



Science, Technology, Energy and Mines

Petroleum Branch
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3 January 2013

Tristan Willson
Fort Calgary Resources Ltd.
4301 400 3rd Avenue SW
Calgary, AB T2P 4H2

BY E-MAIL

Dear Tristan:

RE: East Manson Unit No. 1 - Unit and Pilot Waterflood EOR Application

The Branch has completed a preliminary review of your application to create East Manson Unit No. 1 and implement within a pilot waterflood EOR operation. Notice of the application will be published on our website and newspapers.

The application as submitted is not complete. The following items are outstanding:

- A copy of the notice, and proof of service of the notice, to the surface owners in the project area and to the mineral owners within 0.5 km advising of the proposed project of enhanced recovery.
- Names and addresses of owners in the project area and within 0.5 km of the project area.
- A copy of the proposed Unit Agreement for review.

The Branch also requires additional information on the following subjects:

- Discussion, methodology and formulas used in the tract factor.
- Tract Factors must be in 9th decimal places(in excel)
- Cumulative production per LSD used in the computation of tract factors (in excel)
- Discussion of project economics to give an indication of project viability or profitability.
- Discussion and methodology of calculated Original Oil in Place (OOIP) values, with examples. Who did the analysis? Where did this person get the data that was used for the calculations? If OOIP evaluation was done internally, why not a third party?
- Discuss any methods considered to prevent channeling and to prevent injection outside of the unit.

Please submit the required information in both paper and electronic (pdfs are fine) formats to the undersigned. If you have any questions in respect of this matter please contact me directly at (204) 945-6570.

Yours truly,

A handwritten signature in black ink, appearing to read 'Leonardo Leonen', with a stylized flourish at the end.

Leonardo Leonen
Technical Engineering Officer

Cc: Virden Office