



The Oil and Natural Gas
Conservation Board

Room 309
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

(204) 945-3130

AUG 24 1986

Omega Hydrocarbons Ltd.
1300 Sun Life Plaza III
112 - 4th Avenue S.W.
Calgary, Alberta
T2P 0H3

Attention: Mr. D. Mark Mawdsley,
Production Engineer

Dear Sirs:

Re: Waskada Unit No. 10 - Enlargement

Further to your letter of August 18, 1986, enlargement of the subject Unit to include the tract LSD 1 of Section 27-1-26 is hereby approved. In accordance with the terms of the Unit Agreement, inclusion of this tract is effective September 1, 1986.

Yours sincerely,

**ORIGINAL SIGNED BY
CHARLES S. KANG**

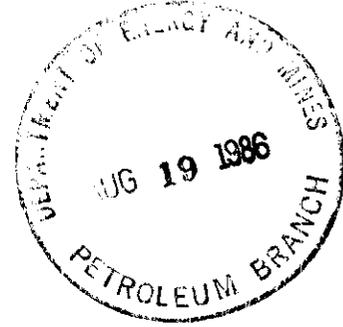
Charles S. Kang
Chairman

LRD/lk

b.c. Wm. McDonald
B. Ball
Petroleum Branch



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743



August 18, 1986

Manitoba Energy & Mines
Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Attention: H. Clare Moster, P. Eng.
Director, Petroleum Branch

Dear Sir:

Re: Waskada Unit No. 10 - Enlargement No. 1

Enclosed is a copy of the executed execution page from the Unit Agreement of the captioned unit. Pop's Oil Ltd. is the royalty interest owner of LSD 1-27-1-26 WPM which was originally disqualified from the unit and which we now wish to include in enlargement number one. My letter to Mr. Bob Dubreuil of July 21, 1986 details the tract factor data and calculations.

With this letter, we request Petroleum Branch approval of this enlargement with an effective date of September 1, 1986. Thank you for your attention to this matter.

Yours truly,

OMEGA HYDROCARBONS LTD.

D. Mark Mawdsley
Production Engineer

DMM:vb
Encl.
c.c. Waskada Unit No. 10 File



Energy and Mines

Petroleum

555 — 330 Graham Avenue
Winnipeg, Manitoba, CANADA
R3C 4E3

(204) 945-6577

August 7, 1986

Omega Hydrocarbons Ltd.
1300 Sun Life Plaza III
112 - 4th Avenue S.W.
CALGARY, Alberta
T2P 0H3

Attention: Mr. Mark Mawdsley, Production Engineer

Dear Sir:

Re: Waskada Unit No. 10 - Enlargement No. 1

Your letter of July 21, 1986 to the Petroleum Branch with respect to the enlargement of Waskada Unit No. 10 is acknowledged.

The Branch has reviewed the interim and final tract factor calculations for the proposed unit enlargement well, 1-27-1-26 WPM, and finds these to be acceptable. Please note that before the enlargement of Unit No. 10 can be approved, The Oil and Natural Gas Conservation Board requires a signed copy for the affected royalty owner for this particular tract.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "L.R. Dubreuil". The signature is written in dark ink and is positioned above the typed name and title.

L.R. Dubreuil
Chief Petroleum Engineer
Petroleum Branch

LRD:dah



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

July 21, 1986



Manitoba Department of Energy and Mines
Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Attention: Mr. Bob Dubreuil, Chief Engineer

Dear Sir:

Re: Waskada Unit No. 10 - Enlargement No. 1

During the original unitization procedure, Omega elected to disqualify the 1-27-1-26 WPM well due to a pending workover to enhance its productive capability. We now have enough production data to assign this well a tract factor and include the tract in a lateral enlargement.

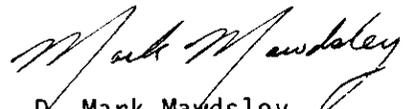
To recalculate the interim participation equitably, we decided to use December, 1985 and January, 1986 production data to calculate oil rates for the original unit procedures since these are the last two months of production prior to water injection conversions. For the 1-27-1-26 WPM well we chose February and March, 1986 production as being representative.

For the final participation calculation, we are using the first four months of production and an $A \times PHI \times h$ factor as before. The 1-27-1-26 WPM well was given an estimated four month production based on rates seen after a successful workover in September, 1985. For the enlargement we are using actual production figures. Incidentally, the actual rate for the first four months is only 0.3% lower than the estimate.

Please review our proposals and the attached calculation summaries and advise Omega if they are acceptable. Thank you for your attention to this matter.

Yours truly,

OMEGA HYDROCARBONS LTD.


D. Mark Mawdsley
Production Engineer

DMM:vb
Encl.
c.c. Waskada Unit No. 10 File

TRACT #	LAND DESCRIPTION	AREA (Ha)	SECT.	SW	EAST	CUM. OIL (m ³)	PRODUCTION PERIOD # 1				PRODUCTION PERIOD # 2											
							INT. (%)	WORKING	AREA	SECT.	SW	EAST	CUM. OIL (m ³)	HRS	OIL	WATER	HRS	OIL	WATER	APPH/ha		
1	5-25-1-26 NPM	100.00000				2866	377.7	0.0		1481	100.5	0.0										
2	11-26-1-26 NPM	100.00000				2856	702.5	0.0		443	107.8	0.0										
3	12-26-1-26 NPM	100.00000				2830	227.4	0.0		1481	26.5	0.0										
4	13-26-1-26 NPM	100.00000				2802	163.9	0.0		399	1.9	0.0										
5	14-26-1-26 NPM	100.00000				0	0.0	0.0		0	0.0	0.0										
6	2-27-1-26 NPM	100.00000				2392	365.4	0.0		1381	145.8	0.0										
7	3-27-1-26 NPM	100.00000				2748	195.3	0.0		1095	46.2	0.0										
8	4-27-1-26 NPM	100.00000				0	0.0	0.0		0	0.0	0.0										
9	5-27-1-26 NPM	100.00000				0	0.0	0.0		0	0.0	0.0										
10	6-27-1-26 NPM	100.00000				2342	367.3	0.0		1458	260.0	0.0										
11	7-27-1-26 NPM	100.00000				0	0.0	0.0		0	0.0	0.0										
12	8-27-1-26 NPM	100.00000				0	0.0	0.0		0	0.0	0.0										
13	9-27-1-26 NPM	100.00000				0	0.0	0.0		0	0.0	0.0										
SUBTOTALS:							18839	2417.5	0.0		7738	688.7	0.0									
14	1-27-1-26 NPM	100.00000				2284	594.5	0.0		1370	94.4	0.0										
TOTALS:							21103	3002.0	0.0		9108	783.1	0.0									

AVERAGE OIL RATE (m³/operating day) FOR THE TOTAL UNIT: 3.4141
 AVERAGE OIL CUT (oil/(oil+water)) FOR THE TOTAL UNIT: 100.0000%

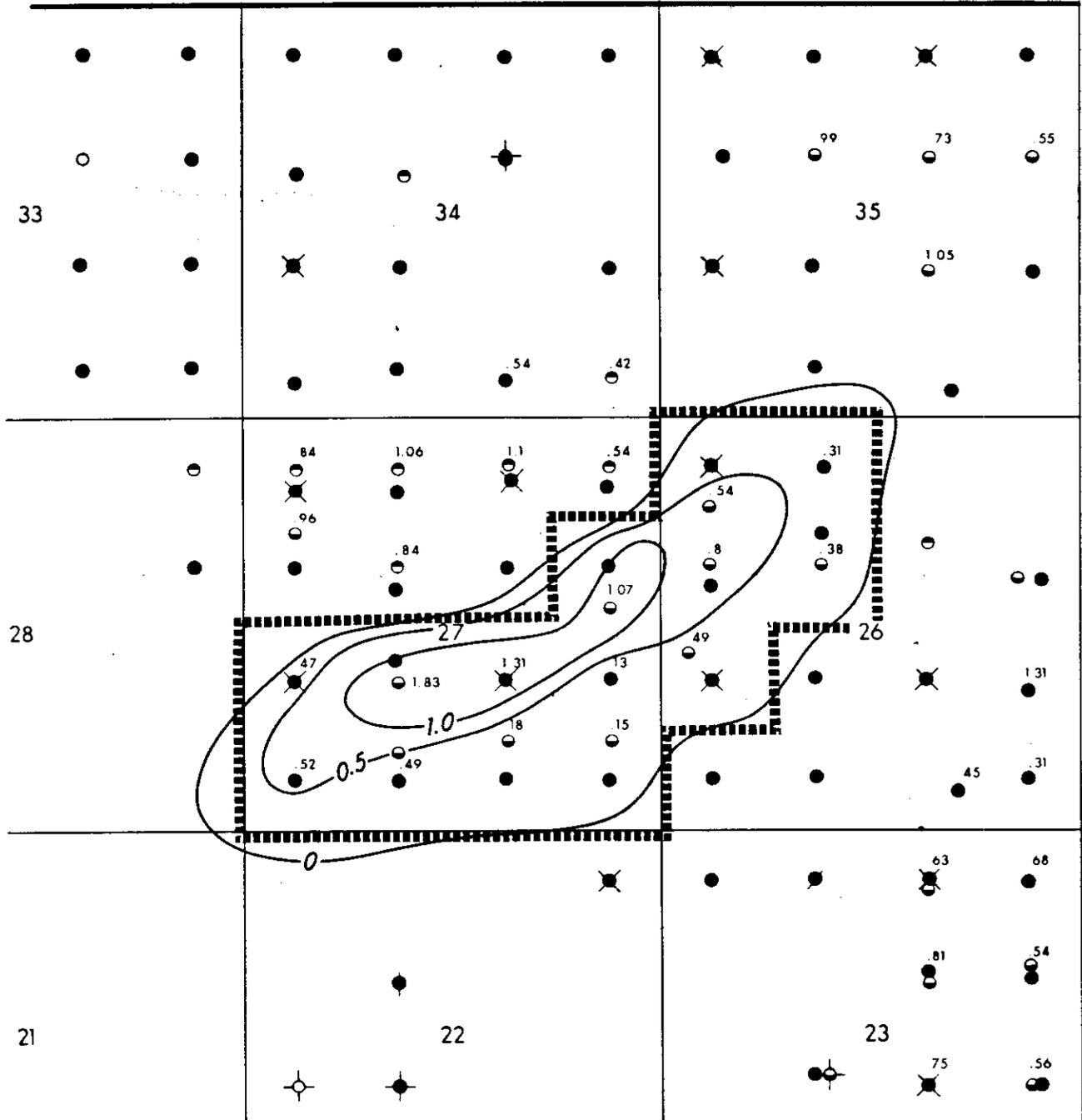
WASKADA UNIT 10 ENLARGEMENT TRACT FACTOR CALCULATIONS

18-Jul-86

(Frac)

REMAINING OIL (m ³)	RR OIL FACTOR	OIL RATE FACTOR	OIL CUT FACTOR	OIL RATE FACTOR	OIL CUT FACTOR	APPHAN FACTOR	UN-ADJ. TRACT FACTOR	ORIGINAL TRACT FACTOR	ADJUSTED TRACT FACTOR	TRACT DESCRIPTION
0	0.0000	5.5629	0.0000	0.0000	1.9301	0.0000	7.5930	9.2417	8.1308	5-26-1-26 WPM
0	0.0000	10.5764	0.0000	0.0000	2.7206	0.0000	13.2970	16.3598	14.3933	11-26-1-26 WPM
0	0.0000	3.4553	0.0000	0.0000	4.0441	0.0000	7.4994	8.5590	7.5302	12-26-1-26 WPM
0	0.0000	2.5152	0.0000	0.0000	2.7574	0.0000	5.2726	6.0404	5.3143	13-26-1-26 WPM
0	0.0000	6.8893	0.0000	0.0000	1.9301	0.0000	1.9301	1.9665	1.7299	14-26-1-26 WPM
0	0.0000	3.0559	0.0000	0.0000	1.4706	0.0000	8.3599	10.3743	9.1273	2-27-1-26 WPM
0	0.0000	0.0000	0.0000	0.0000	3.2169	0.0000	6.2728	7.2031	6.3373	3-27-1-26 WPM
0	0.0000	0.0000	0.0000	0.0000	3.7684	0.0000	3.7684	3.8389	3.3774	4-27-1-26 WPM
0	0.0000	6.7437	0.0000	0.0000	2.2059	0.0000	2.2059	2.2472	1.9771	5-27-1-26 WPM
0	0.0000	0.0000	0.0000	0.0000	7.0221	0.0000	13.7658	15.8173	13.9160	6-27-1-26 WPM
0	0.0000	0.0000	0.0000	0.0000	7.9044	0.0000	7.9044	8.0524	7.0845	7-27-1-26 WPM
0	0.0000	0.0000	0.0000	0.0000	3.8603	0.0000	3.8603	3.9326	3.4599	8-27-1-26 WPM
0	0.0000	0.0000	0.0000	0.0000	6.2500	0.0000	6.2500	6.3670	5.6016	9-27-1-26 WPM
0	0.0000	38.8987	0.0000	0.0000	49.0809	0.0000	87.9796	100.0000	87.9796	
0	0.0000	11.1013	0.0000	0.0000	0.9191	0.0000	12.0204		12.0204	1-27-1-26 WPM
0	0.0000	50.0000	0.0000	0.0000	50.0000	0.0000	100.0000		100.0000	

R. 26 W 1



T. 1

- SPEAR FISH OIL WELL
- ⊙ UPPER ALIDA (MC 3b) WELL
- LOWER ALIDA (MC 3a) WELL
- ◐ TILSTON (MC 1) WELL
- ◆ SUSPENDED WELL
- PROPOSED DRILLING LOCATION
- ✕ WATER INJECTION WELL
- ✖ GAS INJECTION WELL
- ⊕ WATER SOURCE WELL
- ⊖ ABANDONED WELL

OMEGA HYDROCARBONS LTD	
WASKADA MISSISSIPPIAN WATER FLOOD PROPOSED UNIT "B"	
σh MAP	
C.I.=.5 POROSITY METRES	
----- PROPOSED UNIT OUTLINE	
SCALE: 1:25000	DATE: NOV. 1985

WASAGA MISSION CANYON B UNIT TRACT FACTOR CALCULATIONS

Interim Participation

TRACT	LAND	85-07 + 85-08 PROD. (ac)	OIL RATE	OIL RATE	OIL RATE	TRACT
DESCRIPTION	HES	OIL	WATER	FACTOR 1	FACTOR 1	FACTOR
1	5-26-1-26	1473	55.4	NA	0.4930	8.6602
2	11-26-1-26	531	21.8	NA	0.5381	9.4525
3	12-26-1-26	1473	15.4	NA	0.1370	2.4066
4	13-26-1-26	1089	18.7	NA	0.2251	3.9542
5	14-26-1-26	0	0.0	NA	0.0000	0.0000
6	1-27-1-26	0	0.0	NA	0.0000	0.0000
7	2-27-1-26	2566	412.3	NA	2.1861	36.5965
8	3-27-1-26	1476	40.8	NA	0.3623	6.3643
9	4-27-1-26	0	0.0	NA	0.0000	0.0000
10	5-27-1-26	0	0.0	NA	0.0000	0.0000
11	6-27-1-26	1456	203.4	NA	1.8311	32.1657
12	7-27-1-26	0	0.0	NA	0.0000	0.0000
13	8-27-1-26	0	0.0	NA	0.0000	0.0000
14	9-27-1-26	0	0.0	NA	0.0000	0.0000
TOTALS:		10064	767.8	NA	5.6927	100.0000

* ESTIMATED 4 MONTH'S PRODUCTION BASED ON SEPTEMBER, 1985
 - RE-WORKED SEPTEMBER, 1985

AVERAGE OIL RATE (M³/cp. day) & AVERAGE OIL CUT AFTER 4 MONTHS OF PRODUCTION

RATE CUT

 1.8310 NA

WASKADA MISSION CANYON 8 UNIT TRACT FACTOR CALCULATIONS

Final Participation

TRACT:	LAND DESCRIPTION	4 MONTH CUM. PROD. (ac³)	4 MONTH CUM. PROD. (ac³)	WATER FACTOR	OIL FACTOR	OIL RATE (oil rate)	OIL RATE (oil rate)	TRACT FACTOR	TRACT FACTOR	LAND DESCRIPTION
1	5-26-1-26	10.5	2668	377.7	NA	1.9301	1.0255	7.2754	9.2055	1
2	11-26-1-26	14.8	2856	702.5	NA	2.7206	1.9116	13.5883	16.3089	2
3	12-26-1-26	22.0	2830	227.4	NA	4.0441	0.6245	4.4391	8.4832	3
4	13-26-1-26	15.0	2802	163.9	NA	2.7574	0.4546	3.2314	5.9888	4
5	14-26-1-26	10.5	0	0.0	NA	1.9301	0.0000	0.0000	1.9301	5
6	1-27-1-26	5.0	0	0.0	NA	0.9191	0.0000	0.0000	0.9191	6
7	2-27-1-26	8.0	2566	412.3	NA	1.4706	1.2487	8.8762	10.3468	7
8	3-27-1-26	17.5	2748	195.3	NA	3.2169	0.5523	3.9259	7.1428	8
9	4-27-1-26	20.5	0	0.0	NA	3.7684	0.0000	0.0000	3.7684	9
10	5-27-1-26	12.0	0	0.0	NA	2.2859	0.0000	0.0000	2.2859	10
11	6-27-1-26	38.2	2342	367.3	NA	7.0221	1.2188	8.6637	15.6858	11
12	7-27-1-26	45.0	0	0.0	NA	7.9044	0.0000	0.0000	7.9044	12
13	8-27-1-26	21.0	0	0.0	NA	3.8603	0.0000	0.0000	3.8603	13
14	9-27-1-26	34.0	0	0.0	NA	6.2500	0.0000	0.0000	6.2500	14
TOTALS:		272.0	19012	2446.4	NA	50.0000	7.0340	50.0000	100.0000	

* ESTIMATED 4 MONTH'S PRODUCTION BASED ON SEPTEMBER, 1985.
 - RE-WORKED SEPTEMBER, 1985.

AVERAGE OIL RATE (m³/op. day) & AVERAGE OIL CUT AFTER 4 MONTHS OF PRODUCTION

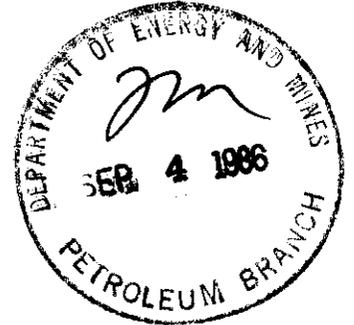
RATE CUT

 3.0882 NA



HYDROCARBONS LTD

1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743



September 2, 1986

Manitoba Department of Energy and Mines
Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Attention: Mr. H. Clare Moster, P. Eng.
Director, Petroleum Branch

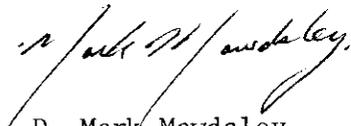
Dear Sir:

Re: Waskada Unit No. 10 - Enlargement No. 1

Pursuant to Article 205 of the Unit Agreement, we enclose two copies each of revised exhibits A and B for your files. Enlargement number one to include LSD 1-27-1-26 WPM was approved by the Conservation Board with an effective date of September 1, 1986.

Yours truly,

OMEGA HYDROCARBONS LTD.


D. Mark Mawdsley
Production Engineer

DMM/jr
Encl.

cc: Waskada Unit No. 10 File



The Oil and Natural Gas
Conservation Board

Room 309
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

(204) 945-3130

January 28, 1986

Omega Hydrocarbons Ltd.
1300, 112 - 4th Avenue S.W.
Calgary, Alberta
T2P 0H3

Attention: Mr. D. M. Mawdsley,
Production Engineer

Dear Sirs:

Re: Waskada Unit No. 10
Effective Date

Receipt of your letter to the Board dated January 16, 1986 and attached revised exhibits and other documentation is acknowledged.

Pursuant to our letter of January 9, 1986, the effective date for Waskada Unit No. 10 is February 1, 1986.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Wm. McDonald". The signature is written in a cursive, somewhat stylized script.

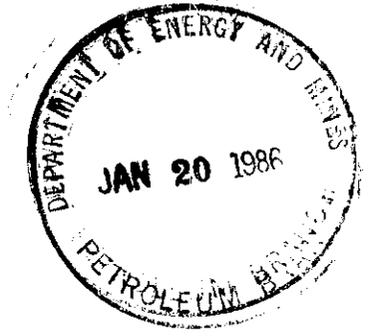
Wm. McDonald
Deputy Chairman

LRD/HCM/lk

b.c. Petroleum Branch



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743



January 16, 1986

The Oil & Natural Gas Conservation Board - Manitoba
Room 309
Legislative Building
Winnipeg, Manitoba
R3C 0V8

Attention: Mr. Charles S. Kang, Chairman

Dear Sir:

Re: Waskada Unit 10

In response to your letter of January 9, 1986 to T.J. Hall, I am enclosing the following information for your files:

1. I copy each of revised Exhibits A and B.
2. I copy of a letter dated January 16, 1986 to the Royalty Interest Owners of Unit 10 detailing the exclusion of Tract 6 and including revised Exhibits A and B.
3. I copy of the Waskada Unit 10 execution page signed by Omega.

Should you require any additional information to expedite the formation of the subject Unit, please call the undersigned at (403) 261-0743.

Yours truly,

OMEGA HYDROCARBONS LTD.

D. Mark Mawdsley
Production Engineer

DMM/jr

Encl.

cc: Mr. Bob Dubreuil
Manitoba Petroleum Branch

Waskada Unit 10 File



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

January 16, 1986

To: Royalty Interest Owners
Waskada Unit 10
(Addressee List Attached)

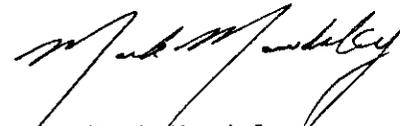
Dear Sir/Madam:

Re: Waskada Unit 10 - Exclusion of Tract 6

A recent workover of the Waskada Unit 10 well 1-27-1-26 WPM has rendered this well capable of producing economic volumes of oil. For this reason, Omega Hydrocarbons Ltd. has elected to disqualify this tract since its interim and final tract factors do not reflect the well's productive capability. Omega Hydrocarbons intends to expand Unit 10 to include the 1-27-1-26 WPM Tract as soon as we gather sufficient production data to give the well more representative tract factors. In the meantime, please insert the enclosed revised Exhibits A and B which show the exclusion of Tract 6 into your copy of the Unit Agreement. If you should have any objections to the exclusion or the revised Exhibits, please contact Mr. Bob Dubreuil at the Manitoba Petroleum Branch (204)945-6574 prior to January 31, 1986.

Yours truly,

OMEGA HYDROCARBONS LTD.



D. Mark Mawdsley
Production Engineer

cc: T.J. Hall
R.A. Beamish
Waskada Unit 10 File

WASKADA UNIT 10
ROYALTY INTEREST OWNERS
ADDRESSEE LIST

63785 Manitoba Ltd.
c/o Mrs. Jean Olson
Spy Hill, Saskatchewan
SOA 3W0

Pop's Oil Ltd.
c/o Mr. James Kirkup
Box 250
Pierson, Manitoba
ROM 1S0

EXHIBIT "A"

Tract No.	Land Description (Lsd)	Royalty Interest		Working Interest		Interim Tract Participation (%)	Share of Interim Participation (%)	Final Tract Participation (%)	Share of Final Participation (%)
		Owner	Share (%)	Owner	Share (%)				
1	5-26-1-26 WPM	63785	100	Omega	100	8.6602	8.6602	9.2417	9.2417
2	11-26-1-26 WPM	63785	100	Omega	100	9.4525	9.4525	16.3598	16.3598
3	12-26-1-26 WPM	63785	100	Omega	100	2.4066	2.4066	8.5590	8.5590
4	13-26-1-26 WPM	63785	100	Omega	100	3.9542	3.9542	6.0404	6.0404
5	14-26-1-26 WPM	63785	100	Omega	100	0.0000	0.0000	1.9663	1.9663
6	2-27-1-26 WPM	Pop's	100	Omega	100	36.9965	36.9965	10.3743	10.3743
7	3-27-1-26 WPM	Pop's	100	Omega	100	6.3643	6.3643	7.2031	7.2031
8	4-27-1-26 WPM	Pop's	100	Omega	100	0.0000	0.0000	3.8389	3.8389
9	5-27-1-26 WPM	Pop's	100	Omega	100	0.0000	0.0000	2.2472	2.2472
10	6-27-1-26 WPM	Pop's	100	Omega	100	32.1657	32.1657	15.8173	15.8173
11	7-27-1-26 WPM	Pop's	100	Omega	100	0.0000	0.0000	8.0524	8.0524
12	8-27-1-26 WPM	Pop's	100	Omega	100	0.0000	0.0000	3.9326	3.9326
13	9-27-1-26 WPM	Pop's	100	Omega	100	0.0000	0.0000	6.3670	6.3670
						100.0000	100.0000	100.0000	100.0000

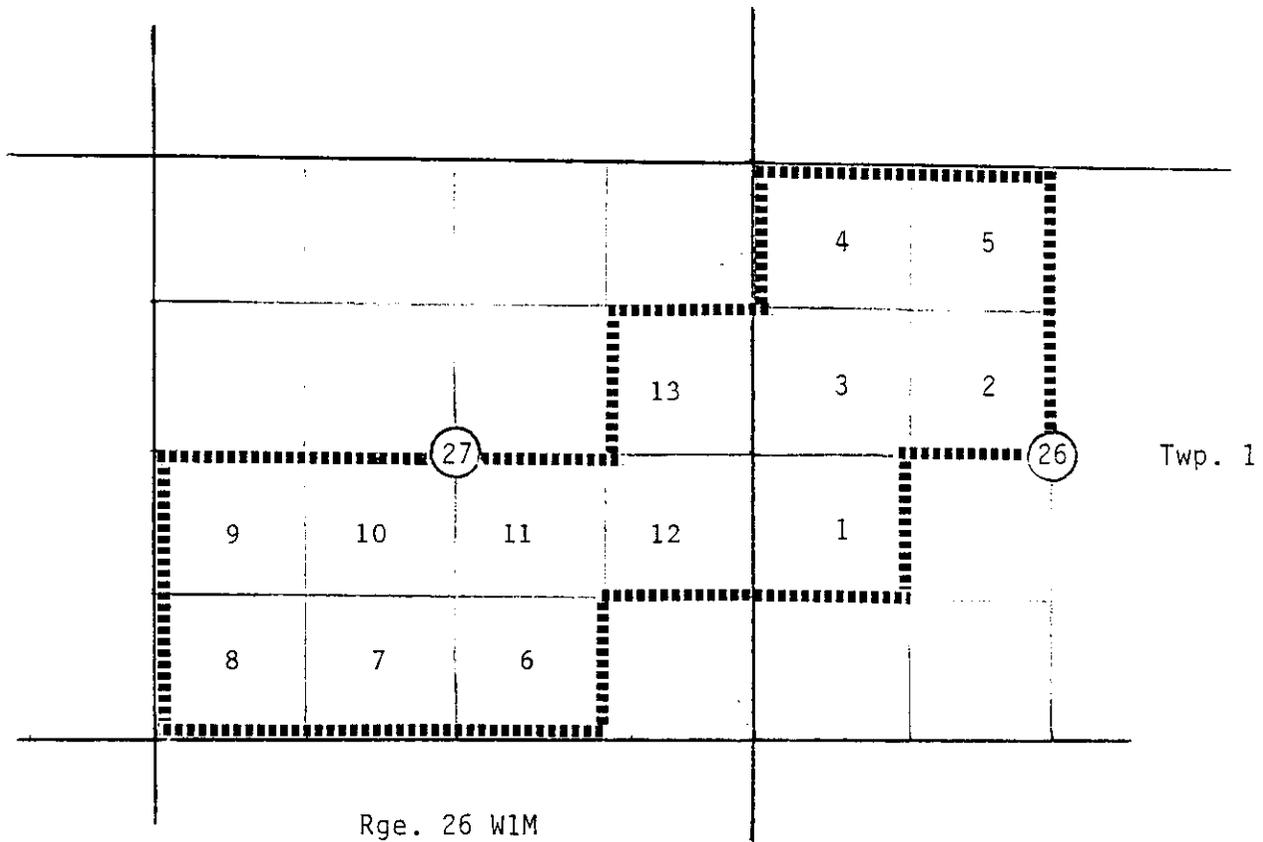
Revision Number 1, January 16, 1986

Effective: As of the Effective Date

EXHIBIT "B"

Attached to and made part of an agreement
entitled "Unit Agreement - Waskada Unit 10"

Plan of Unit Area



Legend:

-  Unit outline
- 8 Tract number
- 26 Section number

Effective: As of the Effective Date

Revision No. 1
January 16, 1986

Manitoba

The Oil and Natural Gas
Conservation Board



Room 309
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

(204) 945-3130

JAN 9 1986

Omega Hydrocarbons Ltd.
1300 Sun Life Plaza III
112 - 4th Avenue S.W.
Calgary, Alberta
T2P 0H3

Attention: Mr. T. J. Hall, President

Dear Sirs:

Re: Waskada Unit No. 10

Your letter of December 23, 1985 requesting Board approval of the Waskada Unit No. 10 Unit Agreement is acknowledged. The Board hereby approves the subject agreement conditional on submission of the following information prior to the effective date of the Unit:

1. Copies of Exhibits A and B that have been revised to reflect exclusion of Tract No. 6 from the initial Unit Area.
2. A copy of a letter from Omega to the royalty owners in the Unit notifying them of the exclusion of Tract No. 6, the reasons for the exclusion, and copies of the revised Exhibits. The letter should note that if the royalty owners have any objections to this exclusion or the revised Exhibits, they should contact the Board prior to January 31, 1986.
3. A copy of the execution page signed by Omega.

....2



In accordance with Clause 1401 of the Unit Agreement, and assuming submission of the noted information, the effective date of Waskada Unit No. 10 will be February 1, 1986.

As you are aware, prior to commencement of injection, Board approval to conduct pressure maintenance operations must be obtained. Receipt of your pressure maintenance application January 3, 1986 is acknowledged.

Yours sincerely,

THE OIL AND NATURAL GAS
CONSERVATION BOARD

**ORIGINAL SIGNED BY
CHARLES S. KANG**

Charles S. Kang,
Chairman

LRD/HCM/lk

b.c. Petroleum Branch ✓



Action / Route Slip

Date: Dec 31 / 85

To: Clare

From: BJF.

Telephone: _____

- | | | | | |
|--|---|--|---|--|
| <input type="checkbox"/> Take Action | <input type="checkbox"/> Per Your Request | <input type="checkbox"/> Circulate, Initial and Return | <input type="checkbox"/> For Approval and Signature | <input type="checkbox"/> Make _____ Copies |
| <input checked="" type="checkbox"/> May We Discuss | <input type="checkbox"/> For Your Information | <input type="checkbox"/> Return With Comments or Revisions | <input type="checkbox"/> Draft Reply for Signature | <input type="checkbox"/> Please File |

Comments I also have a concern with Omega's definition of the unitized zone. They've unitized the entire MC3 (as opposed to separating in to MC3a & b as we do and as they used to.) We would have to control what was being flooded through the P.M application and through the well conversion applicatans



300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

December 23, 1985



Manitoba Energy and Mines
Petroleum Branch
#555, 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Attention: H. Clare Moster, P.Eng.
Director, Petroleum Branch

Dear Sir:

Re: Waskada Unit 10 Unit Agreement

Enclosed for the approval of the Oil and Natural Gas Conservation Board are two (2) copies of the above noted Unit Agreement, together with a copy of the execution page respecting the Royalty Interests, evidencing their signatures.

As I discussed with you by telephone, Omega has installed all of the facilities for waterflood, and is requesting approval at the earliest convenience in order that water injection might commence promptly.

NO approval has been given for this.

Tract No. 6 has not qualified due to a change in the production status of the well on this tract. It is the intention of Omega, following a review of the production realized from this well, to include this tract on an enlargement after the expiry of 90 days from the Effective Date of the Unit. Since this tract was given an interim tract participation of 0.0000, the interim tract participation will not be affected. The final tract participation will be adjusted pursuant to clause 902 of the Unit Agreement in the event the Unit is enlarged to include tract 6.

Thank you for your time and consideration. We look forward to receiving approval for the unitization pursuant to the enclosed Unit Agreement.

Yours truly,

OMEGA HYDROCARBONS LTD.

T.J. Hall, President

TJH/sk
Encl.

Dec. 20/85

Bob

Call from Tank Hall on
new Washada mississippi units

- Omega will be coming in with their currently numbered A, B, C units as "Washada Unit Nos 9, 10 & 11" etc
- Washada Unit 10 (prev B covering S^h-27-1-26) will be initially excluding Lsd 1 ~~as~~ ^{as} that it is new production and has not been given an interim TAF in the already consented to agreements. Agreements allow for exclusion on a tract. This will permit Unit to get implemented earlier. Lsd will be included in an enlargement of Unit as soon as enough prod. history available.

Clare