

**WASKADA UNIT NO. 2
WATERFLOOD EOR PROJECT**

ANNUAL WATERFLOOD PROGRESS REPORT FOR 2016

May 8, 2017

Tundra Oil and Gas Partnership

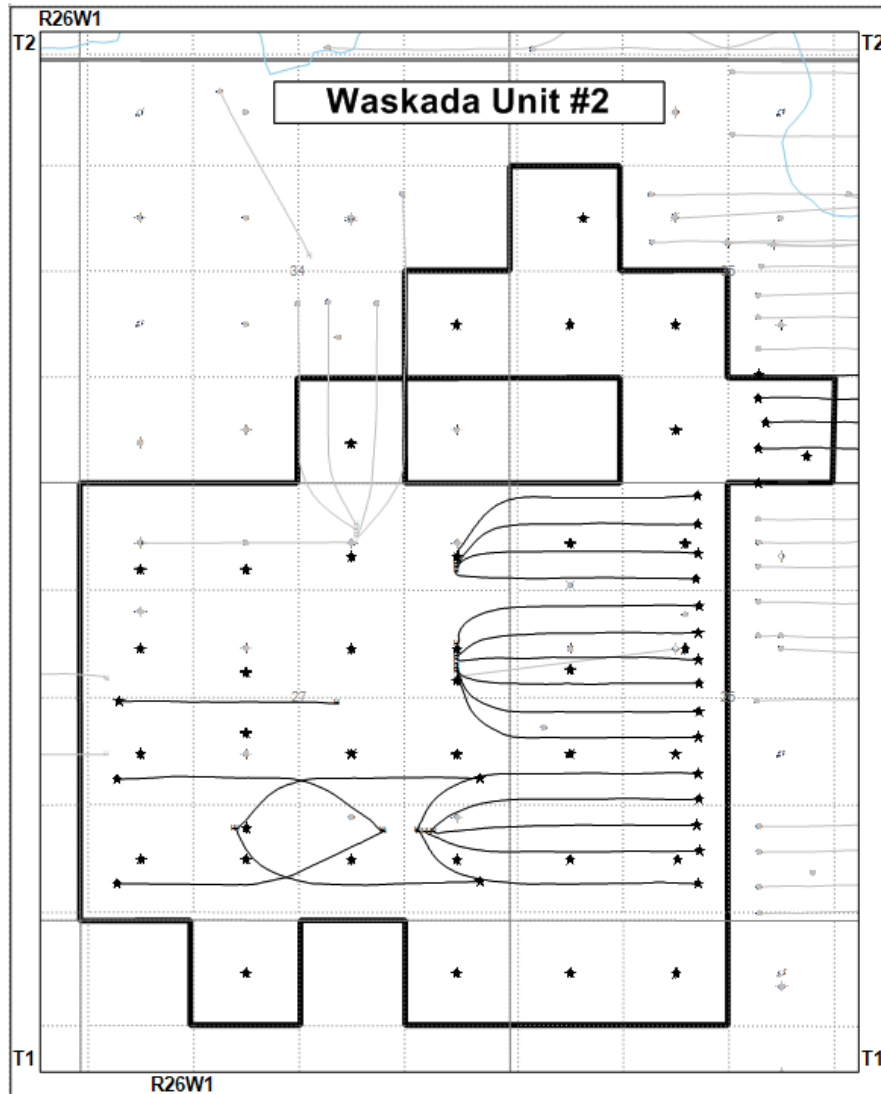
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INTRODUCTION

Waskada Unit No. 2 Enhanced Oil Recovery (EOR) Waterflood Project was approved under Board Order No. PM58 effective January 1984. The Unit area contains 41 abandoned/inactive wells, including 9 inactive injectors, and 21 producing wells in 35 LSDs in Township 1 Range 25 W1 as shown in the figure below.

Figure 1: Waskada Unit 2 Area Outline



In accordance with Section 73 of the Manitoba Drilling and Production Regulation, Tundra hereby submits the following 2016 Annual Progress Report for Waskada Unit No. 2.

DISCUSSION

Production History

For the wells included in Waskada Unit No. 2, production started in November 1981 with 00/02-35-001-25W1/0. Average oil production peaked for the first time at 4.0 m³/d per well in August 1983. This production was coming from 30 wells and totaled 121.4 m³/d for the whole Unit. The production at the end of December 2016 averaged 0.5 m³/d per well, totaling 7.10 m³/d for the Unit. Water injection commenced in Waskada Unit No. 2 in December 1983 until 2010, and intermittently in 2011 and 2012. The rates and WOR are presented in Figure 2. There was no water injection through 2016, and there are no plans for injector re-activation.

Figure 2: Waskada Unit 2 Production/Injection Rates and WOR vs Time

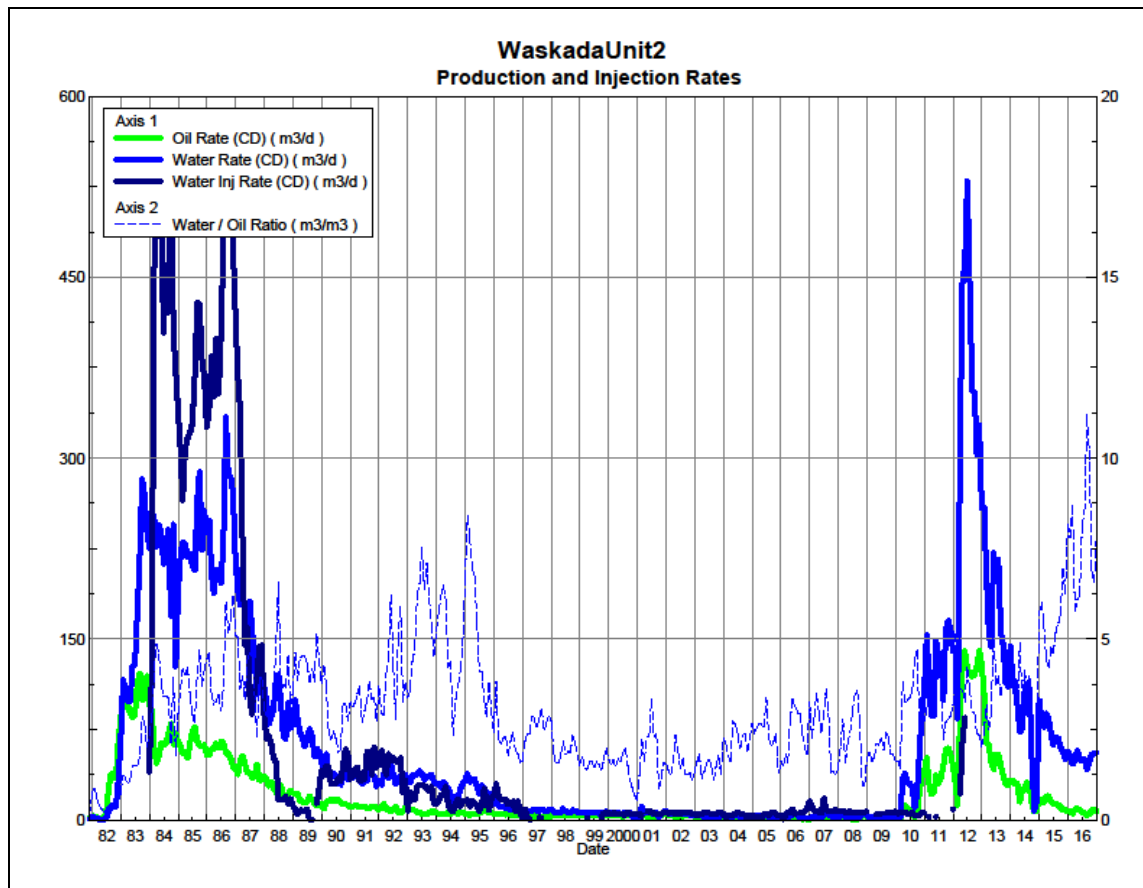
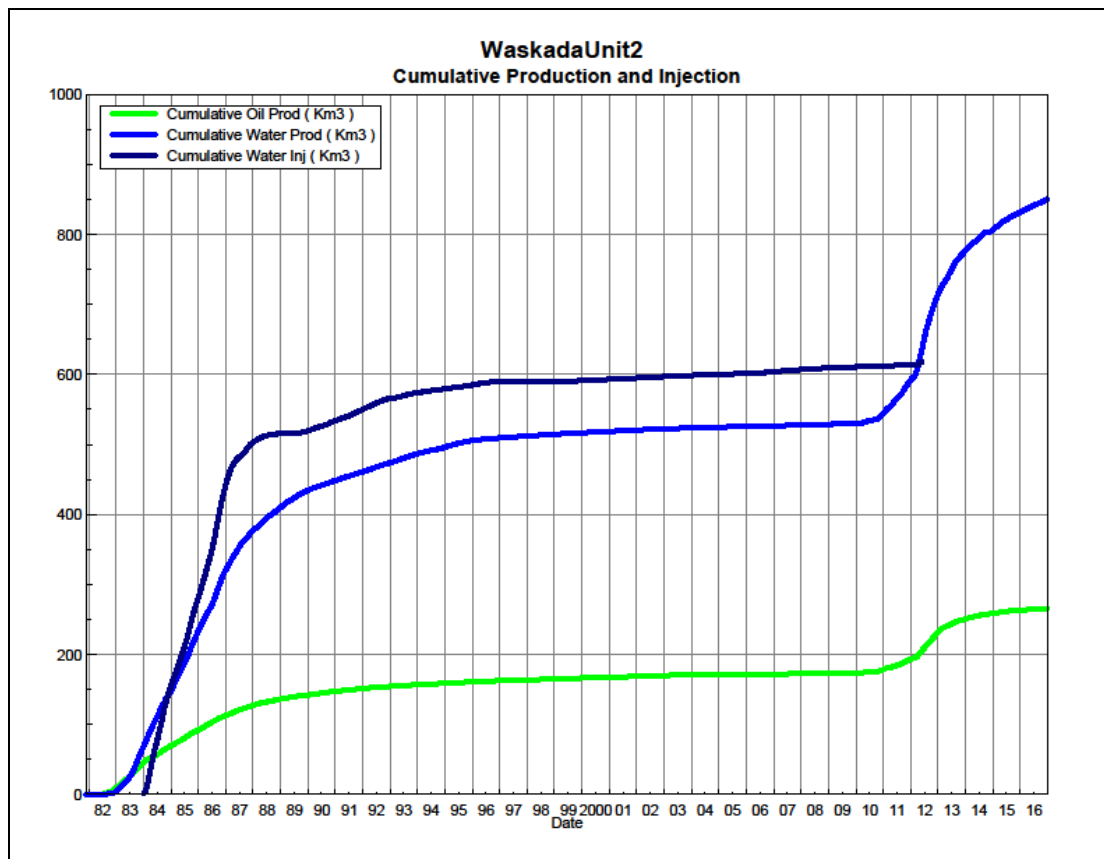


Figure 3 shows the cumulative production for Waskada Unit No. 2 to the end of December 2016 as 266.0 e³m³ of oil, and 850.7 e³m³ of water.

Figure 3: Waskada Unit 2 Cumulative Oil, Water and Water Injected vs Time



Waterflood EOR Operating Strategy and Performance

Corrosion and Scale Prevention

The facilities in Unit 2 are currently using cathodic and chemical protection against corrosion and scale in the new horizontal wells. All facilities are monitored every 3 months to assess the corrosion and ensure that proper electrical current is being supplied. There have been no issues with corrosion or scale to date.

Injection Wellhead Pressures

No injection wellhead pressures were recorded in 2016.

Reservoir Pressure

Where practical, Tundra is committed to collecting pressure data from newly drilled injection wells. Since no new wells were drilled in the Unit, therefore, no pressure surveys were conducted in 2016.

Well Servicing

The following table summarizes the maintenance done on the Waskada Unit 2 wells in 2016.

UWI	Workover Type	Date
105.06-26-001-26W1.00	Pump Change	3-Oct-16

Waterflood Performance Discussion

From January 1 to December 31 in 2016, the wells in the Unit produced 21.2 e3m3 of fluid (2.5 e3m3 of oil and 18.7 e3m3 of water). There is no active injection in this Unit, and Tundra Oil and Gas has no plans to reactivate injection. Due to the new horizontals being produced and no pressure support occurring in the Unit, the cumulative VRR has dropped in the last 4 years, down to 0.534.

Table 2 summarizes the yearly and cumulative VRR for Waskada Unit No. 2.

Figure 4: Waskada Unit 2 Production and Injection Rate

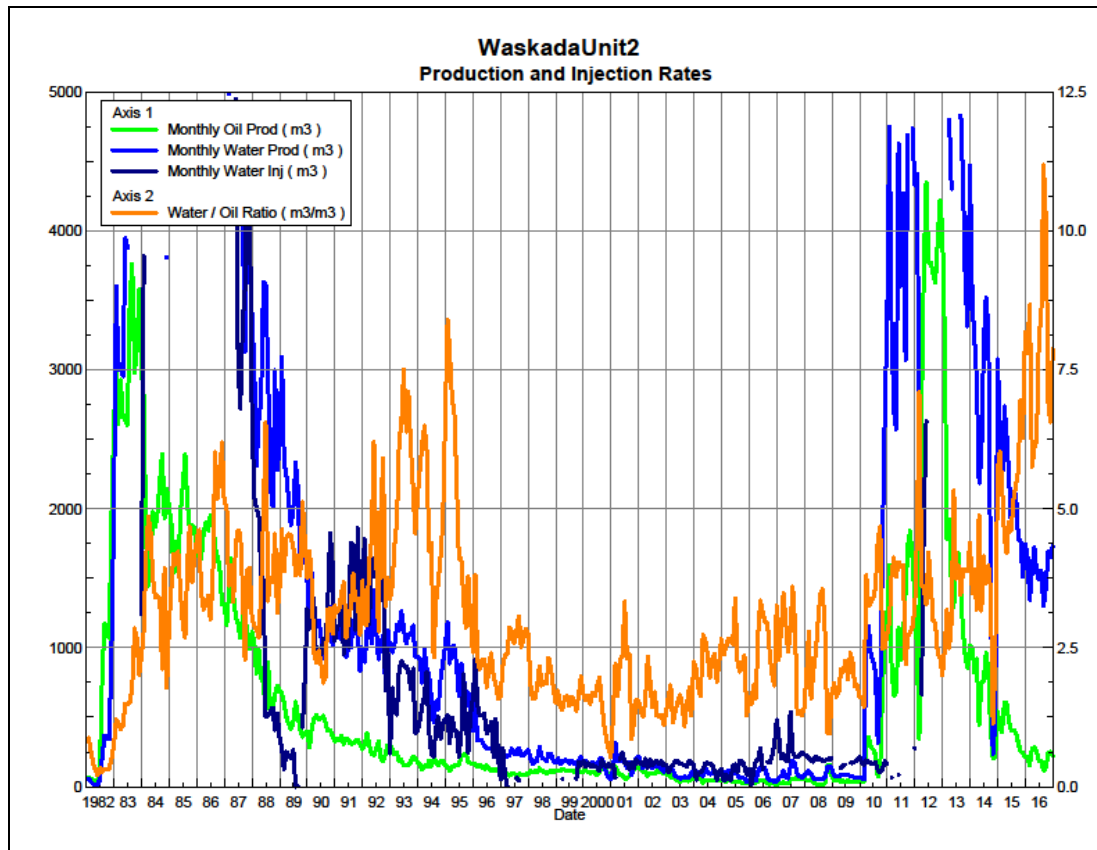


TABLE NO. 1: WASKADA UNIT NO. 2 WELL SUMMARY

UWI	Type	Status	On Prod Date	Cum Prd Oil (m3)	Cum Prd Water (m3)	Last Prod Date	Cum Inj Water (m3)	Last Inj Date
100/14-22-001-26W1/0	Vertical	Abandoned	11/9/1985	364.8	5808.2	4/30/1987	0	
100/16-22-001-26W1/0	Vertical	Abandoned	N/A	0	0		61797.8	2/29/1988
100/13-23-001-26W1/0	Vertical	Abandoned	6/25/1983	1444.6	22331.6	2/29/1988	16299.8	3/31/1994
100/14-23-001-26W1/0	Vertical	Abandoned	10/6/1982	10111.6	14240.4	4/30/1996	0	
100/03-26-001-26W1/0	Vertical	Producing	7/19/1982	12237.4	15790.4	4/30/2012	0	
102/03-26-001-26W1/0	Horizontal	Producing	8/12/2011	5499.9	16281.3	2/28/2017	0	
103/03-26-001-26W1/0	Horizontal	Producing	4/19/2012	4184.9	11350.7	2/28/2017	0	
104/03-26-001-26W1/0	Horizontal	Suspended	4/13/2012	2853.1	4690.3	12/31/2014	0	
100/04-26-001-26W1/0	Vertical	Producing	10/16/1982	22619.7	59341.1	5/31/2013	0	
100/05-26-001-26W1/0	Vertical	Injection	7/18/1982	4452.2	559.9	1/31/1984	144213.2	5/31/2012
100/06-26-001-26W1/0	Vertical	Producing	6/19/1982	17216.2	8483.1	5/31/2013	0	
102/06-26-001-26W1/0	Horizontal	Producing	8/12/2011	4194.8	10454.3	1/31/2017	0	
103/06-26-001-26W1/0	Horizontal	Producing	3/12/2012	2798.7	6299.4	2/28/2017	0	
104/06-26-001-26W1/0	Horizontal	Suspended	3/12/2012	4024.3	7497	5/31/2014	0	
105/06-26-001-26W1/0	Horizontal	Producing	4/13/2012	4934.4	7782.9	2/28/2017	0	
100/11-26-001-26W1/0	Vertical	Abandoned	7/20/1982	5291.4	9748	6/30/1996	0	
103/11-26-001-26W1/0	Horizontal	Suspended	3/13/2012	2958.2	7108.7	5/31/2014	0	
104/11-26-001-26W1/0	Horizontal	Suspended	3/10/2012	2375.1	7470.4	8/31/2015	0	
105/11-26-001-26W1/0	Horizontal	Producing	3/10/2012	2953.8	9180.9	2/28/2017	0	
106/11-26-001-26W1/0	Horizontal	Producing	3/13/2012	3464	12309.7	2/28/2017	0	
102/12-26-001-26W1/0	Vertical	Abandoned	6/30/1983	10870.7	23413.6	5/31/1996	0	
100/13-26-001-26W1/0	Vertical	Abandoned	3/15/1983	455.7	3106.3	1/31/1984	57700.3	3/31/1987
100/14-26-001-26W1/0	Vertical	Abandoned	11/5/1982	1247.3	17023	10/31/1988	0	
102/14-26-001-26W1/0	Horizontal	Producing	3/9/2012	2190.5	13217.7	2/28/2017	0	
103/14-26-001-26W1/0	Horizontal	Suspended	3/9/2012	2748.2	10900	12/31/2015	0	
104/14-26-001-26W1/0	Horizontal	Producing	3/9/2012	3173.8	9435.3	2/28/2017	0	
105/14-26-001-26W1/0	Horizontal	Producing	3/9/2012	1881.3	15620.8	12/31/2014	0	
100/01-27-001-26W1/0	Vertical	Abandoned	12/26/1982	3814.1	22881	8/31/1988	0	
103/01-27-001-26W1/0	Horizontal	Producing	9/25/2010	6739.6	29147	2/28/2017	0	
100/02-27-001-26W1/0	Vertical	Abandoned	11/19/1982	2736.2	10521.3	12/31/1991	0	
100/03-27-001-26W1/0	Vertical	Abandoned	3/9/1983	1812	14399.5	6/30/1988	0	
102/03-27-001-26W1/2	Vertical	Abandoned	N/A	0	1277	2/28/1989	0	
100/04-27-001-26W1/0	Vertical	Abandoned	2/1/1983	3241.1	24521.8	5/31/1988	0	
102/04-27-001-26W1/0	Horizontal	Producing	12/29/2010	2526.5	53567.8	2/28/2017	0.0	
100/05-27-001-26W1/0	Vertical	Abandoned	12/15/1982	1918.4	3489.8	1/31/1984	70884.5	3/31/1987
102/05-27-001-26W1/0	Horizontal	Producing	3/4/2010	4239.3	23233.9	2/28/2017	0.0	
103/05-27-001-26W1/0	Horizontal	Suspended	12/22/2010	2866.1	26648.4	11/30/2015	0.0	
102/06-27-001-26W1/0	Vertical	Abandoned	7/17/1983	9371.4	22334.5	3/31/1993	0.0	
100/07-27-001-26W1/0	Vertical	Abandoned	12/12/1982	2287.8	3673.2	1/31/1984	102312.7	3/31/1999
100/08-27-001-26W1/0	Vertical	Abandoned	8/10/1982	9203.7	34446.8	4/30/1992	0.0	
102/08-27-001-26W1/0	Horizontal	Producing	9/25/2010	8001.2	18446.5	12/31/2016	0.0	
100/09-27-001-26W1/0	Vertical	Abandoned	12/17/1982	1821.9	6784.9	1/31/1990	0.0	
102/09-27-001-26W1/2	Vertical	Abandoned	3/16/1987	527.5	2827.1	4/30/1992	0.0	
100/10-27-001-26W1/0	Vertical	Abandoned	12/16/1982	4358.2	11773.5	12/31/1995	0.0	
102/11-27-001-26W1/0	Vertical	Abandoned	8/1/1983	1755.2	28320.2	4/30/1989	0.0	
100/12-27-001-26W1/0	Vertical	Abandoned	11/13/1982	8116.1	27663.9	5/31/1993	0.0	
102/13-27-001-26W1/0	Vertical	Abandoned	7/15/1983	1431.0	1348.3	1/31/1984	65794.7	12/31/1986
102/14-27-001-26W1/0	Vertical	Abandoned	9/9/1983	23444.0	50261.2	12/31/1995	0.0	
102/15-27-001-26W1/0	Vertical	Abandoned	6/24/1983	1832.7	380.9	1/31/1984	75779.8	12/31/1987
102/16-27-001-26W1/0	Vertical	Abandoned	6/29/1983	3332.5	26565.2	5/31/1990	0.0	
100/02-34-001-26W1/2	Vertical	Abandoned	8/10/1983	1073.1	7922.5	3/31/1990	0.0	
100/08-34-001-26W1/0	Vertical	Abandoned	2/14/1983	1499.7	14809.6	2/28/1990	0.0	
100/02-35-001-26W1/0	Vertical	Abandoned	11/13/1981	1236.9	1020.2	2/28/1989	0.0	
102/02-35-001-26W1/0	Horizontal	Suspended	10/30/2012	1456.3	1583.4	4/30/2015	0.0	
103/02-35-001-26W1/0	Horizontal	Producing	10/30/2012	2319.5	3079.8	12/31/2016	0.0	
104/02-35-001-26W1/0	Horizontal	Producing	10/31/2012	3147.0	4541.4	12/31/2016	0.0	
105/02-35-001-26W1/0	Horizontal	Producing	10/15/2012	4906.7	4280.7	12/31/2016	0.0	
100/03-35-001-26W1/2	Vertical	Abandoned	2/17/1984	439.5	9279.0	10/31/1989	0.0	
100/05-35-001-26W1/0	Vertical	Abandoned	10/8/1983	627.8	6047.0	9/30/1985	23570.1	10/31/1992
100/06-35-001-26W1/0	Vertical	Abandoned	12/14/1982	3515.1	13752.0	4/30/1991	0.0	
105/07-35-001-26W1/0	Horizontal	Producing	10/31/2012	3131.4	2507.1	12/31/2016	0.0	
100/12-35-001-26W1/0	Vertical	Abandoned	30620	697.5	7886.8	11/30/1989	0.0	
				265973.6	850668.2		618352.9	

TABLE NO. 2 - VRR Calculations

Date	Mth Oil Prod m3	Cum Oil Prod Km3	Mth Water Prod m3	Cum Water Prod Km3	Water Oil Ratio m3/m3	Mth Water Inj m3	Cum Water Inj Km3	VRR	Cum VRR
12/31/1981	146	0.146	78	0.078	0.53		0.000	0.000	0.000
12/31/1982	9220	9.366	4445	4.523	0.48		0.000	0.000	0.000
12/31/1983	36384	45.750	63552	68.075	1.75	1239	1.239	0.012	0.010
12/31/1984	24120	69.870	79843	147.918	3.31	153606	154.845	1.428	0.678
12/31/1985	22559	92.429	85328	233.246	3.78	126181	281.027	1.134	0.828
12/31/1986	20364	112.793	87504	320.750	4.30	160776	441.803	1.449	0.981
12/31/1987	14682	127.475	56168	376.918	3.83	61485	503.288	0.842	0.961
12/31/1988	9025	136.500	32921	409.838	3.65	12461	515.749	0.288	0.910
12/31/1989	5778	142.278	24659	434.497	4.27	3834	519.583	0.122	0.869
12/31/1990	5145	147.424	13878	448.376	2.70	14370	533.953	0.726	0.864
12/31/1991	3887	151.311	12754	461.129	3.28	15978	549.931	0.928	0.866
12/31/1992	3270	154.581	12727	473.856	3.89	15440	565.371	0.937	0.868
12/31/1993	2365	156.946	12922	486.778	5.46	8431	573.802	0.539	0.860
12/31/1994	1970	158.916	9267	496.045	4.70	5612	579.414	0.487	0.854
12/31/1995	2064	160.979	9530	505.574	4.62	5405	584.820	0.454	0.847
12/31/1996	1647	162.626	3642	509.217	2.21	5289	590.108	0.955	0.848
12/31/1997	1084	163.711	2867	512.083	2.64	469	590.577	0.114	0.843
12/31/1998	1327	165.037	2463	514.546	1.86		590.577	0.000	0.838
12/31/1999	1379	166.416	2187	516.733	1.59	639	591.216	0.169	0.835
12/31/2000	1300	167.716	1779	518.512	1.37	1818	593.034	0.555	0.834
12/31/2001	1198	168.914	2168	520.680	1.81	1816	594.849	0.512	0.832
12/31/2002	1213	170.128	1781	522.461	1.47	2044	596.894	0.644	0.831
12/31/2003	711	170.839	1068	523.529	1.50	1921	598.815	1.019	0.832
12/31/2004	554	171.393	1214	524.743	2.19	1437	600.251	0.776	0.832
12/31/2005	421	171.814	999	525.742	2.37	1383	601.634	0.933	0.832
12/31/2006	360	172.174	906	526.648	2.52	2275	603.910	1.725	0.833
12/31/2007	527	172.701	1190	527.838	2.26	3093	607.003	1.723	0.836
12/31/2008	648	173.349	1062	528.900	1.64	2396	609.398	1.325	0.837
12/31/2009	471	173.820	912	529.812	1.94	1378	610.776	0.947	0.837
12/31/2010	4704	178.524	13796	543.608	2.93	1905	612.681	0.099	0.818
12/31/2011	14903	193.427	47774	591.382	3.21	432	613.113	0.007	0.753
12/31/2012	39128	232.555	122927	714.309	3.14	5240	618.353	0.031	0.630
12/31/2013	18306	250.861	63067	777.375	3.45		618.353	0.000	0.580
12/31/2014	7878	258.738	29487	806.863	3.74		618.353	0.000	0.560
12/31/2015	4727	263.465	25119	831.982	5.31		618.353	0.000	0.544
12/31/2016	2509	265.974	18687	850.668	7.45		618.353	0.000	0.534

TABLE NO. 3

**Tundra Oil and Gas
Waskada Unit No. 2
2016 Injection Volumes**

Well Location	Date	Hours On	H ₂ O Inj Cal-d avg (m ³ /d)	Monthly Injected H ₂ O (m ³)
Unit No. 2 Total:				
	Jan-16	0	0.0	0.00
	Feb-16	0	0.0	0.00
	Mar-16	0	0.0	0.00
	Apr-16	0	0.0	0.00
	May-16	0	0.0	0.00
	Jun-16	0	0.0	0.00
	Jul-16	0	0.0	0.00
	Aug-16	0	0.0	0.00
	Sep-16	0	0.0	0.00
	Oct-16	0	0.0	0.00
	Nov-16	0	0.0	0.00
	Dec-16	0	0.0	0.00
2016 Group Totals:				0.00
Unit No. 2 Total:				
	1981	0	0	0.00
	1982	0	0	0.00
	1983	0	39.97	1,239.00
	1984	0	420.35	153,606.20
	1985	0	345.2	126,181.30
	1986	0	440.21	160,776.10
	1987	0	169.4	61,485.40
	1988	0	34.15	12,461.00
	1989	0	11.41	3,834.40
	1990	0	39.42	14,369.50
	1991	0	43.68	15,978.20
	1992	0	42.3	15,440.00
	1993	0	23.1	8,431.10
	1994	0	15.4	5,612.10
	1995	0	14.8	5,405.30
	1996	0	14.5	5,288.80
	1997	0	3.1	468.50
	1998	0	0.0	0.00
	1999	0	4.2	638.60
	2000	0	5.0	1,818.40
	2001	0	5.4	1,815.50
	2002	0	5.6	2,044.10
	2003	0	5.3	1,921.00
	2004	0	3.9	1,436.50
	2005	0	3.8	1,383.40
	2006	0	6.8	2,275.30
	2007	0	8.5	3,092.90
	2008	0	6.6	2,395.60
	2009	0	5.6	1,377.80
	2010	0	5.2	1,905.30
	2011	0	4.7	431.90
	2012	0	57.0	5,239.70
	2013	0	0.0	0.00
	2014	0	0.0	0.00
	2015	0	0.0	0.00
	2016	0	0.0	0.00
Group Totals:				618,352.90

TABLE NO. 4

**Tundra Oil and Gas
Waskada Unit No. 2
2016 Production Volumes**

Date	Hours On	Oil Rate (CD) m3/d	Monthly Oil Prod m3	Water Rate (CD) m3/d	Monthly Water Prod m3	Water Oil Ratio m3/m3	Well Count
Jan-16	10,704	6.87	213	53.57	1,661	7.80	14
Feb-16	10,200	5.34	155	46.31	1,343	8.68	15
Mar-16	11,904	8.74	271	50.31	1,560	5.76	16
Apr-16	11,424	9.43	283	57.46	1,724	6.09	16
May-16	11,880	7.98	248	49.80	1,544	6.24	16
Jun-16	11,184	6.12	184	49.65	1,489	8.11	16
Jul-16	11,856	5.91	183	50.26	1,558	8.51	16
Aug-16	11,088	3.75	116	41.94	1,300	11.19	15
Sep-16	10,800	4.68	140	47.79	1,434	10.21	15
Oct-16	11,712	7.88	244	54.50	1,690	6.92	16
Nov-16	11,232	8.39	252	55.06	1,652	6.56	16
Dec-16	10,200	7.10	220	55.91	1,733	7.88	14
	134,184		2,509		18,687		

Date	Hours On	Oil Rate (CD) m3/d	Monthly Oil Prod m3	Water Rate (CD) m3/d	Monthly Water Prod m3	Water Oil Ratio m3/m3	Well Count
12/31/1981	864	2.38	146	1.25	78	0.42	1
12/31/1982	35160	25.10	9,220	12.08	4445	0.44	4
12/31/1983	200304	99.62	36,384	173.72	63552	1.72	23
12/31/1984	226776	65.88	24,120	218.00	79843	3.42	26
12/31/1985	208642	61.75	22,559	233.85	85328	3.84	24
12/31/1986	199581	55.82	20,364	239.46	87504	4.40	23
12/31/1987	178291	40.31	14,682	153.95	56168	3.85	20
12/31/1988	165696	24.65	9,025	89.88	32921	3.78	19
12/31/1989	148152	15.86	5,778	67.61	24659	4.29	17
12/31/1990	107856	14.11	5,145	38.16	13878	2.80	12
12/31/1991	108336	10.66	3,887	34.96	12754	3.29	12
12/31/1992	88152	8.95	3,270	34.81	12727	4.06	10
12/31/1993	73704	6.49	2,365	35.41	12922	5.65	8
12/31/1994	68616	5.39	1,970	25.39	9267	4.84	8
12/31/1995	68232	5.64	2,064	26.13	9530	4.92	8
12/31/1996	35400	4.50	1,647	9.95	3642	2.18	4
12/31/1997	26040	2.97	1,084	7.85	2867	2.65	3
12/31/1998	26088	3.63	1,327	6.74	2463	1.85	3
12/31/1999	26208	3.78	1,379	5.99	2187	1.59	3
12/31/2000	22464	3.55	1,300	4.86	1779	1.37	3
12/31/2001	23424	3.29	1,198	5.98	2168	1.91	3
12/31/2002	25392	3.33	1,213	4.88	1781	1.49	3
12/31/2003	20424	1.95	711	2.93	1068	1.54	2
12/31/2004	25608	1.51	554	3.32	1214	2.23	3
12/31/2005	22368	1.16	421	2.74	999	2.33	3
12/31/2006	20047	0.99	360	2.48	906	2.46	2
12/31/2007	20,027	1.44	527	3.25	1190	2.39	2
12/31/2008	17,804	1.77	648	2.91	1062	2.27	2
12/31/2009	25,620	1.29	471	2.50	912	1.96	3
12/31/2010	31,793	12.82	4,704	37.59	13796	3.11	4
12/31/2011	63,913	40.75	14,903	130.77	47774	3.37	7
12/31/2012	154,999	106.62	39,128	335.36	122927	3.56	18
12/31/2013	195,659	50.18	18,306	172.79	63067	3.64	22
12/31/2014	148,547	21.58	7,878	80.85	29487	3.59	17
12/31/2015	155,435	12.96	4,727	68.83	25119	5.60	18
12/31/2016	134,184	6.85	2,509	51.05	18687	7.83	15
	3,099,806		265,974		850,668		