

DALY UNIT NO. 7
WATERFLOOD EOR PROJECT
ANNUAL REPORT FOR 2015

March 11, 2016

Tundra Oil and Gas Partnership

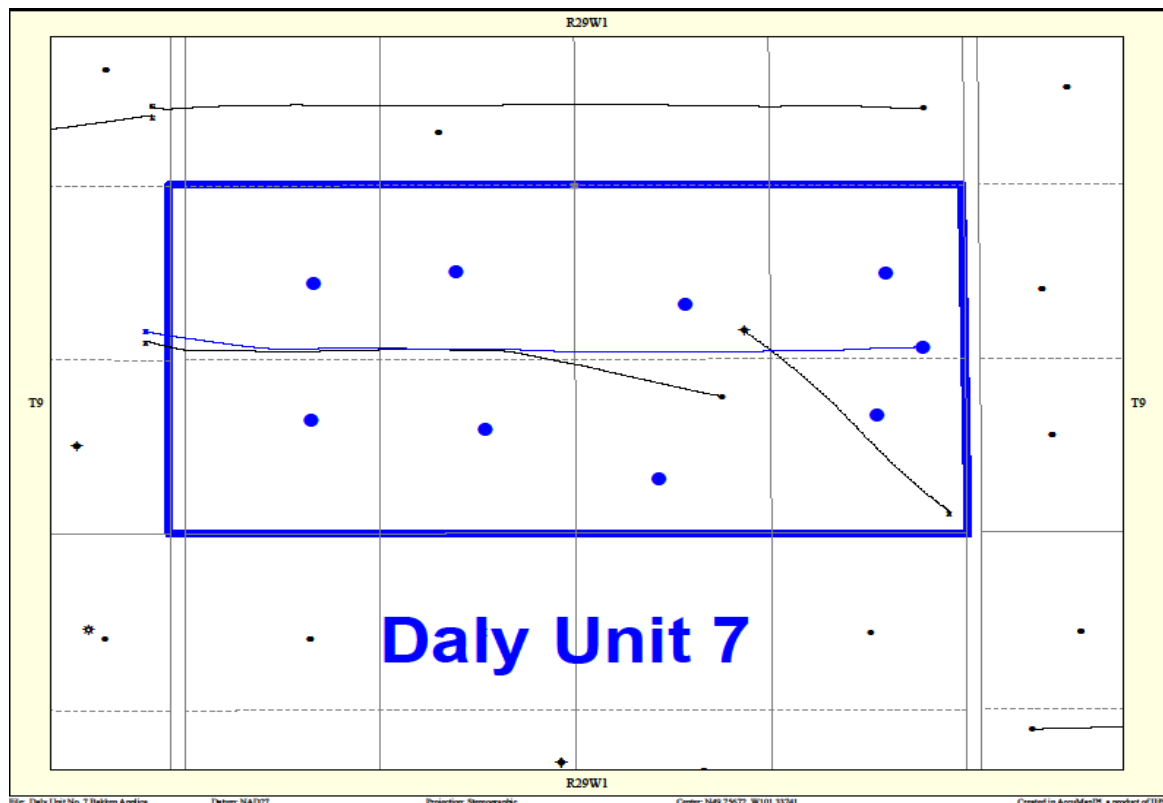
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INTRODUCTION

Daly Unit No. 7 Enhanced Oil Recovery (EOR) Waterflood Project was approved under Waterflood Order No. 38, effective January 1st, 2014 with Tundra Oil and Gas as Operator. The EOR project area, outlined in blue in Figure 1, contains 8 vertical and 1 horizontal producing well in 8 LSDs in Section 22, Township 9, Range 29W1. Well list and well status is available in Appendix A.

Figure 1: Daly Unit No. 7 Area Outline



In accordance with Section 73 of the Manitoba Drilling and Production Regulation, Tundra submits the following 2015 Annual Progress Report for Daly Unit No. 7 as required by Waterflood Order No. 38.

DISCUSSION

Production History

For the wells included in Daly Unit No. 7, production started in July 2001 with the 00/02-22-009-29W1/00 well. Oil production peaked at 16.5 m³/d in September of 2003. In 2015, the average production for the unit was 6.97 m³/d of oil and 19.28 m³/d of water, and the average WOR was 2.79 m³/m³. There is currently no water injection in Daly Unit No. 7. The rates and WOR are presented in Figure 2.

Figure 2: Daly Unit No. 7 Production/Injection Rates and WOR vs. Time

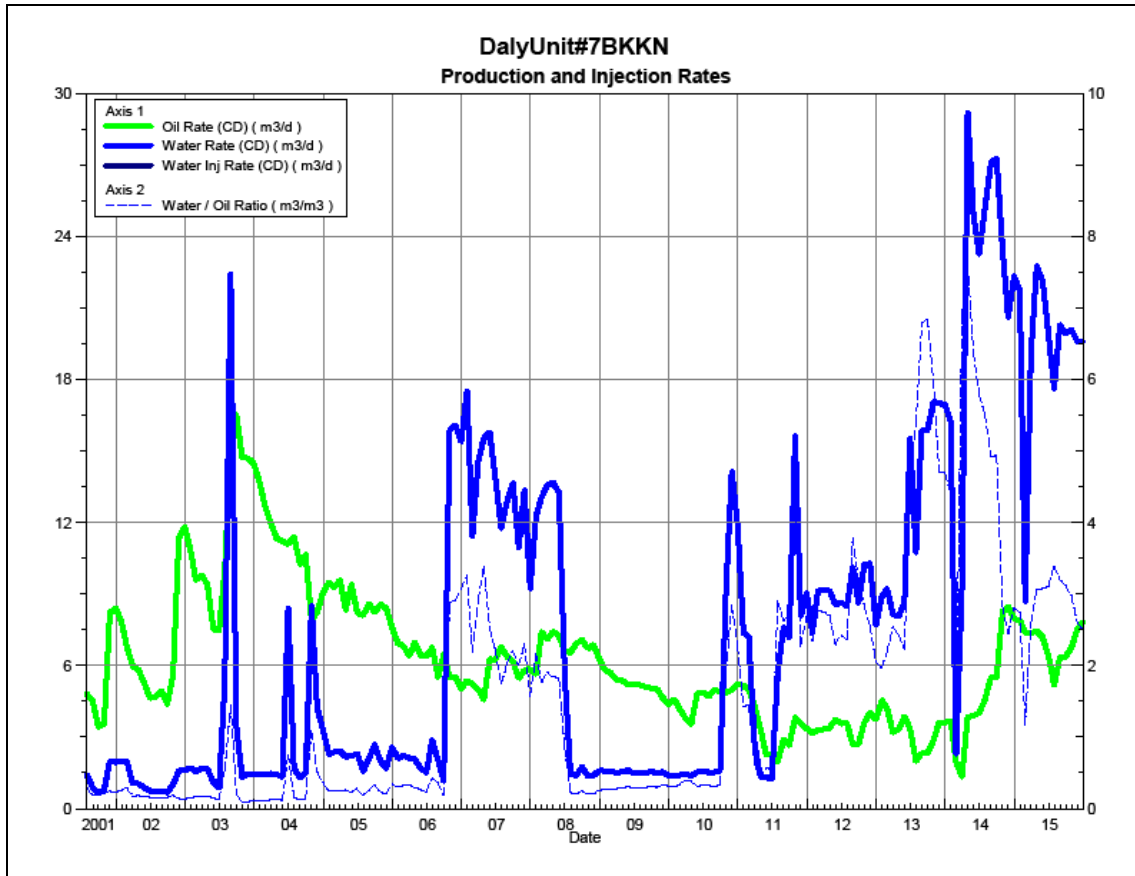
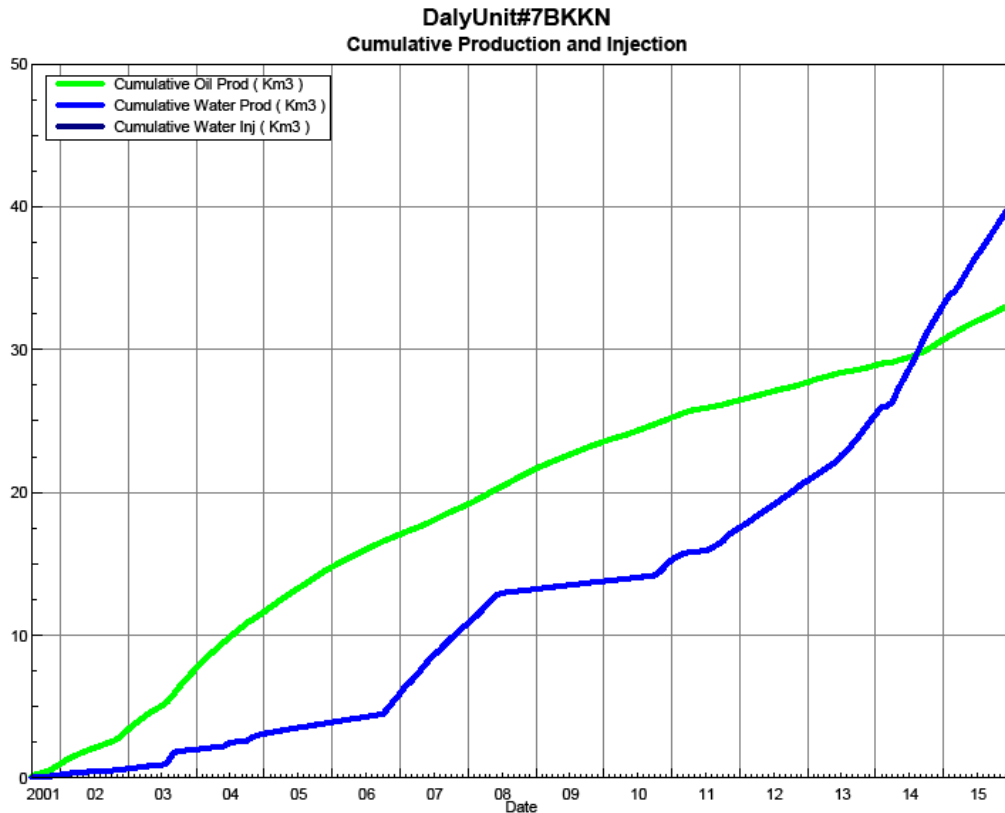


Figure 3 shows the cumulative production for Daly Unit No. 7 to the end of December 2015 as 33.26 e³m³ of oil and 40.20 e³m³ of water, representing a 6.3% recovery factor of the OOIP.

Figure 3: Daly Unit No. 7 Cumulative Oil, Water and Water Injected vs. Time



Waterflood History

Daly Unit No. 7 is still in the development phase at the end of 2015. In February 2014, the single proposed horizontal injector (02/08-22-009-29W1) for the unit was drilled between the existing vertical producing wells, completing an effective 40 acre line drive waterflood pattern. In April 2014, the proposed injector was put on production. In order to maximize recovery from this Unit, Tundra expects to produce the future injector for a short period of time to clean-up the reservoir near the wellbore. All horizontal wells are fracture stimulated to improve the injection rates.

Production performance by injector pattern are summarized in Appendix B.

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 Daly Unit No. 7 will be sourced from the 16-32-007-29W1 well (Lodgepole formation). The water is treated at the 03-04-007-29W1 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

No wellhead injection pressure is available for Daly Unit No. 7.

Reservoir Pressure

Where practical, Tundra is committed to collecting pressure data from newly drilled injection wells. For Daly Unit No. 7, pressure data is currently available for the 02/08-22 location. A summary table is presented in Appendix C. Pressures are corrected to a common datum of -450 m SS for comparison with other units in the area.

Well Servicing

No maintenance was required on the 9 wells in Daly Unit No. 7 in 2015.

Waterflood Performance Discussion

At the end of 2015, there is currently no water injection in Daly Unit No. 7. The waterflood area had 1 injection well drilled in 2014 that is currently on production. Water injection is anticipated to begin in 2017, after the expected conversion of the 02/08-22 producer to an injector.

A summary table of the injector pattern(s) is presented in Appendix B. Plots of the production are presented in Appendix D for each of the injection pattern(s).

List of Appendices

Appendix A: Well List and Well Status

Appendix B: Daly Unit No. 7 Injection Pattern Summary

Appendix C: Daly Unit No. 7 Reservoir Pressure Summary

Appendix D: Injector Pattern Production/Injection Rates, Cumulative and VRR Plot and Table

Appendix A

UWI	Well Status
100/01-22-009-29W1/02	Capable of OIL Prod
100/02-22-009-29W1/00	Capable of OIL Prod
100/03-22-009-29W1/02	Capable of OIL Prod
100/04-22-009-29W1/02	Capable of OIL Prod
100/05-22-009-29W1/00	Capable of OIL Prod
100/06-22-009-29W1/02	Capable of OIL Prod
100/08-22-009-29W1/02	Capable of OIL Prod
102/07-22-009-29W1/02	Capable of OIL Prod
102/08-22-009-29W1/00	Capable of OIL Prod

Appendix B

Daly Unit No. 7 Pattern Summary as of December 2015

Pattern Name	Injector Location (009-29W1)	Status	Supported Wells (009-29W1)	No. of Supported Wells	Allocation Factor	Pattern Prod Start Month	Inj Start Month	Oil Rate (m³/d)	Water Rate (m³/d)	WOR (m³/m³)	Water Injection (m³/d)	Cum Oil (E³m³)	Cum Water (E³m³)	Cum Inj Water (E³m³)	Monthly VRR	Cum VRR
02/08-22-09-29 Injector	02/08-21	Capable of Oil Production	01-22, 02-22, 03-22, 04-22, 05-22, 06-22, 02/07-22, 08-22	8	1	Jul 2001	-	7.83	19.57	2.5	-	33.3	40.2	0.0	0.0	0.00

APPENDIX C

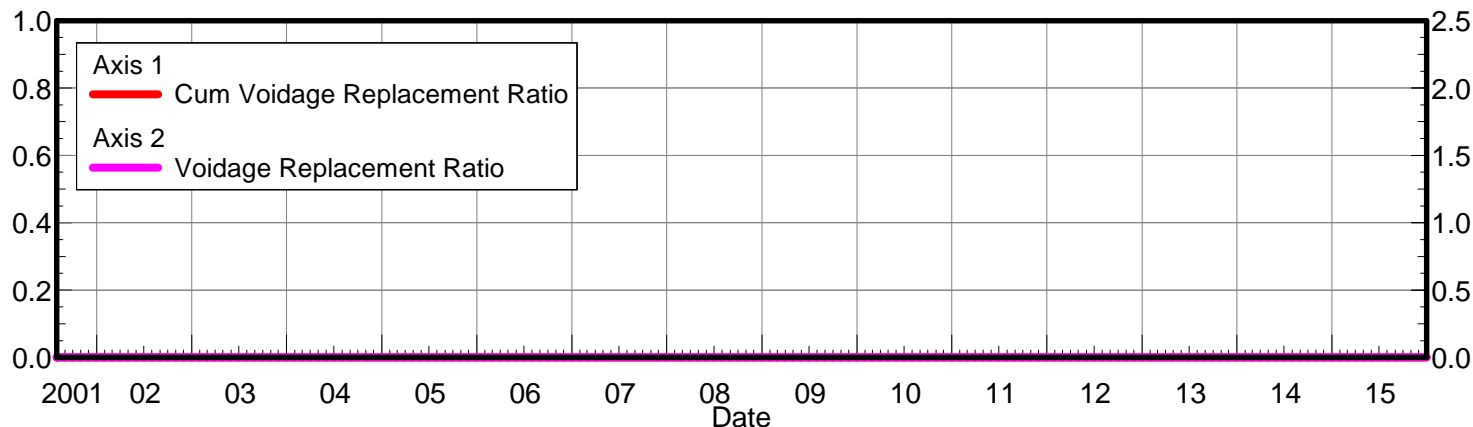
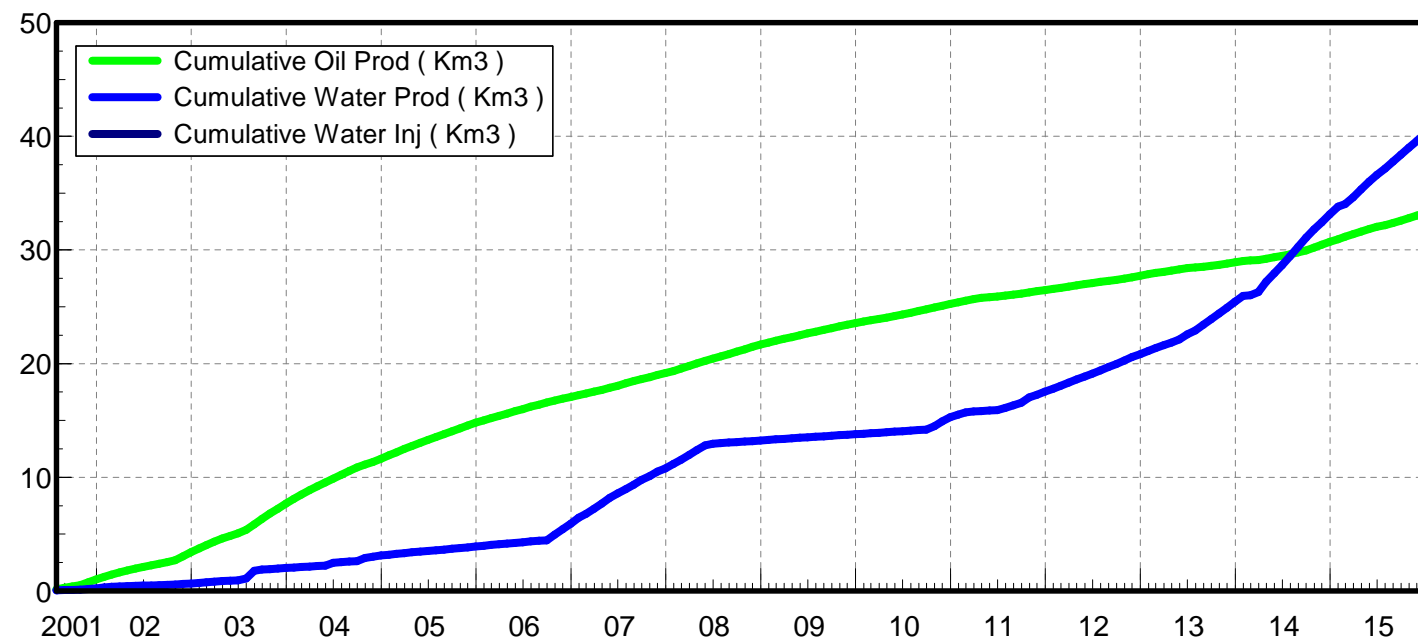
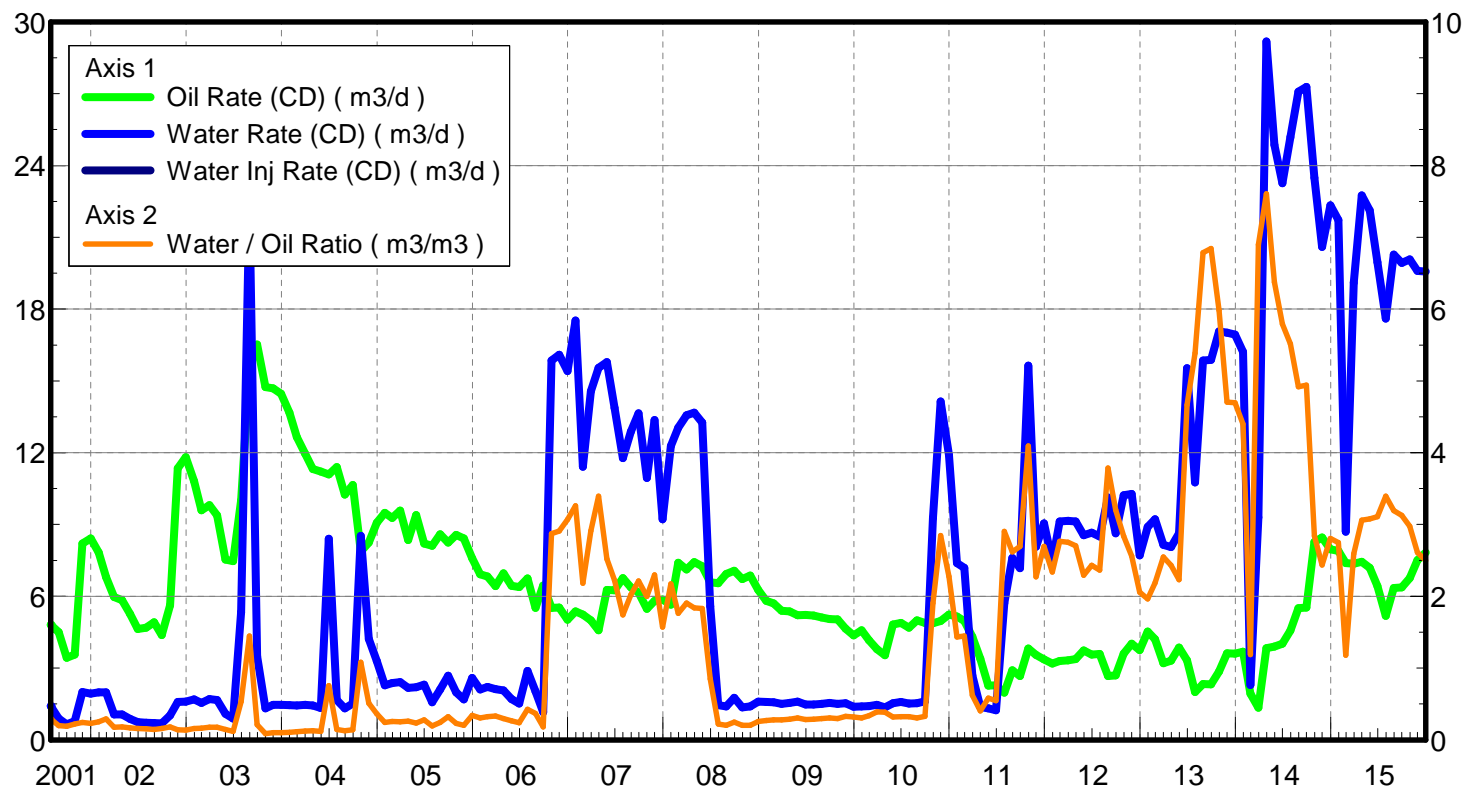
Daly Unit No. 7 - Pressure Summary

Location	Test Date	Final Pressure (kPaa)	MPP (mTVD)	KB	Datum Depth	Gradient	Pressure @ -450 masl
102/08-22-009-29W1/00	Feb 18th - March 11th, 2014	3286.6	919.7	540.0	-450	8.25	3866

Appendix D

Rates and VRR Plots

Oil Formation Vol Factor : 1.00150 m3/m3
 Water Formation Vol Factor : 1.00150 m3/m3
 Water / Oil Ratio : 2.50 m3/m3
 Pattern : 02/08-22-009-29
 Inj Set: Daly
 Unit#7BKKN
 March 10, 2016
 Operator: Tundra_O&G_Prtshp
 Oil Rate (CD) : 7.83 m3/d
 Water Rate (CD) : 19.57 m3/d
 Water Inj Rate (CD) : * m3/d



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	VRR	Cum VRR
7/31/2001	4.81	1.41	0.29		0.15	0.04	0.00	0.000	0.000
8/31/2001	4.50	0.89	0.20		0.29	0.07	0.00	0.000	0.000
9/30/2001	3.43	0.65	0.19		0.39	0.09	0.00	0.000	0.000
10/31/2001	3.56	0.78	0.22		0.50	0.12	0.00	0.000	0.000
11/30/2001	8.21	2.00	0.24		0.75	0.18	0.00	0.000	0.000
12/31/2001	8.42	1.94	0.23		1.01	0.24	0.00	0.000	0.000
1/31/2002	7.83	1.99	0.25		1.25	0.30	0.00	0.000	0.000
2/28/2002	6.80	1.98	0.29		1.44	0.35	0.00	0.000	0.000
3/31/2002	5.97	1.06	0.18		1.63	0.39	0.00	0.000	0.000
4/30/2002	5.84	1.06	0.18		1.80	0.42	0.00	0.000	0.000
5/31/2002	5.26	0.88	0.17		1.97	0.44	0.00	0.000	0.000
6/30/2002	4.63	0.74	0.16		2.10	0.47	0.00	0.000	0.000
7/31/2002	4.69	0.71	0.15		2.25	0.49	0.00	0.000	0.000
8/31/2002	4.91	0.71	0.14		2.40	0.51	0.00	0.000	0.000
9/30/2002	4.38	0.69	0.16		2.53	0.53	0.00	0.000	0.000
10/31/2002	5.62	1.03	0.18		2.71	0.56	0.00	0.000	0.000
11/30/2002	11.35	1.58	0.14		3.05	0.61	0.00	0.000	0.000
12/31/2002	11.81	1.60	0.14		3.41	0.66	0.00	0.000	0.000
1/31/2003	10.81	1.70	0.16		3.75	0.71	0.00	0.000	0.000
2/28/2003	9.59	1.55	0.16		4.02	0.76	0.00	0.000	0.000
3/31/2003	9.80	1.71	0.17		4.32	0.81	0.00	0.000	0.000
4/30/2003	9.39	1.67	0.18		4.60	0.86	0.00	0.000	0.000
5/31/2003	7.53	1.09	0.14		4.84	0.89	0.00	0.000	0.000
6/30/2003	7.47	0.90	0.12		5.06	0.92	0.00	0.000	0.000
7/31/2003	10.01	5.34	0.53		5.37	1.09	0.00	0.000	0.000
8/31/2003	15.49	22.43	1.45		5.85	1.78	0.00	0.000	0.000
9/30/2003	16.52	3.49	0.21		6.35	1.89	0.00	0.000	0.000
10/31/2003	14.75	1.32	0.09		6.80	1.93	0.00	0.000	0.000
11/30/2003	14.69	1.46	0.10		7.25	1.97	0.00	0.000	0.000
12/31/2003	14.46	1.46	0.10		7.69	2.02	0.00	0.000	0.000
1/31/2004	13.68	1.46	0.11		8.12	2.06	0.00	0.000	0.000
2/29/2004	12.66	1.44	0.11		8.49	2.10	0.00	0.000	0.000
3/31/2004	11.96	1.47	0.12		8.86	2.15	0.00	0.000	0.000
4/30/2004	11.32	1.44	0.13		9.20	2.19	0.00	0.000	0.000
5/31/2004	11.22	1.33	0.12		9.54	2.23	0.00	0.000	0.000
6/30/2004	11.09	8.40	0.76		9.88	2.48	0.00	0.000	0.000
7/31/2004	11.40	1.67	0.15		10.23	2.54	0.00	0.000	0.000
8/31/2004	10.25	1.31	0.13		10.55	2.58	0.00	0.000	0.000
9/30/2004	10.66	1.52	0.14		10.87	2.62	0.00	0.000	0.000
10/31/2004	7.87	8.52	1.08		11.11	2.89	0.00	0.000	0.000
11/30/2004	8.24	4.22	0.51		11.36	3.01	0.00	0.000	0.000
12/31/2004	9.07	3.30	0.36		11.64	3.12	0.00	0.000	0.000
1/31/2005	9.49	2.29	0.24		11.93	3.19	0.00	0.000	0.000
2/28/2005	9.28	2.38	0.26		12.19	3.25	0.00	0.000	0.000
3/31/2005	9.59	2.41	0.25		12.49	3.33	0.00	0.000	0.000
4/30/2005	8.35	2.18	0.26		12.74	3.39	0.00	0.000	0.000

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	VRR	Cum VRR
5/31/2005	9.40	2.21	0.23		13.03	3.46	0.00	0.000	0.000
6/30/2005	8.21	2.30	0.28		13.28	3.53	0.00	0.000	0.000
7/31/2005	8.11	1.57	0.19		13.53	3.58	0.00	0.000	0.000
8/31/2005	8.60	2.11	0.25		13.80	3.64	0.00	0.000	0.000
9/30/2005	8.24	2.68	0.32		14.04	3.72	0.00	0.000	0.000
10/31/2005	8.56	1.98	0.23		14.31	3.79	0.00	0.000	0.000
11/30/2005	8.42	1.69	0.20		14.56	3.84	0.00	0.000	0.000
12/31/2005	7.59	2.59	0.34		14.80	3.92	0.00	0.000	0.000
1/31/2006	6.92	2.11	0.31		15.01	3.98	0.00	0.000	0.000
2/28/2006	6.83	2.21	0.32		15.20	4.04	0.00	0.000	0.000
3/31/2006	6.42	2.13	0.33		15.40	4.11	0.00	0.000	0.000
4/30/2006	6.97	2.06	0.30		15.61	4.17	0.00	0.000	0.000
5/31/2006	6.44	1.70	0.26		15.81	4.23	0.00	0.000	0.000
6/30/2006	6.39	1.52	0.24		16.00	4.27	0.00	0.000	0.000
7/31/2006	6.75	2.89	0.43		16.21	4.36	0.00	0.000	0.000
8/31/2006	5.52	2.03	0.37		16.38	4.42	0.00	0.000	0.000
9/30/2006	6.45	1.16	0.18		16.58	4.46	0.00	0.000	0.000
10/31/2006	5.52	15.85	2.87		16.75	4.95	0.00	0.000	0.000
11/30/2006	5.53	16.09	2.91		16.91	5.43	0.00	0.000	0.000
12/31/2006	5.02	15.41	3.07		17.07	5.91	0.00	0.000	0.000
1/31/2007	5.37	17.52	3.26		17.23	6.45	0.00	0.000	0.000
2/28/2007	5.23	11.42	2.18		17.38	6.77	0.00	0.000	0.000
3/31/2007	5.00	14.57	2.91		17.54	7.22	0.00	0.000	0.000
4/30/2007	4.58	15.55	3.39		17.67	7.69	0.00	0.000	0.000
5/31/2007	6.26	15.78	2.52		17.87	8.18	0.00	0.000	0.000
6/30/2007	6.25	13.88	2.22		18.06	8.60	0.00	0.000	0.000
7/31/2007	6.76	11.77	1.74		18.26	8.96	0.00	0.000	0.000
8/31/2007	6.37	12.88	2.02		18.46	9.36	0.00	0.000	0.000
9/30/2007	6.16	13.64	2.21		18.65	9.77	0.00	0.000	0.000
10/31/2007	5.48	10.94	2.00		18.82	10.11	0.00	0.000	0.000
11/30/2007	5.81	13.36	2.30		18.99	10.51	0.00	0.000	0.000
12/31/2007	5.86	9.22	1.57		19.17	10.80	0.00	0.000	0.000
1/31/2008	5.65	12.28	2.17		19.35	11.18	0.00	0.000	0.000
2/29/2008	7.40	13.05	1.76		19.56	11.55	0.00	0.000	0.000
3/31/2008	7.12	13.56	1.90		19.78	11.98	0.00	0.000	0.000
4/30/2008	7.43	13.68	1.84		20.01	12.39	0.00	0.000	0.000
5/31/2008	7.25	13.26	1.83		20.23	12.80	0.00	0.000	0.000
6/30/2008	6.58	5.58	0.85		20.43	12.96	0.00	0.000	0.000
7/31/2008	6.55	1.45	0.22		20.63	13.01	0.00	0.000	0.000
8/31/2008	6.93	1.39	0.20		20.85	13.05	0.00	0.000	0.000
9/30/2008	7.07	1.76	0.25		21.06	13.10	0.00	0.000	0.000
10/31/2008	6.72	1.36	0.20		21.27	13.15	0.00	0.000	0.000
11/30/2008	6.87	1.40	0.20		21.47	13.19	0.00	0.000	0.000
12/31/2008	6.26	1.60	0.26		21.67	13.24	0.00	0.000	0.000
1/31/2009	5.81	1.58	0.27		21.85	13.29	0.00	0.000	0.000
2/28/2009	5.70	1.58	0.28		22.01	13.33	0.00	0.000	0.000

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	VRR	Cum VRR
3/31/2009	5.39	1.51	0.28		22.17	13.38	0.00	0.000	0.000
4/30/2009	5.37	1.54	0.29		22.34	13.42	0.00	0.000	0.000
5/31/2009	5.21	1.60	0.31		22.50	13.47	0.00	0.000	0.000
6/30/2009	5.22	1.48	0.28		22.65	13.52	0.00	0.000	0.000
7/31/2009	5.19	1.48	0.29		22.81	13.56	0.00	0.000	0.000
8/31/2009	5.11	1.51	0.29		22.97	13.61	0.00	0.000	0.000
9/30/2009	5.05	1.55	0.31		23.12	13.66	0.00	0.000	0.000
10/31/2009	5.04	1.50	0.30		23.28	13.70	0.00	0.000	0.000
11/30/2009	4.65	1.53	0.33		23.42	13.75	0.00	0.000	0.000
12/31/2009	4.37	1.39	0.32		23.56	13.79	0.00	0.000	0.000
1/31/2010	4.58	1.40	0.31		23.70	13.84	0.00	0.000	0.000
2/28/2010	4.16	1.41	0.34		23.81	13.88	0.00	0.000	0.000
3/31/2010	3.79	1.47	0.39		23.93	13.92	0.00	0.000	0.000
4/30/2010	3.54	1.36	0.38		24.04	13.96	0.00	0.000	0.000
5/31/2010	4.83	1.54	0.32		24.19	14.01	0.00	0.000	0.000
6/30/2010	4.89	1.58	0.32		24.33	14.06	0.00	0.000	0.000
7/31/2010	4.69	1.52	0.32		24.48	14.10	0.00	0.000	0.000
8/31/2010	5.00	1.53	0.31		24.63	14.15	0.00	0.000	0.000
9/30/2010	4.89	1.61	0.33		24.78	14.20	0.00	0.000	0.000
10/31/2010	4.87	9.28	1.90		24.93	14.49	0.00	0.000	0.000
11/30/2010	4.97	14.14	2.84		25.08	14.91	0.00	0.000	0.000
12/31/2010	5.23	11.91	2.28		25.24	15.28	0.00	0.000	0.000
1/31/2011	5.15	7.38	1.43		25.40	15.51	0.00	0.000	0.000
2/28/2011	4.97	7.19	1.45		25.54	15.71	0.00	0.000	0.000
3/31/2011	4.31	2.69	0.62		25.68	15.79	0.00	0.000	0.000
4/30/2011	3.39	1.37	0.40		25.78	15.84	0.00	0.000	0.000
5/31/2011	2.26	1.31	0.58		25.85	15.88	0.00	0.000	0.000
6/30/2011	2.28	1.24	0.55		25.92	15.91	0.00	0.000	0.000
7/31/2011	1.97	5.71	2.90		25.98	16.09	0.00	0.000	0.000
8/31/2011	2.90	7.61	2.62		26.07	16.33	0.00	0.000	0.000
9/30/2011	2.66	7.18	2.69		26.15	16.54	0.00	0.000	0.000
10/31/2011	3.82	15.63	4.09		26.27	17.03	0.00	0.000	0.000
11/30/2011	3.55	8.07	2.27		26.37	17.27	0.00	0.000	0.000
12/31/2011	3.36	9.05	2.70		26.48	17.55	0.00	0.000	0.000
1/31/2012	3.18	7.45	2.34		26.57	17.78	0.00	0.000	0.000
2/29/2012	3.30	9.13	2.77		26.67	18.05	0.00	0.000	0.000
3/31/2012	3.33	9.16	2.75		26.77	18.33	0.00	0.000	0.000
4/30/2012	3.38	9.13	2.70		26.88	18.60	0.00	0.000	0.000
5/31/2012	3.73	8.56	2.29		26.99	18.87	0.00	0.000	0.000
6/30/2012	3.56	8.65	2.43		27.10	19.13	0.00	0.000	0.000
7/31/2012	3.59	8.50	2.37		27.21	19.39	0.00	0.000	0.000
8/31/2012	2.67	10.13	3.79		27.29	19.71	0.00	0.000	0.000
9/30/2012	2.70	8.64	3.20		27.37	19.96	0.00	0.000	0.000
10/31/2012	3.60	10.22	2.84		27.48	20.28	0.00	0.000	0.000
11/30/2012	4.01	10.28	2.56		27.61	20.59	0.00	0.000	0.000
12/31/2012	3.75	7.71	2.06		27.72	20.83	0.00	0.000	0.000

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	VRR	Cum VRR
1/31/2013	4.53	8.89	1.96		27.86	21.10	0.00	0.000	0.000
2/28/2013	4.21	9.21	2.19		27.98	21.36	0.00	0.000	0.000
3/31/2013	3.20	8.15	2.55		28.08	21.61	0.00	0.000	0.000
4/30/2013	3.31	8.06	2.43		28.18	21.86	0.00	0.000	0.000
5/31/2013	3.86	8.63	2.23		28.30	22.12	0.00	0.000	0.000
6/30/2013	3.33	15.53	4.66		28.40	22.59	0.00	0.000	0.000
7/31/2013	2.00	10.75	5.38		28.46	22.92	0.00	0.000	0.000
8/31/2013	2.34	15.85	6.79		28.53	23.41	0.00	0.000	0.000
9/30/2013	2.32	15.88	6.84		28.60	23.89	0.00	0.000	0.000
10/31/2013	2.85	17.07	5.99		28.69	24.42	0.00	0.000	0.000
11/30/2013	3.62	17.01	4.70		28.80	24.93	0.00	0.000	0.000
12/31/2013	3.61	16.94	4.70		28.91	25.46	0.00	0.000	0.000
1/31/2014	3.69	16.22	4.40		29.02	25.96	0.00	0.000	0.000
2/28/2014	1.93	2.29	1.19		29.08	26.02	0.00	0.000	0.000
3/31/2014	1.35	9.30	6.90		29.12	26.31	0.00	0.000	0.000
4/30/2014	3.84	29.19	7.61		29.24	27.19	0.00	0.000	0.000
5/31/2014	3.90	24.87	6.38		29.36	27.96	0.00	0.000	0.000
6/30/2014	4.02	23.26	5.79		29.48	28.66	0.00	0.000	0.000
7/31/2014	4.57	25.19	5.51		29.62	29.44	0.00	0.000	0.000
8/31/2014	5.51	27.09	4.92		29.79	30.28	0.00	0.000	0.000
9/30/2014	5.52	27.28	4.94		29.96	31.09	0.00	0.000	0.000
10/31/2014	8.26	23.49	2.84		30.21	31.82	0.00	0.000	0.000
11/30/2014	8.45	20.60	2.44		30.47	32.44	0.00	0.000	0.000
12/31/2014	7.96	22.34	2.81		30.71	33.13	0.00	0.000	0.000
1/31/2015	7.90	21.72	2.75		30.96	33.81	0.00	0.000	0.000
2/28/2015	7.39	8.70	1.18		31.16	34.05	0.00	0.000	0.000
3/31/2015	7.37	19.10	2.59		31.39	34.64	0.00	0.000	0.000
4/30/2015	7.44	22.75	3.06		31.61	35.32	0.00	0.000	0.000
5/31/2015	7.19	22.12	3.08		31.84	36.01	0.00	0.000	0.000
6/30/2015	6.42	19.96	3.11		32.03	36.61	0.00	0.000	0.000
7/31/2015	5.18	17.60	3.40		32.19	37.15	0.00	0.000	0.000
8/31/2015	6.35	20.28	3.19		32.39	37.78	0.00	0.000	0.000
9/30/2015	6.38	19.94	3.13		32.58	38.38	0.00	0.000	0.000
10/31/2015	6.75	20.08	2.97		32.79	39.00	0.00	0.000	0.000
11/30/2015	7.51	19.60	2.61		33.01	39.59	0.00	0.000	0.000
12/31/2015	7.83	19.57	2.50		33.26	40.20	0.00	0.000	0.000