EBOR UNIT NO. 2

WATERFLOOD EOR PROJECT

ANNUAL REPORT FOR 2011

March 16, 2012

Tundra Oil and Gas Partnership

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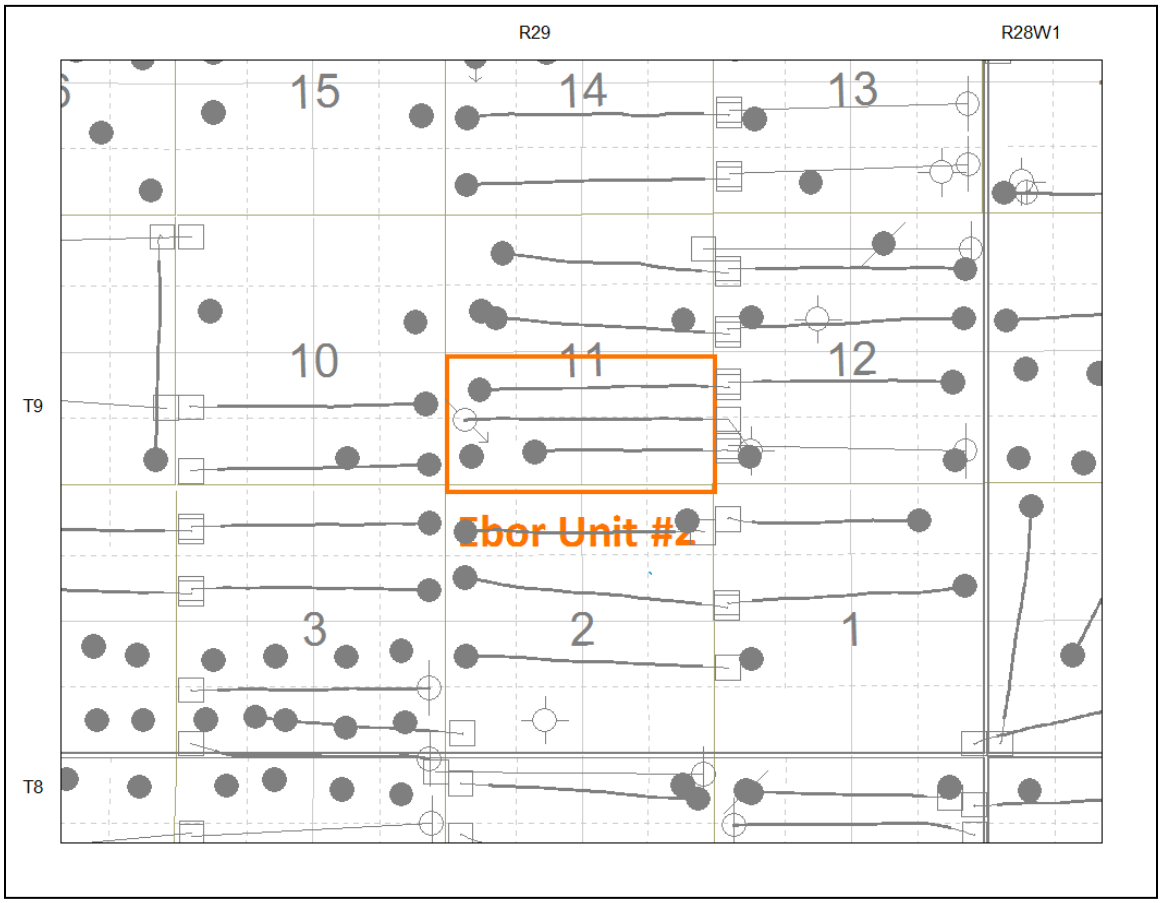
INTRODUCTION

Ebor Unit No. 2 Enhanced Oil Recovery (EOR) Waterflood Project was approved under Board 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 2011 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 00/04-11-009-29W1/0. Oil production peaked at 17.65 m^3/d in January of 2009, when 00/05-11-009-29W1/0 came on production. In December 2011, the Unit was producing

3.26 m³/d of oil and 8.73 m³/d of water. The water oil ratio (WOR) averaged 3.62 m³/m³ in 2011. The rates and WOR are presented in Figure 2.

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

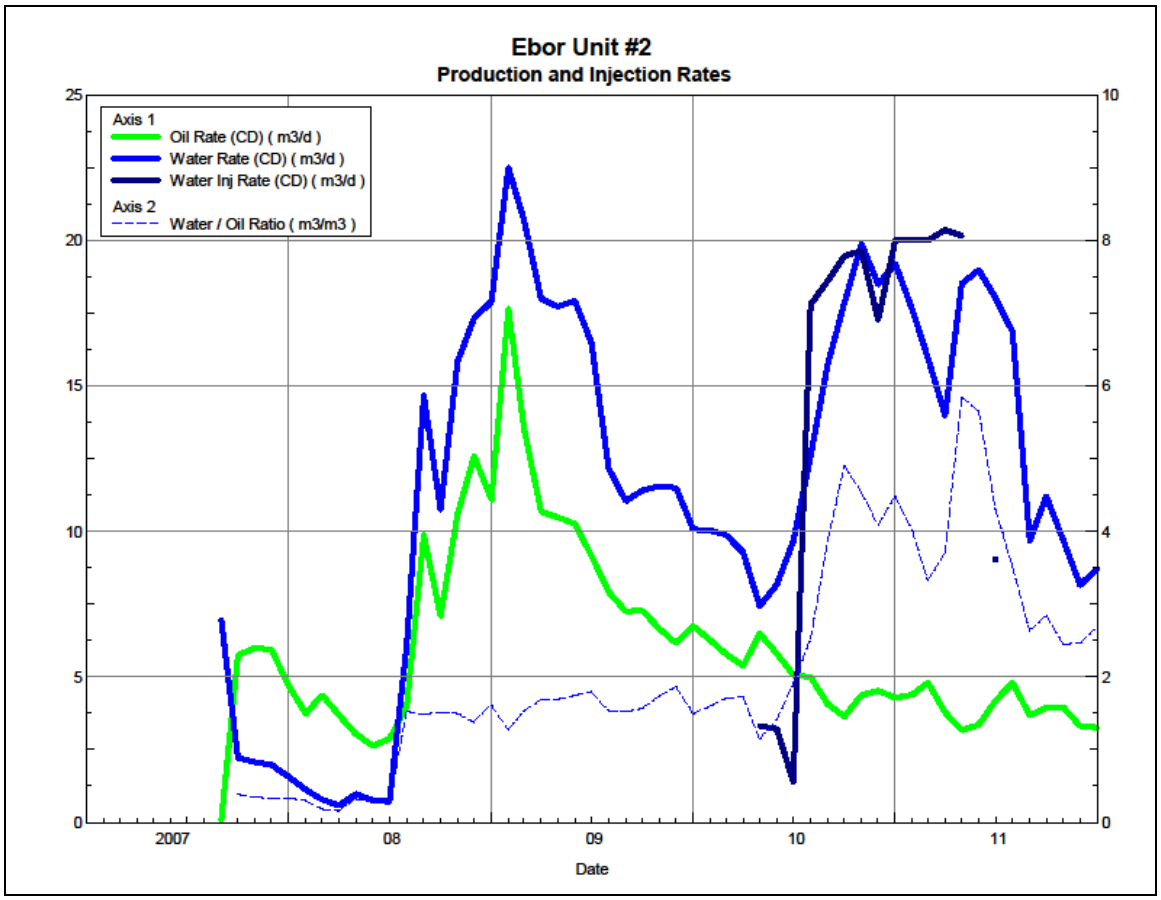
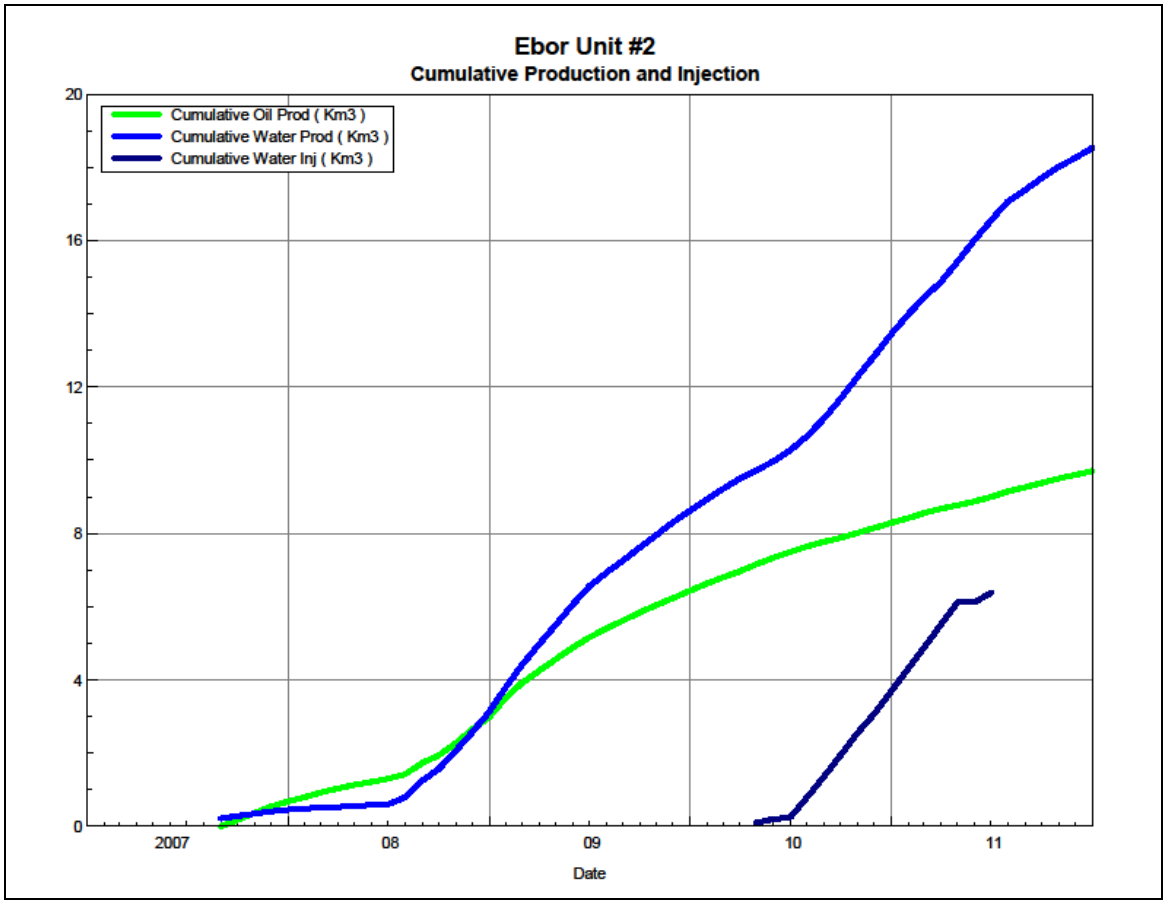


Figure 3 shows the cumulative production for Ebor Unit No. 2 to the end of December 2011 as 9.71 E³m³ of oil, and 18.54 E³m³ of water, representing a 4.7 % recovery factor of the OOIP. Cumulative water injected at the end of 2011 is 6.39 E³m³.

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



Waterflood Development Plan

The Ebore Unit 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 well, 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 02/04-11 and 00/05-11 wells should relax and heal. At that point, we will restart injection to displace oil towards the

producers instead of recycling water as was happening until middle of 2011. Cumulative water injection for this well is 6.39 E^3m^3 as of end of 2011.

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 02/04-11 are summarized in Appendix B. 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 lead to a water breakthrough at 00/05-11 well.

Reservoir Pressure

Tundra is committed to collecting pressures from every new injection well drilled. Bottom hole recorders were set in the injection well 02/04-11 in February 2010. The MPP Pressure of 6559 kPaa was recorded which is one of the highest pressures Tundra has observed in any of the past injector wells in the Sinclair area.

Well Servicing

The following table summarizes the well servicing performed within Ebor Unit 2 during 2011:

Table 1: Ebor Unit 2 Well Servicing

00/05-11-009-29W1/0	Pump Change	08/22/2011

Voidage Replacement

As discussed earlier, the injection was suspended in June 2011. The cumulative VRR has been on a decline with final cumulative VRR for Dec 2011 being 0.221. Tundra will

restart the injection in 2012, to understand if the water channels have been healed from relieving the pressure in this Unit.

Waterflood Performance Discussion

At year end 2011, Ebor Unit No.2 waterflood area had 1 injector pattern in place. Water injection started in the April 2010 and was suspended in June 2011. Plots and tables of the production and injection data along with the VRR information are presented in Appendix C.

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	04-12-009-29W1	WTR Injection
00/05-11-009-29W1/0	05-12-009-29W1	Capable of Oil Production

Appendix B

Average Monthly Injection Pressure (kPag)

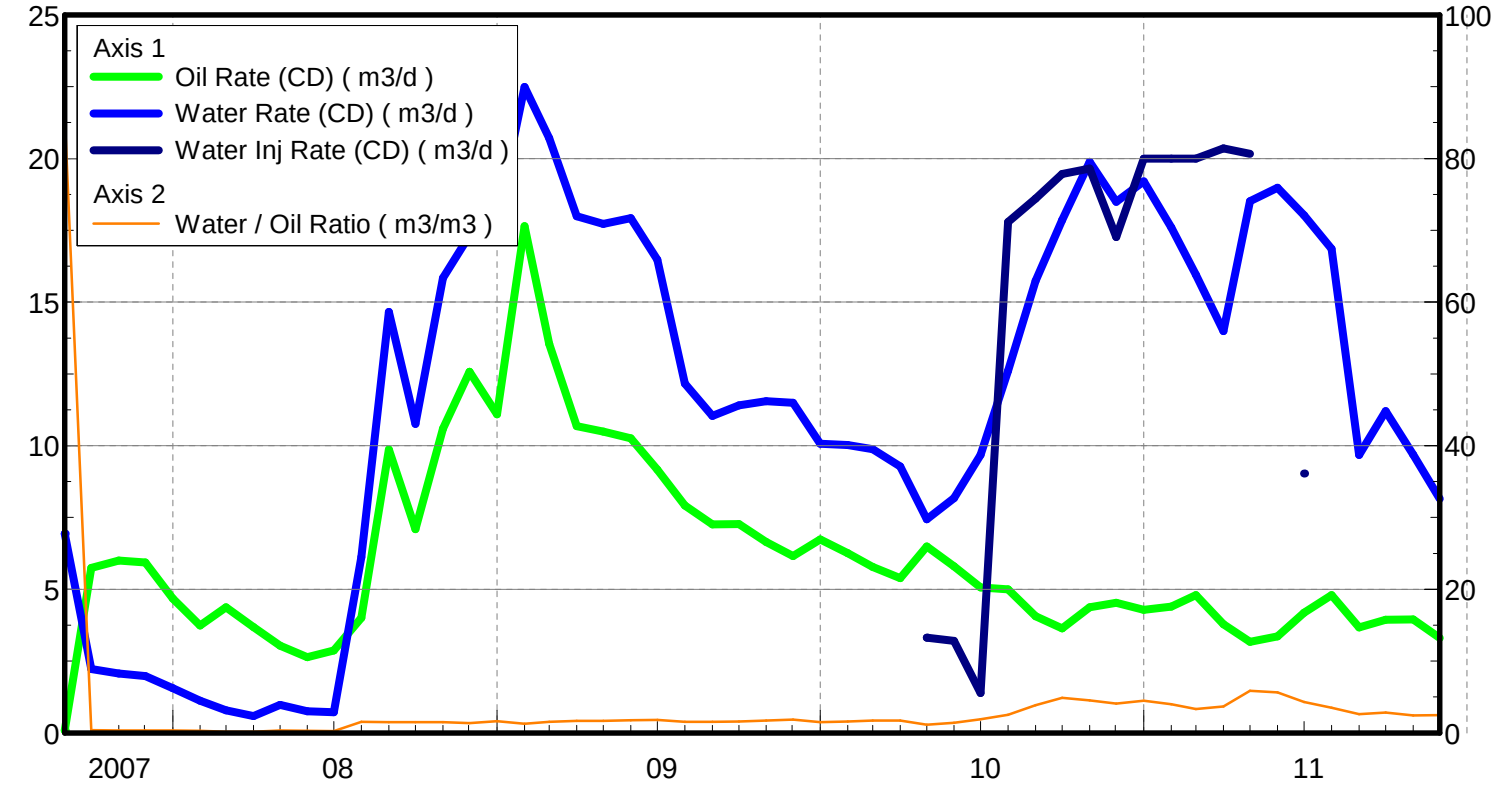
	Injection Pressure
Month	**102/04-11**
Mar-10	-
Apr-10	4663
May-10	5158
Jun-10	0
Jul-10	0
Aug-10	0
Sep-10	0
Oct-10	0
Nov-10	0
Dec-10	0
Jan-11	0
Feb-11	0
Mar-11	94
Apr-11	481
May-11	540
Jun-11	703
Jul-11	-
Aug-11	-
Sep-11	-
Oct-11	-
Nov-11	-
Dec-11	-

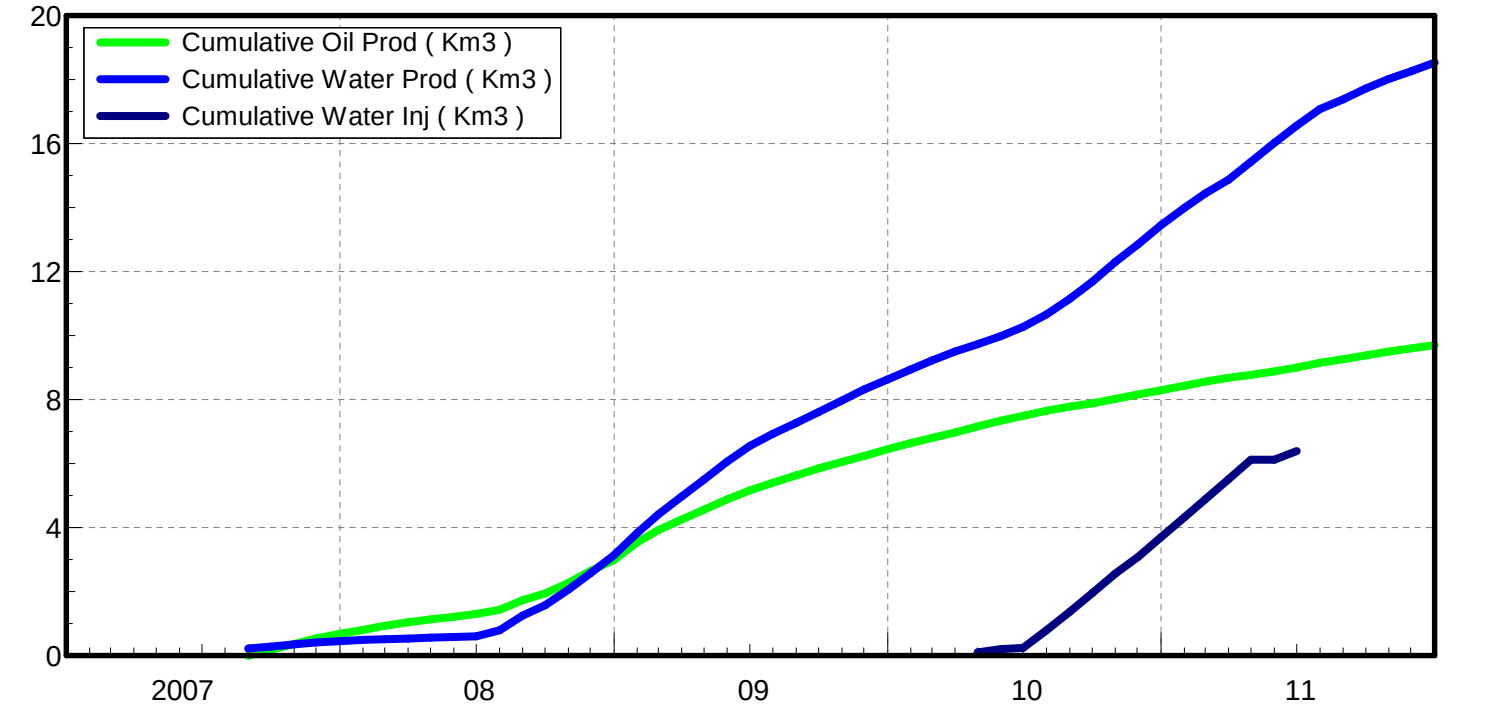
Pattern: 02/04-11-009-29 Inj Set: Ebor Unit #2

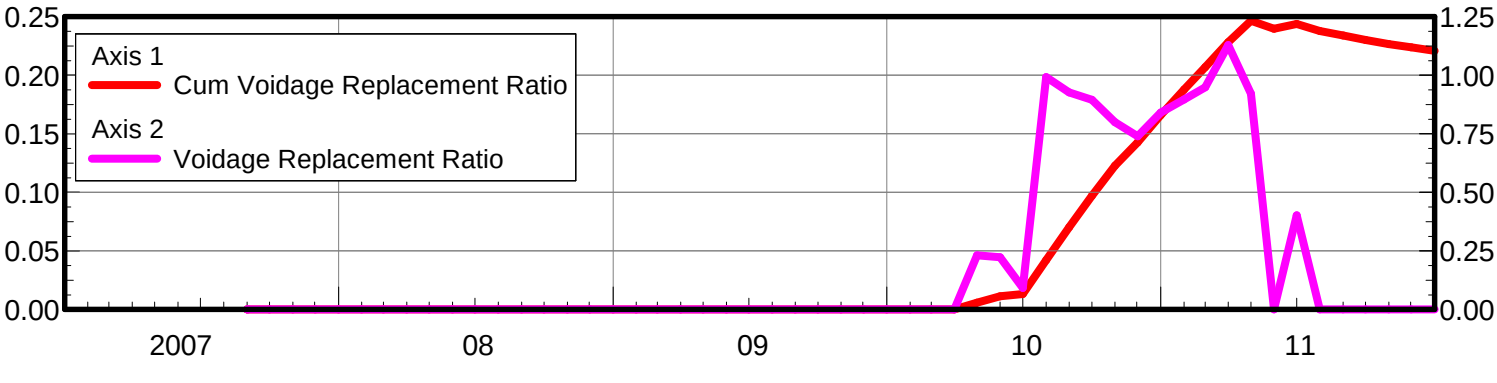
Oil Formation Vol Factor : 1.07100 m3/m3
Water Formation Vol Factor : 1.00150 m3/m3
Water / Oil Ratio : 2.68 m3/m3

February 19, 2012
Operator: TUNDRA_OIL_&_GAS_LIMITED

Oil Rate (CD) : 3.26 m3/d
Water Rate (CD) : 8.73 m3/d
Water Inj Rate (CD) : 9.03 m3/d







Date

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	Voidage Replacement Ratio	Cum Voidage Replacemt Ratio
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
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

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	Voidage Replacement Ratio	Cum Voidage Replacemt Ratio
8/31/2011	3.68	9.68	2.63		9.26	17.38	6.39	0.000	0.234
9/30/2011	3.94	11.20	2.85		9.38	17.72	6.39	0.000	0.230
10/31/2011	3.95	9.68	2.45		9.51	18.02	6.39	0.000	0.227
11/30/2011	3.31	8.16	2.47		9.60	18.26	6.39	0.000	0.224
12/31/2011	3.26	8.73	2.68		9.71	18.54	6.39	0.000	0.221