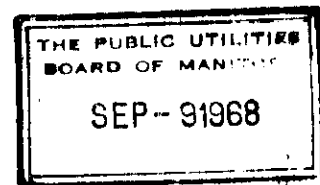


GEOLOGICAL REPORT

and

ESTIMATES OF OIL RESERVES
and
ENGINEERING VALUATION

on the



OMEGA HYDROCARBON WASKADA FIELD ACREAGE


in

TOWNSHIP 1 - RANGE 25 and 26 - WPM

by

J. A. DOCKERY
B. SC. PET. ENG. P. ENG.

Calgary, Alberta
July, 1968


J. A. DOCKERY, B. SC. PET. ENG. P. ENG.

INTRODUCTION

The acreage discussed in this report is located in Township 1 - Ranges 25 and 26 - WPM. The total acreage comprises Sixteen Hundred (1600) acres. The acreage distribution is shown on Maps No. 1 and 2.

Two oil wells, Omega Waskada 11-30-1-25 and Omega Waskada 5-30-1-25 were drilled in January and March of 1967. A third well, Omega Waskada 8-25-1-26 was drilled and abandoned in May of 1967.

Four oil wells, Omega Waskada 3-30-1-25, 4-30-1-25, 6-30-1-25 and 12-30-1-25 were drilled, completed and placed on production during November and the early part of December, 1967. The Omega Waskada 4-31-1-25 well was drilled and abandoned in May of 1968.

The Waskada Oil Field produces light gravity crude (38° API) from the Alida beds. The crude sells at the well head for \$2.245 per barrel.

All wells in the Waskada Oil Field are on a Manitoba allowable of 50 barrels of oil per day.

Current production data indicates that the 4-30 and 5-30 wells can exceed this allowable. The 3-30, 6-30 and 12-30 wells can produce near their allowables, with the 11-30 well somewhat below its allowable.

This property is located approximately 50 miles South of the Virden - Roselea Mississippian Oil Fields and approximately 55 miles Southeast of the Gremer Oil Terminal.

INTRODUCTION

(continued)

Proven recoverable oil underlying the Omega Hydrocarbon's Waskada Acreage was calculated at 436,100 Barrels.

Probable recoverable oil underlying the Omega Hydrocarbon's Waskada Acreage was estimated at 90,000 Barrels.

Included in this report are Mississippian Topographic Contours (Map No. 2) and Structure Contours on the Base of the Alida Pay Zone.

Also included in this report are tables outlining the "Predicted Future Production from the Omega Waskada Oil Wells", and the "Engineering Valuation of the Remaining Recoverable Oil Reserves for the Omega Waskada Oil Wells".

The present net worth (Discounted at 10%) for the Six (6) drilled Omega Oil Wells was calculated at \$458,520.00.

GEOLOGY

Regional

The acreage lies on the Eastern flank of the Williston Basin. Regional strike is Northwest - Southeast - except for local irregularities and dips, which are Southwest at approximately 50 feet per mile.

Stratigraphy

The Omega Hydrocarbon Waskada 5-30-1-25 well encountered the following section:

<u>Formation or Marker</u>	<u>Depth (Feet)</u>	<u>Sub-Sea</u>
Second White Specks	1567	- 17
Base Fish Scales	1800	- 250
Blairmore	1983	- 433
Jurassic	2190	- 640
Watrous	2780	-1230
Red Beds	2910	-1360
Alida (Mississippian)	3025	-1575
Tilston	3130	-1580
Total Depth	3195	-1645

STRUCTURE

Topographic contours drawn on the top of the Mississippian (Map No. 2) indicate a North - South plunging anticlinal nose cutting across Sections 19 and 30 of Township 1 - Range 25 - WPM.

This structure formed is Pre-Mesozoic and could be Tectonic in nature, but is probably due to salt - collapse in the underlying Prairie Evaporite.

ACREAGE DISTRIBUTION

Township 1 - Range 25 - WPM

SW 1/4 of 30 and N 1/2 of 30
SE 1/4 of 31

Township 1 - Range 26 - WPM

E 1/2 of 25 and all of 36

A Total of 1600 Acres

OIL RESERVE DETERMINATION

Well: - Lsd. 3-30-1-25-WPM
Zone: - Alida (Interval 3027-3040')
Pay Thickness: - 11.0'
Average Porosity: - 11.5%
Porosity Range: - 9.0 - 15.3%
Recovery Factor: - 30%
Formation Volume Factor: - 1.150
Connate Water: - 35%
Average Permeability: - 2.2 md.

Based upon the above reservoir factors, the proven - primary recoverable oil in the Alida Formation was calculated at 151.0 Barrels per acre - foot.

Based on a productive area of 440 acre - feet, the proven - primary recoverable Alida oil underlying Lsd. 3-30-1-25 was calculated at 66,500 Barrels.

OIL RESERVE DETERMINATION

Well: - Lsd. 4-30-1-25-WPM
Zone: - Alida (3046-3064')
Pay Thickness: - 15.0'
Average Porosity: - 17.9%
Porosity Range: - 8.0 - 23.3%
Recovery Factor: - 25%
Formation Volume Factor: - 1.150
Connate Water: - 35%
Average Permeability: - 45.2 md.

Based upon the above reservoir factors the proven -
primary recoverable oil in the Alida Formation was calculated at
195.0 Barrels per acre - foot.

Based upon a productive area of 600 acre - feet, the
proven - primary recoverable Alida oil underlying Lsd. 4-30-1-25
was calculated at 117,000 Barrels.

OIL RESERVE DETERMINATION

Well: - Lsd. 5-30-1-25-WPM
Zone: - Alida (3046-3062')
Pay Thickness: - 15.9'
Average Porosity: - 14.3%
Porosity Range: - 7.6 - 21.7%
Recovery Factor: - 25%
Formation Volume Factor: - 1.150
Connate Water: - 35%
Average Permeability: - 41.2 md.

Based upon the above reservoir factors, the proven - primary recoverable oil in the Alida Formation was calculated at 156.0 Barrels per acre - foot.

Based upon a productive area of 636 acre - feet, the proven - primary recoverable Alida oil underlying Lsd. 5-30-1-25 was calculated at 99,200 Barrels.

OIL RESERVE DETERMINATION

Well: - Lsd. 6-30-1-25-WPM
Zone: - Alida (3022-3034')
Pay Thickness: - 12.0'
Average Porosity: - 9.1%
Porosity Range: - 6.6 - 15.5%
Recovery Factor: - 30%
Formation Volume Factor: - 1.150
Connate Water: - 35%
Average Permeability: - 5.4 md.

Based upon the above reservoir factors, the proven - primary recoverable oil in the Alida Formation was calculated at 119.0 Barrels per acre - foot.

Based on a productive area of 480 acre - feet, the proven - primary recoverable Alida oil underlying Lsd. 6-30-1-25 was calculated at 57,000 Barrels.

OIL RESERVE DETERMINATION

Well: - Lsd. 8-25-1-26-WPM
Zone: - Alida (3068-3084')

This zone tested water on a drill stem test and the well was abandoned. Electric logs and diamond cores indicate similar characteristics as the 4-30-1-25 and 5-30-1-25 wells.

OIL RESERVE DETERMINATION

Well: - Lsd. 11-30-1-25-WPM
Zone: - Alida (3026-3038')
Pay Thickness: - 6.0'
Average Porosity: - 9.8%
Porosity Range: - 6.4 - 14.2%
Recovery Factor: - 30%
Formation Volume Factor: - 1.150
Connate Water: - 35%
Average Permeability: - 4.85 md.

Based upon the above reservoir factors, the proven - primary recoverable oil in the Alida Formation was calculated at 128.5 Barrels per acre - foot.

Based upon a productive area of 240 acre - feet, the proven - primary recoverable Alida oil underlying Lsd. 11-30-1-25 was calculated at 30,900 Barrels.

OIL RESERVE DETERMINATION

Well:	- Lsd. 12-30-1-25-WPM
Zone:	- Alida (3041-3055')
Pay Thickness:	- 10.5'
Average Porosity:	- 11.9%
Porosity Range:	- 5.8 - 13.9%
Recovery Factor:	- 30%
Formation Volume Factor:	- 1.150
Connate Water:	- 35%
Average Permeability:	- 41.8 md.

Based upon the above reservoir factors, the proven - primary recoverable oil in the Alida Formation was calculated at 156 Barrels per Acre - Foot.

Based upon a productive area of 420 acre - feet, the proven - primary recoverable Alida oil underlying Lsd. 12-30-1-25 was calculated at 65,500 Barrels.

OIL RESERVE DETERMINATION

Well:	Lsd. 4-31-1-25-WPM
Zone:	Alida (3004-3014')

This zone was tight due to infilling of secondary anhydrite. Some oil stain was observed in the core. This 4-31-1-25 well is close to the zero edge of the Alida porosity, with the probability of the porosity opening up down - dip to the west and southwest. ✓

*NO - primary facies change
to evaporitic facies.*

what does he mean.

OIL RESERVE DETERMINATION

(PROBABLE)

Lsd. 13-30-1-25-WPM

Based upon projected reservoir factors, the probable primary recoverable Alida oil underlying Lsd. 13-30-1-25 was estimated at 60,000 Barrels.

Lsd. 14-30-1-25-WPM

Based upon projected reservoir factors, the probable primary recoverable Alida oil underlying Lsd. 14-30-1-25 was estimated at 30,000 Barrels.

No proven or probable primary recoverable Alida oil was estimated for the Omega Hydrocarbon acreage underlying the East 1/2 of Section 25 - Township 1 - Range 26 - WPM, the Northeast 1/4 of Section 30 - Township 1 - Range 25 - WPM, and the Southeast 1/4 of Section 31 - Township 1 - Range 25 - WPM.

PROVEN AND PROBABLE OIL

	<u>PROVEN - PRIMARY (Bbls.)</u>	<u>PROBABLE - PRIMARY (Bbls.)</u>
3-30-1-25	66,500	
4-30-1-25	117,000	
5-30-1-25	99,200	
6-30-1-25	57,000	
11-30-1-25	30,900	
12-30-1-25	65,500	
13-30-1-25	--	60,000
14-30-1-25	--	30,000
8-25-1-26	--	--
9-25-1-26	--	--
16-25-1-26	--	--
TOTAL	<u>436,100 (Bbls.)</u>	<u>90,000 (Bbls.)</u>

PRODUCTION DATA

Complete production data up until
June 30th, 1968, is listed as
follows:

WASKADA PRODUCTION

FROM INCEPTION - JUNE 30, 1968

DATE	<u>11-30</u>	<u>5-30</u>	<u>3-30</u>	<u>4-30</u>	<u>6-30</u>	<u>12-30</u>
January - 1967	279					
February ""	461					
March ""	677					
April ""	194					
May ""	366	397				
June ""	871	1223				
July ""	644	1677				
August ""	632	1810				
September ""	652	1633				
October ""	618	1761				
November ""	550	1631				
December ""	652	1612	638	583	1378	913
January - 1968	490	1621	1376	894	1587	785
February ""	584	1412	948	780	986	1290
March ""	705	1430	988	862	1033	1365
April ""	592	1365	940	1012	1067	1334
May ""	574	1290	801	980	911	1215
June - 1968	564	1325	888	1041	834	1212
July	580	1650	1059	1110	1510	1469

A TOTAL OF 59,033 BARRELS -

ESTIMATES OF OIL RESERVES AND ENGINEERING VALUATION OF THE
ACREAGE UNDERLYING THE OMEGA HYDROCARBON'S WASKADA OIL WELLS -

Since no bottom hole pressures or gas production tests have been taken to date on the Omega Oil Wells, the reserve estimates were made by the volumetric method using information obtained from the interpretation of well logs, core analyses and completion reports.

The Omega 11-30-1-25 well has been on continuous production since January of 1967, while the Omega 5-30-1-25 well has been on production since March of 1967. The remaining 3-30, 4-30, 6-30 and 12-30 wells have been on production since early December, 1967.

To date no water has been produced along with the oil from these six wells.

Normally when calculating reserves for a new oil field, it is assumed that the only recovery mechanism operating in the reservoir is a solution gas drive - reserves are therefore calculated using a recovery factor of 20%. In the case of the Waskada wells, the production history is such that a 25 to 30% recovery factor can be readily used in calculating the recoverable oil. Sufficient oil has now been produced from the field (59,033 Bbls.) to indicate that at least a partially, if not completely effective water drive is taking place in the field. If this were not the case, production would be characterized by either an increasing gas/oil ratio or declining production rates, neither of which has occurred.

(Production Data from 5-30 Well)

Further evidence to support a natural water drive is the presence of an excellent down dip aquifer in the Alida beds in the Omega 8-25-1-26-WPM well.

In all likelihood, due to the excellent reservoir characteristics evidenced by the producing wells and the presence of a large down dip water zone, the recovery factor will possibly be higher than the 25 - 30% factor used.

Tables 1 to 6 summarize the production to the end of December, 1967, and the estimated future oil and water production.

Tables 7 to 12 summarize the gross income, operating expenses, royalties, net revenue and present worth discounted at 10 percent.

TABLE I
PREDICTED FUTURE PRODUCTION
on
OMEGA WASKADA OIL WELLS

<i>Annul</i>	<u>WELL</u> <u>3-30</u>	<u>YEAR</u>	<u>OIL</u> <u>BBLs.</u>	<u>WATER</u> <u>BBLs.</u>	<u>TOTAL</u> <u>FLUID</u> <u>BBLs.</u>	<u>APPROX.</u> <u>WATER</u> <u>%</u>
		1968	14,600	--	14,600	0
		1969	12,400	--	12,400	0
		1970	10,540	600	11,140	5.2
		1971	8,970	1,050	10,200	10.3
		1972	7,625	1,790	9,415	19
39,045		1973	5,485 304%	3,300 00	8,785 3,04%	37
		1974	4,600	5,000	9,600	52
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			64,220	11,740	76,140	
<hr/>						

Cumulative to December 31, 1967 - 638 Bbls.
Total Recoverable Oil - 64,858 Bbls.

TABLE 2
PREDICTED FUTURE PRODUCTION
on
OMEGA WASKADA OIL WELLS

<u>Cum</u>	<u>WELL</u> <u>4-30</u>	<u>YEAR</u>	<u>OIL</u> <u>BBLs.</u>	<u>WATER</u> <u>BBLs.</u>	<u>TOTAL</u> <u>FLUID</u> <u>BBLs.</u>	<u>APPROX.</u> <u>WATER</u> <u>%</u>
		1968	18,250	--	18,250	0
		1969	15,510	--	15,510	0
		1970	13,190	750	13,940	5.4
		1971	11,210	1,200	12,410	9.6
		1972	9,530	1,800	11,330	16
38,332		1973	8,100 ²⁴³⁸	2,500 —	10,600 ²⁴³⁸	23.5 0
		1974	6,880	3,000	9,880	30
		1975	5,850	3,500	9,350	37
		1976	5,000	4,100	9,100	45
		1977	4,250	4,700	8,950	53
		1978	3,600	5,500	9,100	61
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			101,370	27,050	128,420	
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Cumulative to December 31, 1967 - 583 Bbls.

Total Recoverable Oil - 101,953 Bbls.

TABLE 3
PREDICTED FUTURE PRODUCTION
on
OMEGA WASKADA OIL WELLS

<u>WELL</u> <u>5-30</u>	<u>YEAR</u>	<u>OIL</u> <u>BBLs.</u>	<u>WATER</u> <u>BBLs.</u>	<u>TOTAL</u> <u>FLUID</u> <u>BBLs.</u>	<u>APPROX.</u> <u>WATER</u> <u>%</u>
	1968	18,250	—	18,250	0
	1969	15,510	780	16,290	5
	1970	13,190	1,750	14,940	11.5
	1971	11,210	3,050	14,260	21.5
	1972	9,530	4,500	14,030	32
83,596	1973	8,100,565	6,100-0-	14,200,565	42 09.
	1974	6,880	8,100	14,980	54
	1975	5,850	10,100	15,950	63
	1976	5,000	12,000	17,000	70
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		93,520	46,380	139,900	
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Cumulative to December 31, 1967 - 11,744 Bbls.

Total Recoverable Oil - 105,264 Bbls.

TABLE 4
PREDICTED FUTURE PRODUCTION
on
OMEGA WASKADA OIL WELLS

<u>WELL</u> <u>6-30</u>	<u>YEAR</u>	<u>OIL</u> <u>BBLs.</u>	<u>WATER</u> <u>BBLs.</u>	<u>TOTAL</u> <u>FLUID</u> <u>BBLs.</u>	<u>APPROX.</u> <u>WATER</u> <u>%</u>
	1968	14,600	--	14,600	0
	1969	12,400	--	12,400	0
	1970	10,540	600	11,140	5.2
	1971	8,970	1,100	10,070	11
	1972	7,625	1,800	9,425	19
61,812	1973	5,485 4574	3,300-0-	8,785 4574	37 0%
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		59,620	6,800	66,420	
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Cumulative to December 31, 1967 - 1,378 Bbls.

Total Recoverable Oil - 60,998 Bbls.

TABLE 5
PREDICTED FUTURE PRODUCTION
on
OMEGA WASKADA OIL WELLS

<u>WELL</u> <u>11-30</u>	<u>YEAR</u>	<u>OIL</u> <u>BBLs.</u>	<u>WATER</u> <u>BBLs.</u>	<u>TOTAL</u> <u>FLUID</u> <u>BBLs.</u>	<u>APPROX.</u> <u>WATER</u> <u>%</u>
	1968	7,300	0	7,300	0
	1969	6,200	0	6,200	0
	1970	5,300	300	5,600	5.4
	1971	4,500	600	5,100	11.5
	1972	3,900	900	4,800	19
32,161	1973	3,300 (30%)	1,500	4,800 (30%)	31 0%
		30,500	3,300	33,800	

Cumulative to December 31, 1967 - 6,596 Bbls.

Total Recoverable Oil - 37,096 Bbls.

TABLE 6
PREDICTED FUTURE PRODUCTION
on
OMEGA WASKADA OIL WELLS

<u>WELL</u> <u>12-30</u>	<u>YEAR</u>	<u>OIL</u> <u>BBLs.</u>	<u>WATER</u> <u>BBLs.</u>	<u>TOTAL</u> <u>FLUID</u> <u>BBLs.</u>	<u>APPROX.</u> <u>WATER</u> <u>%</u>
	1968	14,600	---	14,600	0
	1969	12,400	600	13,000	4.5
	1970	10,540	1,100	11,640	9.5
	1971	8,970	1,800	10,770	17
	1972	7,625	3,400	11,025	31
41,432	1973	5,485,5099	4,000 --	9,485,5099	42 070
	1974	4,600	5,400	10,000	54
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		64,220	16,300	80,520	
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Cumulative to December 31, 1967 - 913 Bbls.

Total Recoverable Oil - 65,133 Bbls.

Est. Production rate for all wells is high - but no water encroachment at all.

TABLE 7
ENGINEERING VALUATION
of
REMAINING RECOVERABLE OIL RESERVES
on
OMEGA WASKADA OIL WELLS

YEAR	OIL BBLs.	WATER BBLs.	GROSS INCOME \$	CROWN & OVERRIDING ROYALTIES	OPERATING COSTS \$	WATER DISPOSAL \$	NET INCOME \$	PRESENT WORTH (@ 10% DISCOUNT FACTOR)
1968	14,600	--	32,800	8,200	1,500	--	23,100	0.9091
1969	12,400	--	27,810	6,950	1,500	--	19,360	0.8265
1970	10,540	600	23,650	5,910	1,500	60	16,180	0.7518
1971	8,970	1,050	20,200	5,050	1,500	105	13,545	0.6800
1972	7,625	1,790	17,200	4,300	1,500	179	11,221	0.6209
1973	5,485	3,300	12,320	3,080	1,500	330	7,410	0.5645
1974	4,600	5,000	10,330	2,590	1,500	500	5,740	0.5182
	64,220	11,740	144,310	36,080	10,500	1,174	96,856	72.

- 1) Gross Income @ \$2.245 per Bbl.
- 2) Crown Royalty - 25%
- 3) Operating Costs @ \$125.00 per Month
- 4) Water Disposal Cost @ 10¢ per Bbl.

TABLE 8
ENGINEERING VALUATION
of
REMAINING RECOVERABLE OIL RESERVES
on
OMEGA WASKADA OIL WELLS

YEAR	OIL BBLs.	WATER BBLs.	GROSS INCOME \$	CROWN & OVERRIDING ROYALTIES	OPERATING COSTS \$	WATER DISPOSAL \$	NET INCOME \$	PRESENT WORTH (@ 10% DISCOUNT) FACTOR AMOUNT
1968	18,250	--	41,000	10,250	1,500	--	29,250	0.9091 26,500
1969	15,510	--	34,800	8,700	1,500	--	24,600	0.8265 20,300
1970	13,190	750	29,600	7,400	1,500	75	20,625	0.7513 15,500
1971	11,210	1,200	25,200	6,300	1,500	120	17,280	0.6830 11,800
1972	9,530	1,800	21,400	5,350	1,500	180	14,370	0.6209 8,920
1973	8,100	2,500	18,200	4,550	1,500	250	11,900	0.5645 6,710
1974	6,880	3,000	15,450	3,860	1,500	300	9,790	0.5132 5,020
1975	5,850	3,500	13,150	3,290	1,500	350	8,010	0.4665 3,730
1976	5,000	4,100	11,250	2,810	1,500	410	6,530	0.4241 2,770
1977	4,250	4,700	9,550	2,390	1,500	470	5,190	0.3855 2,000
1978	3,600	5,500	8,100	2,015	1,500	550	4,035	0.3505 1,410
	101,370	27,050	227,700	56,915	16,500	2,705	152,080	104,760

- 1) Gross Income @ \$2.245 per Bbl.
- 2) Crown & Overriding Royalty - 25%
- 3) Operating Costs @ \$125.00 per Month
- 4) Water Disposal Cost @ 10¢ per Bbl.

TABLE 9
ENGINEERING VALUATION
of
REMAINING RECOVERABLE OIL RESERVES
on
OMEGA WASKADA OIL WELLS

YEAR	OIL BBLs.	WATER BBLs.	GROSS INCOME \$	CROWN & OVERRIDING ROYALTIES	OPERATING COSTS \$	WATER DISPOSAL \$	NET INCOME \$	PRESENT WORTH (@ 10% DISCOUNT) FACTOR	AMOUNT
1968	18,250	---	41,000	10,250	1,500	--	29,250	0.9091	26,600
1969	15,510	780	34,800	8,700	1,500	78	24,522	0.8265	20,210
1970	13,190	1,750	29,600	7,400	1,500	175	20,525	0.7513	15,400
1971	11,210	3,050	25,200	6,300	1,500	305	17,095	0.6830	11,680
1972	9,530	4,500	21,400	5,350	1,500	450	14,100	0.6209	8,750
1973	8,100 8165 6,100	6,100	18,200	4,550	1,500	610	11,540	0.5645	6,510
1974	6,880	8,100	15,450	3,860	1,500	810	9,280	0.5132	4,750
1975	5,850	10,100	13,150	3,290	1,500	1,010	7,350	0.4665	3,430
1976	5,000	12,000	11,210	2,810	1,500	1,700	5,200	0.4241	2,210
	93,520	46,380	210,010	52,510	13,500	5,138	138,862		99,540

- 1) Gross Income @ \$2.245 per Bbl.
- 2) Crown & Overriding Royalty - 25%
- 3) Operating Costs @ \$125.00 per Month
- 4) Water Disposal Cost @ 10¢ per Bbl.

TABLE 10
ENGINEERING VALUATION
of
REMAINING RECOVERABLE OIL RESERVES
on
OMEGA WASKADA OIL WELLS

YEAR	OIL BBLs.	WATER BBLs.	GROSS INCOME \$	CROWN & OVERRIDING ROYALTIES	OPERATING COSTS \$	WATER DISPOSAL \$	NET INCOME \$	PRESENT WORTH (GROSS DISCOUNT) FACTOR AVERAGE
1968	14,600	--	32,800	8,200	1,500	--	22,100	0.9091
1969	12,400	--	27,810	6,950	1,500	--	19,360	0.8265
1970	10,540	600	23,650	5,910	1,500	60	16,180	0.7513
1971	8,970	1,100	20,200	5,050	1,500	110	13,540	0.6830
1972	7,625	1,800	17,200	4,300	1,500	180	11,220	0.6209
1973	5,485	3,300	12,320	3,080	1,500	330	7,410	0.5645
	59,620	6,800	133,980	33,490	9,000	680	90,810	69,490

- 1) Gross Income @ \$2.245 per Bbl.
- 2) Crown & Overriding Royalties @ 25%
- 3) Operating Costs @ \$125.00 per Month
- 4) Water Disposal @ 10¢ per Bbl.

TABLE 11
ENGINEERING VALUATION
of
REMAINING RECOVERABLE OIL RESERVES
on
OMEGA WASKADA OIL WELLS

YEAR	OIL BBLs.	WATER BBLs.	GROSS INCOME \$	CROWN & OVERRIDING ROYALTIES	OPERATING COSTS \$	WATER DISPOSAL \$	NET INCOME \$	PRESENT WORTH (@ 10% DISCOUNT) FACTOR AMOUNT
1968	7,300	--	16,400	3,275	1,500	--	11,625	0.9091 10,580
1969	6,200	--	13,930	2,790	1,500	--	9,640	0.8285 7,960
1970	5,300	300	11,900	2,380	1,500	30	7,990	0.7513 5,990
1971	4,500	600	10,125	2,025	1,500	60	6,540	0.6830 4,460
1972	3,900	900	8,760	1,755	1,500	90	5,415	0.6209 3,355
1973	3,300	1,500	7,420	1,485	1,500	150	4,285	0.5645 2,415
	30,500	3,300	68,535	13,710	9,000	330	45,455	34,760

- 1) Gross Income @ \$2.245 per Bbl.
- 2) Crown & Overriding Royalties - 20%
- 3) Operating Costs @ \$125.00 per Month
- 4) Water Disposal @ 10¢ per Bbl.

TABLE 12
ENGINEERING VALUATION
of
REMAINING RECOVERABLE OIL RESERVES
on
OMEGA WASKADA OIL WELLS

YEAR	OIL BBLs.	WATER BBLs.	GROSS INCOME \$	CROWN & OVERRIDING ROYALTIES	OPERATING COSTS \$	WATER DISPOSAL \$	NET INCOME \$	PRESENT WORTH (@ 10% DISCOUNT) FACTOR	AMOUNT
1968	14,600	—	32,800	6,550	1,500	—	24,750	0.9091	22,450
1969	12,400	600	27,800	5,550	1,500	60	20,690	0.8265	17,150
1970	10,540	1,100	23,650	4,725	1,500	110	17,315	0.7513	13,000
1971	8,970	1,800	20,150	4,025	1,500	180	14,445	0.6830	9,850
1972	7,625	3,400	17,100	3,420	1,500	340	11,840	0.6209	7,350
1973	5,485	4,000	12,320	2,460	1,500	400	7,960	0.5645	4,480
1974	4,600	5,400	10,330	2,065	1,500	540	6,225	0.5132	3,200
	64,220	16,300	144,150	28,795	10,500	1,630	103,225		77,480

- 1) Gross Income @ \$2.245 per Bbl.
- 2) Crown & Overriding Royalty - 20%
- 3) Operating Costs @ \$125.00 per Month
- 4) Water Disposal @ 10¢ per Bbl.

12-30

CONCLUSIONS

- 1) Proven recoverable Primary Alida oil underlying the Omega Hydrocarbon Waskada acreage was calculated at 436,100 Barrels.
- 2) Probable recoverable Primary Alida oil underlying the Omega Hydrocarbon Waskada acreage was estimated at 90,000 Barrels.
- 3) The present net worth (Discounted at 10%) of the Six (6) Omega wells was calculated at \$458,520.00.
- 4) A well can be drilled to the casing point at a depth of 3100 Feet (100' below Alida) for \$18,000.00 to \$20,000.00, with completion costs an additional \$15,000.00.

6-76430

RECOMMENDATIONS

- 1) THAT a well be drilled in Lsd. 16-25-1-26-WPM to a depth sufficient to penetrate 100' into the Tilston Beds.
- 2) THAT additional wells be drilled on a larger spacing unit (80 acres).

why? - he did not indicate any more or probable oil this area??

Calgary, Alberta
July, 1968

J. A. Dockery
J. A. Dockery, B. SC., PET. ENG. P. ENG.

TO WHOM IT MAY CONCERN:

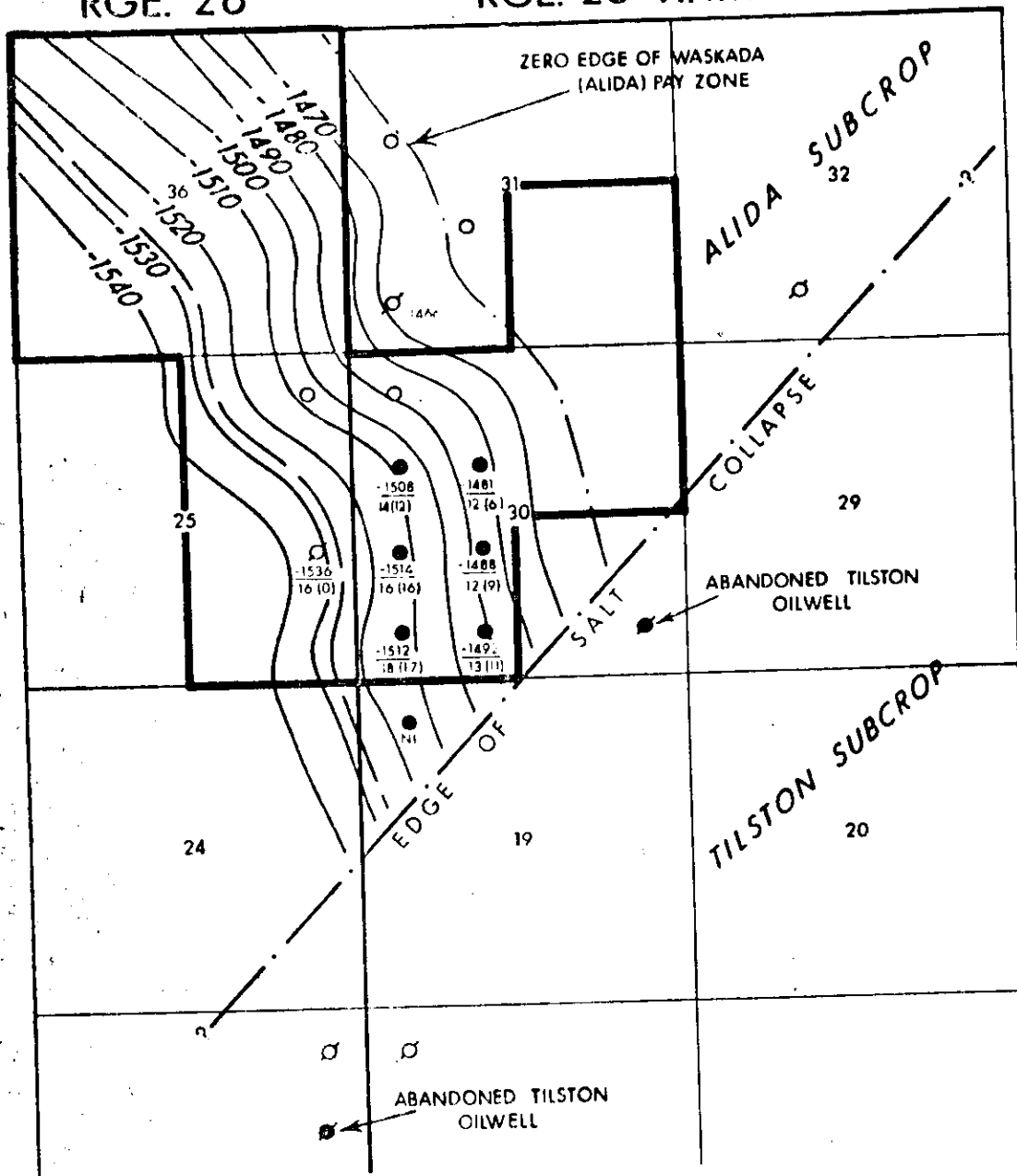
The following information is to accompany my report
on the Omega - Hydrocarbon Waskada property in Township 1 - Range 25 -
WPM (Manitoba)

- A) J. A. Dockery, 4820 - 8th Avenue S.E., Calgary, Alberta, Canada.
- B) Graduated from the University of Alberta in 1951 as a B. SC.
Petroleum Engineering.
- C) Ten (10) years (1951-1961) experience in the Petroleum Industry.
- D) Seven (7) years (1961-1968) self employed in Calgary as a
Consulting Petroleum Engineer.
- E) Member of the Association of Professional Engineers of Alberta.
- F) I have no interest in the securities of Omega - Hydrocarbons
Ltd.


J. A. Dockery
B. SC. Pet. Eng. P. Eng.

RGE. 26

RGE. 25 W.P.M.



TWP. 1

LEGEND

- OILWELL
- ABANDONED WELL
- ABANDONED OILWELL
- OMEGA HYDROCARBON ACREAGE
- NI NO INFORMATION
- OMEGA HYDROCARBON LOCATIONS (PROBABLE)
- EDGE OF SALT COLLAPSE
- SUBSEA UNIFORM BASE ALIDA PAY. GROSS PAY (NET PAY)
- OIL WATER CONTACT

WASKADA AREA

STRUCTURE CONTOURS ON
BASE OF ALIDA PAY ZONE

CONTOUR INTERVAL: 10 FEET
SCALE: 2 INCHES = 1 MILE

MAP NO. 1

JULY, 1968

RGE. 25 W.P.M.



WASKADA AREA

CONTOUR INTERVAL 10 FEET
SCALE 2 INCHES = 1 MILE

JULY 1968

- OILWELL
 ⦿ ABANDONED WELL
 ⦿ ABANDONED OILWELL
 □ OMEGA HYDROCARBON ACREAGE
 1
 NI NO INFORMATION
 ○ OMEGA HYDROCARBON
 LOCATIONS (PROBABLE)
 — EDGE OF SALT COLLAPSE