



NCE PETROFUND CORP.

2300 CANADA TRUST TOWER, 421-7th AVE. S.W., CALGARY, ALBERTA, CANADA T2P 4K9 TELEPHONE (403) 218-8625 FAX (403) 269-5858

July 20, 1999

ROYALTY INTEREST OWNERS
Waskada Unit No. 12
(see attached addressee list)

Re: Waskada Unit No. 12
Revised Well List

Enclosed is an updated "Well List" for your files.

Should you have any questions or comments, please contact Sherri Rosia at 218 - 8636.

Yours truly,
NCE PETROFUND CORP.

Ramona McRae

Ramona McRae
Land Department

Encl.

no change
P.

Addressee List

Bran Van Enterprises Ltd.
3426 West 11th Avenue
Vancouver, B.C.
V6R 2J9

Missilinda of Canada Ltd.
c/o Doane Raymond Pannell
900 One Lombard Place
Winnipeg, Manitoba
R3B 0X3

Mabel Grace Pounder
1001 1420 Beach Drive
Victoria, B.C.
V8S 2N8

70361 Manitoba Ltd.
Box 433
Deloraine, MB
R0M 0M0

Reston Resources Ltd.
2311 12th Street
Calgary, AB
T2T 3N7

Upton Resources Inc.
3200, 500 - 4th Avenue SW
Calgary, AB
T2P 2V6

Donald E. McGregor
General Delivery
Waskada, MB
R0M 2E0

Marathon Canada Limited
1000 444 7th Avenue SW
Calgary, AB
T2P 0X8

John Wilfred Hainsworth
(In Trust)
Box 433
Deloraine, MB
R0M 0M0

64440 Manitoba Ltd.
Box 433
Deloraine, MB
R0M 0M0

Manitoba Energy & Mines
360 1359 Ellice Avenue
Winnipeg, MB
R3G 3P2

**"WASKADA UNIT NO. 12"
WELL LIST**

Waskada Unit No. 4 COM 1-23-1-26 WPM/02	
Omega Waskada WIW 7-23-1-26 WPM	Aband Wtr Inj
Waskada Unit No. 12 8-23-1-26 WPM	Abandoned
Omega Waskada A0/8-23-1-26 WPM/02	Abandoned Oil
Waskada Unit No. 12 02/9-23MC3a-1-26 WPM	Water Injector
Waskada Unit No. 12 10-23-1-26 WPM	Abandoned
Waskada Unit No. 12 02/15-23MC3a-1-26 WPM	Abandoned
Waskada Unit No. 12 Prov. WIW 1-24-1-26 WPM	Water Injector
Waskada Unit No. 12 Prov. 8-24-1-26 WPM	
Waskada LAm Unit No. 1 9-24-1-26 WPM	
Waskada Unit No. 12 COM 12-24-1-26 WPM	
Waskada Unit No. 12 13-24-1-26 WPM	
Waskada LAm Unit No. 1 3-25-1-26 WPM	
Waskada Unit No. 12 02/3-25MC3a-1-26 WPM	
Waskada Unit No. 12 COM 4-25-1-26 WPM	
Waskada Unit No. 12 COM 1-26-1-26 WPM	
Waskada Unit No. 12 HZNTL 02/1-26-1-26 WPM	
Waskada LAm Unit No. 1 COM 2-26-1-26 WPM/02	

1999-05-17



MAINTENANCE
JAN 10 1999

NCE PETROFUND CORP.

2300 CANADA TRUST TOWER, 421-7th AVE. S.W., CALGARY, ALBERTA, CANADA T2P 4K9 TELEPHONE (403) 218-8625 FAX (403) 269-5858

January 12, 1999

ROYALTY INTEREST OWNERS

Waskada Unit No. 12

(See Attached Addressee List)

Re: Waskada Unit No. 12
Revisions to Unit Agreement Exhibits

Enclosed is a "Notice of Plan of Arrangement and Change of Name and Address" from Tarragon Oil and Gas Limited to Marathon Canada Limited.

Exhibit "A" for the Waskada Unit No. 12 has been revised accordingly. Enclosed for your records is a copy of this revised Exhibit "A"

Should you have any questions or comments, please contact the undersigned at 218-8651.

NCE PETROFUND CORP.

Elsie Packer

Contract Land Analyst

Enclosures

Cc: NCE Accounting Department

ADDRESSEE LIST

BRAN VAN ENTERPRISES LTD.
3426 West 11th Avenue
Vancouver, B.C.
V6R 2J9

MISSILINDA OF CANADA LTD.
C/o Doane Raymond Pannell
900 One Lombard Place
Winnipeg, Manitoba
R3B 0X3

MABEL GRACE POUNDER
1001 1420 Beach Drive
Victoria, B.C.
V8S 2N8

70361 MANITOBA LTD.
Box 433
Deloraine, Manitoba
ROM OMO

RESTON RESOURCES LTD.
2311 12th Street
Calgary, Alberta
T2T 3n7

UPTON RESOURCES INC.
3200 500 4th Avenue S.W.
Calgary, Alberta
T2P 2V6

DONALD E. MCGREGOR
General Delivery
Waskada, Manitoba
ROM 2E0

MARATHON CANADA LIMITED
1000 444 7th Avenue S.W.
Calgary, Alberta
T2P 0X8

JOHN WILFRED HAINSWORTH
(In Trust)
Box 433
Deloraine, Manitoba
ROM OMO

64440 MANITOBA LTD.
Box 433
Deloraine, Manitoba
ROM OMO

MANITOBA ENERGY & MINES
360 1359 Ellice Avenue
Winnipeg, Manitoba
R3G 3P2

EXHIBIT "A"

Tract No.	Land Description	W.I. Owner	W.I Share %	R.I. Owner	R.I. Share %	Tract Participation	
						Interim	Final
1	1-23-1-26 W1M	NCE	100	Hainsworth Trust	100	0	1.2197
2	2-23-1-26 W1M	NCE	100	Hainsworth Trust	100	0	1.1845
3	7-23-1-26 W1M	NCE	100	Hainsworth Trust	100	0	4.8171
4	8-23-1-26 W1M	NCE	100	Hainsworth Trust	100	32.8674	9.5915
5	9-23-1-26 W1M	NCE	100	64440 Ltd.	100	0	5.9281
6	10-23-1-26 W1M	NCE	100	64440 Ltd.	100	0	6.7945
7	15-23-1-26 W1M	NCE	100	64440 Ltd.	100	0	6.0610
8	16-23-1-26 W1M	NCE	100	64440 Ltd.	100	0	6.4591
9	1-24-1-26 W1M	NCE	100	MB Crown (1)	100	6.6357	7.0553
10	8-24-1-26 W1M	NCE	100	MB Crown (1)	100	16.4337	3.5474
11	9-24-1-26 W1M	NCE	100	Bran Van D.E. McGregor Missilinda	50 25 25	0	3.1889
12	12-24-1-26 W1M	NCE	100	Bran Van D.E. McGregor Marathon	50 25 25	0	7.7450

Tract No.	Land Description	W.I. Owner	W.I Share %	R.I. Owner	R.I. Share %	Tract Participation	
						Interim	Final
13	13-24-1-26 W1M	NCE	100	Bran Van D.E. McGregor Marathon	50 25 25	19.6162	6.6454
14	16-24-1-26 W1M	NCE	100	Bran Van D.E. McGregor Missilinda	50 25 25	0	1.2261
15	3-25-1-26 W1M	NCE	100	M.G. Pounder	100	24.4470	11.8426
16	4-25-1-26 W1M	NCE	100	M.G. Pounder	100	0	7.1441
17	1-26-1-26 W1M	NCE	100	Hainsworth Trust 70361 Ltd.	50 50	0	3.0619
18	2-26-1-26 W1M	NCE	100	Hainsworth Trust 70361 Ltd.	50 50	0	2.3467
19	8-26-1-26 W1M	NCE	100	Hainsworth Trust 70361 Ltd.	50 50	0	4.1411

Notes: (1) GORR payable to Reston and Upton

NOTICE OF PLAN OF ARRANGEMENT CHANGE OF NAME AND ADDRESS

Through a plan of arrangement under the *Business Corporations Act (Ontario)* all of the shares of Tarragon Oil and Gas Limited were acquired by Marathon Oil Canada Limited, a Canadian subsidiary of Marathon Oil Company. Accordingly, effective August 11, 1998 Tarragon Oil and Gas Limited became a subsidiary of Marathon Oil Company.

Marathon Oil Company, a fully integrated oil company based in Houston, Texas, is part of the USX-Marathon Group, a unit of USX Corporation, Pittsburgh, Pennsylvania.

Effective August 25, 1998, Tarragon Oil and Gas Limited changed its name to **Marathon Canada Limited** (attached is a copy of the Certificate and Articles of Amendment evidencing this change).

Effective September 21, 1998 the new Calgary head office address for Marathon Canada Limited will be:

**MARATHON CANADA LIMITED
1000, 444 - 7TH AVENUE S.W.
CALGARY, ALBERTA
T2P 0X8**

**TELEPHONE AND FAX NUMBERS FOR THE
HEAD OFFICE REMAIN UNCHANGED**

**ADDRESSES, TELEPHONE AND FAX NUMBERS FOR
FIELD OFFICES REMAIN UNCHANGED**

Please amend your records accordingly and direct all future correspondence, notices, payments and invoices, which would have otherwise been directed to the Calgary head office of Tarragon Oil and Gas Limited, to Marathon Canada Limited at the above address.

Please also accept this notice as constituting formal notice of change of name and address for purposes of all agreements which you may have with Tarragon Oil and Gas Limited.

5. The amendment has been duly authorized as required by Sections 168 & 170 (as applicable) of the Business Corporations Act.

La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la Loi sur les sociétés par actions.

6. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on

Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

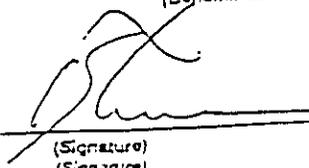
August 14, 1998

(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.

Les présents statuts sont signés en double exemplaire.

TARRAGON OIL AND GAS LIMITED
(Name of Corporation)
(Dénomination sociale de la société)

By/Par: 
(Signature)
(Signature)

Senior Vice
(Description of Office)
(Fonction)
President of
Finance and
Administration
and Corporate
Secretary



1100, 300 - 5th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 3C4
TELEPHONE: (403) 262-6955
FAX: (403) 266-4833

November 22, 1996

SEE ATTACHED ADDRESSEE LIST

Dear Sir/Madam:

**RE: Unit Agreement
Waskada Unit No. 12
Twp 1 Rge 26 WPM
Waskada Area, Manitoba**



Please find enclosed a revised Exhibit "A" for the above referenced agreement. Please insert this revision into your copy of the Unit Agreement.

For your records, Omega encloses a copy of the Assignment Agreements which verify the transfer of interest to the new participants.

Sincerely,

OMEGA HYDROCARBONS LTD.

Lou MacGregor
Lou MacGregor
Consulting Landman

LM/jci
Enclosure

Reston Resources Ltd.
2311 - 12 Street SW
Calgary, Alberta
T2T 3N7

Donald McGregor
Box 33
Waskada, Manitoba
R0M 2E0

J.W. Hainsworth (In Trust)
P.O. Box 433
Deloraine, Manitoba
R0M 0M0

Bran Van Enterprises Ltd.
3426 West 11th Avenue
Vancouver, B.C.
V6R 2J9

Upton Resources Inc.
3200, 500 - 4 Avenue SW
Calgary, Alberta
T2P 2V6

Strike Energy Inc.
2500, 500 - 4 Avenue SW
Calgary, Alberta
T2P 2V6

64440 Manitoba Ltd.
Box 433
Deloraine, Manitoba
R0M 0M0

70361 Manitoba Ltd.
Box 433
Deloraine, Manitoba
R0M 0M0

Missilinda of Canada Ltd.
c/o Doane Raymond Pannell
900 - One Lombard Place
Winnipeg, Manitoba
R3B 0X3

Mabel Grace Pounder
1001, 1420 Beach Drive
Victoria, B.C.
V8S 2N8

Her Majesty the Queen, in the
Province of Manitoba
Petroleum Branch
360, 1395 Ellice Avenue
Winnipeg, Manitoba
R3G 0G3

EXHIBIT "A"

Tract No.	Land Description (LSD)	Royalty Interest Owner	(%)	Working Interest Owner	(%)	Interim Tract Participation (%)	Share of Interim Participation (%)	Final Tract Participation (%)	Share of Final Participation (%)
1	1-23-1-26 WPM	Hainsworth Trust	100	Omega	100	0.0000	0.0000	1.2197	1.2197
2	2-23-1-26 WPM	Hainsworth Trust	100	Omega	100	0.0000	0.0000	1.1845	1.1845
3	7-23-1-26 WPM	Hainsworth Trust	100	Omega	100	0.0000	0.0000	4.8171	4.8171
4	8-23-1-26 WPM	Hainsworth Trust	100	Omega	100	32.8674	32.8674	9.5915	9.5915
5	9-23-1-26 WPM	64440 MB. Ltd.	100	Omega	100	0.0000	0.0000	5.9281	5.9281
6	10-23-1-26 WPM	64440 MB. Ltd.	100	Omega	100	0.0000	0.0000	6.7945	6.7945
7	15-23-1-26 WPM	64440 MB. Ltd.	100	Omega	100	0.0000	0.0000	6.0610	6.0610
8	16-23-1-26 WPM	64440 MB. Ltd.	100	Omega	100	0.0000	0.0000	6.4591	6.4591
9	1-24-1-26 WPM	Crown (1)	100	Omega	100	6.6357	6.6357	7.0553	7.0553
10	8-24-1-26 WPM	Crown (1)	100	Omega	100	16.4337	16.4337	3.5474	3.5474
11	9-24-1-26 WPM	Bran Van D.E. McGregor Missilinda	50 25 25	Omega	100	0.0000	0.0000	3.1889	3.1889
12	12-24-1-26 WPM	Bran Van D.E. McGregor Strike	50 25 25	Omega	100	0.0000	0.0000	7.7450	7.7450
13	13-24-1-26 WPM	Bran Van D.E. McGregor Strike	50 25 25	Omega	100	19.6162	19.6162	6.6454	6.6454
14	16-24-1-26 WPM	Bran Van D.E. McGregor Missilinda	50 25 25	Omega	100	0.0000	0.0000	1.2261	1.2261
15	3-25-1-26 WPM	M.G. Pounder	100	Omega	100	24.4470	24.4470	11.8426	11.8426
16	4-25-1-26 WPM	M.G. Pounder	100	Omega	100	0.0000	0.0000	7.1441	7.1441
17	1-26-1-26 WPM	Hainsworth Trust 70361 MB. Ltd.	100	Omega	100	0.0000	0.0000	3.0619	3.0619
18	2-26-1-26 WPM	Hainsworth Trust 70361 MB. Ltd.	100	Omega	100	0.0000	0.0000	2.3467	2.3467
19	8-26-1-26 WPM	Hainsworth Trust 70361 MB. Ltd.	100	Omega	100	0.0000	0.0000	4.1411	4.1411
						100.0000	100.0000	100.0000	100.0000

Notes:

(1) On tracts 9 and 10 there are gross overriding royalties held by Reston and Upton's.

Effective: As of the Effective Date

SPECIFIC CONVEYANCE

THIS AGREEMENT made as of the 24th day of July, 1996.

BETWEEN:

CRESTAR ENERGY INC., a body corporate having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "Vendor")

OF THE FIRST PART

- AND -

UPTON RESOURCES INC., a body corporate having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "Purchaser")

OF THE SECOND PART

WHEREAS Vendor is a party to or is a successor in interest to parties to the agreement or agreements ("Said Agreement") as set forth and described in Schedule "A" attached hereto and made a part hereof; and

WHEREAS BY A Purchase and Sale Agreement dated May 22, 1996 (the "Sale Agreement") and effective March 1, 1996 (the "Effective Date"), Purchaser agreed to purchase and Vendor agreed to sell Vendor's interest in certain lands, leases and related rights, units and facilities (the "Sold Assets"), all as more particularly described in the Purchase and Sale Agreement;

AND WHEREAS among the Sold Assets conveyed to Purchaser under the Purchase and Sale Agreement is all or a portion of Vendor's interest in and to the Said Agreement (the interest acquired by Purchaser is set forth and described in Schedule "A" and is hereinafter referred to as the "Assigned Interest");

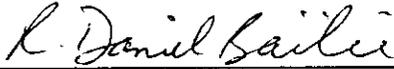
NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for the consideration provided in the Purchase and Sale Agreement and in consideration of the covenants and agreements contained within this Agreement, the parties hereto covenant and agree as follows:

1. Vendor hereby assigns and conveys to Purchaser the Assigned Interest, to have and to hold the same unto Purchaser for its sole use and benefit absolutely, subject to the covenants, conditions and stipulations contained in the Said Agreement as the same pertain to the Assigned Interest and on the holder's part thereunder to be performed and observed.
2. Possession of and title of the Assigned Interest passed to Purchaser on July 24, 1996 (the "Closing Date") and, for all other purposes, the transfer and assignment of the Assigned Interest was effective as of 8:00 a.m., Calgary time, on the Effective Date.
3. On or after the Closing Date, Purchaser shall be liable for, and shall perform as they come due, all obligations in respect of the Assigned Interest accruing on and after the Effective Date.
4. This Agreement is executed and delivered by the parties hereto pursuant to and for the purposes of the provisions of the Purchase and Sale Agreement and the provisions of the Purchase and Sale Agreement shall prevail and govern in the event of a conflict between the provisions of the Purchase and Sale Agreement and this Agreement.
5. This Agreement shall be binding upon and shall enure to the benefit of each of the parties hereto and their respective receivers, receiver managers, successors and assigns.
6. Each party hereto will, from time to time and at all times hereafter, at the request of the other party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

7. Nothing contained herein shall in any way result in a merger of the terms and conditions of the Sale Agreement with the terms and conditions of this Agreement and the parties specifically agree that all such terms and conditions of the Purchase and Sale Agreement shall continue to apply to the within conveyance.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the date first above written.

CRESTAR ENERGY INC.



R. DANIEL SALLIE
VICE PRESIDENT, BUSINESS DEVELOPMENT

UPTON RESOURCES INC.



ROBIN D. IRWIN
LAND MANAGER

SCHEDULE "A"

**THIS IS SCHEDULE "A" ATTACHED TO AND MADE PART OF A
SPECIFIC CONVEYANCE DATED JULY 24, 1996 AMONG
CRESTAR ENERGY INC. (AS VENDOR) AND
UPTON RESOURCES INC. (AS PURCHASER)**

ASSETS

Waskada Unit No. 12

SAID AGREEMENT

Unit Agreement - Waskada Unit No. 12

ASSIGNED INTEREST

Royalty Interest

Agreement, and thereafter the Parties shall be governed by the terms and provisions of their Leases and other agreements or instruments relating to the Unitized Zone or unitized Substances.

1503. Salvaging Equipment Upon Termination

The Royalty Owners grant to the Working Interest Owners the right for a period of six months after termination of this agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with unit operations.

1504. Notice to Royalty Owners

The Working Interest Owners shall give notice in accordance with their Leases to their respective Royalty Owners of the termination of this agreement within 30 days thereafter.

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown below.

Date: July 24, 1996



Address: **ROBIN D. IRWIN**
LAND MANAGER

Upton Resources Inc.
3200, 500 - 4th Avenue S.W.
Calgary, Alberta
T2P 2V6

UNIT AGREEMENT - WASKADA UNIT NO. 12

ASSIGNMENT AGREEMENT

THIS AGREEMENT made as of December 30, 1995.

AMONG: **RANCHMEN'S RESOURCES LTD.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "Assignor")

OF THE FIRST PART

AND: **CRESTAR ENERGY INC.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "Assignee")

OF THE SECOND PART

WHEREAS the Assignor is a party to or successor in interest to parties to the agreement set forth and described in Schedule "A" attached hereto and made a part hereof (such agreement or agreements including all amendments, if any, thereto, being hereinafter referred to as "the Agreement", regardless of whether there be more than one of them, but if more than one, then such reference shall be collective);

AND WHEREAS pursuant to a Distribution Agreement dated effective December 30, 1995 between the Assignor and Assignee certain interests, including the Assigned Interest, were assigned and transferred to the Assignee and the Assignee agreed to assume and discharge all liabilities and obligations of the Assignor including those relating to the Assigned Interest;

AND WHEREAS the Assignor desires to assign, transfer and convey unto the Assignee its entire interest in the Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth and contained, the parties hereto mutually covenant and agree as follows:

1. The Assignor hereby confirms that it has assigned, transferred and conveyed unto the Assignee One Hundred percent (100%) of the Assignor's right, title and interest in and to the Agreement and all benefit and advantage to be derived therefrom, together with the interest of the Assignor in and to all facilities, property and rights to which the Agreement pertains, including Assignor's interest in all lands, all property and equipment owned in conjunction with said facilities pursuant to the terms and conditions of the Agreement (such right, title, estate and interest of Assignor being assigned hereinafter collectively called the "Assigned Interest") effective as of December 30, 1995 (the "Effective Date") to hold the same for its sole use and benefit absolutely, subject nevertheless to terms and conditions of the Agreement.

2. The Assignee hereby accepts the assignment, transfer and conveyance to it of the Assigned Interest and the Assignee hereby covenants and agrees with the Assignor that it shall and will be bound by and observe, perform and fulfill each and every covenant, agreement, term, condition and stipulation on the part of the Assignor in the Agreement, reserved and contained to the extent of the Assigned Interest as if the Assignee had been originally named as a party thereto in the place and stead of the Assignor to the extent of the Assigned interest.
3. The Assignee expressly acknowledges that in all matters relating to the Agreement subsequent to the Effective Date, including but not limited to all accounting, conduct of operations and disposition of production thereunder, the Assignor has been acting as a trustee for and duly authorized agent of the Assignee, and the Assignee does hereby expressly ratify, adopt and confirm all acts or omissions of the Assignor in its capacity as trustee and agent, to the end that all such acts or omissions shall be construed as having been made or done by the Assignee.
4. The Assignor covenants and agrees with the Assignee that it shall and will, from time to time and at all times hereafter at the request and cost of the Assignee execute such further assurances and do all such further acts as may be reasonably required for the purpose of vesting in the Assignee the Assigned Interest.
5. This agreement may be executed in as many counterparts as are necessary and, when a counterpart has been executed by each party, all counterparts together shall constitute one agreement.
6. The address of the Assignee for all notices to be hereafter served on it under the Agreement, but subject to the provisions thereof as to notices, shall be:

**Crestar Energy Inc.
P.O. Box 888
700 - 2 Street S.W.
Calgary, Alberta T2P 4M8**

Attention: Joint Interest Agreements Advisor

7. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
8. The Agreement as amended by this agreement shall continue in full force and effect and is hereby ratified and confirmed by each party.

IN WITNESS WHEREOF the parties hereto have been executed and delivered these presents.

RANCHMEN'S RESOURCES LTD.

Per: 
D.J. Rudd, Manager, Land Administration

CRESTAR ENERGY INC.

Per: 
A. A. Brown, Manager Joint Interest

This is the Execution Page of an Assignment Agreement made as of December 30, 1995 between Ranchmen's Resources Ltd., as Assignor, and Crestar Energy Inc., as Assignee.

**SCHEDULE "A" ATTACHED TO AND FORMING PART OF AN
ASSIGNMENT AGREEMENT MADE AS OF DECEMBER 30, 1995
BETWEEN RANCMEN'S RESOURCES LTD., AS ASSIGNOR,
AND CRESTAR ENERGY INC., AS ASSIGNEE**

The Agreements:

1. Unit Agreement - Waskada Unit No. 4
2. Unit Agreement - Waskada Unit No. 12

Assigned Interest:

Entire Royalty Interest

ASSIGNMENT OF INTEREST
(Unit Agreement)

THIS ASSIGNMENT MADE AS OF THE 1st DAY OF MARCH, 1995.

BETWEEN:

NORTH AMERICAN ROYALTIES, INC., a body corporate
having an office at the City of Chattanooga, in the State of Tennessee,
(hereinafter referred to as the "Assignor")

- and -

STRIKE ENERGY INC., a body corporate
having an office in the City of Calgary, in the Province of Alberta,
(hereinafter referred to as the "Assignee")

WHEREAS:

- A. Pursuant to a certain Unit Agreement, dated the 1st day of April, 1986, known as the **Waskada Unit No.12**, (the "Unit Agreement") the Assignor is the holder of a certain lessor's royalty (the "Lessor Royalty") payable on all petroleum and natural gas and related hydrocarbons that are produced from certain lands and leases, as more particularly set out in Schedule "A" hereto (the "Lands" and the "Leases"), and in accordance with the Tract participation factors ascribed thereto in the Unit Agreement; and
- B. Pursuant to a Letter Agreement of Purchase, Sale and Conveyance, dated April 6, 1995, and effective as of the 1st day of March, 1995 (the "Sale Agreement"), made between the Assignor and the Assignee, the Assignor agreed to convey unto the Assignee its entire right, title and interest in and to the Lands, the Leases and the Unit Agreement, and the Assignee agreed to purchase and receive, the Assignor's entire interest therein.

NOW, THEREFORE, in consideration of the premises and the consideration now paid by the Assignee to the Assignor pursuant to the Sale Agreement (the receipt and sufficiency of which is hereby acknowledged) the Assignor does hereby grant and assign to the Assignee the Assignor's entire estate, right, title and interest in and to the Unit Agreement and in the Lessor Royalty, and all benefit and advantage to be derived therefrom.

THE ASSIGNOR AND THE ASSIGNEE HEREBY COVENANT AND AGREE AS FOLLOWS:

1. The Assignor hereby agrees to assign to the Assignee its entire interest in the Unit Agreement and in the Lessor Royalty, and the Assignee hereby accepts the Assignment aforesaid and agrees to assume all of the obligations of the Assignor from and after the Effective Date.
2. This Assignment shall be effective as of March 1, 1995, (the "Effective Date").
3. The Assignor shall from time to time hereafter at the request and cost of the Assignee do and perform all such acts and things and execute all such deeds, documents and writings, and give all such further assurances as the Assignee shall reasonably require.
4. The address of the Assignee for all notices to be hereafter served on it under the said Agreement, but subject to the provisions thereof as to notices, shall be:

STRIKE ENERGY INC.
1400, 300 - 5th Avenue S.W.
Calgary, Alberta
T2P 3C4
FAX: (403) 266-6854

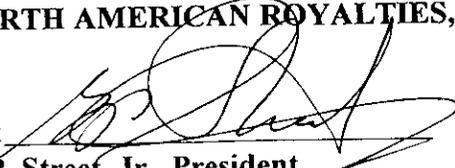
5. This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns
6. This Agreement may be executed in as many counterparts as are necessary and, when a counterpart has been executed by a party, that counterpart shall be binding against that party, and when a counterpart has been executed by each party, all counterparts together shall constitute one agreement and all parties shall be bound thereby.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement as of the day and year first above written.

Assignor

NORTH AMERICAN ROYALTIES, INC.

(Corp. Seal)

Per: 
G.P. Street, Jr., President

Assignee

STRIKE ENERGY INC.

(Corp. Seal)

Per: C. Kathol

Per: S. Stephen Bennett

Counterpart execution page attached to and forming part of an Assignment of Interest Agreement dated as of the 1st day of March, 1995, between North American Royalties, Inc., as Assignor and Strike Energy Inc., as Assignee.

Schedule "A"

Attached to and forming part of an Assignment of Interest Agreement, dated for reference, the 1st day of March, 1995 between North American Royalties, Inc., as Assignor and Strike Energy Inc., as Assignee.

<u>Tract Number</u>	<u>"Lands"</u>	<u>"Leases"</u>	<u>Tract Participation</u>
12	Lsd. 12-24-1-26 WPM (1/4th)	P&NG Lease, Sept. 2, 1981	7.7450
13	Lsd. 13-24-1-26 WPM (1/4th)	P&NG Lease, Sept. 2, 1981	6.6454