



Growth, Enterprise and Trade
Petroleum Branch

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December 1, 2016

David McGuinness
Corex Resources Ltd.
3200, 700-2nd Street SW
Calgary AB
T2P 2W2

Dear David,

RE: Daly Units No. 13 & 14 - Projects Approval

The Petroleum Branch is pleased to grant approval of the following two new units in Daly Sinclair Field, WPM:

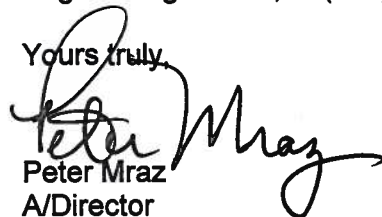
1. Daly Unit No. 13 covering S/2 of Section 36-9-29, NE/4 of Section 36-9-29 and whole Section 25-9-29 in the Lodgepole formation.
2. Daly Unit No. 14 covering S/2 of Section 36-9-29, NE/4 of Section 36-9-29 and whole Section 25-9-29 in Bakken-Torquay formation.

The effective date for both Daly Units No. 13 & 14 is December 01, 2016.

Corex is reminded that there is no approval yet to start water injection and separate conversion applications are required for any existing horizontals to be converted into injectors within this new Unit. Please inform the Branch 1(one) month in advance of when Corex wants to start injection so a Waterflood Order can be created and TTEF calculated, etc.

If you have any questions in respect of the applications required please contact Leo Leonen, Engineering Officer, at (204) 945-6570.

Yours truly,



Peter Mraz
A/Director

Cc: PB Virden Office
Engineering