

Manitoba



Mineral Resources

Petroleum Branch

360-1395 Ellice Ave , Winnipeg, Manitoba, Canada R3G 3P2

T 204-945-6577 F 204-945-0586

www.manitoba.ca

January 9, 2015

Glenn Ross

Tundra Oil & Gas Partnership

Winnipeg

Dear Glenn,

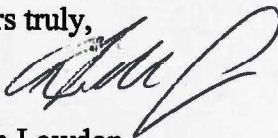
RE: Birdtail Unit No. 1 Expansion and UA Amendment Approval

The Petroleum Branch is pleased to grant approval of Birdtail Unit No.1 expansion to include NW/4 5-16-27 WPM in the unit and the amendment of its unit agreement. The effective date for the expanded unit will be February 1, 2015.

The execution pages of the Unit Agreement are signed and attached.

If you have any questions in respect of the applications required please contact Leo Leonen, Technical Engineering Officer, at (204) 945-6570.

Yours truly,



Keith Lowdon
Director

Cc: PB Virden

Manitoba
spirited energy

AMENDING AGREEMENT

This AGREEMENT made this 20th day of October, A.D. 2014.

AMONG:

HER MAJESTY THE QUEEN in Right of the Province of Manitoba; and

Rural Municipality of Birtle, a municipal corporation, with an office in the Town of Birtle, in the Province of Manitoba; and

Bart [REDACTED], a body corporate, with an office in the Town of Birtle, in the Province of Manitoba; and

(hereinafter collectively referred to as the "Parties")

WHEREAS the parties hereto are parties to, or successors in interest to parties to the Birdtail Unit Agreement made effective August 1, 1999, which is further described in Schedule "A" hereto; (such Agreement including all amendments, if any, thereto hereinafter referred to as the "Unit Agreement"), and

WHEREAS the Parties hereto desire to amend the Unit Agreement to incorporate additional lands, specifically NW 5-16-27W1, into Birdtail Unit No. 1, and

WHEREAS the Parties hereto desire to amend the Unit Agreement to provide for infill drilling on, over or nearby the boundary of Birdtail Unit No.1.

NOW THEREFORE IN CONSIDERATION OF THE PREMISES and mutual covenants and agreements hereinafter contained and set forth, the Parties agree as follows:

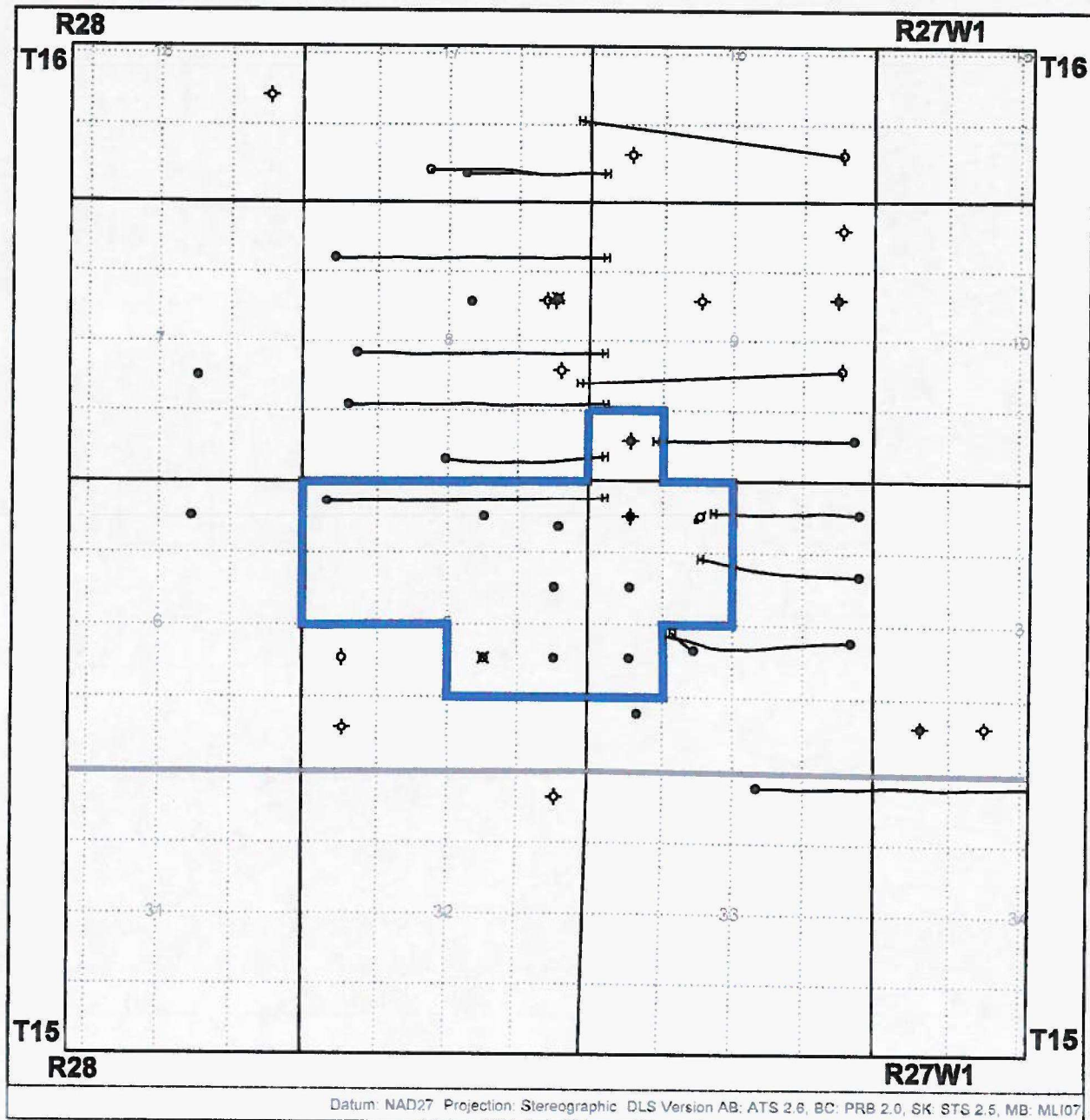
1. Effective as of the date hereof, Exhibits A & B of the Unit Agreement are deleted in their entirety and replaced by the following:

**Attached to and made part of Unit Agreement entitled Birdtail Unit No. 1 Exhibit
"A" Tract Factor Data**

| TABLE NO. 2: TRACT FACTOR CALCULATIONS | | | |
|---|---------|--------------|----------------------|
| TRACT FACTORS BASED ON OIL-IN-PLACE (OOIP) LESS CUMULATIVE OIL PRODUCED METHOD | | | |
| BIRDTAIL UNIT NO. 1 + NW1/4 SECTION 5 | | | |
| Unit Tract Number | LSD-SEC | TWP-RGE | Tract Factor (%) |
| 1 | 05-04 | 016-27W1 | 5.557194357 |
| 2 | 11-04 | 016-27W1 | 5.290014835 |
| 3 | 12-04 | 016-27W1 | 4.965127904 |
| 4 | 13-04 | 016-27W1 | 4.823181966 |
| 5 | 14-04 | 016-27W1 | 3.131103249 |
| 6 | 07-05 | 016-27W1 | 10.594580689 |
| 7 | 08-05 | 016-27W1 | 6.181849063 |
| 8 | 09-05 | 016-27W1 | 3.482784699 |
| 9 | 10-05 | 016-27W1 | 5.445603507 |
| 10 | 11-05 | 016-27W1 | 9.101937290 |
| 11 | 12-05 | 016-27W1 | 9.031922388 |
| 12 | 13-05 | 016-27W1 | 9.050899319 |
| 13 | 14-05 | 016-27W1 | 7.717265471 |
| 14 | 15-05 | 016-27W1 | 4.583808755 |
| 15 | 16-05 | 016-27W1 | 4.619096632 |
| 16 | 04-09 | 016-27W1 | 6.423629876 |
| | | TOTAL | 100.000000000 |

| Attached to and made part of Unit Agreement entitled | | | | | | | | |
|---|--------------------|------------------------------|---------|--|----------|---------------------|---------------|---------------|
| Birdtail Unit No. 1 Exhibit "A" Tract Participation Part 1 | | | | | | | | |
| Working Interest | | | | Royalty Interest | | | | |
| Tract No. | Land Description | Owner | Share % | Owner | Share % | Tract Participation | Crown | FH |
| | | | | | | % | | |
| 1 | Lsd 05-04-016-27W1 | Tundra Oil & Gas Partnership | 100% | HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF MANITOBA | 100.000% | 5.557194357 | 100.000000000 | |
| 2 | Lsd 11-04-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 5.290014835 | | 100.000000000 |
| 3 | Lsd 12-04-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 4.965127904 | | 100.000000000 |
| 4 | Lsd 13-04-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 4.823181966 | | 100.000000000 |
| 5 | Lsd 14-04-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 3.131103249 | | 100.000000000 |
| 6 | Lsd 07-05-016-27W1 | Tundra Oil & Gas Partnership | 100% | Bart 444 Inc. | 100.000% | 10.594580689 | | 100.000000000 |
| 7 | Lsd 08-05-016-27W1 | Tundra Oil & Gas Partnership | 100% | Bart 444 Inc. | 100.000% | 6.181849063 | | 100.000000000 |
| 8 | Lsd 09-05-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 3.482784699 | | 100.000000000 |
| 9 | Lsd 10-05-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 5.445603507 | | 100.000000000 |
| 10 | Lsd 11-05-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 9.101937290 | | 100.000000000 |
| 11 | Lsd 12-05-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 9.031922388 | | 100.000000000 |
| 12 | Lsd 13-05-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 9.050899319 | | 100.000000000 |
| 13 | Lsd 14-05-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 7.717265471 | | 100.000000000 |
| 14 | Lsd 15-05-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 4.583808755 | | 100.000000000 |
| 15 | Lsd 16-05-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 4.619096632 | | 100.000000000 |
| 16 | Lsd 04-09-016-27W1 | Tundra Oil & Gas Partnership | 100% | Rural Municipality of Birtle | 100.000% | 6.423629876 | | 100.000000000 |

Attached to and made part of Unit Agreement entitled Birdtail Unit No. 1 Exhibit
 "B" Unit Outline



2. Effective as of the date hereof, Clause 401 of the Unit Agreement is deleted in its entirety and replaced by the following:

401. Operations

The Working Interest Owners are hereby granted the right to develop and operate the Unitized Zone without regard to the provisions of the Leases or the boundary lines of the Tracts or Spacing Units in such manner and by such

means and methods as the Working Interest Owners consider appropriate. Without limiting the generality of the foregoing, the Working Interest Owners shall have the right to inject any substance or combination of substances into the Unitized Zone and to convert and use as injection wells any wells now existing or hereafter drilled into the Unitized Zone.

The Working Interest Owners are also hereby granted the right, subject to Petroleum Branch approval, to pool Spacing Units located in the Unit Area with Spacing Units located outside of the Unit Area for the purpose of drilling a horizontal well. The Spacing Unit for such horizontal wells shall be deemed to be the area as specified in the Oil and Gas Act and the Crown Royalty and Incentive Regulation (Manitoba). The share of production from such horizontal wells shall be calculated using the same methodology as set out in the above-noted Act and Regulation.

The Working Interest Owners are also hereby granted the right, subject to Petroleum Branch approval, to drill horizontal or vertical injection wells within, upon, over or across the Unit boundaries and the Working Interest Owners consent to such wells being produced prior to their conversion to injection wells.

3. The foregoing revision of the Unit Agreement shall be deemed to be incorporated in and form part of the Unit Agreement as of the date of this Amending Agreement with approval by the Petroleum Branch, Manitoba Mineral Resources, and shall govern and determine all matters therein from and after such date.
4. Save as amended by the provisions hereof, the Unit Agreement shall continue in full force and effect and is hereby ratified and confirmed by the parties hereto.
5. This Amending Agreement may be executed in as many counterparts as are necessary and when a counterpart has been executed by each party, all counterparts taken together shall constitute one agreement.
6. The provisions of this Amending Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
7. The Parties agree that the Unit Agreement shall for all purposes be construed and interpreted according to the laws of the Province of Manitoba and that the courts having jurisdiction with respect to matters relating to the Agreement shall be the courts of said Province, to the jurisdiction of which courts the parties by their execution of this Agreement do hereby submit.

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement as of the day and year first above written.

**This is Schedule "A" to an Amending Agreement Birdtail Unit No. 1
dated October 20, 2014.**

the "Unit Agreement"

Birdtail Unit No. 1 Agreement made effective August 1, 1999.