

Closing Date: February 10, 2010 1:00 P.M. Winnipeg, Manitoba



PUBLIC OFFERING OF CROWN OIL AND GAS RIGHTS

The undersigned will receive offers to purchase oil and gas leases as described in **SCHEDULE A**, up to 1:00 P.M. (Manitoba official time) on the 10th day of February, 2010.

Each offer should be enclosed in a separately sealed envelope with "Lease Offer – February 10, 2010" clearly indicated on the outside of the envelope, and be accompanied, where applicable, by the following:

- a) The cash bid of the bidder;
- b) Rent for each lease for the first year at the rate of \$3.50 per hectare;
- c) An application fee of \$400.00 per lease;
- d) Method of payment (electronic transfer of funds company account);
- e) The full name and address for service of the party the agreement is to be issued to;
- f) Where the agreement is to be issued in undivided interests, each interest should be clearly indicated;
- g) The G.S.T. Registration Number for each party wishing to have an interest in the agreement.

The bonus, rental and fee must be submitted by electronic funds transfer. All authorizations for electronic funds transfer must be filed with the Branch on an approved form (Attachment No. 1) as set forth in Informational Notice 09-02 (enclosed). It is the company's responsibility to ensure that relevant account information remains current. A company may cancel this authorization at any time by written notice to the Petroleum Registrar. **Authorizations for the February 10, 2010 sale must be received no later than January 13, 2010. Bank drafts and certified cheques will not be accepted,** unless the bidder has been granted special prior exemption by the Petroleum Registrar.

The bidder is responsible for having sufficient funds in its account on sale day to cover all bids, rentals and fees. If the Branch is notified by the bank that insufficient funds are available, the parcel(s) will be awarded to the next highest bidder. Manitoba reserves the right to refuse future bids and/or posting requests by that bidder.

The bidder may request that consideration be given on another parcel or parcels, if an offer on one or more parcels is not successful, provided that the intent and order of choice is clearly stated and provided that alternative offers are for specific amounts. Any offer received contrary to these conditions or the regulation, will not be considered.

All offers should be mailed to:

Petroleum Registrar
Manitoba Innovation, Energy and Mines
Petroleum Branch
1395 Ellice Avenue, Suite 360
Winnipeg Manitoba R3G 3P2

or handed to any person acting for the Registrar at the office of the Petroleum Branch, 1395 Ellice Avenue, Suite 360, Winnipeg, Manitoba.

Leases granted shall be subject to the applicable Acts and Regulations in force from time to time.

Manitoba reserves the right to reject any or all offers received and to refund to the person making an offer any funds received from them.

Printed sale results will be provided, when available, to all parties participating in the sale and to other parties upon request. Sale results may be obtained by contacting Angela Hiebert, Leasing Clerk at (204) 945-6578 or through our home page on the internet at www.gov.mb.ca/petroleum.

Dated at Winnipeg, Manitoba this 5th day of January, 2010.

The Petroleum Branch is committed to providing quality service to all its clients. If you have any comments regarding the Manitoba Crown Land Tenure System and administrative policies related to the Crown Disposition Regulation, please contact the undersigned at the address noted above, or by telephone at (204) 945-8102 and fax at (204) 945-0586.

Dan Surzyshyn
Acting Petroleum Registrar

Schedule A
Oil and Gas Leases
February 10, 2010

Parcel No.	Section	Township	Range	Meridian	Hectares
A1	* NE¼ of 14	6	28	WPM	64
A2	SE¼ of 5	12	28	WPM	64
A3	SE¼ of 6	12	28	WPM	64
A4	SW¼ of 6	12	28	WPM	64
A5	NE¼ of 10	12	28	WPM	64
A6	NW¼ of 10	12	28	WPM	64
A7	* SE¼ of 16 (Above Base of Devonian Duperow)	13	28	WPM	64
A8	* NW¼ of 16 (Above Base of Devonian Duperow)	13	28	WPM	64
A9	* S½ and NE¼ of 22 (Above Base of Devonian Duperow)	13	28	WPM	192
A10	* W½ of 4 (Above Base of Devonian Duperow)	14	28	WPM	112
A11	* NE¼ of 10 (Above Base of Devonian Duperow)	14	28	WPM	64
A12	* All 2 (Above Base of Devonian Duperow)	14	29	WPM	256
A13	* All 11 (Above Base of Devonian Duperow)	14	29	WPM	256

* Refer to Addendum

ADDENDUM TO
PUBLIC OFFERING OF
CROWN OIL AND GAS RIGHTS

February 10, 2010

Parcel Nos. A7, A9 and A10

These parcels are under private surface ownership. The SE $\frac{1}{4}$ 16-13-28 WPM, E $\frac{1}{2}$ 22-13-28 WPM and SW $\frac{1}{4}$ 04-14-28 WPM may be owned by Conservation Agencies or under Conservation Agreement. To assist in preserving the natural values of these lands, special conditions may be placed on drilling and production operations in these areas.

Parcel No. A1

This parcel is under private surface ownership in an area containing a **Pending** Potash Permit QP-170.

Parcel Nos. A7, A8, A9, A10, A11, A12 and A13

These parcels are under private surface ownership within an area containing Potash Permit QP-172, issued to Western Potash Corp.

For further information regarding the above noted parcels, please contact:

Mr. Keith Lowdon, Director
Petroleum Branch
Innovation, Energy and Mines
Ph: (204) 945-6574

Manitoba

Industry, Economic Development
and Mines



Petroleum

360-1395 Ellice Avenue
Winnipeg MB R3G 3P2
CANADA

Phone: (204) 945-6577
Fax: (204) 945-0586

October 13, 2005

INFORMATIONAL NOTICE 05-02

Withdrawal of Crown Oil and Gas Rights from Disposition

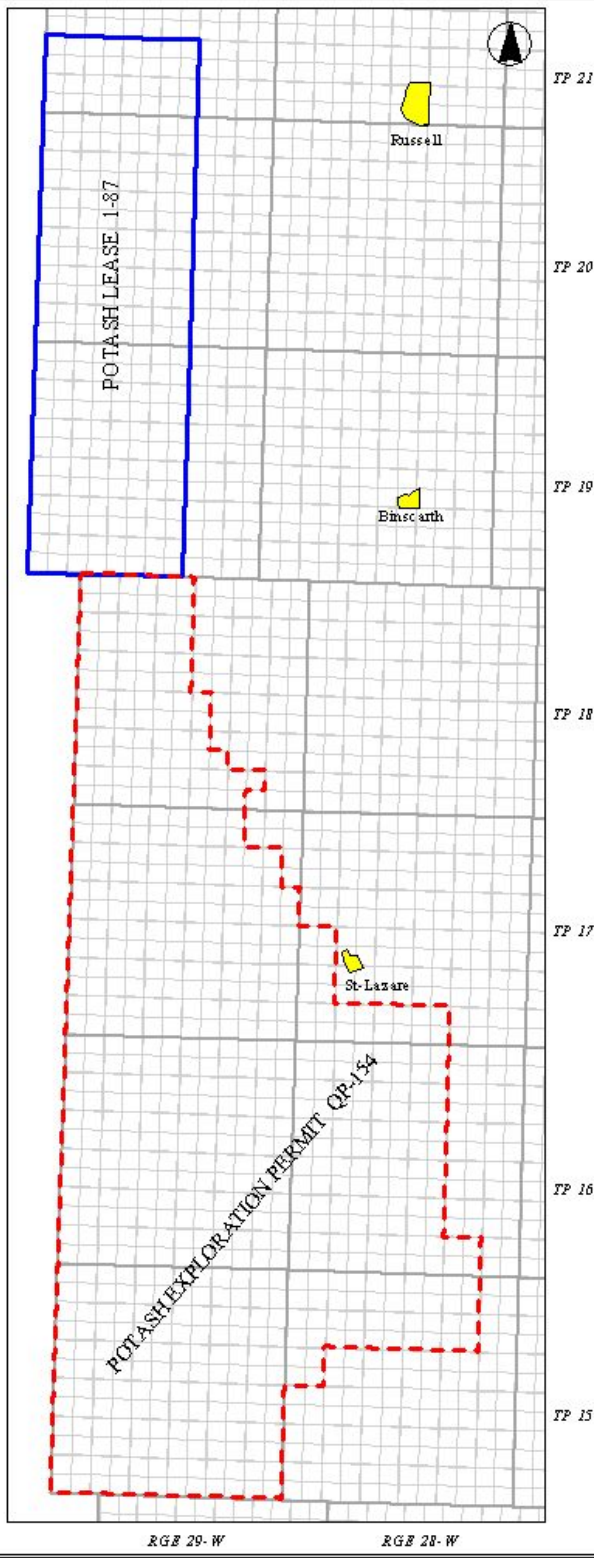
Effective immediately, the Department of Industry, Economic Development and Mines will not be accepting applications under Subsection 2(2) of the Crown Disposition Regulation for the disposition of Crown oil and gas rights by public sale in the area currently under potash disposition for exploration and/or development ("potash disposition area") outlined in Schedule A. This Notice does not affect the rights of holders of existing dispositions of Crown oil and gas rights in the potash disposition area.

A potash lease in the Russell area has been held by the Manitoba Potash Corporate since 1987. The Department is in the process of issuing a potash exploration permit in the St. Lazare area to Agrium Inc. The term of the potash exploration permit is five years and may be extended in accordance with the provisions of the Potash Exploration Permit Regulation under *The Mines and Minerals Act*.



Oil and gas operations have the potential to adversely impact the integrity of potash deposits. In order to mitigate this risk, the Department has decided not to dispose of Crown oil and gas rights in the potash disposition area while holders of potash dispositions undertake activities to evaluate potash deposits. The Department hopes the orderly development of the province's subsurface resources will maximize the value of these resources for the future benefit of all Manitobans.

The Department's decision not to dispose of oil and gas rights in the potash disposition area will be reviewed at the end of the term of the potash exploration permit or earlier in the event of surrender of all or a portion of the permit area or termination of the potash lease or exploration permit.

John N. Fox, P.Eng.
Director



SCHEDULE A
POTASH DISPOSITION AREA

-  POTASH EXPLORATION PERMIT
-  POTASH LEASE

SCALE: 1:250 000

DATED: SEPT. 27, 2005



Innovation, Energy and Mines

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

INFORMATIONAL NOTICE 09-02

MAY 7, 2009

**Mandatory Electronic Fund Transfer at
Manitoba Public Offerings of Crown Oil and Gas Lease Rights**

On August 23, 1995, the Petroleum Branch introduced electronic transfer of funds for payment of bonuses, rentals and fees submitted with bid offerings at Manitoba Public Offerings of Crown Oil and Gas Lease Rights. This initiative has been very well received by industry and has resulted in a significant reduction in administrative activities for both industry and Branch staff.

To streamline Crown oil and gas procedures, effective with the August 13, 1997 sale, the Petroleum Branch requires mandatory payment of bonuses, rentals and fees be submitted with bid offerings by Electronic fund transfer. Bank drafts or certified cheques are not acceptable unless the bidder has been granted special exemption by the Petroleum Registrar.

All authorizations for electronic funds transfer must be filed with the Branch on an approved form (Attachment No. 1). The authorization should be prepared on company letterhead, witnessed or executed under seal and submitted to the Branch not less than five weeks prior to the date of the sale.

An authorization provided to the Branch does not have to be renewed for each sale. However, it is the company's responsibility to ensure that relevant account information remains current. A company may cancel this authorization at any time by written notice to the Petroleum Registrar.

On sale day, once the successful bids are determined, the total amount owing by the company (any bonus, rental or fee) will be electronically withdrawn from the company's account.

The bidder is responsible for having sufficient funds in its account on sale day to cover all its bids, rentals and fees. If we are notified by the bank that insufficient funds are available, the parcel(s) will be awarded to the next highest bidder. The Department reserves the right to refuse future bids and/or posting requests by that bidder.

If you have any questions or comments in this regard, please contact the Petroleum Registrar at least one week prior to the sale date.

Keith Lowdon
Director

ATTACHMENT NO. 1

Date:

Phone:

Innovation, Energy and Mines
Petroleum Branch
360 - 1395 Ellice Avenue
Winnipeg, MB R3G 3P2

Attention: **Mr. Keith Lowdon**
Director of Petroleum

Dear Sir:

Re: Remittance for Crown Oil and Gas Rights

Please accept this document as authority for Manitoba Innovation, Energy and Mines to debit our bank account on the understanding that any such debit will only be used to facilitate the payment by (name of company) for successful bids for Crown oil and gas rights. The debit will be limited to the amount of said successful bids, including any bonus, fees and applicable rent. The treatment of each payment shall be the same as if (name of company) had issued a cheque authorizing the bank to pay the amount indicated from our account.

It is further understood and agreed that (name of company) will have recourse to Innovation, Energy and Mines for the recovery of debits made by the Department for purposes that have not been authorized by this document.

This authorization may be canceled by (name of company) at any time by written notice to the Department.

Your receipt of this authorization constitutes delivery by us.

Dated: _____

(Name of company)

(Corporate Seal)

Per: _____
Treasurer, Comptroller or Director or Manager of Finance,
or similar authority. The signatory should have some
responsibility for financial or banking matters in the company.

Account Name:

Account No.:

Bank:

Branch:

Address:

Bank Transit No.:



Innovation, Energy and Mines

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

INFORMATIONAL NOTICE 09-01

January 13, 2009

**SCHEDULE OF PUBLIC OFFERINGS OF MANITOBA
CROWN OIL AND GAS RIGHTS - 2010**

The Department of Innovation Energy and Mines has scheduled four Public Offerings of Crown Oil and Gas Rights in 2010.

The sale dates and corresponding closing dates prior to which the Department will entertain requests to have rights posted are:

<u>Sale Date</u>	<u>Closing Date for Posting</u>
February 10, 2010	November 06, 2009
May 12, 2010	February 12, 2010
August 11, 2010	May 14, 2010
November 3, 2010	August 13, 2010

Posting requests must be in writing, indicate the form of disposition requested and be received at the office of the Petroleum Branch, Winnipeg, Manitoba on or before the respective closing date shown above. In determining the terms and conditions under which such rights shall be offered for sale preference will be given to requests containing drilling commitments indicating time limits and deepest formation to be tested.

Sale Notices, listing the parcels offered and outlining sale procedures together with any special terms and conditions are available **within 5 weeks of the closing date for postings** and will be:

1. Mailed to all parties on the mailing list maintained by the Petroleum Branch; and,
2. Posted on the Department's internet site located at www.gov.mb.ca/petroleum.

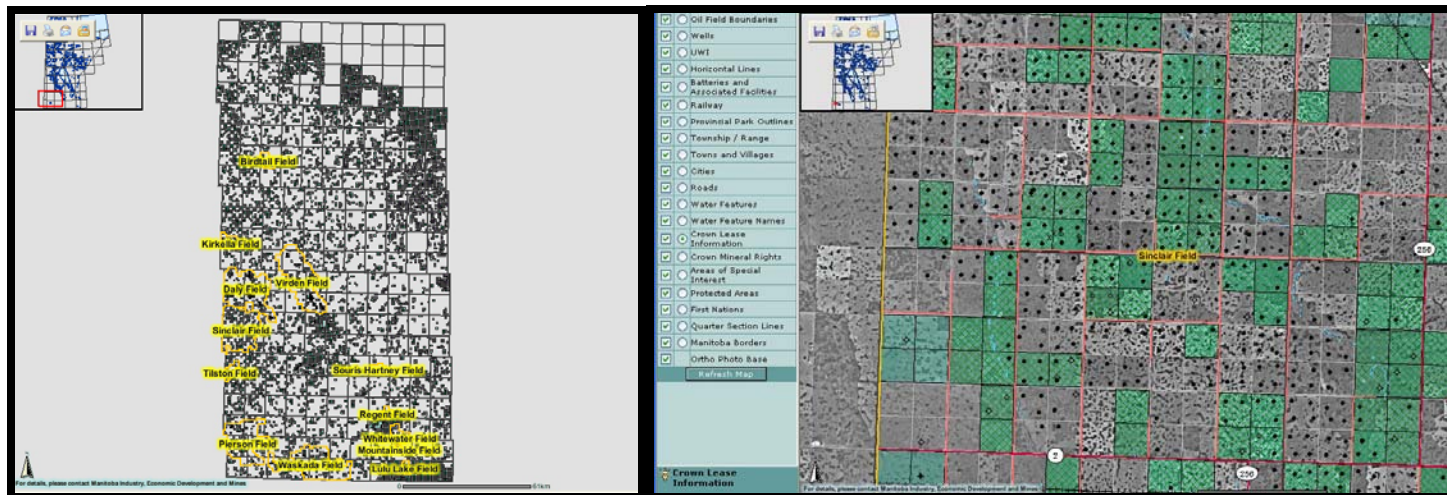
Keith Lowdon,
Director

Cette information existe également en français.

PETROLEUM GIS MAP

The Petroleum GIS Map is available on the Petroleum Branch web site located at www.gov.mb.ca/petroleum/gis/index.html. The map covers an area in southwestern Manitoba including Townships 1 to 22; Ranges 19 to 29 WPM. Users can use on-line tools to query, view and download data including:

- Crown Oil and Gas Dispositions
- Batteries/Associated Facilities
- Ortho Photos
- Wells
- Technical Well Files
- Oil & Gas Mineral Ownership
- Oilfield Boundaries



Rec	LICENCE	MAP_STATUS	LSD	SECTION	TOWNSHIP	RANGE	EASTING	NORTHING	UTM_SOURCE	TECHDOC_UR
1	5197	Producer	10	31	07	29	326429	5498623.79	Original Plat	http://www.gov.mb.ca/iedm/petroleum/documents/technical/5197.pdf

- Well and lease information
- Partial Listing of available documents:
- Well Bore Coordinates
 - Licence Info
 - Completion/Workover
 - Geological Reports
 - Drilling Info.
 - Survey Platte
 - Synoptic
 - Initial Production Report
 - Core/Water Analysis
 - Reservoir Tests
 - Geological Applications
 - Agreements

Options - x

- 5195 11-07-07-29 W1 Drilling Tours 17.tif
- 5195 11-07-07-29 W1 Drilling Tours 18.tif
- 5195 11-07-07-29 W1 Drilling Tours 2.tif
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- 5195 11-07-07-29 W1 Geological 3.tif
- 5195 11-07-07-29 W1 Geological 4.tif
- 5195 11-07-07-29 W1 Initial Production Report 1.tif
- 5195 11-07-07-29 W1 Licence 1.tif
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- 5195 11-07-07-29 W1 Licence 7.tif

Manitoba
Industry, Trade and Mines

Petroleum

APPLICATION FOR WELL LICENCE

In compliance with The Oil and Gas Act and the Drilling and Production Regulation, application is hereby made for a well licence for:

TUNDRA SINCLAIR 11-7-29 WPM
(well name and location)

By: Tundra Oil and Gas Ltd Manitoba Corporation No. _____
(name of well owner)

1111 One Lombard Place, Winnipeg, Manitoba, R3B 0X4 (204) 934-5850 (204) 934-5820
(address of well owner) (telephone) (fax)

Surface Location: LSD 11 Section 7 Township 7 Range 29 WPM

Ground Elevation: 524.60 metres above sea level

Surface Co-ordinates Directional or Horizontal Well
Bottomhole Co-ordinates

553.80 metres South of North boundary of Sec 7 metres North of South boundary of Sec _____

646.47 metres East of West boundary of Sec 7 metres East of West boundary of Sec _____

Surface Owner: Roger & Leanne Poirer (1830) Occupant: _____

Royalty Owner(s): Richard Borreson (4899) Theima Surdem (4930)

Oil and Gas Rights Lessed By: Tundra Oil and Gas Ltd. Agent: Brad Thissen
(Name of Oil and Gas Lease Agent and Corporation)

Crown Reservation or Lease No.: _____

Type of Well: Oil and Gas x Other _____ (specify)

Projected Total Depth: 1095 metres in the Lyleton Formation

Casing Size O.D. (mm)	Weight (lb/ft)	Grade	From	To	Estimated Connected Interval

Link to scanned technical well files to view/print

The following maps are available for view and download in our GIS map gallery.

- Sinclair Field Map
- Well Location Map #7 – Twps 1-22, Rges 19-29
- Well Location Map Twp’s 1-45, Rges 29W1 – 1E1
- Crown Oil and Gas Rights Map
- Pool Location Map

To view a list of other maps, please visit www.gov.mb.ca/petroleum/pubcat/index.html

For GIS questions please contact:
 Christine Winter - GIS Technician/Internet Coordinator
 Petroleum Branch, Virden Manitoba
 Phone: (204)748-4264
 Email: Christine.Winter@gov.mb.ca