

UNIT AGREEMENT
WASKADA UNIT NO. 16

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UNIT AGREEMENT
WASKADA UNIT NO. 16

WHEREAS the Parties own Royalty Interests and Working Interests, or either of them, in the Unitized Zone;

AND WHEREAS the Parties desire that the Unitized Zone be developed, produced and operated as a unit, all as hereinafter provided;

NOW THEREFORE in consideration of the covenants herein contained, the Parties agree as follows:

ARTICLE I
DEFINITIONS

101. Definitions

In this agreement:

- (a) "Conservation Board" means The Oil and Natural Gas Conservation Board of the Province of Manitoba;
- (b) "Effective Date" means the time and date referred to in Article XIV;
- (c) "Lease" means an instrument granting a Working Interest in the Unitized Zone;

- (d) "Outside Substances" means any substances initially obtained from any source other than the Unitized Zone or any Unitized Substances with respect to which royalty has been paid;
- (e) "Party" means a person who is bound by this agreement;
- (f) "Petroleum Substances" means petroleum, natural gas and other hydrocarbons (except coal) or any of them, and all substances associated therewith;
- (g) "Royalty Interest" means any interest other than a Working Interest in Petroleum Substances, or the proceeds from the sale thereof, produced from the Lower Amaranth Formation but does not include the interest of a person as a purchaser of Petroleum Substances after production;
- (h) "Royalty Owner" means a Party owning a Royalty Interest;
- (i) "Spacing Unit" means the area allocated to a well by the Conservation Board with respect to the Lower Amaranth Formation for the purpose of drilling for or producing Petroleum Substances;
- (j) "Tract" means a parcel of land described and given a Tract number in Exhibit "A" and shown outlined on Exhibit "B";
- (k) "Tract Participation" means the percentage allotted to a Tract and set forth in Exhibit "A";
- (l) "Unit Area" means the lands described in Exhibit "A" and shown outlined in Exhibit "B";

- (m) "Unit Operator" means the person, firm or corporation who is so designated under the Unit Operating Agreement;
- (n) "Unit Operating Agreement" means the agreement entitled "Unit Operating Agreement - Waskada Unit No. 16" entered into by the Working Interest Owners;
- (o) "Unitized Zone" means the Lower Amaranth Formation within the Unit Area;
- (p) "Unitized Substances" means Petroleum Substances in or obtained from the Unitized Zone;
- (q) "Working Interest" means any right to produce and dispose of Petroleum Substances from the Lower Amaranth Formation, including an interest chargeable with any costs of drilling for, recovery of and disposal of Petroleum Substances therefrom;
- (r) "Working Interest Owner" means a Party owning a Working Interest;
- (s) "Minister" means the member of the Executive Council charged by the Lieutenant Governor in Council with the administration of The Mines Act;
- (t) "Lower Amaranth Formation" means the formation exemplified by the geological section occurring between the depths of 864.6 m and 895.5 m, as shown on the Dual Induction log as measured from the Kelly Bushing at Andex et al Waskada Prov. 13-4-2-25 (WPM) and shown on Exhibit "C";

ARTICLE II
EXHIBITS

201. Exhibits

The following exhibits are attached to and incorporated in this agreement.

- (a) Exhibit "A" which numbers and describes each Tract and sets forth its Tract Participation, the name of the owners of the Working Interest and their respective shares of the Working Interest, together with the names of the Royalty Owners and their respective shares of the Royalty Interest;
- (b) Exhibit "B" which is a plan of the Unit Area;
- (c) Exhibit "C" which is a copy of a portion of the Dual Induction log referred to in subclause 101(t) hereof, and a portion of the Sonic log, Gamma Ray log and SP log.

202. Exhibits Correct

Each exhibit shall be deemed conclusively to be correct to the effective time of a revision or correction thereof as herein provided.

203. Correction of Exhibits

If any mistake or mechanical error occurs in an exhibit, Unit Operator may, or upon request of the Working Interest Owners shall, prepare a corrected exhibit but the basis and data used in establishing Tract Participations shall not be re-evaluated.

204. Effective Time

Any corrected exhibit prepared on or before the Effective Date shall be effective on the Effective Date. Any corrected exhibit prepared after the Effective Date shall be effective at 8:00 a.m. on the

first (1st) day of the calendar month next following its preparation or on such other date as is determined by the Working Interest Owners.

205. Supplying of Exhibits

Each time that an exhibit is revised or corrected pursuant to this agreement, Unit Operator shall supply the Conservation Board and the Department of Energy and Mines, in the Province of Manitoba with two (2) copies each and shall supply each Working Interest Owner with the number of copies of the exhibit it requests. Each Working Interest Owner shall supply each of its Royalty Owners, excepting the Crown, with a copy thereof.

206. Form of Revised or Corrected Exhibits

Exhibits that are revised or corrected shall show the effective time of the revision or correction and shall be numbered consecutively.

ARTICLE III
UNITIZATION AND EFFECT

301. Unitization

On and after the Effective Date the interests of each Royalty Owner and of each Working Interest Owner in the Unitized Substances and in the Unitized Zone are hereby unitized, as if the Unitized Zone had been included in a single lease executed by the Royalty Owners, as lessors, in favor of the Working Interest Owners, as lessees, and as if the lease had been subject to this agreement.

302. Personal Property Excepted

All lease and well equipment heretofore or hereafter placed by any of the Working Interest Owners on lands comprised in the Unit Area shall be deemed conclusively to be and shall remain personal property belonging to and may be removed by the Working Interest

Owners. The Working Interest Owners' rights and interests therein are set forth in the Unit Operating Agreement.

303. Continuation of Leases

All operations conducted with respect to the Unitized Zone or production of Unitized Substances shall, except for the purpose of calculating payments to Royalty Owners, be deemed conclusively to be operations upon or production from all of the Unitized Zone in each Tract, and such operations or production shall continue in force and effect each Lease and any other agreement or instrument relating to the Unitized Zone or Unitized Substances as if such operations had been conducted on and a well was producing from each Tract or Spacing Unit, or portion thereof, in the Unit Area.

304. Leases Amended

Each Lease and any other agreement or instrument relating to the Unitized Zone or Unitized Substances is hereby amended only to the extent necessary to make it conform to this agreement.

305. Ratification of Leases

Except for a Lease in respect of which a court action has been commenced and is pending on the Effective Date, each Royalty Owner hereby ratifies and confirms any Lease, as amended by this agreement, to which it is a party and agrees that no default exists with respect thereto and that any such Lease is in effect as of the Effective Date.

306. Effect of Unitization on Titles

Nothing herein shall be construed as a transfer or exchange of any interest in the Leases, Tracts or Unitized Zone, or in the Unitized Substances before production thereof.

307. Name

The name of the unit hereby constituted is "Waskada Unit No. 16".

ARTICLE IV AUTHORITY TO WORKING INTEREST OWNERS

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 Tracts or Spacing Units in such manner and by such means and methods as the Working Interest Owners consider necessary and proper and, without limiting the generality of the foregoing, the right to inject any substance or combination of substances into the Unitized Zone and convert and use as injection wells any wells now existing or hereafter drilled into the Unitized Zone.

402. Delegation

The Working Interest Owners may delegate to Unit Operator any of the rights and powers herein or otherwise granted to them.

403. Vote of Working Interest Owners

Any matter to be determined under this agreement by the Working Interest Owners may be determined by vote of the parties to the Unit Operating Agreement as prescribed therein.

ARTICLE V
INCLUSION AND QUALIFICATION OF TRACTS

501. Tracts Included on Effective Date

The Tracts included in the Unit Area as of the Effective Date are those Tracts which are qualified under clause 502 before the Effective Date.

502. Qualifications of Tracts

A Tract is qualified for inclusion in the Unit Area when its title has been approved by the Working Interest Owners under clause 1102 and when:

- (a) owners of one hundred percent (100%) of the Working Interest therein have become Parties and parties to the Unit Operating Agreement and owners of one hundred percent (100%) of the Royalty Interest therein have become Parties; or
- (b) owners of one hundred percent (100%) of the Working Interest therein have become Parties and parties to the Unit Operating Agreement and owners of less than one hundred percent (100%) of the Royalty Interest therein have become Parties, and such owners of Working Interests agree, if required by the other Working Interest Owners, to indemnify the other Working Interest Owners in a form and manner satisfactory to them for any loss or damages that may be suffered by such other Working Interest Owners in respect of claims and demands that, because of the inclusion of the Tract in the Unit Area, may be made by those owners of Royalty Interests in the Tract who have not become Parties; or
- (c) owners of Working Interests therein have agreed with the owners of Working Interests then Parties and parties to the Unit Operating Agreement as to the basis on which the Tract

shall become qualified, where the Tract cannot be qualified pursuant to subclause (a) or (b) of this clause.

ARTICLE VI TRACT PARTICIPATION

601. Tract Participation

Each Tract has a Tract Participation as shown on Exhibit "A".

ARTICLE VII ALLOCATION OF UNITIZED SUBSTANCES PRODUCED

701. Allocation to Tracts

Subject to clauses 801 and 802 the Unitized Substances when produced shall be allocated to the Tracts in accordance with their Tract Participations. The amount of Unitized Substances allocated to each Tract, and only that amount, regardless of whether it be more or less than the amount of actual production of Unitized Substances from the well or wells, if any, on the Tract, shall be deemed conclusively to have been produced from the Tract.

702. Distribution Within Tracts

The Unitized Substances allocated to a Tract shall be distributed by the Working Interest Owners thereof among, or accounted for to, the Parties entitled to share in production from the Tract in the same manner, the same proportions, and upon the same conditions as they would have participated and shared in the production from the Tract, or in the proceeds from the sale thereof, had the Unitized Substances allocated to the Tract been actually produced therefrom by the Working Interest Owners.

703. Calculation of Royalty

The Working Interest Owners of each Tract shall calculate royalty on the Unitized Substances allocated to the Tract at the applicable rate under the Lease, other agreement or instrument relating to the Tract. The Royalty Owners of each Tract agree to accept payment of royalty so calculated in satisfaction of the obligation of a Working Interest Owner to make royalty payments on Unitized Substances under the Lease, other agreement or instrument covering such Tract; but a lessee under a Lease shall not be relieved from making payment of royalty to its lessor if payment is not made by the Working Interest Owner as aforesaid.

704. Taking Unitized Substances in Kind

The Unitized Substances allocated to a Tract shall be delivered in kind at the time and place of production to the Working Interest Owners entitled thereto who may, if there is no interference with unit operations, construct, maintain and operate in the Unit Area all necessary facilities for taking delivery in kind.

705. Failure to Take in Kind

To the extent that a Party entitled to take in kind any of the Unitized Substances fails to take or otherwise dispose of them at the time and place of production, then so long as such failure continues, Unit Operator, as agent and for the account and at the expense of such Party may sell, store, inject or otherwise dispose of them. Where there is a sale the net proceeds remaining from the sale shall be paid to the Party. Unit Operator may contract for the sale thereof only for the minimum term obtainable which in no event shall exceed one (1) year. When Unit Operator has so contracted, the Party may take its share of the Unitized Substances in kind upon the expiration of the current sales contract.

706. Royalty on Outside Substances

If an Outside Substance is injected into the Unitized Zone, the first like substance contained in the Unitized Substances subsequently produced and sold or used other than for operations hereunder shall be deemed conclusively to be an Outside Substance until a quantity equal to the quantity of the Outside Substance injected into the Unitized Zone is recovered. No royalty shall be payable on any substance which is deemed conclusively to be an Outside Substance.

ARTICLE VIII
USE, LOSS AND STORAGE OF UNITIZED SUBSTANCES

801. Use or Loss

The Working Interest Owners may use as much of the Unitized Substances, other than crude oil, as they deem necessary for the operation and development of the Unitized Zone including, but not limited to, the injection thereof into the Unitized Zone and in the operation of any plant or plants handling Unitized Substances. Unitized Substances so used or injected and Unitized Substances lost shall be excluded in allocating Unitized Substances to Tracts, and no royalty or other payment shall be payable in respect thereof.

802. Storage

The Working Interest Owners are hereby granted the right to inject Unitized Substances into the Unitized Zone for storage. Unitized Substances so injected shall be excluded in allocating Unitized Substances to Tracts, and no royalty or other payment shall be payable in respect thereof until they are recovered from storage and sold or used for operations other than operations hereunder.

ARTICLE IX
ENLARGEMENT OF UNIT AREA

901. Application for Enlargement

After the Effective Date, if an owner of a Working Interest in lands in the vicinity of the Unit Area indicated to be potentially productive of Petroleum Substances from the Lower Amaranth Formation, makes application therefor, the Working Interest Owners may, upon such terms and conditions as they may determine, approve the admission of the lands into the Unit Area. If the lands qualify under clause 502, the Unit Area shall be enlarged to include them. Even though an owner of a Royalty Interest or a Working Interest in lands approved hereunder for admission into the Unit Area is a Party, the lands shall not qualify for inclusion in the Unit Area unless the owner again executes and delivers a counterpart of this agreement to Unit Operator or the lands otherwise qualify pursuant to sub-clause (b) or (c) of clause 502. The owner of a Working Interest in lands approved hereunder for admission into the Unit Area who is a Party and has made or joined in the application for the admission of said lands need not again execute the agreement.

902. Adjustment of Tract Participation

The Tract Participation of each Tract added pursuant to clause 901 shall be determined by the Working Interest Owners. The Tract Participations shall then be adjusted so that:

- (a) the ratios of the Tract Participations of Tracts shown on Exhibit "A" immediately prior to the enlargement remain the same to each other; and
- (b) the total of the Tract Participations for all Tracts of the enlarged Unit Area and Unitized Zone is one hundred percent (100%).

903. Exhibits

Unit Operator shall revise Exhibits "A" and "B" as required by the enlargement.

904. Effective Time of Enlargement

An enlargement pursuant to clause 901 and an adjustment of Tract Participations under this Article shall become effective at 8:00 a.m. on the first (1st) day of the first (1st) calendar month following approval of admission under clause 901, Tract qualification under clause 502 and approval of the Conservation Board.

905. No Retroactive Adjustment

There shall never be any retroactive adjustment of the allocation of Unitized Substances by reason of an enlargement under this Article.

ARTICLE X
DISPUTES

1001. Disputes

If the title or right of a Party to receive in kind all or any portion of the Unitized Substances allocated to a Tract, or any share of the proceeds from the sale thereof, is in dispute, the Party concerned shall forthwith give notice thereof to Unit Operator. If Unit Operator is so notified or if Unit Operator is directed to do so by the Working Interest Owners in the event that it is otherwise informed of the dispute, Unit Operator shall withhold and sell the portion of Unitized Substances, the title or right to which is in dispute, and hold in trust the proceeds from the sale thereof until:

- (a) the Party concerned furnishes security in a form and manner satisfactory to the Working Interest Owners for the proper accounting thereof to the rightful owner or owners if the title

- or right of the Party shall fail in whole or in part,
whereupon the proceeds shall be paid to the Party; or
- (b) the title or right thereto is established by a final judgement
of a Court or otherwise to the satisfaction of the Working
Interest Owners, whereupon such proceeds shall be paid to
the person rightfully entitled.

If Unit Operator does not comply with this clause because it is not
notified of a dispute by a Party concerned, that Party hereby agrees to
indemnify and save harmless Unit Operator from any loss or damage
suffered because of anything done or omitted to be done by Unit
Operator because it was not notified.

ARTICLE XI APPROVAL OF TITLES

1101. Titles Committee

The Working Interest Owners shall appoint a titles committee
which shall investigate the ownership of all Tracts. Each Working
Interest Owner shall submit to the titles committee such title data and
information as the titles committee may reasonably require from time to
time. The titles committee shall report the result of its investigation to
the Working Interest Owners specifying the titles to Tracts which it
unanimously recommends for approval.

1102. Approval of Titles by Working Interest Owners

The Working Interest Owners may approve:

- (a) the titles of Working Interest Owners to Tracts which have
been unanimously recommended for approval by the titles
committee; and
- (b) the titles of Working Interest Owners to Tracts which have
not been unanimously recommended for approval by the titles
committee but with respect to which such Working Interest

Owners have agreed to indemnify the other Working Interest Owners, in a form and manner satisfactory to them, from loss or damage that may be suffered by them in respect of claims and demands made because of subsequent failure of the Working Interest Owners' title.

Notwithstanding the foregoing, the Working Interest Owners may approve any title that has not been unanimously recommended for approval by the titles committee.

1103. Subsequent Failure of Title

If the title of a Working Interest Owner to a Tract fails, the Tract shall be excluded from this agreement and the Unit Operating Agreement as of 8:00 a.m. on the first (1st) day of the calendar month in which the failure of title is finally determined unless:

- (a) any other Party is held or declared to own the title in which event that Party shall be bound by this agreement and the Unit Operating Agreement in respect of the Tract;
or
- (b) by the last day of the next following calendar month the Tract qualifies for inclusion in the Unit Area pursuant to clause 502.

1104. Revision of Exhibits

Unit Operator shall revise the exhibits to reflect any change in ownership in or exclusion from this agreement of a Tract pursuant to clause 1103. Where a Tract is excluded, the Tract Participations of the other Tracts shall each be increased, without changing their ratios to each other, so that their summation is one hundred percent (100%). The revised exhibits shall be effective as of 8:00 a.m. on the first (1st) day of the calendar month in which the failure of title referred to in clause 1103 is finally determined.

ARTICLE XII
TRANSFER OF INTEREST

1201. Disposition

In this clause "disposition" means a sale, assignment, transfer, lease, sublease, conveyance, gift, parting with possession, or any transaction of a similar nature, whether by trust or otherwise. A disposition of an interest owned by a Party in a Tract shall cover the whole or an undivided interest in the Party's interest in such Tract. A disposition shall not be binding on Unit Operator until at least one of the parties to such disposition has given notice thereof to the Unit Operator by a copy of the instrument evidencing such disposition, and the acquiring parties who are not Parties have executed and delivered to Unit Operator counterparts of this agreement. Unit Operator shall revise the exhibits to reflect each disposition of an interest in a Tract and the revised exhibits shall be effective as of 8:00 a.m. on the first day of the calendar month next following the calendar month in which the notice is received by Unit Operator.

1202. Multiple Disposition Not to Increase Costs

If any disposition of an interest by a Party in a Tract should be made to multiple parties so that the expense or duties of Unit Operator are thereby increased, the Unit Operator may require the assignee parties (and Party if it retains an interest) to appoint one of their number as representing all of them for the purpose of this agreement, unless arrangements satisfactory to the Unit Operator are made to compensate the Unit Operator for the increased expenses or duties.

ARTICLE XIII
IN GENERAL

1301. Execution in Counterpart

This agreement may be executed in separate counterparts and all the executed counterparts together shall constitute one agreement. Execution of this agreement by the Minister shall be on behalf of the Crown only as owner of Royalty Interest.

1302. Dual Capacity

If a Party owns a Working Interest and a Royalty Interest, its execution of this agreement shall constitute execution in both capacities.

1303. Subsequent Execution

An owner of an interest in a Tract who has not become a Party as of the date the Tract was included in the Unit Area under Article V or IX, may become a Party with respect to that interest only on such terms and conditions as may be prescribed by the Working Interest Owners.

1304. No Partnership

The duties and obligations of the Parties shall be separate and not joint or collective. Nothing contained in this agreement shall be construed to create a partnership or association.

1305. Force Majeure

Neither Unit Operator nor any Party shall be deemed to be in default with respect to non-performance of its obligations hereunder, other than financial, if and so long as its non-performance is due, in whole or in part, to any cause beyond its reasonable control, but lack of funds shall not be a cause beyond a Party's reasonable control. The performance of such obligations shall begin or be resumed within a

reasonable time after such cause has been removed. Neither this agreement nor any Lease or any other agreement or instrument relating to the Unitized Zone or Unitized Substances shall terminate by reason of suspension of unit operations for the cause set forth in this clause.

1306. Taxes

Each Party shall be separately liable to the extent of its ownership for all taxes on Unitized Substances and with respect to the production or sale of Unitized Substances. A Working Interest Owner may, at any time and from time to time, pay said taxes on behalf of its Royalty Owner and deduct the amount of the payment from the Royalty Owner's royalty. Those taxes with respect to the production or sale of Unitized Substances shall be adjusted so that they are borne as if the basis of taxation was the allocation of Unitized Substances hereunder.

1307. Right of Redemption

A Working Interest Owner may, at any time and from time to time, with full rights of subrogation, redeem for its Royalty Owner any agreement for sale, mortgage, or other lien or encumbrance of any kind or nature affecting any interest in the Unit Area in the event of default of payment by the Royalty Owner and deduct the amount of any payment made hereunder from the Royalty Owner's royalty.

1308. Interpretation

The clause headings in this agreement shall not be considered in interpreting the text.

1309. Number and Gender

In this agreement words importing the singular include the plural and vice versa; words importing the masculine gender include the feminine and vice versa; and words importing persons include firms or corporations and vice versa.

1310. Time

In this agreement, all times are official times as defined in The Official Time Act of the Province of Manitoba.

1311. Time of the Essence

Time is of the essence in this agreement.

1312. Compliance with Legislation

The provisions of The Mines Act and Regulations thereunder, as amended from time to time, take precedence over this Agreement.

ARTICLE XIV
EFFECTIVE DATE

1401. Effective Date

The unitization provided for herein shall become effective at 8:00 a.m. on the first (1st) day of the first (1st) calendar month following:

- (a) the date of the qualification under clause 502 of Tracts having a combined Tract Participation of one hundred percent (100%) of the total Tract Participation as originally set out in Exhibit "A"; and
- (b) the date of the Unit Operator receiving written approval of the agreement from the Conservation Board.

1402. Notice of Effective Date

As soon as possible after the Effective Date Unit Operator shall notify all Working Interest Owners, the Conservation Board and the Department of Energy and Mines of the Province of Manitoba of the Effective Date and each Working Interest Owner shall advise each of its Royalty Owners of the Effective Date.

1403. Release of Parties

This agreement shall cease to bind the Parties if the unitization provided for herein has not become effective on or before the 1st day of July 1987.

ARTICLE XV
TERM

1501. Effect of Execution and Delivery

Subject to clause 1403, this agreement is binding upon a person who executes and delivers a counterpart thereof to Unit Operator, and that person is bound by this agreement as of the time of such delivery. This agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the Parties.

1502. Termination

This agreement terminates ninety (90) days after all wells for the production of Unitized Substances in the Unit Area have been abandoned, plugged or disposed of or upon the termination of the Unit Operating 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 the Working Interest Owners the right for a period of six (6) months after termination of this agreement to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with unit operations.

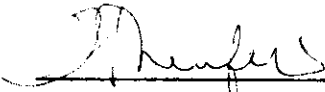
1504. Notice to Royalty Owners

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

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date: SEP - 7 1988

Signature:


Minister of Energy and Mines - Manitoba

Company:

Address:

Unit Agreement - Waskada Unit No. 16

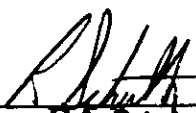
1504. Notice to Royalty Owners

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

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date: August 11, 1988

Signature:



R.A. Schultz
VICE-PRESIDENT - PRODUCTION

Company:

ENRON OIL CANADA LTD.

Address:

#1300, 700 - 9th Avenue S.W.

CALGARY, Alberta T2P 3V4

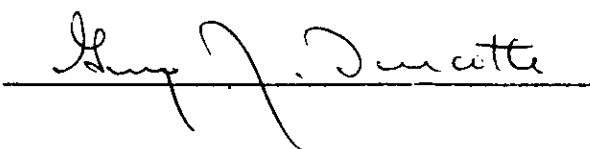
Unit Agreement - Waskada Unit No. 16

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 thirty (30) days thereafter.

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date: Sept 29/88

Signature: 

Company: Chauvco Resources Ltd.

Address: 2900, 255 - 5th Avenue S.W.
Calgary, Alberta T2P 3G6

Unit Agreement - Waskada Unit No. 16

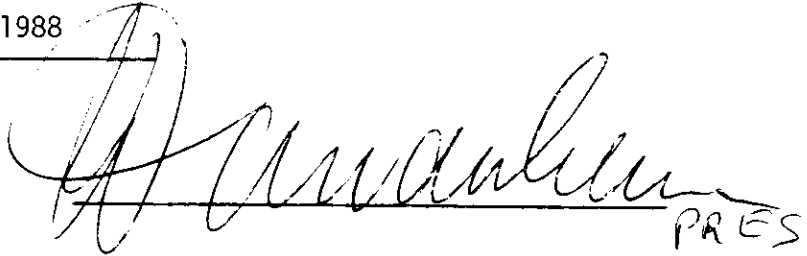
1504. Notice to Royalty Owners

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

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date: August 16, 1988

Signature:


PRES

Company:

Highridge Exploration Ltd.

Address:

1500, 630 Sixth Avenue S. W.,
Calgary, Alberta T2P 0S8.

Unit Agreement - Waskada Unit No. 16

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 thirty (30) days thereafter.

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date: September 29, 1988

Signature:

Alay Whitman
W. H. Hines **PRESIDENT**
EXECUTIVE VICE-PRESIDENT

Company:

AUDAX GAS & OIL LTD.

Address:

201, 104 - 4 Avenue, S.E.

CALGARY, Alberta T2G 0C4

Unit Agreement - Waskada Unit No. 16


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 thirty (30) days thereafter.

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date: September 15, 1988

Signature:

 mk

H. R. Holcomb, Vice President

Company:

ADOBE RESOURCES CORPORATION

Address:

300 West Texas, Suite 1100

Midland, TX 79701

Unit Agreement - Waskada Unit No. 16

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 thirty (30) days thereafter.

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date: 17th August 1988.

Signature:

W. V. Tassant

Company:

Address:

#17 1609 Balsam St
Vancouver B.C. V6K 3L9.

Unit Agreement - Waskada Unit No. 16

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 thirty (30) days thereafter.

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date:

Sept. 13/88

Signature:

Pres. Gerald W. Temple

Sec. Randolph L. Temple

Company:

TEMPELLA RESOURCES LTD.

Address:

Box 64

WASKADA MAN.

ROMERO

Unit Agreement - Waskada Unit No. 16

Aug 23 1988

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 thirty (30) days thereafter.

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date: Aug 16/88

Signature:

Lorne C. Temple

Company:

Patlet Ventures Ltd.

Address:

Box 263
Chenab Man B.O.T. 140

Unit Agreement - Waskada Unit No. 16

1504. Notice to Royalty Owners

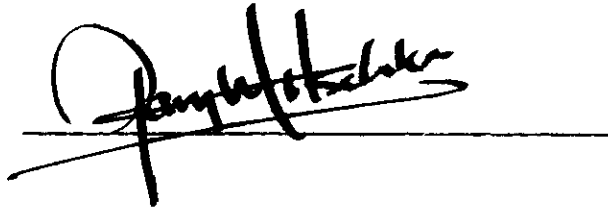
The Working Interest Owners shall give notice in accordance with their Leases to their respective Royalty Owners of the termination of this agreement within thirty (30) days thereafter.

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date:

August 31, 1988

Signature:



Company:

GEODATA EXPLORATION SERVICES LTD.

Address:

5204 33 ST. N.W.,
CALGARY, ALBERTA
T2L 1V4

Unit Agreement - Waskada Unit No. 16

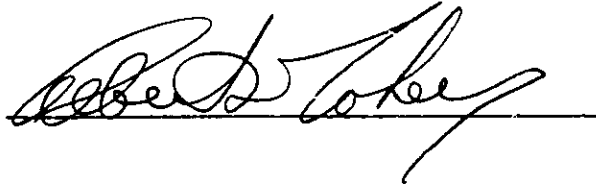
1504. Notice to Royalty Owners

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

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date: September 8, 1988

Signature:

A handwritten signature in cursive script, appearing to read "Robert D. Tohey", written over a horizontal line.

Company:

Brosco Fund Limited

Address:

1370 Sony Place

Winnipeg, Manitoba R3C 3C3

Unit Agreement - Waskada Unit No. 16

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 thirty (30) days thereafter.

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date: SEP 28 1988

Signature:

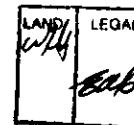
VOYAGER ENERGY INC.



VICE-PRESIDENT



ASSISTANT SECRETARY



Company:

Address:

Ste. 2700, Bow Valley Square 2
205 - 5 Avenue S.W.
Calgary, Alberta T2P 2V7

Unit Agreement - Waskada Unit No. 16

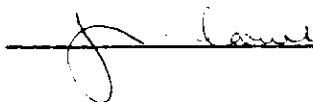
1504. Notice to Royalty Owners

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

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution hereof.

Date: OCTOBER 3, 1988

Signature:


ASSISTANT SECRETARY

Company:

SHELL CANADA LIMITED

Address:

400 - 4TH AVE. S.W.
CALGARY, ALTA. T2P 0J4

Unit Agreement - Waskada Unit No. 16

1506. 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 three (3) years of execution.

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown opposite its execution period.

Date September 3, 1957

Signature.

[Signature]
JAMES A. V. [illegible]

Company

[illegible]

Address:

400 - 2nd St. [illegible]
[illegible]

Unit Agreement - Waskada Unit No. 18

EXHIBIT A

EXHIBIT "A"

ATTACHED TO AND FORMING PART OF AN AGREEMENT ENTITLED
"UNIT AGREEMENT - WASKADA UNIT NO. 16"

TRACTS AND TRACT PARTICIPATION

Tract Number	Land Description	WORKING INTERESTS		ROYALTY INTERESTS		Tract Participation Factor
		Working Interest Owner	Share of Working Interest (%)	Royalty Interest Owner	Share of Royalty Interest (%)	
1	3-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.01903
2	4-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.03351
3	5-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.05135
4	6-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.03320
5	11-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.02379
6	12-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.02786
7	9-5-2-25 WPM	Enron Chauvco Highridge Audax	50.000 12.500 (3)(4)(5)(6) 25.000 12.500	Patlet	100.000	0.04892
8	10-5-2-25 WPM	Enron Chauvco Highridge Audax	50.000 12.500 (3)(4)(5)(6) 25.000 12.500	Patlet	100.000	0.01255
9	15-5-2-25 WPM	Enron Chauvco Highridge Audax	50.000 12.500 (3)(4)(5)(6) 25.000 12.500	Patlet	100.000	0.01260

Tract Number	Land Description	WORKING INTERESTS			ROYALTY INTERESTS		Tract Participation Factor
		Working Interest Owner	Share of Working Interest (%)	Royalty Interest Owner	Share of Royalty Interest (%)		
10	16-5-2-25 WPM	Enron Chauvco Highridge Audax	50.000 12.500 (3)(4)(5)(6) 25.000 12.500	Patlet	100.000	0.02028	
11	13-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.03958	
12	14-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.02911	
13	15-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.02610	
14	2-9-2-25 WPM	Enron	100.000 (7)(8)	Tempella	100.000	0.03397	
15	4-9-2-25 WPM	Enron Chauvco Highridge Audax	50.000 12.500 (3)(4)(5)(6) 25.000 12.500	Patlet	100.000	0.03107	
16	9-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.02040	
17	10-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.03349	
18	16-4-2-25 WPM	Enron	100.000 (1)(2)	Crown	100.000	0.02951	
19	4-10-2-25 WPM	Enron Chauvco	93.750 (7)(10) 6.250	Crown	100.000	0.01452	
20	1-9-2-25 WPM	Enron	100.000 (7)(8)	Tempella	100.000	0.02659	
21	3-9-2-25 WPM	Enron Audax Chauvco Highridge	50.000 12.500 (3)(4)(5)(6) 12.500 25.000	Patlet	100.000	0.04839	
22	5-9-2-25 WPM	Enron Audax Chauvco Highridge	50.000 12.500 (3)(4)(5)(6) 12.500 25.000	Patlet	100.000	0.02167	
23	6-9-2-25 WPM	Enron Audax Chauvco Highridge	50.000 12.500 (3)(4)(5)(6) 12.500 25.000	Patlet	100.000	0.02668	
24	7-9-2-25 WPM	Enron	100.000 (7)(8)	Tempella	100.000	0.04670	

Tract Number	Land Description	WORKING INTERESTS		ROYALTY INTERESTS		Tract Participation Factor
		Working Interest Owner	Share of Working Interest (%)	Royalty Interest Owner	Share of Royalty Interest (%)	
25	8-9-2-25 WPM	Enron	100.000 (7)(8)	Tempella	100.000	0.02758
26	5-10-2-25 WPM	Enron Chauvco	93.750 (7)(10) 6.250	Crown	100.000	0.02541
27	12-10-2-25 WPM	Enron Chauvco	93.750 (7)(10) 6.250	Crown	100.000	0.04753
28	9-9-2-25 WPM	Enron	100.000 (7)(8)	Tempella	100.000	0.05808
29	10-9-2-25 WPM	Enron	100.000 (7)(8)	Tempella	100.000	0.01230
30	15-9-2-25 WPM	Enron	100.000 (7)(8)	Tempella	100.000	0.02303
31	16-9-2-25 WPM	Enron	100.000 (7)(8)	Tempella	100.000	0.03212
32	13-10-2-25 WPM	Enron Chauvco	93.750 (7)(10) 6.250	Crown	100.000	0.04606
33	14-10-2-25 WPM	Enron Chauvco	93.750 (9)(10) 6.250	Crown	100.000	0.01702
						100.00000

Effective as of the Effective Date

ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE
"UNIT AGREEMENT - WASKADA UNIT NO. 16"

NOTES:

- (1) TRACTS 1, 2, 3, 4, 5, 6, 11, 12, 13, 16, 17 and 18 are subject to a non-convertible gross overriding royalty of 10% calculated on 37.5% of production payable to Shell by Enron.
- (2) TRACTS 1, 2, 3, 4, 5, 6, 11, 12, 13, 16, 17 and 18 are subject to a non-convertible sliding scale gross overriding royalty of 1/150th (5% min - 10% max) on oil, calculated on 25% of production payable to Adobe by Enron.
- (3) TRACTS 7, 8, 9, 10, 15, 21, 22 and 23 are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Shell by Enron.
- (4) TRACTS 7, 8, 9, 10, 15, 21, 22 and 23 are subject to a non-convertible gross overriding royalty of 1/150th (4% to 8%) on oil, calculated on 25% of production payable to Adobe by Chauvco, Audax and Highridge.
- (5) TRACTS 7, 8, 9, 10, 15, 21, 22 and 23 are subject to a non-convertible sliding scale gross overriding royalty of 1/150th (min 4% - max 8%) on oil, calculated on 25% of production, payable in equal shares to Pioneer and Brosco by Chauvco, Audax and Highridge.
- (6) TRACTS 7, 8, 9, 10, 15, 21, 22 and 23 are subject to a non-convertible gross overriding royalty of 1% calculated on 100% of production payable to Geodata by Chauvco, Audax and Highridge.
- (7) TRACTS 14, 19, 20, 24, 25, 26, 27, 28, 29, 30, 31 and 32 are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Voyager by Enron.
- (8) TRACT 14, 20, 24, 25, 28, 29, 30 and 31 are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by Enron.
- (9) TRACT 33 is subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Voyager by Enron; convertible at payout to a 25.000% working interest.
- (10) TRACTS 19, 26, 27, 32 and 33 are subject to a non-convertible sliding scale gross overriding royalty of 1/150th (4% to 8%) on oil, calculated on 18.75% of production payable to Adobe (50%), Pioneer (25%) and Brosco (25%) by Enron.

Effective as of Effective Date

LIST OF ABBREVIATIONS

ATTACHED TO AN FORMING PART OF EXHIBIT "A" OF THE
"UNIT AGREEMENT - WASKADA UNIT NO. 16"

<u>ABBREVIATION</u>	<u>MEANING</u>
ADOBE	Adobe Resources Corporation
AUDAX	Audax Gas & Oil Ltd.
BROSCO	Brosco Fund Limited
CHAUVCO	Chauvco Resources Ltd.
CROWN	Her Majesty the Queen, in the right of the Province of Manitoba
ENRON	Enron Oil Canada Ltd.
GEODATA	Geodata Exploration Services Ltd.
HIGHRIDGE	Highridge Exploration Ltd.
PASSANT	William T. Passant
PATLET	Patlet Ventures Ltd.
PIONEER	Pioneer Energy Resources Limited
SHELL	Shell Canada Limited
TEMPELLA	Tempella Resources Ltd.
VOYAGER	Voyager Energy Inc.

Revision #1: October 5, 1988

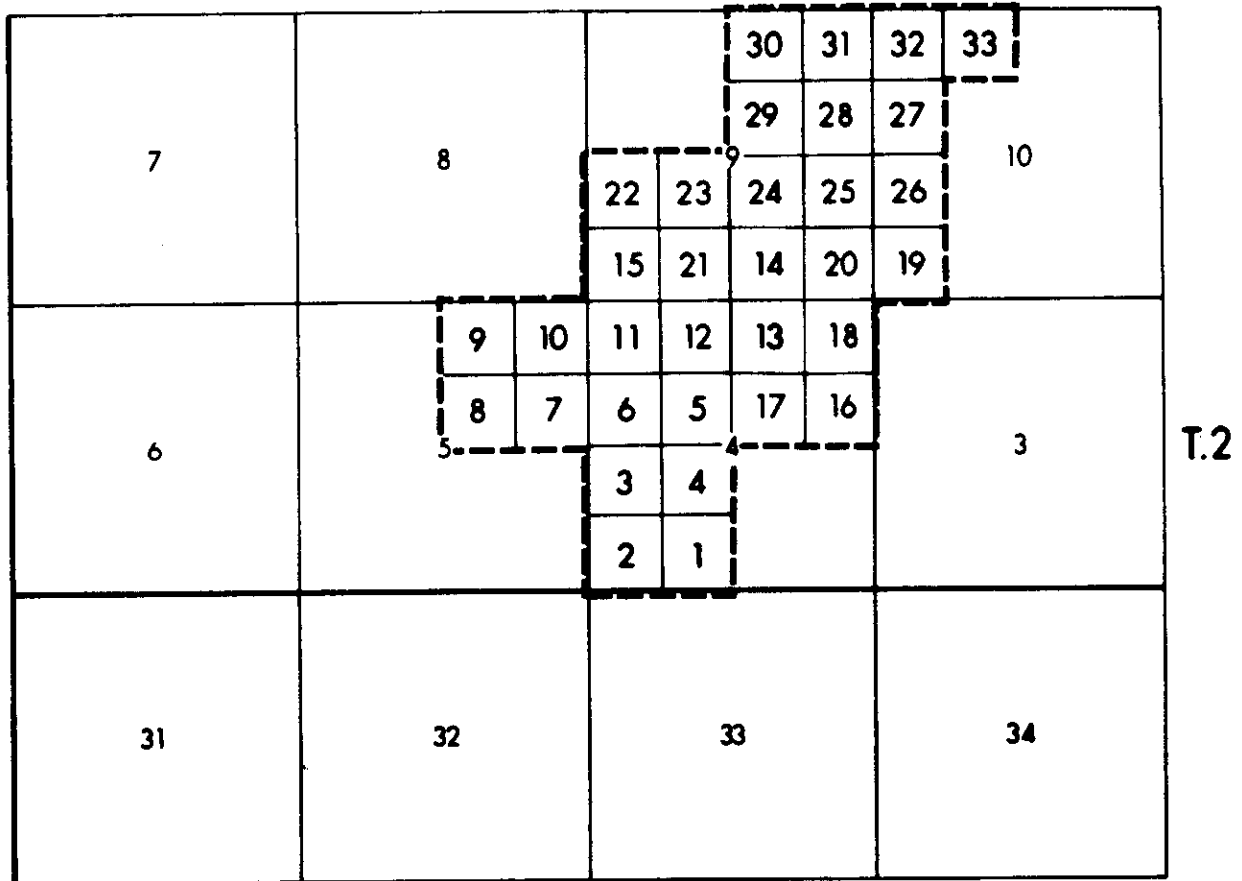
Re: Name Correction
Voyager Energy Company to
Voyager Energy Inc.

EXHIBIT B

Exhibit "B"

Attached to and made part of
an agreement entitled

"UNIT AGREEMENT - WASKADA UNIT No. 16" PLAN OF UNIT AREA AND TRACT MAP



R.25W.1M.

----- Unit #16 Outline

13

Tract Number

EXHIBIT C

Exhibit "C"

Attached to and made part of an agreement entitled

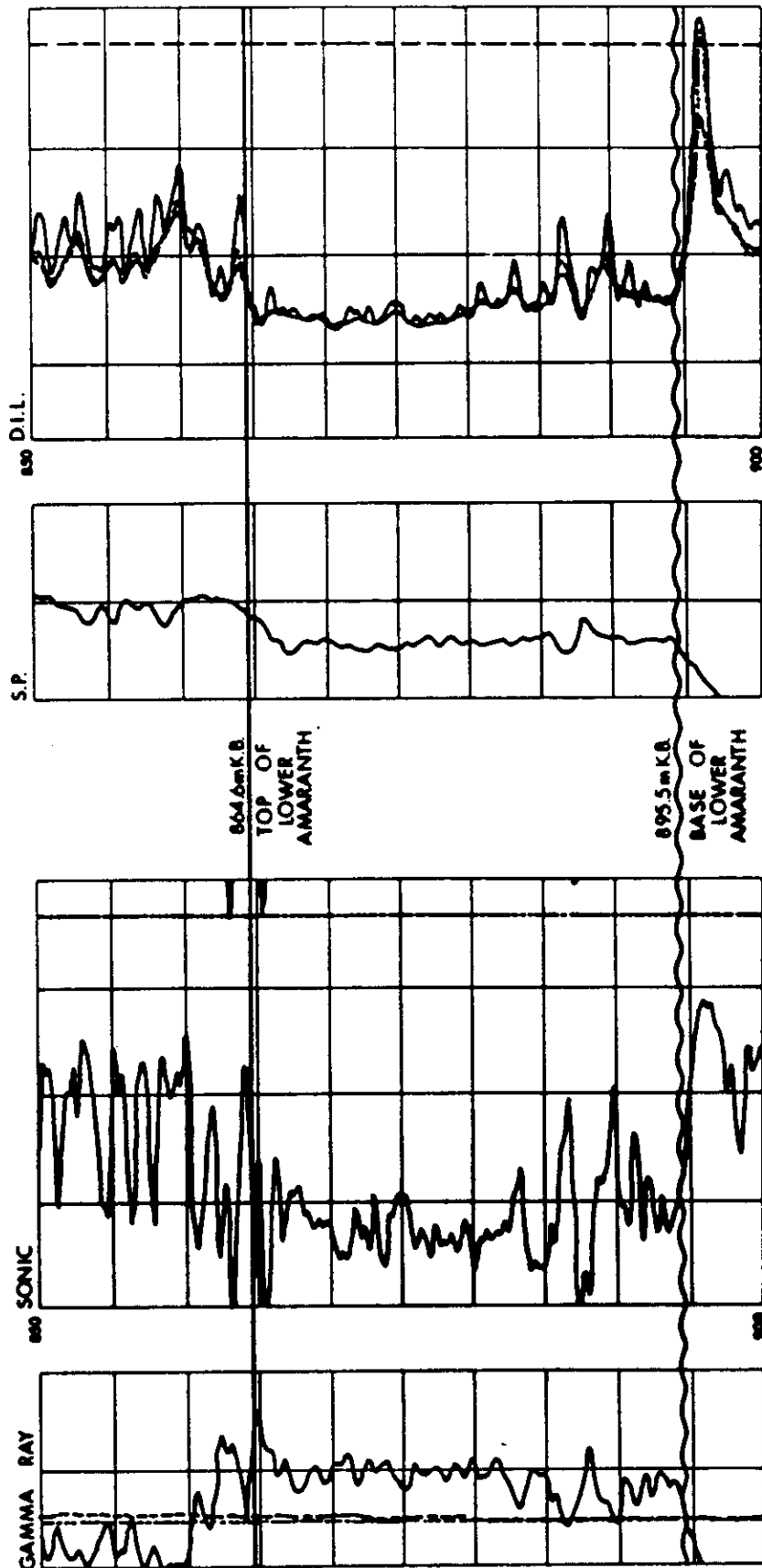
"UNIT AGREEMENT - WASKADA UNIT No. 16"

TYPICAL WELL LOGS IDENTIFYING THE UNITIZED ZONE

WELL: ANDEX et al WASKADA PROV. 13-4-2-25(WPM)

WASKADA LOWER AMARANTH SAND

K.B. 476.1m



EFFECTIVE AS OF THE EFFECTIVE DATE

EXHIBIT "D"

ATTACHED TO AND MADE PART OF
"UNIT OPERATING AGREEMENT
WASKADA UNIT NO. 16"

PARTICIPATIONS OF WORKING INTEREST OWNERS

<u>Owner</u>	<u>Unit Participation (%)</u>
Audax Gas & Oil Ltd.	2.777
Chauvco Resources Ltd.	3.718
Enron Oil Canada Ltd.	87.951
Highridge Exploration Ltd.	5.554
	<hr/>
	100.000

Revision #3a: Effective October 1, 1988

Re: Unit Enlargement

EXHIBIT "E"

ATTACHED TO AND MADE A PART OF
THE "UNIT OPERATING AGREEMENT,
WASKADA UNIT NO. 16"

UNIT WELLS

Enron et al Waskada	03-04-02-25 WPM
Enron et al Waskada Prov.	04-04-02-25 WPM
Enron et al Waskada Prov. WIW	05-04-02-25 WPM
Enron et al Waskada Prov.	06-04-02-25 WPM
Enron et al Waskada	09-04-02-25 WPM
Enron et al Waskada	10-04-02-25 WPM
Enron et al Waskada Prov. WIW	11-04-02-25 WPM
Enron et al Waskada Prov.	12-04-02-25 WPM
Enron et al Waskada Prov.	13-04-02-25 WPM
Enron et al Waskada Prov.	14-04-02-25 WPM
Enron et al Waskada Prov.	15-04-02-25 WPM
Enron et al Waskada	16-04-02-25 WPM
Enron et al Waskada	09-05-02-25 WPM
Enron et al Waskada	10-05-02-25 WPM
Enron et al Waskada	15-05-02-25 WPM
Enron Waskada WIW	16-05-02-25 WPM
Enron et al Waskada	01-09-02-25 WPM
Enron et al Waskada	02-09-02-25 WPM
Enron et al Waskada	03-09-02-25 WPM
Enron et al Waskada	04-09-02-25 WPM
Enron et al Waskada	05-09-02-25 WPM
Enron et al Waskada	06-09-02-25 WPM
Enron et al Waskada	07-09-02-25 WPM
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Enron et al Waskada	09-09-02-25 WPM
Enron et al Waskada	10-09-02-25 WPM
Enron et al Waskada	15-09-02-25 WPM
Enron Waskada	16-09-02-25 WPM
Enron et al Waskada	04-10-02-25 WPM
Enron et al Waskada	05-10-02-25 WPM
Enron et al Waskada	12-10-02-25 WPM
Enron et al Waskada	13-10-02-25 WPM
Enron et al Waskada Prov.	14-10-02-25 WPM

Revision #1: Effective October 1, 1988
Re: Unit Enlargement and Name Change of
existing Unit Wells from Andex to Enron