



Mineral Resources

Petroleum Branch

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April 30, 2014

Terry Danku

Surge Energy Inc.

2100, 635 - 8th Avenue SW

Calgary, Alberta T2P 3M3

Dear Terry,

RE: Proposed East Manson Unit No. 4 – Unitization Approval

The Petroleum Branch is pleased to grant approval of East Manson Unit No. 4 covering LSDs 4, 5 and 12 of Section 7 of twp 14 / rge 28 and the whole Section 12 of twp 14 / rge 29 WPM in the Manson field. The effective date for East Manson Unit No. 4 will be May 01, 2014.

Surge Energy is reminded that there is no approval yet to start water injection and separate conversion applications are required for any existing horizontals to be converted into injectors within this new Unit. Please inform the Branch 1(one) month in advance of when Surge wants to start injection so a Waterflood Order can be created and TTEF calculated, etc.

If you have any questions in respect of the applications required please contact Leo Leonen at (204) 945-6570.

Yours truly,

 Dan Surzyshyn
A/Director

Cc: Engineering, Virden

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