

WEEKLY WELL ACTIVITY REPORT

PETROLEUM INDUSTRY ACTIVITY REPORT

(January 1/14 – May 12/14)

| <u>DRILLING ACTIVITY</u> | To May 12/14 | To May 13/13 | 2013 Total |
|--|-----------------|----------------|------------|
| Drilling Licences Issued | 154 | 148 | 537 |
| Licences Cancelled | 9 | 12 | 62 |
| Vertical Wells Drilled | 20 | 10 | 30 |
| Horizontal Wells Drilled | 107 | 210 | 498 |
| Stratigraphic Test Holes Drilled | 0 | 1 | 2 |
| Wells Drilled - Total | 127 | 221 | 530 |
| No. of Metres Drilled | 240 129 | 414 656 | 1 019 476 |
| Wells Re-entered | 0 | 0 | 2 |
| Wells Being Drilled | 0 | 0 | 1 |
| No. of Active Rigs | 0 | 0 | 4 |
| Wells Licenced but Not Spudded | 224 | 202 | 202 |
| Wells Completed as Potential Oil Wells | 123 | 218 | 526 |
| Wells Abandoned Dry | 4 | 3 | 3 |
| Wells Drilled but Not Completed | 0 | 0 | 0 |
| Other Completions | 0 | 0 | 3 |
| New Wells on Production | 11 | 5 | 468 |
| <u>GEOPHYSICAL ACTIVITY</u> | | | |
| Geophysical Programs Licenced | 10 | 11 | 17 |
| Licences Cancelled | 0 | 0 | 1 |
| Kilometers Licenced | 1 891 | 676 | 1 948 |
| Kilometers Run | 101 | 0 | 2 062 |
| | 2014 | 2013 | |
| <u>OIL PRICES (Average)</u> | \$/m3 (\$/bbl) | \$/m3 (\$/bbl) | |
| Month of Mar | 639.62 (101.64) | 540.70 (85.92) | |
| Month of Apr | 628.95 (99.95) | 554.09 (88.05) | |
| <u>OIL PRODUCTION (M3)</u> | | | |
| | 2013 | 2012 | |
| Month of Oct | 251 333.6 | 263 700.4 | |
| Cumulative Thru Oct 31 | 2 519 230.4 | 2 516 534.4 | |

WEEKLY WELL ACTIVITY REPORT

12 May 2014

Lic. No.: 9877 Corex Virden Prov. HZNTL 11-34-10-26 (WPM)
 UWI: 102.11-34-010-26W1.00

Licence Issued: 09-May-2014
 Licensee: Corex Resources Ltd.
 Mineral Rights: Corex Resources Ltd.
 Contractor: CanElson Drilling Inc. - Rig# 10
 Surface Location: 09C-33-10-26
 Co-ords: 600.00m (S) of (N) boundary of Sec. 33
 205.00m (W) of (E) boundary of Sec. 33
 Grd Elev: 446.71 m
 Proj. TD: 1428 m (Mississippian)
 Field: Virden
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)

Lic. No.: 9878 North Virden Scallion Unit No. 1 HZNTL 6-11-11-26 (WPM)
 UWI: 102.06-11-011-26W1.00

Licence Issued: 09-May-2014
 Licensee: Corex Resources Ltd.
 Mineral Rights: Corex Resources Ltd.
 Contractor: Precision Drilling - Rig# 205
 Surface Location: 14B-02-11-26
 Co-ords: 249.90m (S) of (N) boundary of Sec. 2
 483.00m (E) of (W) boundary of Sec. 2
 Grd Elev: 449.69 m
 Proj. TD: 1562 m (Mississippian)
 Field: Virden
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)

Lic. No.: 9879 Virden Roselea Unit No. 2 HZNTL 13-5-11-25 (WPM)
 UWI: 102.13-05-011-25W1.00

Licence Issued: 09-May-2014
 Licensee: Corex Resources Ltd.
 Mineral Rights: Corex Resources Ltd.
 Contractor: CanElson Drilling Inc. - Rig# 10
 Surface Location: 05B-05-11-25
 Co-ords: 550.00m (N) of (S) boundary of Sec. 5
 118.00m (E) of (W) boundary of Sec. 5
 Grd Elev: 432.98 m
 Proj. TD: 1541 m (Mississippian)
 Field: Virden
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)

Lic. No.: 9880 Legacy Pierson Prov. HZNTL A8-29-1-28 (WPM)
 UWI: 102.08-29-001-28W1.00

Licence Issued: 09-May-2014
 Licensee: LEGACY OIL + GAS INC.
 Mineral Rights: LEGACY OIL + GAS INC.
 Contractor: Ensign Canadian/Big Sky Drilling - Rig# 650
 Surface Location: 08D-30-01-28
 Co-ords: 690.00m (N) of (S) boundary of Sec. 30
 60.00m (W) of (E) boundary of Sec. 30
 Grd Elev: 461.15 m
 Proj. TD: 2467.4 m (Triassic)
 Field: Pierson
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)

Lic. No.: 9881 ARC Waskada HZNTL A8-9-1-24 (WPM)
 UWI: 103.08-09-001-24W1.00

Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 06D-09-01-24
 Co-ords: 683.00m (N) of (S) boundary of Sec. 9
 680.01m (E) of (W) boundary of Sec. 9
 Grd Elev: 502.57 m
 Proj. TD: 1638 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)

Lic. No.: 9882 ARC Waskada HZNTL B8-9-1-24 (WPM)
 UWI: 104.08-09-001-24W1.00

Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 06D-09-01-24
 Co-ords: 718.00m (N) of (S) boundary of Sec. 9
 680.01m (E) of (W) boundary of Sec. 9
 Grd Elev: 503.59 m
 Proj. TD: 1627 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)

- Lic. No.: 9883 ARC Waskada HZNTL 9-9-1-24 (WPM)
 UWI: 102.09-09-001-24W1.00
- Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 06D-09-01-24
 Co-ords: 753.00m (N) of (S) boundary of Sec. 9
 680.01m (E) of (W) boundary of Sec. 9
 Grd Elev: 505.21 m
 Proj. TD: 1629 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)
- Lic. No.: 9884 ARC Waskada HZNTL 3-9-1-24 (WPM)
 UWI: 102.03-09-001-24W1.00
- Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 10C-09-01-24
 Co-ords: 580.00m (S) of (N) boundary of Sec. 9
 725.00m (W) of (E) boundary of Sec. 9
 Grd Elev: 507.06 m
 Proj. TD: 1734 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)
- Lic. No.: 9885 ARC Waskada HZNTL 10-7-1-24 (WPM)
 UWI: 100.10-07-001-24W1.00
- Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 12C-08-01-24
 Co-ords: 520.00m (S) of (N) boundary of Sec. 8
 140.00m (E) of (W) boundary of Sec. 8
 Grd Elev: 482.05 m
 Proj. TD: 1649 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)

- Lic. No.: 9886 ARC Waskada HZNTL A7-15-1-24 (WPM)
 UWI: 103.07-15-001-24W1.00
- Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 05C-14-01-24
 Co-ords: 607.00m (N) of (S) boundary of Sec. 14
 170.00m (E) of (W) boundary of Sec. 14
 Grd Elev: 519.76 m
 Proj. TD: 1684 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)
- Lic. No.: 9887 Goodlands Unit No. 1 Prov. HZNTL A13-11-1-24 (WPM)
 UWI: 106.13-11-001-24W1.00
- Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 01B-15-01-24
 Co-ords: 60.00m (N) of (S) boundary of Sec. 15
 300.00m (W) of (E) boundary of Sec. 15
 Grd Elev: 519.59 m
 Proj. TD: 1680 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)
- Lic. No.: 9888 618555 SK Coulter HZNTL A3-31-1-27 (WPM)
 UWI: 102.03-31-001-27W1.00
- Licence Issued: 09-May-2014
 Licensee: 618555 Saskatchewan Ltd.
 Mineral Rights: 618555 Saskatchewan Ltd.
 Contractor: To Be Determined - Rig# 0
 Surface Location: 01A-36-01-28
 Co-ords: 130.00m (N) of (S) boundary of Sec. 36
 60.00m (W) of (E) boundary of Sec. 36
 Grd Elev: 453.54 m
 Proj. TD: 1685 m (Triassic)
 Field: Coulter
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)

- Lic. No.: 9889 618555 SK Pierson HZNTL A13-25-1-29 (WPM)
 UWI: 102.13-25-001-29W1.00
- Licence Issued: 09-May-2014
 Licensee: 618555 Saskatchewan Ltd.
 Mineral Rights: 618555 Saskatchewan Ltd.
 Contractor: To Be Determined - Rig# 0
 Surface Location: 13B-30-01-28
 Co-ords: 330.00m (S) of (N) boundary of Sec. 30
 60.00m (E) of (W) boundary of Sec. 30
 Grd Elev: 463.06 m
 Proj. TD: 2550 m (Triassic)
 Field: Pierson
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)
- Lic. No.: 9890 Goodlands Unit No. 1 HZNTL A1-15-1-24 (WPM)
 UWI: 102.01-15-001-24W1.00
- Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 06C-11-01-24
 Co-ords: 675.00m (N) of (S) boundary of Sec. 11
 530.00m (E) of (W) boundary of Sec. 11
 Grd Elev: 525.69 m
 Proj. TD: 2158 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)
- Lic. No.: 9891 Goodlands Unit No. 1 HZNTL 3-14-1-24 (WPM)
 UWI: 102.03-14-001-24W1.00
- Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 06C-11-01-24
 Co-ords: 675.00m (N) of (S) boundary of Sec. 11
 565.00m (E) of (W) boundary of Sec. 11
 Grd Elev: 525.95 m
 Proj. TD: 2075 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)

- Lic. No.: 9892 ARC Waskada HZNTL B7-15-1-24 (WPM)
 UWI: 104.07-15-001-24W1.00
- Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 05C-14-01-24
 Co-ords: 637.00m (N) of (S) boundary of Sec. 14
 170.00m (E) of (W) boundary of Sec. 14
 Grd Elev: 519.70 m
 Proj. TD: 1692 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)
- Lic. No.: 9893 ARC Waskada HZNTL C7-15-1-24 (WPM)
 UWI: 105.07-15-001-24W1.00
- Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 12B-14-01-24
 Co-ords: 760.00m (S) of (N) boundary of Sec. 14
 120.00m (E) of (W) boundary of Sec. 14
 Grd Elev: 518.61 m
 Proj. TD: 1664 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)
- Lic. No.: 9894 Goodlands Unit No. 1 HZNTL C7-10-1-24 (WPM)
 UWI: 105.07-10-001-24W1.00
- Licence Issued: 09-May-2014
 Licensee: ARC Resources Ltd.
 Mineral Rights: ARC Resources Ltd.
 Contractor: Precision Drilling - Rig# 149
 Surface Location: 02B-15-01-24
 Co-ords: 190.00m (N) of (S) boundary of Sec. 15
 670.00m (W) of (E) boundary of Sec. 15
 Grd Elev: 517.93 m
 Proj. TD: 2040 m (Triassic)
 Field: Waskada
 Classification: DEVELOPMENT (NON CONFIDENTIAL)
 Status: Location(LOC)

NEW UNIT APPROVALS**RE: Sinclair Unit No. 11 Project Approval**

The effective date for Sinclair Unit No. 11 will be March 1, 2014 covering the following LSD's in **Township 7, Range 29** of the Daily Sinclair Field:

| Section | LSD |
|----------------|------------|
| 26 | 11-14 |
| 27 | 1-16 |
| 28 | 1 & 8 |
| 34 | 1-16 |
| 35 | 3-6, 9-16 |
| 36 | 7-16 |

Field pool code 01 62B.