

**WASKADA UNIT NO. 6
WATERFLOOD EOR PROJECT**

ANNUAL WATERFLOOD PROGRESS REPORT FOR 2015

May 30, 2016

Tundra Oil and Gas Partnership

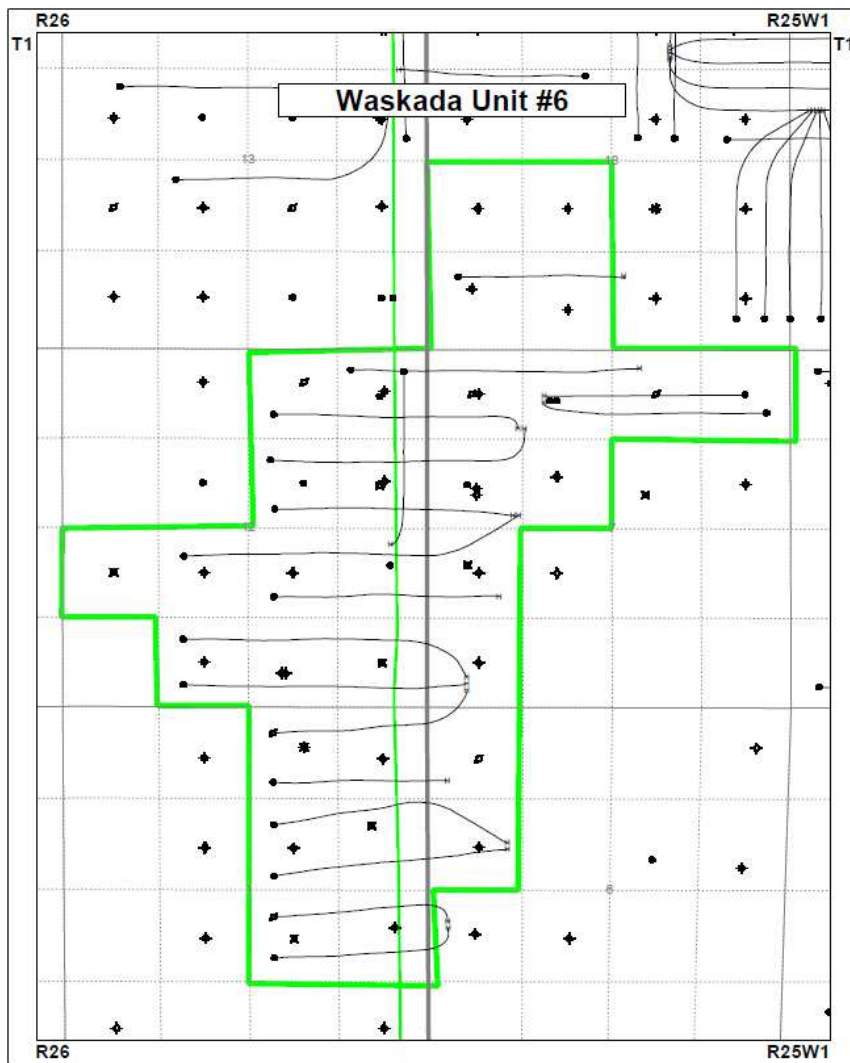
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INTRODUCTION

Waskada Unit No. 6 Enhanced Oil Recovery (EOR) Waterflood Project was approved under Board Order No. PM 44 effective May 1985 and then amended into WF Order No. 1 in May 1995. The Unit area contains 19 abandoned/suspended wells, including 10 inactive/abandoned injectors, and 22 producing wells in 31 LSDs in Township 1, Range 26 W1 as shown in the figure below.

Figure 1: Waskada Unit 6 Area Outline



In accordance with Section 73 of the Manitoba Drilling and Production Regulation, Tundra hereby submits the following 2015 Annual Progress Report for Waskada Unit No. 5.

DISCUSSION

Production History

For the wells included in Waskada Unit No. 6, production started in November 1982 with the 00/10-01-001-26W1/0 Vertical well. Average oil production peaked for the first time at 3.0 m³/d per well in May 1985. This production was coming from 30 wells and totaled 91.4 m³/d for the whole Unit. The production at the end of December 2015 averaged 0.7 m³/d per well, totaling 14.6 m³/d for the Unit. Water injection commenced in Waskada Unit No. 6 in January 1985 until present day. The rates and WOR are presented in Figure 2. In 2015, the Unit produced 7.5 e³m³ of Oil, 107.2 e³m³ of Water, 363.2 e³m³ of Gas, and injected 112.5 e³m³ of Water.

Figure 2: Waskada Unit 6 Production/Injection Rates and WOR vs Time

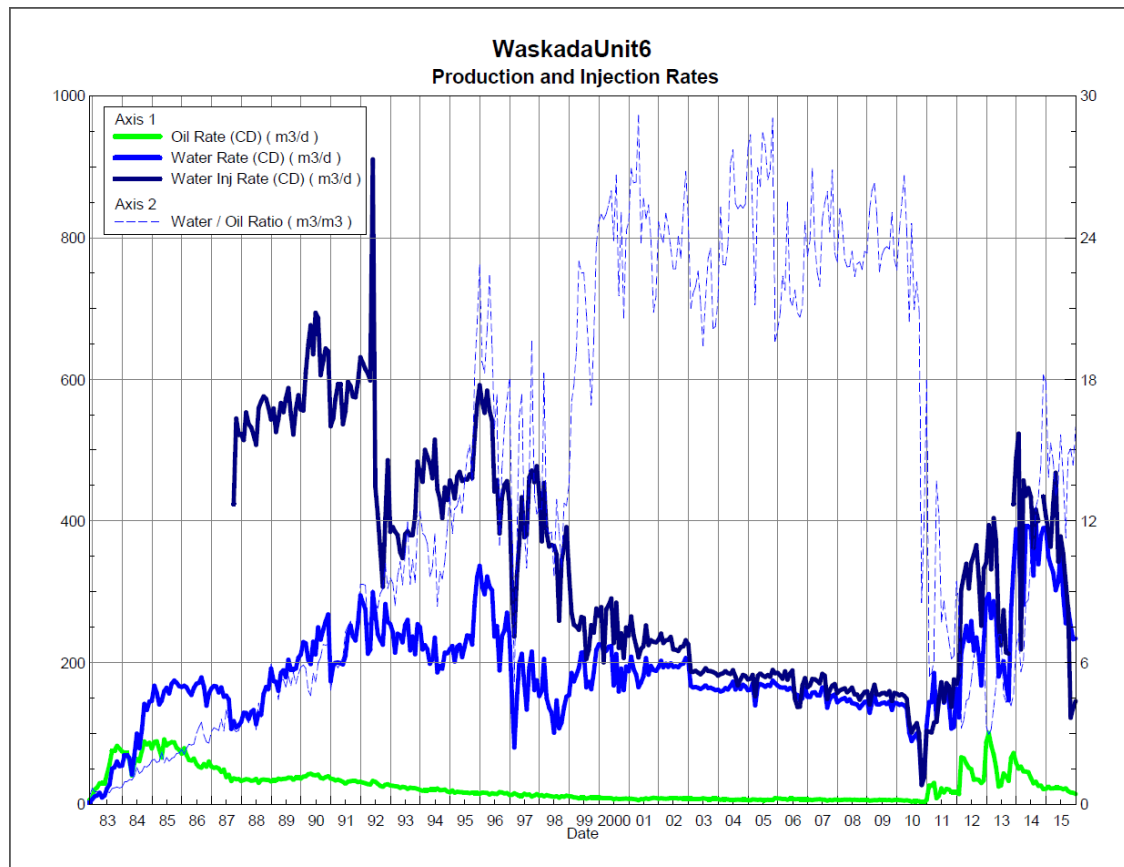
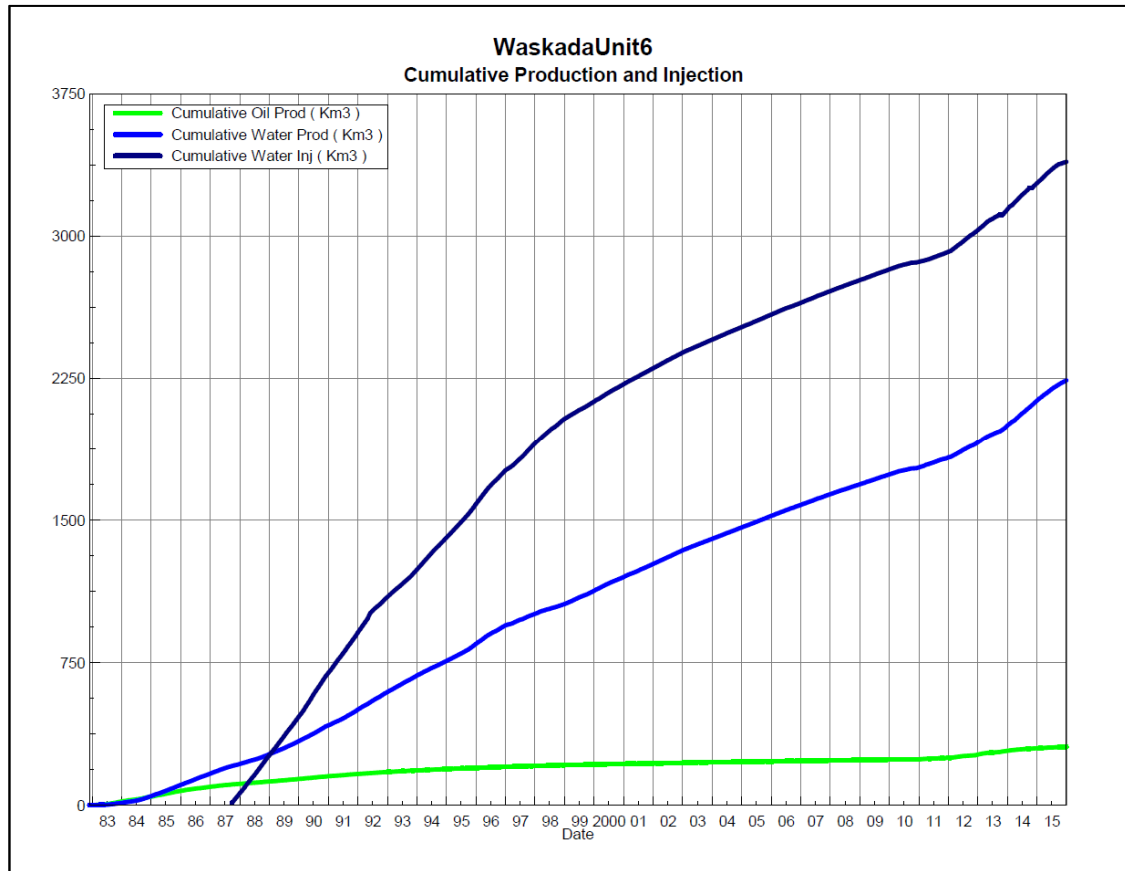


Figure 3 shows the cumulative production for Waskada Unit No. 6 to the end of December 2015 as 307.0 e³m³ of oil, and 2,239.9 e³m³ of water.

Figure 3: Waskada Unit 6 Cumulative Oil, Water and Water Injected vs Time



Waterflood EOR Operating Strategy and Performance

Corrosion and Scale Prevention

The facilities in Unit 6 are currently using cathodic and chemical protection against corrosion and scale in the new horizontal wells. All facilities are monitored every 3 months to assess the corrosion and ensure that proper electrical current is being supplied. There have been no issues with corrosion or scale to date.

Injection Wellhead Pressures

Table No. 5 illustrates the Injection Wellhead Pressures that were recorded in 2015.

Reservoir Pressure

Where practical, Tundra is committed to collecting pressure data from newly drilled injection wells. Since no new wells were drilled in the Unit, therefore, no pressure surveys were conducted in 2015.

Well Servicing

No well servicing was performed in 2015 for Waskada Unit No. 6.

Waterflood Performance Discussion

From January 1 to December 31 in 2015, Waskada Unit No. 6 produced 114.8 e³m³ of fluid (7.6 e³m³ of Oil, 107.2 e³m³ of Water) and injected 112.5 e³m³ of source water. Table 2 summarizes the yearly and cumulative VRR for Waskada Unit No. 6. This resulted in a yearly VRR of 0.971, below the minimum target of 1. Due to the lower yearly VRR, the cumulative VRR lowered to 1.303. Injection rates and pressures were lower compared to 2014.

Figure 4: Waskada Unit 6 Production and Injection Rate

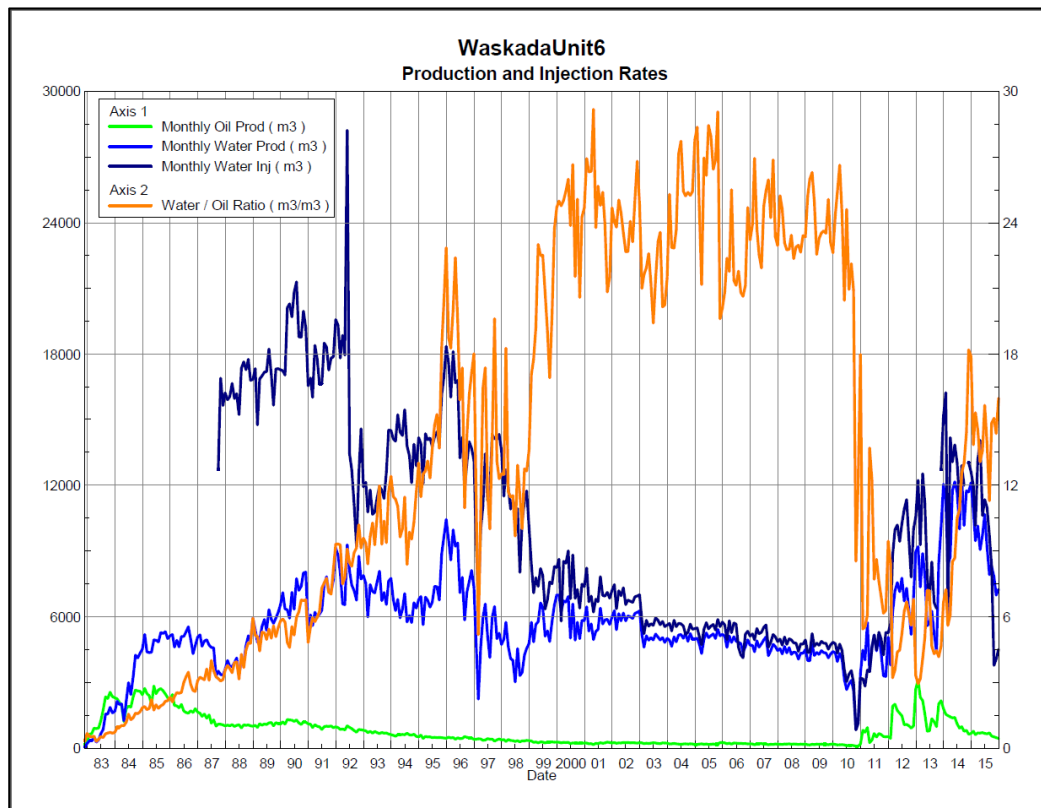


TABLE NO. 1: WASKADA UNIT NO. 6 WELL SUMMARY

UWI	Type	Status	On Prod Date	Cum Prd Oil (m3)	Cum Prd Water (m3)	Last Prod Date	Cum Inj Water (m3)	Last Inj Date
100/12-06-001-25W1/0	Vertical	Abandoned	2/1/1985	4241.1	11334.1	3/31/1998	0	
100/13-06-001-25W1/0	Vertical	Injection	4/1/1984	34.2	942	6/30/1984	478428.5	9/30/2015
100/04-07-001-25W1/2	Vertical	Abandoned	8/1/1984	774.4	28605.5	6/30/1994	0	
102/05-07-001-25W1/0	Vertical	Abandoned	7/1/1983	5283.7	13236.1	8/31/1987	221669	9/30/1996
100/11-07-001-25W1/0	Vertical	Abandoned	8/1/1983	1171.9	31626.8	8/31/1987	0	
103/12-07-001-25W1/0	Vertical	Producing	7/1/1983	12532.2	625155.4	12/31/2015	0	
102/13-07-001-25W1/0	Vertical	Injection	2/1/1984	2360.4	12143.8	3/31/1987	719516.6	9/30/2015
102/14-07-001-25W1/0	Vertical	Producing	2/1/1984	11383.8	200101.9	4/30/2010	0	
100/15-07-001-25W1/0	Vertical	Injection	1/1/1985	1450.5	923.9	7/31/1987	218836.3	12/31/2015
100/16-07-001-25W1/0	Vertical	Producing	5/1/1985	10750.9	8523.1	11/30/2015	0	
102/16-07-001-25W1/0	Horizontal	Producing	3/1/2014	843.6	20304.9	12/31/2015	0	
103/16-07-001-25W1/0	Horizontal	Producing	2/1/2014	1765.8	9419.4	12/31/2015	0	
100/03-18-001-25W1/0	Vertical	Abandoned Zone	10/1/1983	13732.3	204058.9	12/31/2011	0	
100/04-18-001-25W1/0	Vertical	Abandoned	3/1/1983	3759.3	4724.5	9/30/1996	0	
102/04-18-001-25W1/0	Horizontal	Producing	12/1/2010	1471.5	7262.1	2/28/2015	0	
100/05-18-001-25W1/0	Vertical	Abandoned	12/1/1983	1675.9	829.4	8/31/1987	231694	5/31/1996
100/06-18-001-25W1/0	Vertical	Abandoned	12/1/1983	1116.3	2385.1	8/31/1991	0	
100/07-01-001-26W1/0	Vertical	Abandoned	9/1/1984	98.4	1576	6/30/1985	176052.2	4/30/2010
102/07-01-001-26W1/0	Horizontal	Injection	10/1/2013	634.3	6896.2	1/31/2015	4828	12/31/2015
103/07-01-001-26W1/0	Horizontal	Producing	10/1/2013	1280.3	11888.3	12/31/2015	0	
100/08-01-001-26W1/2	Vertical	Abandoned Zone	8/1/1984	8523	166615.9	4/30/2010	0	
100/09-01-001-26W1/0	Vertical	Abandoned	12/1/1983	3896.5	2034	7/31/1995	115865.1	4/30/2010
100/10-01-001-26W1/2	Vertical	Abandoned Zone	11/1/1982	14140.7	87218.1	4/30/2010	0	
102/10-01-001-26W1/0	Horizontal	Producing	11/1/2012	3677.6	7490.5	12/31/2015	0	
103/10-01-001-26W1/0	Horizontal	Producing	11/1/2012	2558.7	3688	12/31/2015	0	
100/15-01-001-26W1/2	Vertical	Abandoned	8/1/1984	2493.9	11767.5	7/31/1987	258006.9	4/30/2010
102/15-01-001-26W1/0	Horizontal	Producing	1/1/2011	3714.7	16677.1	12/31/2015	0	
103/15-01-001-26W1/0	Horizontal	Injection	1/1/2012	3470	14440.9	10/31/2014	4828	12/31/2015
100/16-01-001-26W1/2	Vertical	Abandoned Zone	2/1/1984	16167.8	24282.2	4/30/2010	0	
100/01-12-001-26W1/0	Vertical	Abandoned	10/1/1983	7143.7	2449	7/31/1995	187525.5	4/30/2010
100/02-12-001-26W1/2	Vertical	Abandoned	8/1/1984	11076.9	49866.5	5/31/1998	0	
100/03-12-001-26W1/2	Vertical	Abandoned	8/1/1984	6526.2	43242	7/31/1995	32670	3/31/1998
102/03-12-001-26W1/0	Horizontal	Producing	1/1/2012	6221	16252.9	12/31/2015	0	
103/03-12-001-26W1/0	Horizontal	Producing	1/1/2012	7563.5	11101.8	12/31/2015	0	
100/05-12-001-26W1/0	Vertical	Abandoned	N/A	0	0		81890	12/31/1998
100/06-12-001-26W1/2	Vertical	Producing	8/1/1984	14079.4	147734.6	12/31/2015	0	
102/06-12-001-26W1/0	Horizontal	Producing	12/1/2012	6790.3	20145	12/31/2015	0	
100/07-12-001-26W1/0	Vertical	Abandoned	10/1/1983	2923.1	567.1	7/31/1987	54892	6/30/1997
102/07-12-001-26W1/0	Horizontal	Producing	12/1/2010	7219.8	59112.9	12/31/2015	0	
100/08-12-001-26W1/0	Vertical	Producing	3/1/1983	7098.1	2421.2	3/31/2015	0	
102/09-12-001-26W1/0	Vertical	Source	7/1/1983	27002.3	159261.9	12/31/2014	0	
100/10-12-001-26W1/0	Vertical	Producing	6/1/1983	23243.5	4543.4	2/28/2014	0	
102/10-12-001-26W1/0	Horizontal	Producing	11/1/2012	5335.5	22367.2	12/31/2015	0	
103/10-12-001-26W1/0	Horizontal	Producing	10/1/2013	5518.6	13537.5	12/31/2015	0	
100/15-12-001-26W1/0	Vertical	Injection	11/1/1982	5834.5	2515.3	7/31/1987	604154.6	12/31/2015
102/15-12-001-26W1/0	Horizontal	Producing	9/1/2013	1989.5	57070.8	12/31/2015	0	
102/16-12-001-26W1/0	Vertical	Producing	1/1/1983	25314	68393.1	8/31/2013	0	
104/16-12-001-26W1/0	Horizontal	Producing	11/1/2012	1158.2	23200.5	12/31/2015	0	
				307041.8	2239934.3	3390856.7		

TABLE NO. 2 - VRR Calculations

Date	Mth Oil Prod m3	Cum Oil Prod Km3	Mth Water Prod m3	Cum Water Prod Km3	Mth Gas Prod Scm	Cum Gas Prod Km3	Water Oil Ratio m3/m3	Gas Oil Ratio m3/m3	Mth Water Inj m3	Cum Water Inj Km3	VRR	Cum VRR
12/31/1982	494	0.494	281	0.281	23712	23.712	0.57	48.00		0.000	0.000	0.000
12/31/1983	18868	19.362	11673	11.954	905683	929.4	0.62	48.00		0.000	0.000	0.000
12/31/1984	25805	45.168	35563	47.517	1238654	2168.0	1.38	48.00		0.000	0.000	0.000
12/31/1985	29905	75.073	58995	106.511	1435450	3603.5	1.97	48.00		0.000	0.000	0.000
12/31/1986	21910	96.983	59447	165.958	1051666	4655.2	2.71	48.00		0.000	0.000	0.000
12/31/1987	15248	112.230	50655	216.613	731880	5387.0	3.32	48.00	61536	61.536	0.902	0.178
12/31/1988	12414	124.644	51401	268.015	595867	5982.9	4.14	48.00	199861	261.397	3.043	0.635
12/31/1989	13139	137.783	68582	336.597	630682	6613.6	5.22	48.00	203383	464.780	2.430	0.939
12/31/1990	14451	152.234	82867	419.464	693629	7307.2	5.73	48.00	229934	694.714	2.311	1.169
12/31/1991	11892	164.126	82582	502.046	570821	7878.0	6.94	48.00	211949	906.663	2.202	1.312
12/31/1992	10464	174.590	92956	595.002	502262	8380.3	8.88	48.00	187670	1094.333	1.788	1.375
12/31/1993	8526	183.116	86609	681.612	409243	8789.5	10.16	48.00	144204	1238.537	1.496	1.388
12/31/1994	7238	190.354	76511	758.122	347429	9137.0	10.57	48.00	167541	1406.078	1.975	1.439
12/31/1995	6017	196.371	89692	847.814	288826	9425.8	14.91	48.00	176159	1582.237	1.823	1.474
12/31/1996	5644	202.015	97515	945.330	270907	9696.7	17.28	48.00	178310	1760.547	1.714	1.495
12/31/1997	4807	206.822	60790	1006.120	230741	9927.5	12.65	48.00	143942	1904.489	2.170	1.531
12/31/1998	4159	210.981	51395	1057.515	199627	10127.1	12.36	48.00	131548	2036.037	2.342	1.566
12/31/1999	3398	214.378	69699	1127.213	163080	10290.2	20.51	48.00	91414	2127.451	1.242	1.549
12/31/2000	2961	217.340	72428	1199.641	142147	10432.3	24.46	48.00	91329	2218.780	1.204	1.531
12/31/2001	2775	220.115	68585	1268.226	133219	10565.5	24.71	48.00	84399	2303.179	1.176	1.514
12/31/2002	2988	223.103	72169	1340.395	143438	10709.0	24.15	48.00	82778	2385.957	1.095	1.494
12/31/2003	2796	225.900	59930	1400.325	134218	10843.2	21.43	48.00	68078	2454.035	1.078	1.478
12/31/2004	2382	228.282	60185	1460.509	114346	10957.5	25.26	48.00	66399	2520.434	1.055	1.463
12/31/2005	2410	230.692	60474	1520.983	115666	11073.2	25.10	48.00	65708	2586.143	1.039	1.448
12/31/2006	2629	233.321	57899	1578.882	126211	11199.4	22.02	48.00	61685	2647.828	1.013	1.433
12/31/2007	2302	235.623	55893	1634.775	110496	11309.9	24.28	48.00	61859	2709.687	1.057	1.422
12/31/2008	2264	237.887	52693	1687.468	108667	11418.6	23.28	48.00	57891	2767.578	1.047	1.411
12/31/2009	2144	240.031	51611	1739.079	102907	11521.5	24.07	48.00	56636	2824.214	1.047	1.402
12/31/2010	1718	241.748	36596	1775.675	82445	11603.9	21.31	48.00	40024	2864.237	1.038	1.395
12/31/2011	7207	248.956	53060	1828.734	345950	11949.9	7.36	48.00	52417	2916.655	0.854	1.379
12/31/2012	17042	265.997	80993	1909.728	817997	12767.9	4.75	48.00	114448	3031.103	1.138	1.368
12/31/2013	20286	286.284	91043	2000.771	973747	13741.6	4.49	48.00	109077	3140.179	0.954	1.348
12/31/2014	13191	299.475	131905	2132.676	633168	14374.8	10.00	48.00	138114	3278.293	0.939	1.323
12/31/2015	7567	307.042	107258	2239.934	363226	14738.0	14.17	48.00	112563	3390.857	0.971	1.308

TABLE NO. 3

**Tundra Oil and Gas
Waskada Unit No. 6
2015 Injection Volumes**

Well Location	Date	Hours On	H ₂ O Inj Cal-d avg (m ³ /d)	Monthly Injected H ₂ O (m ³)
Unit No. 6 Total:				
	Jan-15	0	385.6	11954.00
	Feb-15	0	363.3	10171.00
	Mar-15	0	424.0	13145.00
	Apr-15	0	467.6	14028.00
	May-15	0	342.3	10611.00
	Jun-15	0	377.8	11332.60
	Jul-15	0	354.0	10973.90
	Aug-15	0	312.7	9692.40
	Sep-15	0	276.3	8288.60
	Oct-15	0	122.0	3783.00
	Nov-15	0	135.7	4071.90
	Dec-15	0	145.6	4512.00
2015 Group Totals:				112563.40
Unit No. 6 Total:				
	1981	0	0	0.00
	1982	0	0	0.00
	1983	0	0	0.00
	1984	0	0	0.00
	1985	0	0	0.00
	1986	0	0	0.00
	1987	0	503.89	15,384.00
	1988	0	546.09	16,655.08
	1989	0	557	16,948.58
	1990	0	630.11	19,161.17
	1991	0	580.62	17,662.42
	1992	0	512.7	15,639.17
	1993	0	395.1	12,017.00
	1994	0	459.3	13,961.75
	1995	0	482.3	14,679.92
	1996	0	487.4	14,859.17
	1997	0	393.4	11,995.17
	1998	0	361.2	10,962.33
	1999	0	250.6	7,617.83
	2000	0	249.3	7,610.75
	2001	0	231.2	7,033.24
	2002	0	226.8	6,898.18
	2003	0	186.5	5,673.18
	2004	0	181.5	5,533.25
	2005	0	180.1	5,475.70
	2006	0	169.1	5,140.42
	2007	0	169.6	5,154.91
	2008	0	158.2	4,824.28
	2009	0	155.2	4,719.67
	2010	0	109.9	3,335.29
	2011	0	143.4	4,368.12
	2012	0	312.9	9,537.34
	2013	0	326.4	9,916.05
	2014	0	411.9	12,555.82
	2015	0	308.9	9,380.28
Group Totals:				294,700.05

TABLE NO. 4

**Tundra Oil and Gas
Waskada Unit No. 6
2015 Production Volumes**

Date	Hours On	Oil Rate (CD) m3/d	Monthly Oil Prod m3	Water Rate (CD) m3/d	Monthly Water Prod m3	Water Oil Ratio m3/m3	Well Count
Jan-15	12,408	25.24	782	349.30	10,828	13.84	17
Feb-15	10,320	22.09	619	337.91	9,462	15.30	15
Mar-15	11,328	22.51	698	326.90	10,134	14.52	15
Apr-15	10,608	23.11	693	302.01	9,060	13.07	15
May-15	10,560	23.12	717	313.67	9,724	13.57	14
Jun-15	10,416	22.66	680	355.18	10,655	15.68	14
Jul-15	10,584	21.29	660	295.28	9,154	13.87	14
Aug-15	10,368	22.62	701	255.41	7,918	11.29	14
Sep-15	10,368	18.62	559	275.93	8,278	14.82	14
Oct-15	11,112	16.76	520	252.11	7,816	15.04	15
Nov-15	10,992	16.22	487	232.76	6,983	14.35	15
Dec-15	11,784	14.61	453	233.77	7,247	16.00	16
	130,848		7,567		107,258		

Date	Hours On	Oil Rate (CD) m3/d	Monthly Oil Prod m3	Water Rate (CD) m3/d	Monthly Water Prod m3	Water Oil Ratio m3/m3	Well Count
31/12/1982	1848	8.06	247	4.56	140	0.52	1
31/12/1983	61272	51.52	1,572	31.85	973	0.57	7
31/12/1984	164880	70.51	2,150	97.12	2964	1.34	19
31/12/1985	229872	81.95	2,492	161.61	4916	1.99	26
31/12/1986	228288	60.09	1,826	162.87	4954	2.75	26
31/12/1987	207648	41.83	1,271	138.98	4221	3.33	24
31/12/1988	173472	33.93	1,034	140.38	4283	4.15	20
31/12/1989	170232	35.98	1,095	187.80	5715	5.22	19
31/12/1990	167808	39.60	1,204	227.08	6906	5.76	19
31/12/1991	166272	32.58	991	226.03	6882	6.97	19
31/12/1992	157728	28.59	872	253.97	7746	8.89	18
31/12/1993	159504	23.37	710	237.19	7217	10.22	18
31/12/1994	144072	19.83	603	209.73	6376	10.64	17
31/12/1995	138600	16.48	501	245.40	7474	15.07	16
31/12/1996	125376	15.42	470	266.55	8126	17.40	14
31/12/1997	113112	13.19	401	166.10	5066	12.88	13
31/12/1998	93840	11.39	347	141.17	4283	12.38	11
31/12/1999	93960	9.31	283	190.88	5808	20.60	11
31/12/2000	99696	8.09	247	197.94	6036	24.41	11
31/12/2001	96288	7.60	231	187.87	5715	24.95	11
31/12/2002	104064	8.19	249	197.69	6014	24.19	12
31/12/2003	101376	7.66	233	164.19	4994	21.49	12
31/12/2004	101544	6.51	199	164.43	5015	25.34	12
31/12/2005	99864	6.61	201	165.74	5039	25.49	11
31/12/2006	102066	7.20	219	158.67	4825	22.11	12
31/12/2007	100,776	6.31	192	153.19	4658	24.39	12
31/12/2008	103,920	6.18	189	143.97	4391	23.30	12
31/12/2009	102,432	5.87	179	141.43	4301	24.15	12
31/12/2010	75,504	4.71	143	100.46	3050	20.70	9
31/12/2011	78,720	19.77	601	145.25	4422	7.98	9
31/12/2012	97,680	46.64	1,420	221.43	6749	5.33	11
31/12/2013	138,024	55.70	1,691	249.38	7587	4.88	16
31/12/2014	161,736	36.24	1,099	361.05	10992	11.13	18
31/12/2015	130,848	20.74	631	294.19	8938	14.28	15
	4,292,322		25,793		186,778		

TABLE NO. 5 - Average Injection Pressures

	00/07-01 Inj	00/13-06 Inj	00/15-01 Inj	00/15-07 Inj	00/15-12 Inj	02/07-01 Inj	02/13-07 Inj	03/15-01 Inj
Year	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)
2002	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2003	1376.1	672.6	1093.6	1291.8	384.0	0.0	113.0	0.0
2004	1123.2	377.0	1361.2	1691.3	2310.0	0.0	94.0	0.0
2005	1890.0	473.7	1554.0	2108.5	2912.6	0.0	114.2	0.0
2006	2109.3	519.1	1992.3	1841.9	2820.5	0.0	42.5	0.0
2007	2628.7	0.0	2740.0	2387.7	2907.7	0.0	0.0	0.0
2008	2582.5	0.0	2213.7	1807.4	2532.3	0.0	0.0	0.0
2009	2078.6	0.0	1746.3	1915.3	2507.9	0.0	0.0	0.0
2010	842.2	45.0	714.5	893.7	1881.6	0.0	24.1	0.0
2011	0.0	128.9	0.0	187.0	166.6	0.0	76.2	0.0
2012	0.0	2455.0	0.0	3257.4	3004.5	0.0	3170.8	0.0
2013	0.0	1827.6	0.0	821.8	1208.2	0.0	1398.9	0.0
2014	0.0	3034.1	0.0	2875.8	1913.5	0.0	2249.5	0.0
2015	0.0	2183.8	0.0	2444.4	827.6	0.0	1476.6	0.0