

Closing Date: May 9, 2012 1:00 P.M. Winnipeg, Manitoba



PUBLIC OFFERING OF CROWN OIL AND GAS RIGHTS

The undersigned will receive offers to purchase oil and gas leases as described in **SCHEDULE A**, up to 1:00 P.M. (Manitoba official time) on the 9th day of May, 2012.

Each offer must be enclosed in a separately sealed envelope with "Lease Offer – May 9, 2012" clearly indicated on the outside of the envelope, and be accompanied, where applicable, by the following:

- a) The cash bid of the bidder;
- b) Rent for each lease for the first year at the rate of \$3.50 per hectare;
- c) An application fee of \$400.00 per lease;
- d) Method of payment (electronic transfer of funds company account);
- e) The full name and address for service of the party the agreement is to be issued to;
- f) Where the agreement is to be issued in undivided interests, each interest should be clearly indicated;
- g) The G.S.T. Registration Number for each party wishing to have an interest in the agreement.

The bonus, rental and fee must be submitted by electronic funds transfer. All authorizations for electronic funds transfer must be filed with the Branch on an approved form (Attachment No. 1) as set forth in Informational Notice 09-02 (enclosed). It is the company's responsibility to ensure that relevant account information remains current. A company may cancel this authorization at any time by written notice to the Petroleum Registrar. **Authorizations for the May 9, 2012 sale must be received no later than April 11, 2012. Bank drafts and certified cheques will not be accepted**, unless the bidder has been granted special prior exemption by the Petroleum Registrar.

The bidder is responsible for having sufficient funds in its account on sale day to cover all bids, rentals and fees. If the Branch is notified by the bank that insufficient funds are available, the parcel(s) will be awarded to the next highest bidder. Manitoba reserves the right to refuse future bids and/or posting requests by that bidder.

The bidder may request that consideration be given on another parcel or parcels, if an offer on one or more parcels is not successful, provided that the intent and order of choice is clearly stated and provided that alternative offers are for specific amounts. Any offer received contrary to these conditions or the regulation, will not be considered.

All offers should be mailed to:

Petroleum Registrar
Manitoba Innovation, Energy and Mines
Petroleum Branch
1395 Ellice Avenue, Suite 360
Winnipeg Manitoba R3G 3P2

or handed to any person acting for the Registrar at the office of the Petroleum Branch, 1395 Ellice Avenue, Suite 360, Winnipeg, Manitoba.

Leases granted shall be subject to the applicable Acts and Regulations in force from time to time.

Manitoba reserves the right to reject any or all offers received and to refund to the person making an offer any funds received from them.

Printed sale results will be provided, when available, to all parties participating in the sale and to other parties upon request. Sale results may be obtained by contacting Angela Hiebert, Leasing Clerk at (204) 945-6578 or through our home page on the internet at www.gov.mb.ca/iem/petroleum.

Dated at Winnipeg, Manitoba this 4th day of April, 2012.

The Petroleum Branch is committed to providing quality service to all its clients. If you have any comments regarding the Manitoba Crown Land Tenure System and administrative policies related to the Crown Disposition Regulation, please contact the undersigned at the address noted above, or by telephone at (204) 945-8102 and fax at (204) 945-0586.

Dan Surzyshyn
Petroleum Registrar

Schedule A
Oil and Gas Leases

May 9, 2012

Parcel No.	Section	Township	Range	Meridian	Hectares
A1	* N½ & SW¼ of 10	6	28	WPM	192
A2	* SE¼ of 10	6	28	WPM	320
	* All 11				
A3	* NE¼ & S½ of 16	6	28	WPM	192
A4	* All 20	6	28	WPM	256
A5	* All 32	6	28	WPM	256
A6	* N½ of 2	7	28	WPM	192
	* SE¼ of 11				
A7	* NW¼ of 12	7	28	WPM	319.71
	* N½ & Ptn. S½ of 13				
A8	* All 14	7	28	WPM	256
A9	* All 36	7	28	WPM	256
A10	* S½ of 2	8	27	WPM	128
A11	* NE¼ of 4	8	27	WPM	64
A12	* NW¼ of 18	8	27	WPM	64
A13	* E½ of 20	8	27	WPM	128
A14	* NE¼ of 32	8	27	WPM	64
A15	* E½ of 34	8	27	WPM	128
A16	W½ of 11	10	29	WPM	128

Schedule A
Oil and Gas Leases

May 9, 2012

Parcel No.	Section	Township	Range	Meridian	Hectares
A17	SE $\frac{1}{4}$ of 2	11	28	WPM	64
A18	* NE $\frac{1}{4}$ of 29	12	27	WPM	64
A19	* SE $\frac{1}{4}$ of 29	12	27	WPM	64
A20	* W $\frac{1}{2}$ of 29	12	27	WPM	128
A21	* S $\frac{1}{2}$ of 32	12	27	WPM	128
A22	* E $\frac{1}{2}$ of 6 Above Base of Devonian Duperow	13	27	WPM	128
A23	* SE $\frac{1}{4}$ of 11 Above Base of Devonian Duperow	13	27	WPM	64
A24	* SW $\frac{1}{4}$ of 11 Above Base of Devonian Duperow	13	27	WPM	64
A25	* NW $\frac{1}{4}$ of 12 Above Base of Devonian Duperow	13	27	WPM	64
A26	* SW $\frac{1}{4}$ of 14 Above Base of Devonian Duperow	13	27	WPM	64
A27	* SW $\frac{1}{4}$ of 36 Above Base of Devonian Duperow	13	27	WPM	64
A28	* NW $\frac{1}{4}$ of 36 Above Base of Devonian Duperow	13	27	WPM	64
A29	All 2	13	29	WPM	256
A30	* NE $\frac{1}{4}$ of 4 Above Base of Devonian Duperow	14	27	WPM	64

Schedule A
Oil and Gas Leases

May 9, 2012

Parcel No.	Section	Township	Range	Meridian	Hectares
A31	* NW¼ of 4 Above Base of Devonian Duperow	14	27	WPM	64
A32	* SW¼ of 14 Above Base of Devonian Duperow	14	27	WPM	64
A33	* NE¼ of 20 Above Base of Devonian Duperow	14	27	WPM	64
A34	* SE¼ of 20 Above Base of Devonian Duperow	14	27	WPM	64
A35	* SW¼ of 20 Above Base of Devonian Duperow	14	27	WPM	64
A36	* NW¼ of 20 Above Base of Devonian Duperow	14	27	WPM	64
A37	* SE¼ of 28 Above Base of Devonian Duperow	14	27	WPM	64
A38	* NW¼ of 28 Above Base of Devonian Duperow	14	27	WPM	64
A39	* NE¼ of 30 Above Base of Devonian Duperow	14	27	WPM	64
A40	* SE¼ of 30 Above Base of Devonian Duperow	14	27	WPM	64
A41	* SW¼ of 30 Above Base of Devonian Duperow	14	27	WPM	64
A42	* NW¼ of 30 Above Base of Devonian Duperow	14	27	WPM	64

Schedule A
Oil and Gas Leases

May 9, 2012

Parcel No.	Section	Township	Range	Meridian	Hectares
A43	* NE¼ of 29 Above Base of Devonian Duperow	14	28	WPM	64
A44	* SE¼ of 29 Above Base of Devonian Duperow	14	28	WPM	64
A45	* SW¼ of 29 Above Base of Devonian Duperow	14	28	WPM	64
A46	* NW¼ of 29 Above Base of Devonian Duperow	14	28	WPM	64
A47	* NE¼ of 36 Above Base of Devonian Duperow	14	28	WPM	64
A48	* SE¼ of 36 Above Base of Devonian Duperow	14	28	WPM	64
A49	* SW¼ of 36 Above Base of Devonian Duperow	14	28	WPM	64
A50	* NW¼ of 36 Above Base of Devonian Duperow	14	28	WPM	64
A51	Ptn. NW¼ of 5	17	26	WPM	36.017
A52	NW¼ & Ptn. SW¼ of 8	17	26	WPM	127.074
A53	SE¼ of 22	17	26	WPM	64
A54	NE¼ of 11	17	27	WPM	64
A55	* SE¼ of 11	17	27	WPM	64

Schedule A
Oil and Gas Leases
May 9, 2012

Parcel No.	Section	Township	Range	Meridian	Hectares
A56	* SW $\frac{1}{4}$ of 11	17	27	WPM	64
A57	* NW $\frac{1}{4}$ of 11	17	27	WPM	64
A58	NE $\frac{1}{4}$ of 29	18	27	WPM	64
A59	SE $\frac{1}{4}$ of 29	18	27	WPM	64
A60	SW $\frac{1}{4}$ of 29	18	27	WPM	64
A61	NW $\frac{1}{4}$ of 29	18	27	WPM	64
A62	Ptn. NE $\frac{1}{4}$ of 34	18	28	WPM	63.01
A63	SE $\frac{1}{4}$ of 34	18	28	WPM	64
A64	* NE $\frac{1}{4}$ of 14 Above Base of Devonian Duperow	18	29	WPM	64
A65	* SE $\frac{1}{4}$ of 14 Above Base of Devonian Duperow	18	29	WPM	64
A66	* SW $\frac{1}{4}$ of 14 Above Base of Devonian Duperow	18	29	WPM	64
A67	* NW $\frac{1}{4}$ of 14 Above Base of Devonian Duperow	18	29	WPM	64
A68	* E $\frac{1}{2}$ of 12 Above Base of Devonian Duperow	19	28	WPM	128

* Refer to Addendum

ADDENDUM TO
PUBLIC OFFERING OF
CROWN OIL AND GAS RIGHTS

May 9, 2012

Parcel A5

This parcel is under private surface ownership with the SE¼ supporting known species at risk that are protected under the Manitoba *Endangered Species Act*. Special conditions may be placed on drilling and production operations in this area.

Parcel A7

These parcels are under private surface ownership with the NW¼ of Section 13-7-28 WPM containing habitat for a rare and vulnerable species. Special conditions may be placed on drilling and production operations in this area.

Parcel A9

This parcel is under private surface ownership with the NW¼ containing habitat for a rare and vulnerable species. Special conditions may be placed on drilling and production operations in this area.

Parcel A18

This parcel supports known species at risk that are protected under the *Federal species at Risk Act*. To ensure avoidance of the protected species and provide mitigation for the potential loss of habitat, the holder will be required to obtain the approval of the Director of Western Region, Manitoba Conservation and the Director of Petroleum, Manitoba Innovation Energy & Mines of a development Plan. Activities will be permitted only if they fully comply with an approved development plan.

Parcel A19

This parcel contains habitat for a rare and vulnerable species. To ensure avoidance of the protected species and provide mitigation for the potential loss of habitat, the holder will be required to obtain the approval of the Director of Western Region, Manitoba Conservation and the Director of Petroleum, Manitoba Innovation Energy & Mines of a development Plan. Activities will be permitted only if they fully comply with an approved development plan.

Parcel A20

This parcel is under private surface ownership with the NW¼ supporting known species at risk that are protected under the *Federal species at Risk Act* and the SW¼ supporting known species at risk that are protected under the *Federal species at Risk Act* and the Manitoba *Endangered Species Act*. This parcel may be owned by conservation agencies or under Conservation Agreement. Special conditions may be placed on drilling and production operations in this area.

Parcels A21 and A22

These parcels are under private surface ownership and may be owned by conservation agencies or under Conservation Agreement. Special conditions may be placed on drilling and production operations in these areas.

Parcels A23, A24, A25 and A26

These parcels are under private surface ownership next to legally designated Upper Assiniboine Wildlife Management Area Reeder Unit. These parcels may be owned by conservation agencies or under Conservation Agreement. Special conditions may be placed on drilling and production operations in these areas.

Parcels A43, A44, A45 and A46

These Crown lands contain vital remnant habitat which has high ecological significance in Southern Manitoba. The holder will be required to obtain the approval of the Director of Western Region, Manitoba Conservation and the Director of Petroleum, Manitoba Innovation Energy & Mines of a development Plan. Activities will be permitted only if they fully comply with an approved development plan.

Parcels A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14 and A15

These parcels are in areas containing a pending Potash Permit No. QP-170.

Parcels A22, A23, A24, A25, A26, A27, A28, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41 and A42

These parcels are in areas containing a Potash Permit No. QP-172.

Parcels A55, A56 and A57

These parcels are in areas containing a pending Potash Permit No. QP-174.

Parcels A43, 44, A45, A46, A47, A48, A49, A50, A64, A65, A66, A67 and A68

These parcels are in areas containing a Potash Permit No. QP-168. All Holders who are awarded any of the parcels within QP-168 are requested to contact Mr. W.S. Ferreira Ltd. 91 Lakeshore Road, Winnipeg, Manitoba. R3T 4A7, prior to any oil and gas activity within the permit area.

For further information regarding the above noted parcels, please contact:

Mr. Keith Lowdon, Director
Petroleum Branch
Innovation, Energy and Mines
Ph: (204) 945-6574

Manitoba

Industry, Economic Development
and Mines



Petroleum

360-1395 Ellice Avenue
Winnipeg MB R3G 3P2
CANADA

Phone: (204) 945-6577
Fax: (204) 945-0586

October 13, 2005

INFORMATIONAL NOTICE 05-02

Withdrawal of Crown Oil and Gas Rights from Disposition

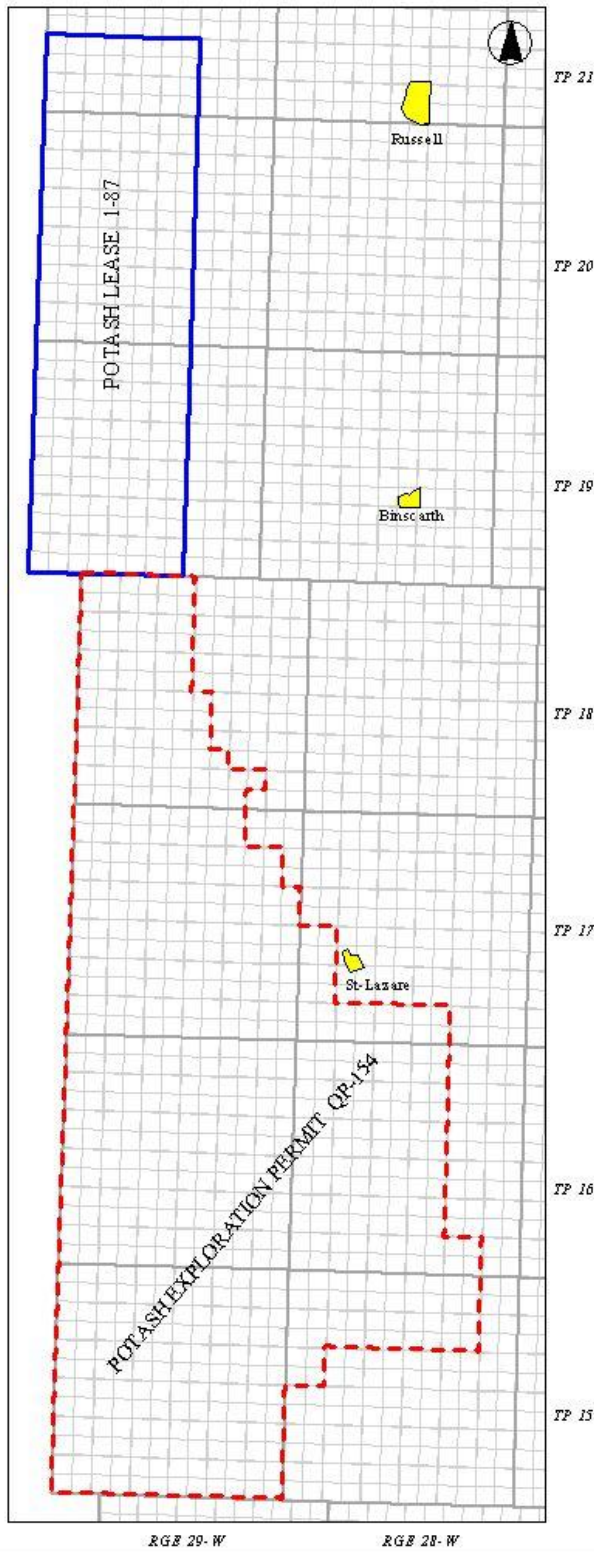
Effective immediately, the Department of Industry, Economic Development and Mines will not be accepting applications under Subsection 2(2) of the Crown Disposition Regulation for the disposition of Crown oil and gas rights by public sale in the area currently under potash disposition for exploration and/or development ("potash disposition area") outlined in Schedule A. This Notice does not affect the rights of holders of existing dispositions of Crown oil and gas rights in the potash disposition area.

A potash lease in the Russell area has been held by the Manitoba Potash Corporate since 1987. The Department is in the process of issuing a potash exploration permit in the St. Lazare area to Agrium Inc. The term of the potash exploration permit is five years and may be extended in accordance with the provisions of the Potash Exploration Permit Regulation under *The Mines and Minerals Act*.



Oil and gas operations have the potential to adversely impact the integrity of potash deposits. In order to mitigate this risk, the Department has decided not to dispose of Crown oil and gas rights in the potash disposition area while holders of potash dispositions undertake activities to evaluate potash deposits. The Department hopes the orderly development of the province's subsurface resources will maximize the value of these resources for the future benefit of all Manitobans.

The Department's decision not to dispose of oil and gas rights in the potash disposition area will be reviewed at the end of the term of the potash exploration permit or earlier in the event of surrender of all or a portion of the permit area or termination of the potash lease or exploration permit.

John N. Fox, P.Eng.
Director



SCHEDULE A
POTASH DISPOSITION AREA

-  POTASH EXPLORATION PERMIT
-  POTASH LEASE

SCALE: 1:250 000

DATED: SEPT. 27, 2005



Innovation, Energy and Mines

Petroleum Branch
360-1395 Ellice Ave, Winnipeg MB R3G 3P2
T 204-945-6577 F 204-945-0586
www.manitoba.ca

INFORMATIONAL NOTICE 09-02

MAY 7, 2009

**Mandatory Electronic Fund Transfer at
Manitoba Public Offerings of Crown Oil and Gas Lease Rights**

On August 23, 1995, the Petroleum Branch introduced electronic transfer of funds for payment of bonuses, rentals and fees submitted with bid offerings at Manitoba Public Offerings of Crown Oil and Gas Lease Rights. This initiative has been very well received by industry and has resulted in a significant reduction in administrative activities for both industry and Branch staff.

To streamline Crown oil and gas procedures, effective with the August 13, 1997 sale, the Petroleum Branch requires mandatory payment of bonuses, rentals and fees be submitted with bid offerings by Electronic fund transfer. Bank drafts or certified cheques are not acceptable unless the bidder has been granted special exemption by the Petroleum Registrar.

All authorizations for electronic funds transfer must be filed with the Branch on an approved form (Attachment No. 1). The authorization should be prepared on company letterhead, witnessed or executed under seal and submitted to the Branch not less than five weeks prior to the date of the sale.

An authorization provided to the Branch does not have to be renewed for each sale. However, it is the company's responsibility to ensure that relevant account information remains current. A company may cancel this authorization at any time by written notice to the Petroleum Registrar.

On sale day, once the successful bids are determined, the total amount owing by the company (any bonus, rental or fee) will be electronically withdrawn from the company's account.

The bidder is responsible for having sufficient funds in its account on sale day to cover all its bids, rentals and fees. If we are notified by the bank that insufficient funds are available, the parcel(s) will be awarded to the next highest bidder. The Department reserves the right to refuse future bids and/or posting requests by that bidder.

If you have any questions or comments in this regard, please contact the Petroleum Registrar at least one week prior to the sale date.

Keith Lowdon
Director

ATTACHMENT NO. 1

(COMPANY LETTERHEAD)

Date:

Phone:

Innovation, Energy and Mines
Petroleum Branch
360 - 1395 Ellice Avenue
Winnipeg, MB R3G 3P2

Attention: **Mr. Keith Lowdon**
Director of Petroleum

Dear Sir:

Re: Remittance for Crown Oil and Gas Rights

Please accept this document as authority for Manitoba Innovation, Energy and Mines to debit our bank account on the understanding that any such debit will only be used to facilitate the payment by (name of company) for successful bids for Crown oil and gas rights. The debit will be limited to the amount of said successful bids, including any bonus, fees and applicable rent. The treatment of each payment shall be the same as if (name of company) had issued a cheque authorizing the bank to pay the amount indicated from our account.

It is further understood and agreed that (name of company) will have recourse to Innovation, Energy and Mines for the recovery of debits made by the Department for purposes that have not been authorized by this document.

This authorization may be canceled by (name of company) at any time by written notice to the Department.

Your receipt of this authorization constitutes delivery by us.

Dated: _____

(Name of company)

(Corporate Seal)

Per: _____
Treasurer, Comptroller or Director or Manager of Finance,
or similar authority. The signatory should have some
responsibility for financial or banking matters in the company.

Account Name:

Account No.:

Bank:

Branch:

Address:

Bank Transit No.:



Innovation, Energy and Mines

Petroleum Branch
360-1395 Ellice Ave, Winnipeg MB R3G 3P2
T 204-945-6577 F 204-945-0586
www.manitoba.ca

INFORMATIONAL NOTICE 11-02

March 23, 2011

**SCHEDULE OF PUBLIC OFFERINGS OF MANITOBA
CROWN OIL AND GAS RIGHTS - 2012**

The Department of Innovation Energy and Mines has scheduled four Public Offerings of Crown Oil and Gas Rights in 2012.

The sale dates and corresponding closing dates prior to which the Department will entertain requests to have rights posted are:

<u>Sale Date</u>	<u>Closing Date for Posting</u>
February 8, 2012	November 11, 2011
May 9, 2012	February 10, 2012
August 8, 2012	May 11, 2012
November 14, 2012	August 10, 2012

Posting requests must be in writing, indicate the form of disposition requested and be received at the office of the Petroleum Branch, Winnipeg, Manitoba on or before the respective closing date shown above. In determining the terms and conditions under which such rights shall be offered for sale preference will be given to requests containing drilling commitments indicating time limits and deepest formation to be tested.

Sale Notices, listing the parcels offered and outlining sale procedures together with any special terms and conditions will be:

1. Mailed to all parties on the mailing list maintained by the Petroleum Branch; and,
2. Posted on the Department's internet site located at www.gov.mb.ca/stem/petroleum.

Keith Lowdon,
Director

Cette information existe également en français.



Innovation, Energy and Mines

Petroleum Branch
360-1395 Ellice Ave, Winnipeg MB R3G 3P2
T 204-945-6577 F 204-945-0586
www.manitoba.ca

INFORMATIONAL NOTICE 12-02

April 4, 2012

**SCHEDULE OF PUBLIC OFFERINGS OF MANITOBA
CROWN OIL AND GAS RIGHTS - 2013**

The Department of Innovation Energy and Mines has scheduled four Public Offerings of Crown Oil and Gas Rights in 2013.

The sale dates and corresponding closing dates prior to which the Department will entertain requests to have rights posted are:

<u>Sale Date</u>	<u>Closing Date for Posting</u>
February 13, 2013	November 16, 2012
May 15, 2013	February 15, 2013
August 14, 2013	May 17, 2013
November 13, 2013	August 16, 2013

Posting requests must be in writing, indicate the form of disposition requested and be received at the office of the Petroleum Branch, Winnipeg, Manitoba on or before the respective closing date shown above. In determining the terms and conditions under which such rights shall be offered for sale preference will be given to requests containing drilling commitments indicating time limits and deepest formation to be tested.

Sale Notices, listing the parcels offered and outlining sale procedures together with any special terms and conditions are available **5 weeks prior to the Sale Date** and will be:

3. Mailed to all parties on the mailing list maintained by the Petroleum Branch; and,
4. Posted on the Department's internet site located at www.gov.mb.ca/iem/petroleum.

Keith Lowdon,
Director

Cette information existe également en français.

