assessed on new and used materials and equipment furnished from the warehouse on the basis of Two and one-half (2½%) per cent of the cost of tubular goods and major equipment such as tanks, separators, engines, etc., and Five (5%) per cent of the cost of all other material which shall in each case be deemed to be the actual cost thereof to Unit Operator.

- (l) Any other expenditures incurred by Unit Operator except that no charge shall be made for any interest or financing charges incurred by Unit Operator except where incurred with the consent of the Operating Committee.

Basis of Charges 28.08
to Common Account

(i) Outside Purchases

Material and equipment purchases and all services shall be charged to the Common Account at their invoice cost to Unit Operator after deduction of all discounts actually received.

(ii) Material Furnished by Unit Operator

Material required for operations shall be purchased for direct charge to the Common Account whenever practicable except that Unit Operator may furnish such material from Unit Operator's stocks under the following conditions:

(a) New Material - Condition 'A'

- (1) New material transferred from Unit Operator's warehouse or other

Incident →

properties shall be priced f.o.b. the nearest reputable supply store or railway receiving point where such material is available, at current replacement cost of the same kind of material. This will include material such as tanks, rigs, pumps, sucker rods, boilers and engines. Tubular goods (2" and over) shall be charged on the basis of carload price effective at date of transfer and f.o.b. railway receiving point nearest the Joint Property, regardless of quantity transferred.

- (2) Other material shall be priced on the basis of a reputable supply company's preferential price list effective at date of transfer and f.o.b. the store or railway receiving point nearest the Joint Property where such material is available.

(b) Used Materials - Condition 'B' and 'C'

- (1) Material which is in sound and serviceable condition and is suitable for re-use without reconditioning shall be classed as Condition 'B' and priced at Seventy-five (75%) per cent of current new price.
- (2) Material which cannot be classified as Condition 'B' but which
 - (i) after reconditioning will be further serviceable for original function as good secondhand material (Condition 'B'), or
 - (ii) is serviceable for original function but substantially not suitable for reconditioning,shall be classed as Condition 'C' and priced at Fifty (50%) per cent of current new price.
- (3) Material which cannot be classified as Condition 'B' or Condition 'C' shall be priced at a value commensurate with its use.

- (4) Any equipment involving erection costs will be charged on a basis not to exceed Seventy-five (75%) per cent of new price for similar materials in a dismantled state.

Premium Price

28.09 Whenever materials and equipment are not readily obtainable at the customary supply point and at prices specified in Section 28.08 because of national emergencies, strikes or other unusual causes over which Unit Operator has no control, Unit Operator may charge the Common Account for the required materials and/or equipment on the basis of Unit Operator's direct cost and expense incurred in procuring such materials and/or equipment, in making it suitable for use, and in moving it to the Joint Property; PROVIDED, HOWEVER, that each Working Interest Owner is notified in writing prior to the acquisition of the material and/or equipment acquired pursuant to this provision, whereupon each Working Interest Owner shall have the right by so electing and notifying Unit Operator within Forty-eight (48) hours after receiving notice from the Unit Operator, to furnish in kind or in tonnage as the parties may agree, at the location, nearest railway point, or Unit Operator's storage point, within a comparable distance, all or part of his share of material and/or equipment suitable for use and acceptable to Unit Operator. Transportation costs on any such material furnished by a Working Interest Owner at any point other than at the location, shall be borne by such Working Interest Owner. If, pursuant to the provisions of this paragraph, a Working Interest Owner furnishes material and/or equipment in kind, Unit Operator shall make appropriate credits therefor to the account of the Working Interest Owner.

Warranty
of Material

28.10 Unit Operator does not warrant the material and equipment furnished beyond or back of the dealer's or manufacturer's guarantee; and in case of defective material, credit shall not be passed until adjustment has been received by Unit Operator from the manufacturer or their agents.

Unit Operator's
Exclusively Owned
Facilities

28.11 The Unit Operator shall charge the Common Account for services rendered by facilities and equipment owned exclusively by Unit

Operator. The rates charged shall be commensurate with the cost of ownership and operation and shall not be in excess of current prevailing rates of like services and equipment available in the area.

Whenever requested, Unit Operator shall inform the Working Interest Owners in advance of rates it proposes to charge. Rates shall be revised from time to time when found to be either excessive or insufficient.

Disposal of
Lease Equipment

28.12

- (a) Unit Operator shall be under no obligation to purchase the interest of any Working Interest Owner in jointly owned surplus new or secondhand material and equipment.
- (b) The term "Minor Equipment" as used in this paragraph shall mean any material or items of Unit Facilities not described as major material. Unit Operator may dispose of any item of minor equipment, which it deems to be unnecessary for the operation hereunder, to such person and for such price as it sees fit without reference to the Operating Committee.
- (c) Unit Operator may dispose of any item of major material which it deems to be surplus to the operations hereunder. A continuing basis for establishing the sales price of such surplus material shall be determined by resolution at a meeting of the Operating Committee. The Unit Operator will supply to each Working Interest Owner details of surplus major material at least every six months. 5/4 (6)
- (d) Material and equipment purchased by Unit Operator shall be credited to the Working Interest Owners in accordance with Section 10.09 hereof and included in the monthly statement of operations for the month in which the purchase was made.
- (e) Material and equipment purchased by the Working Interest Owners shall be invoiced by Unit Operator and paid for by the Working Interest Owners to Unit Operator immediately following receipt

of invoice. Unit Operator shall credit the Working Interest Owners in accordance with Section 10.09 hereof and include the same in the monthly statement of operations.

- (f) Division of material in kind, if made between Unit Operator and the Working Interest Owners shall be in accordance with Section 10.09 hereof. Each Working Interest Owner will thereupon be charged individually with the value of the material received or receivable by each Working Interest Owner and corresponding credits will be made by Unit Operator in the monthly statement of operations.
- (g) Sales to outsiders of materials from the Unit shall be credited by Unit Operator to the Working Interest Owners in accordance with Section 10.09 hereof at the new amount collected by Unit Operator from Vendee.
- (h) Jointly owned material sold to either Unit Operator or the Working Interest Owners, or divided in kind among them, unless otherwise agreed, shall be valued on a condition basis as defined in this procedure.

Inventories

- 28.13
- (a) Regular inventories of controllable material and equipment shall be taken by an Inventory Committee appointed by the Operating Committee and at intervals specified by the Operating Committee; PROVIDED, HOWEVER, that construction projects as outlined in the budget shall be inventoried by the Inventory Committee upon completion and a copy of any such inventory shall be furnished to any Working Interest Owner on request.
 - (b) Reconciliation of inventory with the Unit Facilities Investment Account shall be made by the Inventory Committee, and a list of overages and shortages shall be submitted to the Working Interest Owners within Sixty (60) days from the taking of such inventory.
 - (c) Inventory adjustments shall be made by Unit Operator with the Investment Account for overages and shortages but Unit Operator shall only be held accountable to the Working Interest

Owners hereto for shortages resulting from lack of reasonable diligence.

- (d) The expense of the Inventory Committee shall be charged to the Common Account.
- (e) Any Working Interest Owner shall have the right at any time to request in writing the taking of a special inventory. The taking of such special inventory shall be commenced within Fifteen (15) days after the receipt of notice thereof. The expense of Unit Operator's representative in conducting any special inventory so requested shall be charged to the separate account of the requesting Working Interest Owner.

PART XXIX
ELECTRICAL LOG

California Standard Scallion ^{part.} SWD 9-16-11-26
Carston
K. B. Elevation 1506'

SPONTANEOUS-POTENTIAL

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RESISTIVITY

0 10 20

