

WASKADA LOWER AMARANTH
UNIT NO. 1

UNIT AGREEMENT

REVISION NO. 1

UNIT AGREEMENT

WASKADA LOWER AMARANTH UNIT NO. 1

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UNIT AGREEMENT

WASKADA LOWER AMARANTH UNIT NO. 1

WHEREAS the Parties own Royalty Interests and Working Interests or either of them, in the Unitized Zone;

AND WHEREAS the Parties desire that the Unitized Zone be developed, produced and operated as a unit, all as hereinafter provided; contained, the Parties agree as follows:

ARTICLE I

DEFINITIONS

101. Definitions

In this agreement:

- (a) "Conservation Board" means the Oil and Natural Gas Conservation Board of the Province of Manitoba;
- (b) "Effective Date" means the time and date referred to in Article XIV;
- (c) "Lease" means an instrument granting a Working Interest in the Unitized Zone;
- (d) "Outside Substance" means any substance initially obtained from any source other than the Unitized Zone or any Unitized Substances with respect to which royalty has been paid;
- (e) "Party" means a person or corporation who is bound by this agreement;
- (f) "Petroleum Substances" means petroleum, natural gas and other hydrocarbons (except coal) or any of them and all substances associated therewith;

- (g) "Royalty Interest" means any interest other than a Working Interest in Petroleum Substances, or the proceeds from the sale thereof, produced from the Unitized Zone but does not include the interest of a person as a purchaser of Petroleum Substances after production;
- (h) "Royalty Owner" means a Party owning a Royalty Interest;
- (i) "Spacing Unit" means the area allocated to a well by any government body having jurisdiction with respect hereto for each well drilled for the purpose of producing Petroleum Substances from the Unitized Zone;
- (j) "Tract" means a parcel of land described and given a Tract number in Exhibit "A";
- (k) "Tract Participation" means the effective percentage allotted to a Tract pursuant to Article VI and set forth in Exhibit "A";
- (l) "Unit Area" means the lands described in Exhibit "A" and shown outlined on Exhibit "B";
- (m) "Unit Operator" means the person who is so designated under the Unit Operating Agreement;
- (n) "Unit Operating Agreement" means the agreement entitled "Unit Operating Agreement - Waskada Lower Amaranth Unit No. 1" entered into by the Working Interest Owners;
- (o) "Unitized Zone" means the Lower Amaranth Formation within the Unit Area;
- (p) "Unitized Substance" means Petroleum Substances in or obtained from the Unitized Zone;

- (q) "Working Interest" means any right to produce and dispose of Petroleum Substances from the Unitized Zone, including an interest chargeable with any costs of drilling for, recovery of and disposal of Petroleum Substances therefrom;
- (r) "Working Interest Owner" means a Party owning a Working Interest;
- (s) "Unitized Zone" means the Lower Amaranth Formation of Triassic Age underlying lands outlined on Exhibit "B", as exemplified by the geological section occurring between the induction electric log depths of 889.8 m and 924.4 m, as measured from the Kelly Bushing at Omega Waskada 15-24-1-26 WPM and shown on Exhibit "C".

ARTICLE II

EXHIBITS

201. Exhibits

The following exhibits are attached to and incorporated in this agreement:

- (a) Exhibit "A" which numbers and describes each Tract and sets forth its Tract Participation, the names of the Working Interest Owners and their respective shares of the Working Interest, together with the names of the Royalty Owners and their respective shares of the Royalty Interest;
- (b) Exhibit "B" which is a plan of the Unit Area;
- (c) Exhibit "C" which is a copy of a portion of the induction electric log referred to in subclause 101(s) hereof.

202. Exhibits Correct

Each exhibit shall be deemed correct to the effective time of a revision or correction thereof as herein provided.

203. Correction of Exhibits

If any mistake or mechanical error occurs in an exhibit, Unit Operator may, or upon request of the Working Interest Owners shall, prepare a corrected exhibit but the data used in establishing Tract Participations shall not be re-evaluated.

204. Effective Time

Any corrected exhibit prepared on or before the Effective Date or within 90 days thereafter shall be effective on the Effective Date. Any corrected exhibit prepared thereafter shall be effective at 0800 hours official time on the first day of the calendar month next following its preparation or on such date as is determined by the Working Interest Owners.

205. Supply of Exhibits

Each time that an exhibit is revised or corrected pursuant to this agreement, Unit Operator shall supply the Conservation Board and the Department of Mines, Resources and Environmental Management with copies as may be required and shall supply each Working Interest Owner with the number of copies of the exhibits it requests. Each Working Interest Owner shall supply each of its Royalty Owners, excepting the Crown, with a copy thereof.

206. Form of Revised or Corrected Exhibits

Exhibits that are revised or corrected shall show the effective time of the revision or correction and shall be numbered consecutively.

ARTICLE III
UNITIZATION AND EFFECT

301. Unitization

On and after the Effective Date the interests of each Royalty Owner and of each Working Interest Owner in the Unitized Substances and in the Unitized Zone are hereby unitized, as if the Unitized Zone had been included in a single lease executed by the Royalty Owners, as lessors, in favour of the Working Interest Owners, as lessees, and as if the lease had been subject to this agreement.

302. Personal Property Excepted

All lease and well equipment heretofore and hereafter placed by any of the Working Interest Owners on lands comprised in the Unit Area shall be deemed conclusively to be and shall remain personal property belonging to and may be removed by the Working Interest Owners subject to the Working Interest Owners rights and interests therein as may be set forth in the Unit Operating Agreement.

303. Continuation of Leases

All operations conducted with respect to the Unitized Zone or production of Unitized Substances shall, except for the purposes of calculating payments to Royalty Owners, be deemed conclusively to be operations upon or production from all of the Unitized Zone in each Tract, and such operations or production shall continue in force and effect each Lease and any other agreement or instrument relating to the Unitized Zone or Unitized Substances as if such operations had been conducted on, and a well was producing from, each Tract of Spacing Unit, or portion thereof, in the Unit Area.

304. Leases Amended

Each Lease and any other agreement or instrument relating to the Unitized Zone or Unitized Substances in hereby amended only to the extent necessary to make it conform to this agreement.

305. Ratification of Leases

Except where a court action involving a Lease has been commenced and is pending on the Effective Date, each Royalty Owner hereby ratifies and confirms any Lease, as amended by this agreement, to which it is a party and agrees that no default exists with respect thereto and that any such Lease is in effect as of the Effective Date.

306. Effect of Unitization on Titles

Nothing herein shall be construed as a transfer or exchange of any interest in the Leases, Tract or Unitized Zone, or in the Unitized Substances before production thereof.

307. Name

The name of the unit hereby constituted is "Waskada Lower Amaranth Unit No. 1".

ARTICLE IV

AUTHORITY TO WORKING INTEREST OWNERS

401. Operations

The Working Interest Owners are hereby granted the right to develop and operate the Unitized Zone without regard to the provisions of the Leases or the boundary lines of the Tracts or Spacing Units in such

manner and by such means and methods as the Working Interest Owners consider necessary and proper and, without limiting the generality of the foregoing, the right to inject any substance or combination of substances into the Unitized Zone and convert and use as injection wells any wells now existing or hereafter drilled into the Unitized Zone.

402. Delegation

The Working Interest Owners may delegate to Unit Operator any of the rights and powers herein or otherwise granted to them.

403. Vote Of Working Interest Owners

Any matter to be determined under this agreement by the Working Interest Owners may be determined by vote of the parties to the Unit Operating Agreement as prescribed herein.

ARTICLE V

INCLUSION AND QUALIFICATION OF TRACTS

501. Tracts Included on Effective Date

The Tracts included in the Unit Area as of the Effective Date are those Tracts which are qualified under clause 502 before the Effective Date.

502. Qualifications of Tracts

A Tract is qualified for inclusion in the Unit Area when:

- (a) owners of 100 percent of the Working Interest therein have become Parties and parties to the Unit Operating Agreement and owners of 100 percent of the Royalty Interest therein have become Parties; or

- (b) owners of 100 percent of the Working Interest therein have become Parties and parties to the Unit Operating Agreement and owners of less than 100 percent of the Royalty Interest therein have become Parties, and such owners of Working Interest agree; if required by the other Working Interest Owners, to indemnify the other Working Interest Owners in a form and manner satisfactory to them for any loss or damage that may be suffered by such other Working Interest Owners in respect of claims and demands that, because of the inclusion of the Tract in the Unit Area, may be made by those owners of Royalty Interests in the Tract who have not become Parties; or
- (c) owners of Working Interests therein have agreed with the owners of Working Interest then Parties and parties to the Unit Operating Agreement as to the basis on which the Tract shall become qualified, where the Tract cannot be qualified pursuant to subclause (a) or (b) of this clause, and the Tract has become so qualified.

503. Late Qualification and Inclusion

A Tract qualified after the Effective Date, but within 90 days thereof, shall be included in the Unit Area as of 0800 hours official time on the first day of the first month next following expiration of the said 90 day period.

504. Revision of Exhibits

Within 60 days after the Effective Date, the exhibits shall be revised, if necessary, to set out only those Tracts included in the Unit.

Area as of the Effective Date, and, within 150 days after the Effective Date the exhibits shall be further revised, if necessary, to set out those Tracts included in the Unit Area under clause 503. The revised Exhibit "A" shall set forth the Tract Participations of the Tracts recalculated on the same basis and using the same data as that used in the calculation of Tract Participations in the original Exhibit "A" and so that their summation equals 100 percent.

ARTICLE VI

TRACT PARTICIPATION

601. Tract Participation

Each Tract has a Tract Participation as shown on Exhibit "A" which has been calculated on the basis of remaining recoverable reserves under waterflood to March 1, 1982. Upon the successful formation of the Unit the necessary steps will be taken to insure a well completed in the Unitized Zone in every drilling spacing unit and a pilot waterflood will be implemented. Production will be allocated according to these Tract Participations as of the Effective Date to insure equitable sharing of revenues during the development stage. All the subject work required to implement the pilot project will be completed within eight months of the Effective Date of this agreement.

ARTICLE VII

ALLOCATION OF UNITIZED SUBSTANCES PRODUCED

701. Allocation of Tracts

Subject to clauses 801 and 802 the Unitized Substances when

produced shall be allocated to the tracts in accordance with their Tract Participations. The amount of Unitized Substances allocated to each Tract, and only that amount, regardless of whether it be more or less than the amount of actual production of Unitized Substances from the well or wells, if any, on the Tract, shall be deemed conclusively to have been produced from the Tract.

702. Distribution Within Tracts

The Unitized Substances allocated to a Tract shall be distributed by the Working Interest Owners thereof among, or accounted for to, the Parties entitled to share in production from the Tract in the same manner, the same proportions, and upon the same conditions as they would have participated and shared in the production from the Tract, or in the proceeds from the sale thereof, had the Unitized Substances allocated to the Tract been actually produced therefrom by the Working Interest Owners.

703. Calculation of Royalty

The Working Interest Owners of each Tract shall calculate royalty on the Unitized Substances allocated of the Tract at the applicable rate under the Lease, other agreement or instrument relating to the Tract. The Royalty Owners of each Tract agree to accept payment of royalty so calculated in satisfaction of the obligation of a Working Interest Owner to make royalty payments on Unitized Substances under the Lease of such Tract; but a lessee under a Lease shall not be relieved from making payment of royalty to its lessor if payment is not made by the Working Interest Owner as aforesaid. In calculating royalty on residue gas, sulphur and fluid hydrocarbons, or any of them, obtained by processing Unitized Substances, other than crude oil, by compression, absorption or other plant extraction

or stabilization, proper allowances shall be made for costs, expenses and charges, including a reasonable return on investment, incurred in or attributable to gathering and processing the Unitized Substances.

704. Taking Unitized Substances in Kind

The Unitized Substances allocated to a Tract shall be delivered in kind at the time and place of production to the Working Interest Owners entitled thereto who may, if there is no interference with unit operations, construct, maintain and operate in the Unit Area all necessary facilities for taking delivery in kind.

705. Failure to Take in Kind

To the extent that any Party entitled to take and receive in kind any portion of the Unitized Substances fails to take or otherwise adequately dispose of same, then so long as such failure continues the Unit Operator, as agent and, for the account and at the expense of such Party, may sell, store, inject or otherwise dispose of it. If such Party's share of Unitized Substances is sold by the Unit Operator, the proceeds remaining from the sale shall be paid to such Party. The authority of the Unit Operator to enter into contracts for the sale of such Party's share of Unitized Substances shall be restricted to contracts that are consistent with the minimum needs of the industry under the circumstances and in no event shall the term thereof exceed one year. When the Unit Operator has so contracted, and subject to the terms of the contract, such Party may take its share of the Unitized Substances in kind upon the expiration thereof. Any party not taking its share of the Unitized Substance in kind may revoke at will Unit Operator's authority hereunder taking in kind all its share of Unitized Substances not previously contracted for sale by Unit Operator.

706. Royalty on Outside Substances

If an Outside Substance is injected into the Unitized Zone, the first like substance contained in the Unitized Substances subsequently produced and sold or used other than for operations hereunder shall be deemed conclusively to be an Outside Substance until a quantity equal to the quantity of the Outside Substance injected into the Unitized Zone is recovered. No royalty shall be payable on any substance which is deemed conclusively to be an Outside Substance.

ARTICLE VIII

USE, LOSS AND REINJECTION OF UNITIZED SUBSTANCES

801. Use or Loss

The Working Interest Owners may use as much of the Unitized Substances, other than crude oil, as they deem necessary for the operation and development of the Unitized Zone including, but not limited to, the injection thereof into the Unitized Zone and in the operation of any plant or plants handling Unitized Substances. Unitized Substances so used or injected and Unitized Substances lost shall be excluded in allocating Unitized Substances to Tracts, and no royalty or other payment shall be payable in respect thereof.

802. Reinjection

The Working Interest Owners are hereby granted the right to inject Unitized Substances into the Unitized Zone for storage and/or enhanced oil recovery. Unitized Substances so injected shall be excluded in allocating Unitized Substances to Tracts, and no royalty or other payment shall be payable in respect thereof until they are recovered from storage and sold or used for operations other than operations hereunder.

ARTICLE IX

ENLARGEMENT OF UNIT AREA

901. Application to Enlarge

After the expiry of 90 days from the Effective Date, if an owner of a Working Interest in lands in the vicinity of the Unit Area indicated to be potentially productive of Petroleum Substances from the Lower Amaranth formation makes application therefore, the Working Interest Owners may, upon such terms and conditions as they may determine, approve the admission of the lands into the Unit Area. If the lands qualify under clause 502, the Unit Area shall be enlarged to include them. Even though an owner of a Royalty Interest in lands approved hereunder for admission into the Unit Area is a Party, the lands shall not qualify for inclusion in the Unit Area unless the owner again executes and delivers 2 counterparts of this agreement to Unit Operator or the lands otherwise qualify pursuant to subclause (b) or (c) of clause 502.

902. Adjustment of Tract Participation

The Tract Participation of each Tract added pursuant to clause 901 shall be determined by the Working Interest Owners. The Tract Participations shall then be adjusted so that:

- (a) the ratios of the Tract Participations of Tracts shown on Exhibit "A" immediately prior to the enlargement of the Unit Area remain the same, the one to the other; and
- (b) the total of the Tract Participations for all Tracts of the enlarged Unit Area equals 100 percent.

903. Exhibits

Unit Operator shall revise Exhibits "A" and "B" as required by the enlargement.

904. Effective Time of Enlargement

An enlargement of the Unit Area and an adjustment of Tract Participations under this Article shall become effective at 0800 hours official time on the first day of the first calendar month following approval of admission under clause 901 and Tract qualification under clause 502.

905. No Retroactive Adjustment

There shall never be any retroactive adjustment of the allocation of Unitized Substances by reason of an enlargement of the Unit Area under this Article.

ARTICLE X

DISPUTES

1001. Disputes

If the title or right of a Party to receive in kind all or any portion of the Unitized Substances allocated to a Tract, or any share of the proceeds from the sale thereof, is in dispute, the Party concerned shall forthwith give notice thereof to Unit operator. If Unit Operator is so notified or if Unit Operator is directed to do so by the Working Interest Owners in the event that it is otherwise informed of the dispute, unit Operator shall withhold and sell the portion of Unitized Substances the title or right to which is in dispute, and hold in trust the proceeds from

the sale thereof until:

- (a) the Party concerned furnishes security in a form and manner satisfactory to the Working Interest Owners for the proper accounting thereof to the rightful owner or owners if the title or right of the Party shall fail in whole or in part, whereupon the proceeds shall be paid to the Party; or
- (b) the title or right thereto is established by a final judgement of a Court or otherwise to the satisfaction of the Working Interest Owners, whereupon such proceeds shall be paid to the Party rightfully entitled.

If Unit Operator does not comply with this clause because it is not notified of a dispute by a Party concerned, that Party hereby agrees to indemnify and save harmless Unit Operator from any loss or damage suffered because of anything done or omitted to be done by Unit Operator because it was not notified.

ARTICLE XI

TITLES

1101. Warranty of Titles

Each Working Interest Owner represents and warrants that it is the owner of the Working Interests claimed by it in the Tracts, as set forth in Exhibit "A", and hereby covenants to indemnify and hold the other Parties harmless from any loss due to failure in whole or in part of its titles to any such Working Interest. A Working Interest Owner whose title to the Working Interest in a Tract has so failed, shall be responsible for making at its cost, with the person entitled to such Working Interest, any adjust-

ment for investment and for development and operating expenses, and of Unitized Substances or the proceeds thereof, resulting from such title failure. Notwithstanding the other provisions of this clause, an indemnification of the other Working Interest in a Tract where title fails shall, with respect to Unitized Substances, be limited to an amount equal to the cumulative value of Unitized Substances allocated to such tract.

1102. Subsequent Failure of Title

If a title of a Working Interest Owner to a Tract fails, the Tract shall be excluded from this agreement and the Unit Operating Agreement as of 0800 hours official time on the first day of the calendar month in which the failure of title is finally determined unless:

- (a) any other Party is held or declared to own the title in which event that Party shall be bound by this agreement and the Unit Operating Agreement in respect of the Tract; or
- (b) by the last day of the next following calendar month the Tract qualifies for inclusion in the Unit Area pursuant to clause 502.

1103. Revision of Exhibits

Unit Operator shall revise the exhibits to reflect any change in ownership in or exclusion from this agreement of a Tract pursuant to clause 1102. Where a Tract is excluded, the Tract Participations of the other Tracts shall each be increased, without changing their ratios the one to the other, so that their summation equals 100 percent. The revised exhibits shall be effective as of 0800 hours official time on the first day

of the calendar month in which the failure of title referred to in clause 1102 is finally determined.

ARTICLE XII

TRANSFER OF INTEREST

1201. Disposition

In this clause "disposition" means a sale, assignment, transfer, lease, sublease, conveyance, parting with possession, or any transaction of a similar nature, whether by trust or otherwise. A disposition of an interest owned by a Party in a Tract shall cover the whole or an undivided interest in the Party's interest in such Tract. A disposition shall not be binding on the Unit Operator until at least one of the parties to such disposition has given notice thereof to the Unit Operator by copy of the instrument evidencing such a disposition, and the acquiring party, if not a Party hereto, has executed and delivered to Unit Operator a counterpart of this agreement. Unit Operator shall revise the exhibits to reflect each disposition of an interest in a Tract and the revised exhibits shall be effective as of 0800 hours official time on the first day of the calendar month in which the notice is received by Unit Operator.

ARTICLE XIII

IN GENERAL

1301. Execution in Counterpart

This agreement may be executed in separate counterparts and all the executed counterparts together shall constitute one agreement. No Party shall be bound hereby until all have executed either one document or a counterpart.

1302. Dual Capacity

 If a Party owns a Working Interest and a Royalty Interest, its execution of this agreement in one capacity shall also constitute execution in the other capacity.

1303. Subsequent Execution

 An owner of an interest in a Tract who has not become a Party as of the date the Tract was included in the Unit Area under Article V or IX, may become a Party with respect to that interest only on such terms and conditions as may be prescribed by the Working Interest Owners.

1304. No Partnership

 The duties and obligations of the Parties shall be separate and not joint or collective. Nothing contained in this agreement shall be construed to create a partnership or association.

1305. Force Majeure

 Neither Unit Operator nor any Party shall be deemed to be in default with respect to non-performance of its obligations hereunder, other than financial, if and so long as its non-performance is due, in whole or in part, to any cause beyond its reasonable control, but lack of funds shall not be a cause beyond a Party's reasonable control. The performance of such obligations shall begin or be resumed within a reasonable time after such cause has been removed. Neither this agreement nor any Lease or any other agreement or instrument relating to the Unitized Zone or Unitized Substances shall terminate by reason or suspension of unit operations for the cause set forth in this clause.

1306. Taxes

Each Party shall be separately liable to the extent of its ownership for all taxes on or with respect to the production or sale of Unitized Substances. A Working Interest Owner may, at any time and from time to time, pay such taxes on behalf of its Royalty Owner and deduct the amount of the payment from the Royalty Owner's royalty. Taxes on production or the value thereof shall be adjusted so that they are borne as if the basis of taxation was the allocation of Unitized Substances hereunder.

1307. Right of Redemption

A Working Interest Owner may, at any time and from time to time, with full rights of subrogation, redeem for its Royalty Owner any agreement for sale, mortgage, or other lien or encumbrance of any kind or nature affecting any interest in the Unit Area in the event of default of payment by the Royalty Owner and deduct the amount of any payment made hereunder from the Royalty Owner's royalty.

1308. Interpretation

The clause headings in this agreement shall not be considered in interpreting the text.

1309. Number and Gender

In this agreement words importing the singular include the plural and vice versa; words importing the masculine gender include the feminine and vice versa; and words importing persons include firms or corporations and vice versa.

1310. Time

In this agreement all times are Central Standard Time.

1311. Notices

Any notice required to be served under this agreement shall be in writing and is properly served when sent by mail or telegram to the latest address of the Party concerned, as furnished to the Unit Operator, and shall be deemed to have been received 5 normal working days after sending.

1312. Recognition of Title

Subject to clause 305 hereof, the execution of this agreement by any Working Interest Owner or Royalty Owner shall not have the effect of recognizing the title of any other Working Interest Owner or Royalty Owner.

1313. Approval of the Conservation Board

This agreement is subject in its entirety to the approval of the Conservation Board.

ARTICLE XIV

EFFECTIVE DATE

1401. Effective Date

The unitization provided for herein shall become effective at 0800 hours official time on the first day of the first calendar month

following the date of the Unit Operator receiving written approval of this agreement from the Conservation Board.

1402. Notice of Effective Date

As soon as possible after the Effective Date, Unit Operator shall notify all Royalty Interest Owners, Working Interest Owners, the Conservation Board and the Department of Mines, Resources and Environmental Management for the Province of Manitoba of the Effective Date.

1403. Release of Parties

This agreement shall cease to bind the Parties if the unitization provided for herein has not become effective on or before the 1st day of October, 1983.

ARTICLE XV

TERM

1501. Effect of Execution and Delivery

Subject to clause 1403, this agreement is binding upon a person who executes and delivers two counterparts thereof to Unit Operator, and that person is bound by this agreement as of the time of such delivery. This agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the Parties.

1502. Termination

This agreement terminates 90 days after all wells for the production of Unitized Substances in the Unit Area have been abandoned, plugged or disposed of or upon the termination of the Unit Operating Agreement, and thereafter the Parties shall be governed by the terms and

provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which 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 to the termination of this agreement within 30 days thereafter.

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

Date

May 31 1983

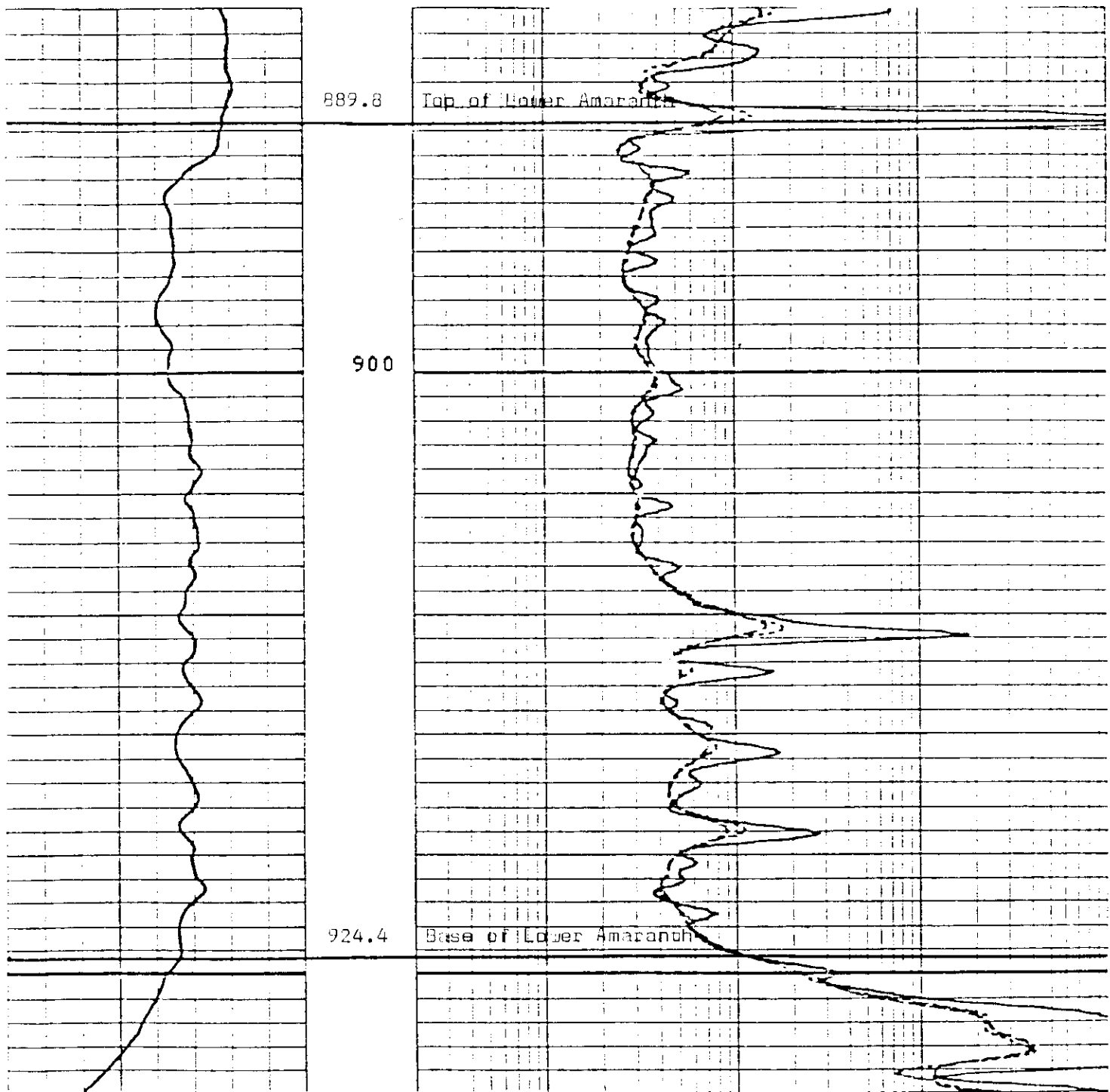
Witness

OMEGA HYDROCARBONS LTD.

[Signature] PRESIDENT
[Signature] SECRETARY

EXHIBIT "L"

Attached to and made part of an Agreement entitled
"Unit Agreement - Waskada Lower Amaranth Unit No.1



PORTION OF DISFL LOG
RECORDED AT WELL
OMEGA WASKADA 15-24-1-26
KELLY BUSHING 470.50 m.

LIST OF ABBREVIATIONS

Working Interest Owners

Omega	Omega Hydrocarbons Ltd.
-------	-------------------------

Royalty Interest Owners

McArthur	George F. McArthur
McGregor	Donald E. McGregor
Missilinda	Missilinda of Canada Ltd.
N.A.R.	North American Royalties
Pounder	Mabel Grace Pounder
Trewin	Harold Forbes Trewin
M. E. Hainsworth	Maude E. Hainsworth
M. K. Hainsworth	Mabel K. Hainsworth

EXHIBIT 'A'

Attached to and made part of an agreement entitled
"Unit Agreement - Waskada Lower Amaranth Unit No. 1"

<u>TRACT NUMBER</u>	<u>LAND DESCRIPTION</u>	<u>OWNER</u>	<u>ROYALTY INTERESTS TRACT SHARE (%)</u>	<u>TRACT PARTICIPATION</u>
1	Lsd 9-24-1-26 WPM	See Group A Below		2.2615
2	Lsd 10-24-1-26 WPM	See Group A Below		2.1558
3	Lsd 11-24-1-26 WPM	See Group B Below		2.5574
4	Lsd 12-24-1-26 WPM	See Group B Below		3.5930
5	Lsd 13-24-1-26 WPM	See Group B Below		3.4663
6	Lsd 14-24-1-26 WPM	See Group B Below		2.1295
7	Lsd 15-24-1-26 WPM	See Group A Below		1.9454
8	Lsd 16-24-1-26 WPM	See Group A Below		3.1070
9	Lsd 1-25-1-26 WPM	Trewin	100	3.6142
10	Lsd 2-25-1-26 WPM	Trewin	100	3.2337
11	Lsd 3-25-1-26 WPM	Pounder	100	3.5084
12	Lsd 4-25-1-26 WPM	Pounder	100	4.0158
13	Lsd 5-25-1-26 WPM	Pounder	100	4.0321
14	Lsd 6-25-1-26 WPM	Pounder	100	3.4021
15	Lsd 7-25-1-26 WPM	Trewin	100	3.7621
16	Lsd 8-25-1-26 WPM	Trewin	100	4.0993
17	Lsd 9-25-1-26 WPM	Trewin	100	3.8654
18	Lsd 10-25-1-26 WPM	Trewin	100	2.8110
19	Lsd 11-25-1-26 WPM	Pounder	100	2.8322
20	Lsd 12-25-1-26 WPM	Pounder	100	2.7687
21	Lsd 13-25-1-26 WPM	Pounder	100	2.0078
22	Lsd 14-25-1-26 WPM	Pounder	100	1.4161
23	Lsd 15-25-1-26 WPM	Trewin	100	0.9300
24	Lsd 16-25-1-26 WPM	Trewin	100	2.1559
25	Lsd 9-23-1-26 WPM	M. K. Hainsworth	100	4.6498
26	Lsd 10-23-1-26 WPM	M. K. Hainsworth	100	2.2193
27	Lsd 15-23-1-26 WPM	M. K. Hainsworth	100	4.2465
28	Lsd 16-23-1-26 WPM	M. K. Hainsworth	100	4.0618
29	Lsd 1-26-1-26 WPM	See Group C Below		3.7485
30	Lsd 2-26-1-26 WPM	See Group C Below		5.0694
31	Lsd 7-26-1-26 WPM	See Group C Below		2.7054
32	Lsd 8-26-1-26 WPM	See Group C Below		3.6286

NOTES: (1) Tracts 1 through 32 inclusive have 100% Working Interest owned by Omega Hydrocarbons Ltd.

(2) Group A Royalty Owners: McArthur 50%, McGregor 25%, Missilinda 25%

(3) Group B Royalty Owners: N.A.R. 25%, McArthur 50%, McGregor 25%

(4) Group C Royalty Owners: Jointly owned by M. K. Hainsworth and M. E. Hainsworth

EXHIBIT "B"

Attached to and made part of an Agreement entitled
 "Unit Agreement - Waskada Lower Amaranth Unit No. 1"

Rge 26 WPM

Rge 25 WPM

35		36		31	
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provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which 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 to the termination of this agreement within 30 days thereafter.

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

May 21/83
Date
J. H. Greiner ● Stewart WITNESS
~~Witness~~

CANADA)
PROVINCE OF MANITOBA)
TO WIT:)

AFFIDAVIT OF EXECUTION

I, JEAN STEWART of WINNIPEG
in the Province of Manitoba, NURSE, make oath and say:

1. THAT I was personally present and did see HAROLD FORBES TREWIN named in the within instrument, who is (are) personally known to me to be the person(s) named therein, duly sign, seal and execute the same for the purpose named therein.

2. THAT the same was executed at WINNIPEG in the Province of Manitoba, and that I am the subscribing witness thereto.

3. THAT I know the said HAROLD FORBES TREWIN and he (or she) is (or they are each), in my belief, of the full age of eighteen years.

SWORN before me at WINNIPEG)
Province of Manitoba this 27)
day of MAY, A.D., 19 83.)

Stewart

David M. Taylor
DAVID M. TAYLOR

A Commissioner for Oaths in and
for the Province of Manitoba.
My Commission Expires July 8, 1984.

provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which 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 to the termination of this agreement within 30 days thereafter.

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

May 2nd, 1983
Date

[Signature]
Witness

E. Maudie Mainworth
Ex. (Mrs) Jessie I. Kontge P.A.

CANADA

PROVINCE OF MANITOBA

TO WIT:

AFFIDAVIT OF EXECUTION

I, M. LeBlanc of Deloraine
in the Province of Manitoba, _____, make oath and say:

1. THAT I was personally present and did see Jessie Kontzi
named in the within instrument, who is (are) personally known to me to be the
person(s) named therein, duly sign, seal and execute the same for the purpose
named therein.

2. THAT the same was executed at Deloraine in the
Province of Manitoba, and that I am the subscribing witness thereto.

3. THAT I know the said Jessie Kontzi and he (or she)
is (or they are each), in my belief, of the full age of eighteen years.

SWORN before me at Deloraine
Province of Manitoba this second
day of May, A.D., 1983.

M. LeBlanc

John A. Wright
my commission expires Aug 27/83

provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which 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 to the termination of this agreement within 30 days thereafter.

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

April 27th/1983
Date

[Signature]
Witness

[Signature]

CANADA

PROVINCE OF ~~Manitoba~~

TO WIT:

AFFIDAVIT OF ~~MANITOBAN~~

I, Elizabeth Juskola of City of Victoria
in the Province of Manitoba, Secretary,
British Columbia, make oath and say:

1. THAT I was personally present and did see Mabel Grace Pounder
named in the within instrument, and is ~~(was)~~ personally known to me to be the
person~~(s)~~ named therein, duly sign, seal and execute the same for the purpose
named therein.

2. THAT the same was executed at City of Victoria in the
Province of Manitoba, and that I am the subscribing witness thereto.
British Columbia

3. THAT I know the said Mabel Grace Pounder and ~~he~~ (or she)
is (or they are each), in my belief, of the full age of eighteen years.

SUBSCRIBED before me at City of Victoria
Province of Manitoba, this 27th
day of April, British Columbia, A.D., 1983.

Elizabeth Juskola

a Notary Public in and for
British Columbia

JOHN S. DAVIES

BARRISTER & SOLICITOR

2130A OAK BAY AVE.

VICTORIA, B.C.

provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which 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 to the termination of this agreement within 30 days thereafter.

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

Date

May 2nd 1983

Witness

M. L. Blane

Mabel K. Heinaworth

CANADA

PROVINCE OF MANITOBA

TO WIT:

AFFIDAVIT OF EXECUTION

I, M. H. Blanc of Daloraine
in the Province of Manitoba, _____, make oath and say:

1. THAT I was personally present and did see Nabel K. Hainsworth
named in the within instrument, who is (are) personally known to me to be the
person(s) named therein, duly sign, seal and execute the same for the purpose
named therein.

2. THAT the same was executed at Daloraine in the
Province of Manitoba, and that I am the subscribing witness thereto.

3. THAT I know the said Nabel K. Hainsworth and he (or she)
is (or they are each), in my belief, of the full age of eighteen years.

SWORN before me at Daloraine
Province of Manitoba this second
day of May, A.D., 1983.

M. H. Blanc

John H. Wright
my commission expires Aug 27/83

WASKADA LOWER AMARANTH
UNIT NO. 1

UNIT AGREEMENT

REVISION NO. 1

UNIT AGREEMENT

WASKADA LOWER AMARANTH UNIT NO. 1

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UNIT AGREEMENT

WASKADA LOWER AMARANTH UNIT NO. 1

WHEREAS the Parties own Royalty Interests and Working Interests or either of them, in the Unitized Zone;

AND WHEREAS the Parties desire that the Unitized Zone be developed, produced and operated as a unit, all as hereinafter provided; contained, the Parties agree as follows:

ARTICLE I

DEFINITIONS

101. Definitions

In this agreement:

- (a) "Conservation Board" means the Oil and Natural Gas Conservation Board of the Province of Manitoba;
- (b) "Effective Date" means the time and date referred to in Article XIV;
- (c) "Lease" means an instrument granting a Working Interest in the Unitized Zone;
- (d) "Outside Substance" means any substance initially obtained from any source other than the Unitized Zone or any Unitized Substances with respect to which royalty has been paid;
- (e) "Party" means a person or corporation who is bound by this agreement;
- (f) "Petroleum Substances" means petroleum, natural gas and other hydrocarbons (except coal) or any of them and all substances associated therewith;

- (g) "Royalty Interest" means any interest other than a Working Interest in Petroleum Substances, or the proceeds from the sale thereof, produced from the Unitized Zone but does not include the interest of a person as a purchaser of Petroleum Substances after production;
- (h) "Royalty Owner" means a Party owning a Royalty Interest;
- (i) "Spacing Unit" means the area allocated to a well by any government body having jurisdiction with respect hereto for each well drilled for the purpose of producing Petroleum Substances from the Unitized Zone;
- (j) "Tract" means a parcel of land described and given a Tract number in Exhibit "A";
- (k) "Tract Participation" means the effective percentage allotted to a Tract pursuant to Article VI and set forth in Exhibit "A";
- (l) "Unit Area" means the lands described in Exhibit "A" and shown outlined on Exhibit "B";
- (m) "Unit Operator" means the person who is so designated under the Unit Operating Agreement;
- (n) "Unit Operating Agreement" means the agreement entitled "Unit Operating Agreement - Waskada Lower Amaranth Unit No. 1" entered into by the Working Interest Owners;
- (o) "Unitized Zone" means the Lower Amaranth Formation within the Unit Area;
- (p) "Unitized Substance" means Petroleum Substances in or obtained from the Unitized Zone;

- (q) "Working Interest" means any right to produce and dispose of Petroleum Substances from the Unitized Zone, including an interest chargeable with any costs of drilling for, recovery of and disposal of Petroleum Substances therefrom;
- (r) "Working Interest Owner" means a Party owning a Working Interest;
- (s) "Unitized Zone" means the Lower Amaranth Formation of Triassic Age underlying lands outlined on Exhibit "B", as exemplified by the geological section occurring between the induction electric log depths of 889.8 m and 924.4 m, as measured from the Kelly Bushing at Omega Waskada 15-24-1-26 WPM and shown on Exhibit "C".

ARTICLE II

EXHIBITS

201. Exhibits

The following exhibits are attached to and incorporated in this agreement:

- (a) Exhibit "A" which numbers and describes each Tract and sets forth its Tract Participation, the names of the Working Interest Owners and their respective shares of the Working Interest, together with the names of the Royalty Owners and their respective shares of the Royalty Interest;
- (b) Exhibit "B" which is a plan of the Unit Area;
- (c) Exhibit "C" which is a copy of a portion of the induction electric log referred to in subclause 101(s) hereof.

202. Exhibits Correct

Each exhibit shall be deemed correct to the effective time of a revision or correction thereof as herein provided.

203. Correction of Exhibits

If any mistake or mechanical error occurs in an exhibit, Unit Operator may, or upon request of the Working Interest Owners shall, prepare a corrected exhibit but the data used in establishing Tract Participations shall not be re-evaluated.

204. Effective Time

Any corrected exhibit prepared on or before the Effective Date or within 90 days thereafter shall be effective on the Effective Date. Any corrected exhibit prepared thereafter shall be effective at 0800 hours official time on the first day of the calendar month next following its preparation or on such date as is determined by the Working Interest Owners.

205. Supply of Exhibits

Each time that an exhibit is revised or corrected pursuant to this agreement, Unit Operator shall supply the Conservation Board and the Department of Mines, Resources and Environmental Management with copies as may be required and shall supply each Working Interest Owner with the number of copies of the exhibits it requests. Each Working Interest Owner shall supply each of its Royalty Owners, excepting the Crown, with a copy thereof.

206. Form of Revised or Corrected Exhibits

Exhibits that are revised or corrected shall show the effective time of the revision or correction and shall be numbered consecutively.

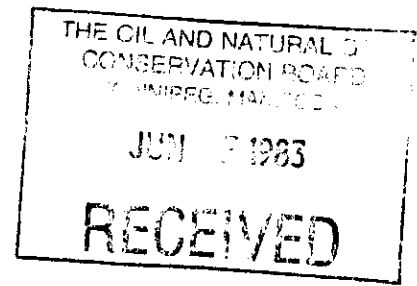
'Current'



TELEPHONE (403) 261-0743

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

May 31, 1983



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

Attention: Dr. Ian Haugh
Deputy Chairman

Dear Sir:

Re: Expansion of the Existing
Waskada Lower Amaranth Unit No. 1

Omega Hydrocarbons Ltd., as operator and sole working interest owner, hereby solicits the approval of the Oil and Natural Gas Conservation Board to expand the Waskada Lower Amaranth Unit No. 1 to include the N/2 of Section 25-1-26 WPM, the NE/4 of Section 23-1-26 WPM and the SE/4 of Section 26-1-26 WPM. Provisions for Unit expansion are provided for in Clauses 901 through 905 of the Unit Agreement.

Attached is a copy of the Unit Agreement with executed signature pages for Omega and each of the four royalty interest owners for the lands to be added; representing unanimous agreement. Exhibits "A" and "B", and the List of Abbreviations have been amended to provide for Tracts 17-32 that have been added. As Vice President of Production, I guarantee this copy of the Unit Agreement to be as presented and agreed to by all signing parties.

Yours very truly,

OMEGA HYDROCARBONS LTD.

G. E. Patey
Vice President of Production

EW:amr
cc: D. Taylor - Land Dept.
Attachment

x.c. - H. Clare Moster (w/original attach.
June 7, 1983 - IH/ra

ARTICLE III

UNITIZATION AND EFFECT

301. Unitization

On and after the Effective Date the interests of each Royalty Owner and of each Working Interest Owner in the Unitized Substances and in the Unitized Zone are hereby unitized, as if the Unitized Zone had been included in a single lease executed by the Royalty Owners, as lessors, in favour of the Working Interest Owners, as lessees, and as if the lease had been subject to this agreement.

302. Personal Property Excepted

All lease and well equipment heretofore and hereafter placed by any of the Working Interest Owners on lands comprised in the Unit Area shall be deemed conclusively to be and shall remain personal property belonging to and may be removed by the Working Interest Owners subject to the Working Interest Owners rights and interests therein as may be set forth in the Unit Operating Agreement.

303. Continuation of Leases

All operations conducted with respect to the Unitized Zone or production of Unitized Substances shall, except for the purposes of calculating payments to Royalty Owners, be deemed conclusively to be operations upon or production from all of the Unitized Zone in each Tract, and such operations or production shall continue in force and effect each Lease and any other agreement or instrument relating to the Unitized Zone or Unitized Substances as if such operations had been conducted on, and a well was producing from, each Tract of Spacing Unit, or portion thereof, in the Unit Area.

304. Leases Amended

Each Lease and any other agreement or instrument relating to the Unitized Zone or Unitized Substances in hereby amended only to the extent necessary to make it conform to this agreement.

305. Ratification of Leases

Except where a court action involving a Lease has been commenced and is pending on the Effective Date, each Royalty Owner hereby ratifies and confirms any Lease, as amended by this agreement, to which it is a party and agrees that no default exists with respect thereto and that any such Lease is in effect as of the Effective Date.

306. Effect of Unitization on Titles

Nothing herein shall be construed as a transfer or exchange of any interest in the Leases, Tract or Unitized Zone, or in the Unitized Substances before production thereof.

307. Name

The name of the unit hereby constituted is "Waskada Lower Amaranth Unit No. 1".

ARTICLE IV

AUTHORITY TO WORKING INTEREST OWNERS

401. Operations

The Working Interest Owners are hereby granted the right to develop and operate the Unitized Zone without regard to the provisions of the Leases or the boundary lines of the Tracts or Spacing Units in such

manner and by such means and methods as the Working Interest Owners consider necessary and proper and, without limiting the generality of the foregoing, the right to inject any substance or combination of substances into the Unitized Zone and convert and use as injection wells any wells now existing or hereafter drilled into the Unitized Zone.

402. Delegation

The Working Interest Owners may delegate to Unit Operator any of the rights and powers herein or otherwise granted to them.

403. Vote Of Working Interest Owners

Any matter to be determined under this agreement by the Working Interest Owners may be determined by vote of the parties to the Unit Operating Agreement as prescribed herein.

ARTICLE V

INCLUSION AND QUALIFICATION OF TRACTS

501. Tracts Included on Effective Date

The Tracts included in the Unit Area as of the Effective Date are those Tracts which are qualified under clause 502 before the Effective Date.

502. Qualifications of Tracts

A Tract is qualified for inclusion in the Unit Area when:

- (a) owners of 100 percent of the Working Interest therein have become Parties and parties to the Unit Operating Agreement and owners of 100 percent of the Royalty Interest therein have become Parties; or

- (b) owners of 100 percent of the Working Interest therein have become Parties and parties to the Unit Operating Agreement and owners of less than 100 percent of the Royalty Interest therein have become Parties, and such owners of Working Interest agree; if required by the other Working Interest Owners, to indemnify the other Working Interest Owners in a form and manner satisfactory to them for any loss or damage that may be suffered by such other Working Interest Owners in respect of claims and demands that, because of the inclusion of the Tract in the Unit Area, may be made by those owners of Royalty Interests in the Tract who have not become Parties; or
- (c) owners of Working Interests therein have agreed with the owners of Working Interest then Parties and parties to the Unit Operating Agreement as to the basis on which the Tract shall become qualified, where the Tract cannot be qualified pursuant to subclause (a) or (b) of this clause, and the Tract has become so qualified.

503. Late Qualification and Inclusion

A Tract qualified after the Effective Date, but within 90 days thereof, shall be included in the Unit Area as of 0800 hours official time on the first day of the first month next following expiration of the said 90 day period.

504. Revision of Exhibits

Within 60 days after the Effective Date, the exhibits shall be revised, if necessary, to set out only those Tracts included in the Unit.

Area as of the Effective Date, and, within 150 days after the Effective Date the exhibits shall be further revised, if necessary, to set out those Tracts included in the Unit Area under clause 503. The revised Exhibit "A" shall set forth the Tract Participations of the Tracts recalculated on the same basis and using the same data as that used in the calculation of Tract Participations in the original Exhibit "A" and so that their summation equals 100 percent.

ARTICLE VI

TRACT PARTICIPATION

601. Tract Participation

Each Tract has a Tract Participation as shown on Exhibit "A" which has been calculated on the basis of remaining recoverable reserves under waterflood to March 1, 1982. Upon the successful formation of the Unit the necessary steps will be taken to insure a well completed in the Unitized Zone in every drilling spacing unit and a pilot waterflood will be implemented. Production will be allocated according to these Tract Participations as of the Effective Date to insure equitable sharing of revenues during the development stage. All the subject work required to implement the pilot project will be completed within eight months of the Effective Date of this agreement.

ARTICLE VII

ALLOCATION OF UNITIZED SUBSTANCES PRODUCED

701. Allocation of Tracts

Subject to clauses 801 and 802 the Unitized Substances when

produced shall be allocated to the tracts in accordance with their Tract Participations. The amount of Unitized Substances allocated to each Tract, and only that amount, regardless of whether it be more or less than the amount of actual production of Unitized Substances from the well or wells, if any, on the Tract, shall be deemed conclusively to have been produced from the Tract.

702. Distribution Within Tracts

The Unitized Substances allocated to a Tract shall be distributed by the Working Interest Owners thereof among, or accounted for to, the Parties entitled to share in production from the Tract in the same manner, the same proportions, and upon the same conditions as they would have participated and shared in the production from the Tract, or in the proceeds from the sale thereof, had the Unitized Substances allocated to the Tract been actually produced therefrom by the Working Interest Owners.

703. Calculation of Royalty

The Working Interest Owners of each Tract shall calculate royalty on the Unitized Substances allocated of the Tract at the applicable rate under the Lease, other agreement or instrument relating to the Tract. The Royalty Owners of each Tract agree to accept payment of royalty so calculated in satisfaction of the obligation of a Working Interest Owner to make royalty payments on Unitized Substances under the Lease of such Tract; but a lessee under a Lease shall not be relieved from making payment of royalty to its lessor if payment is not made by the Working Interest Owner as aforesaid. In calculating royalty on residue gas, sulphur and fluid hydrocarbons, or any of them, obtained by processing Unitized Substances, other than crude oil, by compression, absorption or other plant extraction

or stabilization, proper allowances shall be made for costs, expenses and charges, including a reasonable return on investment, incurred in or attributable to gathering and processing the Unitized Substances.

704. Taking Unitized Substances in Kind

The Unitized Substances allocated to a Tract shall be delivered in kind at the time and place of production to the Working Interest Owners entitled thereto who may, if there is no interference with unit operations, construct, maintain and operate in the Unit Area all necessary facilities for taking delivery in kind.

705. Failure to Take in Kind

To the extent that any Party entitled to take and receive in kind any portion of the Unitized Substances fails to take or otherwise adequately dispose of same, then so long as such failure continues the Unit Operator, as agent and, for the account and at the expense of such Party, may sell, store, inject or otherwise dispose of it. If such Party's share of Unitized Substances is sold by the Unit Operator, the proceeds remaining from the sale shall be paid to such Party. The authority of the Unit Operator to enter into contracts for the sale of such Party's share of Unitized Substances shall be restricted to contracts that are consistent with the minimum needs of the industry under the circumstances and in no event shall the term thereof exceed one year. When the Unit Operator has so contracted, and subject to the terms of the contract, such Party may take its share of the Unitized Substances in kind upon the expiration thereof. Any party not taking its share of the Unitized Substance in kind may revoke at will Unit Operator's authority hereunder taking in kind all its share of Unitized Substances not previously contracted for sale by Unit Operator.

706. Royalty on Outside Substances

If an Outside Substance is injected into the Unitized Zone, the first like substance contained in the Unitized Substances subsequently produced and sold or used other than for operations hereunder shall be deemed conclusively to be an Outside Substance until a quantity equal to the quantity of the Outside Substance injected into the Unitized Zone is recovered. No royalty shall be payable on any substance which is deemed conclusively to be an Outside Substance.

ARTICLE VIII

USE, LOSS AND REINJECTION OF UNITIZED SUBSTANCES

801. Use or Loss

The Working Interest Owners may use as much of the Unitized Substances, other than crude oil, as they deem necessary for the operation and development of the Unitized Zone including, but not limited to, the injection thereof into the Unitized Zone and in the operation of any plant or plants handling Unitized Substances. Unitized Substances so used or injected and Unitized Substances lost shall be excluded in allocating Unitized Substances to Tracts, and no royalty or other payment shall be payable in respect thereof.

802. Reinjection

The Working Interest Owners are hereby granted the right to inject Unitized Substances into the Unitized Zone for storage and/or enhanced oil recovery. Unitized Substances so injected shall be excluded in allocating Unitized Substances to Tracts, and no royalty or other payment shall be payable in respect thereof until they are recovered from storage and sold or used for operations other than operations hereunder.

ARTICLE IX

ENLARGEMENT OF UNIT AREA

901. Application to Enlarge

After the expiry of 90 days from the Effective Date, if an owner of a Working Interest in lands in the vicinity of the Unit Area indicated to be potentially productive of Petroleum Substances from the Lower Amaranth formation makes application therefore, the Working Interest Owners may, upon such terms and conditions as they may determine, approve the admission of the lands into the Unit Area. If the lands qualify under clause 502, the Unit Area shall be enlarged to include them. Even though an owner of a Royalty Interest in lands approved hereunder for admission into the Unit Area is a Party, the lands shall not qualify for inclusion in the Unit Area unless the owner again executes and delivers 2 counterparts of this agreement to Unit Operator or the lands otherwise qualify pursuant to subclause (b) or (c) of clause 502.

902. Adjustment of Tract Participation

The Tract Participation of each Tract added pursuant to clause 901 shall be determined by the Working Interest Owners. The Tract Participations shall then be adjusted so that:

- (a) the ratios of the Tract Participations of Tracts shown on Exhibit "A" immediately prior to the enlargement of the Unit Area remain the same, the one to the other; and
- (b) the total of the Tract Participations for all Tracts of the enlarged Unit Area equals 100 percent.

903. Exhibits

Unit Operator shall revise Exhibits "A" and "B" as required by the enlargement.

904. Effective Time of Enlargement

An enlargement of the Unit Area and an adjustment of Tract Participations under this Article shall become effective at 0800 hours official time on the first day of the first calendar month following approval of admission under clause 901 and Tract qualification under clause 502.

905. No Retroactive Adjustment

There shall never be any retroactive adjustment of the allocation of Unitized Substances by reason of an enlargement of the Unit Area under this Article.

ARTICLE X

DISPUTES

1001. Disputes

If the title or right of a Party to receive in kind all or any portion of the Unitized Substances allocated to a Tract, or any share of the proceeds from the sale thereof, is in dispute, the Party concerned shall forthwith give notice thereof to Unit operator. If Unit Operator is so notified or if Unit Operator is directed to do so by the Working Interest Owners in the event that it is otherwise informed of the dispute, unit Operator shall withhold and sell the portion of Unitized Substances the title or right to which is in dispute, and hold in trust the proceeds from

the sale thereof until:

- (a) the Party concerned furnishes security in a form and manner satisfactory to the Working Interest Owners for the proper accounting thereof to the rightful owner or owners if the title or right of the Party shall fail in whole or in part, whereupon the proceeds shall be paid to the Party; or
- (b) the title or right thereto is established by a final judgement of a Court or otherwise to the satisfaction of the Working Interest Owners, whereupon such proceeds shall be paid to the Party rightfully entitled.

If Unit Operator does not comply with this clause because it is not notified of a dispute by a Party concerned, that Party hereby agrees to indemnify and save harmless Unit Operator from any loss or damage suffered because of anything done or omitted to be done by Unit Operator because it was not notified.

ARTICLE XI

TITLES

1101. Warranty of Titles

Each Working Interest Owner represents and warrants that it is the owner of the Working Interests claimed by it in the Tracts, as set forth in Exhibit "A", and hereby covenants to indemnify and hold the other Parties harmless from any loss due to failure in whole or in part of its titles to any such Working Interest. A Working Interest Owner whose title to the Working Interest in a Tract has so failed, shall be responsible for making at its cost, with the person entitled to such Working Interest, any adjust-

ment for investment and for development and operating expenses, and of Unitized Substances or the proceeds thereof, resulting from such title failure. Notwithstanding the other provisions of this clause, an indemnification of the other Working Interest in a Tract where title fails shall, with respect to Unitized Substances, be limited to an amount equal to the cumulative value of Unitized Substances allocated to such tract.

1102. Subsequent Failure of Title

If a title of a Working Interest Owner to a Tract fails, the Tract shall be excluded from this agreement and the Unit Operating Agreement as of 0800 hours official time on the first day of the calendar month in which the failure of title is finally determined unless:

- (a) any other Party is held or declared to own the title in which event that Party shall be bound by this agreement and the Unit Operating Agreement in respect of the Tract; or
- (b) by the last day of the next following calendar month the Tract qualifies for inclusion in the Unit Area pursuant to clause 502.

1103. Revision of Exhibits

Unit Operator shall revise the exhibits to reflect any change in ownership in or exclusion from this agreement of a Tract pursuant to clause 1102. Where a Tract is excluded, the Tract Participations of the other Tracts shall each be increased, without changing their ratios the one to the other, so that their summation equals 100 percent. The revised exhibits shall be effective as of 0800 hours official time on the first day

of the calendar month in which the failure of title referred to in clause 1102 is finally determined.

ARTICLE XII

TRANSFER OF INTEREST

1201. Disposition

In this clause "disposition" means a sale, assignment, transfer, lease, sublease, conveyance, parting with possession, or any transaction of a similar nature, whether by trust or otherwise. A disposition of an interest owned by a Party in a Tract shall cover the whole or an undivided interest in the Party's interest in such Tract. A disposition shall not be binding on the Unit Operator until at least one of the parties to such disposition has given notice thereof to the Unit Operator by copy of the instrument evidencing such a disposition, and the acquiring party, if not a Party hereto, has executed and delivered to Unit Operator a counterpart of this agreement. Unit Operator shall revise the exhibits to reflect each disposition of an interest in a Tract and the revised exhibits shall be effective as of 0800 hours official time on the first day of the calendar month in which the notice is received by Unit Operator.

ARTICLE XIII

IN GENERAL

1301. Execution in Counterpart

This agreement may be executed in separate counterparts and all the executed counterparts together shall constitute one agreement. No Party shall be bound hereby until all have executed either one document or a counterpart.

1302. Dual Capacity

 If a Party owns a Working Interest and a Royalty Interest, its execution of this agreement in one capacity shall also constitute execution in the other capacity.

1303. Subsequent Execution

 An owner of an interest in a Tract who has not become a Party as of the date the Tract was included in the Unit Area under Article V or IX, may become a Party with respect to that interest only on such terms and conditions as may be prescribed by the Working Interest Owners.

1304. No Partnership

 The duties and obligations of the Parties shall be separate and not joint or collective. Nothing contained in this agreement shall be construed to create a partnership or association.

1305. Force Majeure

 Neither Unit Operator nor any Party shall be deemed to be in default with respect to non-performance of its obligations hereunder, other than financial, if and so long as its non-performance is due, in whole or in part, to any cause beyond its reasonable control, but lack of funds shall not be a cause beyond a Party's reasonable control. The performance of such obligations shall begin or be resumed within a reasonable time after such cause has been removed. Neither this agreement nor any Lease or any other agreement or instrument relating to the Unitized Zone or Unitized Substances shall terminate by reason or suspension of unit operations for the cause set forth in this clause.

1306. Taxes

Each Party shall be separately liable to the extent of its ownership for all taxes on or with respect to the production or sale of Unitized Substances. A Working Interest Owner may, at any time and from time to time, pay such taxes on behalf of its Royalty Owner and deduct the amount of the payment from the Royalty Owner's royalty. Taxes on production or the value thereof shall be adjusted so that they are borne as if the basis of taxation was the allocation of Unitized Substances hereunder.

1307. Right of Redemption

A Working Interest Owner may, at any time and from time to time, with full rights of subrogation, redeem for its Royalty Owner any agreement for sale, mortgage, or other lien or encumbrance of any kind or nature affecting any interest in the Unit Area in the event of default of payment by the Royalty Owner and deduct the amount of any payment made hereunder from the Royalty Owner's royalty.

1308. Interpretation

The clause headings in this agreement shall not be considered in interpreting the text.

1309. Number and Gender

In this agreement words importing the singular include the plural and vice versa; words importing the masculine gender include the feminine and vice versa; and words importing persons include firms or corporations and vice versa.

1310. Time

In this agreement all times are Central Standard Time.

1311. Notices

Any notice required to be served under this agreement shall be in writing and is properly served when sent by mail or telegram to the latest address of the Party concerned, as furnished to the Unit Operator, and shall be deemed to have been received 5 normal working days after sending.

1312. Recognition of Title

Subject to clause 305 hereof, the execution of this agreement by any Working Interest Owner or Royalty Owner shall not have the effect of recognizing the title of any other Working Interest Owner or Royalty Owner.

1313. Approval of the Conservation Board

This agreement is subject in its entirety to the approval of the Conservation Board.

ARTICLE XIV

EFFECTIVE DATE

1401. Effective Date

The unitization provided for herein shall become effective at 0800 hours official time on the first day of the first calendar month

following the date of the Unit Operator receiving written approval of this agreement from the Conservation Board.

1402. Notice of Effective Date

As soon as possible after the Effective Date, Unit Operator shall notify all Royalty Interest Owners, Working Interest Owners, the Conservation Board and the Department of Mines, Resources and Environmental Management for the Province of Manitoba of the Effective Date.

1403. Release of Parties

This agreement shall cease to bind the Parties if the unitization provided for herein has not become effective on or before the 1st day of October, 1983.

ARTICLE XV

TERM

1501. Effect of Execution and Delivery

Subject to clause 1403, this agreement is binding upon a person who executes and delivers two counterparts thereof to Unit Operator, and that person is bound by this agreement as of the time of such delivery. This agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the Parties.

1502. Termination

This agreement terminates 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

following the date of the Unit Operator receiving written approval of this agreement from the Conservation Board.

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1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with unit operations.

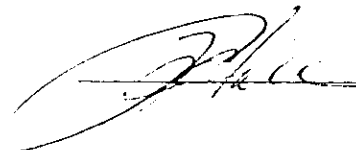
1504. Notice to Royalty Owners

The Working Interest Owners shall give notice in accordance with their Leases to their respective Royalty Owners to the termination of this agreement within 30 days thereafter.

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

November 23, 1982
Date

Witness



B. E. Hall - Naples

provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with unit operations.

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The Working Interest Owners shall give notice in accordance with their Leases to their respective Royalty Owners to the termination of this agreement within 30 days thereafter.

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

Date

September 13/82

Witness

E. J. Jones

Frank McElrath

CANADA)

PROVINCE OF MANITOBA)

TO WIT:)

AFFIDAVIT OF EXECUTION

I, David J. Shaw of Brandon
in the Province of Manitoba, Comptroller Officer, make oath and say:

1. THAT I was personally present and did see S. Frank McArthur
named in the within instrument, who is (are) personally known to me to be the
person(s) named therein, duly sign, seal and execute the same for the purpose
named therein.

2. THAT the same was executed at Brandon in the
Province of Manitoba, and that I am the subscribing witness thereto.

3. THAT I know the said S. Frank McArthur and he (or she)
is (or they are each), in my belief, of the full age of eighteen years.

SWORN before me at BRANDON)
Province of Manitoba this 14th)
day of September, A.D., 1942 .)

EST. Shaw

Ed. L. Shaw
2004
06 Feb - 88
MY COMMISSION EXPIRES

provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which 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 to the termination of this agreement within 30 days thereafter.

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

Nov 5 / 82
Date

[Signature]
Witness

D. E. McLaughlin

CANADA)
PROVINCE OF MANITOBA)
TO WIT:)

AFFIDAVIT OF EXECUTION

I, T. J. Hall of Calgary
in the Province of ~~Manitoba~~, President, make oath and say:
Alberta

1. THAT I was personally present and did see Donald E. McGregor
named in the within instrument, who is (are) personally known to me to be the
person(s) named therein, duly sign, seal and execute the same for the purpose
named therein.

2. THAT the same was executed at Waskada in the
Province of Manitoba, and that I am the subscribing witness thereto.

3. THAT I know the said Donald E. McGregor and he (or she)
is (or they are each), in my belief, of the full age of eighteen years.

SWORN before me at Calgary)
Province of ~~Manitoba~~ Alberta this 8th)
day of November, A.D., 1982.)

T. J. Hall

Sharon F. Van Middlesworth
A Commissioner for Oaths Sharon F. Van Middlesworth
Without the Province of My Commission expires on June 25, 1983
Manitoba for use therein.

provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which 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 to the termination of this agreement within 30 days thereafter.

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

MISSILINDA OF CANADA, LTD.

October 25, 1982
Date
D. W. Schuer - as to signature
of John S. Hancock
Eunice Thompson
Witness

Per: John S. Hancock
Secretary
Per: Guy P. Dillson
Pres. Missilinda of Canada, Ltd.

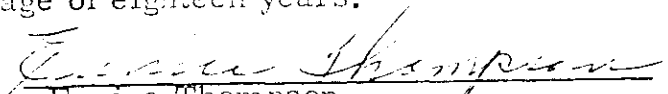
STATE OF TEXAS
COUNTY OF BEXAR
UNITED STATES OF AMERICA

1
1
1

AFFIDAVIT OF EXECUTION

I, Eunice Thompson, of San Antonio, Bexar County, Texas, make oath and say:

1. That I was personally present and did see Guy P. Allison, named in the within instrument, who is personally known to me to be the person named therein, duly sign, seal and execute the same in the capacity of President of Miss Linda of Canada, Ltd., for the purpose named therein.
2. That the same was executed at San Antonio, Bexar County, Texas, United States of America and that I am the subscribing witness thereto.
3. That I have known the said Guy P. Allison for more than thirty (30) years, and he is in my belief, of the full age of eighteen years.


Eunice Thompson

SWORN before me at San Antonio, Bexar County, Texas, this 25th day
of October, 1938.


Notary Public, Bexar County, Texas.

WILLIAM D. ENGLE, JR.
Notary Public, Bexar County, Texas

CANADA)

PROVINCE OF MANITOBA)

TO WIT:)

AFFIDAVIT OF EXECUTION

I, Beatrice Wanda Lechner of the City of Winnipeg
in the Province of Manitoba, Secretary, make oath and say:

1. THAT I was personally present and did see John Salmon Lamont
named in the within instrument, who is ~~(are)~~ personally known to me to be the
person~~(s)~~ named therein, duly sign, seal and execute the same in the capacity
of Secretary of Missilinda of Canada, Ltd., for the purpose named
therein.

2. THAT the same was executed at Winnipeg in the
Province of Manitoba, and that I am the subscribing witness thereto.

3. THAT I know the said John Salmon Lamont and he ~~(or-she)~~
is ~~(or they are each)~~, in my belief, of the full age of eighteen years.

SWORN before me at Winnipeg)
Province of Manitoba this 1st)
day of November, A.D., 19 82 .)

W. Lechner

S. Jane Evans
A Notary Public in and for
the Province of Manitoba

provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which 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 to the termination of this agreement within 30 days thereafter.

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

September 22, 1982
Date

Sharon Harris
Witness

North American Royalties, Inc.

By: [Signature]
G. P. Street, Jr., President

Attest:

APPROVED:

[Signature]

By: Salvatore Geraci
Salvatore Geraci,
Assistant Secretary

Revision No. 1
September 8, 1982

USA)
)
STATE OF TENNESSEE)
)
TO WIT:)

AFFIDAVIT OF EXECUTION

I, Sharon Harris of the City of Chattanooga
in the State of Tennessee, Secretary, make oath and say:

1. THAT I was personally present and did see G. P. Street, Jr.,
President for North American Royalties, Inc. named in the within instrument,
who is personally known to me to be the person named therein, duly sign,
seal and execute the same for the purpose named therein.

2. THAT the same was executed at the City of Chattanooga, in the
State of Tennessee, and that I am the subscribing witness thereto.

3. THAT I know the said G. P. Street, Jr. and he is,
in my belief, of the full age of eighteen years.

SWORN before me at the City of Chattanooga)
State of Tennessee this 22nd)
day of September, A.D., 19 82 .)

Sharon Harris

Mary E. Senzek

MARY E. SENZEK
Notary Public in and for Hamilton County, Tennessee
My Commission Expires September 3, 1985

provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which 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 to the termination of this agreement within 30 days thereafter.

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

Date 13th September 1982
Witness Donna Louise [Signature]
800 FORT STREET
VICTORIA, B.C.
NOTARIAL SECRETARY

[Signature]

CANADA)

PROVINCE OF MANITOBA)

TO WIT:)

AFFIDAVIT OF EXECUTION

I, DONNA-LOUISA FROST of THE CITY OF VICTORIA
in the Province of ~~Manitoba~~, BRITISH COLUMBIA, make oath and say:

1. THAT I was personally present and did see MABEL GRACE POUNDER
named in the within instrument, who is (~~are~~) personally known to me to be the
person(~~s~~) named therein, duly sign, seal and execute the same for the purpose
named therein.

2. THAT the same ~~was~~ executed at THE CITY OF VICTORIA in the
Province of ~~Manitoba~~, and that I am the subscribing witness thereto.
BRITISH COLUMBIA

3. THAT I know the said MABEL GRACE POUNDER and ~~he~~ (~~or~~ she)
is (~~or they are each~~), in my belief, of the full age of eighteen years.

SWORN before me at THE CITY OF VICTORIA
Province of ~~Manitoba~~ this 13th
day of SEPTEMBER, BRITISH COLUMBIA, (A.D., 1982.)

Donna-Louisa Frost

NOEL MARTIN
800 FORT STREET
VICTORIA, B.C.
TELEPHONE 383-4271
A NOTARY PUBLIC
IN AND FOR THE PROVINCE
OF BRITISH COLUMBIA

provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

Royalty Owners grant Working Interest Owners the right for a period of six months after termination of this agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with unit operations.

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The Working Interest Owners shall give notice in accordance with their Leases to their respective Royalty Owners to the termination of this agreement within 30 days thereafter.

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

October 19, 1982
Date
[Signature]
Witness
[Signature] [Signature]

CANADA)
PROVINCE OF MANITOBA)
TO WIT:)

AFFIDAVIT OF EXECUTION

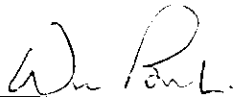
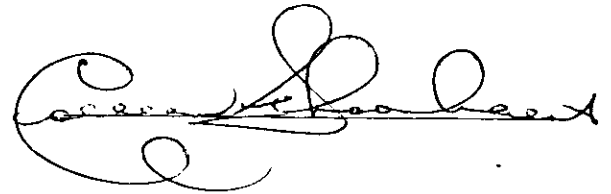
I, COLLEEN THERESA SCHOONBAERT of DELORAINÉ
in the Province of Manitoba, STENOGRAPHER, make oath and say:

1. THAT I was personally present and did see HAROLD FORBES TREWIN
named in the within instrument, who is (are) personally known to me to be the
person(s) named therein, duly sign, seal and execute the same for the purpose
named therein.

2. THAT the same was executed at DELORAINÉ in the
Province of Manitoba, and that I am the subscribing witness thereto.

3. THAT I know the said HAROLD FORBES TREWIN and he (or she)
is (or they are each), in my belief, of the full age of eighteen years.

SWORN before me at DELORAINÉ)
Province of Manitoba this 19th)
day of OCTOBER, A.D., 19 82 .)



Notary Public in and for
the Province of Manitoba

LIST OF ABBREVIATIONS

Working Interest Owners

Omega	Omega Hydrocarbons Ltd.
-------	-------------------------

Royalty Interest Owners

McArthur	George F. McArthur
----------	--------------------

McGregor	Donald E. McGregor
----------	--------------------

Missilinda	Missilinda of Canada Ltd.
------------	---------------------------

N.A.R.	North American Royalties
--------	--------------------------

Pounder	Mabel Grace Pounder
---------	---------------------

Trewin	Harold Forbes Trewin
--------	----------------------

EXHIBIT "A"

Attached to and made part of an agreement entitled
"Unit Agreement - Waskada Lower Amaranth Unit No. 1"

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Interests</u>		<u>Tract Participation</u>
		<u>Owner</u>	<u>Tract Share (%)</u>	
1	Lsd 9-24-1-26 WPM	See Group A Below		4.4445
2	Lsd 10-24-1-26 WPM	See Group A Below		4.2368
3	Lsd 11-24-1-26 WPM	See Group B Below		5.0259
4	Lsd 12-24-1-26 WPM	See Group B Below		7.0612
5	Lsd 13-24-1-26 WPM	See Group B Below		6.8122
6	Lsd 14-24-1-26 WPM	See Group B Below		4.1850
7	Lsd 15-24-1-26 WPM	See Group A Below		3.8232
8	Lsd 16-24-1-26 WPM	See Group A Below		6.1060
9	Lsd 1-25-1-26 WPM	Trewin	100	7.1029
10	Lsd 2-25-1-26 WPM	Trewin	100	6.3551
11	Lsd 3-25-1-26 WPM	Pounder	100	6.8950
12	Lsd 4-25-1-26 WPM	Pounder	100	7.8921
13	Lsd 5-25-1-26 WPM	Pounder	100	7.9241
14	Lsd 6-25-1-26 WPM	Pounder	100	6.6860
15	Lsd 7-25-1-26 WPM	Trewin	100	7.3936
16	Lsd 8-25-1-26 WPM	Trewin	100	8.0564

- NOTES: (1) Tracts 1 through 16 inclusive have 100% Working Interest
owned by Omega Hydrocarbons
(2) Group A Royalty Owners: McArthur 50%, McGregor 25%, Missilinda 25%
(3) Group B Royalty Owners: N.A.R. 25%, McArthur 50%, McGregor 25%

Revision No. 1
September 8, 1982

EXHIBIT "B"

Attached to and made part of an Agreement entitled
 "Unit Agreement - Waskada Lower Amaranth Unit No. 1"

Rge 26 WPM

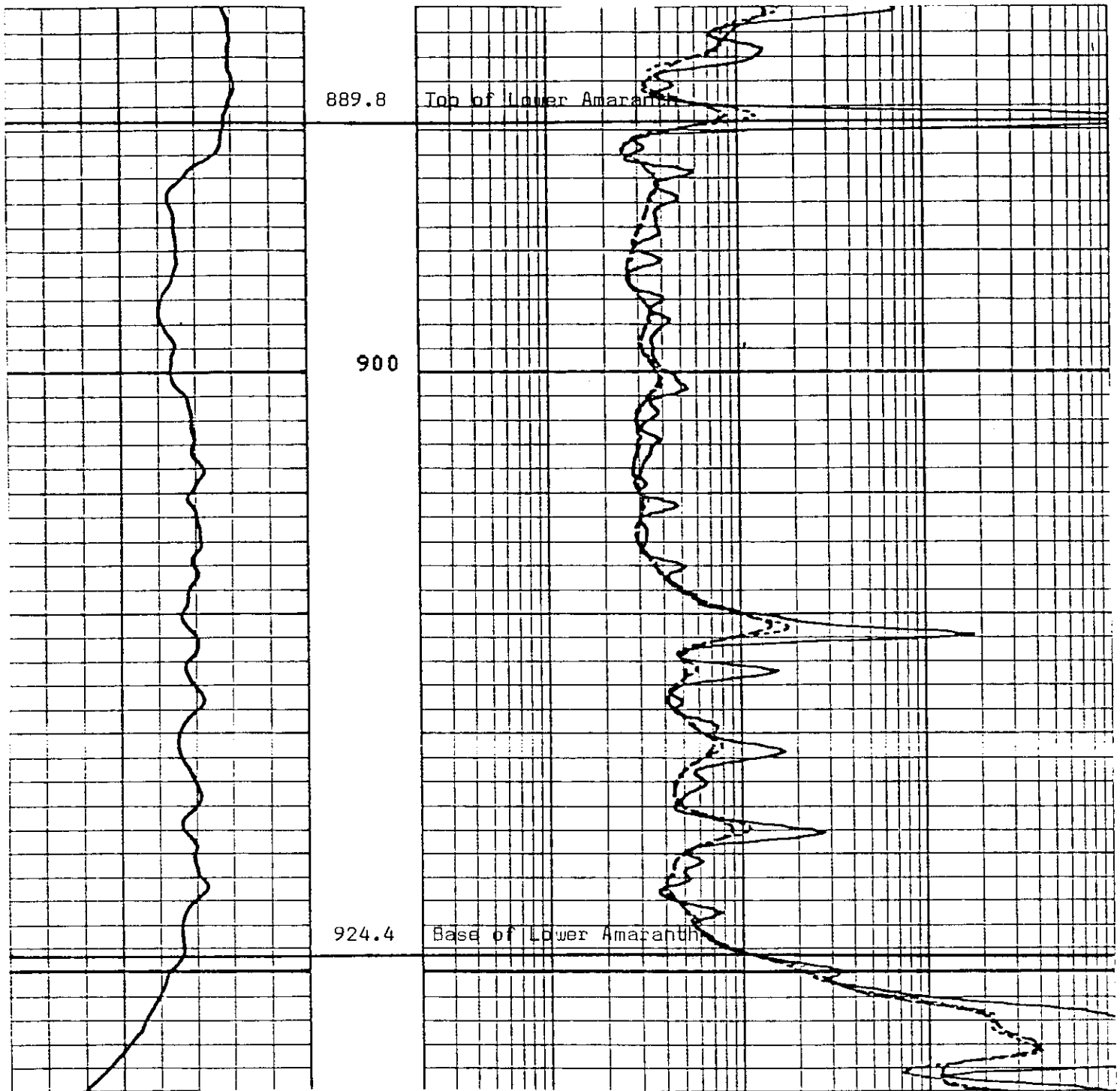
Rge 25 WPM

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EXHIBIT "C"

Attached to and made part of an Agreement entitled
"Unit Agreement - Waskada Lower Amaranth Unit No.1



PORTION OF DISFL LOG
RECORDED AT WELL
OMEGA WASKADA 15-24-1-26
KELLY BUSHING 470.50 m.

EXHIBIT "A"

Attached to and made part of an agreement entitled
"Unit Agreement - Waskada Lower Amaranth Unit No. 1"

Tract Number	Land Description	Royalty Interests		Tract Participation
		Owner	Tract Share (%)	
1	Lsd 9-24-1-26 WPM	See Group A Below		4.4445
2	Lsd 10-24-1-26 WPM	See Group A Below		4.2368
3	Lsd 11-24-1-26 WPM	See Group B Below		5.0259
4	Lsd 12-24-1-26 WPM	See Group B Below		7.0612
5	Lsd 13-24-1-26 WPM	See Group B Below		6.8122
6	Lsd 14-24-1-26 WPM	See Group B Below		4.1850
7	Lsd 15-24-1-26 WPM	See Group A Below		3.8232
8	Lsd 16-24-1-26 WPM	See Group A Below		6.1060
9	Lsd 1-25-1-26 WPM	Trewin	100	7.1029
10	Lsd 2-25-1-26 WPM	Trewin	100	6.3551
11	Lsd 3-25-1-26 WPM	Pounder	100	6.8950
12	Lsd 4-25-1-26 WPM	Pounder	100	7.8921
13	Lsd 5-25-1-26 WPM	Pounder	100	7.9241
14	Lsd 6-25-1-26 WPM	Pounder	100	6.6860
15	Lsd 7-25-1-26 WPM	Trewin	100	7.3936
16	Lsd 8-25-1-26 WPM	Trewin	100	8.0564

- NOTES: (1) Tracts 1 through 16 inclusive have 100% Working Interest
owned by Omega Hydrocarbons
- (2) Group A Royalty Owners: McArthur 50%, McGregor 25%, Missilinda 25%
- (3) Group B Royalty Owners: N.A.R. 25%, McArthur 50%, McGregor 25%

Revision No. 1
September 8, 1982

September 23, 1982

Aikins, MacAuley and Thorvaldson
Third Floor
333 Broadway Ave.
Winnipeg Man.
R3C 0T1

Attention: Mr. John S. Lamont

Dear Sir:

Re: Proposed Waskada Lower Amaranth Unit No. 1
Tract Participation Factors

Further to your enquiry of September 21, 1982, with regards to tract participation in the subject proposed unit, the following should clarify the method of determination of these factors. Also included are our comments with respect to the tract factors.

Tract participation factors in unit agreements normally reflect a determination of remaining recoverable reserves for each tract.

With regards to the subject proposed unit, as there is little production history available, determination of remaining reserves by extrapolation of production rate and water cut trends to abandonment conditions is not feasible. Consequently, Omega has used volumetric determinations of original oil in place (area, thickness and porosity of reservoir), and a constant estimated recovery factor to determine the ultimate recoverable reserves for each tract. Cumulative production prior to March 1, 1982 was then deducted to determine the remaining recoverable reserves for each tract.

The Petroleum Branch has reviewed the above calculation process as it applies to the subject proposed unit, (including data review and verification of calculation technique). Based on this review, we are of the opinion that the tract factors proposed by Omega are reasonable and equitable to all involved royalty owners.

Further we note that lower reservoir thickness and quality in the North-East quarter of Section 24-1-26 (WPM) (based on interpretation of available well data), results in lower calculated participation factors for these tracts when compared with other tracts in the proposed unit.

Yours sincerely,
Original Signed By
L. R. DUBREUIL
L. R. Dubreuil
Chief Petroleum Engineer
Petroleum Branch

LRD/sb

bcc: Oil & Natural Gas Conservation Board

Aikins, MacAulay & Thorvaldson

BARRISTERS AND SOLICITORS

SIR JAMES AIKINS, K.B., K.C., LL.D. (1879-1929)
G. H. AIKINS, O.C., LL.D. (1910-1954)

JOHN A. MACAULAY, O.C., LL.D. (1919-1978)
HON. G. S. THORVALDSON, O.C. (1925-1989)

A. LORNE CAMPBELL, O.C., LL.D.
ROGER J. HANSELL, O.C.
MARTIN H. FREEDMAN, O.C.
KNOX B. FOSTER, O.C.
LEON N. MERCURY
J. TIMOTHY SAMSON
ROLAND B. DIAS
ROD E. STEPHENSON
FRANCES M. STATHAM
S. JANE EVANS
MARC M. MONNIN
MURRAY N. TRACHTENBERG
ROBERT G. SIDDALL
G. TODD CAMPBELL

W. STEWARD MARTIN, O.C.
MICHAEL J. MERCURY, O.C.
ANDREW G. TOUGH
ELLIOTT B. MACDONALD
MARSHALL E. ROTHSTEIN, O.C.
CYRIL G. LABMAN
CHARLES L. CHAPPELL
GERALD D. PARKINSON
DAVID G. HILL
JUDITH M. BLAIR
DIANE E. JONES
G. BRUCE TAYLOR
FRANK LAVITT
J. MILTON CHRISTIANSEN

JOHN S. LAMONT, O.C.
A. J. MERCURY
JAMES E. FORAN
ROBERT G. SMELLIE, O.C.
RAYMOND H. G. FLETT
LARRY R. CRANE
COLIN R. MACARTHUR
JOEL A. WEINSTEIN
E. BRUCE PARKER
DAVID L. VOECHTING
DARYL J. ROSIN
RICHARD L. YAFFE
W. ALAN SIMMS
LORI T. SPIVAK

THIRD FLOOR
333 BROADWAY
WINNIPEG, MANITOBA
CANADA, R3C 0T1

TELEPHONE: (204) 957-0050

TELEX: 07-587612
CABLE ADDRESS: "AIKINS"
TELECOPIER (AUTOMATIC): (204) 957-0840

PLEASE REFER TO

John S. Lamont

FILE NO. 8287

D-58

September 21, 1982

Petroleum Branch
Department of Energy & Mines
975 Century Street
WINNIPEG, Manitoba
R3H 0W4

Attention: Mr. Bob Dubreiuil

Dear Sirs:



Re: Omega Hydrocarbons Ltd.
Proposed Unitization Agreement re
Waskada Lower Amaranth Unit No. 1

We represent one of the royalty owners involved in the above proposed unitization unit and our clients have been asked by the Omega Hydrocarbons to execute a unitization agreement.

The tract participation is to be divided in accordance with a list of participants, in accordance with calculations set out in Exhibit "A" to the Exhibit, a copy of which is enclosed.

We understand that your engineers and geologists will have reviewed these proposed participations and we wonder if you could let us know whether their own calculations respecting the proposed participation are closely comparable to those made by Omega Hydrocarbons, at least insofar as the interests of Missilinda of Canada, Ltd. are concerned.

We would appreciate your early advice on this question.

Yours very truly,
AIKINS, MACAULAY & THORVALDSON

Per:

John S. Lamont

JSL/bwl
Encl.

EXHIBIT "A"

Attached to and made part of an agreement entitled
"Unit Agreement - Waskada Lower Amaranth Unit No. 1"

<u>Tract Number</u>	<u>Land Description</u>	<u>Royalty Interests</u>		<u>Tract Participation</u>
		<u>Owner</u>	<u>Tract Share (%)</u>	
1	Lsd 9-24-1-26 WPM	See Group A Below		4.4445
2	Lsd 10-24-1-26 WPM	See Group A Below		4.2368
3	Lsd 11-24-1-26 WPM	See Group B Below		5.0259
4	Lsd 12-24-1-26 WPM	See Group B Below		7.0612
5	Lsd 13-24-1-26 WPM	See Group B Below		6.8122
6	Lsd 14-24-1-26 WPM	See Group B Below		4.1850
7	Lsd 15-24-1-26 WPM	See Group A Below		3.8232
8	Lsd 16-24-1-26 WPM	See Group A Below		6.1060
9	Lsd 1-25-1-26 WPM	Trewin	100	7.1029
10	Lsd 2-25-1-26 WPM	Trewin	100	6.3551
11	Lsd 3-25-1-26 WPM	Pounder	100	6.8950
12	Lsd 4-25-1-26 WPM	Pounder	100	7.8921
13	Lsd 5-25-1-26 WPM	Pounder	100	7.9241
14	Lsd 6-25-1-26 WPM	Pounder	100	6.6860
15	Lsd 7-25-1-26 WPM	Trewin	100	7.3936
16	Lsd 8-25-1-26 WPM	Trewin	100	8.0564

- NOTES: (1) Tracts 1 through 16 inclusive have 100% Working Interest owned by Omega Hydrocarbons
- (2) Group A Royalty Owners: McArthur 50%, McGregor 25%, Missilinda 25%
- (3) Group B Royalty Owners: N.A.R. 25%, McArthur 50%, McGregor 25%

Revision No. 1
September 8, 1982

DATE: August 26, 1983

MANIT^{BA}

TO:

Clare → Bob → file

COMMENTS:

RE: Waskada Lower Amaranth Unit No. 1

FROM:

Rose

Dept.:

Branch:

Address:

Telephone:

☐ Take action

☐ Circulate

☐ Per your request

☐ See me re attached

☐ Call me on this matter

☐ For your information

☐ Investigate and report

☐ Supply data for my reply

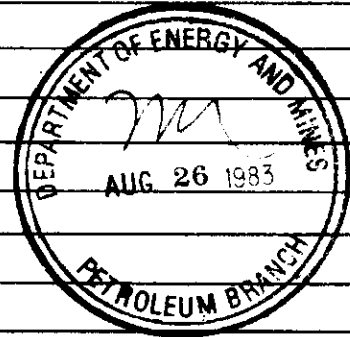
☐ For your revision
or approval

☐ Reply direct
with copy to me

☐ Return with comments
or recommendations

☐ Draft reply
for signature of:

The attached is in response to the Board's
letter of June 9th to Omega.



August 19, 1983

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

Attention: Marc Eliesen

Dear Sir:

RE: Waskada Lower Amaranth Unit No. 1

Please find enclosed a copy of the Power of Attorney whereby Elizabeth Maude Hainsworth, also known as Maude Elizabeth Hainsworth, has appointed Jessie Kontzie as Power of Attorney.

We trust this helps in completing your files.

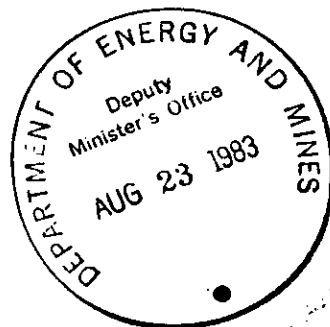
Yours very truly,
OMEGA HYDROCARBONS LTD.

S. Van Middlesworth
Sharon Van Middlesworth (Mrs.)
Land Administration

/svm
Encl.

~~cc: Dr. I. Haugh 88/07/29/MB~~

x.c. - H. Clare Moster
August 26, 1983 - ra



To all to whom these presents may come, be seen or known

I, SHELDON WAYNE LANCHBERY

A NOTARY PUBLIC IN AND FOR THE PROVINCE OF MANITOBA

BY ROYAL AUTHORITY DULY APPOINTED, residing at Deloraine, Manitoba

in the said Province DO CERTIFY AND ATTEST that the paper writing hereunto annexed is a TRUE

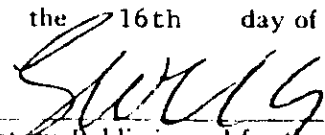
COPY of a document produced to me and purporting to be General Power of Attorney of Maude Elizabeth Hainsworth, also known as Elizabeth Maude Hainsworth, of the Village of Waskada, in Manitoba, Spinster, dated the 12th day of August, A.D. 1983.

THE SAID COPY having been compared by me with the said original document, an act whereof being requested, I HAVE GRANTED the same under my notarial form and seal of office to serve and avail as occasion shall or may require.

IN TESTIMONY WHEREOF I have hereto subscribed my name and affixed my seal of office at

Deloraine, Manitoba the 16th day of August

A.D. 19 83


A Notary Public in and for the Province of Manitoba.

Know All Men by These Presents

THAT I,

HAUDE ELIZABETH HAINSWORTH, also known as Elizabeth Haude Hainsworth,
of the Village of Waskada, in Manitoba, Spinster

for divers good causes and considerations me thereto moving have nominated, constituted and appointed, and
by these presents do nominate, constitute and appoint

JESSIE IRENE KONTZIE, of the Village of Waskada, in Manitoba,
Widow

my true and lawful attorney for me, and in my name on my behalf and for my sole and exclusive use and
benefit to demand, draw for, sue for, recover and receive from all and every or any person or persons whomsoever
all and every sum or sums of money, securities for money, debts, legacies, goods, chattels, effects and things
whosoever which now are or is, or which shall or may hereafter appear to be due, owing, payable or belonging
to me, whether for rent or arrears of rent or otherwise in respect of my real or personal estate, or for the principal
money and interest now or hereafter to become payable to, upon or in respect of any mortgage or other security,
or for the interest or dividends now payable or to accrue or become payable to me for or in respect of any shares,
stocks, or interest which I may now or hereafter hold in any joint stock or incorporated company or companies
or for any money or securities for money which are now or hereafter may be due or owing or belonging to me
upon any bond, note, bill of exchange, balance of account current, consignment, contract, decree, judgment,
order or execution or upon any other account and to enter into any safe deposit box or vault and to take the
contents therefrom.

AND upon the recovery and receipt of all and every or any sum or sums of money, securities for money,
debts, legacies, goods, chattels, effects or things due, owing, payable or belonging to me, for me and in my name
and as my act and deed, to sign, execute and deliver such good and sufficient receipts, releases and acquittances,
certificates, conveyances, surrenders, assignments, satisfaction pieces, discharges of judgment, partial discharges
of judgment, discharges of lien, partial discharges of lien, discharges of mortgage, partial discharges of mortgages,
assignments of mortgage without personal covenants, transfers of mortgage without personal covenants, memorials
or other good and effectual discharges as may be requisite.

ALSO to examine, state, settle, liquidate and adjust all or any account or accounts, depending between
myself and any person or persons whomsoever. And to sign, draw, make or endorse my name to any cheque or
cheques or order for payments of money, bill or bills of exchange or note or notes of hand in which I am
interested or concerned, as shall be requisite. And also in my name to draw upon any bank or banks, individual
or individuals for any sum or sums of money that is or are or may be to my credit or which I may be entitled to
receive, and the same to deposit in any bank or other place and again at pleasure to withdraw from time to time
as I could do.

ALSO in case of neglect, refusal or delay on the part of any person or persons to make and render just, true
and full accounts, payments, delivery and satisfaction in the premises, him, them or any of them thereunto to
compel, and for that purpose for me and in my name to make such claims and demands, arrests, seizures, attach-
ments, distrains and sequestrations, or to commence, institute, sue and prosecute to judgment and execution
such actions, ejectments, and suits at law or in equity as my said attorney or attorneys shall think fit; also to
appear before any judges, magistrates or other officers of the Courts of Law, or Equity, and then and there to
sue, plead, answer, defend and reply in all matters and causes concerning the premises; and also to exercise and
execute all Powers of Sale or Foreclosure and all powers and authorities vested in me by any mortgage or mortgages
belonging to me as mortgagee, also to execute and deliver conveyances under power of sale and transfers under
power of sale, and to make and execute applications for foreclosure.

AND ALSO in case of any difference or dispute with any person or persons concerning any of the matters
aforesaid, to submit any such differences and disputes to arbitration or umpirage in such a manner as my said
attorney or attorneys may see fit; And to compound, compromise and accept part in satisfaction of the payment
of the whole of any debt or sums of money payable to me or to grant an extension of time for the payment of
the same, either with or without taking security or otherwise to act in respect of the same as to my said attorney
or attorneys shall appear most expedient, and to execute and deliver such agreements and to do all lawful acts
necessary to effect the premises.

AND HEREBY GRANT FULL POWER to my said attorney or attorneys to substitute and appoint one or more attorney or attorneys under him or them with the same or more limited powers, and such substitute or substitutes at pleasure to remove and others to appoint I, the said

Jessie Irene Kontzie

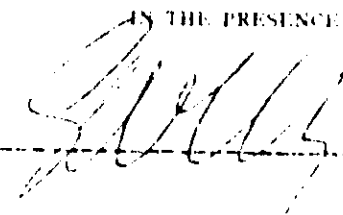
herby agreeing and covenanting for my heirs, executors and administrators to allow, ratify and confirm whatsoever my said attorney or attorneys or his or their substitute or substitutes shall do or cause to be done in the premises by virtue of these Presents, including in such confirmation whatsoever shall be done between the time of my decease or of the revocation of these Presents, and the time of such decease or revocation being known to said attorney or attorneys, or such substitutes.

"WHEREVER the term "person" or "persons" is used herein, the same shall be deemed to mean and include corporation, bank, trust company, credit union, co-operative association, insurance company, municipal corporation, incorporated society or association or any other body corporate or politic."

AND THAT this Power of Attorney shall survive any periods of mental incapacity of me, the said Maude Elizabeth Hainsworth.

IN WITNESS WHEREOF I have hereunto set my hand and seal this ^{82nd} ~~August~~ ^{June} day of in the year one thousand nine hundred and eighty-three

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF



Maude Elizabeth Hainsworth

*Brad
file*

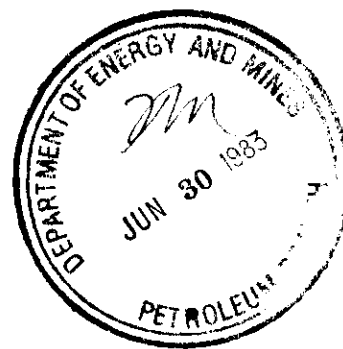
*Waskada Lower Amaranth
Unit No. 1
First Enlargement*

June 27, 1983

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

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

Dear Sir:



Re: Waskada Lower Amaranth Unit No. 1 - First Enlargement

Your letter of June 21, 1983 specifying the effective date of the enlargement of the subject Unit as July 1, 1983 is hereby acknowledged.

It is noted that the expanded Unit now includes all immediate offsetting quarter sections to water injection except the NE $\frac{1}{4}$ of Section 26-1-26 (WPM). As this area is likely to be affected by the current pressure maintenance scheme, the Board is concerned that inclusion of this tract be given due consideration in any further planned expansion of the Unit or the water injection scheme.

Yours sincerely,

THE OIL AND NATURAL GAS
CONSERVATION BOARD

ORIGINAL SIGNED BY
MARC ELIESEN

Marc Eliesen
Chairman

LRD/lk

b.c. Dr. I. Haugh
J. F. Radgwell
Petroleum Branch ✓

TELEPHONE (403) 261-0743



HYDROCARBONS Ltd.

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

April 25, 1983

Manitoba Petroleum Branch
975 Century Street
Winnipeg, Manitoba
R3H 0W4

Attention: Mr. Bob Dubreuil

Dear Bob:

RE: Waskada Lower Amaranth Unit No. 1 Expansion

Enclosed, as requested, is a copy of the details of the calculation of Tract Participation Factors for the Unit enlargement encompassing the N/2 Section 25-1-26 WPM, the SE/4 Section 26-1-26 WPM and the NE/4 Section 23-1-26 WPM. The documents have been sent to the Royalty Interest Owners of the tracts to be added and you will be notified as soon as their approval has been obtained.

Yours truly,

OMEGA HYDROCARBONS LTD.

Ed Wyse
Petroleum Engineer

EW/sp



CALCULATION OF TRACT PARTICIPATION
WASKADA LOWER AMARANTH UNIT #1

The calculation of tract participation has been done on the basis of re-
mainning recoverable oil reserves as defined by the following formula:

$$U = (RF * 10114 * A * h * \phi * (1-S_w)/Bo_i) - Q \quad \text{where:}$$

U = remaining recoverable oil reserves in m³; RF = recovery for secondary
recovery (assigned a 0.25 value by D & S Petroleum Consultants); A - Area
(16 ha per tract); h = pay thickness in metres; ϕ = rock porosity as a
decimal fraction; S_w = water saturation (0.40); Bo_i = reservoir oil volume
factor (1.17 by PVT analysis) and Q = cumulative production to February 28,
1982 in m³.

TRACT	Lsd	ϕ -m		Q (m ³)	U (m ³)	TRACT PARTICIPATION (%)	
		(porosity-m)				Original Unit	Enlarged Unit
1	9-24	(30%) 1.07	1.02	-	22199	4.4445	2.2615
2	10-24	1.02	1.08	-	21162	4.2368	2.1558
3	11-24	1.21	1.25	-	25103	5.0259	2.5574
4	12-24	1.70	.87	-	35269	7.0612	3.5930
5	13-24	1.64	1.16	-	34025	6.8122	3.4663
6	14-24	1.01	.85	51.2	20903	4.1850	2.1295
7	15-24	0.98	.57	1236.0	19096	3.8232	1.9454
8	16-24	1.47	.87	-	30498	6.1060	3.1070
9	1-25	1.71	1.29	-	35477	7.1029	3.6142
10	2-25	1.53	.87	-	31742	6.3551	3.2337
11	3-25	1.66	.89	-	34439	6.8950	3.5084
12	4-25	1.90	1.19	-	39419	7.8921	4.0158
13	5-25	1.96	1.27	1084.1	39579	7.9241	4.0321
14	6-25	1.61	1.23	7.6	33395	6.6860	3.4021
15	7-25	1.78	1.16	-	36929	7.3936	3.7621
16	8-25	1.94	1.70	8.5	40240	8.0564	4.0993
SUB-TOTAL					499475	100.0000	50.8836
17	9-25	(22%) 1.83	1.04	23.1	37943		3.8654
18	10-25	1.33	1.08	-	27593		2.8110
19	11-25	1.34	1.07	-	27801		2.8322
20	12-25	1.31	1.02	-	27178		2.7687
21	13-25	0.95	.80	-	19709		2.0078
22	14-25	0.67	.56	-	13900		1.4161
23	15-25	0.44	.41	-	9129		0.9300
24	16-25	1.02	.89	-	21162		2.1559
25	9-23	2.20	1.76	-	45643		4.6498
26	10-23	1.05	.57	-	21785		2.2193
27	15-23	2.01	1.38	16.6	41684		4.2465
28	16-23	1.93	1.57	169.6	39871		4.0618
29	1-26	1.78	1.68	133.9	36795		3.7485
30	2-26	2.40	1.72	30.9	49761		5.0694
31	7-26	1.28	0.88	-	26556		2.7054
32	8-26	1.72	1.62	66.2	35618		3.6286
SUB-TOTAL					482128		49.1164
TOTAL					981603		100.0000

Sharon: New File (Units)
Washada Lower Arrowhead Unit
No. 1
First

MANITABA

DATE: June 27, 1983

TO: ~~Marc Eliesen~~

→ Bob

FROM: H. Clare Moster

Dept.:

Branch:

Address:

Telephone:

- | | |
|---|---|
| <input type="radio"/> Take action | <input type="radio"/> Circulate |
| <input type="radio"/> Per your request | <input type="radio"/> See me re attached |
| <input type="radio"/> Call me on this matter | <input type="radio"/> For your information |
| <input type="radio"/> Investigate and report | <input type="radio"/> Supply data for my reply |
| <input type="radio"/> For your revision or approval | <input type="radio"/> Reply direct with copy to me |
| <input type="radio"/> Return with comments or recommendations | <input type="radio"/> Draft reply for signature of: |

COMMENTS: *Enlargement.*

Re: Oil & Natural Gas Conservation Bd.

Attached is a draft letter to
Omega Hydrocarbons to acknowledge
G. E. Patey's letter to the Board
dated June 21, 1983.

x.c. Ian Haugh

J. F. Redgwell

PS-f-182 (Transmittal/Route Slip)

Sent June 27/83 to ME

LINDA

*Yes, date of Omega's letter
should be June 21st, not 23rd.
↑
was Board's date stamp*

Please advise Rosalie!

Return to Bob.



MANITOBA
DEPARTMENT OF ENERGY AND MINES
THE OIL AND NATURAL GAS CONSERVATION BOARD
309 ~~156~~ LEGISLATIVE BUILDING
WINNIPEG, MANITOBA
R3C 0V8

June 27, 1983

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

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

Dear Sir:

Re: Waskada Lower Amaranth Unit No. 1 - First Enlargement

Your letter of June 23, 1983 specifying the effective date of the enlargement of the subject Unit as July 1, 1983 is hereby acknowledged.

It is noted that the expanded Unit now includes all immediate offsetting quarter sections to water injection except the NE $\frac{1}{4}$ of Section 26-1-26 (WPM). As this area is likely to be affected by the current pressure maintenance scheme, the Board is concerned that inclusion of this tract be given due consideration in any further planned expansion of the Unit or the water injection scheme.

Yours sincerely,

THE OIL AND NATURAL GAS
CONSERVATION BOARD

Marc Eliesen
Chairman

b.c. Dr. I. Haugh
J. F. Redgwell
Petroleum Branch



Bolt
draft ask for Emerson
to sign

mention Board's
concern that Nk 26
be given attention in
any future enlargement
of sub-unit
unit 1 and unit 2
22.1

June 21, 1983

The Oil and Natural Gas Conservation Board
989 Century Street
Winnipeg, Manitoba
R3H 0W4

Attention: Dr. Ian Haugh
Deputy Chairman

Dear Sir:

RE: Waskada Lower Amaranth Unit No. 1 - Enlargement

The following is in response to your letter of June 9:

- 1) The effective date of the unit enlargement will be July 1, 1983.
- 2) The correct name of the joint Royalty Interest Owner in the SE/4 of Section 26-1-26 WPM is Elizabeth Maude Hainsworth. Ms. Jessie Kontzie apparently has Power of Attorney for Ms. E. M. Hainsworth. A copy of the Power of Attorney documents have been requested and will be forwarded to the Board immediately upon their receipt.
- 3) Insofar as there is presently only one well in the NE/4 of Section 26-1-26 WPM and the operator of those lands has not indicated a desire to join the Unit, no actions have been initiated by Omega to have this quarter included in the Unit.

I trust this added information will fulfill your requirements.

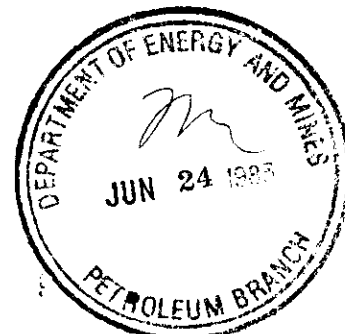
Yours truly,

G. E. Patey
Vice President, Production

EW/sp

cc: Dick Emerson, Land
Lynn Ashley, Production Acctg.

x.c. - Marc Eliesen
J. F. Redgwell
Petroleum Branch



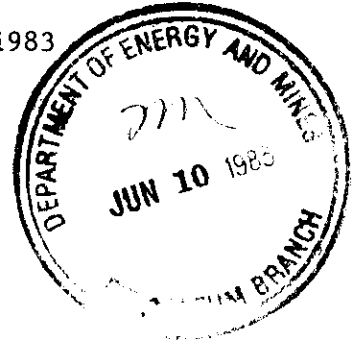


MANITOBA

Department of Energy and Mines
The Oil and Natural Gas Conservation Board

989 Century Street
Winnipeg, Manitoba
R3H 0W4

June 9, 1983



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

Attention: Mr. George Patey,
Vice-President, Production

Dear Sir:

Re: Waskada Lower Amaranth Unit No. 1 - Enlargement

The Board hereby approves the enlargement of the Waskada Lower Amaranth Unit No. 1 as provided for in the Unit Agreement with revisions dated April 25, 1983.

Kindly provide the Board with the following information at your earliest convenience:

1. The effective date of the enlargement.
2. The correct name of the joint Royalty Interest Owner in the SE $\frac{1}{4}$ of Section 26-1-26 WPM (Maude E. Hainsworth or E. Maude Hainsworth) and her relationship with Jessie Kontzie.
3. What action has been taken to include the NE $\frac{1}{4}$ of Section 26-1-26 WPM in the Unit?

Although the method used to determine the Tract Participation Factors in the initial unit and this enlargement appear reasonable, the Board is of the opinion that the method may not be equitable for

....2

all future expansions. This should be taken into consideration when future expansions are being planned.

Yours sincerely,

THE OIL AND NATURAL GAS
CONSERVATION BOARD

[Faint, illegible text]

Ian Haugh
Deputy Chairman

c.c. Marc Eliesen
J. F. Redgwell
Petroleum Branch

WASKADA LOWER AMARANTH UNIT NO.1 - ENLARGEMENT
TRACT FACTOR CALCULATION PROCEDURE

The following hypothetical example illustrates how tract factors for enlargement of a Unit vary depending on the base date used to determine cumulative production.

Assume Tracts 1, 2, 3 and 4 entered into the unit at time = t1. Some time later (i.e.: 2 or 3 years) adjoining tracts 5 and 6 were developed and entered into the Unit at time = t2.

Assume cumulative production at t = t1 and t = t2 as follows:

<u>Tract</u>	<u>P @ t1</u>	<u>P @ t2</u>
1	500	10,000
2	200	8,000
3	0	8,000
4	100	6,000
5	0	300
6	0	200

A Calculation of tract factors - based on remaining reserves at time original unit was entered into. (t=t1) (This is the method Omega employs).
(Ultimate (m³))

<u>Tract</u>	<u>(Recoverable reserves)</u>	<u>P1</u>	<u>U-P1</u>	<u>Tract Factors</u>
1	25000	500	24500	20.9044
2	20000	200	19800	16.8942
3	20000	0	20000	17.0648
4	15000	100	14900	12.7133
5	18000	0	18000	15.3584
6	20000	0	20000	17.0648
			117200	32.4232

B Calculation of tract factors based on remaining reserves at the time of the enlargement (t=t2)

<u>Tract</u>	<u>U Ultimate Recoverable Reserves (m³)</u>	<u>P2</u>	<u>U-P2</u>	<u>Tract Factors</u>
1	25000	10000	15000	17.5439
2	20000	8000	12000	14.0351
3	20000	8000	12000	14.0351
4	15000	6000	9000	10.5263
5	18000	300	17700	56.1404
6	20000	200	19800	20.7018
			85500	23.1579
				43.8596

The method used by Omega when applied to this hypothetical example results in ± 68% of the future revenues from the enlarged Unit accruing to the original tracts while these tracts contain only 56% of the remaining reserves and future production. The participants in the original unit have already benefitted from production and to use Omega's method would unfairly credit them again for this production.

While calculation of tract factors for the proposed enlargement of the Waskada Lower Amaranth Unit No. 1 through either method, is basically equivalent, this example indicates that Omega's method may not be appropriate for future expansions.

Average of Omega ϕh

Original Unit. 1.51

Enlargement Area 1.45

Ratio Original Area / Enlargement Area = 1.04

Average of Pet Branch ϕh

Original Unit 1.08

Enlargement Area ~~1.13~~ 1.13

Ratio Original Area / Enlargement Area = ~~0.96~~ 0.96

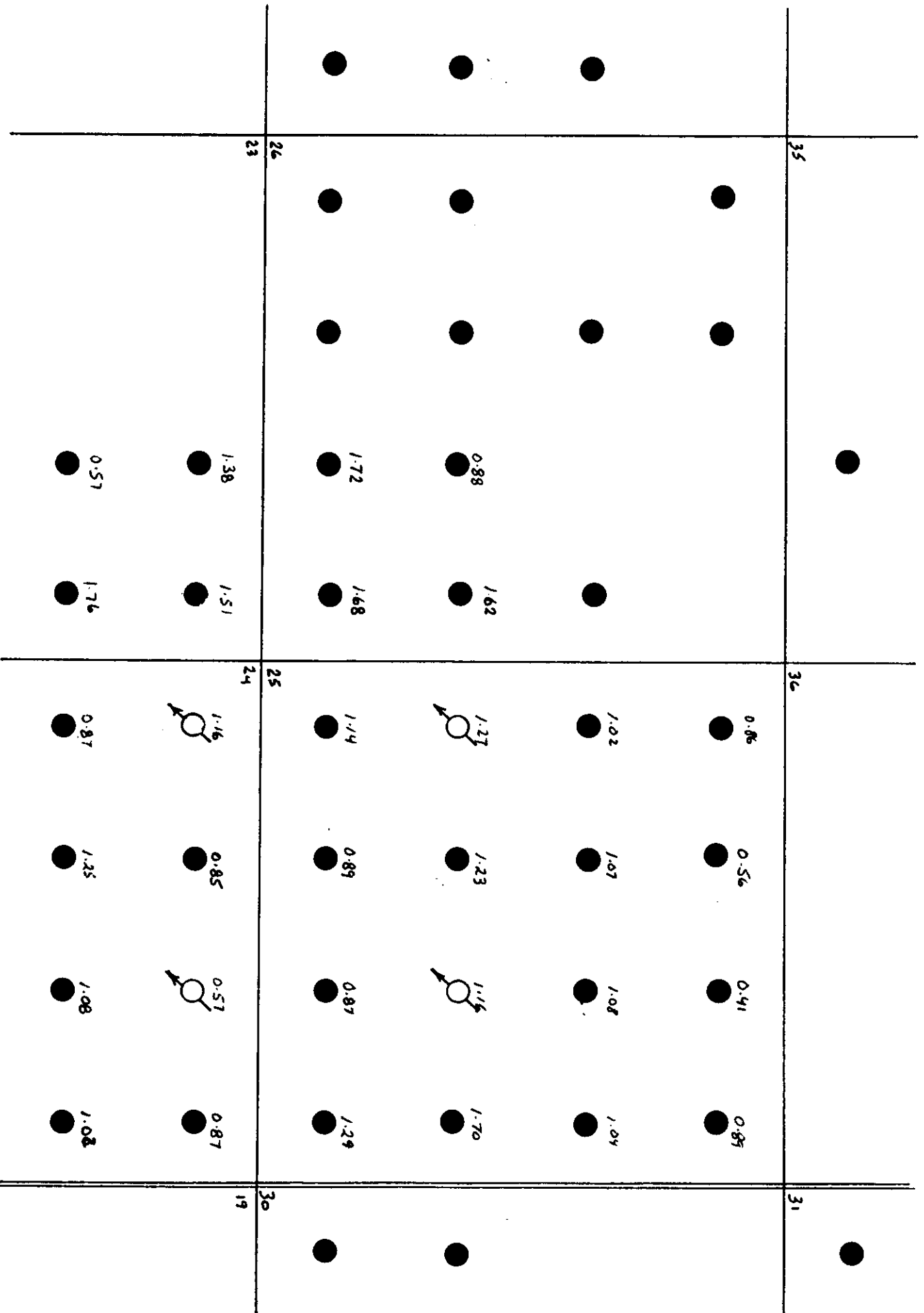
Omega's ϕh numbers appear to give a slight advantage to the original unit area.

However, this is offset by the slight prejudice in tract factors in favor of the enlargement area resulting from Omega's method of tract factor calculation.

Proportion of ϕh in enlargement area by quarter

Quarter	$\Sigma \phi h_{om.}$	% OF TOTAL	$\Sigma \phi h_{20}$	% of total	% Diff
NW 25	4.12 4.27	18.36	3.51 3.51	19.45	-1.09
NE 25	4.62	19.86	3.42	18.95	+0.91
SE 26	7.18	30.87	5.22	28.92	+1.95
NE 23	<u>7.19</u>	30.91	<u>5.90</u>	32.69	-1.78
	23.26		18.05		

all discrepancies are less than 2% and are within the range of ~~suspected~~ pore volume estimates



April 27/83

Re: Waskada L. Am. Unit No 1
Enlargement.

Clare:

Attached calculations show Omega's and my methods to give very similar results in this case. On that basis, assuming ϕh numbers are consistent, I would be prepared to indicate to any mineral owner who inquires that Omega's proposal is equitable.

I still do have some misgivings about general application of this procedure in the future. As an example suppose an adjoining area (say $5\frac{1}{2}$ 36) was drilled up 2-3 years from now after say half of the ultimate reserves had been produced. Use of the present method would greatly prejudice the tract factors against the new area.

The Unit agreement does not specify the details of tract factor determinations in an expansion so I guess any such problem like I've described could be dealt with on a more equitable basis as it occurred. I don't think we want to set a ^{to strong of} precedent though.

BTD

COMPARISON OF TRACT FACTORS BY QUARTER

QUARTER	<u>QHEGA</u>	<u>P.E.BR</u>	<u>DIFF.</u>
NW - 25	9.0248	8.9916	+ 0.0332
NE - 25	9.7623	9.7156	+ 0.0467
SE - 26	15.1519	15.1073	+ 0.0446
NE - 23	15.1774	15.1778	- 0.0004
EXISTING UNIT	50.8836	51.0076	- 0.1240
EXPANSION	49.1164	48.9924	+ 0.1240

TRACT	LSD	u	^{Feb 29/83} Cum P u-P	u-P		
9-24	22199	38.6	22160.4	2.3577		
10-24	21162	1305.6	19856.4	2.1125		
11-24	25103	1429.2	23673.8	2.5187		
12-24	35269	151.8	35117.2	3.7361		
13-24	34025	0	34025.0	3.6199		
14-24	20954.2	2255.1	18699.1	1.9894		
15-24	20332	3402.6	16929.4	1.8011		
16-24	30498	1889.1	28608.9	3.0437		
1-25	35477	768.9	34708.1	3.6926		
2-25	31742	174.8	31567.2	3.3584		
3-25	34439	90.0	34349.0	3.6544		
4-25	39419	635.3	38783.7	4.1262		
5-25	40663.1	3740.7	36922.4	3.9282		
6-25	33402.6	2568.7	30833.9	3.2804		
7-25	36929	1959.5	34969.5	3.7204		
8-25	40248.5	204.6	<u>38233.9</u>	4.0677		
			479437.9	51.0076		
9-25	37966.1	1674.7	36291.4	3.8611	<u>Ommit #</u>	3.8654
10-25	27593	2247.5	25345.5	2.6915		2.8110
11-25	27801	2153.9	25647.1	2.7286		2.8322
12-25	27178	1657.4	25520.6	2.7151		2.7687
13-25	19709	179.9	19529.1	2.0777		2.0878
14-25	13900	80.7	13819.3	1.4702		1.4161
15-25	9129	243.3	8885.7	0.9454		0.9300
16-25	21162	364.6	20797.4	2.2126		2.1559
9-23	45643	1170.6	44472.4	4.7314		4.6498
10-23	21785	144.5	21590.5	2.2970		2.2193
15-23	41700.6	907 1916.3	39784.3	4.2327		4.2465
16-23	40040.6	3225.8	36814.8	3.9167		4.0618
1-26	36928.9	1665.1	35263.8	3.7517		3.7485
2-26	49791.9	1891.8	47900.1	5.0961		5.0694
7-26	26556	925.3	25630.7	2.7269		2.7091
8-26	35684.2	2480.2	<u>33204.0</u>	3.5326		3.6286
			460496.7	48.9924		
			<hr/>			
			939934.6			



HYDROCARBONS Ltd.

TELEPHONE (403) 261-0743

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

April 25, 1983

Manitoba Petroleum Branch
975 Century Street
Winnipeg, Manitoba
R3H 0W4

Attention: Mr. Bob Dubreuil

Dear Bob:

RE: Waskada Lower Amaranth Unit No. 1 Expansion

Enclosed, as requested, is a copy of the details of the calculation of Tract Participation Factors for the Unit enlargement encompassing the N/2 Section 25-1-26 WPM, the SE/4 Section 26-1-26 WPM and the NE/4 Section 23-1-26 WPM. The documents have been sent to the Royalty Interest Owners of the tracts to be added and you will be notified as soon as their approval has been obtained.

Yours truly,

OMEGA HYDROCARBONS LTD.

Ed Wyse
Petroleum Engineer

EW/sp



CALCULATION OF TRACT PARTICIPATION
WASKADA LOWER AMARANTH UNIT #1

The calculation of tract participation has been done on the basis of re-
maining recoverable oil reserves as defined by the following formula:

$$U = (RF * 10114 * A * h * \phi * (1-S_w)/Bo_i) - Q \quad \text{where:}$$

U = remaining recoverable oil reserves in m³; RF = recovery for secondary
recovery (assigned a 0.25 value by D & S Petroleum Consultants); A - Area
(16 ha per tract); h = pay thickness in metres; ϕ = rock porosity as a
decimal fraction; S_w = water saturation (0.40); Bo_i = reservoir oil volume
factor (1.17 by PVT analysis) and Q = cumulative production to February 28,
1982 in m³.

TRACT	Lsd	ϕ -m (porosity-m)	Q (m ³)	U (m ³)	TRACT PARTICIPATION (%)	
					Original Unit	Enlarged Unit
1	9-24	1.07	-	22199	4.4445	2.2615
2	10-24	1.02	-	21162	4.2368	2.1558
3	11-24	1.21	-	25103	5.0259	2.5574
4	12-24	1.70	-	35269	7.0612	3.5930
5	13-24	1.64	-	34025	6.8122	3.4663
6	14-24	1.01	51.2	20903	4.1850	2.1295
7	15-24	0.98	1236.0	19096	3.8232	1.9454
8	16-24	1.47	-	30498	6.1060	3.1070
9	1-25	1.71	-	35477	7.1029	3.6142
10	2-25	1.53	-	31742	6.3551	3.2337
11	3-25	1.66	-	34439	6.8950	3.5084
12	4-25	1.90	-	39419	7.8921	4.0158
13	5-25	1.96	1084.1	39579	7.9241	4.0321
14	6-25	1.61	7.6	33395	6.6860	3.4021
15	7-25	1.78	-	36929	7.3936	3.7621
16	8-25	1.94	8.5	40240	8.0564	4.0993
SUB-TOTAL				499475	100.0000	50.8836
17	9-25	1.83	23.1	37943		3.8654
18	10-25	1.33	-	27593		2.8110
19	11-25	1.34	-	27801		2.8322
20	12-25	1.31	-	27178		2.7687
21	13-25	0.95	-	19709		2.0078
22	14-25	0.67	-	13900		1.4161
23	15-25	0.44	-	9129		0.9300
24	16-25	1.02	-	21162		2.1559
25	9-23	2.20	-	45643		4.6498
26	10-23	1.05	-	21785		2.2193
27	15-23	2.01	16.6	41684		4.2465
28	16-23	1.93	169.6	39871		4.0618
29	1-26	1.78	133.9	36795		3.7485
30	2-26	2.40	30.9	49761		5.0694
31	7-26	1.28	-	26556		2.7054
32	8-26	1.72	66.2	35618		3.6286
SUB-TOTAL				482128		49.1164
TOTAL				981603		100.0000

BoP
BoP
new Unit file
X2 - VIBER 0000

(=)

December 23, 1962

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

Attention: Mr. George Patey
Vice-President, Production

Dear Sir:

Re: Waskada Lower Anzac Unit No. 1

The Board hereby approves the Waskada Lower Anzac Unit No. 1 Unit Agreement, pursuant to Section 74 of The Mines Act. According to Article XIV of the Agreement, the effective date of the Unit is January 1, 1963.

Appropriate Board orders for approval of your proposed pilot waterflood project and to provide for exemption of wells within the Unit from the provisions of subsection (1) of Section 11 of Manitoba Revised Regulation 1160-MIP will be processed upon receipt by the Petroleum Branch of well test and pressure data as required by the Branch.

Yours sincerely,

ORIGINAL SIGNED BY
IAN HAUGH

Ian Haugh,
Deputy Chairman
The Oil and Natural Gas
Conservation Board

TH/sw

cc: M. Eliason
J.F. Radgwall
Petroleum Branch. ✓

December 9, 1982

The Oil and Natural Gas
Conservation Board

Marc Eliesen - Chairman
Dr. I. Haugh - Deputy Chairman
J. Redgwell - Member

H. C. Moster
Director
Petroleum Branch

RE: WASKADA LOWER AMARANTH UNIT NO. 1

Omega Hydrocarbons Ltd. has applied to the Board, pursuant to Section 74 of The Mines Act, for approval of the Waskada Lower Amaranth Unit No. 1 Unit Agreement. (copy attached).

DISCUSSION:

A cursory review of the Agreement indicates the following:

Page. 4	205.	incorrect department name
6	306.	"Unitized" spelled wrong
10	703.	should read "allocated to", not "of"
19	1310.	Manitoba official time would be preferable
21	1402.	incorrect department name

RECOMMENDATIONS:

Inasmuch as the working interest owner and all the royalty owners in the lands covered by the agreement (see Figure 1 and Table 1) have executed the Agreement, it is recommended that the Board approve the Agreement. A draft of the proposed letter of approval is attached.

Original Signed by H. C. Moster

H. Clare Moster

LRD/ECM/sb
Att:

WASKADA LOWER AIRPORT
UNIT No 1

Loyalty Owner	Tract	Interest	Cashed
M. C. Fowler	SW 1/4 35	100%	✓
H. T. Fowler	SE 1/4 25	100%	✓
N. H. Royall	NW 1/4 24	25%	✓
E. J. McArthur	N 1/2 24	50%	✓
N. E. McGregor	N 1/2 24	25%	✓
Miss Linda	NE 1/4 24	25%	✓

DATE: December 3, 1982

MANITBA

TO: H. Clare Moster

COMMENTS:

RE: Proposed Waskada Lower Amaranth Unit No. 1

FROM: Ian Haugh

Dept.:

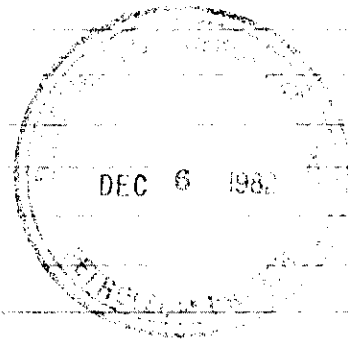
Branch:

Address:

Please review the attached proposed Unit Agreement, provide advice on whether the Agreement satisfies all requirements, and draft reply for the Chairman's signature.

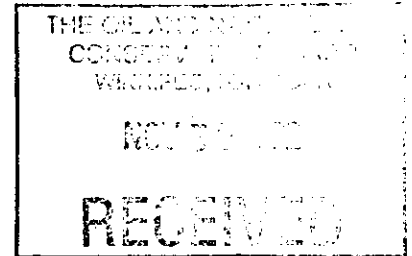
Telephone:

- | | |
|---|---|
| <input type="radio"/> Take action | <input type="radio"/> Circulate |
| <input type="radio"/> Per your request | <input type="radio"/> See me re attached |
| <input type="radio"/> Call me on this matter | <input type="radio"/> For your information |
| <input type="radio"/> Investigate and report | <input type="radio"/> Supply data for my reply |
| <input type="radio"/> For your revision or approval | <input type="radio"/> Reply direct with copy to me |
| <input type="radio"/> Return with comments or recommendations | <input type="radio"/> Draft reply for signature of: |





November 26, 1982



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

Attention: Dr. Ian Haugh
Deputy Chairman

Dear Sirs:

Re: Proposed Waskada Lower Amaranth Unit No. 1

Omega Hydrocarbons Ltd., as operator and sole working interest owner, hereby solicits the approval of the Oil and Natural Gas Conservation Board for its Waskada Lower Amaranth Unit No. 1 Agreement under Section 74 of the Mines Act.

Attached is a copy of the Unit Agreement with copies of the executed signature pages for Omega Hydrocarbons Ltd. as 100% working interest owner and each of the six royalty interest owners; representing unanimous agreement. As Vice President of Production, I guarantee this copy of the Unit Agreement to be as presented and agreed to by all signing parties with the exception of Clause 1403, which was slightly modified on November 8, 1982, and subsequently initialled as approved by all parties.

Yours truly,

OMEGA HYDROCARBONS LTD.

G. E. Patey
Vice President of Production

EW:amr
Enclosure