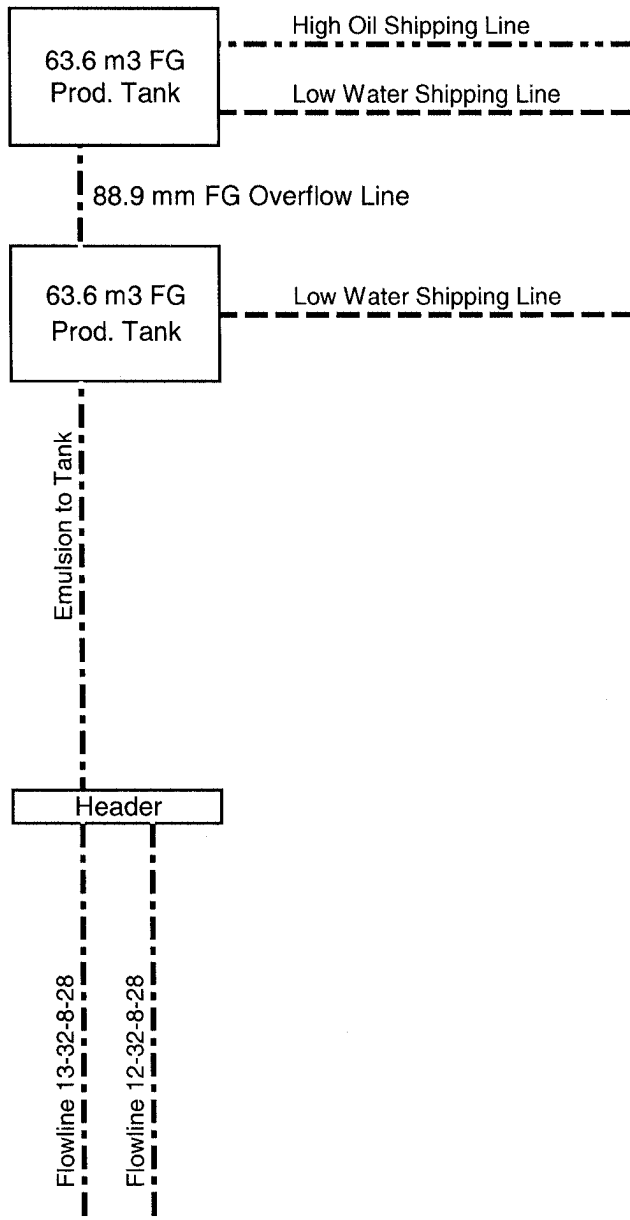


5369500 Manitoba Ltd. Sinclair Tank Battery 12-32-8-28 WPM - Flow Schematic



NOTE: Produced water will be trucked out of tank and disposed of at Tundra Daly 13-36-9-29 W1 Battery, or at Cosens Daly 15-25-9-29 W1 Battery.

**W.G. ROBERTS CONSULTING (2007) for
5369500 MANITOBA LTD.**

P.O.Box 1078
Virden, MB R0M 2C0

Telephone 204-748-2158
Fax 204-748-2862

July 23, 2009

Smeltz Bros. Limited
Box 2608
Virden, MB R0M 2C0

Dear Smeltz Bros. Limited:

**RE: Request for Commingled Well Production on the NW ¼ of 32-8-28 WPM
5369500 Manitoba Sinclair Tank Battery 12-32-8-28 WPM**

5369500 Manitoba Ltd. has requested approval from the Petroleum Branch to produce the existing wells located at 12-32-8-28, and 13-32-8-28 WPM, through fiberglass flowlines into a common tank or tanks located at 12-32-8-28. Combined production for the two wells should be approximately 12 - 14 m³ oil per day, and 4 - 6 m³ water per day initially when the 13-32-8-28 wells goes on production but these wells decline significantly within the first 6 months to one year. From an economic standpoint, as well as an environmental, and nuisance standpoint it only makes sense to produce any four wells on a quarter section to a single location. This reduces the truck traffic into all locations, and also reduces the risk of a spill because you are only dealing with one tank site rather than four. Gas production will be vented from the production tank, as is the case for other single tank wells. A gas analysis has been obtained for the producing well at 12-32-8-28 and an air dispersion modeling program has been submitted with the Application.

The Petroleum Branch Regulations define any tank with two or more wells producing into it as a Battery. Therefore, 5369500 Manitoba Ltd. must follow the guidelines to obtain a Battery Operating Permit for the above operation. As part of the application process, we are required to obtain approval from all landowners and occupants within 1.5 km of a Battery. We have no intention of installing a treater, or other typical battery equipment at this location. It will be similar to other single tank well locations, although we may install a second storage tank at some point in time.

5369500 Manitoba Ltd. hereby requests your approval for the above operation. If you have any questions, comments, or concerns regarding this matter, please provide details on the attached page and return it in the envelope provided. I can also be contacted at 204-748-2158. If you would like a copy of the entire Battery Application, please contact me at 204-748-2158. If you approve of the above operation, please so indicate by signing in the space provided below, and return one signed copy in the envelope provided, on or before August 10, 2009.

Yours truly,



W.G. Roberts,

We, Smeltz Bros. Limited, landowners (W ½ & NE 6-9-28) approve of the above operations

W.G. Smeltz - PRESIDENT SMEITZ BROS. LTD.
Signature Signature

Signed at Virden on 10th day of AUGUST, 2009.