EBOR UNIT NO. 2

WATERFLOOD EOR PROJECT

ANNUAL REPORT FOR 2016

April 28, 2017

Tundra Oil and Gas Partnership

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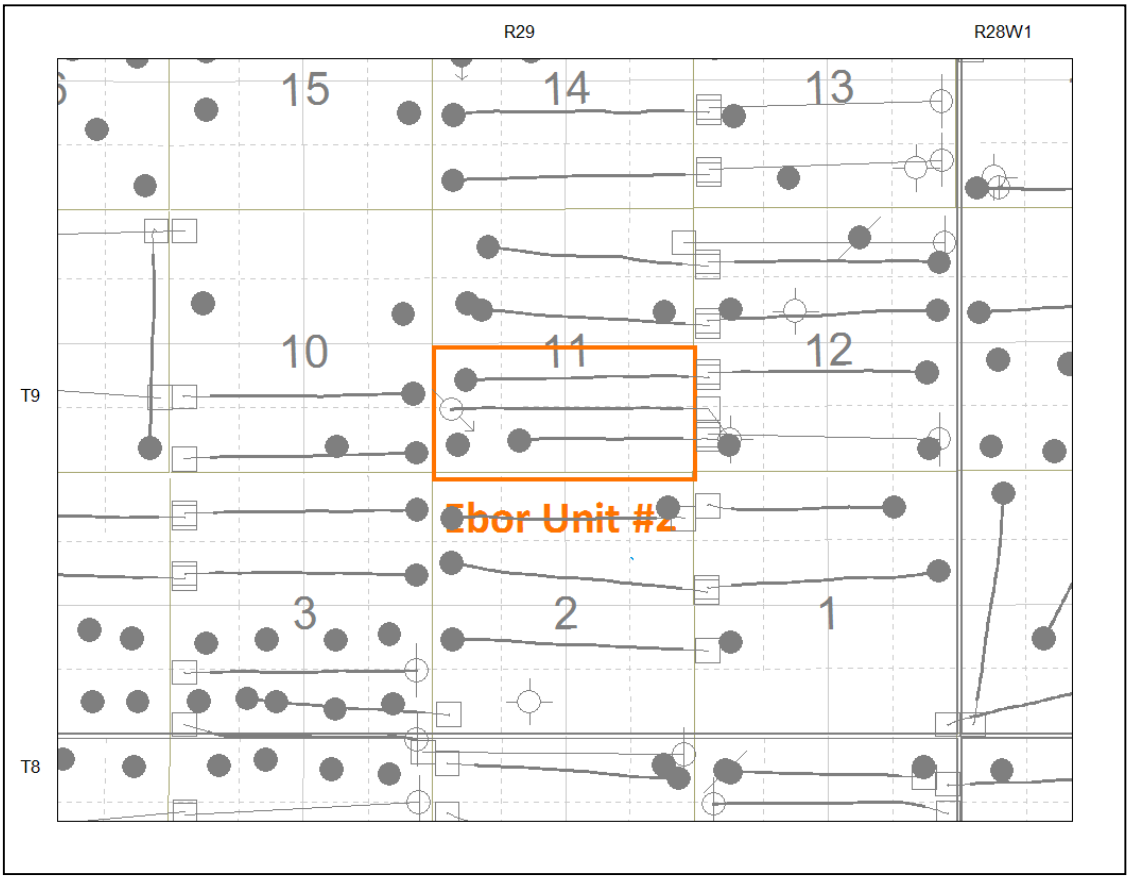
INTRODUCTION

Ebor Unit No. 2 Enhanced Oil Recovery (EOR) Waterflood Project was approved under Waterflood Order No. 20 effective March 2010 with Tundra Oil and Gas (Tundra) as Operator. The EOR project area, outlined in Orange in Figure 1, contains 4 wells in the south half of Section 11 in Township 9, Range 29 W1. A well list and status is included as Appendix A.

Figure 1: Ebor Unit No. 2 Area Outline



In accordance with Section 73 of the Manitoba Drilling and Production Regulation, Tundra submits the following 2016 Annual Progress Report for Ebor Unit No. 2 as required by Waterflood Order No 20.

DISCUSSION

Production History

For the wells included in Ebor Unit No. 2, production started in August 2007 with the 00/04-11-009-29W1/0 well. Oil production peaked at 17.65 m³/d in January of 2009,

when the 00/05-11-009-29W1/0 well came on production. In December 2016, the Unit was producing 0.80 m³/d of oil and 3.13 m³/d of water. The water oil ratio (WOR) averaged 4.23 m³/m³ in 2016. The rates and WOR are presented in Figure 2.

Figure 2: Ebor Unit No. 2 Production/Injection Rates and WOR vs Time

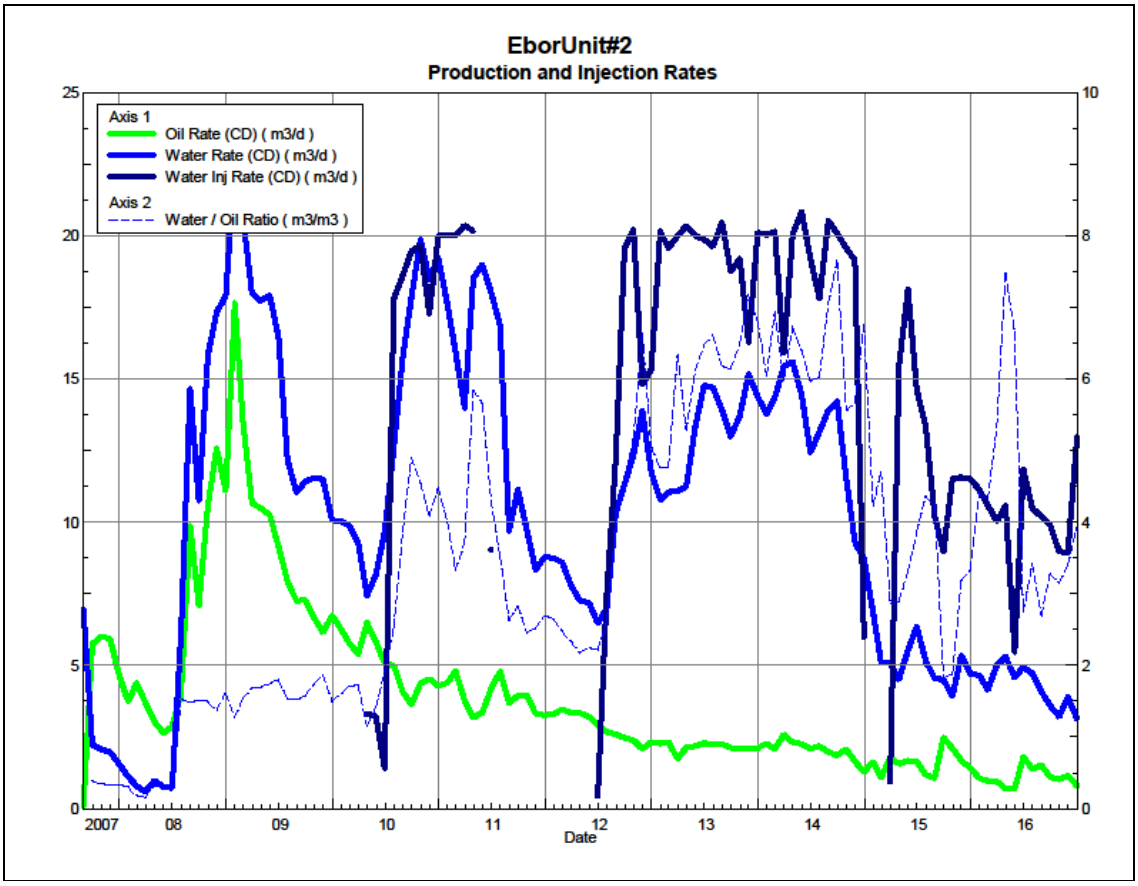
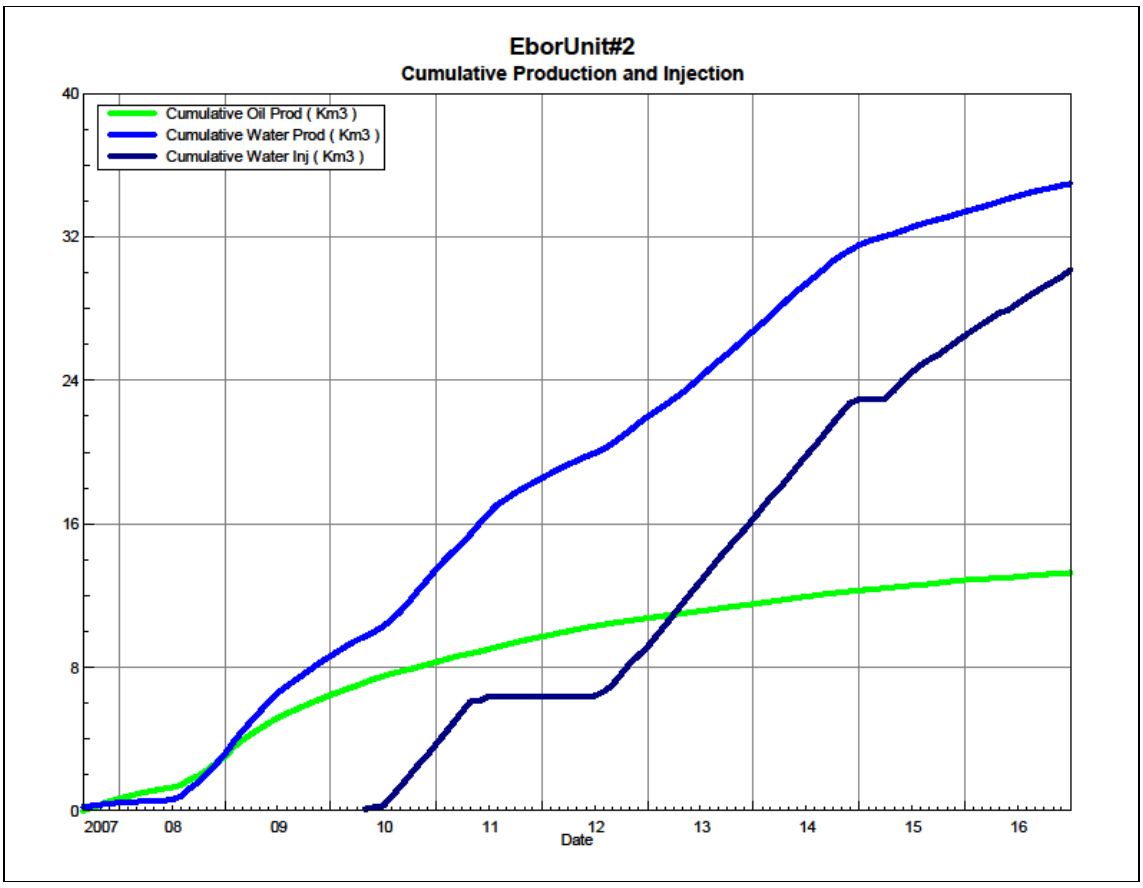


Figure 3 shows the cumulative production for Ebor Unit No. 2 to the end of December 2016 as 13.27 e³m³ of oil, and 34.96 e³m³ of water, representing a 4.4% recovery factor of the OOIP. Cumulative water injected at the end of 2016 is 30.17 e³m³.

Figure 3: Ebor Unit No. 2 Cumulative Oil, Water and Water Injected vs. Time



Waterflood Development Plan

Ebor Unit No. 2 has one horizontal water injector, 02/04-11-009-29W1/2 (02/04-11), which started injecting in April 2010. Injection for this unit was suspended in June 2011, to try and mitigate the water breakthrough that had occurred at 00/05-11-009-29W1 (00/05-11) in July 2010.

The 02/04-11 injector had a very high reservoir pressure (~6559 kPaa) when it was placed on injection. It is Tundra's belief that placing an injector with such high reservoir pressure leads to premature water breakthrough. The learning's from this Unit has played a major role in Tundra's new protocol of producing the newly drilled injector wells first prior to putting them on injection to clean-up the area near the wellbore and to reduce the pressure surrounding the injection well. This should lead to better waterflood performance and minimize premature breakthroughs.

It is evident in Figure 2, that since shutting in the injection at 02/04-11, the amount of water being produced from this Unit has decreased without substantially sacrificing the

oil production. It is our belief that once the pressure is relieved from this injector, the breakthrough channel that was created between the 02/04-11 and 00/05-11 wells should relax and heal. In July 2012, injection was restarted. Both the 00/03-11-009-29W1/0 (00/03-11) and 00/05-11 horizontal wells and the 00/04-11 vertical well showed waterflood response.

In September 2013, calcium carbonate was used as a bridging agent to repair the direct fracture from the 02/04-11 injector to the 00/05-11 producer. The workover saw an increase in injection pressure. A second workover was done November 2013 which resulted in a reduction in water cut in both the 00/03-11 and 00/05-11 wells.

Any future revisions to the waterflood development or surveillance plan would be based on new production or performance response data, technical studies, or observed reservoir behavior and reserves recovery interpretations.

Waterflood EOR Operating Strategy and Performance

Water Source and Quality

The injection water for Ebor Unit No. 2 is sourced from the 16-32-007-29W1 well (Lodgepole formation). The water is treated at the 03-04-008-29W1 battery where it is filtered to 0.5 microns and has scale inhibitor added. The injection water is then distributed to the injectors through the dedicated infrastructure system.

Injection Wellhead Pressures

The monthly wellhead injection pressures for 02/04-11 are summarized in Appendix C. The injection pressures in April and May 2010 are pre-hydraulic fracture. The injection rates during these months were low and hence the well was fractured after which the injection rates improved but led to water breakthrough at the 00/05-11 well.

Reservoir Pressure

No reservoir pressure measurements were taken at Ebor Unit No. 2 in 2016.

Well Servicing

No maintenance was required on the 4 wells in Ebor Unit No. 2 in 2016.

Voidage Replacement

As discussed earlier, injection in Ebor Unit No. 2 was suspended in June 2011. Tundra restarted injection in Ebor Unit No. 2 in July 2012, to understand if the water channels had been healed from relieving the pressure in this Unit. In December 2016, the monthly VRR was 3.255 and the cumulative VRR for Ebor Unit No. 2 was 0.614.

Waterflood Performance Discussion

At the end of 2016, Ebor Unit No. 2 waterflood area had 1 injector pattern in place. Water injection started in April 2010 and was suspended in June 2011 after signs of breakthrough in the horizontal producer at 00/05-11 shortly after injection began. In July 2012, injection was restarted. Plots and tables of the production and injection data along with the VRR information are presented in Appendix D.

List of Appendices

Appendix A

UWI	Surface Location	Well Status
00/03-11-009-29W1/0	04-12-009-29W1	Capable of Oil Production
00/04-11-009-29W1/0		Capable of Oil Production
02/04-11-009-29W1/2	02/04-12-009-29W1	WTR Injection
00/05-11-009-29W1/0	05-12-009-29W1	Capable of Oil Production

Appendix B

Ebor Unit No. 2 Pattern Summary as of December 2016

Pattern Name	Injector BH Location (009-29W1)	Injector Surf Location (009-29W1)	Status	Supported Wells (009-29W1)	No. of Supported Wells	Allocation Factor	Pattern Prod Start Month	Inj Start Month	Oil Rate (m^3/d)	Water Rate (m^3/d)	WOR (m^3/m^3)	Water Injection (m^3/d)	Cum Oil (E^3m^3)	Cum Water (E^3m^3)	Cum Inj Water (E^3m^3)	Monthly VRR	Cum VRR
02/04-11-09-29W1/2 Injector	02/04-11	02/04-12	Water Injection	03-11, 04-11, 05-11	3	1	Aug 2007	Apr 2010	0.80	3.13	3.93	13.0	13.3	35.0	30.2	3.255	0.614

Appendix C

Average Monthly Injection Pressure (kPag)

Month	102/04-11
Mar-10	0
Apr-10	4663
May-10	5158
Jun-10	0
Jul-10	0
Aug-10	0
Sep-10	0
Oct-10	0
Nov-10	0
Dec-10	0
Jan-11	0
Feb-11	0
Mar-11	94
Apr-11	481
May-11	540
Jun-11	703
Jul-11	750
Aug-11	750
Sep-11	750
Oct-11	750
Nov-11	750
Dec-11	750
Jan-12	750
Feb-12	750
Mar-12	750
Apr-12	750
May-12	750
Jun-12	750
Jul-12	73
Aug-12	0
Sep-12	140
Oct-12	975
Nov-12	881
Dec-12	693
Jan-13	1451
Feb-13	1564
Mar-13	1904
Apr-13	1961
May-13	2103
Jun-13	2147
Jul-13	2315
Aug-13	2621
Sep-13	3055
Oct-13	3460
Nov-13	3720
Dec-13	4090

Month	102/04-11
Jan-14	4160
Feb-14	4359
Mar-14	3644
Apr-14	4307
May-14	4448
Jun-14	4588
Jul-14	4265
Aug-14	4716
Sep-14	4767
Oct-14	4955
Nov-14	5182
Dec-14	5342
Jan-15	5350
Feb-15	5350
Mar-15	4656
Apr-15	3260
May-15	4899
Jun-15	4965
Jul-15	4969
Aug-15	4868
Sep-15	4509
Oct-15	4486
Nov-15	4785
Dec-15	4963
Jan-16	4963
Feb-16	4892
Mar-16	4862
Apr-16	4944
May-16	4451
Jun-16	4939
Jul-16	4972
Aug-16	4952
Sep-16	4973
Oct-16	4948
Nov-16	4402
Dec-16	5197

Appendix D

Rates and VRR

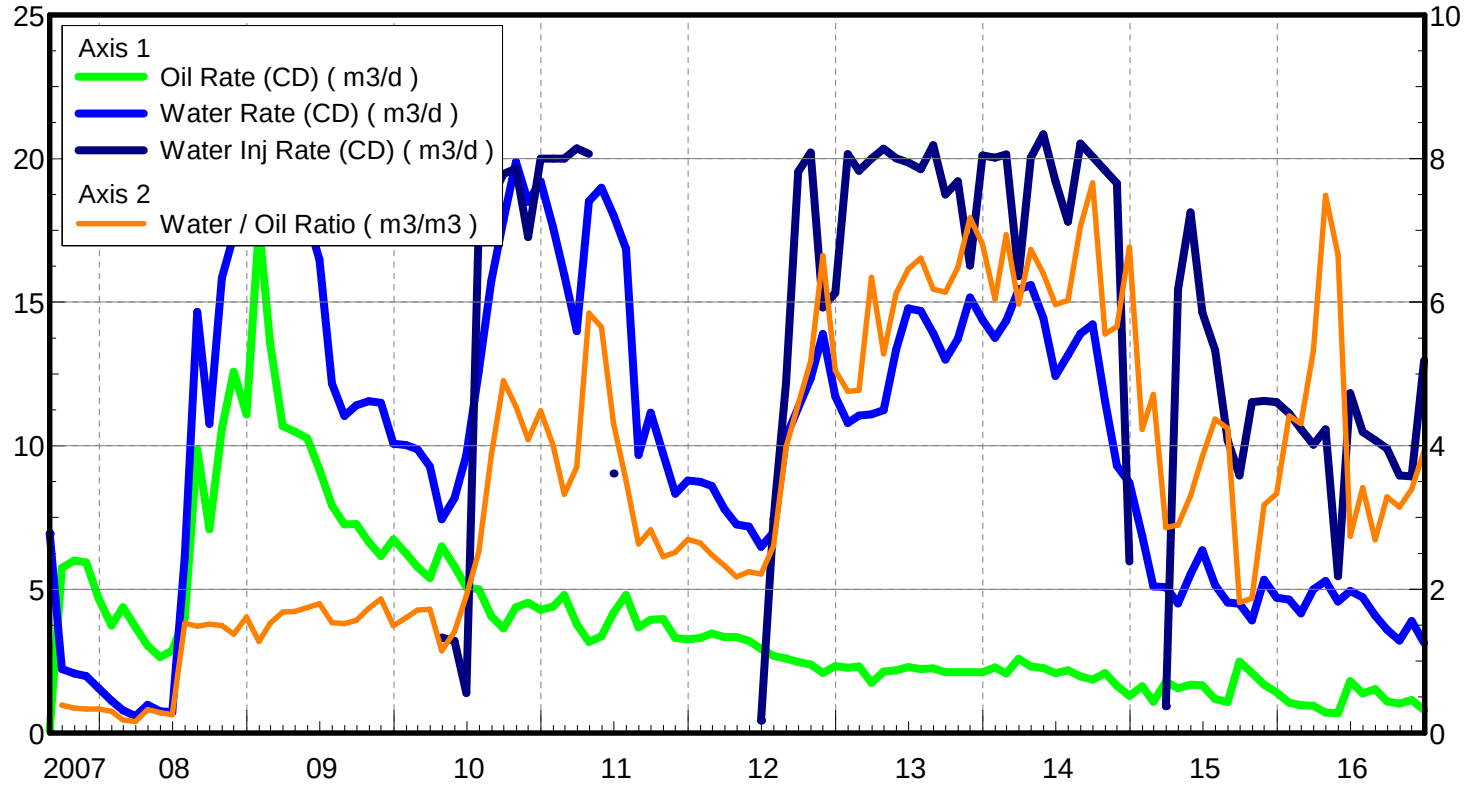
Plots and Tables

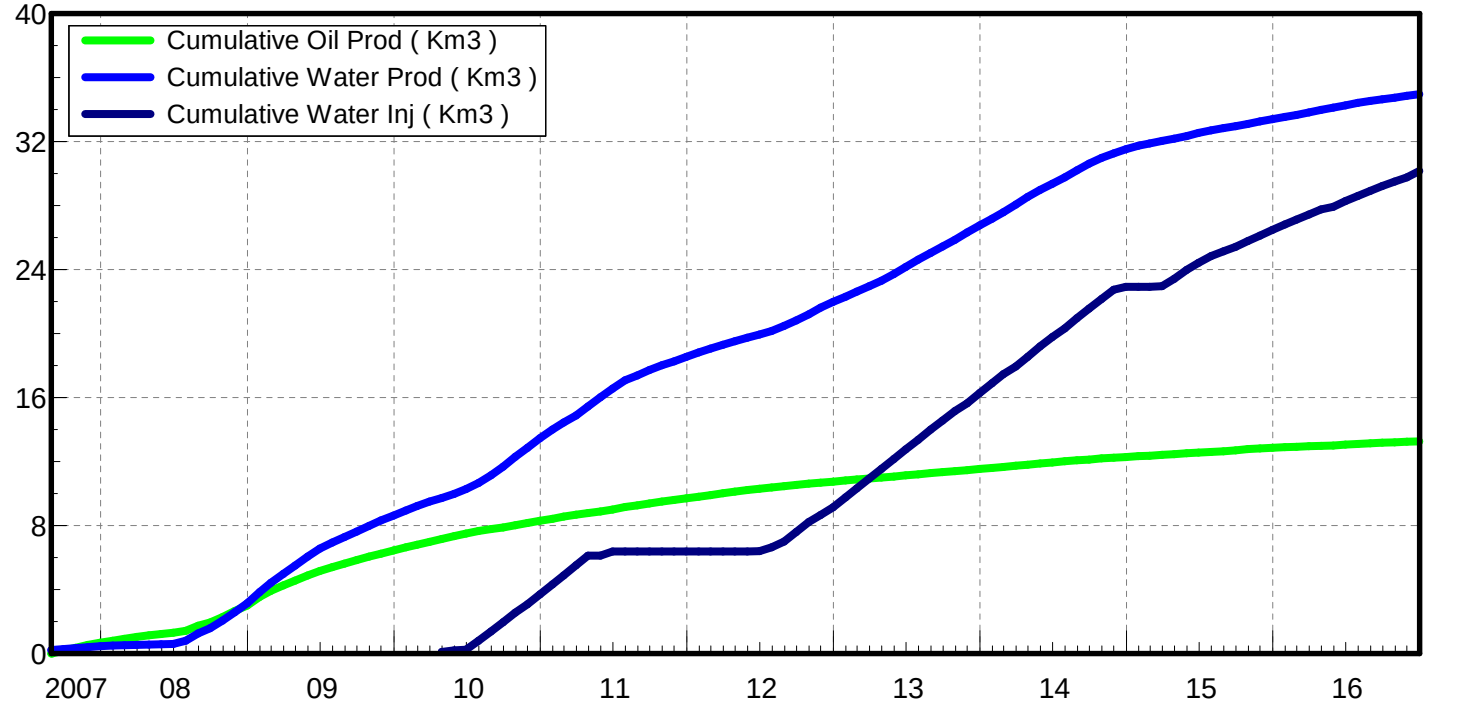
Pattern: 02/04-11-009-29Inj Set: EborUnit#2

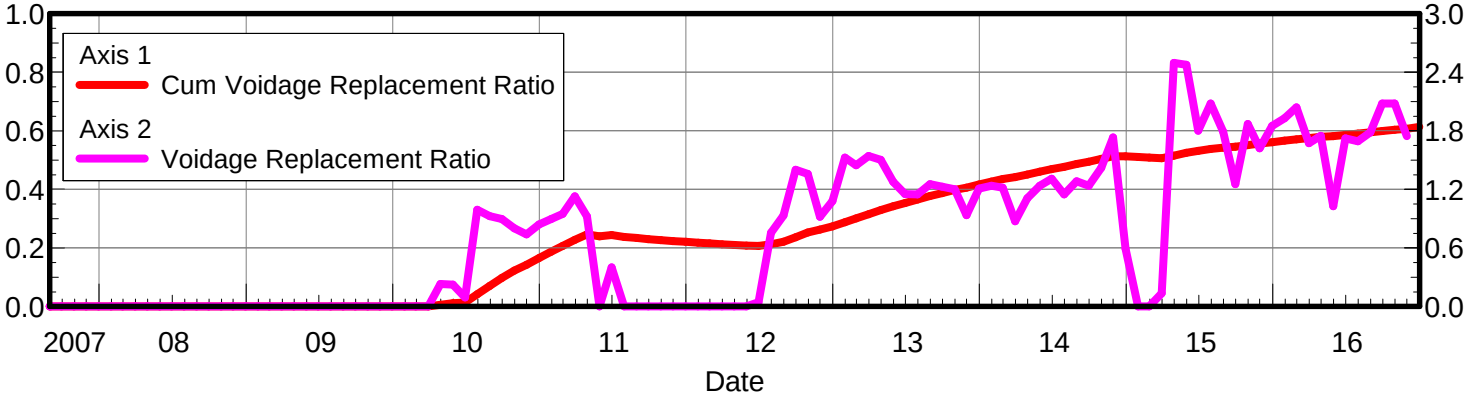
Oil Formation Vol. Factor : 1.5719 m3/m3
Water Formation Vol Factor : 1.0015 m3/m3
Water / Oil Ratio : 3.10 m3/m3

April 24, 2017
Operator: TUNDRA_OIL_&_GAS_LIMITED

Oil Rate (CD) : 1.37 m3/d
Water Rate (CD) : 4.25 m3/d
Water Inj Rate (CD) : 14.90 m3/d







Date	Oil Rate (CD) m3/d	Water Rate (CD) m3/d	Water Oil Ratio m3/m3	Water Inj Rate (CD) m3/d	Cum Oil Prod Km3	Cum Water Prod Km3	Cum Water Inj Km3	VRR	Cum VRR
8/31/2007	0.08	6.94	86.04		0.00	0.22	0.00	0.000	0.000
9/30/2007	5.74	2.22	0.39		0.17	0.28	0.00	0.000	0.000
10/31/2007	6.01	2.07	0.34		0.36	0.35	0.00	0.000	0.000
11/30/2007	5.93	1.98	0.33		0.54	0.41	0.00	0.000	0.000
12/31/2007	4.67	1.56	0.33		0.68	0.45	0.00	0.000	0.000
1/31/2008	3.74	1.12	0.30		0.80	0.49	0.00	0.000	0.000
2/29/2008	4.38	0.79	0.18		0.93	0.51	0.00	0.000	0.000
3/31/2008	3.68	0.58	0.16		1.04	0.53	0.00	0.000	0.000
4/30/2008	3.04	0.98	0.32		1.13	0.56	0.00	0.000	0.000
5/31/2008	2.63	0.75	0.29		1.21	0.58	0.00	0.000	0.000
6/30/2008	2.87	0.72	0.25		1.30	0.60	0.00	0.000	0.000
7/31/2008	4.01	6.12	1.53		1.42	0.79	0.00	0.000	0.000
8/31/2008	9.87	14.66	1.48		1.73	1.25	0.00	0.000	0.000
9/30/2008	7.10	10.76	1.52		1.94	1.57	0.00	0.000	0.000
10/31/2008	10.59	15.84	1.50		2.27	2.06	0.00	0.000	0.000
11/30/2008	12.58	17.32	1.38		2.65	2.58	0.00	0.000	0.000
12/31/2008	11.09	17.89	1.61		2.99	3.14	0.00	0.000	0.000
1/31/2009	17.65	22.49	1.27		3.54	3.83	0.00	0.000	0.000
2/28/2009	13.55	20.71	1.53		3.92	4.41	0.00	0.000	0.000
3/31/2009	10.68	17.99	1.68		4.25	4.97	0.00	0.000	0.000
4/30/2009	10.49	17.73	1.69		4.56	5.50	0.00	0.000	0.000
5/31/2009	10.26	17.92	1.75		4.88	6.06	0.00	0.000	0.000
6/30/2009	9.16	16.48	1.80		5.16	6.55	0.00	0.000	0.000
7/31/2009	7.92	12.16	1.54		5.40	6.93	0.00	0.000	0.000
8/31/2009	7.26	11.04	1.52		5.63	7.27	0.00	0.000	0.000
9/30/2009	7.27	11.41	1.57		5.85	7.61	0.00	0.000	0.000
10/31/2009	6.65	11.55	1.74		6.05	7.97	0.00	0.000	0.000
11/30/2009	6.16	11.49	1.87		6.24	8.32	0.00	0.000	0.000
12/31/2009	6.74	10.06	1.49		6.45	8.63	0.00	0.000	0.000
1/31/2010	6.26	10.03	1.60		6.64	8.94	0.00	0.000	0.000
2/28/2010	5.78	9.88	1.71		6.80	9.22	0.00	0.000	0.000
3/31/2010	5.38	9.28	1.72		6.97	9.50	0.00	0.000	0.000
4/30/2010	6.49	7.43	1.15	3.32	7.16	9.73	0.10	0.231	0.006
5/31/2010	5.80	8.18	1.41	3.21	7.34	9.98	0.20	0.223	0.011
6/30/2010	5.06	9.67	1.91	1.39	7.50	10.27	0.24	0.092	0.013
7/31/2010	4.99	12.60	2.52	17.79	7.65	10.66	0.79	0.992	0.042
8/31/2010	4.07	15.74	3.87	18.61	7.78	11.15	1.37	0.926	0.070
9/30/2010	3.64	17.86	4.91	19.47	7.89	11.68	1.95	0.895	0.097
10/31/2010	4.37	19.88	4.54	19.65	8.02	12.30	2.56	0.800	0.123
11/30/2010	4.53	18.49	4.08	17.27	8.16	12.86	3.08	0.740	0.143
12/31/2010	4.28	19.20	4.49	20.00	8.29	13.45	3.70	0.841	0.166
1/31/2011	4.39	17.60	4.01	20.00	8.43	14.00	4.32	0.897	0.188
2/28/2011	4.80	15.95	3.32	20.00	8.56	14.44	4.88	0.948	0.207
3/31/2011	3.78	13.99	3.70	20.35	8.68	14.88	5.51	1.129	0.228
4/30/2011	3.17	18.51	5.85	20.17	8.77	15.43	6.12	0.921	0.246
5/31/2011	3.36	18.98	5.65		8.88	16.02	6.12	0.000	0.240

Date	Oil Rate (CD) m3/d	Water Rate (CD) m3/d	Water Oil Ratio m3/m3	Water Inj Rate (CD) m3/d	Cum Oil Prod Km3	Cum Water Prod Km3	Cum Water Inj Km3	VRR	Cum VRR
6/30/2011	4.18	18.02	4.31	9.03	9.00	16.56	6.39	0.402	0.244
7/31/2011	4.79	16.86	3.52		9.15	17.08	6.39	0.000	0.238
8/31/2011	3.68	9.68	2.63		9.26	17.38	6.39	0.000	0.234
9/30/2011	3.94	11.15	2.83		9.38	17.72	6.39	0.000	0.230
10/31/2011	3.96	9.72	2.45		9.51	18.02	6.39	0.000	0.227
11/30/2011	3.31	8.33	2.52		9.60	18.27	6.39	0.000	0.224
12/31/2011	3.26	8.79	2.69		9.71	18.54	6.39	0.000	0.221
1/31/2012	3.30	8.75	2.65		9.81	18.81	6.39	0.000	0.218
2/29/2012	3.47	8.59	2.48		9.91	19.06	6.39	0.000	0.215
3/31/2012	3.34	7.78	2.33		10.01	19.30	6.39	0.000	0.213
4/30/2012	3.34	7.26	2.17		10.11	19.52	6.39	0.000	0.211
5/31/2012	3.20	7.19	2.25		10.21	19.74	6.39	0.000	0.208
6/30/2012	2.93	6.48	2.21	0.43	10.30	19.94	6.40	0.044	0.207
7/31/2012	2.68	6.98	2.61	7.44	10.38	20.15	6.63	0.755	0.212
8/31/2012	2.59	10.31	3.98	12.18	10.46	20.47	7.01	0.931	0.221
9/30/2012	2.47	11.31	4.58	19.54	10.54	20.81	7.59	1.400	0.237
10/31/2012	2.38	12.34	5.18	20.21	10.61	21.20	8.22	1.357	0.253
11/30/2012	2.09	13.89	6.65	14.82	10.67	21.61	8.66	0.919	0.262
12/31/2012	2.32	11.72	5.05	15.33	10.75	21.98	9.14	1.079	0.273
1/31/2013	2.27	10.79	4.76	20.15	10.82	22.31	9.77	1.525	0.288
2/28/2013	2.31	11.05	4.77	19.57	10.88	22.62	10.31	1.447	0.301
3/31/2013	1.75	11.09	6.34	20.00	10.93	22.96	10.93	1.543	0.315
4/30/2013	2.13	11.24	5.28	20.34	11.00	23.30	11.54	1.504	0.329
5/31/2013	2.18	13.35	6.12	20.00	11.07	23.71	12.16	1.276	0.342
6/30/2013	2.29	14.78	6.46	19.86	11.13	24.16	12.76	1.153	0.354
7/31/2013	2.22	14.70	6.61	19.63	11.20	24.61	13.37	1.149	0.365
8/31/2013	2.25	13.91	6.18	20.46	11.27	25.05	14.00	1.254	0.377
9/30/2013	2.12	13.00	6.14	18.75	11.34	25.43	14.56	1.228	0.388
10/31/2013	2.12	13.72	6.48	19.20	11.40	25.86	15.16	1.202	0.398
11/30/2013	2.11	15.16	7.17	16.27	11.47	26.31	15.65	0.934	0.406
12/31/2013	2.11	14.38	6.81	20.10	11.53	26.76	16.27	1.208	0.416
1/31/2014	2.28	13.76	6.04	20.03	11.60	27.19	16.89	1.236	0.427
2/28/2014	2.07	14.35	6.94	20.15	11.66	27.59	17.46	1.216	0.436
3/31/2014	2.58	15.44	5.98	15.91	11.74	28.07	17.95	0.874	0.442
4/30/2014	2.32	15.59	6.73	20.03	11.81	28.54	18.55	1.109	0.451
5/31/2014	2.26	14.45	6.40	20.84	11.88	28.98	19.20	1.236	0.460
6/30/2014	2.08	12.43	5.97	19.20	11.94	29.36	19.77	1.310	0.469
7/31/2014	2.18	13.15	6.02	17.81	12.01	29.76	20.32	1.150	0.477
8/31/2014	1.97	13.90	7.05	20.52	12.07	30.20	20.96	1.282	0.486
9/30/2014	1.86	14.22	7.66	20.07	12.13	30.62	21.56	1.238	0.495
10/31/2014	2.08	11.55	5.56	19.58	12.19	30.98	22.17	1.422	0.504
11/30/2014	1.64	9.30	5.66	19.13	12.24	31.26	22.74	1.731	0.513
12/31/2014	1.29	8.71	6.76	5.97	12.28	31.53	22.93	0.592	0.513
1/31/2015	1.62	6.86	4.23		12.33	31.74	22.93	0.000	0.510
2/28/2015	1.08	5.10	4.71		12.36	31.88	22.93	0.000	0.508
3/31/2015	1.77	5.07	2.86	0.94	12.42	32.04	22.96	0.134	0.507

Date	Oil Rate (CD) m3/d	Water Rate (CD) m3/d	Water Oil Ratio m3/m3	Water Inj Rate (CD) m3/d	Cum Oil Prod Km3	Cum Water Prod Km3	Cum Water Inj Km3	VRR	Cum VRR
4/30/2015	1.56	4.51	2.89	15.43	12.46	32.18	23.42	2.497	0.515
5/31/2015	1.67	5.53	3.30	18.13	12.51	32.35	23.98	2.478	0.524
6/30/2015	1.65	6.35	3.85	14.63	12.56	32.54	24.42	1.803	0.531
7/31/2015	1.18	5.15	4.37	13.32	12.60	32.70	24.83	2.079	0.538
8/31/2015	1.07	4.54	4.24	10.19	12.63	32.84	25.15	1.792	0.543
9/30/2015	2.48	4.50	1.81	8.97	12.71	32.97	25.42	1.254	0.546
10/31/2015	2.09	3.92	1.87	11.52	12.77	33.10	25.78	1.869	0.551
11/30/2015	1.68	5.34	3.18	11.57	12.82	33.26	26.12	1.622	0.556
12/31/2015	1.41	4.71	3.33	11.52	12.87	33.40	26.48	1.851	0.561
1/31/2016	1.05	4.65	4.42	11.13	12.90	33.55	26.82	1.929	0.567
2/29/2016	0.97	4.16	4.31	10.59	12.93	33.67	27.13	2.039	0.571
3/31/2016	0.94	5.00	5.32	10.03	12.96	33.82	27.44	1.672	0.576
4/30/2016	0.71	5.29	7.49	10.57	12.98	33.98	27.76	1.748	0.580
5/31/2016	0.69	4.57	6.66	5.45	13.00	34.12	27.93	1.027	0.582
6/30/2016	1.80	4.94	2.74	11.83	13.05	34.27	28.28	1.723	0.586
7/31/2016	1.38	4.72	3.42	10.48	13.10	34.42	28.61	1.693	0.591
8/31/2016	1.52	4.09	2.69	10.19	13.14	34.54	28.92	1.785	0.595
9/30/2016	1.09	3.59	3.29	9.90	13.18	34.65	29.22	2.079	0.600
10/31/2016	1.02	3.22	3.15	8.97	13.21	34.75	29.50	2.081	0.604
11/30/2016	1.15	3.89	3.40	8.93	13.24	34.87	29.77	1.745	0.607
12/31/2016	0.80	3.13	3.93	12.97	13.27	34.96	30.17	3.255	0.614