

**MOUNTCLIFF RESOURCES LTD.**

**360, 717 - 7TH AVENUE S.W.**

**CALGARY, ALBERTA**

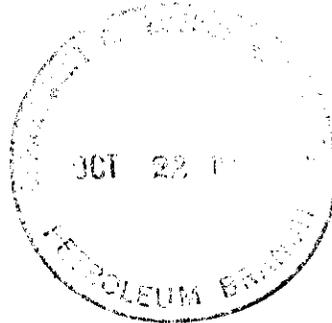
**T2P 0Z3**

**(403) 264 - 3288 OFF**

**(403) 269 - 8366 FAX**

September 8, 1997

Manitoba Energy & Mines  
Petroleum Branch  
Suite 360,  
1395 Ellice Avenue  
Winnipeg, Manitoba  
R3G 0G3



Attention: John Fox

RE: UNIT AGREEMENT  
NORTH VIRDEN SCALLION UNIT #2  
REVISIONS

Dear John,

Please find enclosed copies of the following revised documents:

- 1) Exhibit "A" - Tract Participation document.
- 2) Exhibit "D" - Party Unit Participation.

These documents were revised on September 2, 1997 and are effective May 1, 1995. If there are any concerns, please contact the undersigned.

Yours Truly,

A handwritten signature in black ink, appearing to read "Clifden A. Berg". The signature is fluid and cursive.

Clifden A. Berg  
President  
Mountcliff Resources Ltd.

CAB/cjm  
Encl.

EXHIBIT "A"

ATTACHED TO AND MADE PART OF AN AGREEMENT ENTITLED

'UNIT AGREEMENT - NORTH VIRDEN SCALLION UNIT NO. 2'

TRACT PARTICIPATION

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

<u>Abbreviation</u>	<u>Party</u>
CANADA TRUST/ MONTREAL TRUST FREEHOLD	CANADA TRUST COMPANY/ MONTREAL TRUST LTD. FREEHOLD RESOURCES LTD.
G.M. CHAPPELL	GAYLE MARGUERITE CHAPPELL
CROWN	MANITOBA ENERGY & MINES
NORTHROCK	NORTHROCK RESOURCES LTD.
N. HEAMAN	NORMAN HEAMAN
MOUNTCLIFF	MOUNTCLIFF RESOURCES LTD.
J.D. NICHOL	JAMES DOUGLAS NICHOL
L.R. PEARN	LAWRENCE ROY PEARN
K.L. YOUNG	KATHLEEN LYNNE YOUNG
BRANDON	BRANDON PROFESSIONAL INVESTMENT LTD.
TUNDRA	TUNDRA OIL & GAS LTD.

Effective: MAY 1st, 1995

EXHIBIT "A"  
 ATTACHED TO AND MADE PART OF THE  
 UNIT AGREEMENT  
 NORTH VIRDEN SCALLION UNIT NO. 2

REVISION #1: Sept. 2nd, 1997  
 Effective: May 1st, 1995  
 Interim Tract Final Tract  
 Participation Participation  
 (%) (%)

Tract No.	Land Description (Lsd)	Working Interest		Royalty Interest		Interim Tract Participation (%)	Final Tract Participation (%)
		Owner	Share, %	Owner	Share, %		
1	06-29-11-26 WPM	BRANDON TUNDRA	10% 90%	CROWN	100%	6.9690%	5.7836%
2	11-29-11-26 WPM	BRANDON TUNDRA	10% 90%	CROWN	100%	14.4874%	12.1692%
3	12-29-11-26 WPM (all petroleum and natural gas rights to 660 meters)	TUNDRA (1) MOUNTCLIFF (1) FREEHOLD (1) NORTHROCK (1)	25.00% 25.00% 23.52% 26.48%	CROWN	100%	3.9987%	5.5960%
4	13-29-11-26 WPM (all petroleum and natural gas rights to 660 meters)	TUNDRA (1) MOUNTCLIFF (1) NORTHROCK (1)	25.00% 25.00% 50.00%	CROWN	100%	4.4970%	4.8724%
5	14-29-11-26 WPM (all petroleum and natural gas rights to 650 meters)	TUNDRA (1) MOUNTCLIFF (1) FREEHOLD (1) NORTHROCK (1)	25.00% 25.00% 23.52% 26.48%	CROWN	100%	8.0102%	7.8301%
6	09-30-11-26 WPM (all petroleum and natural gas rights (to 657 meters))	TUNDRA (2) MOUNTCLIFF (2) FREEHOLD (2) NORTHROCK (2)	25.00% 25.00% 23.52% 26.48%	J.D.NICHOL K.L.YOUNGE	100%	8.6107%	8.7939%
7	10-30-11-26 WPM	TUNDRA MOUNTCLIFF	50.00% 50.00%	J.D.NICHOL K.L.YOUNGE	100%	11.8812%	9.5084%
8	15-30-11-26 WPM	TUNDRA MOUNTCLIFF	50.00% 50.00%	J.D.NICHOL K.L.YOUNGE	100%	2.2868%	2.0245%

Effective: MAY 1st, 1995

EXHIBIT "A"

ATTACHED TO AND MADE PART OF THE  
UNIT AGREEMENT  
NORTH VIRDEN SCALLION UNIT NO. 2  
  
REVISION #1: Sept. 2nd, 1997  
Effective: May 1st, 1995

Tract No.	Land Description (Lsd)	Working Interest		Royalty Interest		Interim Tract Participation (%)	Final Tract Participation (%)
		Owner	Share, %	Owner	Share, %		
9	16-30-11-26 WPM (all petroleum and natural gas rights to 660 meters)	TUNDRA (2) MOUNTCLIFF (2) FREEHOLD (2) NORTHROCK (2)	25.00% 25.00% 23.52% 26.48%	J.D. NICHOL K.L. YOUNGE	100% 100%	9.7413%	9.7052%
10	01-31-11-26 WPM	TUNDRA MOUNTCLIFF	50.00% 50.00%	G.M. CHAPPELL	100%	12.0154%	9.5053%
11	03-32-11-26 WPM	TUNDRA MOUNTCLIFF	50.00% 50.00%	CANADA TRUST MONTREAL TRUST N.HEAMAN L.R. PEARN	25% 66.667% 8.3333%	5.0016%	6.5768%
12	04-32-11-26 WPM	TUNDRA MOUNTCLIFF	50.00% 50.00%	CANADA TRUST/ MONTREAL TRUST N.HEAMAN L.R. PEARN	25% 66.667% 8.3333%	5.1038%	6.3316%
13	05-32-11-26 WPM	TUNDRA MOUNTCLIFF	50.00% 50.00%	CANADA TRUST/ MONTREAL TRUST N.HEAMAN L.R. PEARN	25% 66.667% 8.3333%	5.1101%	6.1067%
14	06-32-11-26 WPM	TUNDRA MOUNTCLIFF	50.00% 50.00%	CANADA TRUST/ MONTREAL TRUST N.HEAMAN L.R. PEARN	25% 66.667% 8.3333%	2.2868%	5.1963%

(1) Interest subject to gross over-riding royalty to Chevron Canada Resources, Mountcliff and Tundra Oil & Gas Ltd.  
 (2) Interest subject to gross over-riding royalty to Northrock Resources Ltd. and Freehold Resources Ltd.  
 Effective: MAY 1st, 1995

EXHIBIT "D"

ATTACHED TO AND MADE PART OF AN AGREEMENT ENTITLED

"UNIT OPERATING AGREEMENT - NORTH VIRDEN SCALLION UNIT NO. 2"

List of Parties and their Respective Unit Participation

<u>Party</u>	<u>Unit Participation %</u>
Brandon Professional Investments Ltd.	1.7953 %
Freehold Resources Ltd.	7.7088 % <i>was 7.5088</i>
Northrock Resources Ltd.	10.8900 %
Mountcliff Resources Ltd.	31.8242 %
Tundra Oil & Gas Ltd.	47.9817 %

100.2

Effective: MAY 1st, 1995

*Called Cliff Berg  
re: Freehold Resources  
Ltd. 016 7.5088*

*Oct 27 1997*

*P.*

May 11, 1990

H. Clare Moster  
Deputy Chairman  
The Oil and Natural Gas  
Conservation Board

John N. Fox  
Chief Petroleum Engineer  
Petroleum Branch

RE: North Virden Scallion Unit No. 2  
- Change in Unit Operation

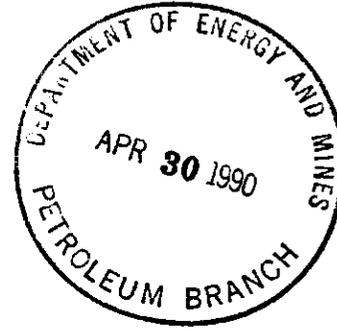
Please be advised that effective December 31, 1989 Saskatchewan Oil and Gas Corporation (Saskoil) replaced ICG Resources Ltd. as Unit Operator of the subject Unit.

John N. Fox

*Ohie  
pls check out.  
B*



April 27, 1990



Manitoba Energy and Mines  
555 - 330 Graham Avenue  
Winnipeg, Manitoba  
R3C 4E3

Attention: Mr. Brad Thiessen  
Manager, Petroleum Administration

Dear Sir:

RE: TRANSFER OF WELL LICENCES FROM ICG TO SASKOIL  
NORTH VIRDEN SCALLION UNIT NO. 2 CHANGE OF OPERATOR

As requested in your letter of February 15, 1990, attached please find "Transfer of Well Licence" forms outlining transfers from ICG Resources Limited to Saskatchewan Oil and Gas Corporation for the following wells:

<u>LICENCE</u>	<u>LOCATION</u>	<u>STATUS</u>
2937	ICG et al Scallion 11-32-11-26 W1M	ST
2996	ICG et al Scallion 13-21-11-26 W1M	COOP
3097	ICGR et al Virden 04-28-11-26 W1M	COOP

The required cheque in the amount of \$150.00 is attached.

It should be noted that the following well locations were dry and abandoned by ICG on the noted dates:

<u>LICENCE</u>	<u>LOCATION</u>	<u>STATUS</u>	<u>DATE ABANDONED</u>
2992	ICG et al Scallion Prov. 02-32-11-26 W1	Abandoned	83-03-16
2957	ICGR et al Scallion 08-31-11-26 W1	Abandoned	83-02-06
3148	ICGR et al Virden 12-32-11-26 W1	Abandoned	83-10-13
3394	ICG Virden 05-05-12-26 W1	Abandoned	84-08-19

Saskoil Tower  
1945 Hamilton Street  
P.O. Box 1550  
Regina, Saskatchewan

S4P 3C4 (306) 781-8200

Saskoil should not have to transfer these licences since the wells were immediately abandoned by ICG after drilling yielded no potential.

Also, as requested in your letter, please be informed that Saskoil is the new unit operator effective December 31, 1989 as noted in the attached copy of the "Certificate of Amalgamation".

If you have any questions concerning the subject matter, please contact the undersigned at (306)-781-8522.

Yours truly,  
SASKATCHEWAN OIL AND GAS CORPORATION



D.F. Gallant,  
Sr. Production Eng.

DFG/rr  
encl.

cc: R. Molstad  
G. Rowley  
G. Thiessen  
Wellfiles



**N O T I C E**

**TO ALL PARTIES having any agreements with  
ICG Resources Ltd., 591213 Saskatchewan Ltd.  
582562 Saskatchewan Ltd., 583563 Saskatchewan Ltd.  
591548 Saskatchewan Ltd.**

**Gentlemen:**

This letter is to inform you that effective December 31, 1989 Saskatchewan Oil and Gas Corporation and its wholly-owned subsidiaries, ICG Resources Ltd., 591213 Saskatchewan Ltd., 583562 Saskatchewan Ltd., 583563 Saskatchewan Ltd. and 591548 Saskatchewan Ltd. have amalgamated and are now continued as Saskatchewan Oil and Gas Corporation. Attached for your information is a copy of the Certificate of Amalgamation for Saskatchewan Oil and Gas Corporation dated December 31, 1989.

Please direct all notices and correspondence normally addressed to ICG Resources Ltd., 591213 Saskatchewan Ltd., 583562 Saskatchewan Ltd., 583563 Saskatchewan Ltd. and 591548 Saskatchewan Ltd. to the following addresses:

**1. FOR LAND CONTRACTS**

Saskatchewan Oil and Gas Corporation  
2500, 144-4th Avenue S.W.  
Calgary, Alberta T2P 3S3

**Attention: Supervisor Land Contracts**

**2. FOR ACCOUNTING PURPOSES**

Saskatchewan Oil and Gas Corporation  
Head Office  
1945 Hamilton Street  
P.O. Box 1550  
Regina, Saskatchewan S4P 3C4

3. FOR ALL OTHER DOCUMENTS

Saskatchewan Oil and Gas Corporation  
Head Office  
1945 Hamilton Street  
P.O. Box 1550  
Regina, Saskatchewan S4P 3C4

Attention: Supervisor Records and Agreements

We would request that you modify your records in accordance with the above information.

Yours truly,  
SASKATCHEWAN OIL AND GAS CORPORATION



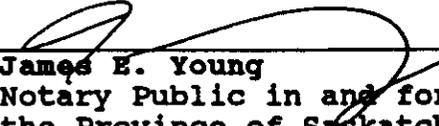
Jim E. Young  
Assistant Secretary

/vb  
[sog\icg]

**CERTIFICATION**

I, JAMES E. YOUNG, Barrister and Solicitor, do hereby certify the attached to be a true copy of the Certificate of Amalgamation of Saskatchewan Oil and Gas Corporation, ICG Resources Ltd./Les Ressources ICG Ltee., 591213 Saskatchewan Ltd., 583562 Saskatchewan Ltd., 582563 Saskatchewan Ltd. and 591548 Saskatchewan Ltd.

DATED this 2nd day of January, 1990.

  
James E. Young  
Notary Public in and for  
the Province of Saskatchewan.  
Being a Solicitor.



Saskatchewan  
Consumer and  
Commercial  
Affairs

Corporations  
Branch

592704  
Corporation Number

# Certificate of Amalgamation

## The Business Corporations Act

I hereby certify that

SASKATCHEWAN OIL AND GAS CORPORATION

results this day from an amalgamation, under section 179 of the Act, of the following corporations:

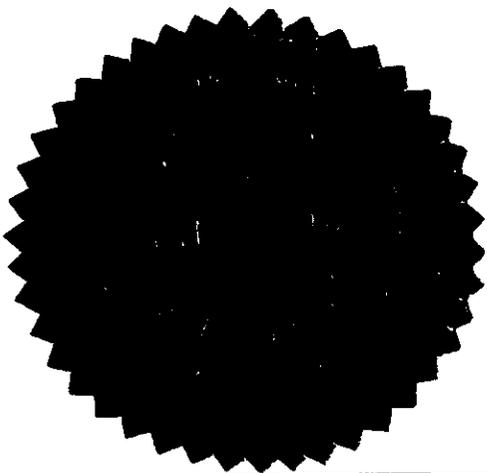
- SASKATCHEWAN OIL AND GAS CORPORATION
- ICG RESOURCES LTD./LES RESOURCES ICG LTEE.
- 591213 SASKATCHEWAN LTD.
- 583562 SASKATCHEWAN LTD.
- 583563 SASKATCHEWAN LTD.
- 591548 SASKATCHEWAN LTD.

Given under my hand and seal

this 31st day

of December 19 89

Director





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1111 One Lombard Place, Winnipeg, Manitoba R3B 0X4 TEL: (204) 934-5850 FAX: (204) 934-5820

February 22, 2000

Manitoba Conservation  
Petroleum & Energy  
360 - 1395 Ellice Avenue  
Winnipeg, MB R3G 3P2

Attention: Mr. Robert Dubreil, Director

Dear Mr. Dubreil:

RE: North Virden Scallion Unit #2  
Change of Operatorship  
TOGL File: U006

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Effective January 1, 2000, Mountcliff Resources Ltd. resigned as Operator of North Virden Scallion Unit No. 2. Tundra Oil and Gas Ltd. was appointed Operator in accordance with the approved Mail Ballot dated September 30, 1999.

Please direct inquiries and correspondence regarding the unit operations to Tundra Oil and Gas Ltd.

Sincerely,  
**Tundra Oil and Gas Ltd.**

A handwritten signature in cursive script, appearing to read "S. Ballman".

Sherry Ballman  
Contracts Administrator