

AMENDING AGREEMENT – SINCLAIR UNIT NO. 4

This AGREEMENT made this 7th day of February, 2017.

AMONG:

HER MAJESTY THE QUEEN in Right of the Province of Manitoba; and

HERITAGE ROYALTY RESOURCE CORP., a body corporate, with an office in the City of Calgary, in the province of Alberta; and

RED RIVER OIL INC., a body corporate, with an office in the City of Calgary, in the Province of Alberta,

(hereinafter collectively referred to as the "Parties")

WHEREAS the Parties hereto are Parties to, or successors in interest to parties in the Sinclair Unit No. 4 Agreement made effective December 1, 2009, which is further described in schedule "A" hereto; (such Agreement including all amendments, if any, thereto hereinafter referred to as the "Unit Agreement") and

WHEREAS the Parties hereto desire to amend the Unit Agreement to provide for infill drilling on or nearby the boundary of Sinclair Unit Number 4.

NOW THEREFORE IN CONSIDERATION OF THE PREMISES and mutual covenants and agreements hereinafter contained and set forth, the Parties agree as follows:

1. Effective as of the date hereof, Clause 401 of the Unit Agreement is deleted in its entirety and replaced by the following:

401. Operations

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

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 50 meters of the boundary of Sinclair Unit

No. 4 and the Working Interest Owners consent to such wells being produced prior to their conversion to injection wells

2. The foregoing revision of the Unit Agreement shall be deemed to be incorporated in and form part of the Unit Agreement as of the date of this Amending Agreement of approval by the Petroleum Branch, Growth, Enterprise and trade, and shall govern and determine all matters therein from and after such date.
3. Save as amended by the provisions hereof, the Unit Agreement shall continue in full force and effect and is hereby ratified and confirmed by the parties hereto.
4. This Amending Agreement may be executed in as many counterparts as are necessary and when a counterpart has been executed by each party, all counterparts taken together shall constitute one agreement.
5. The provisions of this Amending Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
6. The Parties agree that the Unit Agreement shall for all purposes be construed and interpreted according to the laws of the Province of Manitoba and that the courts having jurisdiction with respect to matters relating to the agreement shall be the courts of said Province, to the jurisdiction of which courts the parties by their execution of Agreement do hereby submit.