

RE: Consent to Proposed Amendment to the Plan for Unit Operation Governing the Unitized
Management Operation and Further Development of Daly Unit No. 1

Corex Resources Ltd.
Suite 3200, 700 – 2nd Street SW
Calgary, AB T2P 2W2

Attention: David McGuinness

BE IT RESOLVED that the Operating Committee authorize the Unit Operator to make application to Oil and Gas Conservation Board of the Province of Manitoba to amend the Plan for Unit Operation Governing the Unitized Management Operation and Further Development of Daly Unit No. 1 in the manner hereinafter set out.

AND BE IT FURTHER RESOLVED that such amendments are to be effective on the 1st day of June, 2016 or at the time specified by the Oil and Gas Conservation Board of the Province of Manitoba.

1. Delete Section 2.04 of Article II and replace with:

2.04. Authority for Operations

The Working Interest Owners are hereby granted the right to develop and operate the Unitized Strata without regard to the provisions of the Leases or the boundary lines of the Tracts 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 Strata and to convert and use as injection wells any wells now existing or hereafter drilled into the Unitized Strata.

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, upon, over or across the Unit boundaries and the Working Interest Owners consent to such wells being produced prior to their conversion to injection wells.

APPROVED: 

DISAPPROVED: _____

(Signature of Designated Representative or Alternate)