

TORC OIL & GAS LTD.

EAST MANSON UNIT #6

ENHANCED OIL RECOVERY (EOR) ANNUAL REPORT

Discussion:

East Manson Unit #6 (EMU #6) has posted its first full year of injection/production results since its inception in September 2016. Similarly to other flooded units, initial flood response was marked, and has been sustained throughout the year. Immediate offsets at 01-28 and 08-28 are currently producing 40 bopd, down from a 2017 entry rate of 45 bopd (~11% decline rate). The 02/01-28 injection well is currently putting away ~240 bpd @ ~550 psi; the pattern has finally caught pressure in the back half of 2017. This patterns performance has encouraged TORC to replicate the realized success by extending the established pattern to the south and into the north half of Section 21 in EMU #3. Additional opportunities are perceived to exist to the north, but will require new wells to be drilled which have been budgeted for 2018.

No workovers of note were completed in this unit aside from the conversion itself which was executed as per program with no deviation.

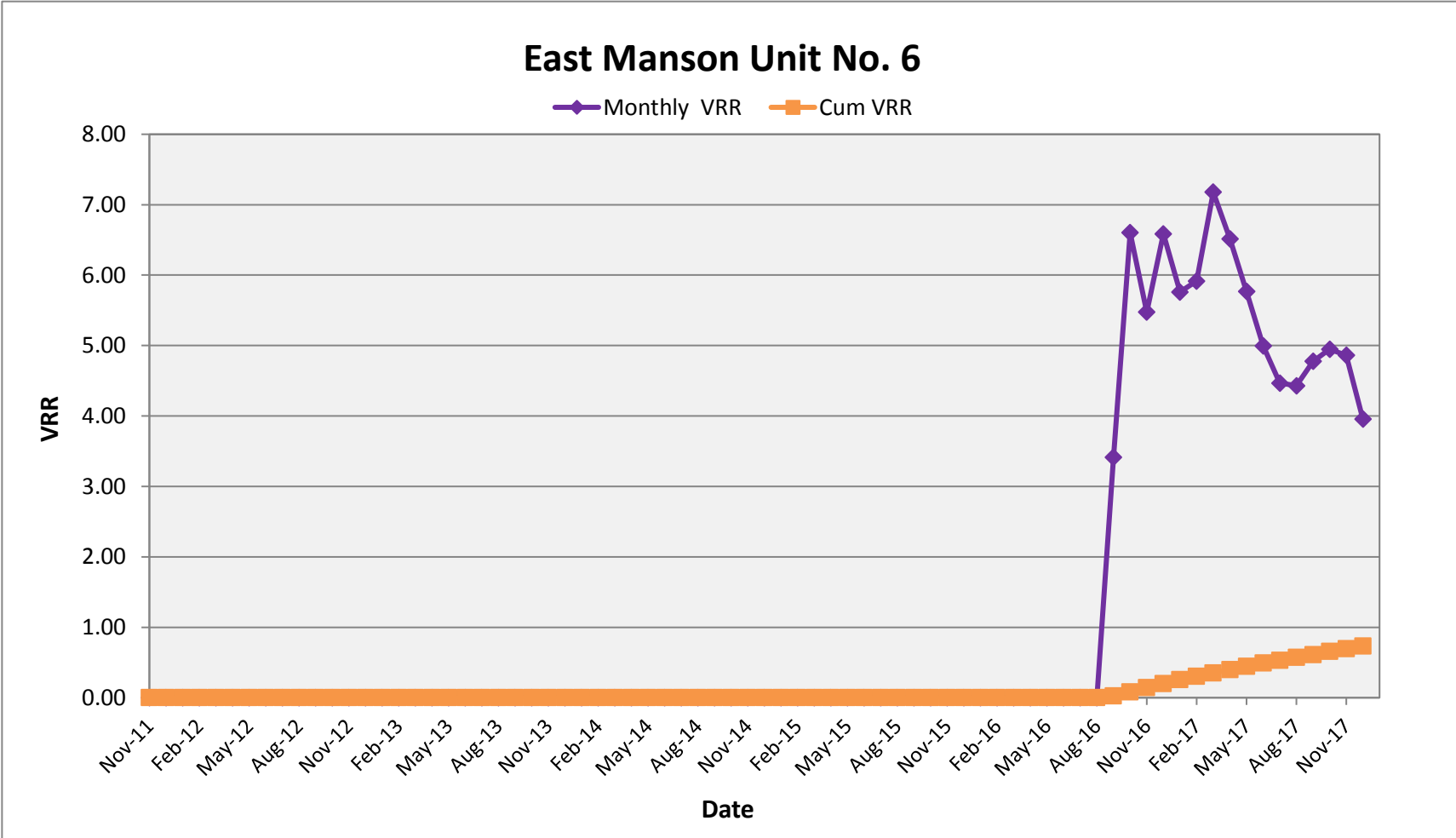
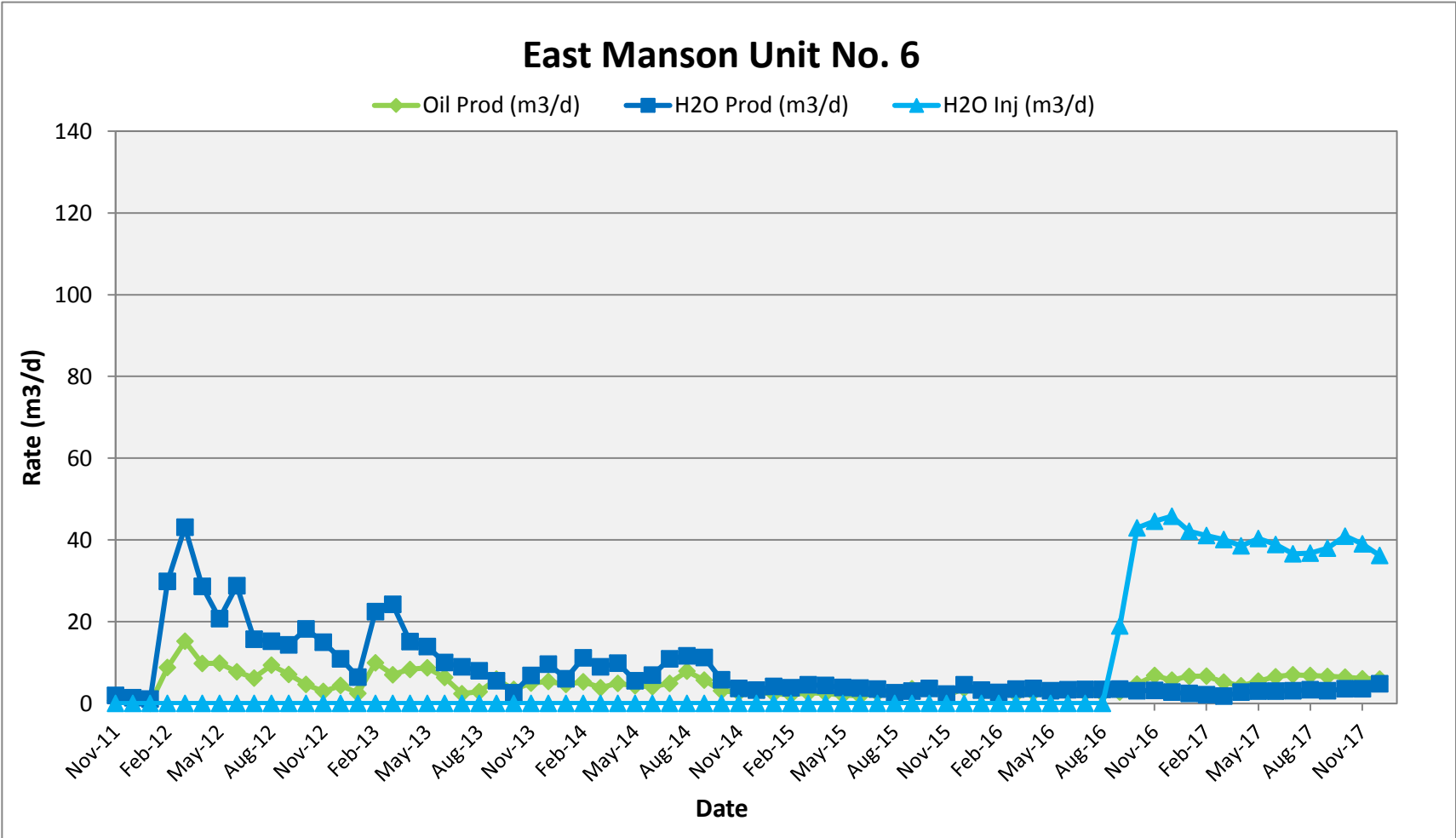
This unit is also fed by TORCs central battery at 13-29-13-28W1 and possesses the same chemical programs that are in place in our other units. Iron sulfide control is applied at the battery, and through rigorous bi-weekly sampling of our fluid has indicated that our tanks have not accumulated concentrations of FeS.

Operationally, the focus on EMU#6 for TORC in 2017 will be continued surveillance and voidage replacement which will be enhanced by work that has been conducted to enhance compatibility with Mannville source water to be utilized in our expanding flood. It is expected that with the flood catching pressure now, we will be able to more effectively reach an optimal VRR, as injection volumes will be markedly reduced from the reservoir fill up phase.

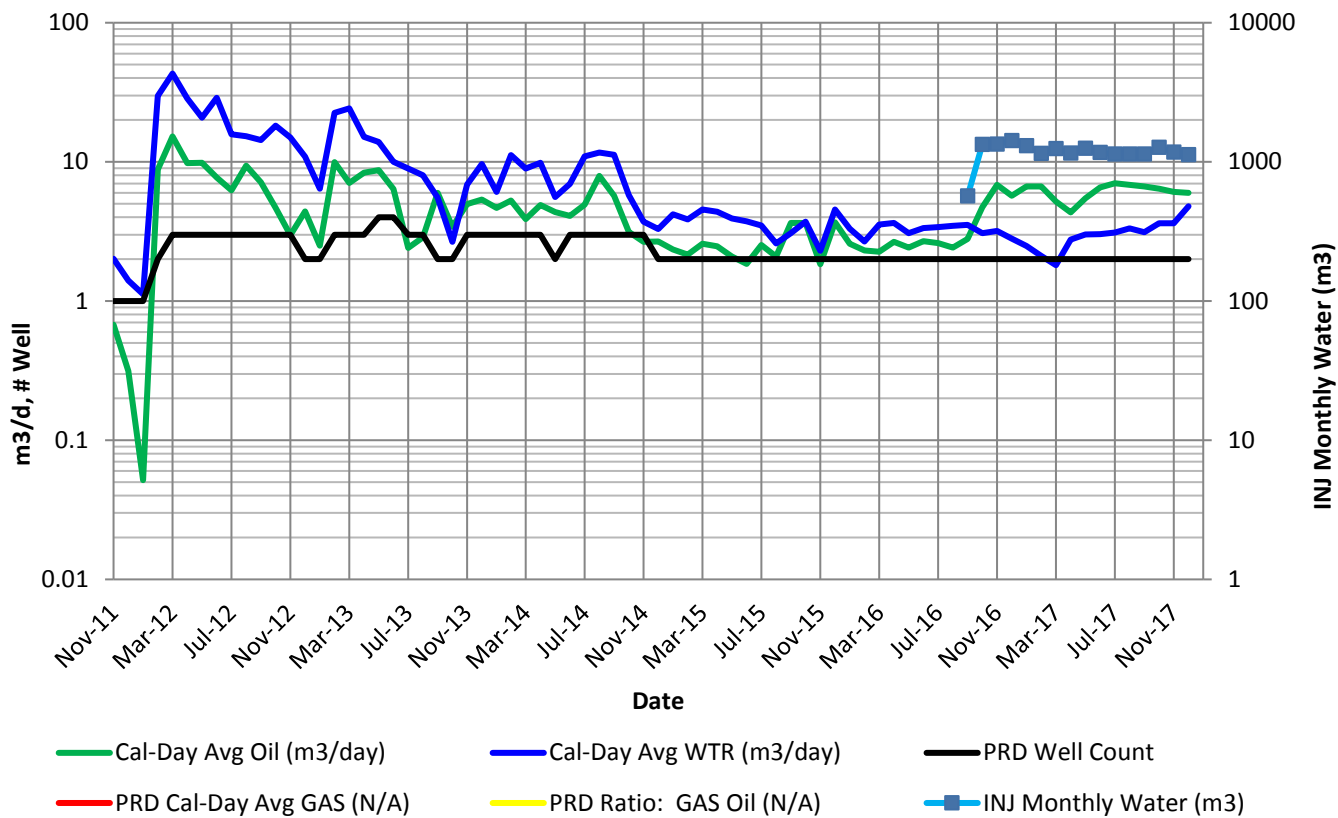
East Manson Unit No. 6 (Section 28-013-28W1) - VRR Table																										
Month	Days	Monthly Oil Prod (bbl)	Monthly Oil Prod (m3)	Monthly Gas Prod (E3m3)	Monthly H2O Prod (bbl)	Monthly H2O Prod (m3)	Monthly H2O Inj (bbl)	Monthly H2O Inj (m3)	Oil Prod (m3/d)	Gas Prod (E3m3/d)	H2O Prod (m3/d)	H2O Inj (m3/d)	Cum Oil (bbl)	Cum Oil (m3)	Cum Gas (E3m3)	Cum H2O (m3)	Cum H2O Inj (m3)	Prod Well Count	GOR (m3/m3)	H2OCut %	Voidage (rm3/d)	Monthly VRR	Cum GOR (m3/m3)	H2OCut %	Cum Void (rm3)	Cum VRR
Nov-11	30	128	20.3	0	381	60.5	0	0	1	0	2	0	128	20	0	61	0	1	0	74.9%	3	0.00	0.0	74.9%	75.7	0.000
Dec-11	31	61	9.7	0	274	43.5	0	0	0	0	1	0	189	30	0	104	0	1	0	81.8%	2	0.00	0.0	77.6%	126.5	0.000
Jan-12	31	10	1.6	0	218	34.7	0	0	0	0	1	0	199	32	0	139	0	1	0	95.6%	1	0.00	0.0	81.4%	162.5	0.000
Feb-12	29	1,607	255.4	0	5,445	865.7	0	0	9	0	30	0	1,805	287	0	1004	0	2	0	77.2%	36	0.00	0.0	77.8%	1219.1	0.000
Mar-12	31	2,971	472.3	0	8,405	1,336.2	0	0	15	0	43	0	4,776	759	0	2341	0	3	0	73.9%	54	0.00	0.0	75.5%	2906.9	0.000
Apr-12	30	1,851	294.3	0	5,399	858.4	0	0	10	0	29	0	6,628	1054	0	3199	0	3	0	74.5%	36	0.00	0.0	75.2%	3984.5	0.000
May-12	31	1,924	305.9	0	4,046	643.3	0	0	10	0	21	0	8,552	1360	0	3842	0	3	0	67.8%	28	0.00	0.0	73.9%	4854.4	0.000
Jun-12	30	1,458	231.8	0	5,433	863.8	0	0	8	0	29	0	10,010	1591	0	4706	0	3	0	78.8%	35	0.00	0.0	74.7%	5891.8	0.000
Jul-12	31	1,217	193.5	0	3,073	488.5	0	0	6	0	16	0	11,227	1785	0	5195	0	3	0	71.6%	20	0.00	0.0	74.4%	6524.1	0.000
Aug-12	31	1,833	291.4	0	2,975	472.9	0	0	9	0	15	0	13,060	2076	0	5668	0	3	0	61.9%	22	0.00	0.0	73.2%	7212.2	0.000
Sep-12	30	1,347	214.2	0	2,708	430.6	0	0	7	0	14	0	14,408	2291	0	6098	0	3	0	66.8%	20	0.00	0.0	72.7%	7801.3	0.000
Oct-12	31	909	144.6	0	3,558	565.7	0	0	5	0	18	0	15,317	2435	0	6664	0	3	0	79.6%	22	0.00	0.0	73.2%	8475.4	0.000
Nov-12	30	562	89.3	0	2,830	449.9	0	0	3	0	15	0	15,879	2524	0	7114	0	3	0	83.4%	17	0.00	0.0	73.8%	8992.8	0.000
Dec-12	31	857	136.3	0	2,126	338.0	0	0	4	0	11	0	16,736	2661	0	7452	0	2	0	71.3%	14	0.00	0.0	73.7%	9431.9	0.000
Jan-13	31	488	77.6	0	1,254	199.3	0	0	3	0	6	0	17,224	2738	0	7651	0	2	0	72.0%	8	0.00	0.0	73.6%	9688.9	0.000
Feb-13	28	1,758	279.5	0	3,963	630.1	0	0	10	0	23	0	18,982	3018	0	8281	0	3	0	69.3%	30	0.00	0.0	73.3%	10526.3	0.000
Mar-13	31	1,375	218.6	0	4,730	752.0	0	0	7	0	24	0	20,357	3236	0	9033	0	3	0	77.5%	30	0.00	0.0	73.6%	11441.7	0.000
Apr-13	30	1,577	250.7	0	2,854	453.8	0	0	8	0	15	0	21,934	3487	0	9487	0	3	0	64.4%	21	0.00	0.0	73.1%	12080.9	0.000
May-13	31	1,705	271.0	0	2,715	431.6	0	0	9	0	14	0	23,639	3758	0	9919	0	4	0	61.4%	20	0.00	0.0	72.5%	12712.5	0.000
Jun-13	30	1,203	191.3	0	1,893	300.9	0	0	6	0	10	0	24,842	3950	0	10219	0	4	0	61.1%	15	0.00	0.0	72.1%	13154.6	0.000
Jul-13	31	471	74.8	0	1,746	277.5	0	0	2	0	9	0	25,313	4024	0	10497	0	3	0	78.8%	11	0.00	0.0	72.3%	13488.2	0.000
Aug-13	31	559	88.9	0	1,559	247.9	0	0	3	0	8	0	25,873	4113	0	10745	0	3	0	73.6%	10	0.00	0.0	72.3%	13802.3	0.000
Sep-13	30	1,128	179.4	0	1,041	165.6	0	0	6	0	6	0	27,001	4293	0	10910	0	2	0	48.0%	10	0.00	0.0	71.8%	14099.6	0.000
Oct-13	31	668	106.1	0	519	82.4	0	0	3	0	3	0	27,668	4399	0	10993	0	2	0	43.7%	5	0.00	0.0	71.4%	14260.0	0.000
Nov-13	30	940	149.4	0	1,297	206.2	0	0	5	0	7	0	28,608	4548	0	11199	0	3	0	58.0%	11	0.00	0.0	71.1%	14576.3	0.000
Dec-13	31	1,046	166.3	0	1,878	298.5	0	0	5	0	10	0	29,654	4714	0	11498	0	3	0	64.2%	14	0.00	0.0	70.9%	14997.7	0.000
Jan-14	31	911	144.8	0	1,186	188.6	0	0	5	0	6	0	30,564	4859	0	11686	0	3	0	56.6%	10	0.00	0.0	70.6%	15292.9	0.000
Feb-14	28	931	148.0	0	1,971	313.3	0	0	5	0	11	0	31,495	5007	0	12000	0	3	0	67.9%	15	0.00	0.0	70.6%	15715.9	0.000
Mar-14	31	756	120.3	0	1,743	277.0	0	0	4	0	9	0	32,252	5127	0	12277	0	3	0	69.7%	12	0.00	0.0	70.5%	16082.1	0.000
Apr-14	30	924	146.9	0	1,858	295.3	0	0	5	0	10	0	33,175	5274	0	12572	0	3	0	66.8%	13	0.00	0.0	70.4%	16486.1	0.000
May-14	31	850	135.2	0	1,090	173.3	0	0	4	0	6	0	34,026	5409	0	12745	0	2	0	56.2%	9	0.00	0.0	70.2%	16759.0	0.000
Jun-14	30	774	123.1	0	1,311	208.5	0	0	4	0	7	0	34,800	5533	0	12954	0	3	0	62.9%	10	0.00	0.0	70.1%	17058.4	0.000
Jul-14	31	963	153.1	0	2,135	339.5	0	0	5	0	11	0	35,762	5686	0	13293	0	3	0	68.9%	15	0.00	0.0	70.0%	17511.3	0.000
Aug-14	31	1,544	245.5	0	2,279	362.3	0	0	8	0	12	0	37,307	5931	0	13655	0	3	0	59.6%	18	0.00	0.0	69.7%	18054.6	0.000
Sep-14	30	1,079	171.5	0	2,123	337.5	0	0	6	0	11	0	38,385	6103	0	13993	0	3	0	66.3%	15	0.00	0.0	69.6%	18519.0	0.000
Oct-14	31	612	97.2	0	1,126	179.1	0	0	3	0	6	0	38,997	6200	0	14172	0	3	0	64.8%	8	0.00	0.0	69.6%	18769.9	0.000
Nov-14	30	503	80.0	0	701	111.5	0	0	3	0	4	0	39,500	6280	0	14283	0	3	0	58.2%	6	0.00	0.0	69.5%	18940.4	0.000
Dec-14	31	521	82.8	0	642	102.0	0	0	3	0	3	0	40,021	6363	0	14385	0	2	0	55.2%	5	0.00	0.0	69.3%	19103.4	0.000
Jan-15	31	458	72.8	0	817	130.0	0	0	2	0	4	0	40,480	6436	0	14515	0	2	0	64.1%	6	0.00	0.0	69.3%	19287.2	0.000
Feb-15	28	381	60.5	0	680	108.0	0	0	2	0	4	0	40,860	6496	0	14623	0	2	0	64.1%	5	0.00	0.0	69.2%	19440.0	0.000
Mar-15	31	503	80.0	0	886	140.9	0	0	3	0	5	0	41,364	6576	0	14764	0	2	0	63.8%	6	0.00	0.0	69.2%	19640.0	0.000
Apr-15	30	467	74.2	0	827	131.5	0	0	2	0	4	0	41,831	6650	0	14896	0	2	0	63.9%	6	0.00	0.0	69.1%	19826.3	0.000
May-15	31	407	64.6	0	763	121.4	0	0	2	0	4	0	42,237	6715	0	15017	0	2	0	65.3%	5	0.00	0.0	69.1%	19995.5	0.000
Jun-15	30	349	55.4	0	707	112.5	0	0	2	0	4	0	42,586	6770	0	15130	0	2	0	67.0%	5	0.00	0.0	69.1%	20148.9	0.000
Jul-15	31	492	78.2	0	681	108.2	0	0	3	0	3	0	43,078	6849	0	15238	0	2	0	58.0%	5	0.00	0.0	69.0%	20314.9	0.000
Aug-15	31	408	64.8	0	507	80.5	0	0	2	0	3	0	43,486	6913	0	15318	0	2	0	55.4%	4	0.00	0.0	68.9%	20443.1	0.000
Sep-15	30	687	109.2	0	580	92.1	0	0	4	0	3	0	44,173	7023	0	15411	0	2	0	45.8%	6	0.00	0.0	68.7%	20615.5	0.000
Oct-15	31	709	112.8	0	726	115.4	0	0	4	0	4	0	44,882	7135	0	15526	0	2	0	50.6%	6	0.00	0.0	68.5%	20813.7	0.000
Nov-15	30	348	55.3	0	434	68.9	0	0	2	0	2	0	45,230	7191	0	15595	0	2	0	55.5%	4	0.00	0.0	68.4%	20923.4	0.000
Dec-15	31	719	114.4	0	887	141.1	0	0	4	0	5	0	45,949	7305	0	15736	0	2	0	55.2%	7	0.00	0.0	68.3%	21148.7	0.000
Jan-16	31	502	79.8	0	645	102.5	0	0	3	0	3	0	46,451	7385	0	15838	0	2	0	56.2%	5	0.00	0.0	68.2%	21310.0	0.000
Feb-16	29	421	66.9	0	490	77.8	0	0	2	0	3	0	46,872	7452	0	15916	0	2	0	53.8%	4	0.00	0.0	68.1%	21437.1	0.000
Mar-16	31	441	70.1	0	690	109.8	0	0	2	0	4	0	47,314	7522	0	16026	0	2	0	61.0%	5	0.00	0.0	68.1%	21598.6	0.000
Apr-16	30	502	79.8	0	689	109.6	0	0	3	0	4	0	47,816	7602	0	16136	0	2	0	57.8%	6	0.00	0.0	68.0%	21767.0	0.000
May-16	31	473	75.2	0	600	95.4	0	0	2	0	3	0	48,289	7677	0	16231	0	2	0	55.9%	5	0.00	0.0	67.9%	21917.8	0.000
Jun-16	3																									

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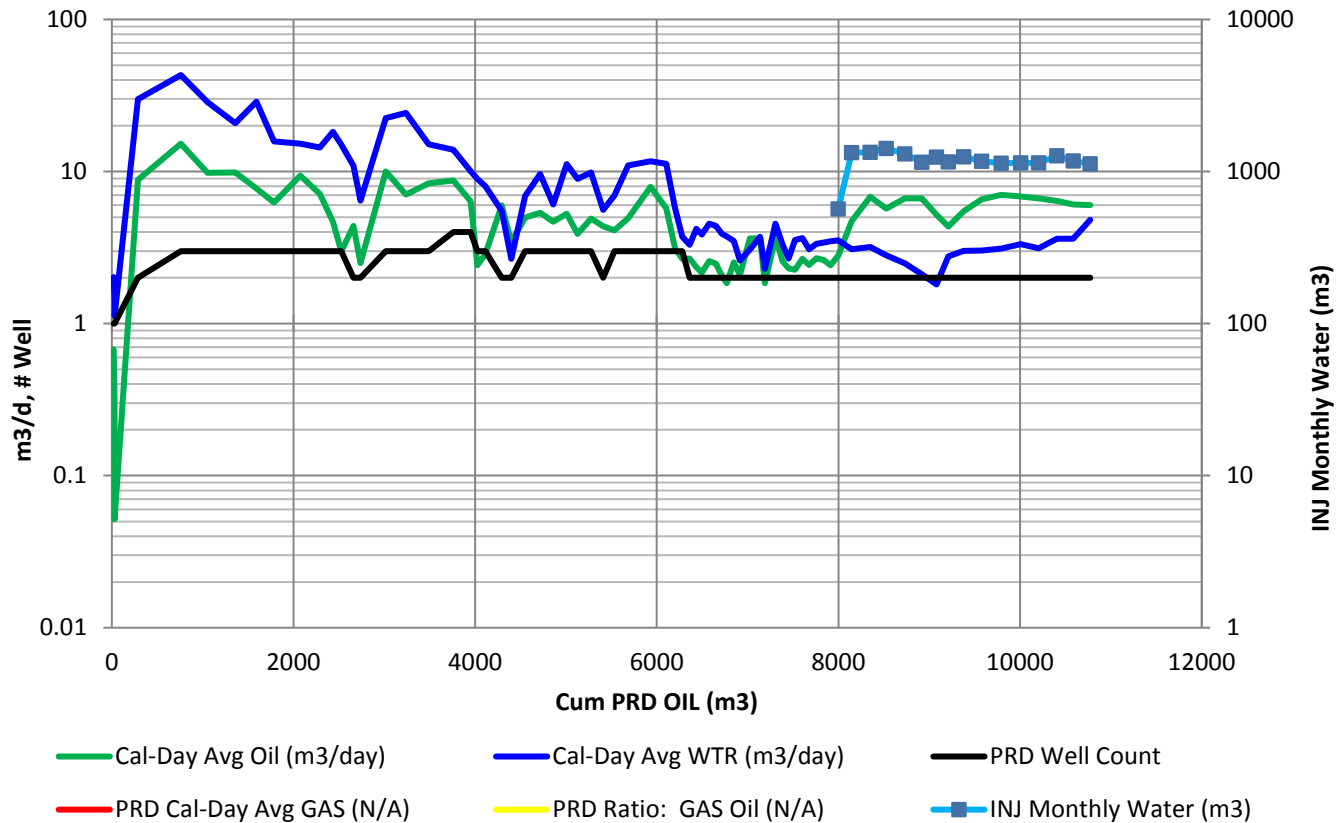
	Date	Oil Prod (m3/d)	Gas Prod (e3m3/d)	H2O Prod (m3/d)	H2O Inj (m3/d)	Monthly VRR	Cum VRR	Cum PRD Oil (m3)	Cum PRD Gas (e3m3)	Cum PRD Water (m3)	Cum INJ Water (m3)
EMU No.6	Dec-2017	6	-	5	36	3.95	0.731	10,772	-	18,051	18,908



East Manson Unit No. 6 - Rate Time



East Manson Unit No. 6 - Rate Cum



East Manson Unit No. 6 - Injection Parameters

Month	Oil Rate (m3/d)	Gas Rate (e3m3/d)	Water Rate (m3/d)	Water Inj Rate (m3/d)	Water Inj Press (psi)	Cum Oil (m3)	Cum Gas (e3m3)	Cum Water (m3)	Cum Inj Water (m3)	GOR (m3/m3)	WOR (m3/m3)
Jan-17	6.6	0.0	2.5	42.1	30	8,731	0.0	17,006	5961.4	0	0.37
Feb-17	6.7	0.0	2.1	41.1	103	8,917	0.0	17,065	7112.6	0	0.32
Mar-17	5.2	0.0	1.8	40.1	160	9,079	0.0	17,121	8355.1	0	0.35
Apr-17	4.3	0.0	2.8	38.6	202	9,209	0.0	17,204	9512.8	0	0.64
May-17	5.5	0.0	3.0	40.3	264	9,379	0.0	17,297	10763.5	0	0.55
Jun-17	6.6	0.0	3.0	38.9	300	9,576	0.0	17,388	11929.9	0	0.46
Jul-17	7.0	0.0	3.1	36.6	326	9,793	0.0	17,484	13064.7	0	0.44
Aug-17	6.9	0.0	3.3	36.8	364	10,005	0.0	17,587	14204.3	0	0.49
Sep-17	6.6	0.0	3.1	38.0	415	10,205	0.0	17,681	15343.1	0	0.47
Oct-17	6.4	0.0	3.6	41.0	485	10,403	0.0	17,793	16613.0	0	0.56
Nov-17	6.1	0.0	3.6	39.1	528	10,586	0.0	17,902	17785.2	0	0.60
Dec-17	6.0	0.0	4.8	36.2	540	10,772	0.0	18,051	18908.4	0	0.80

02/01-28-013-28W1 Rate vs Pressure

