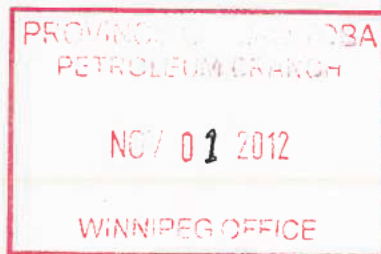




# TUNDRA OIL & GAS PARTNERSHIP

1700 - One Lombard Place, Winnipeg, MB R3B 0X3  
TEL: (204) 934-5850 FAX: (204) 934-5820



October 31, 2012

Manitoba Innovation, Energy and Mines  
Petroleum Branch  
360-1395 Ellice Ave  
Winnipeg, MB R3G 3P2

Dear Mineral Owner:

Re: Amending Agreement to  
Sinclair Unit No. 3 Agreement

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Tundra Oil & Gas Partnership is requesting your agreement to amend the Sinclair Unit No. 3 Agreement.

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**The attached amending agreement will provide Tundra, operator of Sinclair Unit No. 3, the ability to drill wells on the Sinclair Unit No. 3 outer boundary in order to more efficiently exploit the Bakken Formation. The wells that Tundra intends to drill on or near the boundary of the unit as water injectors will enhance total oil recovery from the unit due to increases in the Bakken formation pressure in a larger portion of the unit.**

Tundra's technical study shows that, by placing water injection wells on the boundaries of Sinclair Unit No. 3 and adjacent units, there will be a significant area of the reservoir that will be optimized for production, and such optimization will benefit both Tundra and royalty owners in the unit due to higher ultimate oil recoveries over time.

The water injected from the proposed inter-unit wells will sweep more oil to the vertical wells along the boundaries of the unit, resulting in more oil production from the existing vertical wells. All the vertical producing wells in close proximity to the outside of the unit will now get waterflood support from both directions instead of just one direction.

Please find enclosed is a package that consists of:


1. Amending Agreement Sinclair Unit No.3
2. Six execution pages for your signature.

Kindly sign and return all of the enclosed execution pages and return all six (6) to my attention.

Should you require any further explanation of the agreement or Tundra's plans for Sinclair Unit #3, please feel free to contact Mike Bergstrom, Area Landman at (403) 767-1226 or by email [mike.bergstrom@tundraoilandgas.com](mailto:mike.bergstrom@tundraoilandgas.com). Tundra's technical contact for the project is Raj Sharma, who can be reached at (403) 767-1237.

Yours truly,

TUNDRA OIL & GAS PARTNERSHIP, by its  
managing partner, TUNDRA OIL & GAS LIMITED



Lázaro Gragasini  
Land Administrator

Affiliate of JAMES RICHARDSON & SONS, LIMITED Established 1857

FIELD OFFICE: 295 - 3rd Avenue, Box 1960, Virden, MB R0M 2C0 TEL: (204) 748-3095 FAX: (204) 748-1007  
CALGARY OFFICE: Suite 1000 - 715 5th Avenue SW, Calgary, AB T2P 2X6 TEL: (403) 261-1876 FAX: (403) 261-1042

**AMENDING AGREEMENT**

This AGREEMENT made this 23<sup>rd</sup> day of July, A.D. 2012.

AMONG:

**HER MAJESTY THE QUEEN** in Right of the Province of Manitoba; and

**4943091 MANITOBA LTD.**, a body corporate, with an office in the Town of Reston, in the Province of Manitoba; and

**MDL ROADSIDE LTD.**, a body corporate, with an office in the Town of Reston, in the Province of Manitoba; and

**BARRY LYLE & BRENDA DARLENE PENNER**, individuals, with a residence in the Town of Sinclair, in the Province of Manitoba; and

~~**5665893 MANITOBA LTD.**, a body corporate, with an office in the Town of Morden, in the Province of Manitoba; and~~

**RHODES FAMILY ENTERPRISES LTD.**, a body corporate, with an office in the Town of Reston, in the Province of Manitoba; and

**711889 ALBERTA LTD.**, a body corporate, with an office in the City of Spruce Grove, in the Province of Alberta; and

**RURAL MUNICIPALITY OF PIPESTONE**, a municipal corporation, with an office in the Town of Reston, in the Province of Manitoba; and

**1268052 ALBERTA LTD.**, a body corporate, with an office in the City of Calgary, in the Province of Alberta; and

**FA & J RESOURCES LTD.**, a body corporate, with an office in the City of Winnipeg, in the Province of Manitoba; and

**4996420 MANITOBA LTD.**, a body corporate, with an office in the Town of Roblin, in the Province of Manitoba; and

**4996438 MANITOBA LTD.**, a body corporate, with an office in the Town of Roblin, in the Province of Manitoba; and

**5126291 MANITOBA LTD.**, a body corporate, with an office in the Town of Sinclair, in the Province of Manitoba; and

**BARTEL SEVEN LTD.**, a body corporate, with an office in the Town of Reston, in the Province of Manitoba,



(hereinafter collectively referred to as the "Parties")

WHEREAS the parties hereto are parties to, or successors in interest to parties to the Sinclair Unit Agreement made effective November 1, 2009, which is further described in Schedule "A" hereto; (such Agreement including all amendments, if any, thereto hereinafter referred to as the "Unit Agreement") and

WHEREAS the Parties hereto desire to amend the Unit Agreement to provide for infill drilling on or nearby the boundary of Sinclair Unit Number 3.

NOW THEREFORE IN CONSIDERATION OF THE PREMISES and mutual covenants and agreements hereinafter contained and set forth, the Parties agree as follows:

1. Effective as of the date hereof, Clause 401 of the Unit Agreement is deleted in its entirety and replaced by the following:

401. Operations

*The Working Interest Owners are hereby granted the right to develop and operate the Unitized Zone without regard to the provisions of the Leases or the boundary lines of the Tract or Spacing Units in such manner and by such means and methods as the Working Interest Owners consider appropriate. Without limiting the generality of the foregoing, the Working Interest Owners shall have the right to inject any substance or combination of substances into the Unitized Zone and to convert and use as injection wells any wells now existing or hereafter drilled into the Unitized Zone.*

*The Working Interest Owners are also hereby granted the right, subject to Petroleum Branch approval, to pool Spacing Units located in the Unit Area with Spacing Units located outside of the Unit Area for the purpose of drilling a horizontal well. The Spacing Unit for such horizontal wells shall be deemed to be the area as specified in the Oil and Gas Act and the Crown Royalty and Incentive Regulation (Manitoba). The share of production from such horizontal wells shall be calculated using the same methodology as set out in the above-noted Act and Regulation.*

*The Working Interest Owners are also hereby granted the right, subject to Petroleum Branch approval, to drill horizontal or vertical injection wells within 50 meters of the boundary of Sinclair Unit No. 3 and the Working Interest Owners consent to such wells being produced prior to their conversion to injection wells.*

2. The foregoing revision of the Unit Agreement shall be deemed to be incorporated in and form part of the Unit Agreement as of the date of this Amending Agreement of approval by the Petroleum Branch, Manitoba Innovation, Energy and Mines, and shall govern and determine all matters therein from and after such date.
3. Save as amended by the provisions hereof, the Unit Agreement shall continue in full force and effect and is hereby ratified and confirmed by the parties hereto.
4. This Amending Agreement may be executed in as many counterparts as are necessary and when a counterpart has been executed by each party, all counterparts taken together shall constitute one agreement.
5. The provisions of this Amending Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
6. The Parties agree that the Unit Agreement shall for all purposes be construed and interpreted according to the laws of the Province of Manitoba and that the courts having jurisdiction with respect to matters relating to the Agreement shall be the courts of said Province, to the jurisdiction of which courts the parties by their execution of Agreement do hereby submit.

**This is Schedule "A" to an Amending Agreement Sinclair Unit No. 3  
dated July 23, 2012.**

the "Unit Agreement"

Sinclair Unit No. 3 Unit Agreement made effective November 1, 2009.