

Growth, Enterprise and Trade

Petroleum Branch 360-1395 Ellice Ave , Winnipeg, Manitoba, Canada R3G 3P2 T 204-945-6577 F 204-945-0586 www.manitoba.ca

July 05, 2018

Mr. Peter Parkinson Corex Resources Ltd. 3100, 525-8th Avenue SW Calgary, AB T2P 1G1

Dear Mr. Parkinson,

RE: Daly Unit No. 17 Approval

The Petroleum Branch is pleased to grant approval of Daly Unit No. 17 within the Lodgepole Formation covering LSDs 4-6 & NW/4 of Sect. 5 twp 10 / rge 28 WPM in Daly Sinclair field.

The unitization effective date for Daly Unit No. 17 is July 01, 2018.

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 these new units. 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 application required please contact Leo Leonen, Technical Engineering Officer, at (204) 9456570.

Yours truly,

Amy Jordan A/Director

Cc: PB Virden Office