



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

August 11, 1989

Royalty Interest Owners
Waskada Unit No. 5
(Addressee List Attached)

Gentlemen:

Re: Waskada Unit No. 5
Unit Agreement Revisions

Enclosed for your records is a revision to pages 1,2,3,4 and 5 of Exhibit A in the Waskada Unit No. 5 Unit Agreement. This revision reflects an amalgamation of Amoco Canada Resources Ltd.

Yours truly,

OMEGA HYDROCARBONS LTD.

A handwritten signature in dark ink, appearing to be "R.A. Brekke", followed by a long horizontal line extending to the right.

R.A. Brekke
Chairman, Operating Committee

c.c.: Unit File
Accounting
Land

MASKADA UNIT NO. 5

ROYALTY INTEREST OWNERS

ADDRESSEE LIST

~~Manitoba Department of Energy & Mines~~
Mineral Resources Division
Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Margaret McIntosh Young
1898 Skylark Place
Victoria, B.C.
V8N 2X1

PanCanadian Petroleum Limited
150 - 9th Avenue S.W.
P.O. Box 2850
Calgary, Alberta
T2P 2S5

Howard Glover Lee
Waskada, Manitoba
ROM 2E0

Amoco Canada Resources Ltd.
21st Floor, 700 - 2nd Street S.W.
P.O. Box 200
Calgary, Alberta

Brock Glover Lee
P.O. Box 656
Carman, Manitoba
ROG 0J0

Francine Wilfreda Germaine
Esther lee
P.O. Box 656
Carman, Manitoba
ROG 0J0

Seymer Ross Young
1898 Skylark Place
Victoria, B.C.
V8N 2X1

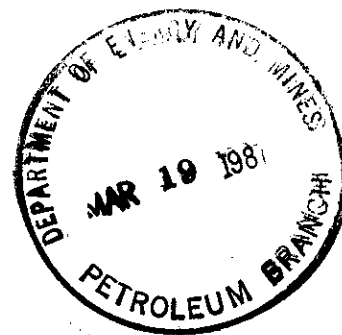
Lee Oil Limited
P.O. Box 656
Carman, Manitoba
ROG 0J0

Frank Ross Young
1898 Skylark Place
Victoria, B.C.
V8N 2X1

Ovey Oiles. Ltd.
P.O. Box 89
Waskada, Manitoba
ROM 2E0



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TELEPHONE (403) 261-0743



March 17, 1987

Royalty Interest Owners
Waskada Unit No. 5
(Addressee List Attached)

Gentlemen:

**Re: Revision of Exhibits
Unit Agreement**

Enclosed is a copy of each of pages 1, 2, 3, 4 and 5 of Exhibit "A" of the Unit Agreement revised to reflect the conveyance of interest from Sasko Oil & Gas Limited to Baxter Lake Holdings Company Limited.

Yours truly,

OMEGA HYDROCARBONS LTD.

R.A. Beamish
Chairman-Operating Committee

cc: Manitoba Oil & Gas Conservation
Board (2)

Encl:

RAB/tct

WASKADA UNIT NO. 5

ROYALTY INTEREST OWNERS

ADDRESSEE LIST

Manitoba Department of Energy & Mines
Mineral Resources Division
Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

PanCanadian Petroleum Limited
150 - 9th Avenue S.W.
P.O. Box 2850
Calgary, Alberta
T2P 2S5

Hudson's Bay Oil and Gas Co. Ltd.
c/o Dome Petroleum Limited
P.O. Box 200
Calgary, Alberta
T2P 2H8

Attention: Joint Operations

Seymer Ross Young
1898 Skylark Place
Victoria, B.C.
V8N 2X1

Frank Ross Young
1898 Skylark Place
Victoria, B.C.
V8N 2X1

Margaret McIntosh Young
1898 Skylark Place
Victoria, B.C.
V8N 2X1

Howard Glover Lee
Waskada, Manitoba
ROM 2E0

Brock Glover Lee
P.O. Box 656
Carman, Manitoba
ROG 0J0

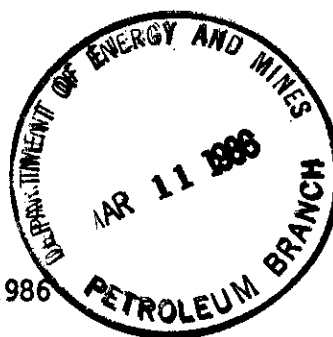
Francine Wilfrieda Germaine
Esther Lee
P.O. Box 656
Carman, Manitoba
ROG 0J0

Lee Oil Limited
P.O. Box 656
Carman, Manitoba
ROG 0J0

Ovey Oils Ltd.
P.O. Box 89
Waskada, Manitoba
ROM 2E0



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743



March 6, 1986

Royalty Interest Owners
Waskada Unit No. 5
(addressee list attached)

Gentlemen:

Re: Enlargement No. 1

The Effective Date of Enlargement No. 1 of the Waskada Unit No. 5 is March 1, 1986.

Enclosed for your information and files is a copy of each of Exhibits "A" and "B" reflecting the revisions to the Unit Agreement necessary due to this enlargement.

It was originally proposed to also include in this enlargement most of Section 1-2-26 WPM. As Andex did not execute the unit agreements the lands in this section did not qualify for enlargement.

The Tract Participations now listed on Exhibit "A" have been recalculated so that they maintain the same ratio to each other as those previously submitted to you. That is, they have all been increased so the sum is 100% after excluding the tracts in Section 1-2-26 WPM.

Yours truly,

OMEGA HYDROCARBONS LTD.

R.A. Beamish, P. Eng.
Chairman - Operating Committee

RAB:vb
Encl.

c.c. w/o Exhibits:
Land
Accounting
R.G.K. Hannah
60867 Manitoba Ltd.

REVISED EXHIBITS
FILED ON UNIT AGREEMENT
WASKADA UNIT No. 5

WASKADA UNIT NO. 5

ROYALTY INTEREST OWNERS

ADDRESSEE LIST

Manitoba Department of Energy & Mines
Mineral Resources Division
Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

PanCanadian Petroleum Limited
150 - 9th Avenue S.W.
P.O. Box 2850
Calgary, Alberta
T2P 2S5

Hudson's Bay Oil and Gas Co. Ltd.
P.O. Box 200
Calgary, Alberta
T2P 2H8

Seymer Ross Young
1898 Skylark Place
Victoria, B.C.
V8N 2X1

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1898 Skylark Place
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Margaret McIntosh Young
1898 Skylark Place
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V8N 2X1

Howard Glover Lee
Waskada, Manitoba
ROM 2E0

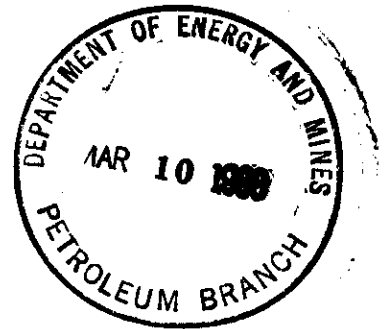
Brock Glover Lee
P.O. Box 656
Carman, Manitoba
R0G 0J0

Francine Wilfrieda Germaine
Esther Lee
P.O. Box 656
Carman, Manitoba
R0G 0J0

Lee Oil Limited
P.O. Box 656
Carman, Manitoba
R0G 0J0

Ovey Oils Ltd.
P.O. Box 89
Waskada, Manitoba
ROM 2E0

March 4, 1986



Working Interest Owners
Waskada Unit No. 5
(addressee list attached)

Gentlemen:

Re: Enlargement No. 1

The Effective Date of Enlargment No. 1 of Waskada Unit No. 5 is March 1, 1986.

Except for Section 1-2-26 WPM, the lands proposed for enlargement have qualified and have been approved for admission to the Unit.

With regard to the Title Opinion by Black & Company, we believe all errors and material deficiencies or qualifications have been appropriately handled. The minor deficiencies or qualifications regarding Parcels 1,3,5 and 6 have or are being attended to. (Note: to Sasko and Rex - enclosed is a copy of a letter dated February 25, 1986 from Omega to Chevron regarding Parcel 1; and for Sasko enclosed is a copy of a letter dated February 28, 1986 from Manitoba E. & M. to Omega regarding Chevron's concern with Schedule "E" of the Title Report - see Chevron's letter dated 1986-02-24.)

The following exhibits have been revised as a result of this enlargement and a copy of each is enclosed:

Unit Agreement: Exhibit "A"
Unit Agreement: Exhibit "B"
Unit Operating Agreement: Exhibit "D"
Unit Operating Agreement: Exhibit "E"

Also enclosed is a copy of the Tract Factor Calculations.

Omega's files indicate that complete distribution was not carried out for:

- a) Revision No. 2 of Page 2 of Exhibit "A" reflecting Tract No. 1 information revised to show the HBOG interest, and
- b) Page 13 of Exhibit "F" of the Unit Operating Agreement reflecting the revision of the overhead rate for Operation and Maintenance.

Yours truly,

OMEGA HYDROCARBONS LTD.



R.A. Beamish, P. Eng.
Chairman - Operating Committee

RAB:vb

Encl.

c.c. Manitoba Petroleum Branch
Land
Accounting
Waskada Unit No. 5

**Maskada Unit No. 5
Working Interest Owner
Addressee List**

Chevron Canada Resources Ltd.
500 - 5th Avenue S.W.
Calgary, Alberta
T2P 4L5

Attention: Mr. J.M. Taylor

Rex Petroleum Ltd.
1480 Aquitaine Tower
540 - 5th Avenue S.W.
Calgary, Alberta
T2P 0M2

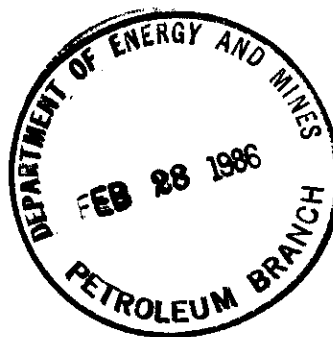
Attention: Mr. Ray Zell

Sasko Oil and Gas Ltd.
574, 330 - 5th Avenue S.W.
Calgary, Alberta
T2P 0L4

Attention: Mr. Jeffery D. Ross



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112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743



February 25, 1986

Chevron Canada Resources Limited
500 5th Avenue S.W.
Calgary, Alberta
T2P 0L7

Attention: Mr. E. H. Gaudet


Dear Sir:

Re: Maskada Unit No. 5 - Your file No. 59,320

In response to your letter of February 5, 1986, I have enclosed a copy of the properly executed Affidavit of Execution for Brock Glover Lee. Thank you for alerting us to this deficiency.

Yours truly,

OMEGA HYDROCARBONS LTD.


D. Mark Mawdsley
Production Engineer

DMM:vb
Encl.

c.c. Chevron Canada Resources Ltd.
Attention: Mr. K.S. Archibald

Rex Petroleum Ltd.
Attention: Mr. R. Zell

b.c.c.

Manitoba Energy & Mines
Attention: Mr. B. Dubreuil

Sasko Oil & Gas Ltd.
Attention: Mr. J.D. Ross

WASKADA UNIT NUMBER 5 OWNERSHIP BREAKDOWN

25-Feb-86

WORKING INTEREST OWNERS, THEIR SHARES IN EACH TRACT, AND THE RESULTING TOTAL WORKING INTERESTS											
TRACT NUMBER	TRACT FACTOR	1	2	3	4	5	6	7	8	9	10
		OMEGA	CHEVRON	SASKO	REX						
		Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
		Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
1	3.2754	100.0000	3.2754	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2	3.8273	100.0000	3.8273	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3	4.0795	100.0000	4.0795	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4	3.9841	100.0000	3.9841	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5	3.7475	100.0000	3.7475	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6	3.9711	100.0000	3.9711	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7	3.0877	50.0000	1.5439	20.0000	0.6175	30.0000	0.7263	0.0000	0.0000	0.0000	0.0000
8	3.1223	50.0000	1.5612	20.0000	0.6244	30.0000	0.7367	0.0000	0.0000	0.0000	0.0000
9	3.2640	50.0000	1.6320	20.0000	0.6528	30.0000	0.7792	0.0000	0.0000	0.0000	0.0000
10	3.4338	50.0000	1.7169	20.0000	0.6868	30.0000	1.0301	0.0000	0.0000	0.0000	0.0000
11	2.6429	100.0000	2.6429	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12	2.9453	100.0000	2.9453	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
13	2.7686	50.0000	1.3843	0.0000	0.0000	50.0000	1.3843	0.0000	0.0000	0.0000	0.0000
14	3.0367	50.0000	1.5184	0.0000	0.0000	50.0000	1.5183	0.0000	0.0000	0.0000	0.0000
15	3.4976	50.0000	1.7488	0.0000	0.0000	50.0000	1.7488	0.0000	0.0000	0.0000	0.0000
16	3.0070	50.0000	1.5035	0.0000	0.0000	50.0000	1.5035	0.0000	0.0000	0.0000	0.0000
17	2.4662	50.0000	1.2331	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
18	2.2372	100.0000	2.2372	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	2.9719	50.0000	1.4860	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	2.7793	50.0000	1.3897	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
21	3.7407	50.0000	1.8704	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
22	2.3108	50.0000	1.1554	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
23	1.9375	50.0000	0.9688	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
24	2.9943	50.0000	1.4972	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25	3.3091	100.0000	3.3091	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
26	2.8996	50.0000	1.4498	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
27	2.4279	100.0000	2.4279	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
28	3.8566	100.0000	3.8566	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
29	4.5513	100.0000	4.5513	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
30	3.1465	100.0000	3.1465	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
31	1.8951	100.0000	1.8951	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
32	2.7852	100.0000	2.7852	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
100.0000		76.3414	13.6314	3.8723	6.1549	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

WASKADA UNIT 5 TRACT FACTOR CALCULATIONS

TRACT	LAND	PH1sh (a)	108-85 CUM.	MONTH 1 PROD.	MONTH 2 PROD.	MONTH 3 PROD.	MONTH 4 PROD.
	DESCRIPTION		OIL (m ³)	HRS	OIL	HRS	OIL
1	113-35-1-26(W)	1.37	802.1	350	104.1	84.0	720
2	14-35-1-26	1.59	937.6	399	111.6	52.5	720
3	115-35-1-26(W)	1.49	1240.1	417	179.3	32.6	717
4	16-35-1-26	1.31	1769.7	383	209.7	21.8	720
5	1-2-2-26	1.16	2413.7	443	234.8	37.9	718
6	2-2-2-26	1.28	1419.3	293	129.4	45.3	696
7	3-2-2-26	1.19	727.0	661	146.0	68.2	744
8	4-2-2-26	1.00	1549.6	326	130.7	56.6	738
9	5-2-2-26(W)	1.10	894.2	208	92.8	29.5	673
10	6-2-2-26	1.28	1224.5	415	127.5	55.4	720
11	7-2-2-26(W)	0.92	722.3	486	124.3	58.9	630
12	8-2-2-26	1.07	1008.0	568	153.5	91.8	718
13	9-2-2-26	0.94	1031.2	498	161.3	50.3	696
14	10-2-2-26	1.06	984.0	120	46.0	11.8	678
15	11-2-2-26	1.29	1449.5	190	51.6	18.8	636
16	12-2-2-26	1.04	1163.8	30	16.2	3.4	653
SUBTOTALS:				5787	2018.8	718.8	11177
17	4-34-1-26	1.17	303.6	423	68.7	165.6	685
18	3-34-1-26	1.21	868.3	24	0.0	4.4	648
19	6-34-1-26	1.10	1599.4	539	209.8	148.3	600
20	5-34-1-26	1.32	785.6	185	31.8	50.8	768
21	12-34-1-26	1.46	1157.4	283	77.0	97.6	739
22	10-34-1-26	1.09	311.3	308	20.6	207.1	732
23	16-34-1-26	0.98	123.4	629	24.3	181.1	696
24	15-34-1-26	1.44	419.7	620	64.1	287.6	744
25	14-34-1-26	1.28	957.7	458	146.8	84.9	508
26	13-34-1-26	1.25	753.7	475	146.6	121.7	720
27	1-3-2-26	0.98	575.2	230	55.6	60.7	720
28	2-3-2-26	1.28	1028.4	14	8.2	3.5	155
29	3-3-2-26	1.51	1261.5	116	53.5	14.4	252
30	7-3-2-26	1.11	1283.7	317	144.1	44.6	673
31	8-3-2-26	0.63	707.1	539	111.0	75.2	642
32	15-2-2-26	1.11	952.7	216	69.4	42.7	630
TOTALS:				11183	3250.3	2309.0	21089

WASKADA UNIT 5 TRACT FACTOR CALCULATIONS

TRACT	LAND	REN REC	OIP	OIL RATE	OIL RATE	OIL CUT	UM-ADJ.	ORIGINAL	ADJUSTED	OIP	OIL RATE	OIL RATE	OIL CUT	OIL CUT	TRACT	
	DESCRIPTION	OIP (m ³)	FACTOR	FACTOR	FACTOR	FACTOR	TRACT FACT.	TRACT FACT.	TRACT FACT.	FACTOR	FACTOR	FACTOR	FACTOR	FACTOR	FACTOR	
1	13-35-1-26	27,621	2.4352	0.8673	0.4356	0.7468	3.2338	6.1004	3.2754	4.8880	0.7084	0.7363	0.5654	0.5697	6.1940	
2	14-35-1-26	32,050	2.8257	1.2166	0.6110	0.6906	3.3572	7.1284	3.8273	5.6718	0.9937	1.0329	0.5229	0.5269	7.2316	
3	15-35-1-26	29,672	2.6160	1.4266	0.7165	1.5752	4.0981	7.5982	4.0795	5.2510	1.1652	1.2111	1.1926	1.2017	7.6638	
4	16-35-1-26	25,408	2.2401	1.8389	0.9235	1.7528	4.0155	7.4204	3.9841	4.4964	1.5020	1.5612	1.3271	1.3372	7.3948	
5	1-2-2-26	21,652	1.9990	1.9917	1.0003	1.7035	0.8280	3.7373	3.7475	3.8317	1.6268	1.6909	1.2898	1.2997	6.8223	
6	2-2-2-26	25,136	2.2161	1.4260	0.7161	1.4728	0.7159	3.6481	3.9711	4.4833	1.1648	1.2107	1.1151	1.1236	6.7826	
7	3-2-2-26	23,962	2.1126	0.7117	0.3574	1.3068	0.6352	3.1052	3.7509	4.2405	0.5813	0.6042	0.9894	0.9970	5.8417	
8	4-2-2-26	19,197	1.6925	1.5060	0.7563	1.4143	0.6874	3.1362	3.1223	3.3972	1.2301	1.2786	1.0708	1.0790	5.7548	
9	5-2-2-26	21,927	1.9332	1.3617	0.6839	1.4290	0.4946	3.3117	3.2840	3.8804	1.1172	1.1560	1.0819	1.0902	6.1266	
10	6-2-2-26	25,331	2.2333	0.9730	0.4887	1.4708	0.7149	3.4369	3.4338	4.4828	0.7948	0.8261	1.1136	1.1221	6.4310	
11	7-2-2-26	18,365	1.6192	0.7795	0.3915	1.3667	0.6643	2.6750	2.6429	3.2500	0.8367	0.8618	1.0348	1.0427	4.9545	
12	8-2-2-26	21,191	1.8683	0.8939	0.4489	1.2932	0.6286	2.9458	2.9453	3.7501	0.7301	0.7589	0.9792	0.9867	5.4957	
13	9-2-2-26	18,471	1.6285	1.0590	0.5318	1.4365	0.4982	2.8585	2.7686	3.2688	0.8650	0.8971	1.0876	1.0959	5.2638	
14	10-2-2-26	21,007	1.8521	1.1963	0.6008	1.3620	0.6620	3.1149	3.0367	3.7175	0.9771	1.0156	1.0313	1.0391	5.7722	
15	11-2-2-26	25,314	2.2310	1.3223	0.6641	1.4032	0.4820	3.5779	3.4976	4.4798	1.0801	1.1226	1.0624	1.0705	6.6729	
16	12-2-2-26	20,413	1.7997	1.0610	0.5328	1.4216	0.4910	3.0235	3.0070	3.6124	0.8666	0.9007	1.0764	1.0846	5.5977	
SUBTOTALS										376,717						
17	4-34-1-26	23,970	2.1133	0.3628	0.1822	0.3513	1.1707	2.4662	2.4662	66.6667	16.0349	16.6667	16.5403	16.6666	100.0000	
18	3-34-1-26	24,235	2.1367	0.0400	0.0201	0.1854	0.0804	2.2372	2.2372							
19	6-34-1-26	21,222	1.8710	1.4054	0.7058	0.8129	0.3951	2.9719	2.9719							
20	5-34-1-26	26,800	2.3452	0.5287	0.2655	0.3469	0.1686	2.7793	2.7793							
21	12-34-1-26	29,133	2.5685	1.4275	0.7244	0.9213	0.4478	3.7407	3.7407							
22	10-34-1-26	22,303	1.9684	0.4668	0.2344	0.2263	0.1100	2.3108	2.3108							
23	16-34-1-26	20,208	1.7817	0.1130	0.0568	0.2036	0.0990	1.9375	1.9375							
24	15-34-1-26	29,456	2.5970	0.3871	0.1944	0.4175	0.2029	2.9943	2.9943							
25	14-34-1-26	25,598	2.2589	1.0328	0.5187	1.0977	0.5335	3.3091	3.3091							
26	13-34-1-26	25,180	2.2700	0.8049	0.4042	0.5666	0.2754	2.8976	2.8976							
27	1-3-2-26	19,757	1.7419	0.5949	0.2988	0.7966	0.3872	2.4279	2.4279							
28	2-3-2-26	25,527	2.2506	1.6283	0.8178	1.6217	0.7882	3.8566	3.8566							
29	3-3-2-26	30,066	2.6508	2.3359	1.1731	1.4966	0.7274	4.5513	4.5513							
30	7-3-2-26	21,745	1.9171	1.0844	0.5446	1.4090	0.4848	3.1465	3.1465							
31	8-3-2-26	12,363	1.0900	0.6671	0.3350	0.9672	0.4701	1.8951	1.8951							
32	15-2-2-26	22,076	1.9463	0.6405	0.3317	1.0434	0.5072	2.7852	2.7852							
TOTALS:										756,156	66.6667	33.1866	16.6667	34.2898	16.6666	100.0000
										9. OIL CUT FACTOR = 16 PRORATED TO ADD TO 16.6667						
										8. OIL CUT FACTOR = 16 PRORATED TO ADD TO 16.6667						
										7. OIL RATE FACTOR = 16 PRORATED TO ADD TO 16.6667						
										6. OIL RATE FACTOR = 16 PRORATED TO ADD TO 16.6667						
										5. OIP FACTOR = 2/3*(OIP/TOTAL NR OIP)*100						
										4. REM. REC. OIP = {0.25}{10114}{16}{1-0.4}{PHI*H}/(1.17)-OIL. OIL						
										3. MONTH 1,2,3,4 PROD. = ACTUAL PRODUCTION FROM THE FIRST 4 MONTHS						
										2. 98-85 CUM. OIL = CUM. OIL TO AUGUST, 1985.						
										1. PHI*H = POROSITY METERAGE AS DETERMINED BY D. MCCREARY AND						
										SUBSEQUENTLY CHECKED BY J. BURNS. THESE VALUES CAN						
										BE FOUND ON J. BURNS' MAP OF 85-03-20.						
										OF THE WELLS HISTORY.						
										0.25 = recovery factor						
										10114 = constant to convert hectare-metres into m ³ .						
										16 = drainage area in hectares.						
										0.4 = Sw						
										1.17 = oil formation volume factor.						

- ① Paulette
- ② Oetie

Waskada Unit No 5 Enlargement
Effective March 1, 1986

Wells added

3-34-1-26

4-34-1-26

5-34-1-26

6-34-1-26

A10-34-1-26

12-34-1-26

13-34-1-26

14-34-1-26

15-34-1-26

16-34-1-26

15-2-2-26 Prov.

1-3-2-26

2-3-2-26

3-3-2-26

7-3-2-26

8-3-2-26

BD



1000 SUN LIFE PLAZA III
112 - 40th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE: (403) 261-0743

February 3, 1986

Via Phone Fax
Page 1/3

Manitoba Energy & Mines
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Attention: Mr. Bob Dubreuil

Dear Sir:

Re: Waskada Unit No. 5 - Enlargement No. 1

We have had some trouble with our Working Interest Partners in the subject unit and its enlargements. Andex is not interested participating in the enlargement so we have elected to exclude all Tracts in Section 1-2-26 WPM. This will also modify our pressure maintenance application to drop the three intended injectors in Section 1-2-26.

In a Unit No. 5 Operating Committee meeting held on January 30, 1986, Omega proposed a February 1, 1986 Effective Date for Enlargement No. 1 conditional on Titles approval. Chevron rejected this idea and is inflexible. As a result we must push back our intended effective date to March 1, 1986.

The last remaining execution page and affidavit of execution from Seymer R. Young is included with this letter.

Yours truly,

OMEGA HYDROCARBONS LTD.

A handwritten signature in dark ink, appearing to read "P. Mark Mawdsley".

P. Mark Mawdsley
Production Engineer

DMM/jr

cc: Waskada Unit No. 5 File



The Oil and Natural Gas
Conservation Board

Room 309
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

(204) 945-3130

January 28, 1986

Omega Hydrocarbons Ltd.
1300 Sun Life Plaza III
112 - 4th Avenue S.W.
Calgary, Alberta
T2P 0H3

Attention: Mr. T. J. Hall,
President

Dear Sirs:

Re: Waskada Unit No. 5 - First Enlargement

The Board acknowledges receipt of your letter dated January 27, 1986 with enclosed counterpart execution pages. Please submit revised copies of Exhibits A and B, reflecting the enlargement, as soon as possible.

The Board hereby approves the enlargement of Waskada Unit No. 5, pursuant to Section 74 of The Mines Act, effective February 1, 1986.

Yours sincerely,

Wm. McDonald
Deputy Chairman

LRD/lk

b.c. Petroleum Branch

x.c. Charles S. Kang
J. F. Redgwell

*see Omega
letter p
Feb 3/86
EFF date
March 1/86*



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

January 27, 1986

Manitoba Oil & Gas Conservation Board
309 Legislative Building
450 Broadway Avenue
Winnipeg, Manitoba
R3C 0V8

Attention: Mr. C.S. Kang

Dear Sir:

Re: Waskada Unit No. 5

All Working Interest and Royalty Interest Owners have executed the Unit Agreement - Waskada Unit No. 5 for the enlargement area shown in red on the enclosed copy of Exhibit "B". The remaining tracts are excluded due to Andex's refusal to join in the expansion. In this connection we are enclosing counterpart execution pages for your records. Mr. Seymer Ross Young of Victoria, B.C. has advised us that he sent his executed documents by first class mail today (86-01-27). Though it is unavailable for inclusion with this letter, a copy of his execution page will be forwarded to your offices as soon as it is available.

We request approval of the Oil & Gas Natural Gas Conservation Board for this Unit so that we may have an effective date of February 1, 1986.

Yours truly,

OMEGA HYDROCARBONS LTD.

A handwritten signature in dark ink, appearing to read "T.J. Hall", is written over the typed name and title.

T.J. Hall
President

TJH:vb

Encl.

c.c. T.J. Hall

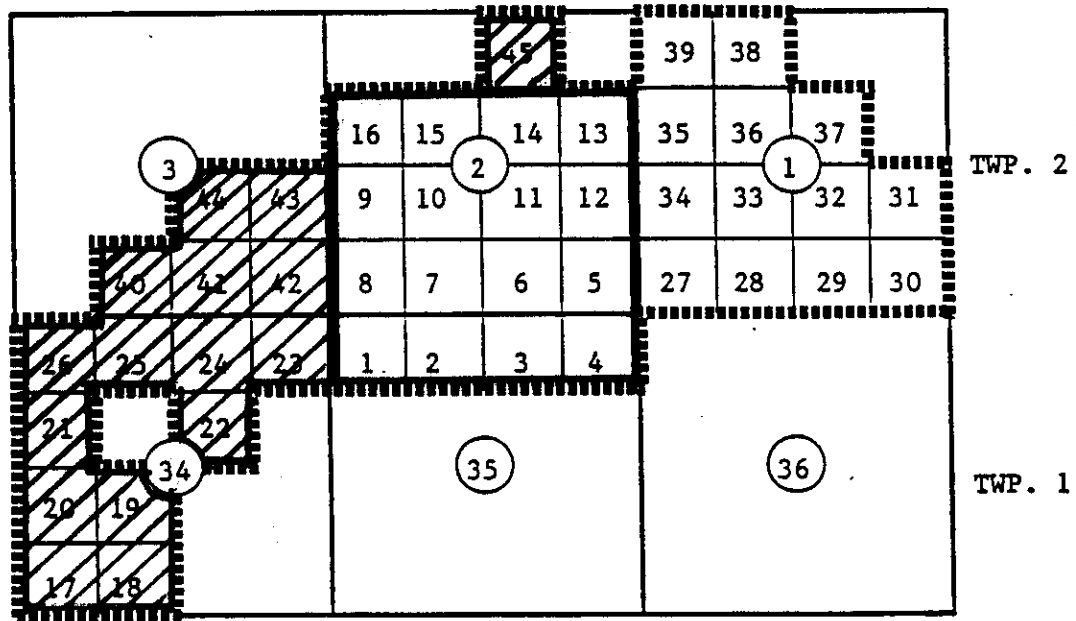
Waskada Unit No. 5

EXHIBIT "B"

ATTACHED TO AND MADE PART OF AN AGREEMENT ENTITLED

"UNIT AGREEMENT - WASKADA UNIT NO. 5"

PLAN OF UNIT AREA



RGE 26 WPM



Original Waskada Unit No. 5



Tracts to be included in Enlargement No. 1

LEGEND



Unit Boundary

8

Tract Number



Section Number

EFFECTIVE:

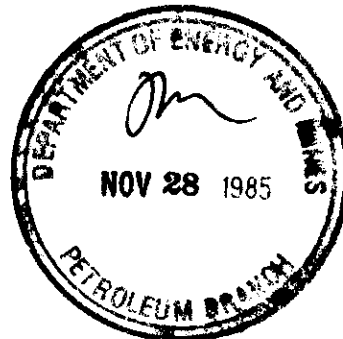
As of the Effective Date
of Enlargement No. 1



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

November 27, 1985

Bob
- add to Unit Agreement file



Waskada Unit No. 5
(addressee list attached)

Gentlemen:

Re: Unit Agreement - Enlargement No. 1
Page 21

The only change normally made to a Unit Agreement for an enlargement is revision of Exhibits A and B. To assist in obtaining an appropriate execution by freehold owners we also revised the area of Page 21 which provides spaces for the date and signature(s) of the Party (and witness if required). For thoses Parties signing on behalf of a corporation the page 21 which you received contains a typo-graphical error in the third line of Clause 1504 ("with" should be "within").

Enclosed are two copies of the corrected page 21 for replacement in the agreement.

Please accept our apologies for any inconvenience this may cause.

Yours truly,

OMEGA HYDROCARBONS LTD.

R.A. Beamish, P. Eng.
Chairman - Operating Committee

RAB:vb

Encl.

c.c. Waskada Unit No. 5

WASKADA UNIT NO. 5

ROYALTY INTEREST OWNERS

ENLARGEMENT NO. 1

ADDRESSEE LIST

Andex Oil Co. Ltd.
1300, 700 9th Ave. S.W.
Calgary, Alberta
T2P 3V4

Hudson's Bay Oil & Gas Co. Ltd.
P.O. Box 200
333 7th Avenue S.W.
Calgary, Alberta
T2P 2S5

Manitoba Department of Energy & Mines
Mineral Resources Division
Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

60867 Manitoba Ltd.
c/o Murray Hannah
Box 7
Waskada, Manitoba
ROM 2E0

1503. Salvaging Equipment Upon Termination

The Royalty Owners grant the Working Interest Owners the right for a period of six 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 30 days thereafter.

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

Date: _____

1503. Salvaging Equipment Upon Termination

The Royalty Owners grant the Working Interest Owners the right for a period of six 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 30 days thereafter.

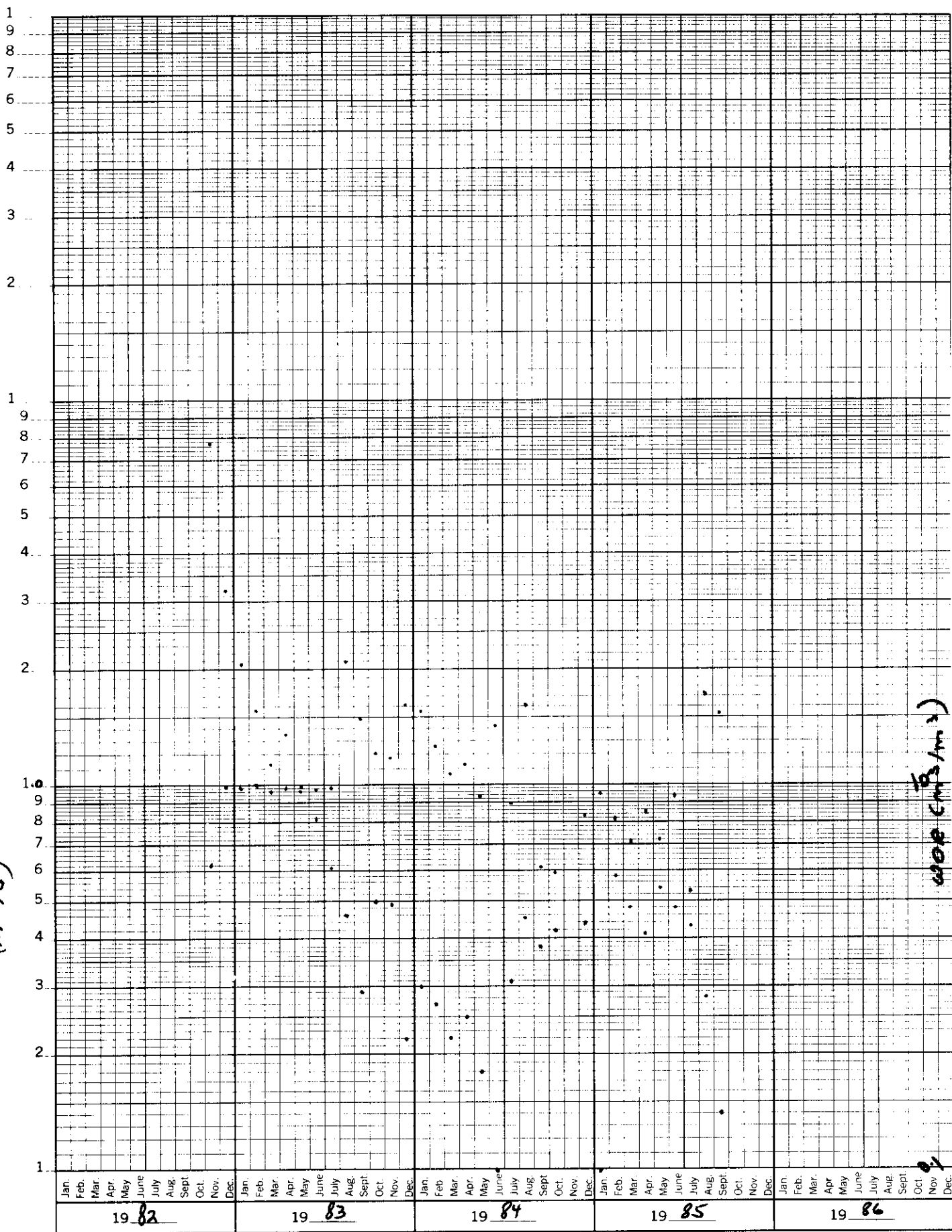
IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown below.

Date: _____

47 6740

K⁺E
10 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

(P/24) 710



Tract Factor Comparison ~~Between~~ ^{vs Production Factor} Omega ~~value~~ (August/85 production)

Monthly oil production for all wells in expanded Unit #5 = 1204.0 m³

$$\frac{\text{individual well monthly oil rate}}{\text{monthly oil prod. f. all wells in exp. U. \#5}} = X$$

Prov. wells :

$$9-2-2-26 \text{ Prov.: } X = \frac{28.9}{1204.0} = 0.0236$$

$$10-2-2-26 \text{ Prov.: } X = \frac{27.2}{1204.0} = 0.0226$$

$$11-2-2-26 \text{ Prov.: } X = \frac{49.5}{1204.0} = 0.0370$$

$$12-2-2-26 \text{ Prov.: } X = \frac{22.8}{1204.0} = 0.0189$$

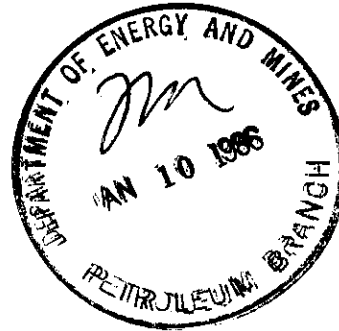
$$\text{expanded Unit \#5: } 15-2-2-26 \text{ Prov.: } X = \frac{8.8}{1204.0} = 0.0073$$

LOCATION	X	OMEGA T.F.	X (%)
9-2	.0236	1.9739	2.36
10-2	.0226	2.1650	2.26
11-2	.0370	2.4937	3.70
12-2	.0189	2.1439	1.89
15-2	.0073	1.9902	0.73



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

January 6, 1986



Waskada Unit No. 5
Enlargement No. 1
(Addressee list attached)

Gentlemen:

Re: Correction of Exhibits "A" and "D"

It has been pointed out to us that a mechanical error has occurred in our calculation of remaining recoverable oil-in-place which is used in the formula to obtain Tract Participation. These participations are set out in Exhibit "A" (and for Working Interest Owners are summarized in Exhibit "D").

In accordance with Clause 203 of the Unit Agreement these two exhibits require correction.

Enclosed are two copies of the revised Exhibit "A" for replacement in the Unit Agreements which have been sent to you for execution. (If you have already signed and returned one copy of this agreement please make the replacement in the copy you have retained for your files.)

For Andex only we are also enclosing two copies of the revised Exhibit "D" for similar handling in the Unit Operating Agreement.

We sincerely regret any inconvenience this may cause you, and if you have any questions please contact the undersigned.

We have not yet recieved an executed copy of the Unit Agreement from some of the parties and would appreciate your prompt attention to this matter so we may complete the necessary steps to expand the waterflood in this area and enhance the recovery of oil. If you have any questions with regard to this matter please call me (collect) at 403-261-0743.

Yours truly,

OMEGA HYDROCARBONS LTD.

R.A. Beamish, P. Eng.
Chairman - Operating Committee

RAB:vb
Encl.
b.c.c.

<u>TRACT</u>	<u>OLD</u>	<u>NEW</u>	<u>UP</u>	<u>OR</u>	<u>DWN</u>
1	2.3352	2.3314		D	
2	2.7287	2.7243		D	
3	2.9085	2.9039		D	
4	2.8405	2.8359		D	
5	2.6718	2.6675		D	
6	2.8313	2.8267		D	
7	2.2014	2.1978		D	
8	2.2260	2.2225		D	
9	2.3271	2.3233		D	
10	2.4481	2.4442		D	
11	1.8843	1.8813		D	
12	2.0999	2.0965		D	
13	1.9739	1.9707		D	
14	2.1650	2.1615		D	
15	2.4937	2.4897		D	
16	2.1439	2.1404		D	
17	1.7735	1.7854		u	
18	1.6258	1.6283		u	
19	2.1393	2.1271		D	
20	2.0071	2.0127		u	
21	2.6833	2.6844		u	
22	1.6647	1.6753		u	
23	1.3946	1.4070		u	
24	2.1546	2.1686		u	
25	2.3646	2.3665		u	
26	2.0843	2.0895		u	
27	1.8647	1.8613		u	
28	2.3769	2.3688		D	
29	2.4882	2.4908		u	
30	2.4696	2.4826		u	

8.7765

8.7623

0.0142%

31	1.6969	1.7054
32	2.4128	2.4182
33	2.3028	2.2970
34	2.5513	2.5397
35	2.1727	2.1743
36	1.9868	1.9896
37	2.1422	2.1410
38	2.1421	2.1473
39	1.9238	1.9290
40	3.2462	3.2461
41	2.7403	2.7409
42	1.7341	1.7384
43	1.3452	1.3419
44	2.2421	2.2357
45	1.9902	1.9896

TOTAL CROWN

OLD

10.7667

NEW

10.7519

DIFF

- 0.0148 %

December 17, 1985

Omega Hydrocarbons Ltd.
1300, 112 - 4th Avenue S.W.
CALGARY, Alberta
T2P 0H3

Attention: Mr. R.A. Beamish
Manager - Engineering

Dear Sir:

Re: Waskada Unit No. 5
Enlargement No. 1

Enclosed please find one (1) signed copy of the proposed Unit Agreement signed by the Minister of Energy and Mines.

As indicated in Clause 905, the approval of the Board is required prior to the effective date of the enlargement.

Yours sincerely,

~~Original Signed by H. C. Mester~~

H. Clare Mester, P. Eng.
Director, Petroleum Branch

HCM:dah

encl

CABINET SUBMISSION
by the
DEPARTMENT OF ENERGY AND MINES

Subject:

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

Discussion:

The Province of Manitoba is the owner of the mines and minerals in the north half of Section 2, Township 2, Range 26 WPM which is part of the Waskada oil field. Rex Petroleum Ltd. is the holder of a Crown oil and natural gas lease to the subject land. Omega Hydrocarbons Ltd., by virtue of an operating agreement, has acquired an interest in this lease. Omega has completed five wells on the property in the Waskada Lower Amaranth A Pool. Four of these wells are within the present boundaries of Waskada Unit No. 5 and are part of Omega's successful waterflood operations in the Pool. The remaining well is currently producing oil at marginal rates. Omega is planning to expand its waterflood operations in this area of the Pool, but before proceeding, Omega must obtain the agreement of the mineral rights owners affected. As Omega wishes to include the well in the proposed enlarged Waskada Unit No. 5, it has requested the consent of the Minister of Energy and Mines on behalf of the Crown as mineral rights owner. Inclusion of the well in the proposed Unit enlargement will result in a portion of the total crude oil and natural gas produced from the 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.

Communications:

"Not Required"

Recommendation:

It is recommended that the Minister of Energy and Mines be authorized to enter into the Unitization Agreement for Waskada Unit No. 5 on behalf of the Crown.

Wilson D. Parasiuk
Minister of Energy and Mines



MANITOBA

ON MATTERS OF STATE

Order in Council

No. 1349

To The Honourable the Lieutenant Governor in Council

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

WHEREAS Section 75 of "The Mines Act", being Chapter M160 of the Revised Statutes of Manitoba, 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 Rex Petroleum Ltd. is the holder of Crown Oil and Natural Gas Lease No. L 802-131 covering the N1/2 of Section 2-2-26 WPM:

AND WHEREAS Omega Hydrocarbons by virtue of an operating agreement has acquired an interest in the said Crown Oil and Natural Gas Lease;

AND WHEREAS Omega Hydrocarbons Ltd. is proposing to enlarge Waskada Unit No. 5 in part of the Waskada Lower Amaranth A Pool to include the tract described as Legal Subdivision 15 of Section 2, in Township 2, Range 26 WPM;

AND WHEREAS Omega Hydrocarbons Ltd. has requested agreement for the proposed unitization from the Crown as the royalty owner of the subject tract;

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. 5 in the form hereto annexed and marked as Schedule "A", or any form to the like effect.

Initiating Department/Agency	
Department/Agency	Authorized Officer
	Clare Moster
Approved By	
C.S.C.	Finance
Approved as to form by:	
Name	<i>Andrew C. B. Kane</i>
Initials	
<i>[Signature]</i>	
Civil Litigation Branch: or Legislative Counsel	

Signature *Wilson D. Kroschel*

IN THE EXECUTIVE COUNCIL CHAMBER, WINNIPEG

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

..... 11 December 1985
Date

..... *Michael Smith*
President or Presiding Member

AT GOVERNMENT HOUSE IN THE CITY OF WINNIPEG

Approved and Ordered this 11th day of December A.D. 1985

..... *Shawn McLaughlin*
Lieutenant Governor



Memorandum

Date November 28, 1985

To Charles S. Kang
A/ Deputy Minister of Energy & Mines
309 Legislative Building

From H. Clare Moster
Director, Petroleum Branch

Telephone

Subject Waskada Unit No. 5 Enlargement

Omega Hydrocarbons Ltd. is proposing to enlarge the Waskada Unit No. 5 to include twenty-nine additional tracts. This proposed enlargement involves one tract (Lsd) for which the Crown is the royalty interest owner (i.e. mineral rights owner). Section 74 of The Mines Act states that before a Unitization agreement may 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 Omega has submitted two copies of the proposed revised Unit Agreement for the Waskada Unit No. 5 for approval (execution) by the Minister as an affected royalty owner. Note that the Minister on behalf of the Crown is already a party to the current Waskada Unit No. 5 by virtue of ownership of the mineral rights underlying Legal Subdivisions 9, 10, 11 and 12 of Section 2-2-26 WPM (Tract Nos. 13, 14, 15 and 16).

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. Request authorization from Cabinet to permit him to enter into the enlarged Waskada Unit No. 5 unitization agreement on behalf of the Crown (draft OIC attached) with respect to Lsd 15 of Section 2-2-26 (WPM).
2. Execute the attached two copies of the Unit Agreement for the Waskada Unit No. 5 as a royalty owner.

Discussion:

The tract in the proposed enlargement of the Waskada Unit No. 5 which contains Crown owned mineral rights is Lsd 15 of Section 2-2-26 (WPM). These tracts are held under Crown Oil and Natural Gas Lease No. L 802-131 covering the north half of Section 2-2-26 (WPM) by Rex Petroleums Ltd. Omega has entered a farmout agreement with Rex whereby Omega has earned an interest in these lands by drilling wells. To date, Omega has drilled five wells on the Lease (Lsd 9, 10, 11, 12 and 15). All of these wells are

completed in the Waskada Lower Amaranth A Pool, and all except the well Omega Waskada Prov. 15-2-2-26 are currently included in the Waskada Unit No. 5. The subject well is currently producing at an oil rate of about 0.6 m³/day and a water-oil ratio of 0.53 m³/m³. At such rates, the well is probably marginally economic. Production trends indicate the well would probably become uneconomic within one year.

As part of the expanded Waskada Unit No. 5, the well would be converted to a water injection well. Production would, however, continue to be allocated to the well for the life of the Unit. On this basis, inclusion of this tract in the Unit is recommended.

The Branch has reviewed the Tract Participation Factor proposed for the tract and feels it is reasonable.

The proposed enlarged Unit Agreement is of the same format as the existing Unit Agreement for Waskada Unit No. 5.

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 (similar to any freehold mineral owner). Therefore, by such execution, the Minister is not approving the Unit Agreement. Such approval may only be given by the Board pursuant to Section 74 of The Mines Act.

Signature signed by H. C. Moster

H. Clare Moster

LRD/1k

OMEGA
HYDROCARBONS LTD.

1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

November 5, 1985



Manitoba Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Attention: Mr. Bob Dubreuil

Dear Sir:

Re: Tract Factor Calculation
Waskada Unit No. 5 - Enlargement No. 1

As previously discussed, I am forwarding the tract factor calculation for the captioned unit enlargement and a map showing the enlarged area.

Enlargement has been approved by the Working Interest Owners utilizing the same participation formula and other criteria as used for the initial unit.

Documents are being prepared for execution by Andex and the Royalty Owners affected.

Yours truly,

OMEGA HYDROCARBONS LTD.

A handwritten signature in dark ink, appearing to read "R.A. Beamish".

R.A. Beamish, P. Eng.
Manager - Engineering

RAB:vb

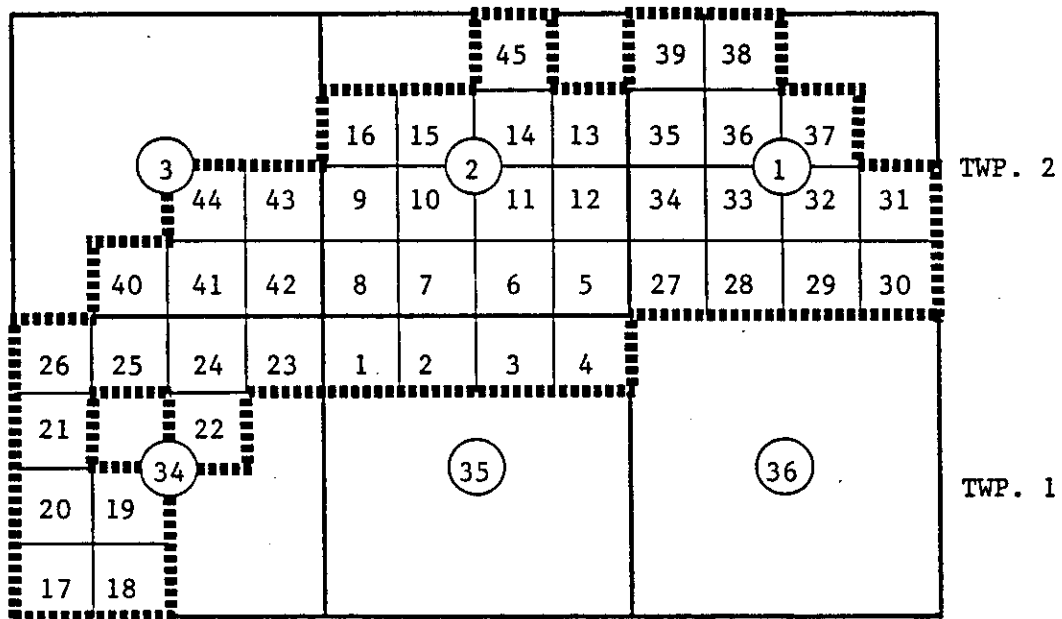
Encl.

EXHIBIT "B"

ATTACHED TO AND MADE PART OF AN AGREEMENT ENTITLED

"UNIT AGREEMENT - WASKADA UNIT NO. 5"

PLAN OF UNIT AREA



RGE 26 WPM

LEGEND

- Unit Boundary
- 8 Tract Number
- Section Number

EFFECTIVE:

As of the Effective Date
of Enlargement No. 1

WASKADA UNIT 5 FACTOR CALCULATIONS

TRACT	LAND	PH15h (a)	108-85 CUM.	MONTH 1 PROD. (a^3)	MONTH 2 PROD. (a^3)	MONTH 3 PROD. (a^3)	MONTH 4 PROD. (a^3)																				
	DESCRIPTION			OIL (a^3)	HRS	OIL	HRS	OIL	HRS	OIL	HRS	OIL	HRS	OIL	HRS												
1	13-35-1-26(WI)	1.37		802.1	350	104.1	84.0	720	160.8	259.8	712	54.4	147.6	724	60.8	131.2											
2	14-35-1-26	1.59		937.6	399	111.6	52.5	720	232.2	173.6	728	121.0	473.5	730	83.5	316.3											
3	15-35-1-26(WI)	1.49		1240.1	417	179.3	32.6	717	288.9	98.5	680	101.2	15.2	744	68.8	13.7											
4	16-35-1-26	1.31		1769.7	383	209.7	21.8	720	331.3	53.6	744	167.8	16.8	744	124.5	11.1											
5	1-2-2-26	1.16		2413.7	443	234.8	37.9	718	296.3	39.9	732	201.3	34.0	652	154.1	26.9											
6	2-2-2-26	1.28		1419.3	293	129.4	45.3	696	232.4	73.3	728	141.4	45.0	696	98.6	39.6											
7	3-2-2-26	1.19		727.0	661	146.0	68.2	744	88.6	38.7	720	54.5	42.8	634	54.3	24.6											
8	4-2-2-26	1.00		1549.6	326	130.7	56.6	738	269.5	75.1	717	146.4	62.8	674	100.0	59.6											
9	5-2-2-26(WI)	1.10		894.2	208	92.8	29.5	673	190.9	55.4	631	105.4	51.2	433	74.1	39.3											
10	6-2-2-26	1.28		1224.5	415	127.5	55.4	720	128.7	31.4	740	87.6	33.1	720	97.8	30.0											
11	7-2-2-26(WI)	0.92		722.3	486	124.3	58.9	630	80.0	51.5	720	80.4	21.3	676	60.5	20.7											
12	8-2-2-26	1.07		1008.0	568	153.5	91.8	718	100.6	60.2	631	80.6	33.9	696	73.8	27.9											
13	9-2-2-26	0.94		1031.2	498	161.3	50.3	696	109.6	39.6	729	74.4	38.0	234	54.2	20.5											
14	10-2-2-26	1.06		984.0	120	46.0	11.8	678	180.2	68.4	744	91.7	58.2	259	58.9	29.8											
15	11-2-2-26	1.29		1449.5	190	51.6	18.8	636	209.1	70.8	744	139.5	68.8	608	103.5	45.1											
16	12-2-2-26	1.04		1163.8	30	16.2	3.4	653	198.6	71.7	696	86.8	61.0	733	90.3	15.1											
SUBTOTALS:																5787	2018.8	718.8	11177	3097.7	1261.5	11396	1734.4	1203.2	9977	1357.7	851.4
17	4-34-1-26	1.17		303.6	423	68.7	165.6	685	53.3	367.9	595	18.2	46.2	680	11.0	116.9											
18	3-34-1-26	1.21		868.3	24	0.0	4.4	648	4.7	47.2	720	3.1	39.0	696	6.8	68.7											
19	6-34-1-26	1.10		1599.4	559	209.8	148.3	600	155.9	194.8	391	61.1	149.5	498	76.6	224.0											
20	5-34-1-26	1.32		785.6	185	31.8	50.8	768	88.2	363.9	716	58.5	286.5	745	44.7	343.0											
21	12-34-1-26	1.46		1157.4	283	77.0	97.6	739	240.3	171.1	768	168.1	232.8	716	146.8	218.2											
22	10-34-1-26	1.09		311.3	308	20.6	207.1	732	75.3	330.0	694	70.9	362.9	744	35.5	658.7											
23	16-34-1-26	0.98		123.4	629	24.3	181.1	696	14.7	124.6	744	7.3	94.0	720	8.8	78.4											
24	15-34-1-26	1.44		419.7	620	64.1	287.6	744	55.7	219.0	718	37.6	100.5	670	28.9	85.7											
25	14-34-1-26	1.28		957.7	458	146.8	84.9	508	115.1	107.9	704	99.7	89.4	720	70.1	60.9											
26	13-34-1-26	1.25		753.7	475	146.6	121.7	720	109.8	265.6	744	79.3	324.5	744	42.0	223.8											
27	4-1-2-26	0.80		855.4	39	15.3	5.2	740	200.3	72.4	761	128.7	36.8	716	82.6	38.4											
28	3-1-2-26	1.03		1308.9	672	247.9	34.8	763	247.4	46.0	716	141.4	35.9	745	124.7	4.6											
29	2-1-2-26	1.25		895.3	565	202.3	63.5	745	232.1	109.3	716	66.3	12.8	744	64.4	16.0											
30	1-1-2-26	1.49		512.4	610	159.0	140.5	745	75.8	132.6	716	51.0	48.5	744	34.2	44.3											
31	8-1-2-26	1.00		358.5	593	108.8	129.7	682	55.7	135.3	651	22.8	43.1	713	20.9	48.3											
32	7-1-2-26	1.28		768.0	366	122.2	54.6	729	172.9	127.9	695	69.9	13.1	744	63.7	27.8											
33	6-1-2-26	1.04		1195.0	420	197.4	60.2	740	170.6	62.0	763	129.7	53.9	576	121.7	15.4											
34	5-1-2-26	1.11		1575.7	218	111.8	22.7	740	259.4	68.5	763	220.8	37.8	692	156.9	16.3											
35	12-1-2-26	0.95		702.7	259	98.3	21.3	672	141.8	39.1	460	72.8	32.7	120	37.5	16.7											
36	11-1-2-26	0.90		590.5	210	59.2	15.9	740	122.4	30.0	672	50.9	21.6	384	44.2	10.3											
37	10-1-2-26	0.96		864.7	573	208.7	54.5	703	131.6	24.7	718	94.6	14.2	672	79.6	11.8											
38	14-1-2-26	1.10		626.5	312	79.7	9.0	576	72.1	30.3																	
39	13-1-2-26	1.04		573.5	168	34.9	16.4	696	59.4	32.8	576	40.3	17.2														
40	3-3-2-26	1.51		1261.5	116	53.5	14.4	252	119.2	29.6	323	130.2	55.7	622	233.5	70.0											
41	2-3-2-26	1.28		1028.4	14	8.2	3.5	155	37.3	16.0	186	60.1	25.9	696	193.7	18.9											
42	1-3-2-26	0.98		575.2	230	55.6	60.7	720	86.2	106.1	561	47.2	71.7	768	48.1	110.8											
43	8-3-2-26	0.63		707.1	539	111.0	75.2	642	91.7	109.0	768	66.3	101.1	709	41.1	36.2											
44	7-3-2-26	1.11		1283.7	317	144.1	44.6	673	160.8	51.9	716	77.1	66.3	720	78.1	20.4											
45	15-2-2-26	1.11		952.7	216	69.4	42.7	630	83.7	82.7	724	62.0	60.8	672	43.9	43.8											
TOTALS:																16188	4895.8	2937.3	30360	6531.1	4759.7	29675	3910.3	3677.6	27947	3297.7	3479.7

TRACT	LAND	REM REC	OIP	OIL RATE	OIL RATE	OIL CUT	OR-ADJ.	ORIGINAL	ADJUSTED		DIP	OIL RATE	OIL RATE	OIL CUT	OIL CUT	TRACT
	DESCRIPTION	(OIP m ³)	FACTOR	FACTOR	FACTOR	FACTOR	FACT	FACT	FACT		FACTOR	FACTOR	FACTOR	FACTOR	FACTOR	FACTOR
1	13-35-1-26	38,106	1.735	0.8479	0.3094	0.6813	0.2373	2.3202	6.1004	2.3352	4.8590	0.7084	0.7363	0.5654	0.5697	6.1650
2	14-35-1-26	44,219	2.0580	1.1894	0.4340	0.6300	0.2195	2.7115	7.1284	2.7287	5.6385	0.9937	1.0329	0.5229	0.	7.1983
3	15-35-1-26	41,076	1.9117	1.3947	0.5089	1.1370	0.5006	2.9212	7.5982	2.9085	5.2377	1.1652	1.2111	1.1926	1.2677	7.8505
4	16-35-1-26	35,434	1.6491	1.7979	0.6561	1.5990	0.5371	2.8623	7.4204	2.8405	4.5183	1.5020	1.5612	1.3271	1.3372	7.4467
5	1-2-2-26	30,530	1.4209	1.9472	0.7105	1.5541	0.5914	2.6728	6.9797	2.6718	3.8930	1.6268	1.4909	1.2898	1.2997	6.8936
6	2-2-2-26	34,933	1.6258	1.3942	0.5088	1.3436	0.4681	2.6027	7.3963	2.8313	4.4544	1.1648	1.2107	1.1151	1.1236	6.7887
7	3-2-2-26	33,049	1.5391	0.6958	0.2539	1.1922	0.4153	2.2083	5.7509	2.2014	4.2167	0.5813	0.6042	0.8894	0.9970	5.8179
8	4-2-2-26	26,851	1.2497	1.4723	0.5372	1.7902	0.4495	2.2384	5.8153	2.2260	3.4239	1.2301	1.2736	1.0708	1.0790	5.7815
9	5-2-2-26	30,346	1.4123	1.3313	0.4858	1.3036	0.4541	2.3522	6.0792	2.3271	3.8695	1.1122	1.1560	1.0819	1.0902	6.1157
10	6-2-2-26	35,128	1.6349	0.9513	0.3471	1.3418	0.4675	2.4495	6.3955	2.4481	4.4793	0.7948	0.8761	1.1136	1.1221	6.4275
11	7-2-2-26	25,406	1.1824	0.7621	0.2781	1.2468	0.4344	1.8949	4.9225	1.8843	3.2396	0.6367	0.6618	1.0348	1.0427	4.9441
12	8-2-2-26	29,380	1.3674	0.8739	0.3189	1.1798	0.4110	2.0973	5.4857	2.0999	3.7463	0.7301	0.7589	0.9792	0.9867	5.4919
13	9-2-2-26	25,465	1.1945	1.0353	0.3778	1.3105	0.4565	2.0288	5.1566	1.9739	3.2726	0.8650	0.8991	1.0876	1.0959	5.2676
14	10-2-2-26	29,120	1.3553	1.1695	0.4268	1.2426	0.4329	2.2150	5.6559	2.1650	3.7132	0.9771	1.0156	1.0313	1.0391	5.7679
15	11-2-2-26	35,187	1.6377	1.2728	0.4717	1.2801	0.4460	2.5554	6.5144	2.4937	4.4869	1.0801	1.1226	1.0624	1.0705	6.8800
16	12-2-2-26	28,372	1.3205	1.6373	0.3785	1.2969	0.4518	2.1508	5.4006	2.1439	3.6178	0.8666	0.9007	1.0764	1.0846	5.6031
SUBTOTALS										322,822	66.667	16.0349	16.6667	16.5403	16.6666	100.0000

SOURCES OF VALUES

- PHI*H = POROSITY NETERAGE AS DETERMINED BY D. MCCREARY AND SUBSEQUENTLY CHECKED BY J. BURNS. THESE VALUES CAN BE FOUND ON J. BURNS' MAP OF 85-03-20.
- 08-85 CUM. OIL = CUM. OIL TO AUGUST, 1985.
- MONTH 1,2,3,4 PROD. = ACTUAL PRODUCTION FROM THE FIRST 4 MONTHS OF THE WELLS HISTORY.
- REN. REC. OIP = 10.25((10114)(16)(1-0.4)(1.17)(PHI*H)-CUM. OIL)
 - 0.25 = recovery factor
 - 10114 = constant to convert hectare-metres into m³.
 - 16 = drainage area in hectares.
 - 0.4 = Sw
 - 1.17 = oil formation volume factor.

- OIP FACTOR = 2/3(OIP/TOTAL RR OIP)*100
- OIL RATE FACTOR 1 = OIL RATE (m³/day)/AVERAGE OIL RATE
- OIL RATE FACTOR = 86 PROPORTED TO ADD TO 16.6667
- OIL CUT FACTOR 1 = OIL CUT (m³/day)/AVERAGE OIL CUT
- OIL CUT FACTOR = 88 PROPORTED TO ADD TO 16.6666

AVERAGE OIL RATES (m³/op. day) & AVERAGE OIL CUTS AFTER 'n' MONTHS OF PRODUCTION

MONTHS ON	RATE	CUT
2	3.8917	59.75001
3	4.8272	57.12001
4	4.8933	55.40001

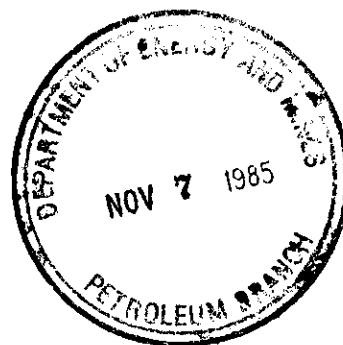
TRACT	LAND	REM REC	OIP	OIL RATE	OIL RATE	OIL CUT	OR-ADJ.	ORIGINAL	ADJUSTED		DIP	OIL RATE	OIL RATE	OIL CUT	OIL CUT	TRACT
	DESCRIPTION	(OIP m ³)	FACTOR	FACTOR	FACTOR	FACTOR	FACT	FACT	FACT		FACTOR	FACTOR	FACTOR	FACTOR	FACTOR	FACTOR
17	4-34-1-26	32,925	1.5324	0.3547	0.1294	0.3205	0.1117	1.7735	1.7735	1.7735	4.8590	0.7084	0.7363	0.5654	0.5697	6.1650
18	3-34-1-26	33,496	1.5589	0.0391	0.0143	0.1509	0.0526	1.6258	1.6258	1.6258	5.6385	0.9937	1.0329	0.5229	0.	7.1983
19	6-34-1-26	29,641	1.3795	1.3741	0.5014	0.7416	0.2584	2.1393	2.1393	2.1393	4.5183	1.5020	1.5612	1.3271	1.3372	7.4467
20	5-34-1-26	36,703	1.7082	0.5169	0.1886	0.3165	0.1103	2.0071	2.0071	2.0071	3.8930	1.6268	1.4909	1.2898	1.2997	6.8936
21	12-34-1-26	40,307	1.8759	1.4102	0.5146	0.8405	0.2928	2.6833	2.6833	2.6833	4.4544	1.1648	1.2107	1.1151	1.1236	6.7887
22	10-34-1-26	30,645	1.4263	0.4584	0.1665	0.2065	0.0719	1.6647	1.6647	1.6647	3.7132	0.9771	1.0156	1.0313	1.0391	5.7679
23	16-34-1-26	27,709	1.2866	0.1104	0.0403	0.1857	0.0447	1.3946	1.3946	1.3946	4.4869	1.0801	1.1226	1.0624	1.0705	6.8800
24	15-34-1-26	40,476	1.8838	0.3784	0.1381	0.3809	0.1327	2.1546	2.1546	2.1546	3.6178	0.8666	0.9007	1.0764	1.0846	5.6031
25	14-34-1-26	35,394	1.4473	1.0097	0.3684	1.0014	0.3489	2.3466	2.3466	2.3466	4.8590	0.7084	0.7363	0.5654	0.5697	6.1650
26	13-34-1-26	34,746	1.6171	0.7869	0.2871	0.5169	0.1891	2.0843	2.0843	2.0843	5.6385	0.9937	1.0329	0.5229	0.	7.1983
27	4-1-2-26	21,853	1.0176	1.0578	0.3860	1.3235	0.4611	1.8647	1.8647	1.8647	4.5183	1.5020	1.5612	1.3271	1.3372	7.4467
28	3-1-2-26	27,913	1.3005	1.4697	0.5363	1.5503	0.5401	2.3769	2.3769	2.3769	3.8930	1.6268	1.4909	1.2898	1.2997	6.8936
29	2-1-2-26	34,605	1.6106	1.1404	0.4161	1.3247	0.4615	2.4882	2.4882	2.4882	4.4544	1.1648	1.2107	1.1151	1.1236	6.7887
30	1-1-2-26	41,804	1.7456	0.6355	0.2319	0.8385	0.2921	2.4896	2.4896	2.4896	4.8590	0.7084	0.7363	0.5654	0.5697	6.1650
31	8-1-2-26	28,042	1.3051	0.4410	0.1609	0.6628	0.2309	1.6969	1.6969	1.6969	5.6385	0.9937	1.0329	0.5229	0.	7.1983
32	7-1-2-26	35,584	1.6561	0.9457	0.3451	1.1816	0.4116	2.4128	2.4128	2.4128	4.5183	1.5020	1.5612	1.3271	1.3372	7.4467
33	6-1-2-26	28,341	1.3190	1.3856	0.5056	1.3728	0.4782	2.3028	2.3028	2.3028	3.8930	1.6268	1.4909	1.2898	1.2997	6.8936
34	5-1-2-26	29,948	1.3738	1.7349	0.6331	1.5052	0.5244	2.5513	2.5513	2.5513	4.4544	1.1648	1.2107	1.1151	1.1236	6.7887
35	12-1-2-26	26,277	1.2230	1.2963	0.4730	1.3685	0.4767	2.1727	2.1727	2.1727	5.6385	0.9937	1.0329	0.5229	0.	7.1983
36	11-1-2-26	24,970	1.1622	0.8825	0.3220	1.4428	0.5026	1.9868	1.9868	1.9868	4.5183	1.5020	1.5612	1.3271	1.3372	7.4467
37	10-1-2-26	26,379	1.2287	1.0788	0.3937	1.4922	0.5198	2.1422	2.1422	2.1422	3.8930	1.6268	1.4909	1.2898	1.2997	6.8936
38	14-1-2-26	30,614	1.4248	0.6964	0.2541	1.3295	0.4632	2.1421	2.1421	2.1421	4.8590	0.7084	0.7363	0.5654	0.5697	6.1650
39	13-1-2-26	28,983	1.3480	0.4645	0.1695	1.1662	0.4063	1.9238	1.9238	1.9238	5.6385	0.9937	1.0329	0.5229	0.	7.1983
40	3-3-2-26	41,623	1.9372	2.2837	0.8334	1.3653	0.4756	3.2462	3.2462	3.2462	4.5183	1.5020	1.5612	1.3271	1.3372	7.4467
41	2-3-2-26	35,324	1.4410	1.5919	0.5807	1.4794	0.5154	2.7403	2.7403	2.7403	5.6385	0.9937	1.0329	0.5229	0.	7.1983
42	1-3-2-26	27,257	1.2686	0.5816	0.2123	0.7267	0.2532	1.7341	1.7341	1.7341	4.8590	0.7084	0.7363	0.5654	0.5697	6.1650
43	8-3-2-26	17,185	0.7998	0.6522	0.2380	0.8624	0.3074	1.3452	1.3452	1.3452	5.6385	0.9937	1.0329	0.5229	0.	7.1983
44	7-3-2-26	30,240	1.4074	1.0602	0.3869	1.2854	0.4478	2.2421	2.2421	2.2421	4.5183	1.5020	1.5612	1.3271	1.3372	7.4467
45	15-2-2-26	30,571	1.4227	0.6458	0.2357	0.9519	0.3316	1.9902	1.9902	1.9902	5.6385	0.9937	1.0329	0.5229	0.	7.1983
TOTALS:										1,432,419	66.667	16.667	16.6667	16.6666	100.0000	100.0000

WORKING INTEREST OWNERS, THEIR SHARES IN EACH TRACT, AND THE RESULTING TOTAL WORKING INTERESTS

TRACT NUMBER	TRACT FACTOR	1	2	3	4	5	6	7	8	9	10
		DUESA	CHEVRON	SASKO	ANDEX	REX					
		I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.	I.M.I.
1	2.3352	1100.0000	2.3352	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2	2.7287	1100.0000	2.7287	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3	2.9085	1100.0000	2.9085	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4	2.8405	1100.0000	2.8405	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5	2.6718	1100.0000	2.6718	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6	2.8313	1100.0000	2.8313	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7	2.2014	50.0000	1.1007	30.0000	0.6604	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
8	2.2260	50.0000	1.1130	30.0000	0.6678	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
9	2.3271	50.0000	1.1636	30.0000	0.6781	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
10	2.4481	50.0000	1.2241	30.0000	0.7344	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
11	1.8813	1100.0000	1.8813	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
12	2.0799	1100.0000	2.0799	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
13	1.9739	50.0000	0.9870	0.0000	0.0000	50.0000	0.9869	0.0000	0.0000	0.0000	0.0000
14	2.1650	50.0000	1.0825	0.0000	0.0000	50.0000	1.0825	0.0000	0.0000	0.0000	0.0000
15	2.4937	50.0000	1.2469	0.0000	0.0000	50.0000	1.2468	0.0000	0.0000	0.0000	0.0000
16	2.1439	50.0000	1.0720	0.0000	0.0000	50.0000	1.0719	0.0000	0.0000	0.0000	0.0000
17	1.7735	50.0000	0.8868	50.0000	0.8867	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
18	1.6258	1100.0000	1.6258	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
19	2.1393	50.0000	1.0697	50.0000	1.0696	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	2.0071	50.0000	1.0036	50.0000	1.0035	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
21	2.6833	50.0000	1.3417	50.0000	1.3416	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
22	1.8647	50.0000	0.9324	50.0000	0.9323	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
23	1.3946	50.0000	0.6973	50.0000	0.6973	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
24	2.1546	50.0000	1.0773	50.0000	1.0773	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25	2.3646	1100.0000	2.3646	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
26	2.0843	50.0000	1.0421	50.0000	1.0421	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
27	1.8647	50.0000	0.9324	0.0000	0.0000	50.0000	0.9323	0.0000	0.0000	0.0000	0.0000
28	2.3749	50.0000	1.1825	0.0000	0.0000	50.0000	1.1824	0.0000	0.0000	0.0000	0.0000
29	2.4892	50.0000	1.2441	0.0000	0.0000	50.0000	1.2441	0.0000	0.0000	0.0000	0.0000
30	2.4656	50.0000	1.2348	0.0000	0.0000	50.0000	1.2348	0.0000	0.0000	0.0000	0.0000
31	1.6969	50.0000	0.8485	0.0000	0.0000	50.0000	0.8484	0.0000	0.0000	0.0000	0.0000
32	2.4128	50.0000	1.2064	0.0000	0.0000	50.0000	1.2064	0.0000	0.0000	0.0000	0.0000
33	2.3028	50.0000	1.1514	0.0000	0.0000	50.0000	1.1514	0.0000	0.0000	0.0000	0.0000
34	2.5513	50.0000	1.2757	0.0000	0.0000	50.0000	1.2756	0.0000	0.0000	0.0000	0.0000
35	2.1777	82.3020	1.7682	0.0000	0.0000	0.0000	17.6980	0.3945	0.0000	0.0000	0.0000
36	1.9868	85.4610	1.6979	0.0000	0.0000	0.0000	14.5390	0.2889	0.0000	0.0000	0.0000
37	2.1422	83.6110	1.8762	0.0000	0.0000	0.0000	11.3890	0.2440	0.0000	0.0000	0.0000
38	2.1421	50.0000	1.0711	0.0000	0.0000	50.0000	1.0710	0.0000	0.0000	0.0000	0.0000
39	1.9239	50.0000	0.9619	0.0000	0.0000	50.0000	0.9619	0.0000	0.0000	0.0000	0.0000
40	3.2462	1100.0000	3.2462	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
41	2.7403	1100.0000	2.7403	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
42	1.7341	1100.0000	1.7341	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
43	1.3452	1100.0000	1.3452	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
44	2.2421	1100.0000	2.2421	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
45	1.9902	1100.0000	1.9902	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	1100.0000		71.0286	6.7909	4.7733	9.9988	4.3981	0.0000	0.0000	0.0000	0.0000



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743



November 5, 1985

Royalty Interest Owners
Waskada Unit No. 5
(addressee list attached)

Gentlemen:

Re: Waskada Unit No. 5
Enlargement No. 1

Omega Hydrocarbons Ltd. has had considerable success in finding and producing oil in the Waskada area. In an effort to maximise oil recovery Omega has formed units and initiated waterflood projects. At this time encouraging results of waterflooding have been obtained and we are proposing to expand our waterflood project for Unit No. 5 to areas in which you have a royalty interest.

In order to expand the waterflood in this area of the Pool we must enlarge the unit and receive written approval of all parties affected. This is done by having all Working and Royalty Interest Owners in the enlarged area approve by signing a Unit Agreement, and by successfully applying to Manitoba Oil and Natural Gas conservation Board for technical approval of the plan.

We expect to realize long term benefits for all parties through waterflooding by increasing the ultimate oil recovery. As a Royalty Interest Owner in the Unit you share directly in these benefits. Unitization is required for a pressure maintenance project such as waterflooding so that the owner of any tract whose well is converted to water injection is properly compensated for the subsequent lack of oil production from such injection wells, which contribute to the increased recovery from the surrounding producers.

Please signify your approval by signing the enclosed two copies of the Unit Agreement on page 21. If the royalty is held by an individual you should sign before an appropriate witness (Commissioner for Oaths, etc.). If the royalty is held by a corporation the appropriate officer(s) should sign, date, and affix the seal. One copy of the signed Unit Agreement is to be returned to Omega as soon as possible, and the other copy is for your file. If you live in the Waskada area, please drop the copy at our office there, otherwise please mail it to our Calgary office.

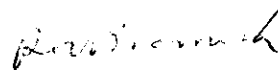
.../2

The original Unit No. 5 contained 16 tracts and the enlarged unit will contain 45 tracts, as shown on the map entitled Exhibit "B". Tract participations have been calculated in the same manner as done for the original unit, that is, on the basis of remaining recoverable oil in place and well productivity. Tract participations are shown on Exhibit "A". Those for the original 16 tracts are now smaller than before, (without changing their original proportion to each other) as the lands to be added by this enlargement increase the expanded unit's oil reserve and production rate.

If you have any questions regarding this matter, please call me or Mr. Richard Brekke collect at (403) 261-0743. An impartial third party opinion may be obtained by contacting Mr. Bob Dubreuil of the Manitoba Petroleum Branch at (204) 945-6574.

Yours truly,

OMEGA HYDROCARBONS LTD.



R.A. Beamish, P. Eng.
Manager - Engineering

RAB:vb
Encl.

WASKADA UNIT NO. 5

ROYALTY INTEREST OWNERS

ENLARGEMENT NO. 1

ADDRESSEE LIST

Manitoba Department of Energy & Mines
Mineral Resources Division
Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Roydon Gordon Keith Hannah
P.O. Box 24
Waskada, Manitoba
ROM 2E0

PanCanadian Petroleum Limited
150 9th Avenue S.W.
P.O. Box 2850
Calgary, Alberta
T2P 2S5

60867 Manitoba Ltd.
c/o Murray Hannah
Box 7
Waskada, Manitoba
ROM 2E0

Hudson's Bay Oil & Gas Co. Ltd.
P.O. Box 200
Calgary, Alberta
T2P 2H8

Howard Glover Lee
Waskada, Manitoba
ROM 2E0

Seymer Ross Young
1898 Skylark Place
Victoria, BC
V8N 2X1

Brock Glover Lee
Box 656
Carman, Manitoba
ROG 0J0

Frank Ross Young
1898 Skylark Place
Victoria, BC
V8N 2X1

Francine Wilfrieda Germaine Esther Lee
Box 656
Carman, Manitoba
ROG 0J0

Margaret McIntosh Young
1898 Skylark Place
Victoria, BC
V8N 2X1

November 14, 1985

Waskada Unit No. 5 Expansion
Surface Owners
(Addressee list attached)

Dear Sir/Madam:

Re: Waskada Unit No. 5 Expansion
Section 34, Twp 1, Rge 26 WPM
Sections 1, 2, and 3, Twp 2, Rge 26 WPM

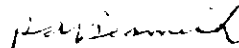
The purpose of this letter is to inform you that Omega Hydrocarbons Ltd. intends to expand the existing pressure maintenance scheme into Section 34, Twp 1 Rge 26 WPM and Sections 1, 2 and 3, Twp 2 Rge 26 WPM. The well locations included in the proposed expansion are 3-34, 4-34, 5-34, 6-34, 10-34, 12-34, 13-34, 14-34, 15-34, 16-34-1-26 WPM and 1-1, 2-1, 3-1, 4-1, 5-1, 6-1, 7-1, 8-1, 10-1, 11-1, 12-1, 13-1, 14-1, 15-2, 1-3, 2-3, 3-3, 7-3, 8-3-2-26 WPM.

The expanded pressure maintenance scheme will involve the injection of produced water into wells 5-34, 13-34, 15-34-1-26 WPM and 5-1, 7-1, 13-1, 15-2, 7-3-2-26 WPM to maintain reservoir pressure and "sweep" oil towards the offsetting production wells. The performance of the waterflood will be evaluated by continually monitoring injection and production data. A decision regarding future development drilling and further waterflood expansions in this area will be made based on the results of this project.

If you have any comments or questions related to the proposed project please contact either myself or Mr. Richard Brekke at (403) 261-0743.

Yours truly,

OMEGA HYDROCARBONS LTD.



R.A. Beamish, P. Eng.
Manager - Engineering

RAB:vb

c.c. W. McDonald - Man. Board
R. Dubreuil - Man. Pet. Branch
Waskada Unit No. 5 File
Land Dept.
Waskada (LAm) Waterflood
Approvals File

WASKADA UNIT NO. 5 EXPANSION

SURFACE OWNERS

ADDRESSEE LIST

Murray Lyle Lee
Box 239
Waskada, Manitoba
ROM 2E0

Roydon Gordon Keith Hannah
Box 24
Waskada, Manitoba
ROM 2E0

Murray Gibson Hannah
Box 7
Waskada, Manitoba
ROM 2E0

G. & E. Vanbeselaere
Waskada, Manitoba
ROM 2E0

Howard G. Lee
Waskada, Manitoba
ROM 2E0

Bob



1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

April 11, 1985

Department of Energy and Mines
Winnipeg, Manitoba
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

ATTENTION: Mr. Ian Haugh, Deputy Chairman

Dear Sir:

Re: Waskada Unit No. 5
Effective Date

Please be advised that the official Effective Date for the subject Agreement is January 1, 1985.

Kindly accept this letter as formal notice of the aforementioned.

We trust that all is in order, however should you have any questions please do not hesitate to contact the undersigned.

Thank you.

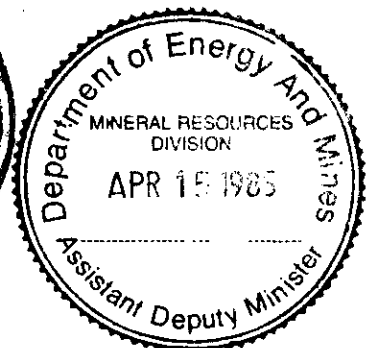
Yours very truly,

OMEGA HYDROCARBONS LTD.

Jan Henderson

Jan Henderson
Land Clerk

:jmh





MANITOBA

THE OIL AND NATURAL GAS CONSERVATION BOARD

~~209-1 PCH STATIONER BUILDING~~

~~WINNIPEG, MANITOBA~~

~~R3C 4E3~~

555-330 Graham Avenue
Winnipeg, MB R3C 4E3

December 31, 1984

Omega Hydrocarbons Ltd.
1300 Sun Life Plaza III
112 - 4th Avenue SW
Calgary, Alberta
T2P 0H3

Attention: Mr. G. E. Patey
Vice President, Production

Dear Sir:

Re: Waskada Unit No. 5

This will acknowledge receipt of your letter of December 11, 1984, with copies of counterpart execution pages, and in which Omega requests approval of the Unit Agreement. Today, we received in this office a copy of the complete Unit Agreement, sent by courier with Mr. Emerson's letter of December 20 (and received at the Legislative Building on December 28, 1984).

The Board hereby approves the Waskada Unit No. 5. Unit Agreement pursuant to section 74 of The Mines Act.

Yours sincerely

THE OIL AND NATURAL GAS
CONSERVATION BOARD

Ian Haugh
Deputy Chairman

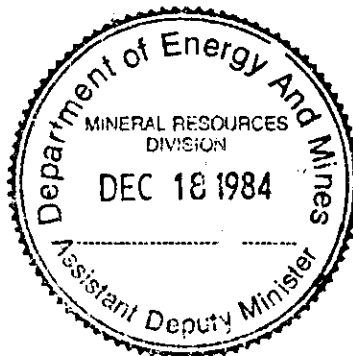
cc: M. Eliesen
J. F. Redgwell





1300 SUN LIFE PLAZA III
112 - 4th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

December 11, 1984



Manitoba Oil & Gas
Conservation Board
309 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Attention: Dr. Ian Haugh, Deputy Chairman

Dear Sir:

RE: Waskada Unit No. 5

All Working Interest and Royalty Interest owners have executed the Unit Agreement - Waskada Unit No. 5. In this connection we are enclosing counterpart execution pages for your records.

We request the approval of The Oil and Natural Gas Conservation Board to the Unit Agreement so that we may have an effective date of January 1, 1985.

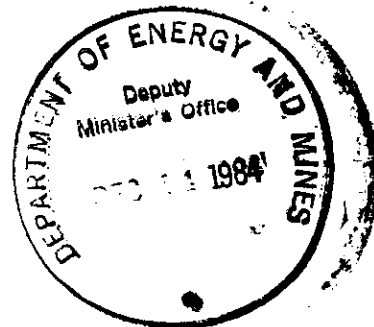
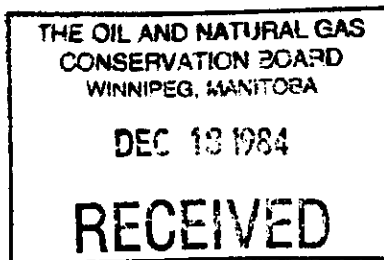
Yours truly,

OMEGA HYDROCARBONS LTD.


R. F. Emerson
Land Manager

RFE/sms

Encls.



Dick Chenier
A/Deputy Minister
Energy and Mines

19 November 1984

Ian Haugh
Assistant Deputy Minister
Mineral Resources Division
Energy and Mines

WASKADA UNIT NO. 5 UNIT AGREEMENT

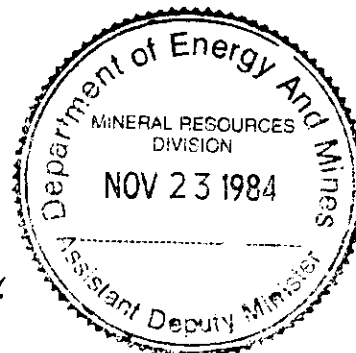
Omega Hydrocarbons has requested that the attached Waskada Unit No. 5 Unit Agreement be executed again because the previous execution no longer has effect - see attached letter of November 6th from Omega.

Please have both copies signed by the Minister (where tabbed) and witnessed and return both copies to me.


Ian Haugh

IH/bb

Attachments



*Unit agreements signed
and returned to
Petroleum Branch 23 Nov 84*

November 26, 1984

Omega Hydrocarbons Ltd.
1300, 112 - 4th Avenue S.W.
Calgary, Alberta
T2P 0H3

Attention: Mr. R. F. Emerson,
Land Manager

Dear Sirs:

Re: Crown Consent - Waskada Unit No. 5

Enclosed is copy of the revised Waskada Unit No. 5 Unit Agreement executed by the Minister on behalf of the Crown as a mineral owner.

Please note that approval of The Oil and Natural Gas Conservation Board to the Unit Agreement is required before the Unit becomes effective.

Yours sincerely,

~~As signed by H. C. Moster~~

H. Clare Moster, P. Eng.
Director, Petroleum Branch

LRD/lk

Enclosure



1300 SUN LIFE PLAZA III
112 - 4TH AVENUE S.W.
CALGARY, ALBERTA, CANADA T2P 0H3
TELEPHONE (403) 261-0743

November 6, 1984



To: All Royalty & Working Interest Owners
Proposed Waskada Unit No. 5
(Addressee List Attached)

Dear Sir/Madam:

Re: Waskada Unit No. 5 Unit Agreement

It is our pleasure to inform you that all Parties have signed or have agreed to sign the Waskada Unit No. 5 Unit Agreement. Unfortunately due to the length of these negotiations and unexpected delays in the execution of the Agreement, all Parties are released from this Agreement already executed pursuant to Clause 1403, **Release of Parties.**

The Release of Parties clause releases all Parties from being bound by the Agreement unless the Unit becomes effective on or before October 1, 1984. Since that did not happen in time, we are forced to ask you to execute and return another copy of the Unit Agreement with this date changed to October 1, 1985. The second copy is for your records.

Please sign and return the Unit Agreement at your earliest convenience thereby allowing us to begin the waterflood project.

Yours truly,

OMEGA HYDROCARBONS LTD.

R.F. Emerson
Land Manager

RFE/sk
cc. Ed Wyse
Encl.

Ian Haugh's office-19Nov84
pc: Dick Chenier

**WASKADA UNIT NO. 5
WORKING & ROYALTY INTEREST OWNER
ADDRESSEE LIST**

Chevron Canada Resources Limited
500 - 5th Avenue S.W.
Calgary, Alberta
T2P 0L7

Department of Energy and Mines
Mineral Resources Division
Petroleum Branch
989 Century Street
Winnipeg, Manitoba
R3H 0W4

Lee Oil Limited
Box 656
Carman, Manitoba
R0G 0J0

PanCanadian Petroleum Limited
P.O. Box 2850
Calgary, Alberta
T2P 2S5

Sasko Oil & Gas Limited
574, 330 - 5th Avenue S.W.
Calgary, Alberta
T2P 0L4

Rex Petroleums Ltd.
#1480, 540 - 5th Avenue S.W.
Calgary, Alberta
T2P 0M2

Ovey Seymour Young
Box 70
Waskada, Manitoba
R0M 2E0

→ Bob
file

November 14, 1984

Dr. I. Haugh
Assistant Deputy Minister
Mineral Resources Division

H. Clare Moster
Director, Petroleum Branch

Proposed Waskada Unit No. 5

The attached letter from Omega is self explanatory.
It is recommended that the Minister execute both copies of this
amended Unit Agreement on behalf of the Crown.

(Original Signed by H. C. Moster)

H. Clare Moster

LRD/1k

August 13, 1984

Omega Hydrocarbons Ltd.
630 - 330 - 5th Avenue S.W.
Calgary, Alberta
T2P 0L4

Attention: Mr. Ed Wyse

Dear Ed:

Re: Waskada Unit No. 5 - Unit Agreement

Further to your letter of July 26, 1984 regarding typographical errors in the above agreement, enclosed are copies of the corrected pages which have been initialled by the Minister on behalf of the Crown.

Yours sincerely,

~~Original Signed By~~
L. R. DUBREUIL

L. R. Dubreuil
Chief Petroleum Engineer
Petroleum Branch

LRD/sb
Encls.

TELEPHONE: (403) 261-0743

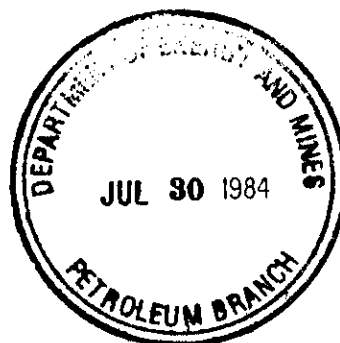


HYDROCARBONS Ltd.

630 - 330 FIFTH AVENUE S.W., CALGARY, ALBERTA T2P 1P1

July 26, 1984

Manitoba Department of Energy and Mines
Mineral Resources Division
Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3



Attention: Mr. Clare Moster

Dear Sir:

RE: Waskada Unit #5 - Unit Agreement

As per our recent telephone conversations please find enclosed duplicate copies of the four pages of the above agreement that have been corrected for typographical errors. None of these changes are changes of substance however, we need copies initialled by a representative of the Government acknowledging them as legitimate. The corrected pages are page 3, page 4, page 7 and page 20. Dr. Ian Haugh's letter of May 30, 1984 detail the first set of changes. The second set of changes recently discovered are:

- 1) Page 3, Line 1 of Clause 101.(t) "number" changed to "member".
- 2) Page 4, Line 3 of Clause 205. "supply" changed to "supply".
- 3) Page 20, Line 8 of Clause 1501. "or" changed to "of".

Please initial one set of the four pages and return them to this office. I apologize for the confusion.

Yours truly,

OMEGA HYDROCARBONS LTD.

Ed Wyse
Petroleum Engineer

EW/smp
cc: Land Dept.

July 17, 1984

Omega Hydrocarbons Ltd.
630, 330 - 5th Avenue S.W.
Calgary, Alberta
T2P 0L4

Attention: Mr. Dave Taylor

Dear Sirs:

Re: Waskada Unit No. 5 - Unit Agreement

Further to your letter of July 10, 1984 and our telephone conversation of July 13, 1984 attached is an original of the signature page of the Waskada Unit No. 5 Unit Agreement which has been executed by the Minister of Energy and Mines on behalf of the Crown.

Yours sincerely,

Original Signed By
L. E. DUBREUIL

L. E. Dubreuil
Chief Petroleum Engineer

LRD/lk

Attachment

TELEPHONE: (403) 261-0743



HYDROCARBONS Ltd.

630 - 330 FIFTH AVENUE S.W., CALGARY, ALBERTA T2P 0L1



DATE: July 11, 1984

FROM: Omega Hydrocarbons Ltd.

TO: All Royalty Interest Owners
Waskada Unit No. 5

RE: Waskada Unit No. 5
Unit Agreement

Gentlemen:

On July 10th, 1984 Omega sent to each of you two copies of the corrected pages from the agreement. In error page 10 was sent instead of page 20. Please find enclosed the proper adjustment.

We apologize for any inconvenience caused by this correction.

all Working Interest Owners, the Conservation Board and the Department of Energy and Mines 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 first day of October, 1984.

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, but if a proposed Tract is not included in the Unit Area under Article V, the parties owning interest therein shall be completely released from the agreement with respect to it upon the expiration or 90 days after the Effective Date.

1502. Termination

This agreement terminates 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.

all Working Interest Owners, the Conservation Board and the Department of Energy and Mines 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 first day of October, 1984.

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, but if a proposed Tract is not included in the Unit Area under Article V, the parties owning interest therein shall be completely released from the agreement with respect to it upon the expiration or 90 days after the Effective Date.

1502. Termination

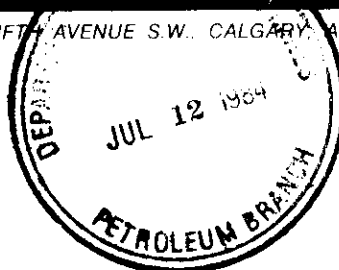
This agreement terminates 90 days after all wells for the production of Unitized Substances in the Unit Area have been abandoned, plugged or disposed of or upon the termination of the Unit Operating Agreement, and thereafter the Parties shall be governed by the terms and provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.



HYDROCARBONS Ltd.

TELEPHONE: (403) 261-0743

630 - 330 FIFTY AVENUE S.W., CALGARY, ALBERTA T2P 0L1



July 10, 1984

To: All Royalty Interest Owners
Waskada Unit No. 5
(Addressee List Attached)

Gentlemen:

Re: Waskada Unit No. 5 -
Unit Agreement

On April 12th, 1984, Omega sent to each of you two copies of the above agreement to execute and return one copy to Omega. To date; almost three months later, only Mr. O.S. Young has done so. Please contact the undersigned if you have any difficulties with the agreement or execute and return one copy as soon as possible.

Since the agreement was sent in April four small typographical errors have been detected and corrected. Enclosed with this letter are two copies of the following corrected pages:

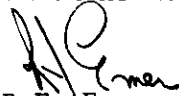
- 1) Page 3. Clause 101. Definitions Subclause (v)
- 2) Page 4. Clause 205. Supplying of Exhibits
- 3) Page 7. Clause 502. Qualification of Tracts Subclause (b)
- 4) Page 20. Clause 1402. Notice of Effective Date

For those Parties that have not yet executed the Agreement, please replace the old pages with the corrected pages before executing the Agreement. For those Parties that have already executed the Agreement; please initial the corrected pages in the right hand margin opposite the change, replace the old pages with the corrected pages in your copy and send one set of the initialed corrected pages back to Omega.

I apologize for any inconvenience caused by these corrections.

Yours truly,

OMEGA HYDROCARBONS LTD.


R.F. Emerson
Land Manager

c.c. E. Wyse
Production File

WEW/tt

WASKADA UNIT NO. 5
ROYALTY INTEREST OWNERS'
ADDRESSEE LIST

Lee Oil Limited
Box 656
Carman, Manitoba
ROG 0J0

Department of Energy and Mines
Petroleum Branch
555 - 330 Graham Avenue
Winnipeg, Manitoba
R3C 4E3

Mr. Ovey Seymour Young
Box 70
Waskada, Manitoba
ROM 2E0

PanCanadian Petroleum Limited
P.O. Box 2850
150 - 9th Avenue S.W.
Calgary, Alberta
T2P 2S5

June 14, 1984

Omega Hydrocarbons Ltd.
630, 330 - 5th Avenue S.W.
Calgary, Alberta
T2P 0L4

Attention: Mr. R.F. Emerson,
Land Manager

Dear Sirs:

Re: Proposed Unit Agreement
Waskada Unit No. 5

As requested, enclosed is one copy of the proposed Unit Agreement for Waskada Unit No. 5 signed by the Minister on behalf of the Crown as a royalty owner.

I understand that The Oil and Natural Gas Conservation Board has requested a number of minor amendments be made to the Agreement prior to it being submitted to them for final approval. Please provide this office with a copy of the final revised Agreement, or revised pages, once all revisions have been finalized and approved by the Board.

Yours sincerely,

Original Signed by H. C. Moser

H. Clare Moser, P. Eng.
Director, Petroleum Branch

HCM/lk

b.c. The Oil and Natural Gas
Conservation Board

May 30, 1984

Omega Hydrocarbons Ltd.
630 - 330 - 5th Avenue S.W.
Calgary, Alberta
T2P 0L4

Attention: Mr. G. E. Patey,
Vice President, Production

Dear Sirs:

Re: Unit Agreement - Waskada Unit No. 5

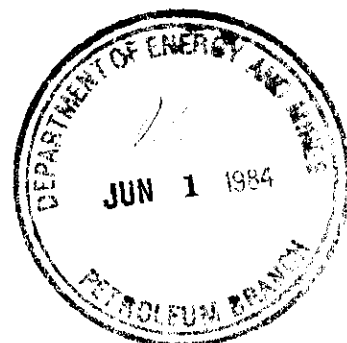
The Board acknowledges receipt of copies of the proposed Unit Agreement for Waskada Unit No. 5.

Having reviewed the proposed Agreement, the Board requests the following changes or revisions be made in the final agreements.

1. Page 3, subclause 101(v) - amend to read -
"Mission Canyon Formation" means the interval of Mississippian age between the base of the Lower Amaranth Formation and the top of the Lodgepole Formation as
2. Page 4, clause 205 - remove brackets from around "Energy and Mines, Manitoba".
3. Page 7, subclause 502(b) - change "ot" to "of" in fourth line.
4. Page 20, clause 1402 - change "Tract" to "Tracts" in second line.

As you are aware, Section 74 of The Mines Act requires that the approval of the Board must first be obtained before a unitization agreement may be put into effect. Accordingly, once the required

....2



consents have been obtained and the above revisions made, the Board will be in a position to give consideration to approval of the agreement.

Yours sincerely,

THE OIL AND NATURAL GAS
CONSERVATION BOARD

ORIGINAL SIGNED BY
IAN HAUGH

Ian Haugh
Deputy Chairman

LRD/lk

b.c. Petroleum Branch ✓

cc: Marc Eliesen
J. F. Reidwell

→ Bal-



HYDROCARBONS Ltd.

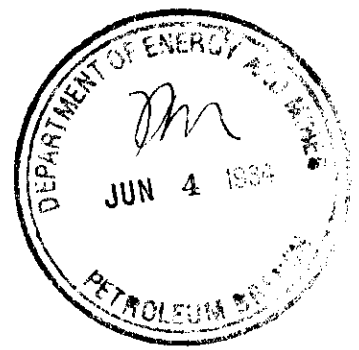
TELEPHONE: (403) 261-0743

630-330 FIFTH AVENUE S.W., CALGARY, ALBERTA T2P 0L4

- SPECIAL DELIVERY -

May 29, 1984

Department of Energy and Mines
Mineral Resources Division
Petroleum Branch
989 Century Street
Winnipeg, Manitoba
R3H 0W4



Dear Sir:

RE: Waskada Unit No. 5

Please find enclosed one copy of the Waskada Unit No. 5 Agreement along with a copy of the Tract Factor Calculations.

Should you require additional copies of the Unit Agreement, please do not hesitate to contact the undersigned.

Yours truly,

OMEGA HYDROCARBONS LTD.

Shelly Pearce
Land Clerk

:smp
Encls.

SUBMISSION TO CABINET
by the
DEPARTMENT OF ENERGY AND MINES

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 north half of Section 2, Township 2, Range 26 WPM which is part of the Waskada oil field. Rex Petroleum Ltd. is the holder of a Crown oil and natural gas lease to the subject land, but has farmed out its interest to Omega Hydrocarbons Ltd. The well is completed in the Waskada Lower Amaranth A Pool but has produced no oil. Omega is planning to expand its waterflood pressure maintenance operations in the Waskada Lower Amaranth A Pool, but before proceeding, Omega must obtain the agreement of the mineral rights owners affected. As Omega wishes to include the four wells drilled on Lsd's 9, 10, 11 and 12 of the subject lease in the proposed Waskada Unit No. 5, it has requested the consent of the Minister of Energy and Mines, on behalf of the Crown, as mineral rights owner. Inclusion of the wells in the proposed Unit will result in a portion of the total crude oil and natural gas produced from oil 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.

RECOMMENDATION:

It is recommended that the Minister of Energy and Mines be authorized to enter into the Unitization Agreement for Waskada Unit No. 5 on behalf of the Crown.

COMMUNICATION:

Omega Hydrocarbons Ltd. will be advised of the Minister's consent by the Department of Energy and Mines.

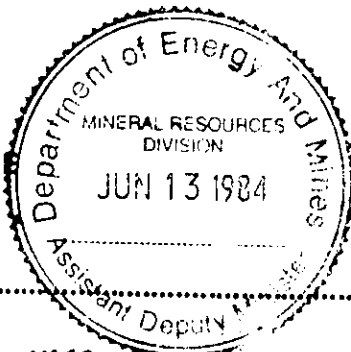
Wilson Parasiuk
Minister

Date typed:
June 1, 1984



MANITOBA

ON MATTERS OF STATE



Order in Council

No. 667

To The Honourable the Lieutenant Governor in Council
The undersigned, the Minister of Energy and Mines
submits for approval of Council a report setting forth that:

WHEREAS section 75 of "The Mines Act", being Chapter M160 of the Revised Statutes of Manitoba, 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 Rex Petroleum Ltd. is the holder of Crown Oil and Natural Gas Lease No. L 802-131 covering the N½ of Section 2-2-26 WPM;

AND WHEREAS Omega Hydrocarbons by virtue of an operating agreement has acquired an interest in the said Crown Oil and Natural Gas Lease;

AND WHEREAS Omega Hydrocarbons Ltd. is proposing to unitize its operations in part of the Waskada Lower Amaranth A Pool as Waskada Unit No. 5 which unit includes the tracts described as Legal Subdivisions 9, 10, 11 and 12 of Section 2, in Township 2, Range 26 WPM;

AND WHEREAS Omega Hydrocarbons 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:

Initiating Department/Agency	
Department/Agency	Authorized Officer
	<i>[Signature]</i>
Approved By	
C.B.C.	Finance
Approved as to form by:	
<i>[Signature]</i>	
Initials	
Litigation Branch:	<i>[Signature]</i>
Legislative Counsel:	<i>[Signature]</i>

THAT the Minister of Energy and Mines be authorized to enter into the Unit Agreement for Waskada Unit No. 5 in the form hereto annexed and marked as Schedule "A", or any form to the like effect.

Signature

Wilson D. Parson

IN THE EXECUTIVE COUNCIL CHAMBER, WINNIPEG

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

..... 6 June 1984
Date

[Signature]
.....
President of the Council

AT GOVERNMENT HOUSE IN THE CITY OF WINNIPEG

Approved and Ordered this 6th day of June A.D. 1984

p.c. - H. Clare Moster
x.-ref. file no. 25.84
June 13, 1984 - ra

PSF 40

[Signature]
.....
Lieutenant Governor

SCHEDULE "A"

Order-in-Council No. 066/84
Michael A. Deeter
 Clerk of the Executive Council

UNIT AGREEMENT

WASKADA UNIT NO. 5

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May 30, 1984

Omega Hydrocarbons Ltd.
630 - 330 - 5th Avenue S.W.
Calgary, Alberta
T2P 0L4

Attention: Mr. G. E. Patey,
Vice President, Production

Dear Sirs:

Re: Unit Agreement - Waskada Unit No. 5

The Board acknowledges receipt of copies of the proposed Unit Agreement for Waskada Unit No. 5.

Having reviewed the proposed Agreement, the Board requests the following changes or revisions be made in the final agreements.

1. Page 3, subclause 101(v) - amend to read -
"Mission Canyon Formation" means the interval of Mississippian age between the base of the Lower Amaranth Formation and the top of the Lodgepole Formation as
2. Page 4, clause 205 - remove brackets from around "Energy and Mines, Manitoba".
3. Page 7, subclause 502(b) - change "ot" to "of" in fourth line.
4. Page 20, clause 1402 - change "Tract" to "Tracts" in second line.

As you are aware, Section 74 of The Mines Act requires that the approval of the Board must first be obtained before a unitization agreement may be put into effect. Accordingly, once the required

....2

consents have been obtained and the above revisions made, the Board will be in a position to give consideration to approval of the agreement.

Yours sincerely,

THE OIL AND NATURAL GAS
CONSERVATION BOARD

ORIGINAL SIGNED BY
IAN HAUGH

Ian Haugh
Deputy Chairman

LRD/lk

b.c. Petroleum Branch

cc: Marc Elissen
J. F. Ridgwell

Inter-Departmental Memo

Date May 30, 1984

To Dr. I. Haugh
Assistant Deputy Minister
Mineral Resources Division

From H. Clare Moster
Director, Petroleum Branch

Subject Crown Consent to Waskada Unit No. 5

Telephone

Omega Hydrocarbons Ltd. is proposing to separately unitize certain parts of its operations in the Waskada Lower Amaranth A Pool. The proposed Unit Agreement for Waskada Unit No. 5 includes an area which takes in four (4) tracts (Lsds.) for which the Crown is the royalty interest owner (i.e. mineral rights owner). Section 24 of The Mines Act states that before a Unitization Agreement may 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, Omega has submitted two (2) copies of the proposed Unit Agreement for Waskada Unit No. 5 for approval (execution) by the Minister 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:

That a recommendation be made to the Minister that he

1. Request authorization from Cabinet to permit him to enter into the Waskada Unit No. 5 unitization agreement on behalf of the Crown (draft OIC attached) with respect to Lsd's 9, 10, 11 and 12 of Section 2-2-26 (WPM).
2. Following approval under 1, execute the attached two (2) copies of the Unit Agreement for Waskada Unit No. 5 as a royalty owner.

Discussion:

The proposed Waskada Unit No. 5 contains four tracts (Lsd's 9, 10, 11 and 12 of Section 2-2-26 (WPM) in which the mineral rights are owned by the Crown. The subject tracts are held under Crown Oil and Natural Gas Lease No. L 802-131 covering the N $\frac{1}{2}$ of Section 2-2-26 (WPM). The lease is held by Rex Petroleums Ltd. who have, in turn, farmed out its interest to Omega Hydrocarbons Ltd. Omega has drilled wells in all four of the tracts. These wells are completed in the Lower Amaranth A Pool. The wells in these tracts form a part of the nine spot injection pattern proposed for the Unit and will form an integral component of the scheme.

By inclusion of these tracts in the Unit, the Crown will receive royalties based on allocated Unit production. Branch staff have reviewed the Tract Participation Factors proposed for these tracts and are of the opinion that they are reasonable.

Comments, and a number of proposed modifications to the Unit Agreement were provided in my memo of March 20, 1984 (copy attached). Also attached is a draft of a proposed letter from the Board to Omega noting the suggested modifications.

~~Original Signed by H. C. Moster~~

H. Clare Moster

LRD/lk

Date _____

To :

Clare

I have reviewed the proposed tract factors for the proposed Wuskaela Unit No. 5. The interpretive part of the calculation indicates excellent agreement between Ornegas ϕh numbers and those generated by Munro. The maximum difference to any mineral owner is only 0.7% and the maximum difference on any one tract is only 0.4%. This is considerably better agreement than seen in previous units.

I've also checked out the oil rate and oil cut calculations for one well ~~and~~ ~~the~~ which checks out

THINK POSITIVE

My calculations are attached Bob

WASKANA UNIT No 5
Remaining Recoverable Oil Factor

TRACT	LAND DESCRIPTION	FOR-M		CUM OIL	REM. REC.		TRACT FACTORS		DIFF
		AREA	P.B.		ON	OIL (m ³)	ON	P.B.	
1	13-35-1-26	137	1.20	495	27928	27401	071576	069865	001681
2	14-35-1-26	158	1.35	612	32168	27896	082442	078474	003968
3	15-35-1-26	149	1.35	794	30119	27214	077191	077953	(000762)
4	16-35-1-26	131	1.23	999	26179	24519	067093	070233	(003140)
5	1-2-2-26	116	1.05	1022	23044	20762	059059	059472	(000413)
6	2-2-2-26	145	1.30	682	29401	26289	075351	075303	000048
7	3-2-2-26	119	1.05	235	24454	21549	062672	061726	000446
8	4-2-2-26	100	0.91	744	20003	18135	051265	051947	(000682)
9	5-2-2-26	110	1.00	389	22432	20358	057490	058314	(000824)
10	6-2-2-26	128	1.10	698	25858	22123	066271	063370	002461
11	7-2-2-26	092	0.75	395	18692	15165	048597	043439	005158
12	8-2-2-26	107	0.98	462	21737	19670	055709	056916	(001207)
13	9-2-2-26	094	0.85	345	19157	17290	049097	049526	(000424)
14	10-2-2-26	106	1.00	318	21673	20429	055545	058518	(003173)
15	11-2-2-26	129	1.20	400	26361	24496	067565	070167	(002602)
16	12-2-2-26	104	0.95	597	20980	19112	053769	054745	(000976)
					390188	349108			

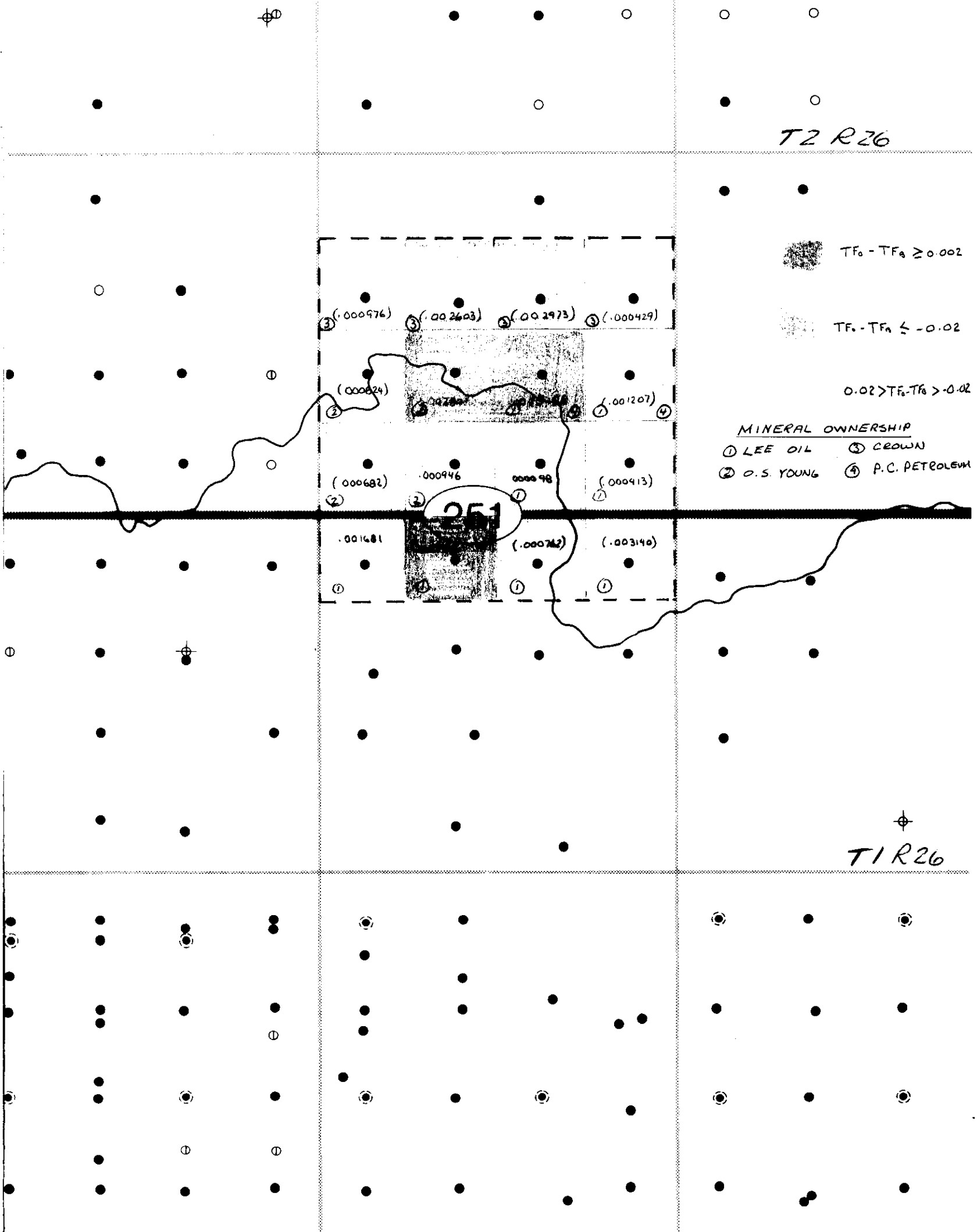
COMPARISON OF ROYALTY
OWNER PARTICIPATION
OMEGA - PETROLEUM BRANCH

<u>MINERAL OWNER</u>	<u>TRACTS</u>	<u>VOL. FACTOR</u> <u>OMEGA</u>	<u>VOL FACTOR</u> <u>P. BRANCH</u>	<u>DIF. B</u> <u>OM-PB</u>
Lee Oil	1, 2, 3, 4, 5, 6 11, * 12, *	.528229	.523897	.004332
O.S. YOUNG	7, 8, 9, 10	.237698	.235357	.002341
CROWN	13, 14, 15, 16	.225976	.232956 (.006980)	
Pan Canadian Petroleum	11, * 12 *	.008097	.007790	.000307

* Lee Oil has 92.2375% int in these tracts.
P.C. Pet. has 7.7625% " " " "

WASKADA UNIT No 5

COMPARISON OF VOLUME TRACT
FACTORS (OMEGA vs PET BRANCH)



Wasikoda Unit No 5

Verification of oil rate and oil cut related factors

TRACT #1 13-35-7-26

FIRST 4 MO. PROD

OIL	WATER	DAYS
104.1	84.0	15
160.8	259.8	30
54.4	147.6	30
<u>60.8</u>	<u>131.2</u>	<u>31</u>
380.1	622.6	106

$$\text{Ave DAILY RATE} = 3.58585 \text{ m}^3/\text{d}$$

$$\text{Ave. after 4 months - all wells in unit} = 5.30194 \text{ m}^3/\text{d}$$

$$\text{OIL RATE FACTOR} = 3.58585 \div 5.30194 = 0.67633$$

in Units = (0.68658)

$$\text{OIL CUT} = \frac{380.1}{380.1 + 622.6} = 37.9076$$

$$\text{Ave after 4 months} = \frac{37.9076}{67.0775}$$

$$\text{OIL CUT FACTOR} = 37.9076 - 67.0775 = 0.56513 \checkmark$$

THE SLIGHT DIFFERENCE IN OIL RATE FACTOR IS DUE TO OMEGA'S USE OF HOURS INSTEAD OF DAYS IN CALCULATING OIL RATES.



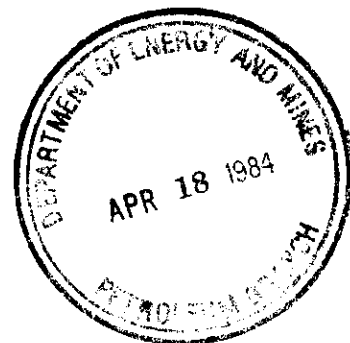
HYDROCARBONS Ltd.

TELEPHONE: (403) 261-0743

630 - 330 FIFTH AVENUE S.W., CALGARY, ALBERTA T2P 0L4

April 12, 1984

Department of Energy and Mines
Mineral Resources Division
Petroleum Branch
989 Century Street
Winnipeg, Manitoba R3H 0W4



Dear Sir:

INTRODUCTION

RE: Waskada Unit No. 5

You are no doubt aware of the success that Omega Hydrocarbons has had in finding and producing oil in the Waskada area. In an effort to maximize oil recovery Omega formed the Waskada Lower Amaranth Unit No. 1 on January 1, 1983 and initiated a pilot waterflood project. At this time, through encouraging results of the pilot project and continuing engineering and geological studies, we are preparing to expand our waterflood project to areas in which you have a royalty interest.

In order to implement our expansion plans Omega must receive the written approval of all parties affected. This is done by successfully applying to Manitoba Oil and Natural Gas Conservation Board for technical approval of the plan and by having all Working and Royalty Interest Owners approve by signing a Unit Agreement.

The necessary application has been filed with the board in Manitoba and approval is anticipated in the coming weeks. Through this letter, and further discussion, as required, we hope to convince you that this project is to our mutual advantage. You would then indicate your approval by signing and returning one copy of the enclosed document "Unit Agreement Waskada Unit No. 5".

BASIC PLAN

In many oil reservoirs it has already been demonstrated that oil recovery can be improved by injecting water down certain wells to push oil to neighbouring producing wells. Early results of our pilot project and our recently completed reservoir engineering studies verify that this is true for the Waskada Lower Amaranth Pool. We estimate that without waterflood we would produce only 12% of the original oil in place before the well would become uneconomic to produce and that this recovery can be increased to approximately 28% by waterflood.

To waterflood this pool it is necessary to convert approximately every fourth producing oil well to a water injection well. Obviously if oil recovery is to be improved for the overall good in this way, it is necessary to compensate those people that have a vested interest in those oil wells that will become water injection wells which explains the need for the Unit Agreement. The Unit agreement is the document by which all the people with interest in all the wells in the Unit agree to share the revenue from the total Unit's production. All wells get a share of production, regardless of whether they are producers or injectors, on the basis of what portion of the recoverable oil is determined to be in their individual Tract. The calculated Tract Participation Factors are determined from a combination of well log analysis, core studies and production histories and are shown in Exhibit "A" of the Unit Agreement.

Exhibit "B" shows a map of the proposed Waskada Unit No. 5 outline. There are 16 tracts in the unit representing 16 wells completed in the Lower Amaranth Pool. To waterflood we will be converting 4 of these wells into water injection; the wells located in Tracts No.'s 1, 3, 9 and 11. These conversions will be done as soon as possible after all approvals have been received.

You will note that there is a regular pattern to the location of the proposed water injection wells and this is no accident. This type of pattern is referred to in the oil industry as a nine-spot pattern (because most water injection wells are surrounded by 8 producing wells, ie. 9 wells to a pattern). The proposed Waskada Unit No. 5 will likely be an extension of an already existing waterflood pattern in the Waskada Field and as such the location of the injection wells has been largely predetermined.

SUMMARY

Omega Hydrocarbons expects to receive approval from the Conservation Board for this project any day now. We also hope to receive your approval as soon as possible to allow us to implement this project before the winter sets in at Waskada.

Please signify your approval by signing and returning one copy of the Unit Agreement. The second copy is for your records. Feel free to call us collect (403) 261-0743 if you have any questions. Either myself or Mr. Ed Wyse, our Petroleum Engineer, would be happy to try to answer them. The Chief Petroleum Engineer for the Manitoba Petroleum Branch in Winnipeg, Mr. Bob Dubreuil, may also be consulted (204) 944-6574.

Yours truly,



R. F. Emerson
Land Manager

RFE/smp

cc: E. Wyse
J. Hall
Ian Haugh, Conservation Board

WASKADA UNIT NO. 5 - TRACT FACTOR CALCULATIONS

REMAINING RECOVERABLE OIL IN PLACE FACTOR

<u>TRACT</u>	<u>LAND DESCRIPTION</u>	<u>POR-M</u>	<u>CUM.OIL</u> (m ³)	<u>AREA</u> (ha)	<u>REM. REC. OIP</u>
3147 1	13-35-1-26 WPM	1.37	495	16	27928
2	14-35-1-26 WPM	1.58	612	16	32168
3	15-35-1-26 WPM	1.49	794	16	30119
4	16-35-1-26 WPM	1.31	999	16	26179
5	1- 2-2-26 WPM	1.16	1022	16	23044
6	2- 2-2-26 WPM	1.45	682	16	29401
7	3- 2-2-26 WPM	1.19	235	16	24454
8	4- 2-2-26 WPM	1.00	744	16	20003
9	5- 2-2-26 WPM	1.10	389	16	22432
3001 10	6- 2-2-26 WPM	1.28	698	16	25858
11	7- 2-2-26 WPM	.92	395	16	18692
12	8- 2-2-26 WPM	1.07	462	16	21737
13	9- 2-2-26 WPM	.94	345	16	19157
14	10- 2-2-26 WPM	1.06	318	16	21673
15	11- 2-2-26 WPM	1.29	400	16	26363
16	12- 2-2-26 WPM	1.04	597	16	20980
					<u>390188</u>

NOTES:

1. Remaining Recoverable Oil in Place calculated by the equation

$$U = (0.25) (10114) *Area* (1-0.4)/1.17 *POR.m-CUM OIL$$

Where - recovery factor is assumed = 0.25
 - water saturation is assumed = 0.40
 - oil formation volume factor measured = 1.17

2. Cumulative oil as of March 31, 1984

WASKADA UNIT NO. 5 - TRACT FACTOR CALCULATIONS
REMAINING RECOVERABLE OIL IN PLACE FACTOR

<u>TRACT</u>	<u>LAND DESCRIPTION</u>	<u>POR-M</u>	<u>CUM.OIL</u> (m ³)	<u>AREA</u> (ha)	<u>REM. REC. OIP</u>
					<i>P.Branch</i>
3126 1	13-35-1-26 WPM	1.37	495	16	27928 1.2
3127 2	14-35-1-26 WPM	1.58	612	16	32168 1.35
3128 3	15-35-1-26 WPM	1.49	794	16	30119 1.35
3124 4	16-35-1-26 WPM	1.31	999	16	26179 1.23
3151 5	1- 2-2-26 WPM	1.16	1022	16	23044 1.05
3152 6	2- 2-2-26 WPM	1.45	682	16	29401 1.2
7	3- 2-2-26 WPM	1.19	235	16	24454 1.05
8	4- 2-2-26 WPM	1.00	744	16	20003 .91
9	5- 2-2-26 WPM	1.10	389	16	22432 1.0
3001 10	6- 2-2-26 WPM	1.28	698	16	25858 1.1
3153 11	7- 2-2-26 WPM	.92	395	16	18692 .75
3152 12	8- 2-2-26 WPM	1.07	462	16	21737 .98
13	9- 2-2-26 WPM	.94	345	16	19157 .85
14	10- 2-2-26 WPM	1.06	318	16	21673 1.0
15	11- 2-2-26 WPM	1.29	400	16	26363 1.2
3082 16	12- 2-2-26 WPM	1.04	597	16	20980 .95
					<u>390188</u>

NOTES:

1. Remaining Recoverable Oil in Place calculated by the equation

$$U = (0.25) (10114) *Area* (1-0.4)/1.17 *POR.m-CUM OIL$$

Where - recovery factor is assumed = 0.25

- water saturation is assumed = 0.40

- oil formation volume factor measured = 1.17

2. Cumulative oil as of March 31, 1984

WASKADA UNIT NO. 5 - TRACT FACTOR CALCULATIONS
OIL PRODUCTION RELATED FACTORS

TRACT	First 4 Months				Rate Factor	Oil Cut Factor
	(mon)	(hrs)	(oil)	(wat)		
1	4	2506	380.1	622.6	.68658	.56513
2	4	2477	548.3	1015.9	1.00200	.52258
3	4	2558	638.2	160.0	1.12936	1.19198
4	4	2591	833.3	103.3	1.45583	1.32639
5	4	2545	886.5	138.7	1.57677	1.28912
6	4	2413	601.8	203.2	1.12894	1.11450
7	2	1405	234.6	106.9	.55035	.95285
8	4	2455	646.6	254.1	1.19223	1.07023
9	3	1512	389.1	136.1	1.04278	1.08322
10	4	2594	441.6	149.9	.77061	1.11301
11	4	2532	345.2	152.4	.61714	1.03422
12	4	2613	408.5	213.8	.70767	.97862
13	3	1923	345.3	127.9	.72761	1.06692
14	3	1542	317.9	138.4	.83539	1.01864
15	3	1570	348.6	158.4	.89973	1.00531
16	4	2112	391.9	151.2	.83996	1.07577
					<u>15.16295</u>	<u>16.40849</u>

- NOTES:
1. The average oil rate for all wells after their first month of production is 8.5196 m³/op. day and the oil cut is 73.7434%.
 2. The average oil rate for all wells after their first 2 months of production is 7.2815 m³/op. day and the oil cut is 72.0959%.
 3. The average oil rate for all wells after their first 3 months of production is 5.9228 m³/op. day and the oil cut is 68.3942%.
 4. The average oil rate for all wells after their first 4 months of production is 5.30194 m³/op. day and the oil cut is 67.0775%.

WASKADA UNIT NO. 5 - TRACT FACTOR CALCULATIONS

SUMMARY

<u>TRACT</u>	<u>LAND DESCRIPTION</u>	<u>OIL RATE FACTOR</u>	<u>OIL CUT FACTOR</u>	<u>OIP FACTOR</u>	<u>TOTAL FACTOR</u>
1	13-35-1-26 WPM	.7547	.5740	4.7717	6.1004
2	14-35-1-26 WPM	1.1014	.5308	5.4962	7.1284
3	15-35-1-26 WPM	1.2414	1.2107	5.1461	7.5982
4	16-35-1-26 WPM	1.6002	1.3473	4.4729	7.4204
5	1- 2-2-26 WPM	1.7331	1.3094	3.9372	6.9797
6	2- 2-2-26 WPM	1.2409	1.1320	5.0234	7.3963
7	3- 2-2-26 WPM	.6049	.9678	4.1782	5.7509
8	4- 2-2-26 WPM	1.3105	1.0871	3.4177	5.8153
9	5- 2-2-26 WPM	1.1462	1.1003	3.8327	6.0792
10	6- 2-2-26 WPM	.8470	1.1305	4.4180	6.3955
11	7- 2-2-26 WPM	.6783	1.0505	3.1937	4.9225
12	8- 2-2-26 WPM	.7778	.9940	3.7139	5.4857
13	9- 2-2-26 WPM	.7998	1.0837	3.2731	5.1566
14	10- 2-2-26 WPM	.9182	1.0347	3.7030	5.6559
15	11- 2-2-26 WPM	.9890	1.0211	4.5043	6.5144
16	12- 2-2-26 WPM	.9233	1.0927	3.5846	5.6006
		<u>16.6667</u>	<u>16.6666</u>	<u>66.6667</u>	<u>100.0000</u>

Inter-Departmental Memo

To . Dr. I. Haugh
Deputy Chairman
The Oil and Natural Gas
Conservation Board

Date March 20, 1984
From H. Clare Moster
Director, Petroleum Branch

Telephone

Subject Proposed Waskada Unit No. 5

The proposed Unit Agreement for Waskada Unit No. 5 is very similar to the recent draft for Unit No. 4.

As requested, the following comments and recommendations are provided on the proposed agreement:

<u>Pg.</u>	<u>Clause</u>	<u>Subclause</u>	
3	101	(V)	amend to read-"Mission Canyon Formation" shall be the interval of the Mississippian age between the base of the Lower Amaranth Formation and the top of the Lodgepole Formation as
4	205		remove the brackets from around "Energy and Mines, Manitoba"
7	502	(b)	change "ot" to "of" in the 4th line
9	703	-	indicates that in calculating royalty on anything other than crude oil that is obtained by comparison, absorption, stabilization, etc. processes (e.g. - residue gas, liquid petroleum gases) that "proper allowances shall be made for costs, expenses and charges, including a reasonable return on investment, incurred in or attributable to gathering and processing" that substance.

This provision may have significant bearing on the calculation of royalty on gas produced from the unit and processed through Omega's gas plant.

This Clause is present in other approved Omega unit agreements.

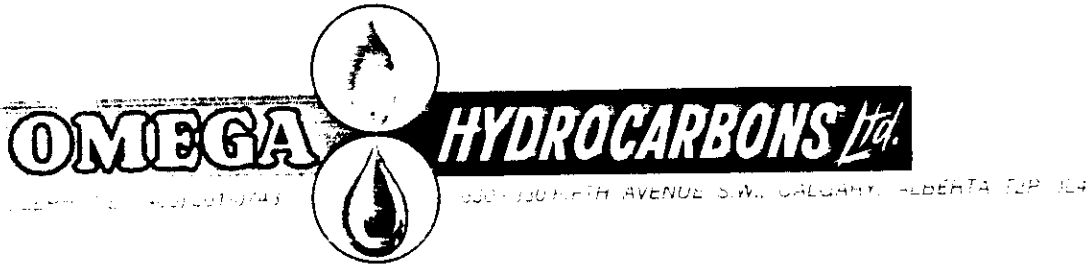
<u>Pg.</u>	<u>Clause</u>	<u>Subclause</u>	
10	706	-	<p>states that "No royalty shall be payable on any substance which is deemed conclusively to be an Outside Substance". The Clause also indicates that when an Outside Substance (e.g. - dry natural gas) is injected into the Unitized Zone, that the subsequent production of an <u>equal volume</u> of a like substance (e.g. - rich natural gas) shall be deemed conclusively to be an Outside Substance and that production therefore will not be subject to royalty.</p> <p>This provision will only have an affect when an enhanced recovery project such as a gas flood is implemented in the unit. Such will be the situation for the proposed Unit No. 4 (presently pending a Board hearing).</p> <p>i.e. - royalties will only be paid on those volumes of gas produced after gas injection commences that exceed the cumulative volumes of gas injected.</p> <p>This Clause is also present in other Omega unit agreements but may warrant discussion and clarification if a Board hearing is held respecting proposed Unit No. 4 (i.e. - gas flood unit).</p>
20	1402		<p>change "Tract" to "Tracts" in 2nd line.</p> <p>tract participation factors and method of determining same have not been provided.</p> <p>the Provincial Crown is an affected mineral owner and Omega will be requesting the Minister's consent to the final agreement.</p>

Exhibit A

Original Signed by H. C. Moster

H. Clare Moster

HCM/1k



March 12, 1984

Manitoba Oil and Natural Gas
Conservation Board
309 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Attention: Dr. Ian Haugh
Deputy Chairman

Dear Sir

Re: Proposed Waskada Unit No. 5

Attached for your review is a draft copy of the Unit Agreement
for the proposed Waskada Unit No. 5.

Initial unitization meetings have been held by the Working
Interest owners and matters are proceeding smoothly towards
the formation of this new unit.

Yours truly,

Ed Wyse
Petroleum Engineer

c.c. W/o attachment

Geo. Patey
Dick Emerson

EW/s