WASKADA UNIT NO. 8

WATERFLOOD EOR PROJECT

ANNUAL WATERFLOOD PROGRESS REPORT FOR 2016

June 30, 2017

Tundra Oil and Gas Partnership

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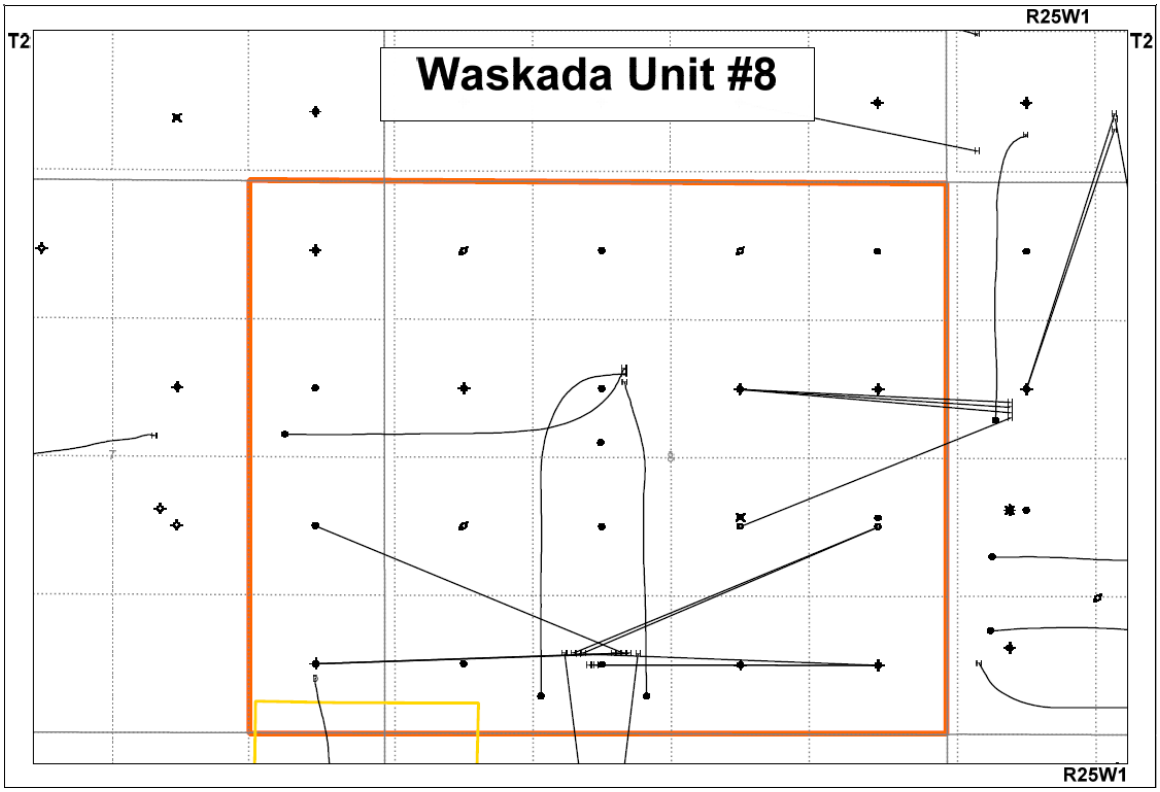
INTRODUCTION

Waskada Unit No. 8 Enhanced Oil Recovery (EOR) Waterflood Project was approved under Board Order No. PM 58 effective October 1985. The Unit area contains 11 abandoned/suspended wells, including 4 inactive/abandoned injectors, and 13 producing/inactive wells in 20 LSDs in Township 1, Range 25 W1 as shown in the figure below.

Figure 1: Waskada Unit 8 Area Outline



In accordance with Section 73 of the Manitoba Drilling and Production Regulation, Tundra hereby submits the following 2016 Annual Progress Report for Waskada Unit No. 8.

DISCUSSION

Production History

For the wells included in Waskada Unit No. 8, production started in August 1983 with the 00/07-08-002-25W1/0 Vertical well. Average oil production peaked for the first time at 4.4 m³/d per well in February 1985. This production was coming from 19 wells and totaled 83.8 m³/d for the whole Unit. The production at the end of December 2016 averaged 0.4 m3/d per well, totaling 1.7 m3/day for the Unit. Water injection commenced in Waskada Unit No. 8 in October 1985 until end of June 2014. The rates and WOR are presented in Figure 2. There was no water injection through 2016, and there are no plans for injector re-activation.

Figure 2: Waskada Unit 8 Production/Injection Rates and WOR vs Time

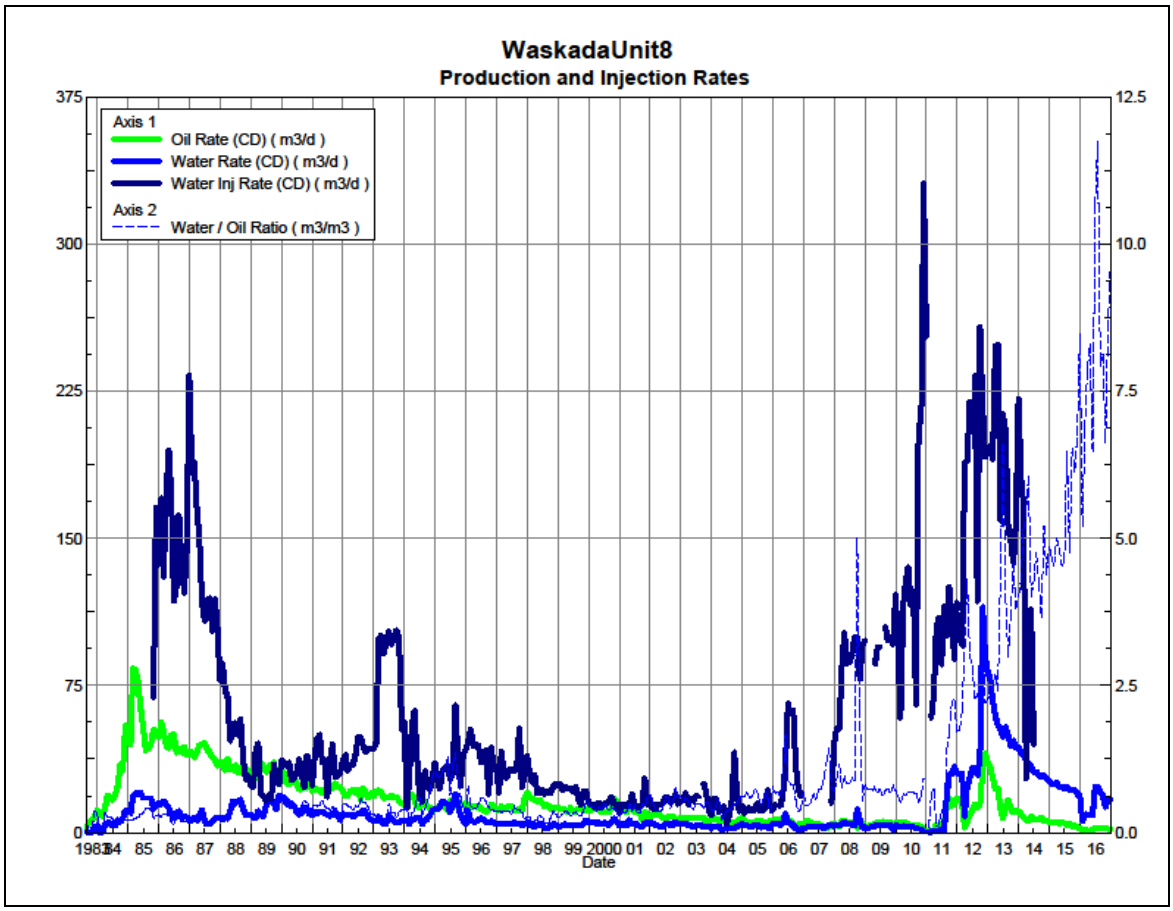
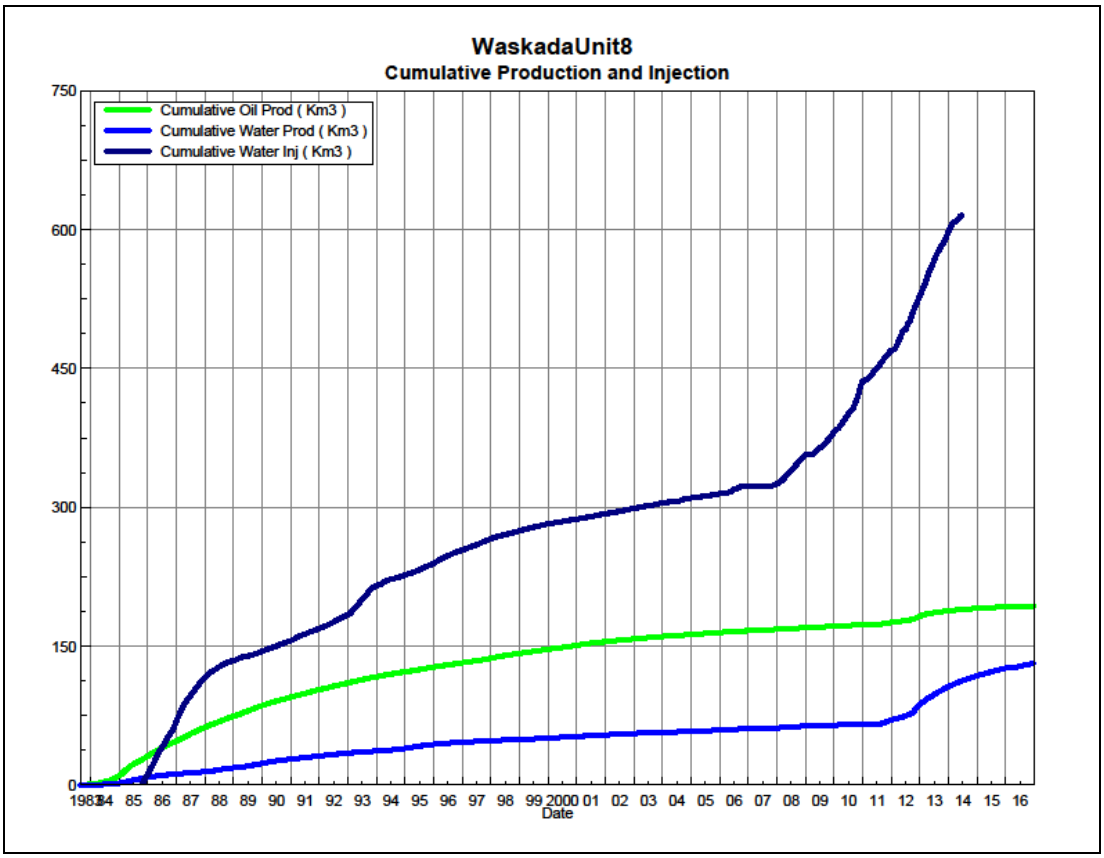


Figure 3 shows the cumulative production for Waskada Unit No. 8 to the end of December 2016 as 193.1 e³m³ of oil, and 131.7 e³m³ of water.

Figure 3: Waskada Unit 8 Cumulative Oil, Water and Water Injected vs Time



Waterflood EOR Operating Strategy and Performance

Corrosion and Scale Prevention

The facilities in Unit 8 are currently using cathodic and chemical protection against corrosion and scale in the new horizontal wells. All facilities are monitored every 3 months to assess the corrosion and ensure that proper electrical current is being supplied. There have been no issues with corrosion or scale to date.

Injection Wellhead Pressures

No injection wellhead pressures were recorded in 2016.

Reservoir Pressure

Where practical, Tundra is committed to collecting pressure data from newly drilled injection wells. Since no new wells were drilled in the Unit, therefore, no pressure surveys were conducted in 2016.

Well Servicing

No well servicing was performed in 2016 for Waskada Unit No. 8.

Waterflood Performance Discussion

From January 1 to December 31 in 2016, Waskada Unit No. 8 produced 9.8 e3m3 of fluid (1.5 e3m3 of Oil, 8.3 e3m3 of Water). There is no active injection in this Unit, and Tundra Oil and Gas has no plans to reactivate injection in the near future. Due to the horizontal wells being produced and no pressure support occurring in the Unit, the cumulative VRR has dropped in the last 2 years, down to 1.771.

Table 2 summarizes the yearly and cumulative VRR for Waskada Unit No. 8.

Figure 4: Waskada Unit 8 Production and Injection Rate

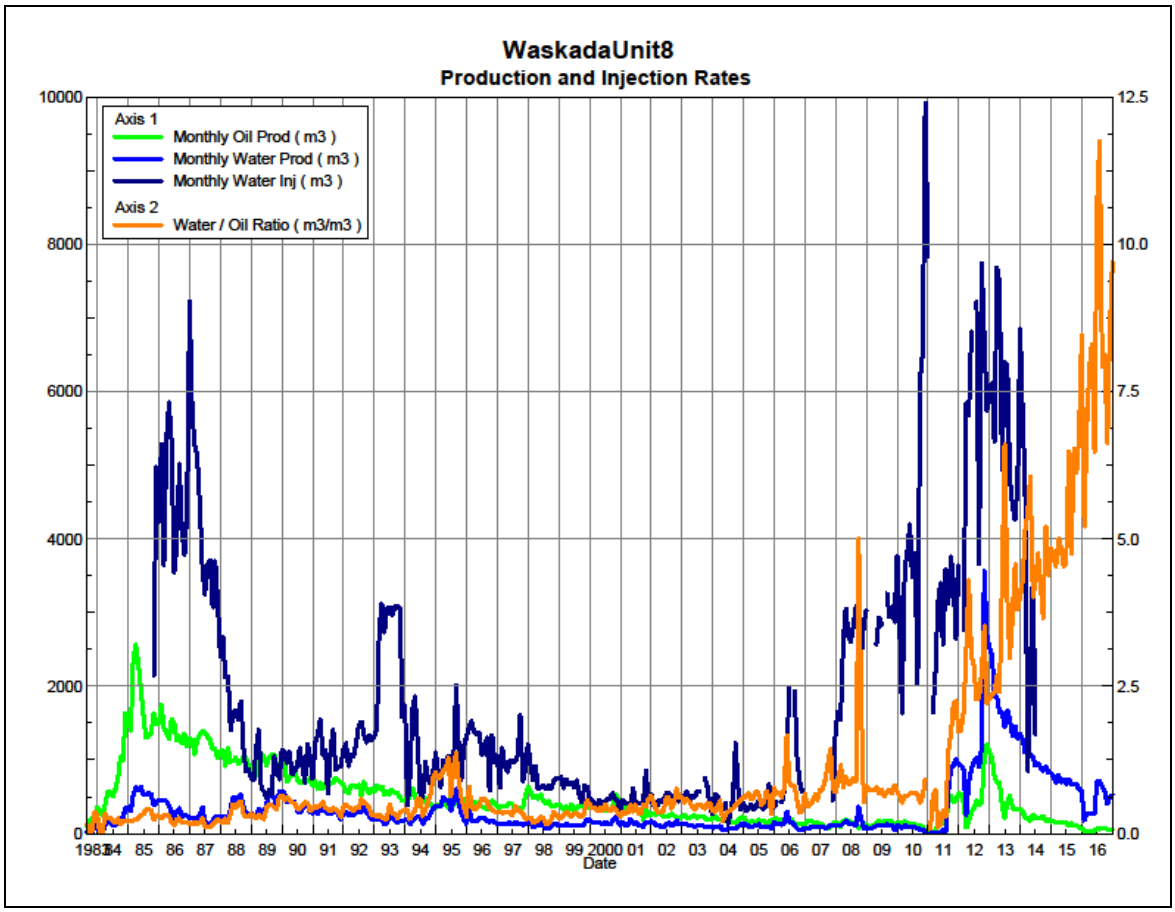


TABLE NO. 1: WASKADA UNIT NO. 8 WELL SUMMARY

UWI	*Type*	*Status*	*On Prod Date*	*Cum Prd Oil (m3)*	*Cum Prd Water (m3)*	*Last Prod Date*	*Cum Inj Water (m3)*	*Last Inj Date*
100/01-07-002-25W1/0	Vertical	Abandoned	10/1/1984	237.2	252.9	4/30/1989	0	
100/08-07-002-25W1/0	Vertical	Producing	8/1/1984	9602.3	1963	11/30/2010	0	
100/09-07-002-25W1/0	Vertical	Producing	8/1/1984	12992.7	2313.4	11/30/2010	0	
102/09-07-002-25W1/0	Horizontal	Producing	10/1/2012	7071.7	27703.4	12/31/2016	0	
100/16-07-002-25W1/0	Vertical	Abandoned	10/1/1984	5006.7	4593.5	6/30/1996	0	
100/01-08-002-25W1/0	Vertical	Abandoned	10/1/1984	785.3	985.4	8/31/1988	0	
100/02-08-002-25W1/0	Vertical	Abandoned	6/1/1984	3319.4	1474	2/28/1998	0	
100/03-08-002-25W1/2	Vertical	Producing	11/1/1984	10210.9	8562.8	7/31/2011	0	
102/03-08-002-25W1/0	Horizontal	Producing	8/1/2011	6545.9	29520	12/31/2016	0	
103/03-08-002-25W1/0	Horizontal	Producing	9/1/2012	3759.9	8205.9	12/31/2016	0	
100/04-08-002-25W1/0	Vertical	Producing	8/1/1984	23335.1	7753.8	11/30/2010	0	
100/05-08-002-25W1/0	Vertical	Injection	11/1/1983	1970.1	1927.9	9/30/1985	90562.9	6/30/2006
100/06-08-002-25W1/0	Vertical	Producing	10/1/1983	14842.2	3069.5	11/30/2010	0	
100/07-08-002-25W1/0	Vertical	Abandoned	8/1/1983	5593.1	133	10/31/1986	68843.7	11/30/2006
100/08-08-002-25W1/2	Vertical	Comingled	5/1/1985	2225.5	1191.4	10/31/2010	0	
100/09-08-002-25W1/0	Vertical	Abandoned	10/1/1983	3911	2219	7/31/1996	0	
100/10-08-002-25W1/0	Vertical	Abandoned	11/1/1983	13258.9	11600	9/30/2000	0	
100/11-08-002-25W1/0	Vertical	Producing	9/1/1984	20103.9	6611.4	7/31/2011	0	
1A0/11-08-002-25W1/0	Vertical	Producing	11/1/1997	4984.5	776.4	11/30/2010	0	
100/12-08-002-25W1/0	Vertical	Abandoned	11/1/1984	2257.2	1900	7/31/1996	0	
100/13-08-002-25W1/0	Vertical	Injection	10/1/1984	122.2	65.4	9/30/1985	63425.7	6/30/2006
100/14-08-002-25W1/0	Vertical	Producing	8/1/1984	20677.8	2716.6	12/31/2016	0	
100/15-08-002-25W1/0	Vertical	Injection	10/1/1984	545.1	372.7	9/30/1985	392811.7	6/30/2014
100/16-08-002-25W1/0	Vertical	Producing	7/1/1984	19742.3	5747	3/31/2011	0	
				193100.9	131658.4		615644.0	

TABLE NO. 2 - VRR Calculations

Date	Mth Oil Prod m3	Cum Oil Prod Km3	Mth Water Prod m3	Cum Water Prod Km3	Water Oil Ratio m3/m3	Mth Water Inj m3	Cum Water Inj Km3	VRR	Cum VRR
12/31/1983	1072	1.072	235	0.235	0.22		0.000	0.000	0.000
12/31/1984	9163	10.236	1921	2.156	0.21		0.000	0.000	0.000
12/31/1985	20803	31.038	6068	8.223	0.29	11348	11.348	0.378	0.258
12/31/1986	16539	47.577	3806	12.029	0.23	57395	68.743	2.515	1.030
12/31/1987	14757	62.334	2561	14.591	0.17	47134	115.878	2.413	1.343
12/31/1988	11954	74.288	4154	18.744	0.35	18592	134.469	1.039	1.291
12/31/1989	11607	85.895	4748	23.492	0.41	9878	144.347	0.546	1.181
12/31/1990	9024	94.919	4501	27.993	0.50	11526	155.873	0.775	1.137
12/31/1991	8145	103.064	3456	31.450	0.42	13196	169.070	1.029	1.127
12/31/1992	7267	110.330	3223	34.673	0.44	14976	184.045	1.293	1.139
12/31/1993	6629	116.959	2172	36.844	0.33	31660	215.705	3.232	1.259
12/31/1994	5332	122.290	2716	39.561	0.51	11248	226.952	1.271	1.259
12/31/1995	5152	127.442	4522	44.083	0.88	12639	239.592	1.210	1.257
12/31/1996	4673	132.115	2289	46.372	0.49	14502	254.093	1.892	1.281
12/31/1997	4846	136.961	1641	48.013	0.34	11958	266.052	1.658	1.295
12/31/1998	5388	142.349	1312	49.325	0.24	8507	274.558	1.133	1.289
12/31/1999	4273	146.622	1511	50.835	0.35	7544	282.103	1.174	1.285
12/31/2000	4499	151.122	1830	52.665	0.41	5226	287.329	0.746	1.269
12/31/2001	3787	154.909	1633	54.298	0.43	5778	293.107	0.965	1.261
12/31/2002	2960	157.869	1502	55.800	0.51	5645	298.752	1.151	1.259
12/31/2003	2635	160.504	1268	57.068	0.48	5693	304.445	1.325	1.260
12/31/2004	2273	162.777	1002	58.070	0.44	5628	310.073	1.557	1.264
12/31/2005	2022	164.799	1230	59.299	0.61	4674	314.747	1.315	1.265
12/31/2006	1959	166.758	1500	60.800	0.77	8710	323.457	2.321	1.281
12/31/2007	1568	168.326	1101	61.901	0.70	1867	325.324	0.643	1.273
12/31/2008	1590	169.915	1771	63.671	1.11	31376	356.700	8.719	1.377
12/31/2009	1647	171.562	1181	64.853	0.72	24265	380.965	7.891	1.453
12/31/2010	1325	172.887	842	65.695	0.64	55871	436.835	23.615	1.651
12/31/2011	2966	175.853	4513	70.208	1.52	33107	469.942	4.178	1.725
12/31/2012	6432	182.285	16497	86.705	2.56	58214	528.156	2.436	1.782
12/31/2013	6079	188.364	19527	106.232	3.21	69391	597.547	2.617	1.851
12/31/2014	2551	190.915	11818	118.050	4.63	18097	615.644	1.227	1.824
12/31/2015	1551	192.466	8279	126.329	5.34		615.644	0.000	1.771
12/31/2016	635	193.101	5330	131.658	8.39		615.644	0.000	1.740

TABLE NO. 3

Tundra Oil and Gas
Waskada Unit No. 8
2016 Injection Volumes

Well Location	Date	Hours On	H_2O Inj Cal-d avg (m^3/d)	Monthly Injected H_2O (m^3)
Unit No. 8 Total:				
	Jan-16	0	0.0	0.00
	Feb-16	0	0.0	0.00
	Mar-16	0	0.0	0.00
	Apr-16	0	0.0	0.00
	May-16	0	0.0	0.00
	Jun-16	0	0.0	0.00
	Jul-16	0	0.0	0.00
	Aug-16	0	0.0	0.00
	Sep-16	0	0.0	0.00
	Oct-16	0	0.0	0.00
	Nov-16	0	0.0	0.00
	Dec-16	0	0.0	0.00
2016 Group Totals:				0.00
Unit No. 8 Total:				
	1981	0	0	0.00
	1982	0	0	0.00
	1983	0	0	0.00
	1984	0	0	0.00
	1985	0	123.8	11,348.00
	1986	0	157.2	57,395.30
	1987	0	129.1	47,134.30
	1988	0	50.9	18,591.50
	1989	0	27.1	9,878.20
	1990	0	31.6	11,526.10
	1991	0	36.2	13,196.30
	1992	0	41.0	14,975.50
	1993	0	86.7	31,659.60
	1994	0	30.8	11,247.50
	1995	0	34.6	12,639.40
	1996	0	39.7	14,501.70
	1997	0	32.8	11,958.10
	1998	0	23.3	8,506.90
	1999	0	20.7	7,544.40
	2000	0	14.3	5,226.20
	2001	0	15.8	5,777.60
	2002	0	15.5	5,645.00
	2003	0	15.6	5,693.00
	2004	0	15.4	5,628.20
	2005	0	12.8	4,674.00
	2006	0	31.7	8,710.20
	2007	0	30.4	1,867.00
	2008	0	86.0	31,376.10
	2009	0	99.4	24,264.80
	2010	0	153.1	55,870.50
	2011	0	98.8	33,106.60
	2012	0	190.5	58,214.00
	2013	0	190.1	69,391.00
	2014	0	100.6	18,097.00
	2015	0	0.0	0.00
	2016	0	0.0	0.00
Group Totals:				615,644.00

TABLE NO. 4

Tundra Oil and Gas
Waskada Unit No. 8
2016 Production Volumes

Date	Hours On	Oil Rate (CD) m3/d	Monthly Oil Prod m3	Water Rate (CD) m3/d	Monthly Water Prod m3	Water Oil Ratio m3/m3	Well Count
Jan-16	1,512	1.12	35	5.84	181	5.22	2
Feb-16	2,088	1.39	40	9.51	276	6.86	3
Mar-16	2,232	1.15	36	9.08	282	7.89	3
Apr-16	2,160	1.08	32	8.94	268	8.30	3
May-16	2,208	1.35	42	8.75	271	6.49	3
Jun-16	2,736	2.21	66	23.50	705	10.65	4
Jul-16	2,880	1.96	61	23.05	714	11.75	4
Aug-16	2,976	2.60	81	20.59	638	7.93	4
Sep-16	2,856	2.33	70	18.96	569	8.13	4
Oct-16	2,568	1.98	61	13.12	407	6.62	3
Nov-16	2,496	1.92	58	16.44	493	8.56	3
Dec-16	2,760	1.75	54	16.96	526	9.70	4
	29,472		635		5,330		

Date	Hours On	Oil Rate (CD) m3/d	Monthly Oil Prod m3	Water Rate (CD) m3/d	Monthly Water Prod m3	Water Oil Ratio m3/m3	Well Count
31/12/1983	8376	7.01	1,072	1.54	235	0.19	2
31/12/1984	73008	25.01	9,163	5.23	1921	0.20	9
31/12/1985	146650	57.20	20,803	16.65	6068	0.30	17
31/12/1986	141165	45.34	16,539	10.46	3806	0.23	16
31/12/1987	129604	40.42	14,757	7.03	2561	0.18	15
31/12/1988	127944	32.66	11,954	11.34	4154	0.35	14
31/12/1989	114864	31.79	11,607	12.98	4748	0.41	13
31/12/1990	117960	24.73	9,024	12.35	4501	0.50	14
31/12/1991	119160	22.31	8,145	9.47	3456	0.43	14
31/12/1992	119928	19.86	7,267	8.80	3223	0.44	14
31/12/1993	120528	18.18	6,629	5.96	2172	0.33	14
31/12/1994	112416	14.63	5,332	7.43	2716	0.54	13
31/12/1995	113256	14.12	5,152	12.39	4522	0.89	13
31/12/1996	100224	12.77	4,673	6.25	2289	0.49	11
31/12/1997	88056	13.28	4,846	4.50	1641	0.35	10
31/12/1998	93120	14.78	5,388	3.59	1312	0.25	11
31/12/1999	91296	11.70	4,273	4.14	1511	0.35	11
31/12/2000	89472	12.30	4,499	5.01	1830	0.41	10
31/12/2001	79584	10.37	3,787	4.47	1633	0.44	9
31/12/2002	81264	8.11	2,960	4.11	1502	0.52	9
31/12/2003	77088	7.22	2,635	3.48	1268	0.48	9
31/12/2004	68424	6.21	2,273	2.74	1002	0.44	8
31/12/2005	70200	5.54	2,022	3.37	1230	0.61	8
31/12/2006	75680	5.38	1,959	4.11	1500	0.74	9
31/12/2007	74,335	4.31	1,568	3.02	1101	0.77	9
31/12/2008	65,530	4.34	1,590	4.85	1771	1.31	7
31/12/2009	71,484	4.50	1,647	3.23	1181	0.73	8
31/12/2010	59,032	3.97	1,325	2.52	842	0.66	7
31/12/2011	14,603	8.09	2,966	12.31	4513	0.98	2
31/12/2012	20,501	17.56	6,432	45.00	16497	2.71	2
31/12/2013	31,641	16.71	6,079	53.55	19527	3.66	4
31/12/2014	33,496	6.99	2,551	32.42	11818	4.70	4
31/12/2015	31,938	4.25	1,551	22.69	8279	5.61	4
31/12/2016	29,472	1.74	635	14.56	5330	8.17	3
	2,791,299		193,101		131,658		