



April 22, 2010

Jennifer Abel, P.Eng.
Chief Petroleum Engineer
Petroleum Branch
Manitoba Innovation, Energy, and Mines
227 King Street, Virden MB

Dear Ms. Abel:

Please accept the EOR report for Sinclair Unit No. 4 for 2009. As the unit came on late in the year, not enough data exists to comment on items 73(1) d, e, and h of the Manitoba Drilling and Production Regulations. All injected fluid is currently treated with scale inhibitor in order to retain injectivity.

Should you have any additional questions or concerns, please contact Chris Edwards, operations engineer, 403-290-7641 or email cedwards@fairborne-energy.com.

FAIRBORNE ENERGY LTD.

A handwritten signature in black ink, appearing to be "C Edwards", written over a horizontal line.

Chris Edwards P.Eng
Operations Engineer

Pattern 1 - Sec 14-7-29W1

Oil Production Rate

	Well	Ave Daily Oil Rate (m3/d)
Dec-09	00/9-14-7-29W1/0	1.54
	02/16-14-7-29W1/0	3.01
	00/11-14-7-29W1/0	0.37
	00/4-14-7-29W1/0	0.58
	00/13-14-7-29W1/2	2.21
	Total	7.71

2009 Cumulative Fluid Production

Well	2009 Cum. Oil Prod (m3)	2009 Cum. Water Prod (m3)
00/9-14-7-29W1/0	634	2,649
02/16-14-7-29W1/0	1,789	1,592
00/11-14-7-29W1/0	130	201
00/4-14-7-29W1/0	240	352
00/13-14-7-29W1/2	1,223	3,075

Injection Rates and Pressures

	Well	Ave Daily Inj Rate (m3/d)	Ave Inj Press. (kPa)	Comment
Dec-09	00/15-14-7-29W1/0	42.2	0	(Dec 19-31)
	00/16-14-7-29W1/0	44.5	0	(Dec 18-31)
	Total	86.7		

Cumulative Injection Volumes

Well	2009 Cum. Water Inj. (m3)
00/15-14-7-29W1/0	548
00/16-14-7-29W1/0	623
Total	1,171

Total Voidage as of Dec 31/09

Well	Cum Voidage (m3)
00/9-14-7-29W1/0	6,313
02/16-14-7-29W1/0	6,464
00/11-14-7-29W1/0	2,372
00/4-14-7-29W1/0	2,915
00/13-14-7-29W1/2	8,085
00/15-14-7-29W1/0	8,901
00/16-14-7-29W1/0	12,666
Total	47,716
Total Voidage Replaced as of Dec 31/09	3.60%

Pattern 2 - Sec 11-7-29W1

Oil Production Rate

	Well	Ave Daily Oil Rate (m3/d)
Dec-09	00/1-11-7-29W1/0	1.4
	00/2-11-7-29W1/0	1.1
	02/2-11-7-29W1/0	2.5
	00/3-11-7-29W1/0	2.5
	00/4-11-7-29W1/0	2.3
	00/6-11-7-29W1/0	0.2
	00/13-11-7-29W1/0	1.9
	00/14-11-7-29W1/0	0.6
	Total	12.5

2009 Cumulative Fluid Production

Well	2009 Cum. Oil Prod (m3)	2009 Cum. Water Prod (m3)
00/1-11-7-29W1/0	617	105,555
00/2-11-7-29W1/0	493	5,520
02/2-11-7-29W1/0	1,102	7,696
00/3-11-7-29W1/0	661	3,314
00/4-11-7-29W1/0	1,172	7,597
00/6-11-7-29W1/0	62	1,806
00/13-11-7-29W1/0	907	10,219
00/14-11-7-29W1/0	370	8,616

Injection Rates and Pressures

No injection took place in Pattern 2 in 2009

Cumulative Injection Volumes

No injection took place in Pattern 2 in 2009

Total Voidage as of Dec 31/09

Well	Cum Voidage (m3)
00/1-11-7-29W1/0	12,296
00/2-11-7-29W1/0	6,540
02/2-11-7-29W1/0	9,719
00/3-11-7-29W1/0	3,314
00/4-11-7-29W1/0	9,817
00/6-11-7-29W1/0	2,190
00/13-11-7-29W1/0	15,100
00/14-11-7-29W1/0	4,255
Total	63,231
Total Voidage Replaced as of Dec 31/09	0.00%