



**EOG Resources Canada Inc.**

1300, 700 - 9th Avenue S.W.  
Calgary, Alberta T2P 3V4

(403) 297-9100

Fax (403) 297-9199

Fax (403) 297 9198 Accounting/Land

**Pamela D. Currey**  
Phone: (403) 297-9130  
Fax: (403) 298-9930  
E-Mail: [pcurrey@eogresources.com](mailto:pcurrey@eogresources.com)

30 March 2001

**TO ALL WORKING INTEREST AND  
ROYALTY INTEREST OWNERS  
WASKADA UNIT NO. 17**

Gentlemen:

**Subject: Unit and Unit Operating Agreements  
Revised Exhibits**

As Operator of the Waskada Unit No.17, EOG Resources Canada Inc. hereby forwards revisions to the appropriate exhibits to the Unit and Unit Operating Agreements to reflect the Assignment of Interest from Palliser Energy Corp. to EOG Resources Canada Inc. Should you have any questions or concerns regarding this matter, please contact the undersigned at (403) 297-9130.

Yours very truly,

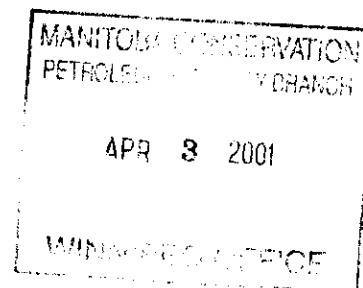
**EOG RESOURCES CANADA INC.**

A handwritten signature in cursive script, appearing to read "Pamela Currey", written over a horizontal line.

Pamela D. Currey,  
Administrative Assistant

/pdc  
attach

xc: Land – M. McCall  
Accounting – J. Broadley



*updated  
unit brochure  
P.*

**WASKADA UNIT NO. 17**  
**ROYALTY INTEREST OWNERS**  
**Addressee List**

Santa Fe Energy Resources of Canada, Inc.  
#1000, 1616 South Voss  
Houston, Texas 77057  
USA

Brosco Fund Limited  
Attention: Mr. R.G. Puchniak  
1111 One Lombard Place  
Winnipeg, Manitoba  
R3B 0X4

Great Northern Energy Corporation Inc.  
Attention: Mr. G.W. Litschke  
#1670, 801 - 6th Avenue S.W.  
Calgary, Alberta  
T2P 3W2

I.V.M.H. Inc.  
P.O. Box 44  
Goodlands, Manitoba  
R0M 0R0

Patlet Ventures Ltd.  
43 Willow Place  
Brandon, Manitoba  
R0J 1N0

Pioneer Energy Resources Limited  
Attention: Mr. R.G. Puchniak  
1111 One Lombard Place  
Winnipeg, Manitoba  
R3B 0X4

Nelson Oils Limited  
c/o Mr. Jack Wright  
122 Broadway North  
Deloraine, Manitoba  
R0M 0M0

Lintus Resources Limited  
Attention: Land Department  
#1020, 606 – 4<sup>th</sup> Street SW  
Calgary, Alberta  
T2P 1T1

Tempella Resources Ltd.  
c/o Mr. Donald Temple  
Box 64  
Waskada, Manitoba  
T0M 2E0

Tundra Oil and Gas Ltd.  
Attention: Mr. Robert G. Puchniak  
111 One Lombard Place  
Winnipeg, Manitoba  
R3B 0X4

60145 Manitoba Ltd.  
c/o Ms. Shirley Waterman  
834 Laxdal Road  
Winnipeg, Manitoba  
R3R 0X1

Mr. William T. Passant  
4183 Gellatly Road  
Westbank, B.C.  
V4T 2K2

Manitoba Energy and Mines  
Suite 360, 1395 Ellise Avenue  
Winnipeg, Manitoba  
R3G 0G3

**EXHIBIT "D"**

**ATTACHED TO AND MADE PART OF  
"UNIT OPERATING AGREEMENT -  
WASKADA UNIT NO. 17"**

**PARTICIPATIONS OF WORKING INTEREST OWNERS**

<u>Owner</u>	<u>Unit Participation</u>
Canadian Natural Resources	2.42927%
EOG Resources Canada Inc.	93.97800%
Talisman Energy Inc.	2.15234%
Burlington Resources Canada Energy Ltd.	<u>1.44039%</u>
	100.00000%

Revision #7: April 1, 2001

Assignment: Palliser Energy Corp. to EOG Resources Canada Inc.

**EXHIBIT "A"**

**ATTACHED TO AND FORMING PART OF AN AGREEMENT ENTITLED  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**TRACT PARTICIPATIONS**

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
1	12-3-2-25 WPM	Patlet	3.24832	EOG CNR Talisman	50.00 12.50 37.50	1.62416 0.40604 1.21812
2	13-3-2-25 WPM	Patlet	5.75041	EOG CNR	87.50 12.50	5.03161 0.71880
3	14-3-2-25 WPM	Patlet	3.73691	EOG CNR Talisman	62.50 12.50 25.00	2.33557 0.46711 0.93423
4	15-3-2-25 WPM	60145	2.54375	EOG	100.00	2.54375
5	2-10-2-25 WPM	Nelson	2.43195	EOG	100.00	2.43195
6	3-10-2-25 WPM	Crown	4.11941	EOG CNR	93.75 6.25	3.86195 0.25746
7	6-10-2-25 WPM	Crown	4.23295	EOG CNR	93.75 6.25	3.96839 0.26456
8	7-10-2-25 WPM	Nelson	4.79654	EOG	100.00	4.79654
9	8-10-2-25 WPM	Nelson	1.95784	EOG	100.00	1.95784
10	9-10-2-25 WPM	Nelson	6.30219	EOG	100.00	6.30219

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest Participation (%)</u>	<u>Share of Tract Participation (%)</u>
11	10-10-2-25 WPM	Nelson	5.21104	EOG	100.00	5.21104
12	11-10-2-25 WPM	Crown	5.04468	EOG CNR	93.75 6.25	4.72939 0.31529
13	15-10-2-25 WPM	Nelson	5.24273	EOG	100.00	5.24273
14	16-10-2-25 WPM	Nelson	7.90781	EOG	100.00	7.90781
15	4-14-2-25 WPM	IVMH	2.88514	EOG	100.00	2.88514
16	1-15-2-25 WPM	Nelson	2.82575	EOG	100.00	2.82575
17	2-15-2-25 WPM	Nelson	4.23177	EOG	100.00	4.23177
18	3-15-2-25 WPM	Tempella	4.38076	EOG	100.00	4.38076
19	4-15-2-25 WPM	Tempella	3.29656	EOG	100.00	3.29656
20	5-15-2-25 WPM	Tempella	5.76155	EOG Burlington	75.00 25.00	4.32116 1.44039
21	6-15-2-25 WPM	Tempella	4.88599	EOG	100.00	4.88599
22	7-15-2-25 WPM	Nelson	5.33486	EOG	100.00	5.33486
23	8-15-2-25 WPM	Nelson	3.87109	EOG	100.00	3.87109
		TOTAL	100.000			100.00000

**ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**NOTES:**

- (1) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Lintus by EOG.
- (2) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable to Santa Fe by CNR and Talisman.
- (3) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable in equal shares to Pioneer Energy and Brosco by CNR and Talisman.
- (4) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 1% calculated on 100% of production payable to Grt Northern by CNR and Talisman.
- (5) **Tract 2:** Talisman's working interest in Tract 2 is subject to a 300% non-consent penalty to be recovered by EOG. Upon penalty recovery Tract 2 working interests shall be EOG (50%), Talisman (37.50%) and CNR (12.50%).
- (6) **Tract 3:** A portion of Talisman's working interest in Tract 3 is subject to a 300% non-consent penalty to be recovered by EOG. Upon penalty recovery Tract 3 working interests shall be EOG (50%), Talisman (37.50%) and CNR (12.50%).
- (7) **Tracts 6, 7, 12** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Burlington by EOG.
- (8) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 18.75% of production payable to Santa Fe (50%), Pioneer Energy (25%) and Brosco (25%) by EOG.
- (9) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 50% of production payable to Tundra (50%) and Santa Fe (50%) by CNR.
- (10) **Tracts 18, 21** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Burlington by EOG.
- (11) **Tracts 18, 19, 20, 21** are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by EOG.
- (12) **Tract 19** is subject to a non-convertible sliding scale royalty of 1/150th, 5% - 15% on oil, calculated on 100% of production payable to Burlington by EOG.

Revision #11: April 1, 2001

Assignment: Palliser Energy Corp. to EOG Resources Canada Inc.

**LIST OF ABBREVIATIONS  
ATTACHED TO AND FORMING PART OF  
EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

<b><u>Abbreviation</u></b>	<b><u>Meaning</u></b>
Brosco	Brosco Fund Limited
Burlington	Burlington Resources Canada Energy Ltd.
CNR	Canadian Natural Resources
Crown	Her Majesty the Queen, in the right of the Province of Manitoba
EOG	EOG Resources Canada Inc.
Grt Northern	Great Northern Energy Corporation Inc.
IVMH	I.V.M.H. Inc.
Lintus	Lintus Resources Limited
Nelson	Nelson Oils Limited
Passant	William T. Passant
Patlet	Patlet Ventures Ltd.
Pioneer Energy	Pioneer Energy Resources Limited
Santa Fe	Santa Fe Energy Resources of Canada, Inc.
60145	60145 Manitoba Ltd.
Talisman	Talisman Energy Inc.
Tempella	Tempella Resources Ltd.
Tundra	Tundra Oil and Gas Ltd.

Revision #11: April 1, 2001

Assignment: Palliser Energy Corp. to EOG Resources Canada Inc.

**ASSIGNMENT AGREEMENT**

THIS AGREEMENT dated the 15<sup>th</sup> day of March, 2001.

BETWEEN:

**Palliser Energy Corp., a wholly-owned subsidiary of  
Search Energy Corp., a body corporate, having an office in the  
City of Calgary, in the Province of Alberta,**

(hereinafter called the "Assignor")

- and -

**EOG Resources Canada Inc., having an office in the City of Calgary, in  
the Province of Alberta,**

(hereinafter called the "Assignee")

**WHEREAS** the Assignor is a party to or a successor in interest to a party to the Agreement, described in Schedule "A" hereto and forming a part hereof, which Agreement together with any amendments or supplements thereto is hereinafter call "the said Agreement";

**AND WHEREAS** Assignor has conveyed their entire right, title, estate and interest in and to the said Agreement to Assignee;

**AND WHEREAS** the parties are desirous of having the interest acquired by Assignee from Assignor recognized under the terms and provisions of the said Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSES** 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 does hereby convey and set over unto Assignee their entire right, title, estate and interest (the "Assigned Interest") in and to the said Agreement as of December 1, 2000 (the "Effective Date").
2. Assignee does hereby agree with that it shall be bound by, observe and perform all the covenants and undertakings of Assignor as set forth in the said Agreement on and from the Effective Date.
3. Assignee expressly acknowledges that between the Effective Date and prior to the execution and delivery of this Agreement by Assignor and Assignee in all matters relating to the Assigned Interest (including but not limited to all accounting, conduct of operations and disposition of production thereunder), Assignor has been acting as trustee for and as the duly appointed agent of Assignee and Assignee expressly ratifies, adopts and confirms all acts or omissions of Assignor in its capacity as trustee or agent, to the end that all such acts or omissions shall for all purposes be construed as made or done by Assignee, all in connection with the Assigned Interest.



4. Nothing herein contained shall be construed as a release of Assignor from any obligation or liability under the said Agreement which obligation or liability had accrued prior to the Effective Date hereof.
5. The address for service of Assignee under this Agreement and the said Agreement shall be as follows:

EOG RESOURCES CANADA INC.  
1300, 700 – 9<sup>th</sup> Avenue S.W.  
Calgary, Alberta  
T2P 3V4  
Attention: Land Department

6. This Agreement shall be in full force and effect as of the Effective Date.
7. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

This Agreement may be executed in two or more counterparts by the parties hereto, each of which counterpart shall be deemed an original but all of which together shall constitute one and the same instrument.

**IN WITNESS WHEREOF** the parties hereto have executed and delivered these presents as of the day and year above written.

Palliser Energy Corp.,  
a wholly-owned subsidiary of  
Search Energy Corp.  
(Assignor)

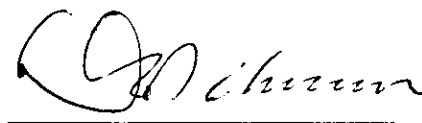
Per: \_\_\_\_\_



Per: \_\_\_\_\_

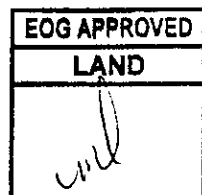
EOG Resources Canada Inc.  
(Assignee)

Per: \_\_\_\_\_



DAVID PALMER  
V.P. PRESIDENT - LAND

Per: \_\_\_\_\_



This is an execution page to an Assignment Agreement dated March 15, 2001 between Palliser Energy Corp., a wholly-owned subsidiary of Search Energy Corp. as Assignor and EOG Resources Canada Inc. as Assignee.

## **SCHEDULE "A"**

**Attached to and made part of an Assignment Agreement dated March 15, 2001  
between Palliser Energy Corp., a wholly-owned subsidiary of Search Energy  
Corp., as Assignor and EOG Resources Canada Inc., as Assignee**

### **Agreement**

Unit Operating Agreement – Waskada Unit No. 17 dated October 1, 1991

Unit Agreement – Waskada Unit No. 17 dated October 1, 1991



**EOG Resources Canada Inc.**

1300, 700 - 9th Avenue S.W.  
Calgary, Alberta T2P 3V4

(403) 297-9100

Fax (403) 297-9199

Fax (403) 297-9198 Accounting/Land

17 January 2000

**TO PARTICIPANTS IN WASKADA UNIT NO. 17**

Dear Sir/Madam:

**Subject: Unit Agreements**

As Operator of the Waskada Unit No. 17, EOG Resources Canada Inc. hereby forwards revisions to the appropriate exhibits to the Unit Agreements to reflect the Certificate of Amendment for the name change of Poco Petroleum Ltd. to Burlington Resources Canada Energy Ltd. Should you have any questions regarding this matter, please contact the undersigned at (403) 297-9130.

Yours very truly,

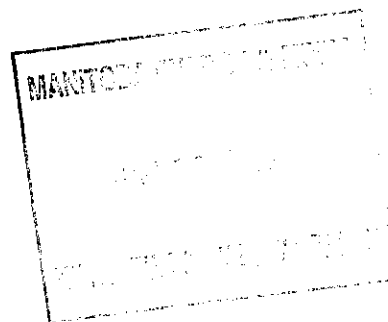
**EOG RESOURCES CANADA INC.**

A handwritten signature in cursive script, appearing to read "Pamela Currey".

Pamela D. Currey,  
Administrative Assistant

/pdc  
attach

xc: Land - M. McCall  
Accounting - J. Broadley



*changed*

*P.*

**WASKADA UNIT NO. 17  
ROYALTY INTEREST OWNERS  
Addressee List**

Santa Fe Energy Resources of Canada, Inc.  
#1000, 1616 South Voss  
Houston, Texas 77057  
USA

Brosco Fund Limited  
Attention: Mr. R.G. Puchniak  
1111 One Lombard Place  
Winnipeg, Manitoba  
R3B 0X4

Great Northern Energy Corporation Inc.  
Attention: Mr. G.W. Litschke  
#1670, 801 - 6th Avenue S.W.  
Calgary, Alberta  
T2P 3W2

I.V.M.H. Inc.  
P.O. Box 44  
Goodlands, Manitoba  
R0M 0R0

Patlet Ventures Ltd.  
43 Willow Place  
Brandon, Manitoba  
R0J 1N0

Pioneer Energy Resources Limited  
Attention: Mr. R.G. Puchniak  
1111 One Lombard Place  
Winnipeg, Manitoba  
R3B 0X4

Nelson Oils Limited  
c/o Mr. Jack Wright  
122 Broadway North  
Deloraine, Manitoba  
R0M 0M0

Lintus Resources Limited  
Attention: Land Department  
Suite 1506 Dome Tower  
333 - 7th Avenue S.W.  
Calgary, Alberta  
T2P 2Z1

Tempella Resources Ltd.  
c/o Mr. Donald Temple  
Box 64  
Waskada, Manitoba  
T0M 2E0

Tundra Oil and Gas Ltd.  
Attention: Mr. Robert G. Puchniak  
111 One Lombard Place  
Winnipeg, Manitoba  
R3B 0X4

60145 Manitoba Ltd.  
c/o Ms. Shirley Waterman  
834 Laxdal Road  
Winnipeg, Manitoba  
R3R 0X1

Mr. William T. Passant  
4183 Gellatly Road  
Westbank, B.C.  
V4T 2K2

Manitoba Energy and Mines  
Suite 360, 1395 Ellise Avenue  
Winnipeg, Manitoba  
R3G 0G3

**EXHIBIT "A"**

**ATTACHED TO AND FORMING PART OF AN AGREEMENT ENTITLED  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**TRACT PARTICIPATIONS**

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
1	12-3-2-25 WPM	Patlet	3.24832	EOG CNR Talisman	50.00 12.50 37.50	1.62416 0.40604 1.21812
2	13-3-2-25 WPM	Patlet	5.75041	EOG CNR	87.50 12.50	5.03161 0.71880
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5	2-10-2-25 WPM	Nelson	2.43195	EOG	100.00	2.43195
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7	6-10-2-25 WPM	Crown	4.23295	EOG CNR	93.75 6.25	3.96839 0.26456
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10	9-10-2-25 WPM	Nelson	6.30219	EOG	100.00	6.30219

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
11	10-10-2-25 WPM	Nelson	5.21104	EOG	100.00	5.21104
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13	15-10-2-25 WPM	Nelson	5.24273	EOG	100.00	5.24273
14	16-10-2-25 WPM	Nelson	7.90781	EOG	100.00	7.90781
15	4-14-2-25 WPM	IVMH	2.88514	EOG	100.00	2.88514
16	1-15-2-25 WPM	Nelson	2.82575	EOG	100.00	2.82575
17	2-15-2-25 WPM	Nelson	4.23177	EOG	100.00	4.23177
18	3-15-2-25 WPM	Tempella	4.38076	EOG Palliser	75.00 25.00	3.28557 1.09519
19	4-15-2-25 WPM	Tempella	3.29656	EOG Palliser	50.00 50.00	1.64828 1.64828
20	5-15-2-25 WPM	Tempella	5.76155	EOG Palliser Burlington	50.00 25.00 25.00	2.88077 1.44039 1.44039
21	6-15-2-25 WPM	Tempella	4.88599	EOG	100.00	4.88599
22	7-15-2-25 WPM	Nelson	5.33486	EOG	100.00	5.33486
23	8-15-2-25 WPM	Nelson	3.87109	EOG	100.00	3.87109
		TOTAL	100.000			100.00000

**ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**NOTES:**

- (1) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Lintus by EOG.
- (2) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable to Santa Fe by CNR and Talisman.
- (3) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable in equal shares to Pioneer Energy and Brosco by CNR and Talisman.
- (4) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 1% calculated on 100% of production payable to Grt Northern by CNR and Talisman.
- (5) **Tract 2:** Talisman's working interest in Tract 2 is subject to a 300% non-consent penalty to be recovered by EOG. Upon penalty recovery Tract 2 working interests shall be EOG (50%), Talisman (37.50%) and CNR (12.50%).
- (6) **Tract 3:** A portion of Talisman's working interest in Tract 3 is subject to a 300% non-consent penalty to be recovered by EOG. Upon penalty recovery Tract 3 working interests shall be EOG (50%), Talisman (37.50%) and CNR (12.50%).
- (7) **Tracts 6, 7, 12** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Burlington by EOG.
- (8) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 18.75% of production payable to Santa Fe (50%), Pioneer Energy (25%) and Brosco (25%) by EOG.
- (9) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 50% of production payable to Tundra (50%) and Santa Fe (50%) by CNR.
- (10) **Tracts 18, 21** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Burlington by EOG.
- (11) **Tracts 18, 19, 20, 21** are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by EOG and Palliser.
- (12) **Tract 19** is subject to a non-convertible sliding scale royalty of 1/150th, 5% - 15% on oil, calculated on 100% of production payable to Burlington by EOG and Palliser.
- (13) **Tract 21:** Palliser's working interest in Tract 21 is subject to a 300% non-consent penalty to be recovered by EOG. Upon penalty recovery Tract 21 working interests shall be EOG (75%) and Palliser (25%).

Revision #10: February 1, 2000

Name Change: Poco Petroleums Ltd. to Burlington Resources Canada Energy Ltd.

**LIST OF ABBREVIATIONS  
ATTACHED TO AND FORMING PART OF  
EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

<b><u>Abbreviation</u></b>	<b><u>Meaning</u></b>
Brosco	Brosco Fund Limited
Burlington	Burlington Resources Canada Energy Ltd.
CNR	Canadian Natural Resources
Crown	Her Majesty the Queen, in the right of the Province of Manitoba
EOG	EOG Resources Canada Inc.
Grt Northern	Great Northern Energy Corporation Inc.
IVMH	I.V.M.H. Inc.
Lintus	Lintus Resources Limited
Nelson	Nelson Oils Limited
Palliser	Palliser Energy Corp.
Passant	William T. Passant
Patlet	Patlet Ventures Ltd.
Pioneer Energy	Pioneer Energy Resources Limited
Santa Fe	Santa Fe Energy Resources of Canada, Inc.
60145	60145 Manitoba Ltd.
Talisman	Talisman Energy Inc.
Tempella	Tempella Resources Ltd.
Tundra	Tundra Oil and Gas Ltd.

Revision #10: February 1, 2000

Name Change: Poco Petroleums Ltd. to Burlington Resources Canada Energy Ltd.



**EXHIBIT "D"**

**ATTACHED TO AND MADE PART OF  
"UNIT OPERATING AGREEMENT -  
WASKADA UNIT NO. 17"**

**PARTICIPATIONS OF WORKING INTEREST OWNERS**

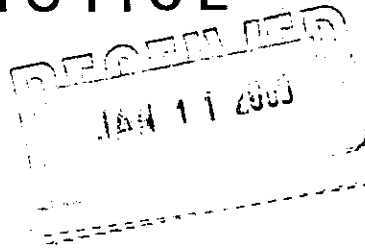
<u>Owner</u>	<u>Unit Participation</u>
Canadian Natural Resources	2.42927%
EOG Resources Canada Inc.	89.79414%
Talisman Energy Inc.	2.15234%
Burlington Resources Canada Energy Ltd.	1.44039%
Palliser Energy Corp.	<u>4.18386%</u>
	100.00000%

Revision #6: February 1, 2000

Name Change: Poco Petroleums Ltd. to Burlington Resources Canada Energy Ltd.

1. DKP
2. MHM
3. BOOK

## NOTICE



January 7, 2000

EOG RESOURCES CANADA INC.  
1300, 700 - 9 AVENUE S.W.  
CALGARY, AB  
T2P 3V4

ATTENTION: LAND DEPARTMENT

RE: **Poco Petroleums Ltd.**

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This notice is to advise you that effective January 1, 2000, **POCO PETROLEUMS LTD.** changed its name to **BURLINGTON RESOURCES CANADA ENERGY LTD.** under the Alberta Business Corporations Act. Copies of the Certificate of Amendment and Articles of Amendment are enclosed for your records.

Our address and telephone numbers remain the same.

Accordingly, all further communications, notices, invoices, payments, changes and documents pertaining to Poco Petroleums Ltd. should be addressed as follows:

**Address for Service:** BURLINGTON RESOURCES CANADA ENERGY LTD.  
P.O. Box 4365, Postal Station C  
Calgary, Alberta T2T 5N2

**Street Address:** BURLINGTON RESOURCES CANADA ENERGY LTD.  
3700 Bow Valley Square IV  
250 - 6 Avenue S.W.  
Calgary, Alberta T2P 3H7

Main Phone: (403) 260-8000  
Main Fax: (403) 263-2708

Please amend your records to reflect the above name change. Should you require further information kindly contact our office.

Yours truly,

**BURLINGTON RESOURCES CANADA ENERGY LTD.**

Melanie E. Storey, Supervisor  
Contracts and Land Administration

mes  
encl.

xc: ACCT.  
DRLG.  
EXPL.  
PROD.  
ML  
DLW

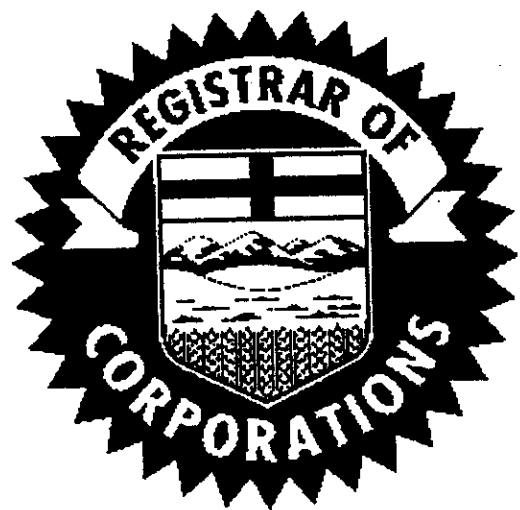
**CORPORATE ACCESS NUMBER: 208129270**



**BUSINESS CORPORATIONS ACT**

**CERTIFICATE  
OF  
AMENDMENT**

**POCO PETROLEUMS LTD.  
CHANGED ITS NAME TO BURLINGTON RESOURCES CANADA ENERGY  
LTD. ON 2000/01/01.**



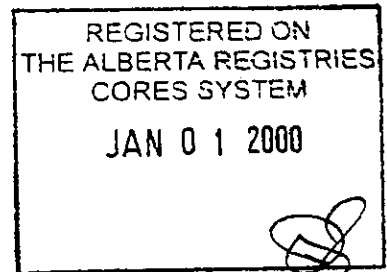
# Na e Change Alberta Corporation - Registration Statement

Service Request Number: 1679187  
Corporate Access Number: 208129270  
Previous Legal Entity Name: POCO PETROLEUMS LTD.  
Previous French Equivalent Name:  
Legal Entity Name: BURLINGTON RESOURCES CANADA ENERGY LTD.  
New French Equivalent Name:  
Legal Entity Status: Active  
Alberta Corporation Type: Named Alberta Corporation  
Nuans Report Number: 66140435  
Nuans Report Date: 1999/12/22  
French Name Nuans Report Number:  
French Name Nuans Report Date:  
Future Dating Required:  
Professional Endorsement Provided:  
Amendment Date: 2000/01/01

---

## Annual Returns

File Year	Date Filed
1999	1999/11/26



Registration Authorized By: C. PERRY SPITZNAGEL  
SOLICITOR

**BUSINESS CORPORATIONS ACT**  
(SECTIONS 27 or 171)

REGISTERED ON  
THE ALBERTA REGISTRIES  
CORES SYSTEM  
FORM 4  
JAN 01 2000

**Alberta**

**ARTICLES OF AMENDMENT**

1. NAME OF CORPORATION:

Poco Petroleum Ltd.

2. ALBERTA CORPORATE ACCESS NUMBER:

208129270

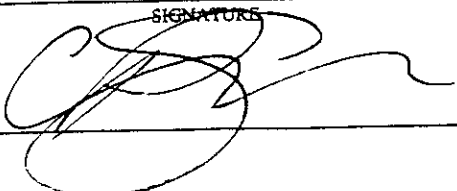
3. ITEM NO. \_\_\_\_ OF THE ARTICLES OF THE ABOVE NAMED CORPORATION ARE AMENDED IN ACCORDANCE WITH SECTION \_\_\_\_ OF THE BUSINESS CORPORATIONS ACT.

Pursuant to subsection 167(1)(a) of the *Business Corporations Act* (Alberta), the Articles of the Corporation are amended by changing the name of the Corporation from Poco Petroleum Ltd. to **Burlington Resources Canada Energy Ltd.**

4. DATE

January 1, 2000

SIGNATURE



TITLE

Solicitor

FILED



**EOG Resources Canada Inc.**

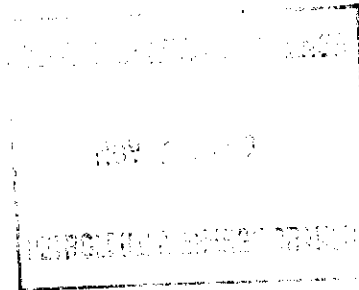
1300, 700 - 9th Avenue S.W.  
Calgary, Alberta T2P 3V4

(403) 297-9100

Fax (403) 297-9199

Fax (403) 297-9198 Accounting/Land

16 November 1999



**TO PARTICIPANTS IN WASKADA UNIT NO. 17**

Dear Sir/Madam:

**Subject: Unit Agreements**

As Operator of the Waskada Unit No. 17, EOG Resources Canada Inc. hereby forwards revisions to the appropriate exhibits to the Unit Agreements to reflect the amalgamation of Highridge Exploration Ltd. with Talisman Energy Inc.

Should you have any questions or concerns regarding this matter, please contact the undersigned at (403) 297-9130.

Yours very truly,

**EOG RESOURCES CANADA INC.**

A handwritten signature in cursive script, appearing to read "Pamela D. Currey".

Pamela D. Currey,  
Administrative Assistant

/pdc  
attach

*changed  
P.*

**WASKADA UNIT NO. 17  
ROYALTY INTEREST OWNERS  
Addressee List**

Santa Fe Energy Resources of Canada, Inc.  
#1000, 1616 South Voss  
Houston, Texas 77057  
USA

Brosco Fund Limited  
Attention: Mr. R.G. Puchniak  
1111 One Lombard Place  
Winnipeg, Manitoba  
R3B 0X4

Great Northern Energy Corporation Inc.  
Attention: Mr. G.W. Litschke  
#1670, 801 - 6th Avenue S.W.  
Calgary, Alberta  
T2P 3W2

I.V.M.H. Inc.  
P.O. Box 44  
Goodlands, Manitoba  
R0M 0R0

Patlet Ventures Ltd.  
43 Willow Place  
Brandon, Manitoba  
R0J 1N0

Pioneer Energy Resources Limited  
Attention: Mr. R.G. Puchniak  
1111 One Lombard Place  
Winnipeg, Manitoba  
R3B 0X4

Nelson Oils Limited  
c/o Mr. Jack Wright  
122 Broadway North  
Deloraine, Manitoba  
R0M 0M0

Lintus Resources Limited  
Attention: Land Department  
Suite 1506 Dome Tower  
333 - 7th Avenue S.W.  
Calgary, Alberta  
T2P 2Z1

Tempella Resources Ltd.  
c/o Mr. Donald Temple  
Box 64  
Waskada, Manitoba  
T0M 2E0

Tundra Oil and Gas Ltd.  
Attention: Mr. Robert G. Puchniak  
111 One Lombard Place  
Winnipeg, Manitoba  
R3B 0X4

60145 Manitoba Ltd.  
c/o Ms. Shirley Waterman  
834 Laxdal Road  
Winnipeg, Manitoba  
R3R 0X1

Mr. William T. Passant  
4183 Gellatly Road  
Westbank, B.C.  
V4T 2K2

Manitoba Energy and Mines  
Suite 360, 1395 Ellise Avenue  
Winnipeg, Manitoba  
R3G 0G3

**EXHIBIT "A"**

**ATTACHED TO AND FORMING PART OF AN AGREEMENT ENTITLED  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**TRACT PARTICIPATIONS**

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
1	12-3-2-25 WPM	Patlet	3.24832	EOG CNR Talisman	50.00 12.50 37.50	1.62416 0.40604 1.21812
2	13-3-2-25 WPM	Patlet	5.75041	EOG CNR	87.50 12.50	5.03161 0.71880
3	14-3-2-25 WPM	Patlet	3.73691	EOG CNR Talisman	62.50 12.50 25.00	2.33557 0.46711 0.93423
4	15-3-2-25 WPM	60145	2.54375	EOG	100.00	2.54375
5	2-10-2-25 WPM	Nelson	2.43195	EOG	100.00	2.43195
6	3-10-2-25 WPM	Crown	4.11941	EOG CNR	93.75 6.25	3.86195 0.25746
7	6-10-2-25 WPM	Crown	4.23295	EOG CNR	93.75 6.25	3.96839 0.26456
8	7-10-2-25 WPM	Nelson	4.79654	EOG	100.00	4.79654
9	8-10-2-25 WPM	Nelson	1.95784	EOG	100.00	1.95784
10	9-10-2-25 WPM	Nelson	6.30219	EOG	100.00	6.30219



<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
11	10-10-2-25 WPM	Nelson	5.21104	EOG	100.00	5.21104
12	11-10-2-25 WPM	Crown	5.04468	EOG CNR	93.75 6.25	4.72939 0.31529
13	15-10-2-25 WPM	Nelson	5.24273	EOG	100.00	5.24273
14	16-10-2-25 WPM	Nelson	7.90781	EOG	100.00	7.90781
15	4-14-2-25 WPM	IVMH	2.88514	EOG	100.00	2.88514
16	1-15-2-25 WPM	Nelson	2.82575	EOG	100.00	2.82575
17	2-15-2-25 WPM	Nelson	4.23177	EOG	100.00	4.23177
18	3-15-2-25 WPM	Tempella	4.38076	EOG Palliser	75.00 25.00	3.28557 1.09519
19	4-15-2-25 WPM	Tempella	3.29656	EOG Palliser	50.00 50.00	1.64828 1.64828
20	5-15-2-25 WPM	Tempella	5.76155	EOG Palliser Poco	50.00 25.00 25.00	2.88077 1.44039 1.44039
21	6-15-2-25 WPM	Tempella	4.88599	EOG	100.00	4.88599
22	7-15-2-25 WPM	Nelson	5.33486	EOG	100.00	5.33486
23	8-15-2-25 WPM	Nelson	3.87109	EOG	100.00	3.87109
		TOTAL	100.000			100.00000

**ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**NOTES:**

- (1) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Lintus by EOG.
- (2) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable to Santa Fe by CNR and Talisman.
- (3) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable in equal shares to Pioneer Energy and Brosco by CNR and Talisman.
- (4) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 1% calculated on 100% of production payable to Grt Northern by CNR and Talisman.
- (5) **Tract 2:** Talisman's working interest in Tract 2 is subject to a 300% non-consent penalty to be recovered by EOG. Upon penalty recovery Tract 2 working interests shall be EOG (50%), Talisman (37.50%) and CNR (12.50%).
- (6) **Tract 3:** A portion of Talisman's working interest in Tract 3 is subject to a 300% non-consent penalty to be recovered by EOG. Upon penalty recovery Tract 3 working interests shall be EOG (50%), Talisman (37.50%) and CNR (12.50%).
- (7) **Tracts 6, 7, 12** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Poco by EOG.
- (8) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 18.75% of production payable to Santa Fe (50%), Pioneer Energy (25%) and Brosco (25%) by EOG.
- (9) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 50% of production payable to Tundra (50%) and Santa Fe (50%) by CNR.
- (10) **Tracts 18, 21** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Poco by EOG.
- (11) **Tracts 18, 19, 20, 21** are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by EOG and Palliser.
- (12) **Tract 19** is subject to a non-convertible sliding scale royalty of 1/150th, 5% - 15% on oil, calculated on 100% of production payable to Poco by EOG and Palliser.
- (13) **Tract 21:** Palliser's working interest in Tract 21 is subject to a 300% non-consent penalty to be recovered by EOG. Upon penalty recovery Tract 21 working interests shall be EOG (75%) and Palliser (25%).

Revision #9: November 1, 1999  
Amalgamation: Highridge with Talisman

**LIST OF ABBREVIATIONS  
ATTACHED TO AND FORMING PART OF  
EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

<b><u>Abbreviation</u></b>	<b><u>Meaning</u></b>
Crown	Her Majesty the Queen, in the right of the Province of Manitoba
EOG	EOG Resources Canada Inc.
Talisman	Talisman Energy Inc.
Poco	Poco Petroleum Ltd.
Palliser	Palliser Energy Corp.
Patlet	Patlet Ventures Ltd.
Tempella	Tempella Resources Ltd.
Nelson	Nelson Oils Limited
60145	60145 Manitoba Ltd.
IVMH	I.V.M.H. Inc.
Lintus	Lintus Resources Limited
Santa Fe	Santa Fe Energy Resources of Canada, Inc.
Pioneer Energy	Pioneer Energy Resources Limited
CNR	Canadian Natural Resources
Brosco	Brosco Fund Limited
Grt Northern	Great Northern Energy Corporation Inc.
Tundra	Tundra Oil and Gas Ltd.
Passant	William T. Passant

Revision #9: November 1, 1999  
Amalgamation: Highridge with Talisman

**TALISMAN**  
ENERGY

TALISMAN ENERGY INC.  
SUITE 2400, 855 2ND STREET S.W.  
CALGARY, ALBERTA T2P 4J9  
FAX (403) 237-1902  
TEL (403) 237-1234  
[www.talisman-energy.com](http://www.talisman-energy.com)

## NOTICE OF AMALGAMATION

Effective October 15, 1999, Rigel Oil & Gas Ltd., Highridge Exploration Ltd. and High Bullen Resources Ltd. amalgamated with Talisman Energy Inc. and continue to carry on business as:

### TALISMAN ENERGY INC.

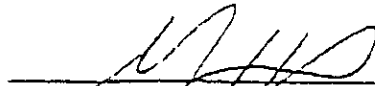
In connection with these transactions, Rigel Oil & Gas Ltd.'s parent company, Rigel Energy Corporation, was dissolved effective October 15, 1999.

Please amend your records accordingly and direct all correspondence relating to Rigel Oil & Gas Ltd., Rigel Energy Corporation, Highridge Exploration Ltd. and High Bullen Resources Ltd. to Talisman Energy Inc. at the address you are currently using.

As a result of the amalgamations, Talisman Energy Inc. became entitled to all rights and properties of Rigel Oil & Gas Ltd., Highridge Exploration Ltd. and High Bullen Resources Ltd. and became responsible for all of their liabilities. Copies of the Certificates of Amalgamation effecting these changes will be provided to you upon request.

Please accept this notice as constituting formal notice for the purposes of all agreements which you may have with any of the amalgamating companies.

Dated at Calgary, Alberta, this 18th day of October, 1999.

  
M. Jacqueline Sheppard  
Vice-President, Legal and Corporate  
Projects, and Corporate Secretary



Industry Canada

Industrie Canada

**Certificate  
of Amalgamation****Canada Business  
Corporations Act****Certificat  
de fusion****Loi canadienne sur  
les sociétés par actions**

Highridge Exploration Ltd.

367110-1

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

I hereby certify that the above-named corporation resulted from an amalgamation, under section 185 of the *Canada Business Corporations Act*, of the corporations set out in the attached articles of amalgamation.

Je certifie que la société susmentionnée est issue d'une fusion, en vertu de l'article 185 de la *Loi canadienne sur les sociétés par actions*, des sociétés dont les dénominations apparaissent dans les statuts de fusion ci-joints.

Director - Directeur

October 15, 1999 / le 15 octobre 1999

Date of Amalgamation - Date de fusion

Canada

Canada Business  
Corporations ActFORM 9  
ARTICLES OF AMALGAMATION  
(SECTION 185)

1. NAME OF AMALGAMATED CORPORATION

Highridge Exploration Ltd.

2. THE PLACE IN CANADA WHERE THE REGISTERED OFFICE IS TO BE SITUATED

Judicial District of Calgary, Province of Alberta

3. THE CLASSES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE

An unlimited number of shares designated as common shares.

4. RESTRICTIONS, IF ANY, ON SHARE TRANSFERS

None

5. NUMBER (OR MINIMUM AND MAXIMUM NUMBER) OF DIRECTORS

The Corporation shall have a minimum of two and a maximum of nine directors.

6. RESTRICTIONS, IF ANY, ON BUSINESS THE CORPORATION MAY CARRY ON

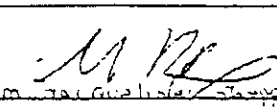
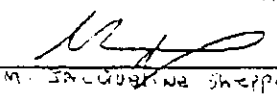
None.

7. OTHER PROVISIONS, IF ANY

The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual meeting of the Corporation.

8. THE AMALGAMATION HAS BEEN APPROVED PURSUANT TO THAT SECTION OR SUBSECTION OF THE ACT WHICH IS INDICATED AS FOLLOWS:

☐ 183☒ 184(1)☐ 184(2)

9. NAME OF AMALGAMATING CORPORATIONS	CORPORATION NO.	SIGNATURE	DATE	TITLE
HIGHRIDGE EXPLORATION LTD.	366929-7		15/10/99	VICE-PRESIDENT LEGAL AND CORPORATE AFFAIRS AND CORPORATE SECRETARY
HIGH BULLEN RESOURCES LTD.	366930-1		15/10/99	VICE-PRESIDENT LEGAL AND CORPORATE AFFAIRS AND CORPORATE SECRETARY

FOR DEPARTMENTAL USE ONLY  
CORPORATION NO.

367110-1

M. TAL GOULDING

FILED SECRETARY

15/10/99



Industry Canada

Industrie Canada

**Certificate  
of Amalgamation****Canada Business  
Corporations Act****Certificat  
de fusion****Loi canadienne sur  
les sociétés par actions**

Talisman Energy Inc./

Société d'énergie Talisman Inc.

367111-9

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

I hereby certify that the above-named corporation resulted from an amalgamation, under section 185 of the *Canada Business Corporations Act*, of the corporations set out in the attached articles of amalgamation.

Je certifie que la société susmentionnée est issue d'une fusion, en vertu de l'article 185 de la *Loi canadienne sur les sociétés par actions*, des sociétés dont les dénominations apparaissent dans les statuts de fusion ci-joints.

Director - Directeur

October 13, 1999 / le 13 octobre 1999

Date of Amalgamation - Date de fusion

Canada

Industry Canada

Canada Business  
Corporations ActFORM 9  
ARTICLES OF AMALGAMATION  
(SECTION 185)

## 1. NAME OF AMALGAMATED CORPORATION

Talisman Energy Inc./Societe d'energie Talisman Inc.

## 2. THE PLACE IN CANADA WHERE THE REGISTERED OFFICE IS TO BE SITUATED

Judicial District of Calgary, Province of Alberta

## 3. THE CLASSES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE

The annexed Schedule "A" is incorporated herein.

## 4. RESTRICTIONS, IF ANY, ON SHARE TRANSFERS

There are no restrictions on transfers of shares.

## 5. NUMBER (OR MINIMUM AND MAXIMUM NUMBER) OF DIRECTORS

Maximum: 20, Minimum: 4, as determined from time to time by the directors.

## 6. RESTRICTIONS, IF ANY, ON BUSINESS THE CORPORATION MAY CARRY ON

There are no restrictions.

## 7. OTHER PROVISIONS, IF ANY

The annexed Schedule "B" is incorporated herein.

## 8. THE AMALGAMATION HAS BEEN APPROVED PURSUANT TO THAT SECTION OR SUBSECTION OF THE ACT WHICH IS INDICATED AS FOLLOWS:

☐ 183☒ 184(1)☐ 184(2)

3. NAME OF AMALGAMATING CORPORATIONS	CORPORATION NO.	SIGNATURE	DATE	TITLE
TALISMAN ENERGY INC.	3543374	<i>[Signature]</i>	15/10/99	VIC-PRÉSIDENT LEGAL AND PROTECTOR AND CORPORATE SECRETARY
RIGEL OIL & GAS LTD.	3255727	<i>[Signature]</i>	15/10/99	VIC-PRÉSIDENT LEGAL AND PROTECTOR AND CORPORATE SECRETARY
HIGHRIDGE EXPLORATION LTD.	367110-1	<i>[Signature]</i>	15/10/99	VIC-PRÉSIDENT AND SECRETARY

FOR DEPARTMENTAL USE ONLY  
CORPORATION NO.

367111-9

FILED

15/10/99

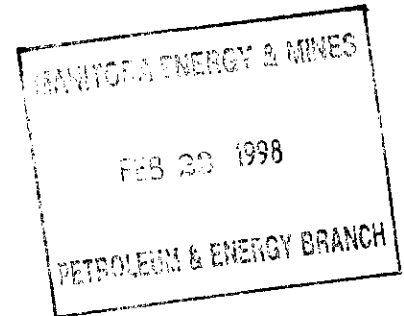




**Enron Oil Canada Ltd.**  
1300, 700 - 9th Avenue S.W.  
Calgary, Alberta, Canada T2P 3V4  
(403) 297-9100  
Fax (403) 297-9199  
Fax (403) 297-9198 Accounting/Land

19 February 1998

**ALL WORKING INTEREST OWNERS  
ALL ROYALTY INTEREST OWNERS  
WASKADA UNIT NO. 17  
(Addressee Lists Attached)**



Gentlemen:

**Subject: Unit & Unit Operating Agreement Exhibits**

Enron Oil Canada Ltd. encloses revised exhibits to the above referenced agreements to give effect to the name change made by Chauvco Resources Ltd. to Pioneer Natural Resources Canada Inc. Should you have any questions regarding these revisions please contact the undersigned at (403) 297-9130.

Yours very truly,

**ENRON OIL CANADA LTD.**

Pamela D. Currey,  
Administrative Assistant

/pdc  
attach

xc: Land - M. McCall  
Accounting - J. Broadley



Enron Oil Canada Ltd.

WASKADA UNIT NO. 17

Addressee List

---

PIONEER NATURAL RESOURCES CANADA INC.  
#2900, 255 - 5th Avenue S.W.  
Calgary, Alberta  
T2P 3G6

Attention: Mr. D.L. Robertson

HIGHRIDGE EXPLORATION LTD.  
Suite 1500, 633 - 6 Avenue S.W.  
Calgary, Alberta  
T2P 2Y5

Attention: Kelly Adams

POCO PETROLEUMS LTD.  
#3500, 250 - 6th Avenue S.W.  
Calgary, Alberta  
T2P 3H7

Attention: Mr. Kevin Hertz

PALLISER ENERGY CORP.  
#1010, 520 - 5th Avenue S.W.  
Calgary, Alberta  
T2P 3R7

Attention: Mr. Terry Wiechert

**EXHIBIT "A"**

**ATTACHED TO AND FORMING PART OF AN AGREEMENT ENTITLED  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**TRACT PARTICIPATIONS**

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
1	12-3-2-25 WPM	Patlet	3.24832	Enron Pioneer Natural Highridge	50.00 12.50 37.50	1.62416 0.40604 1.21812
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<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
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18	3-15-2-25 WPM	Tempella	4.38076	Enron Paliser	75.00 25.00	3.28557 1.09519
19	4-15-2-25 WPM	Tempella	3.29656	Enron Paliser	50.00 50.00	1.64828 1.64828
20	5-15-2-25 WPM	Tempella	5.76155	Enron Paliser Poco	50.00 25.00 25.00	2.88077 1.44039 1.44039
21	6-15-2-25 WPM	Tempella	4.88599	Enron	100.00	4.88599
22	7-15-2-25 WPM	Nelson	5.33486	Enron	100.00	5.33486
23	8-15-2-25 WPM	Nelson	3.87109	Enron	100.00	3.87109
		TOTAL	100.000			100.00000

Revision #4: March 1, 1998

Name Change: Chauvco Resources Ltd. to Pioneer Natural Resources Canada Inc.

**ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**NOTES:**

- (1) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Lintus by Enron.
- (2) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable to Santa Fe by Pioneer Natural and Highridge.
- (3) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable in equal shares to Pioneer Energy and Brosco by Pioneer Natural and Highridge.
- (4) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 1% calculated on 100% of production payable to Grt Northern by Pioneer Natural and Highridge.
- (5) **Tract 2:** Highridge's working interest in Tract 2 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 2 working interests shall be Enron (50%), Highridge (37.50%) and Pioneer Natural (12.50%).
- (6) **Tract 3:** A portion of Highridge's working interest in Tract 3 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 3 working interests shall be Enron (50%), Highridge (37.50%) and Pioneer Natural (12.50%).
- (7) **Tracts 6, 7, 12** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Poco by Enron.
- (8) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 18.75% of production payable to Santa Fe (50%), Pioneer Energy (25%) and Brosco (25%) by Enron.
- (9) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 50% of production payable to Tundra (50%) and Santa Fe (50%) by Pioneer Natural.
- (10) **Tracts 18, 21** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Poco by Enron.
- (11) **Tracts 18, 19, 20, 21** are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by Enron and Palliser.
- (12) **Tract 19** is subject to a non-convertible sliding scale royalty of 1/150th, 5% - 15% on oil, calculated on 100% of production payable to Poco by Enron and Palliser.
- (13) **Tract 21:** Palliser's working interest in Tract 21 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 21 working interests shall be Enron (75%) and Palliser (25%).

Revision #7: March 1, 1998

Name Change: Chauvco Resources Ltd. to Pioneer Natural Resources Canada Inc.

**LIST OF ABBREVIATIONS  
ATTACHED TO AND FORMING PART OF  
EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

<b><u>Abbreviation</u></b>	<b><u>Meaning</u></b>
Crown	Her Majesty the Queen, in the right of the Province of Manitoba
Enron	Enron Oil Canada Ltd.
Highridge	Highridge Exploration Ltd.
Poco	Poco Petroleum Ltd.
Palliser	Palliser Energy Inc.
Patlet	Patlet Ventures Ltd.
Tempella	Tempella Resources Ltd.
Nelson	Nelson Oils Limited
60145	60145 Manitoba Ltd.
IVMH	I.V.M.H. Inc.
Lintus	Lintus Resources Limited
Santa Fe	Santa Fe Energy Resources of Canada, Inc.
Pioneer Energy	Pioneer Energy Resources Limited
Pioneer Natural	Pioneer Natural Resources Canada Inc.
Brosco	Brosco Fund Limited
Grt Northern	Great Northern Energy Corporation Inc.
Tundra	Tundra Oil and Gas Ltd.
Passant	William T. Passant

Revision #7: March 1, 1998

Name Change: Chauvco Resources Ltd. to Pioneer Natural Resources Canada Inc.

EXHIBIT "D"

ATTACHED TO AND MADE PART OF  
"UNIT OPERATING AGREEMENT -  
WASKADA UNIT NO. 17"

PARTICIPATIONS OF WORKING INTEREST OWNERS

<u>Owner</u>	<u>Unit Participation</u>
Pioneer Natural Resources Canada Inc.	2.42927% /
Enron Oil Canada Ltd.	89.79414% /
Highridge Exploration Ltd.	2.15234% /
Poco Petroleum Ltd.	1.44039% /
Palliser Energy Inc.	<u>4.18386%</u> /
	100.00000%

NO  
change  
P.

Revision #3: March 1, 1998

Name Change: Chauvco Resources Ltd. to Pioneer Natural Resources Canada Inc.

1. DKP
2. MHM
3. BOOK

# Alberta

MUNICIPAL AFFAIRS  
Registries

## Articles of Amendment

1. NAME OF CORPORATION:

CORPORATE ACCESS NUMBER:

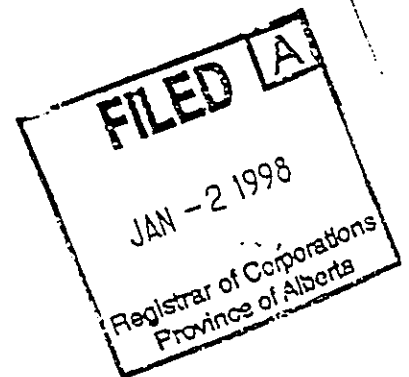
CHAUVCO RESOURCES LTD.

RECEIVED  
FEB 17 1998

20514982

3. THE ARTICLES OF THE ABOVE-NAMED CORPORATION ARE AMENDED AS FOLLOWS:

Item No. 1 of the Corporation's Articles is amended pursuant to section of the *Business Corporations Act* (Alberta), to change the name of the Corporation to: PIONEER NATURAL RESOURCES CANADA INC.



DATE

SIGNATURE

TITLE

December 18, 1997

Jack MacGillivray

Director

DEPARTMENTAL USE ONLY

xc: ACCT.  
DRLG.  
EXPL.  
PROD.  
ML  
JLW

FILED

FEB 17 1998



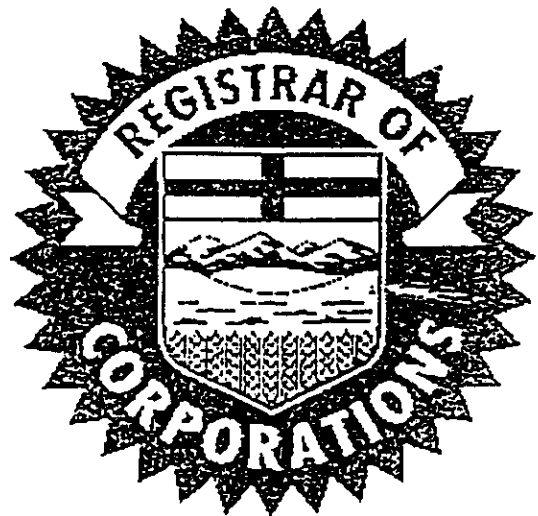
CORPORATE ACCESS NUMBER: 205149826



BUSINESS CORPORATIONS ACT

CERTIFICATE  
OF  
AMENDMENT

CHAUVCO RESOURCES LTD.  
CHANGED ITS NAME TO PIONEER NATURAL RESOURCES CANADA INC.  
ON 1998/01/02.



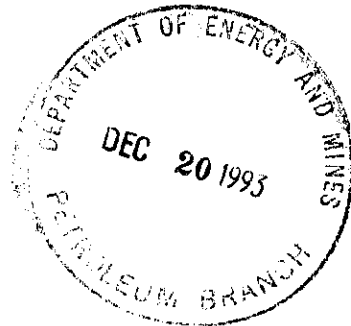
**ENRON  
Oil Canada Ltd.**

File: Waskada  
Unit No. 17  
Unit Agreement

Tel: (403) 297-9100

14 December 1993

**ALL WORKING INTEREST OWNERS  
ALL ROYALTY INTEREST OWNERS  
WASKADA UNIT NO. 17  
(Addressee Lists Attached)**



Gentlemen:

**Subject: Waskada Unit No. 17 - Unit Agreement Revisions**

Effective September 1, 1993, Geodata Ltd. assigned its royalty interests in the Waskada Unit No. 17 to Great Northern Energy Corporation Inc. To reflect this assignment, Enron Oil Canada Ltd., as operator of the Unit, encloses revised copies of the Notes and List of Abbreviations attached to Exhibit "A" of the agreement.

Should you have any questions or require additional information, please contact Pam Currey at (403) 297-9130 at your convenience.

Yours very truly,

**ENRON OIL CANADA LTD.**

*Pdc*  
f Z.R. Tymrick,  
Chairman, Operating Committee  
Waskada Unit No. 17

ZRT:pdc  
attach

xc: ~~Waskada Unit No. 17 - Unit Agreement Revisions~~  
EOC Land Department  
EOC Accounting Department

BETWEEN:

GEODATA LTD., a body corporate, having its office at 1670,  
801 - 6th Avenue S.W., Calgary, Alberta, T2P 3W2

(hereinafter called the "ASSIGNOR")

OF THE FIRST PART

AND:

GREAT NORTHERN ENERGY CORPORATION INC., a  
body corporate, having its office at 1670, 801 - 6th Avenue  
S.W., Calgary, Alberta, T2P 3W2

(hereinafter called the "ASSIGNEE")

OF THE SECOND PART

ASSIGNMENT OF ROYALTY INTERESTS

Whereas the ASSIGNOR did by agreement in writing dated the 31st day of August, 1993, assign to the ASSIGNEE herein those ROYALTY INTERESTS set forth in Schedule "A" hereof.

Now this Agreement witnesseth that the ASSIGNOR in consideration of the said agreement and the covenants and conditions herein set forth; and the payment of the sum of TEN (\$10.00) DOLLARS by the ASSIGNEE to the ASSIGNOR (the receipt whereof the ASSIGNOR does hereby acknowledge) herein does hereby assign to the ASSIGNEE all its right, title and interest in those ROYALTY INTERESTS as set forth in Schedule "A" hereof;

And further the ASSIGNOR does confirm that the effective date of the Assignment herein is the 1st day of September, 1993 and that all payments of Royalties accruing due, from and

after the latter date, be paid to the ASSIGNEE herein. The ASSIGNOR by the terms hereof does direct and authorize ENRON OIL CANADA LTD. to make such royalty payments to the ASSIGNEE herein.

Dated at the City of Calgary, in the Province of Alberta, this 30th day of September, 1993.

GEODATA LTD.

per:

per:

GREAT NORTHERN ENERGY CORPORATION INC.

per:

per:

NOTICE OF ASSIGNMENT

TO: ENRON OIL CANADA LTD.  
1300, 700 - 9th Avenue S.W.  
Calgary, Alberta

This is Schedule "A" attached and forming Part of an Assignment of Royalty interests between Geodata Ltd. and Great Northern Energy Corporation Inc. dated August 31, 1993.

The Lands to which this applies are:

NE Sec 5 Twp 2 Rge 25 W1M✓

SW Sec 9 Twp 2 Rge 25 W1M✓

E ½ Sec 5 Twp 1 Rge 25 W1M✓

NW Sec 3 Twp 2 Rge 25 W1M✓

N ½ & SE ¼ Sec 28 Twp 1 Rge 26 W1M✓

FROM:

S/L 9-1-85 W1M 5.10.88 P Part 10 Lands

N/S 20-1-86 W1M

13/10/86 S/L 4-31-86 W1M 5.10.88 P Part 17 Lands

DATED September 30th, 1993

---

GEODATA LTD.

TO

GREAT NORTHERN ENERGY CORPORATION INC.

---

ASSIGNMENT OF ROYALTY INTERESTS

---

DAVID H. SINCLAIR, Q.C.

Tharp Wildeman  
Barristers and Solicitors  
800, 933 - 17th Avenue S.W.  
Calgary, Alberta  
T2T 5R6

File No. 70,379DHS

**ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**NOTES:**

- (1) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Lintus by Enron.
- (2) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable to Santa Fe by Chauvco and Highridge.
- (3) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable in equal shares to Pioneer and Brosco by Chauvco and Highridge.
- (4) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 1% calculated on 100% of production payable to Grt Northern by Chauvco and Highridge.
- (5) **Tract 2:** Highridge's working interest in Tract 2 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 2 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
- (6) **Tract 3:** A portion of Highridge's working interest in Tract 3 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 3 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
- (7) **Tracts 6, 7, 12** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Poco by Enron.
- (8) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 18.75% of production payable to Santa Fe (50%), Pioneer (25%) and Brosco (25%) by Enron.
- (9) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 50% of production payable to Tundra (50%) and Santa Fe (50%) by Chauvco.
- (10) **Tracts 18, 21** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Poco by Enron.
- (11) **Tracts 18, 19, 20, 21** are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by Enron and Palliser.
- (12) **Tract 19** is subject to a non-convertible sliding scale royalty of 1/150th, 5% - 15% on oil, calculated on 100% of production payable to Poco by Enron and Palliser.
- (13) **Tract 21:** Palliser's working interest in Tract 21 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 21 working interests shall be Enron (75%) and Palliser (25%).

Revision #6: Effective September 1, 1993

Re: Assignment of Royalty Interests - Geodata to Grt Northern

**LIST OF ABBREVIATIONS  
ATTACHED TO AND FORMING PART OF  
EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

<b><u>Abbreviation</u></b>	<b><u>Meaning</u></b>
Chauvco	Chauvco Resources Ltd.
Crown	Her Majesty the Queen, in the right of the Province of Manitoba
Enron	Enron Oil Canada Ltd.
Highridge	Highridge Exploration Ltd.
Poco	Poco Petroleum Ltd.
Palliser	Palliser Energy Inc.
Patlet	Patlet Ventures Ltd.
Tempella	Tempella Resources Ltd.
Nelson	Nelson Oils Limited
60145	60145 Manitoba Ltd.
IVMH	I.V.M.H. Inc.
Lintus	Lintus Resources Limited
Santa Fe	Santa Fe Energy Resources of Canada, Inc.
Pioneer	Pioneer Energy Resources Limited
Brosco	Brosco Fund Limited
Grt Northern	Great Northern Energy Corporation Inc.
Tundra	Tundra Oil and Gas Ltd.
Passant	William T. Passant

Revision #6: Effective September 1, 1993  
Re: Assignment of Royalty Interests - Geodata to Grt Northern



**ENRON  
Oil Canada Ltd.**

~~Copy for Court I.~~  
FILE: WASKADA ✓  
LOWER AGREEMENT  
A POOL - WASKADA  
UNIT No. 17  
UNIT AGREEMENT

Tel: (403) 298-2600

8 February 1993

Manitoba Energy and Mines  
Attention: Mr. John Fox  
#555, 330 Graham Avenue  
Winnipeg, Manitoba  
R3C 4E3



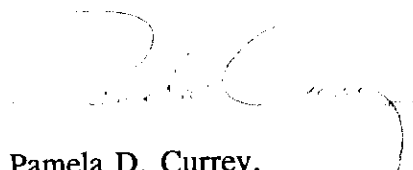
Dear Mr. Fox:

**Subject: Waskada Unit No. 17  
Unit Agreement  
Revisions to Attachments to Exhibit "A"**

Enron Oil Canada Ltd., as Operator of the Waskada Unit No. 17, has received notification that Adobe Resources Corporation assigned its interest in the above referenced Unit to Santa Fe Energy Resources of Canada, Inc. effective January 1, 1993. Therefore, enclosed for your records are revised copies of the Notes and List of Abbreviations which are attachments to Exhibit "A" of the Unit Agreement along with the signature page signed on behalf of Santa Fe to reflect this assignment.

Yours very truly,

**ENRON OIL CANADA LTD.**

  
Pamela D. Currey,  
Administrative Assistant

/pdc  
attach

xc w/attach: All Working Interest Owners  
All Royalty Interest Owners  
EOC Land Department  
EOC Accounting Department

In Witness Whereof the Parties have executed this Agreement each on the date shown opposite its execution hereof.

DATE: January 22, 1993

**SANTA FE ENERGY RESOURCES OF CANADA, INC.**

PER: \_\_\_\_\_

  
A.A. HIGGINS, GEN MAN.  
CANADIAN OPERATIONS

This is the execution page to an Agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

**ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**NOTES:**

- (1) Tracts 1, 2, 3 are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Lintus by Enron.
- (2) Tracts 1, 2, 3 are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable to Santa Fe by Chauvco and Highridge.
- (3) Tracts 1, 2, 3 are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable in equal shares to Pioneer and Brosco by Chauvco and Highridge.
- (4) Tracts 1, 2, 3 are subject to a non-convertible gross overriding royalty of 1% calculated on 100% of production payable to Geodata by Chauvco and Highridge.
- (5) Tract 2: Highridge's working interest in Tract 2 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 2 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
- (6) Tract 3: A portion of Highridge's working interest in Tract 3 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 3 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
- (7) Tracts 6, 7, 12 are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Poco by Enron.
- (8) Tracts 6, 7, 12 are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 18.75% of production payable to Santa Fe (50%), Pioneer (25%) and Brosco (25%) by Enron.
- (9) Tracts 6, 7, 12 are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 50% of production payable to Tundra (50%) and Santa Fe (50%) by Chauvco.
- (10) Tracts 18, 21 are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Poco by Enron.
- (11) Tracts 18, 19, 20, 21 are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by Enron and Palliser.
- (12) Tract 19 is subject to a non-convertible sliding scale royalty of 1/150th, 5% - 15% on oil, calculated on 100% of production payable to Poco by Enron and Palliser.
- (13) Tract 21: Palliser's working interest in Tract 21 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 21 working interests shall be Enron (75%) and Palliser (25%).

Revision #5: Effective as of January 1, 1993

Assignment of Interest from Adobe Resources Corporation to Santa Fe Energy Resources of Canada, Inc.

**LIST OF ABBREVIATIONS  
ATTACHED TO AND FORMING PART OF  
EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

<b><u>Abbreviation</u></b>	<b><u>Meaning</u></b>
Chauvco	Chauvco Resources Ltd.
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Palliser	Palliser Energy Inc.
Patlet	Patlet Ventures Ltd.
Tempella	Tempella Resources Ltd.
Nelson	Nelson Oils Limited
60145	60145 Manitoba Ltd.
IVMH	I.V.M.H. Inc.
Lintus	Lintus Resources Limited
Santa Fe	Santa Fe Energy Resources of Canada, Inc.
Pioneer	Pioneer Energy Resources Limited
Brosco	Brosco Fund Limited
Geodata	Geodata Ltd.
Tundra	Tundra Oil and Gas Ltd.
Passant	William T. Passant

Revision #5: Effective as of January 1, 1993  
Assignment of Interest from Adobe Resources Corporation to Santa Fe Energy Resources Canada, Inc.



**Santa Fe Energy Resources of Canada, Inc.**

**By Courier**

**January 21, 1993**

**Enron Oil Canada Ltd.  
1300 - 700 - 9 Avenue S.W.  
Calgary, Alberta  
T2P 3V4**

**Attention: Ms. Pamela Currey  
Production Department**

**Gentlemen:**

**Re: Waskada Area, Manitoba  
Unit Agreement  
Waskada Unit No. 17  
Our File: Medora CN0036**

**Effective January 1, 1993, Santa Fe Energy Resources, Inc. successor in interest by merger with Adobe Resources Corporation, transferred and assigned all of its beneficial interest in, among other lands and interests, the subject Unit Agreement, to its wholly-owned subsidiary, Santa Fe Energy Resources of Canada, Inc. (Santa Fe). Enclosed for your record and file is a copy of the Certificate of Merger dated May 19, 1992.**

**In accordance with Article XII of the subject Unit Agreement, enclosed for your further handling are seventeen (17) counterpart execution pages duly executed on behalf of Santa Fe.**

**Yours very truly,**

**SANTA FE ENERGY RESOURCES OF CANADA, INC.**

**D.R. Holding, P. Land  
Senior Land Consultant**

**DRH:sls  
Enclosures  
Consult\Adobe\Medora**

**324 8th Ave. S.W.  
1108 Home Oil Tower  
Calgary, Alberta, Canada T2P 2Z2  
403/531-0390  
Fax 403/264-9545**

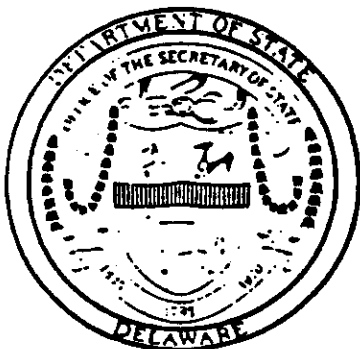


Office of Secretary of State

---

I, MICHAEL RATCHFORD, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER OF "ADOBE RESOURCES CORPORATION" MERGING WITH AND INTO "SANTA FE ENERGY RESOURCES, INC." UNDER THE NAME OF "SANTA FE ENERGY RESOURCES, INC." AS RECEIVED AND FILED IN THIS OFFICE THE NINETEENTH DAY OF MAY, A.D. 1992, AT 11:21 O'CLOCK A.M.

.....



921405089

*Michael Ratchford*

SECRETARY OF STATE  
AUTHENTICATION:

\*3455178

DATE: 05/19/1992

## **CERTIFICATE OF MERGER**

**OF**

**ADOBE RESOURCES CORPORATION**

**WITH AND INTO**

**SANTA FE ENERGY RESOURCES, INC.**

**(Pursuant to Section 251 of the General Corporation  
Law of the State of Delaware)**

Santa Fe Energy Resources, Inc., a Delaware corporation (the "Corporation"), does hereby certify as follows:

- FIRST:** The Corporation's name is Santa Fe Energy Resources, Inc. and the Corporation is incorporated pursuant to the General Corporation Law of the State of Delaware. The Corporation proposes to merge with and have merged into it Adobe Resources Corporation, a corporation incorporated pursuant to the General Corporation Law of the State of Delaware ("Adobe").
- SECOND:** That an Agreement of Merger, dated December 10, 1991, as amended, was entered into between the Corporation and Adobe (the "Merger Agreement") and that such Merger Agreement was approved, adopted, certified, executed and acknowledged by each of the Corporation and Adobe in accordance with Section 251 of the General Corporation Law of the State of Delaware.
- THIRD:** That the surviving corporation shall be Santa Fe Energy Resources, Inc.
- FOURTH:** That the Restated Certificate of Incorporation of Santa Fe Energy Resources, Inc. shall continue after the merger as the certificate of incorporation of the surviving corporation without any amendments or changes to be effected by the merger.
- FIFTH:** That the Merger Agreement, as is on file at the principal place of business of the Corporation located at 1616 South Voss, Suite 1000, Houston, Texas 77057.
- SIXTH:** That a copy of the Merger Agreement will be furnished by the Corporation, on request and without cost, to any stockholder of the Corporation or Adobe.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this certificate to be signed by duly authorized officers, this 19 day of May, ~~1992~~ 1992.

SANTA FE ENERGY RESOURCES, INC.

By: James L. Payne  
James L. Payne  
President

ATTEST:

By: Mark A. Older  
Mark A. Older  
Corporate Secretary

(SEAL)



In Witness Whereof the Parties have executed this Agreement each on the date shown opposite its execution hereof.

DATE:

January 21, 1993

**SANTA FE ENERGY RESOURCES OF CANADA, INC.**

PER:

  
**A.A. HIGGINS, GEN. MAN.  
CANADIAN OPERATIONS**

This is the execution page to an Agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

**ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**NOTES:**

- (1) Tracts 1, 2, 3 are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Lintus by Enron.
- (2) Tracts 1, 2, 3 are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable to Santa Fe by Chauvco and Highridge.
- (3) Tracts 1, 2, 3 are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable in equal shares to Pioneer and Brosco by Chauvco and Highridge.
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- (5) Tract 2: Highridge's working interest in Tract 2 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 2 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
- (6) Tract 3: A portion of Highridge's working interest in Tract 3 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 3 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
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- (11) Tracts 18, 19, 20, 21 are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by Enron and Palliser.
- (12) Tract 19 is subject to a non-convertible sliding scale royalty of 1/150th, 5% - 15% on oil, calculated on 100% of production payable to Poco by Enron and Palliser.
- (13) Tract 21: Palliser's working interest in Tract 21 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 21 working interests shall be Enron (75%) and Palliser (25%).

Revision #5: Effective as of January 1, 1993

Assignment of Interest from Adobe Resources Corporation to Santa Fe Energy Resources of Canada, Inc.



**Santa Fe Energy Resources of Canada, Inc.**

**By Courier**

January 21, 1993

Enron Oil Canada Ltd.  
1300 - 700 - 9 Avenue S.W.  
Calgary, Alberta  
T2P 3V4

Attention: Ms. Pamela Currey  
Production Department

Gentlemen:

Re: Waskada Area, Manitoba  
Unit Agreement  
Waskada Unit No. 17  
Our File: Medora CN0036

Effective January 1, 1993, Santa Fe Energy Resources, Inc. successor in interest by merger with Adobe Resources Corporation, transferred and assigned all of its beneficial interest in, among other lands and interests, the subject Unit Agreement, to its wholly-owned subsidiary, Santa Fe Energy Resources of Canada, Inc. (Santa Fe). Enclosed for your record and file is a copy of the Certificate of Merger dated May 19, 1992.

In accordance with Article XII of the subject Unit Agreement, enclosed for your further handling are seventeen (17) counterpart execution pages duly executed on behalf of Santa Fe.

Yours very truly,

**SANTA FE ENERGY RESOURCES OF CANADA, INC.**

D.R. Holding, P. Land  
Senior Land Consultant

DRH:sls  
Enclosures  
Consult\Adobe\Medora

324 8th Ave. S.W.  
1108 Home Oil Tower  
Calgary, Alberta, Canada T2P 2Z2  
403/531-0390  
Fax 403/264-9545

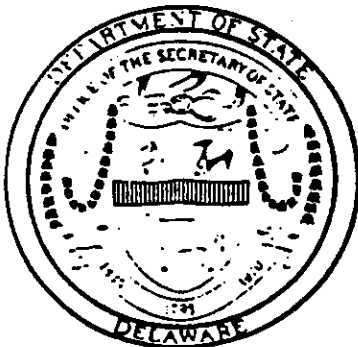


Office of Secretary of State

---

I, MICHAEL RATCHFORD, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER OF "ADOBE RESOURCES CORPORATION" MERGING WITH AND INTO "SANTA FE ENERGY RESOURCES, INC." UNDER THE NAME OF "SANTA FE ENERGY RESOURCES, INC." AS RECEIVED AND FILED IN THIS OFFICE THE NINETEENTH DAY OF MAY, A.D. 1992, AT 11:21 O'CLOCK A.M.

.....



921405089

A handwritten signature in cursive script, reading "Michael Ratchford".

SECRETARY OF STATE  
AUTHENTICATION:

•3455178

DATE: 05/19/1992

## **CERTIFICATE OF MERGER**

**OF**

**ADOBE RESOURCES CORPORATION**

**WITH AND INTO**

**SANTA FE ENERGY RESOURCES, INC.**

**(Pursuant to Section 251 of the General Corporation  
Law of the State of Delaware)**

Santa Fe Energy Resources, Inc., a Delaware corporation (the "Corporation"), does hereby certify as follows:

- FIRST:** The Corporation's name is Santa Fe Energy Resources, Inc. and the Corporation is incorporated pursuant to the General Corporation Law of the State of Delaware. The Corporation proposes to merge with and have merged into it Adobe Resources Corporation, a corporation incorporated pursuant to the General Corporation Law of the State of Delaware ("Adobe").
- SECOND:** That an Agreement of Merger, dated December 10, 1991, as amended, was entered into between the Corporation and Adobe (the "Merger Agreement") and that such Merger Agreement was approved, adopted, certified, executed and acknowledged by each of the Corporation and Adobe in accordance with Section 251 of the General Corporation Law of the State of Delaware.
- THIRD:** That the surviving corporation shall be Santa Fe Energy Resources, Inc.
- FOURTH:** That the Restated Certificate of Incorporation of Santa Fe Energy Resources, Inc. shall continue after the merger as the certificate of incorporation of the surviving corporation without any amendments or changes to be effected by the merger.
- FIFTH:** That the Merger Agreement, as is on file at the principal place of business of the Corporation located at 1616 South Voss, Suite 1000, Houston, Texas 77057.
- SIXTH:** That a copy of the Merger Agreement will be furnished by the Corporation, on request and without cost, to any stockholder of the Corporation or Adobe.

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be affixed and this certificate to be signed by duly authorized officers, this 19 day of May ~~1992~~, 1992.

SANTA FE ENERGY RESOURCES, INC.

By: James L. Payne  
James L. Payne  
President

ATTEST:

By: Mark A. Older  
Mark A. Older  
Corporate Secretary

[SEAL]

**ENRON  
Oil Canada Ltd.**

File

WASKADA UNIT

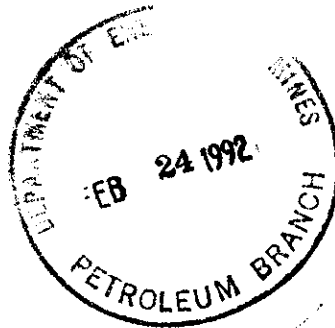
NO. 17 - UNIT

Agreement

403) 298-2600

20 February 1992

Manitoba Energy and Mines  
Attention: Mr. John Fox  
#555, 330 Graham Avenue  
Winnipeg, Manitoba  
R3C 4E3



Dear Mr. Fox:

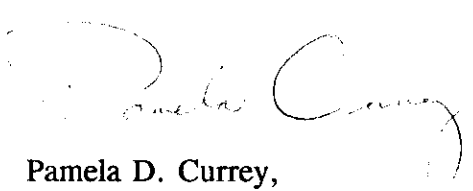
Subject: Waskada Unit No. 17  
Unit Agreement  
Revisions to Exhibits "A"

On February 4, 1992, Poco Petroleums Ltd. gave Notification of Amalgamation with its subsidiaries (Voyager Energy Inc.). Therefore enclosed herewith are copies of the signatory pages and revised Exhibit "A" recognizing Poco as a Party to the above referenced Unit Agreement. In accordance with Clause 1201 of the Agreement, Effective Date for revisions is March 1, 1992.

Should you have any questions regarding these revisions, please contact the undersigned at your convenience.

Yours very truly,

**ENRON OIL CANADA LTD.**

  
Pamela D. Currey,  
Administrative Assistant

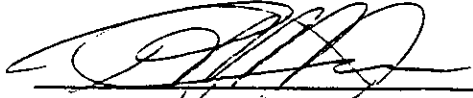
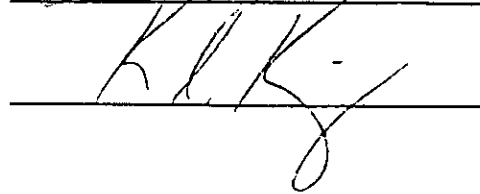
/pdc  
attach

xc w/attach: Royalty Interest Owners

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

**POCO PETROLEUMS LTD.**

February 4, 1992  
DATE

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"



**EXHIBIT "A"**

**ATTACHED TO AND FORMING PART OF AN AGREEMENT ENTITLED  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**TRACT PARTICIPATIONS**

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
1	12-3-2-25 WPM	Patlet	3.24832	Enron Chauvco Highridge	50.00 12.50 37.50	1.62416 0.40604 1.21812
2	13-3-2-25 WPM	Patlet	5.75041	Enron Chauvco	87.50 12.50	5.03161 0.71880
3	14-3-2-25 WPM	Patlet	3.73691	Enron Chauvco Highridge	62.50 12.50 25.00	2.33557 0.46711 0.93423
4	15-3-2-25 WPM	60145	2.54375	Enron	100.00	2.54375
5	2-10-2-25 WPM	Nelson	2.43195	Enron	100.00	2.43195
6	3-10-2-25 WPM	Crown	4.11941	Enron Chauvco	93.75 6.25	3.86195 0.25746
7	6-10-2-25 WPM	Crown	4.23295	Enron Chauvco	93.75 6.25	3.96839 0.26456
8	7-10-2-25 WPM	Nelson	4.79654	Enron	100.00	4.79654
9	8-10-2-25 WPM	Nelson	1.95784	Enron	100.00	1.95784
10	9-10-2-25 WPM	Nelson	6.30219	Enron	100.00	6.30219

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
11	10-10-2-25 WPM	Nelson	5.21104	Enron	100.00	5.21104
12	11-10-2-25 WPM	Crown	5.04468	Enron Chauvco	93.75 6.25	4.72939 0.31529
13	15-10-2-25 WPM	Nelson	5.24273	Enron	100.00	5.24273
14	16-10-2-25 WPM	Nelson	7.90781	Enron	100.00	7.90781
15	4-14-2-25 WPM	IVMH	2.88514	Enron	100.00	2.88514
16	1-15-2-25 WPM	Nelson	2.82575	Enron	100.00	2.82575
17	2-15-2-25 WPM	Nelson	4.23177	Enron	100.00	4.23177
18	3-15-2-25 WPM	Tempella	4.38076	Enron Palliser	75.00 25.00	3.28557 1.09519
19	4-15-2-25 WPM	Tempella	3.29656	Enron Palliser	50.00 50.00	1.64828 1.64828
20	5-15-2-25 WPM	Tempella	5.76155	Enron Palliser Poco	50.00 25.00 25.00	2.88077 1.44039 1.44039
21	6-15-2-25 WPM	Tempella	4.88599	Enron	100.00	4.88599
22	7-15-2-25 WPM	Nelson	5.33486	Enron	100.00	5.33486

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
23	8-15-2-25 WPM	Nelson	3.87109	Enron	100.00	3.87109
		TOTAL	100.000			100.00000

Revision #3: Effective as of March 1, 1992

**ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**NOTES:**

- (1) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Shell by Enron.
- (2) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable to Adobe by Chauvco and Highridge.
- (3) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable in equal shares to Pioneer and Brosco by Chauvco and Highridge.
- (4) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 1% calculated on 100% of production payable to Geodata by Chauvco and Highridge.
- (5) **Tract 2:** Highridge's working interest in Tract 2 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 2 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
- (6) **Tract 3:** A portion of Highridge's working interest in Tract 3 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 3 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
- (7) **Tracts 6, 7, 12** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Poco by Enron.
- (8) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 18.75% of production payable to Adobe (50%), Pioneer (25%) and Brosco (25%) by Enron.
- (9) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 50% of production payable to Tundra (50%) and Adobe (50%) by Chauvco.
- (10) **Tracts 18, 21** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Poco by Enron.
- (11) **Tracts 18, 19, 20, 21** are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by Enron and Palliser.
- (12) **Tract 19** is subject to a non-convertible sliding scale royalty of 1/150th, 5% - 15% on oil, calculated on 100% of production payable to Poco by Enron and Palliser.
- (13) **Tract 21:** Palliser's working interest in Tract 21 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 21 working interests shall be Enron (75%) and Palliser (25%).

Revision #3: Effective as of March 1, 1992

**LIST OF ABBREVIATIONS  
ATTACHED TO AND FORMING PART OF  
EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

<b><u>Abbreviation</u></b>	<b><u>Meaning</u></b>
Chauvco	Chauvco Resources Ltd.
Crown	Her Majesty the Queen, in the right of the Province of Manitoba
Enron	Enron Oil Canada Ltd.
Highridge	Highridge Exploration Ltd.
Poco	Poco Petroleum Ltd.
Palliser	Palliser Energy Inc.
Patlet	Patlet Ventures Ltd.
Tempella	Tempella Resources Ltd.
Nelson	Nelson Oils Limited
60145	60145 Manitoba Ltd.
IVMH	I.V.M.H. Inc.
Shell	Shell Canada Limited
Adobe	Adobe Resources Corporation
Pioneer	Pioneer Energy Resources Limited
Brosco	Brosco Fund Limited
Geodata	Geodata Ltd.
Tundra	Tundra Oil and Gas Ltd.
Passant	William T. Passant



Poco Petroleum Ltd.

POCO PETROLEUMS LTD.

POC (TSE, ME, ASE)

**NEWS RELEASE**  
**FOR IMMEDIATE RELEASE**  
Tuesday, January 7, 1992

Calgary - Poco Petroleum Ltd. announced that, effective January 1, 1992, it amalgamated with its wholly-owned subsidiary corporations :

Bonanza Energy (1989) Ltd.  
Bonanza Oil & Gas Ltd.  
Central Explorers Inc.  
Poco Acquisition Corp.  
Voyager Energy Inc.

The amalgamated company will continue operations under the name Poco Petroleum Ltd.

- 30 -

For further information please contact:

Bill Crossley  
Vice President and  
Chief Financial Officer  
(403) 260-8028

## MEMORANDUM

Date: January 7, 1992

To: All Staff  
From: Kevan King  
Subject: Amalgamation of Subsidiary Companies

---

Effective 12:00 p.m. (noon) on January 1, 1992 the following subsidiary companies were amalgamated with Poco Petroleums Ltd.:


Bonanza Energy (1989) Ltd.  
Bonanza Oil & Gas Ltd.  
Central Explorers Inc.  
Poco Acquisition Corp.  
Voyager Energy Inc.

The company will continue its operations under the name of **POCO PETROLEUMS LTD.** The business of all of the previous subsidiary companies should now only be conducted under the name Poco Petroleums Ltd.

The name on all agreements, contracts or other documents between any of the subsidiary companies and other third parties should be changed to Poco Petroleums Ltd. This should be accomplished by sending a copy of the Certificate of Amalgamation to the other parties to the agreement advising them of the change in corporate structure. Due to the manner in which the change was accomplished, assignment documentation should not be necessary. Attached is a copy of the Certificate of Amalgamation and the first page of the Articles of Amalgamation for your use. If you require notarially certified copies of these documents, please let me know.

We should no longer use letterhead of the subsidiary companies or execute anything dated after December 31, 1991 in the name of those companies.

If you have any further questions or comments concerning this transaction, please do not hesitate to give me a call.

  
Kevan



20514141

Corporate Access No.

BUSINESS CORPORATIONS ACT

Form 10

**CERTIFICATE OF AMALGAMATION**

- POCO PETROLEUMS LTD. -

Name of Corporation

I HEREBY CERTIFY THAT THE ABOVE-MENTIONED CORPORATION RESULTED FROM THE  
AMALGAMATION OF THE CORPORATIONS AS SET OUT IN THE ATTACHED ARTICLES OF  
AMALGAMATION.

Registrar of Corporations



January 1, 1992 12:00 noon

Date of Amalgamation

/tml





RECEIVED

DEC 24 1991

CONSUMER AND  
CORPORATE AFFAIRS  
PROVINCE OF ALBERTA

BUSINESS CORPORATIONS ACT  
(SECTION 179)

FORM 9

## ARTICLES OF AMALGAMATION

1. NAME OF AMALGAMATED CORPORATION

POCO PETROLEUMS LTD.

2. CORPORATE ACCESS NO.

20514141

3. THE CLASSES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE.

The annexed Schedule "A" is incorporated in this form.

FILED

JAN - 1 1992

Registrar of Corporations  
Province of Alberta

4. RESTRICTIONS IF ANY ON SHARE TRANSFERS.

None

5. NUMBER (OR MINIMUM AND MAXIMUM NUMBER) OF DIRECTORS.

The board of directors shall consist of not less than two and not more than

6. RESTRICTIONS IF ANY ON BUSINESS THE CORPORATION MAY CARRY ON.

eleven.

None

7. OTHER PROVISIONS IF ANY.

The Directors of the Corporation may, between Annual General Meetings, appoint one or more additional Directors of the Corporation to serve until the next Annual General Meeting, but the number of additional Directors shall not at any time exceed one-third of the number of Directors who held office at the expiration of the last Annual General Meeting of the Corp.

8. NAME OF AMALGAMATING CORPORATIONS.

CORPORATE ACCESS NO.

Poco Petroleum Ltd.  
Bonanza Oil & Gas Ltd.  
Bonanza Energy (1989) Ltd.  
Central Explorers Inc.  
Poco Acquisition Corp.  
Voyager Energy Inc.

20203931  
20305068  
20367319  
20392615  
20277254  
20413930

9. DATE  
Dec 31 1991

SIGNATURE

KEVAN S. KING

TITLE

General Counsel & Secretary

FOR DEPARTMENTAL USE ONLY

FILED

Client requested - Filed date

**ENRON  
Oil Canada Ltd.**

(403) 298-2600

10 January 1992

**ALL WORKING INTEREST OWNERS  
ALL ROYALTY INTEREST OWNERS  
MANITOBA ENERGY & MINES  
(Addressee List Attached)**

Gentlemen:

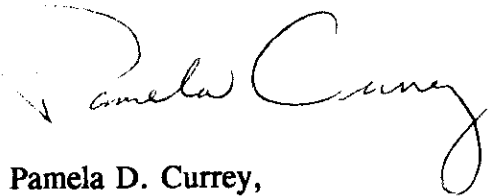
**Subject: Waskada Unit No. 17 - Unit Agreement  
Exhibit "A" - Revision #2**

Enron Oil Canada Ltd. has been notified that an error was made in recording Tract Participation percentages in Tracts 3 and 20 of Exhibit "A", therefore the total percentage did not add up to 100%.

Please accept our apologies for any inconvenience this error may have caused and amend your copies of the agreement by inserting the enclosed revision.

Yours very truly,

**ENRON OIL CANADA LTD.**



**Pamela D. Currey,  
Administrative Assistant**

/pdc  
attach

JAN 13 1992

**EXHIBIT "A"**

**ATTACHED TO AND FORMING PART OF AN AGREEMENT ENTITLED  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**TRACT PARTICIPATIONS**

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
1	12-3-2-25 WPM	Patlet	3.24832	Enron Chauvco Highridge	50.00 12.50 37.50	1.62416 0.40604 1.21812
2	13-3-2-25 WPM	Patlet	5.75041	Enron Chauvco	87.50 12.50	5.03161 0.71880
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7	6-10-2-25 WPM	Crown	4.23295	Enron Chauvco	93.75 6.25	3.96839 0.26456
8	7-10-2-25 WPM	Nelson	4.79654	Enron	100.00	4.79654
9	8-10-2-25 WPM	Nelson	1.95784	Enron	100.00	1.95784
10	9-10-2-25 WPM	Nelson	6.30219	Enron	100.00	6.30219

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
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21	6-15-2-25 WPM	Tempella	4.88599	Enron	100.00	4.88599
22	7-15-2-25 WPM	Nelson	5.33486	Enron	100.00	5.33486

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
23	8-15-2-25 WPM	Nelson	3.87109	Enron	100.00	3.87109
		TOTAL	100.000			100.00000

Revision #2: Effective January 1, 1992

**ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**NOTES:**

- (1) Tracts 1, 2, 3 are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Shell by Enron.
- (2) Tracts 1, 2, 3 are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable to Adobe by Chauvco and Highridge.
- (3) Tracts 1, 2, 3 are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable in equal shares to Pioneer and Brosco by Chauvco and Highridge.
- (4) Tracts 1, 2, 3 are subject to a non-convertible gross overriding royalty of 1% calculated on 100% of production payable to Geodata by Chauvco and Highridge.
- (5) Tract 2: Highridge's working interest in Tract 2 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 2 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
- (6) Tract 3: A portion of Highridge's working interest in Tract 3 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 3 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
- (7) Tracts 6, 7, 12 are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Voyager by Enron.
- (8) Tracts 6, 7, 12 are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 18.75% of production payable to Adobe (50%), Pioneer (25%) and Brosco (25%) by Enron.
- (9) Tracts 6, 7, 12 are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 50% of production payable to Tundra (50%) and Adobe (50%) by Chauvco.
- (10) Tracts 18, 21 are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Voyager by Enron.
- (11) Tracts 18, 19, 20, 21 are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by Enron and Palliser.
- (12) Tract 19 is subject to a non-convertible sliding scale royalty of 1/150th, 5% - 15% on oil, calculated on 100% of production payable to Voyager by Enron and Palliser.
- (13) Tract 21: Palliser's working interest in Tract 21 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 21 working interests shall be Enron (75%) and Palliser (25%).

Revision #2: Effective January 1, 1992

**LIST OF ABBREVIATIONS  
ATTACHED TO AND FORMING PART OF  
EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

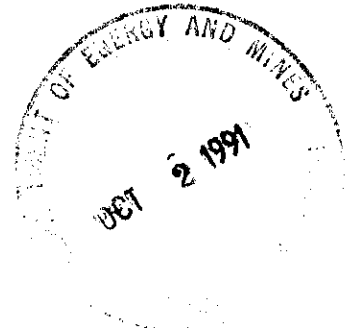
<b><u>Abbreviation</u></b>	<b><u>Meaning</u></b>
Chauvco	Chauvco Resources Ltd.
Crown	Her Majesty the Queen, in the right of the Province of Manitoba
Enron	Enron Oil Canada Ltd.
Highridge	Highridge Exploration Ltd.
Voyager	Voyager Energy Inc.
Palliser	Palliser Energy Inc.
Patlet	Patlet Ventures Ltd.
Tempella	Tempella Resources Ltd.
Nelson	Nelson Oils Limited
60145	60145 Manitoba Ltd.
IVMH	I.V.M.H. Inc.
Shell	Shell Canada Limited
Adobe	Adobe Resources Corporation
Pioneer	Pioneer Energy Resources Limited
Brosco	Brosco Fund Limited
Geodata	Geodata Ltd.
Tundra	Tundra Oil and Gas Ltd.
Passant	William T. Passant

# ENRON Oil Canada Ltd.

(403) 298-2600

1 October 1991

Manitoba Energy and Mines  
Attention: Mr. John Fox  
#555, 330 Graham Avenue  
Winnipeg, Manitoba  
R3C 4E3



Dear Mr. Fox:

**Subject: Waskada Unit No. 17 - Effective Date and Representatives**

Enron Oil Canada Ltd. hereby gives notice that the Effective Date for Waskada Unit No. 17 is October 1, 1991.

Due to various land and legal transactions Palliser Energy Inc. tookover Wildmount Resources Ltd.'s working interest effective June 30, 1991. Effective September 27, 1991 Palliser Energy Inc. was registered under the Corporations Act in the Province of Manitoba. Therefore, enclosed herewith is Revision #1 - Effective October 1, 1991 for Exhibit "A" to the Unit Agreement indicating this change of ownership.

Also enclosed are copies of the counterpart signature pages for the Unit Agreement for insertion in your copy of the document.

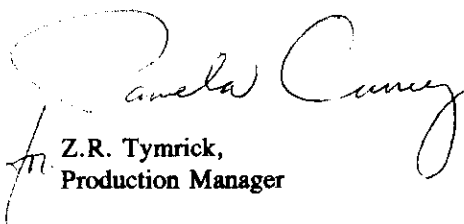
Enron's representatives for this Unit are to be as follows:

Zane R. Tymrick  
Chuck R. Haywood  
H. Dale Logie

Chairman, Operating Committee  
First Alternate Representative  
Second Alternate Representative

Yours very truly,

ENRON OIL CANADA LTD.

  
Z.R. Tymrick,  
Production Manager

ZRT:pdc  
attach



**EXHIBIT "A"**

**ATTACHED TO AND FORMING PART OF AN AGREEMENT ENTITLED  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**TRACT PARTICIPATIONS**

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
1	12-3-2-25 WPM	Patlet	3.24832	Enron Chauvco Highridge	50.00 12.50 37.50	1.62416 0.40604 1.21812
2	13-3-2-25 WPM	Patlet	5.75041	Enron Chauvco	87.50 12.50	5.03161 0.71880
3	14-3-2-25 WPM	Patlet	3.73690	Enron Chauvco Highridge	62.50 12.50 25.00	2.33557 0.46711 0.93423
4	15-3-2-25 WPM	60145	2.54375	Enron	100.00	2.54375
5	2-10-2-25 WPM	Nelson	2.43195	Enron	100.00	2.43195
6	3-10-2-25 WPM	Crown	4.11941	Enron Chauvco	93.75 6.25	3.86195 0.25746
7	6-10-2-25 WPM	Crown	4.23295	Enron Chauvco	93.75 6.25	3.96839 0.26456
8	7-10-2-25 WPM	Nelson	4.79654	Enron	100.00	4.79654
9	8-10-2-25 WPM	Nelson	1.95784	Enron	100.00	1.95784
10	9-10-2-25 WPM	Nelson	6.30219	Enron	100.00	6.30219

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
11	10-10-2-25 WPM	Nelson	5.21104	Enron	100.00	5.21104
12	11-10-2-25 WPM	Crown	5.04468	Enron Chauvco	93.75 6.25	4.72939 0.31529
13	15-10-2-25 WPM	Nelson	5.24273	Enron	100.00	5.24273
14	16-10-2-25 WPM	Nelson	7.90781	Enron	100.00	7.90781
15	4-14-2-25 WPM	IVMH	2.88514	Enron	100.00	2.88514
16	1-15-2-25 WPM	Nelson	2.82575	Enron	100.00	2.82575
17	2-15-2-25 WPM	Nelson	4.23177	Enron	100.00	4.23177
18	3-15-2-25 WPM	Tempella	4.38076	Enron Palliser	75.00 25.00	3.28557 1.09519
19	4-15-2-25 WPM	Tempella	3.29656	Enron Palliser	50.00 50.00	1.64828 1.64828
20	5-15-2-25 WPM	Tempella	5.76154	Enron Palliser Voyager	50.00 25.00 25.00	2.88077 1.44039 1.44039
21	6-15-2-25 WPM	Tempella	4.88599	Enron	100.00	4.88599
22	7-15-2-25 WPM	Nelson	5.33486	Enron	100.00	5.33486

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
23	8-15-2-25 WPM	Nelson	3.87109	Enron	100.00	3.87109
		TOTAL	100.000			100.00000

Revision #1: Effective as of the Effective Date - October 1, 1991

**ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**NOTES:**

- (1) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Shell by Enron.
- (2) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable to Adobe by Chauvco and Highridge.
- (3) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable in equal shares to Pioneer and Brosco by Chauvco and Highridge.
- (4) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 1% calculated on 100% of production payable to Geodata by Chauvco and Highridge.
- (5) **Tract 2:** Highridge's working interest in Tract 2 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 2 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
- (6) **Tract 3:** A portion of Highridge's working interest in Tract 3 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 3 working interests shall be Enron (50%), Highridge (37.50%) and Chauvco (12.50%).
- (7) **Tracts 6, 7, 12** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Voyager by Enron.
- (8) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 18.75% of production payable to Adobe (50%), Pioneer (25%) and Brosco (25%) by Enron.
- (9) **Tracts 6, 7, 12** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 50% of production payable to Tundra (50%) and Adobe (50%) by Chauvco.
- (10) **Tracts 18, 21** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Voyager by Enron.
- (11) **Tracts 18, 19, 20, 21** are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by Enron and Palliser.
- (12) **Tract 19** is subject to a non-convertible sliding scale royalty of 1/150th, 5% - 15% on oil, calculated on 100% of production payable to Voyager by Enron and Palliser.
- (13) **Tract 21:** Palliser's working interest in Tract 21 is subject to a 300% non-consent penalty to be recovered by Enron. Upon penalty recovery Tract 21 working interests shall be Enron (75%) and Palliser (25%).

Revision #1: Effective as of the Effective Date - October 1, 1991

**LIST OF ABBREVIATIONS  
ATTACHED TO AND FORMING PART OF  
EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

<b><u>Abbreviation</u></b>	<b><u>Meaning</u></b>
Chauvco	Chauvco Resources Ltd.
Crown	Her Majesty the Queen, in the right of the Province of Manitoba
Enron	Enron Oil Canada Ltd.
Highridge	Highridge Exploration Ltd.
Voyager	Voyager Energy Inc.
Palliser	Palliser Energy Inc.
Patlet	Patlet Ventures Ltd.
Tempella	Tempella Resources Ltd.
Nelson	Nelson Oils Limited
60145	60145 Manitoba Ltd.
IVMH	I.V.M.H. Inc.
Shell	Shell Canada Limited
Adobe	Adobe Resources Corporation
Pioneer	Pioneer Energy Resources Limited
Brosco	Brosco Fund Limited
Geodata	Geodata Ltd.
Tundra	Tundra Oil and Gas Ltd.
Passant	William T. Passant

Revision #1: Effective as of the Effective Date - October 1, 1991

**ENRON  
Oil Canada Ltd.**

(403) 298-2600

VIA FAX #(204) 945-0586

30 September 1991

Manitoba Energy and Mines  
Attention: Mr. John Fox  
#555, 330 Graham Avenue  
Winnipeg, Manitoba  
R3C 4E3

Dear Mr. Fox:

Subject: Waskada Unit No. 17

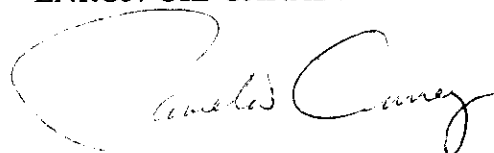
Enron Oil Canada Ltd., as operator of the above proposed Waskada Unit No. 17, hereby encloses signature pages for Unit and Unit Operating Agreements from all Working Interest and Royalty Interest Owners. Therefore, Enron requests that the effective date of the Unit be October 1, 1991.

Please note the enclosed Manitoba Certificate of Registration for Palliser Energy Inc.; therefore completing the transfer of Wildmount Resources Ltd.'s working interest in the Unit to Palliser.

Should you have any questions or require further information, please contact the undersigned at your convenience.

Yours very truly,

ENRON OIL CANADA LTD.



Pamela D. Currey,  
Administrative Assistant

/pdc  
attach



Manitoba

The Corporations Act/  
Loi sur les corporations  
APPLICATION FOR REGISTRATION  
DEMANDE D'ENREGISTREMENT

Corporation No.

2786541

N° de la corporation



The Corporations Act /  
Loi sur les corporations

CERTIFICATE OF REGISTRATION /  
CERTIFICAT D'ENREGISTREMENT

DATE  
DATE

27 SEPT./SEPT. 1991

*[Signature]*  
REGISTRAR, CORPORATIONS  
REGISTRAR, CORPORATIONS

1—Name of body corporate / Dénomination sociale

PALLISER ENERGY INC.

2—Current jurisdiction and governing statute /

Autorité législative et loi régissant actuellement la corporation

PROVINCE OF ALBERTA

The Business Corporations Act

3—Date of incorporation / amalgamation / Date de constitution en corporation / fusion

March 20, 1987

4—Registered office address in current jurisdiction (include postal code) /

Adresse actuelle du bureau enregistré (inclure le code postal)

920, 815 8TH AVENUE S.W.

CALGARY, ALBERTA T2P 3P2

5—Name and address in full of any resident director, officer or attorney for service in Manitoba /

Nom et adresse au complet d'un administrateur ou d'un dirigeant résidant ou d'un procureur désigné aux fins de signification au Manitoba

ERIC G. LISTEN

900-400 ST. MARY AVENUE

WINNIPEG, MANITOBA

R3C 4K5

Office / Bureau

Attorney

6—Date of start of business in Manitoba, if determined / Date du début de l'entreprise au Manitoba, si elle a été fixée

September 1, 1991

7—Nature of business in Manitoba / Nature de l'entreprise au Manitoba

Oil &amp; Gas Exploration and Production

8—Address in full of principal office in Manitoba, if determined (include postal code) /  
 Adresse complète du bureau principal au Manitoba, s'il y a lieu (inclure le code postal)

CU TAYLOR McCARTHY CHAPMAN, STANBSON  
 PARATYERS & SOLICITORS  
 900-400 ST MARY AVENUE  
 WINNIPEG, MANITOBA  
 R3C 4K5

9—Name and address in full of chief officer in Manitoba, if determined (include postal code) /  
 Nom et adresse au complet du dirigeant en chef au Manitoba, s'il y a lieu (inclure le code postal)

NONE

Name / nom

Address / adresse

Office held / poste

10—Names of amalgamating bodies corporate, if applicable / Dénomination des personnes morales fusionnantes, s'il y a lieu

N/A

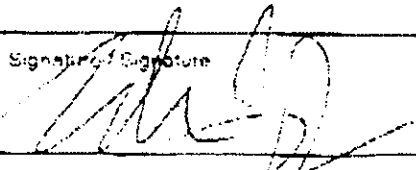
11—The body corporate exists in its current jurisdiction.  
 The above statements are true.

La personne morale existe actuellement.  
 Les déclarations ci-dessus sont exactes.

Date / Date

Sept 26, 1991

Signature / Signature



Office Held / Poste

President





MAI TOBA

The Corporations Act /  
Loi sur les corporations  
POWER OF ATTORNEY /  
PROCURATION

Take notice that /  
Prenez note que

PAULISSE LIMITED INC.

(Name of Appointing Body / Corporation / Dénomination sociale de la personne morale)

(hereinafter called the "corporation") hereby appoints / (ci-après appelé la "corporation") nomme par les présentes

ERIC G. LISTER

(Name of Attorney in Full / Nom du procureur au complet)

900 - 400 ST. MARY AVENUE WINNIPEG, MANITOBA R3C 4K5

(Business Address of the Attorney including Street Number, Municipality, and Postal Code /  
Adresse du bureau du procureur incluant le numéro de rue, la municipalité et le code postal)

as true and lawful attorney, within Manitoba, to accept service of process or being served therewith in any suit or proceedings and to receive all lawful notices, and for the aforesaid purposes, to do all the acts relating to the matters within the scope of this power of attorney. Until due lawful notice of the appointment of another and subsequent attorney has been given to and accepted by the Director under The Corporations Act, service of process or of papers and notices upon the said

son procureur dans la province du Manitoba aux fins de recevoir signification d'actes de procédure en toutes actions et procédures et de recevoir tout avis légal. Le procureur pourra, pour les fins mentionnées ci-dessus, accomplir tous les actes se rapportant aux matières auxquelles la présente procuration s'étend. Jusqu'à ce qu'un avis légal suffisant de la nomination d'un autre procureur ait été donné au directeur conformément à la Loi sur les corporations et que celui-ci ait accepté un tel avis, la signification des actes de procédure ou des documents et des avis faite à

ERIC G. LISTER

(Name of Attorney in Full / Nom du procureur au complet)

shall be accepted by the corporation as sufficient service. / liera la corporation

Date / Date	Signature / Signature	Description of Office / Description du poste
<u>Sept 27/91</u>	<u>[Signature]</u>	<u>President</u>

CONSENT TO ACT AS ATTORNEY / CONSENTEMENT À AGIR EN QUALITÉ DE PROCUREUR

I / Je soussigné

ERIC G. LISTER

of / de

(Name of Attorney in Full / Nom du procureur au complet)

900 - 400 ST. MARY AVENUE, WINNIPEG, MB R3C 4K5

(Business Address including Street Number, Municipality, and Postal Code /  
Adresse du bureau incluant le numéro de rue, la municipalité et le code postal)

hereby consent to act as the attorney pursuant to the aforesaid power of attorney in that behalf executed by the said corporation.

consent par les présentes à agir en qualité de procureur conformément à la procuration mentionnée ci-dessus que ladite corporation a passée en cet effet.

Dated /

Fait le

September 27, 1991

Corporation Number /

Numéro de la corporation

(Signature of Attorney / Signature du procureur)

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


Company Name:

Address in Alberta:

ENROPE OIL CANADA LTD.  
1300 WESTERN CAMDEN PLACE  
CALGARY, ALBERTA  
T2P 0K9

Date:

AUG 12 1991

  
D.K. PALMER  
VICE PRESIDENT - LAND

This is the execution page to an agreement entitled  
"Unit Operating Agreement - Waskada Unit No. 17"

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

Company Name: Chauvco Resources Ltd.

Address in Alberta: 2900, 255 - 5th Ave S.W.

Calgary, AB T2P 3G6

Date:

91-08-19

*den*

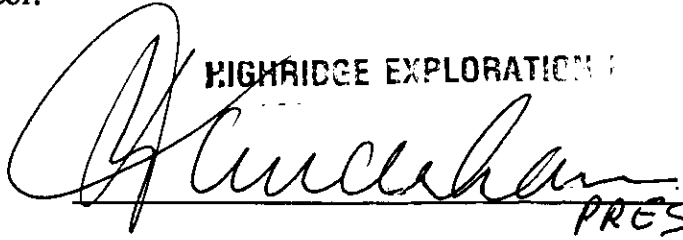


D. NOLAN BLADES  
EXECUTIVE VICE-PRESIDENT & C.O.O.

This is the execution page to an agreement entitled  
"Unit Operating Agreement - Waskada Unit No. 17"

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

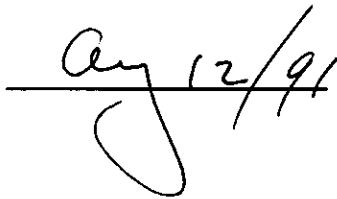
Company Name:

HIGHRIDGE EXPLORATION  
  
PRES

Address in Alberta:

HIGHRIDGE EXPLORATION LTD.  
1500, 630 - 6 AVENUE S.W.  
CALGARY, ALBERTA T2P 0S8

Date:

  
Aug 12/91

This is the execution page to an agreement entitled  
"Unit Operating Agreement - Waskada Unit No. 17"

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

Company Name:

VOYAGER ENERGY INC.

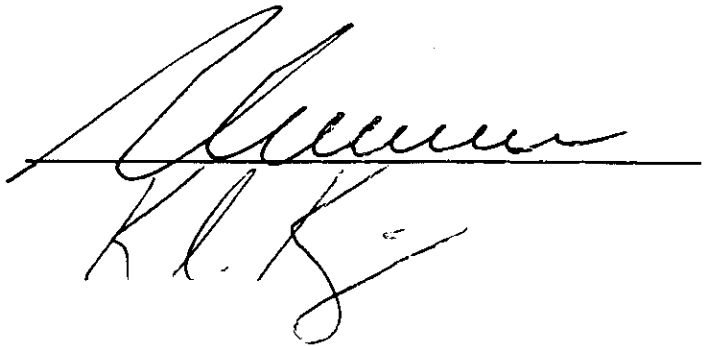
Address in Alberta:

3500, 250 - 6th Avenue S.W.

Calgary, Alberta T2P 3H7

Date:

Aug. 22/91

  
K. H. K.

This is the execution page to an agreement entitled  
"Unit Operating Agreement - Waskada Unit No. 17"

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

Company Name:

Palliser Energy Inc.

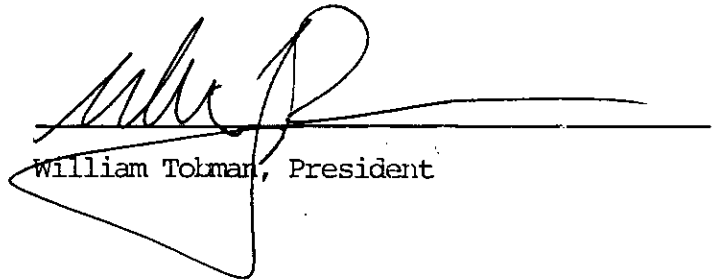
Address in Alberta:

#920, 815 - 8th Avenue S.W.

Calgary, Alberta

Date:

August 22, 1991

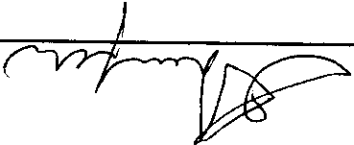


William Tolman, President

This is the execution page to an agreement entitled  
"Unit Operating Agreement - Waskada Unit No. 17"

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

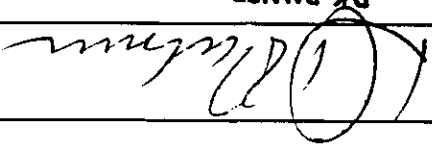
Date: SEPT 12, 1991

  
\_\_\_\_\_  
MANITOBA ENERGY AND MINES

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

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

Date: AUG 12 1991

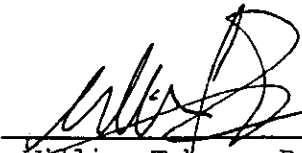
**ENRON OIL CANADA LTD.**  
  
**D.K. PALMER**  
**VICE PRESIDENT - LAND**

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"



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

Date: August 22, 1991


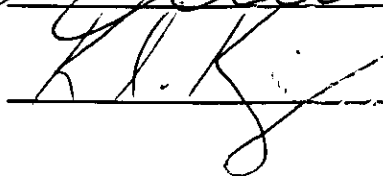
  
\_\_\_\_\_  
William Tolman, President  
Palliser Energy Inc.  
\_\_\_\_\_

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

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

Date: Aug 22/91

VOYAGER ENERGY INC.

  
\_\_\_\_\_  
  
\_\_\_\_\_

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

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

Date: 91-08-19

*DRR*



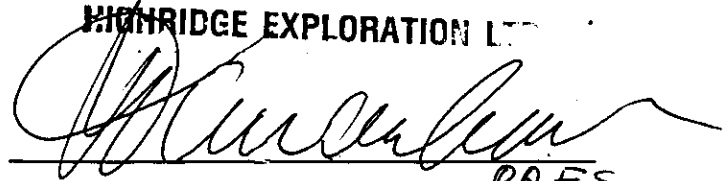
D. NOLAN BLADES  
EXECUTIVE VICE-PRESIDENT & C.O.O.

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

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

Date: Aug 12/91

HIGHRIDGE EXPLORATION LTD.  
1500, 630 - 6 AVENUE S.W.  
CALGARY, ALBERTA T2P 0S8

HIGHRIDGE EXPLORATION LTD.  
  
PRES

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

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

Date: 8-30-91

\_\_\_\_\_  
\_\_\_\_\_


This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

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

Date: August 14, 1991

**GEO DATA LTD.**

  
\_\_\_\_\_  
GARY W. LITSCHKE, President

  
\_\_\_\_\_  
H.V. LITSCHKE, Secretary

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

Date: Sept 18/91

17

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

Date: 13<sup>th</sup> Aug 1991

W.T. Passant.

---

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"



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

Date: AUG. 16/91

Lorne L Temple

Patlet Ventures Ltd

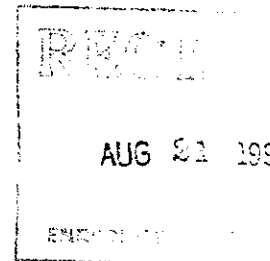
Box 263

ONANOLE

MAN

ROSSINO

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"



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

Date: Sept 27/91

PIONEER ENERGY RESOURCES LIMITED

Robert H. Hinch  
James A. White

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

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

Date: 21. Aug 91.

D.B. Robinson Pres:  
M. Robinson. Sec  
NELSON OILS. LTD

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

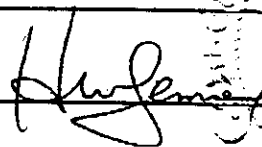
17

AUG 20 1991

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

Date: SEPT. 30, 1991

**SHELL CANADA LIMITED**

  
\_\_\_\_\_  
\_\_\_\_\_  
Secretary

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

IN WITNESS WHEREOF the Parties have executed this Agreement each on the  
date shown opposite its execution hereof. *TEMPELLA RESOURCES LTD.*

Date: *Sept. 18/91*

Pres. *Lyndal D. Temple*  
Sec. *Wendy R. Temple*

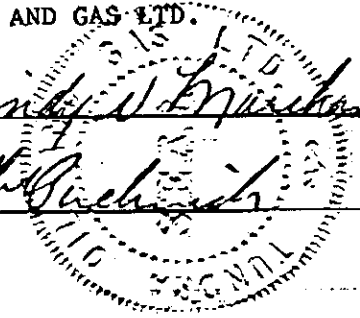
This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

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

Date: Aug 18/91

TUNDRA OIL AND GAS LTD.

*Leah W. Waskada*  
*M. Bach*



This is the execution page to an agreement entitled  
 "Unit Agreement - Waskada Unit No. 17"

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

Date: Aug. 30, 1991

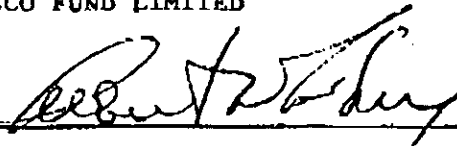

*6045 Main Street, LTD*  
*James*  
*Sharon Hauck*

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

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

BROSCO FUND LIMITED

Date: SEPT 30 / 91

This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"



# Memorandum

From **John N. Fox**  
**Chief Petroleum Engineer**  
**Petroleum Branch**

Telephone

Secret

Enron has submitted copies of the Unit Agreement execution pages indicating 100% of the royalty owners (including the Crown) and 100% of the working interest owners have executed the agreement.

It is recommended that the Board approve the Waskada Unit No. 17 Agreement with an effective date of October 1, 1991. A copy of the proposed Board letter of approval is attached.

John N. Fox

Att'd.

**Approved:**

  
L. R. Dubreuil, Director

September 30, 1991

Mr. C.R. Haywood  
Manager, Economics & Planning  
Enron Oil Canada Ltd.  
1300, 700-9th Avenue S.W.  
Calgary, Alberta  
T2P 3V4

Dear Mr. Haywood:

The Oil and Natural Gas Conservation Board is in receipt of your letter dated September 30, 1991 requesting approval of the Waskada Unit No. 17 Unit Agreement and the attached copies of the working interest and royalty owner consents.

The Waskada Unit No. 17 Unit Agreement is hereby approved with an effective date (pursuant to Clause 1401 of the Unit Agreement) of October 1, 1991.

Yours respectfully,

ORIGINAL SIGNED BY  
H. CLARE MOSTER

H. Clare Moster  
Deputy Chairman

JOHN

September 23, 1991

Shell Canada Limited  
400 - 4th Avenue S.W.  
P.O. Box 100, Station M  
Calgary, Alberta  
T2P 2H5

Attention: W.A. Baux  
Coordinator - Joint Ventures

Dear Sir:

RE: Waskada Unit No. 17


Chuck Haywood of Enron Oil Canada Ltd. has asked that I write to inform you of the prerequisites for approval by The Oil and Natural Gas Conservation Board of a Unit Agreement.

Subsection 74(2) of The Mines Act requires Board approval for a unit operation. Subsection 74(3) prohibits the Board from giving such approval unless the royalty owners have become a party to the Unit Agreement or to a separate agreement. Section 60 of The Mines Act defines a royalty owner, among other things, as a person who has an overriding royalty interest. Copies of the pertinent provisions of the Act are included for your reference.

In light of the above, it would appear that if it is requested that the Board approve Waskada Unit No. 17, Shell, as an overriding royalty owner, will have to execute the Unit Agreement (unless by terms of another agreement, Shell has consented to unitization).

I hope the foregoing clarifies the legislative requirements. If you have any questions in respect of this matter, please call the undersigned at (204) 945-6573 or John Fox at (204) 945-6574.

Yours truly

  
L.R. Dubreuil  
Director

cc: Enron Oil Canada Ltd.  
Attention: Chuck Haywood



**Shell Canada Limited**

400 - 4th Avenue S.W.  
P.O. Box 100, Station M  
Calgary, Alberta T2P 2H5  
(403) 691-3111

September 16, 1991

Enron Oil Canada Ltd.  
1300, 700 - 9 Avenue SW  
Calgary, Alberta  
T2P 3W4

Attention: Mr. C.R. Haywood  
Manager, Economics & Planning

Dear Sir:

**SUBJECT: PROPOSED WASKADA UNIT NO. 17**  
**UNIT AGREEMENT**

Further to your letter of August 9, 1991 of like caption, Shell Canada Limited as a gross overriding royalty owner in the proposed unit finds itself unwilling to execute the subject agreement.

Shell does not object to the subject unitization and is prepared to accept, if the Unit is formed, allocated production rather than actual production in the calculation of its gross overriding royalty.

Please do not hesitate to contact the undersigned at 691-3056 if you have any questions or comments.

Yours very truly,

A handwritten signature in cursive script, appearing to read 'W.A. Baux'.

W.A. Baux  
Coordinator - Joint Ventures

WAB/cm

WHAT PROVISIONS ARE THERE  
IN GORR AGREEMENT  
REGARDING UNITIZATION.

September 17, 1991

Mr. C.R. Haywood  
Manager, Economics & Planning  
Enron Oil Canada Ltd.  
1300, 700 - 9th Avenue S.W.  
Calgary, Alberta  
T2P 3V4

Dear Mr. Haywood:

RE: Waskada Unit No.'s 17 and 18

Enclosed for your records are copies of the Waskada Unit No.'s 17 and 18 Unit Agreements signed by the Minister of Energy and Mines on behalf of the Crown as a royalty owner.

Please note that execution of the unit agreements by the Minister does not constitute approval of the unit agreements. Such approval may only be done by The Oil and Natural Gas Conservation Board. Please submit a copy of each of the signature pages of the subject unit agreements executed by all of the working interest and royalty owners.

Yours truly,

ORIGINAL SIGNED BY  
JOHN N. FOX

John N. Fox  
Chief Petroleum Engineer

Encl.



MANIT

PC: C. Moster - 91/09/13-GB

pc: H. Fawcett 9/19/91

Order in Council

# On Matters of State

No. 823

To The Honourable the Lieutenant Governor in Council  
Energy and Mines

The undersigned, the Minister of  
submits for approval of Council a report setting forth that:

WHEREAS Section 75 of "The Mines Act", being Chapter M160 of the Continuing Consolidation of the Statutes of Manitoba, 1987, provides as follows:

"75(1) Where the Crown is a working interest owner or royalty owner of a tract of land, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into a unitization agreement for the unit operation of the pool or field, or part thereof, within which the tract is situated.

75(2) Notwithstanding any other provision of this Act or of an agreement or other disposition made under this Act, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into an agreement for the calculation of the royalty payable to the Crown on the oil and gas produced from a unit area that includes a tract that is subject to the payment of a royalty to the Crown."

AND WHEREAS Enron Oil Canada Ltd. and Chauvco Resources Ltd. are the holders of Crown Oil and Natural Gas Lease No. L822-308 covering the west half of Section 10, in Township Township 2, Range 25, WPM;

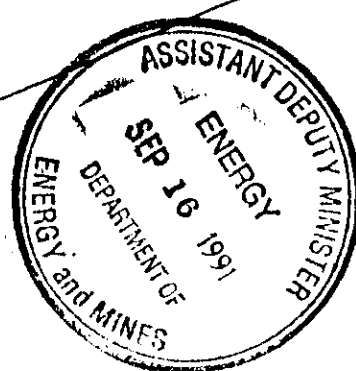
AND WHEREAS Enron Oil Canada Ltd. is proposing to unitize its operations in part of the Waskada Lower Amaranth A Pool as Waskada Unit No. 17, which unit includes the tracts described as Legal Subdivisions 3, 6 and 11 of Section 10, in Township 2, Range 25, WPM;

AND WHEREAS Enron Oil Canada Ltd. has requested agreement for the proposed unitization from the Crown as the Royalty Owner of the subject tracts;

AND WHEREAS in order to accomplish the more efficient and economical development and production of the oil and gas resources of the Waskada Lower Amaranth A Pool, it is deemed advisable for the Crown to enter into the said unitization agreement;

THEREFORE, he, the Minister, recommends:

THAT the Minister of Energy and Mines be authorized to enter into the Unit Agreement for Waskada Unit No. 17 in the form hereto annexed and marked as Schedule "A", or any form to the like effect.



Initiating Department/Agency	
Department/Agency	Authorized Officer
E+M	[Signature]
Approved By	
C.B.C.	Finance
Approved as to form by:	
Name	Initials
D. B. G. EVINS	AK
Civil Litigation Branch: <input checked="" type="checkbox"/> or Legislative Counsel	

Signature

IN THE EXECUTIVE COUNCIL CHAMBER, WINNIPEG

Upon consideration of the foregoing report and recommendation Council advises that it be done as recommended.

4th September 1991

Date

AT GOVERNMENT HOUSE IN THE CITY OF WINNIPEG

Approved and Ordered this 4th day of September A.D. 1991

[Signature]  
President or Presiding Member

[Signature]  
Lieutenant Governor

SEP 13 1991

August 13, 1991

H. Clare Moster  
Assistant Deputy Minister  
Energy Division

John N. Fox  
Chief Petroleum Engineer  
Petroleum Branch

Re: Proposed Waskada Unit No. 17  
Unit Agreement

Enron Oil Canada Ltd. is proposing to unitize an area in the Waskada Field which includes 23 tracts. The proposed Unit No. 17 involves three tracts (LSD's) for which the Crown is the royalty owner (i.e. mineral rights owner). Section 74 of The Mines Act states that before a unitization agreement can be put into effect, it must be approved by The Oil and Natural Gas Conservation Board. It further states that the Board shall not approve an agreement unless the royalty owners have agreed to the unit operation. Therefore, Enron has submitted two copies of the proposed Unit Agreement for Waskada Unit No. 17 for execution by the Minister on behalf of the Crown as an affected royalty owner.

Section 75 of The Mines Act states that the Minister, with the authorization of the Lieutenant Governor in Council, may enter such agreements on behalf of the Crown as a royalty owner.

RECOMMENDATION:

It is recommended that the Minister:

1. Requests authorization from Cabinet to permit him to enter into the proposed Waskada Unit No. 17 Unitization Agreement on behalf of the Crown (draft OIC attached) with respect to LSD's 3, 6 and 11 of Section 10-2-25 (WPM).
2. Execute the attached two copies of the Unit Agreement for Waskada Unit No. 17 as a royalty owner.

DISCUSSION:

The three tracts in the proposed Waskada Unit No. 17 which contain Crown-owned mineral rights are LSD's 3, 6 and 11 of Section 10-2-25 (WPM). The three tracts are held under Crown Oil and Natural Gas Lease No. L822-308 covering the west half of Section 10. All three tracts are held by Enron Oil Canada Ltd. and Chauvco Resources Ltd.

Currently the wells on the tracts produce from the Waskada Lower Amaranth A Pool at a combined rate of approximately 178.4 m<sup>3</sup>/month and a water-oil ratio of about 0.49 m<sup>3</sup>/m<sup>3</sup>.

With the proposed unit and planned pressure maintenance operations in the area, there is a good chance that the productivity of these wells may be enhanced in the future. On this basis, inclusion of these tracts in the unit is recommended.

By inclusion of these tracts in the unit, the Crown will receive royalties based on allocated unit production. Petroleum Branch staff have reviewed all the tract participation factors for tracts in the unit and recommend their acceptance.

Clause 1301 of the proposed Unit Agreement specifically states that the execution of the Agreement by the Minister is strictly as a royalty interest owner. Therefore, by such execution, the Minister is not approving the Unit Agreement. Such approval may only be done by the Board pursuant to Section 74 of The Mines Act.

John N. Fox  
Chief Petroleum Engineer

JNF/sml

Att'd.



DEPARTMENT OF ENERGY AND MINES

CABINET SUBMISSION

SUBJECT:

An agreement to unitize oil development operations in the Waskada oil field.

BACKGROUND:

The Province of Manitoba is the owner of the mines and minerals in the west half of Section 10 in Township 2, Range 25 WPM located in the Waskada Oil Field. Enron Oil Canada Ltd. and Chauvco Resources Ltd. are the holders of the Crown oil and natural gas lease to the subject land. Enron has completed three wells under the lease in the Waskada Lower Amaranth A Pool. Enron is planning to expand its waterflood operations in that area of the Pool, but before proceeding, Enron must obtain the agreement of the mineral rights owners affected. As Enron wishes to include the Crown wells in the proposed Waskada Unit No. 17, it has requested the consent of the Minister of Energy and Mines on behalf of the Crown as mineral rights owner.

DISCUSSION:

Inclusion of the Crown wells in the proposed Unit will result in a portion of the total crude oil and natural gas produced from all wells in the Unit being allocated to the Crown wells, and the Crown will receive royalties on the allocated production.

The Mines Act specifically provides for the Minister to enter into unitization agreements on behalf of the Crown with the approval of the Lieutenant Governor in Council.

FINANCIAL IMPLICATIONS:

The proposed unitization will not affect operating expenditures and will result in additional future oil royalty revenue to the Crown depending on the success of the waterflood project.

COMMUNICATION:

Because of the routine nature of the procedure for Crown consent as a mineral owner to unitization, no communication is required.

RECOMMENDATION:

It is recommended that the Minister of Energy and Mines be authorized to enter into the Unitization Agreement for Waskada Unit No. 17 on behalf of the Crown.

---

Harold Neufeld  
Minister of Energy and Mines

Date Typed: August 13, 1991

## Energy and Mines

Section 75 of "The Mines Act", being Chapter M160 of the Continuing Consolidation of the Statutes of Manitoba, 1987, provides as follows:

"75(1) Where the Crown is a working interest owner or royalty owner of a tract of land, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into a unitization agreement for the unit operation of the pool or field, or part thereof, within which the tract is situated.

75(2) Notwithstanding any other provision of this Act or of an agreement or other disposition made under this Act, the Lieutenant Governor in Council may authorize the minister, on behalf of the Crown, to enter into an agreement for the calculation of the royalty payable to the Crown on the oil and gas produced from a unit area that includes a tract that is subject to the payment of a royalty to the Crown."

AND WHEREAS Enron Oil Canada Ltd. and Chauvco Resources Ltd. are the holders of Crown Oil and Natural Gas Lease No. L822-308 covering the west half of Section 10, in Township Township 2, Range 25, WPM;

AND WHEREAS Enron Oil Canada Ltd. is proposing to unitize its operations in part of the Waskada Lower Amaranth A Pool as Waskada Unit No. 17, which unit includes the tracts described as Legal Subdivisions 3, 6 and 11 of Section 10, in Township 2, Range 25, WPM;

AND WHEREAS Enron Oil Canada Ltd. has requested agreement for the proposed unitization from the Crown as the Royalty Owner of the subject tracts;

AND WHEREAS in order to accomplish the more efficient and economical development and production of the oil and gas resources of the Waskada Lower Amaranth A Pool, it is deemed advisable for the Crown to enter into the said unitization agreement;

THEREFORE, he, the Minister, recommends:

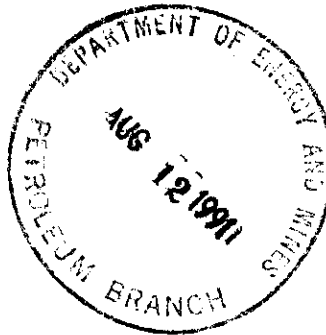
THAT the Minister of Energy and Mines be authorized to enter into the Unit Agreement for Waskada Unit No. 17 in the form hereto annexed and marked as Schedule "A", or any form to the like effect.

# ENRON Oil Canada Ltd.

(403) 298-2600

9 August 1991

Manitoba Energy and Mines  
Attention: Mr. L.R. Dubreuil  
#555, 330 Graham Avenue  
Winnipeg, Manitoba  
R3C 4E3



Dear Sir:

Subject: **Proposed Waskada Unit No. 17**  
**Unit Agreement**

Enron Oil Canada Ltd. hereby encloses final documentation for execution for the above noted proposed Waskada Unit No. 17. A draft agreement was previously forwarded to all parties and several verbal responses along with a written response from Shell were received. The main concern was the reason as to why the Unit was being formed. The following were the changes incorporated into the agreement:


1. Table of Contents, Page ii, Clause 502 - the word "Qualifications" to "Qualification".
2. Page 15, Clause 1401a) - the word "Interim" taken out.

Enron is currently constructing two satellites, a gathering system and water distribution system for this area and has targeted September 1, 1991 as the Effective Date for Unit No. 17. Therefore Enron would ask that the extra signatory page enclosed be executed and returned to the undersigned by August 30, 1991. Your prompt consideration in this matter is greatly appreciated.

Should you have any further questions or concerns regarding this Unit, please contact the undersigned at your convenience.

Yours very truly,

ENRON OIL CANADA LTD.

  
C.R. Haywood,  
Manager, Economics & Planning

CRH:pd  
attach

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

Date: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

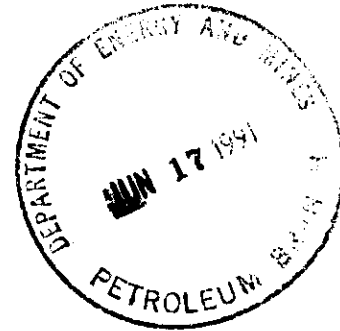
This is the execution page to an agreement entitled  
"Unit Agreement - Waskada Unit No. 17"

**ENRON  
Oil Canada Ltd.**

(403) 298-2600

12 June 1991

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



Attention: Mr. John Fox,  
Chief Petroleum Engineer

Dear Mr. Fox:

Re: Waskada Unit No. 17

Enclosed herewith please find Tables 1 to 5 which present the technical data used to arrive at the working interest ownership in Waskada Unit No. 17.

Should you require further information or have any questions regarding this Unit, please contact the undersigned at your convenience.

Yours very truly,

ENRON OIL CANADA LTD.

A handwritten signature in cursive script that reads "H. Dale Logie".

H. Dale Logie, P.Eng.  
Chief Reservoir Engineer

HDL:pd  
attach

### WASKADA WELLBORE PARAMETERS

Page 1

TABLE 2

WASKADA PRODUCTION DATA

WELL LOCATION	CUM PROD m3	CUM PROD %	MONTHLY PRODUCTION m3			MONTHLY TOTAL	MONTHLY PERCENTAGE	MONTH 1	MONTH 2	DAYS ON PRODUCTION			TOTAL DAYS
			MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	
12-3-2-25UPH	260.1	0.65%	27.3	98.0	66.7	40.4	41.5	5	30	31	30	27	123
13-3-2-25UPH	2425.5	6.08%	179.4	295.6	196.3	173.8	113.6	12	29	30	31	28	130
14-3-2-25UPH	857.4	2.15%	81.5	134.8	90.7	68.4	63.6	9	31	31	28	31	130
15-3-2-25UPH	278.4	0.70%	96.6	55.2	47.0	41.8	37.8	30	28	31	30	31	150
2-10-2-25UPH	508.5	1.27%	141.6	97.6	76.7	71.1	61.7	23	31	30	31	30	145
3-10-2-25UPH	1743.7	4.38%	43.7	230.4	140.3	116.8	111.2	5	31	30	27	29	122
6-10-2-25UPH	1436.4	3.60%	163.8	134.8	107.9	98.6	91.8	26	30	31	30	31	148
7-10-2-25UPH	1407.1	3.53%	110.7	220.4	189.7	166.7	137.2	13	25	28	27	18	111
8-10-2-25UPH	327.2	0.82%	99.7	63.9	47.0	43.3	37.6	20	31	30	31	30	142
9-10-2-25UPH	2030.1	5.09%	166.4	292.9	254.2	257.3	211.8	12	24	25	28	24	113
10-10-2-25UPH	1346.2	3.37%	197.3	178.7	129.3	124.5	109.7	19	31	28	31	30	139
11-10-2-25UPH	2751.8	6.90%	196.7	158.3	127.8	119.6	106.7	24	30	30	31	30	145
15-10-2-25UPH	1601.1	4.01%	53.8	277.2	186.0	135.7	131.0	4	31	30	28	31	124
16-10-2-25UPH	3359.4	8.42%	223.5	482.7	250.6	264.1	250.0	17	31	18	19	19	104
4-14-2-25UPH	651.5	1.63%	50.3	61.5	48.7	47.3	48.9	17	30	31	30	31	139
1-15-2-25UPH	769.4	1.93%	51.3	149.2	95.9	83.4	71.5	5	31	29	31	30	126
2-15-2-25UPH	734.9	1.84%	109.6	166.6	131.1	128.4	110.6	11	31	30	31	30	133
3-15-2-25UPH	3008.8	7.54%	163.3	150.6	126.9	125.6	117.4	23	31	29	29	30	142
4-15-2-25UPH	1528.2	3.83%	78.6	77.8	67.4	53.3	65.8	20	31	31	24	31	137
5-15-2-25UPH	8521.5	21.36%	183.3	214.7	131.5	127.5	193.7	23	28	18	24	30	123
6-15-2-25UPH	1406.0	3.52%	192.3	146.0	123.7	112.7	88.2	23	30	31	29	31	144
7-15-2-25UPH	1761.9	4.42%	155.9	244.5	175.5	169.2	145.9	13	31	28	31	30	133
8-15-2-25UPH	1174.2	2.94%	209.6	50.5	141.7	107.9	141.4	29	8	28	25	30	120
TOTAL	39891.3	100.00%					15076.7	100.00%					

TABLE 2 (Continued)

WASKADA PRODUCTION DATA

[illegible]



TABLE 3

WASKADA WORKING INTEREST BPO

TRACT NUMBER	WELL LOCATION	PRODUCTION FACTOR - % - BPO			RESERVE FACTOR - % - BPO			TOTAL FACTOR - % - BPO			WILDMOUNT	VOYAGER	ENRON	CHAUVO	HIGHRIDGE	WILDMOUNT	VOYAGER	ENRON	CHAUVO	HIGHRIDGE	WILDMOUNT	VOYAGER	ENRON	CHAUVO	HIGHRIDGE	WILDMOUNT	VOYAGER																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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TABLE 4

TRACT NUMBER	WELL LOCATION	PRODUCTION FACTOR - % - APO				RESERVE FACTOR - % - APO				TOTAL FACTOR - % - APO						
		ENROM	CHALVCD	HIGHRIDGE	MILDHOLMIT	VOYAGER	ENROM	CHALVCD	HIGHRIDGE	MILDHOLMIT	VOYAGER	ENROM	CHALVCD	HIGHRIDGE	MILDHOLMIT	VOYAGER
1	12-3-2-25UPH	0.99481	0.24870	0.74611	0.00000	0.00000	2.56818	0.64205	1.92614	0.00000	0.00000	1.62416	0.40604	1.21812	0.00000	0.00000
2	13-3-2-25UPH	3.21411	0.80353	2.41058	0.00000	0.00000	2.36685	0.59171	1.77513	0.00000	0.00000	2.87521	0.71880	2.15640	0.00000	0.00000
3	14-3-2-25UPH	1.54601	0.38650	1.15951	0.00000	0.00000	2.35212	0.58803	1.76409	0.00000	0.00000	1.86845	0.44711	1.40134	0.00000	0.00000
4	15-3-2-25UPH	1.65556	0.00000	0.00000	0.00000	0.00000	3.87604	0.00000	0.00000	0.00000	0.00000	2.54375	0.00000	0.00000	0.00000	0.00000
5	2-10-2-25UPH	2.76179	0.00000	0.00000	0.00000	0.00000	1.93718	0.00000	0.00000	0.00000	0.00000	2.43195	0.00000	0.00000	0.00000	0.00000
6	3-10-2-25UPH	4.13406	0.27560	0.00000	0.00000	0.00000	3.45378	0.23025	0.00000	0.00000	0.00000	3.86195	0.25746	0.00000	0.00000	0.00000
7	6-10-2-25UPH	3.36743	0.22450	0.00000	0.00000	0.00000	4.86983	0.32446	0.00000	0.00000	0.00000	3.96839	0.26456	0.00000	0.00000	0.00000
8	7-10-2-25UPH	5.71297	0.00000	0.00000	0.00000	0.00000	3.42190	0.00000	0.00000	0.00000	0.00000	4.79654	0.00000	0.00000	0.00000	0.00000
9	8-10-2-25UPH	1.85165	0.00000	0.00000	0.00000	0.00000	2.11714	0.00000	0.00000	0.00000	0.00000	1.95784	0.00000	0.00000	0.00000	0.00000
10	9-10-2-25UPH	8.16454	0.00000	0.00000	0.00000	0.00000	3.47866	0.00000	0.00000	0.00000	0.00000	6.30219	0.00000	0.00000	0.00000	0.00000
11	10-10-2-25UPH	4.68690	0.00000	0.00000	0.00000	0.00000	5.99726	0.00000	0.00000	0.00000	0.00000	5.21104	0.00000	0.00000	0.00000	0.00000
12	11-10-2-25UPH	4.05696	0.27046	0.00000	0.00000	0.00000	5.73803	0.38254	0.00000	0.00000	0.00000	4.72939	0.31529	0.00000	0.00000	0.00000
13	15-10-2-25UPH	5.55826	0.00000	0.00000	0.00000	0.00000	4.76942	0.00000	0.00000	0.00000	0.00000	5.24273	0.00000	0.00000	0.00000	0.00000
14	16-10-2-25UPH	10.35414	0.00000	0.00000	0.00000	0.00000	4.23832	0.00000	0.00000	0.00000	0.00000	7.90781	0.00000	0.00000	0.00000	0.00000
15	4-14-2-25UPH	1.61609	0.00000	0.00000	0.00000	0.00000	4.78871	0.00000	0.00000	0.00000	0.00000	2.88514	0.00000	0.00000	0.00000	0.00000
16	1-15-2-25UPH	3.33938	0.00000	0.00000	0.00000	0.00000	2.05530	0.00000	0.00000	0.00000	0.00000	2.82575	0.00000	0.00000	0.00000	0.00000
17	2-15-2-25UPH	4.30487	0.00000	0.00000	0.00000	0.00000	4.11913	0.00000	0.00000	0.00000	0.00000	4.23177	0.00000	0.00000	0.00000	0.00000
18	3-15-2-25UPH	3.14911	0.00000	0.00000	0.00000	0.00000	3.49025	0.00000	0.00000	0.00000	0.00000	3.28537	0.00000	0.00000	0.00000	0.00000
19	4-15-2-25UPH	1.07761	0.00000	0.00000	0.00000	0.00000	2.50429	0.00000	0.00000	0.00000	0.00000	1.64828	0.00000	0.00000	1.09519	0.00000
20	5-15-2-25UPH	2.77426	0.00000	0.00000	0.00000	0.00000	3.04054	0.00000	0.00000	0.00000	0.00000	2.88077	0.00000	0.00000	1.44039	1.44039
21	6-15-2-25UPH	3.06006	0.00000	0.00000	0.00000	0.00000	4.57115	0.00000	0.00000	0.00000	0.00000	3.66450	0.00000	0.00000	1.22150	0.00000
22	7-15-2-25UPH	5.82018	0.00000	0.00000	0.00000	0.00000	4.60687	0.00000	0.00000	0.00000	0.00000	5.33486	0.00000	0.00000	0.00000	0.00000
23	8-15-2-25UPH	4.33015	0.00000	0.00000	0.00000	0.00000	3.18250	0.00000	0.00000	0.00000	0.00000	3.87109	0.00000	0.00000	0.00000	0.00000
TOTAL		87.55291	2.20929	4.31620	4.53447	1.58713	83.54345	2.75923	5.40536	6.71169	1.52027	85.94913	2.49927	4.77566	5.60936	1.44039

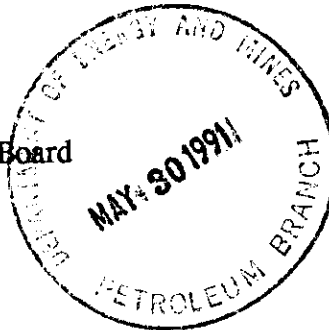
# TABLE 5

WASKADA UNIT # 17 WORKING INTEREST

	WORKING INTEREST BPO	WORKING INTEREST APO
CHAUVCO	2.42927	2.42927
ENRON	89.79414	85.94913
HIGHRIDGE	2.15234	4.77586
VOYAGER	1.44039	1.44039
WILDMOUNT	4.18386	5.40535
TOTAL	100.00000	100.00000

24 May 1991

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



Attention: Mr. L.R. Dubreuil

Dear Mr. Dubreuil:

Re: Proposed Waskada Unit No. 17

Please find enclosed two (2) copies of Draft #1 of the Waskada Lower Amaranth Unit No. 17 Unit Agreement for your perusal and comments. This agreement is similar to that formalized for Waskada Unit No. 16 with the exception of the Exhibits.

It would be appreciated if any comments on this document could be received by June 15, 1991 so that formal execution of the document by all parties can be performed in a timely fashion.

Yours very truly,

ENRON OIL CANADA LTD.

A handwritten signature in black ink, appearing to read "C.R. Haywood". The signature is written in a cursive style with a horizontal line underneath the name.

C.R. Haywood,  
Alternate, Operating Committee  
Proposed Waskada Unit No. 17

CRH:pd  
attach

# PROPOSED UNIT #17 - PRODUCTION START (LAST 6 MTHS)

	10/90	11/90	12/90	1/91	2/91	3/91
12-3	66.7	40.4	41.5	40.3	36.3	38.7
13-3	103.8	98.2	95.6	88.5	81.0	88.8
14-3	45.6	44.6	43.3	45.5	37.5	37.5
15-3	47.0	41.8	37.8	30.7	28.4	30.5
2-10	71.1	61.7	59.8	61.2	50.2	53.0
3-10	76.6	73.8	55.1	59.7	66.4	73.0
6-10	77.4	72.3	55.6	36.1	52.1	53.1
7-10	122.0	101.1	118.6	116.9	100.9	107.6
8-10	43.3	37.6	35.7	34.5	29.5	30.6
9-10	178.7	163.3	164.2	143.6	135.8	141.5
10-10	78.7	52.2	64.2	59.5	58.9	60.0
11-10	67.2	67.6	67.4	53.0	53.8	61.2
15-10	65.6	60.2	93.1	95.3	67.4	67.0
16-10	255.3	239.6	126.0	188.5	215.1	237.1
4-14	29.0	28.0	27.5	27.5	24.0	26.4
1-15	54.2	52.6	53.7	46.2	33.7	40.6
2-15	128.4	110.6	116.6	113.4	78.1	83.9
3-15	85.3	88.0	70.6	71.7	72.5	79.8
4-15	30.7	27.3	27.1	28.4	24.7	25.5
5-15	33.4	82.9	87.8	81.7	74.8	77.9
6-15	53.9	52.9	45.9	27.4	52.4	47.2
7-15	109.6	97.3	73.3	61.1	66.1	80.4
8-15	116.6	101.7	106.4	99.1	84.1	89.6

TOTAL PROD (ALL WELLS) - 10 192.5 m<sup>3</sup>

PROD (3, 6 & 11-10) - 1 105.4 m<sup>3</sup>

= 10.85%

NOTE: CROWNS DILUTE  
 THIS UNIT IS  
 NOT A WELLS  
 (GREEN) AND  
 (GREEN) DILUTE  
 (GREEN) DILUTE  
 (GREEN) DILUTE

CLAUSE 101 (+) SHOULD THERE BE A REFERENCE TO  
THE WELL, ANRON WASKADA 10-10-2-25 (WPA)

201 (a) " " and then (Royalty Owners) respective  
share of the Royalty Interest

1001 final paragraph "If ~~the~~ unit does not  
comply (is spell wrong)

CROWN SHARE - CHECK CROWN LANDS IN PROPOSED UNIT

TRACT	TRACT PARTICIPATION
3-10	4.12
6-10	4.23
11-10	5.04
TOTAL	<hr/> 13.39%

**DRAFT # 1**

**UNIT AGREEMENT  
"WASKADA UNIT NO. 17"**

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**UNIT AGREEMENT**  
**"WASKADA UNIT NO. 17"**

**WHEREAS** the Parties own Royalty Interests and Working Interest, 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 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. 17" 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 857.2 m and 889.0 m, as shown on the Dual Induction log as measured from the Kelly Bushing at 477.45 m 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 names of the owners of the Working Interest and their respective shares of the Working Interest together with the names of the owners 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 Laterolog 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 Natural Resources of 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 favour 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.

**4. 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. 17".

**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 the Unit Operator any of the rights and powers herein or otherwise granted to them.

**33. 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 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 Interest 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, of 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 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.

**4. 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 expiry of thirty (30) days from 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 subclause (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 this 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 of each Tract added pursuant to clause 901 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 0800 hours on the first (1st) day of the first (1st) calendar month following approval of admission under clause 901 and 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 company 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 recommend 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.

**03. 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 0800 hours 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 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 0800 hours 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 0800 hours on the first (1st) day of the calendar month next following the calendar month in which the notice is received by Unit Operator.

**.02. 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 of 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 0800 hours 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 of the Tracts qualified as 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 November 1991.

**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: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Unit Agreement - "Waskada Unit No. 17"

EXHIBIT "A"

ATTACHED TO AND FORMING PART OF AN AGREEMENT ENTITLED  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"

TRACT PARTICIPATIONS

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
1	12-3-2-25 WPM	Patlet	3.24832	Enron Chauvco Highridge	50.00 12.50 37.50	1.62416 0.40604 1.21812
2	13-3-2-25 WPM	Patlet	5.75041	Enron Chauvco	87.50 12.50	5.03161 0.71880
3	14-3-2-25 WPM	Patlet	3.73690	Enron Chauvco Highridge	62.50 12.50 25.00	2.33557 0.46711 0.93423
4	15-3-2-25 WPM	60145	2.54375	Enron	100.00	2.54375
5	2-10-2-25 WPM	Nelson	2.43195	Enron	100.00	2.43195
6	3-10-2-25 WPM	Crown	4.11941	Enron Chauvco	93.75 6.25	3.86195 0.25746
7	6-10-2-25 WPM	Crown	4.23295	Enron Chauvco	93.75 6.25	3.96839 0.26456
8	7-10-2-25 WPM	Nelson	4.79654	Enron	100.00	4.79654
9	8-10-2-25 WPM	Nelson	1.95784	Enron	100.00	1.95784
10	9-10-2-25 WPM	Nelson	6.30219	Enron	100.00	6.30219

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
11	10-10-2-25 WPM	Nelson	5.21104	Enron	100.00	5.21104
12	11-10-2-25 WPM	Crown	5.04468	Enron Chauvco	93.75 6.25	4.72939 0.31529
13	15-10-2-25 WPM	Nelson	5.24273	Enron	100.00	5.24273
14	16-10-2-25 WPM	Nelson	7.90781	Enron	100.00	7.90781
15	4-14-2-25 WPM	IVMH	2.88514	Enron	100.00	2.88514
16	1-15-2-25 WPM	Nelson	2.82575	Enron	100.00	2.82575
17	2-15-2-25 WPM	Nelson	4.23177	Enron	100.00	4.23177
18	3-15-2-25 WPM	Tempella	4.38076	Enron Wildmount	75.00 25.00	3.28557 1.09519
19	4-15-2-25 WPM	Tempella	3.29656	Enron Wildmount	50.00 50.00	1.64828 1.64828
20	5-15-2-25 WPM	Tempella	5.76154	Enron Wildmount Voyager	50.00 25.00 25.00	2.88077 1.44039 1.44039
21	6-15-2-25 WPM	Tempella	4.88599	Enron	100.00	4.88599
22	7-15-2-25 WPM	Nelson	5.33486	Enron	100.00	5.33486

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Owner</u>	<u>Tract Participation (%)</u>	<u>Working Interest Owner</u>	<u>Share of Working Interest (%)</u>	<u>Share of Tract Participation (%)</u>
23	8-15-2-25 WPM	Nelson	3.87109	Enron	100.00	3.87109
		TOTAL	100.000			100.00000

Effective as of the Effective Date

**ATTACHED TO AND FORMING PART OF EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

**NOTES:**

- (1) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 10% calculated on 20% of production payable to Shell by Enron.
- (2) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable to Adobe by Chauvco and Highridge.
- (3) **Tracts 1, 2, 3** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 25% of production payable in equal shares to Pioneer and Brosco by Chauvco and Highridge.
- (4) **Tracts 1, 2, 3** are subject to a non-convertible gross overriding royalty of 1% calculated on 100% of production payable to Geodata by Chauvco and Highridge.
- (5) **Tracts 6, 7** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Voyager by Enron.
- (6) **Tracts 6, 7** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 18.75% of production payable to Adobe (50%), Pioneer (25%) and Brosco (25%) by Enron.
- (7) **Tracts 6, 7** are subject to a non-convertible sliding scale royalty of 1/150th, 4% - 8% on oil, calculated on 50% of production payable to Tundra (50%) and Adobe (50%) by Chauvco.
- (8) **Tracts 18, 21** are subject to a non-convertible gross overriding royalty of 10% calculated on 50% of production payable to Voyager by Enron.
- (9) **Tracts 18, 19, 20, 21** are subject to a non-convertible gross overriding royalty of 1% calculated on 50% of production payable to Passant by Enron and Wildmount.
- (10) **Tract 19** is subject to a non-convertible sliding scale royalty of 1/150th, 5% - 15% on oil, calculated on 100% of production payable to Voyager by Enron and Wildmount.

Effective as of the Effective Date

**LIST OF ABBREVIATIONS  
ATTACHED TO AND FORMING PART OF  
EXHIBIT "A" OF THE  
"UNIT AGREEMENT - WASKADA UNIT NO. 17"**

<b><u>Abbreviation</u></b>	<b><u>Meaning</u></b>
Chauvco	Chauvco Resources Ltd.
Crown	Her Majesty the Queen, in the right of the Province of Manitoba
Enron	Enron Oil Canada Ltd.
Highridge	Highridge Exploration Ltd.
Voyager	Voyager Energy Inc.
Wildmount	Wildmount Resources Ltd.
Patlet	Patlet Ventures Ltd.
Tempella	Tempella Resources Ltd.
Nelson	Nelson Oils Limited
60145	60145 Manitoba Ltd.
IVMH	I.V.M.H. Inc.
Shell	Shell Canada Limited
Adobe	Adobe Resources Corporation
Pioneer	Pioneer Energy Resources Limited
Brosco	Brosco Fund Limited
Geodata	Geodata Ltd.
Tundra	Tundra Oil and Gas Ltd.
Passant	William T. Passant

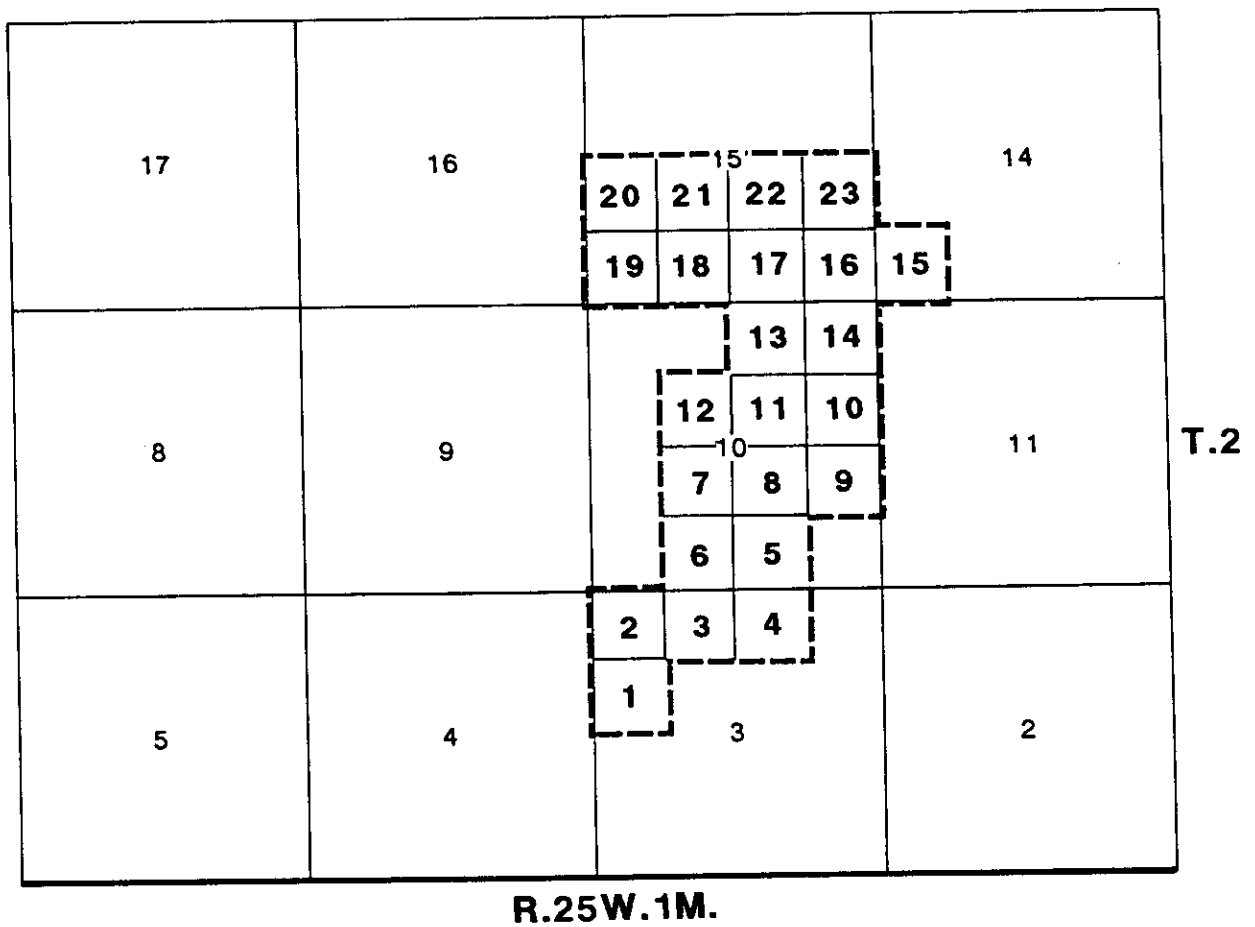
Effective as of the Effective Date



**Exhibit "B"**

**Attached to and made part of  
an agreement entitled**

**"UNIT AGREEMENT - WASKADA UNIT No. 17"  
PLAN OF UNIT AREA AND TRACT MAP**



----- UNIT # 17 OUTLINE

**13**

TRACT NUMBER

EFFECTIVE AS OF THE EFFECTIVE DATE

**Exhibit "C"**

Attached to and made part of an agreement entitled  
**"UNIT AGREEMENT - WASKADA UNIT No. 17"**  
TYPICAL WELL LOGS IDENTIFYING THE UNITIZED ZONE

WELL: ENRON WASKADA 10-10-2-25(WPM)

WASKADA LOWER AMARANTH SAND

K.B. 477.45m

