EWART UNIT NO. 3

WATERFLOOD EOR PROJECT

ANNUAL REPORT FOR 2016

April 21, 2017

Tundra Oil and Gas Partnership

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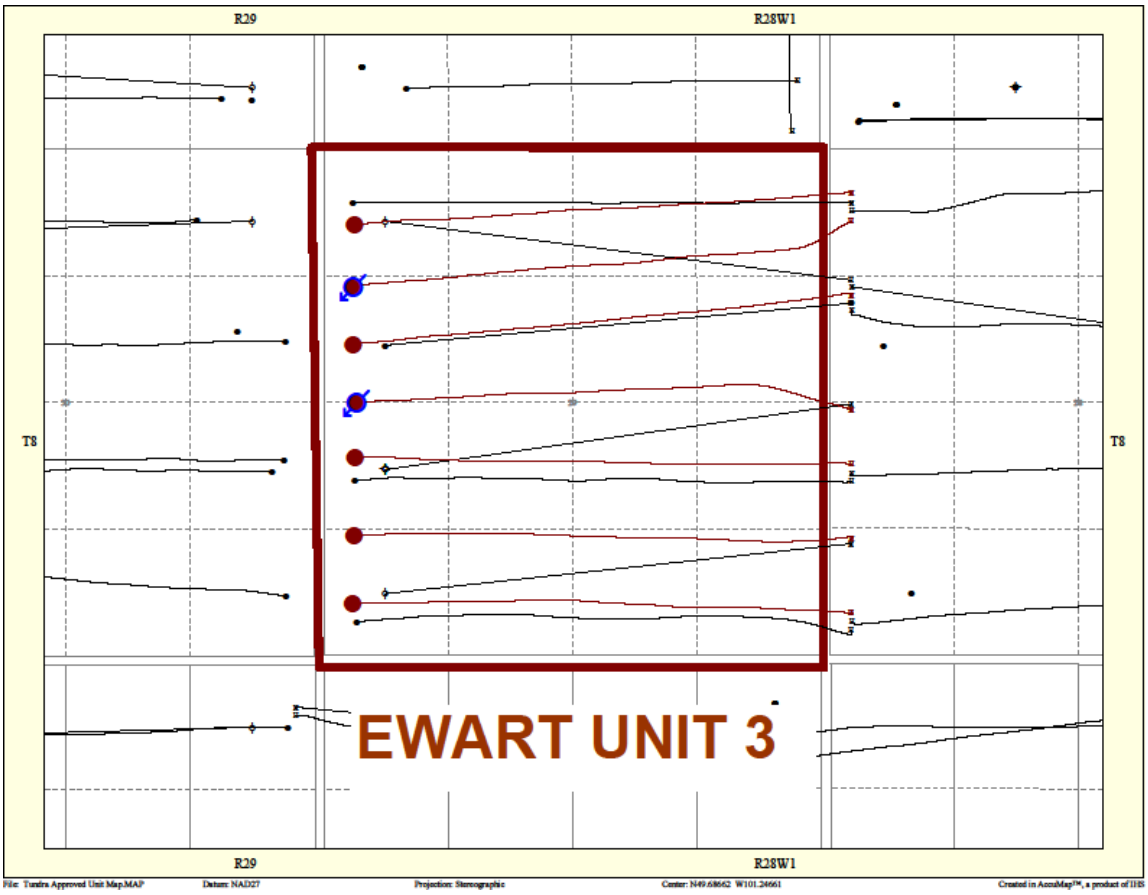
INTRODUCTION

Ewart Unit No. 3 Enhance Oil Recovery (EOR) Waterflood Project was approved under Waterflood Order No. 30 effective August 1, 2013 with Tundra Oil and Gas (Tundra) as Operator. The Unit area contains 5 producing wells and 2 injectors in 16 LSDs in Township 8 Range 28 W1 as shown in the figure below.

Figure 1: Ewart Unit No. 3 Area Outline



In accordance with Section 73 of the Manitoba Drilling and Production Regulation, Tundra hereby submits the following 2016 Annual Progress Report for Ewart Unit No. 3.

DISCUSSION

Production History

For the wells included in Ewart Unit No. 3, production started in December 2008 with the 00/04-29-008-28W1 well. Average oil production peaked at 9.2 m³/d per well in March 2012. This production was coming from 6 wells and totaled 55.3 m³/d for the Unit. In

December 2016, the Unit was producing 30.30 m^3/d of oil and 75.03 m^3/d of water and the average WOR was 2.72 m^3/m^3. The rates and WOR are presented in Figure 2.

Figure 2: Ewart Unit No. 3 Production/Injection Rates and WOR vs Time

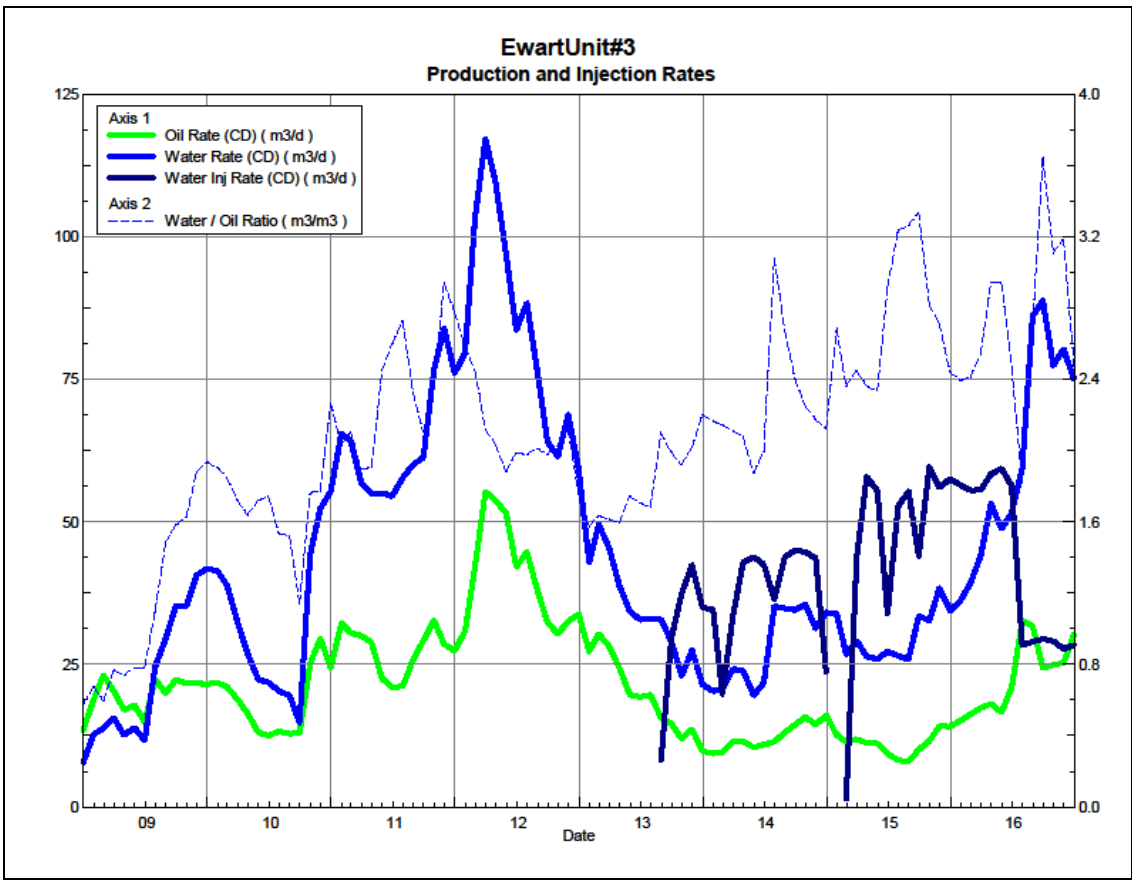
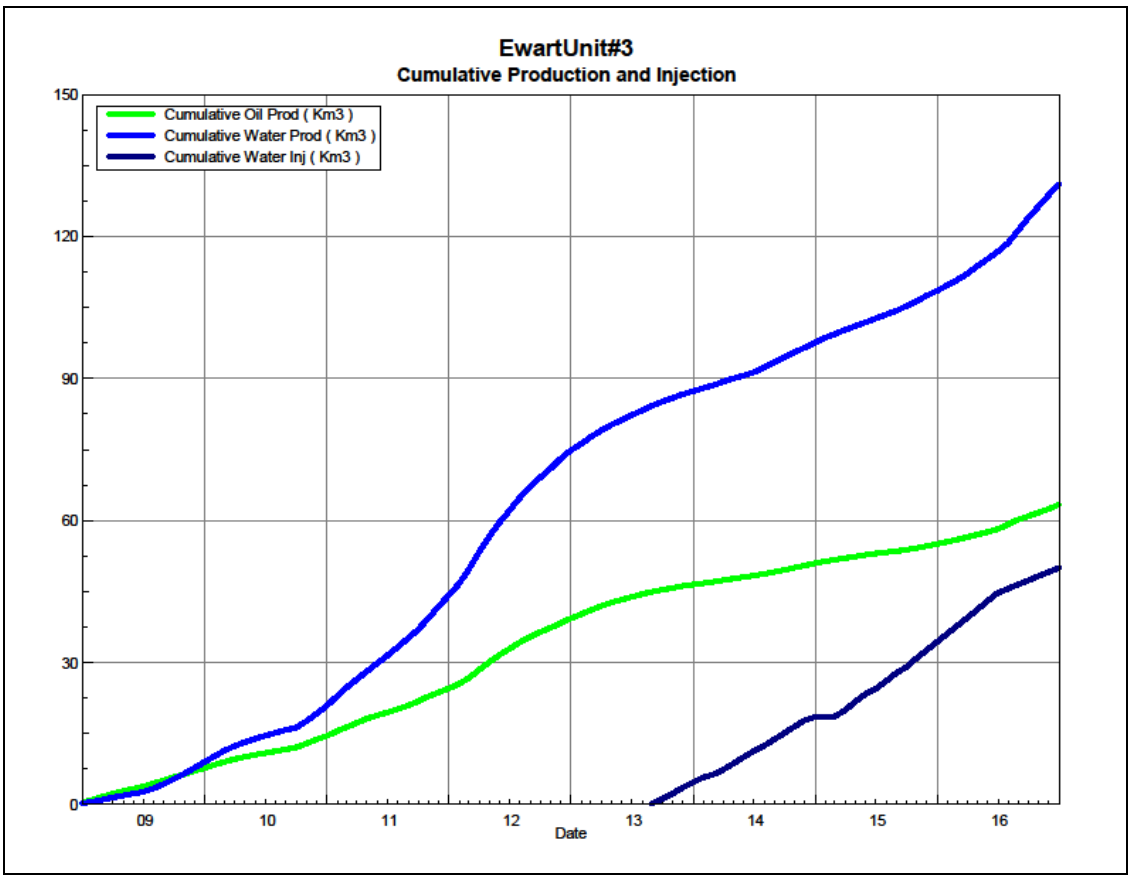


Figure 3 shows the cumulative production for Ewart Unit No. 3 to the end of December 2016 as 63.39 e^3m^3 of oil, and 131.12 e^3m^3 of water, representing a 10.6% recovery factor of the OOIP. The cumulative water injected is 49.98 e^3m^3.

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



Waterflood Development Plan

Ewart Unit No. 3 Waterflood (WF) Development Plan

Ewart Unit No. 3 is still in the development phase at the end of 2016. The three (3) proposed horizontal injection wells were drilled in 2011 between the existing horizontal producing wells, completing an effective 20 acre line drive waterflood pattern. All horizontal wells are fracture stimulated to improve the injection rates. In 2012, the proposed injectors were put on production and in 2013, the 02/12-29 and 03/12-29 wells were converted to injectors. Tundra expects to convert the 02/04-29-008-28W1 (02/04-29) producer to an injector in Q3 2017.

Production performance by injector pattern are summarized in Appendix A.

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 Ewart Unit No. 3 will be sourced from the 16-32-007-29W1 well (Lodgepole formation). The water is treated at the 03-04-008-29W1 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

Injection started in this Unit in August 2013. The average monthly wellhead injection pressure for each injector is summarized in Appendix C. Since injection in this Unit is still in the early stages, the injectors are still building up to a target injection pressure of 6300 kPaa.

Reservoir Pressure

Where practical, Tundra is committed to collecting pressure data from newly drilled injection wells. For Ewart Unit No. 3, pressure data is currently available for the 02/12-29 and 03/12-29-008-28W1 locations. A summary table is presented in Appendix B. Pressures are corrected to a common datum of -450 m SS for comparison with other units in the area.

Well Servicing

Table 1 lists the maintenance that was required in Ewart Unit No. 3 in 2016.

Table 1: Service and Maintenance in Ewart Unit No. 3

100.12-29-008-28W1.00	Upsize BHP, install anchor	6/20/2016
100.13-29-008-28W1.00	Pump Change	7/7/2016
102.05-29-008-28W1.00	Cemented Liner Cleanout	7/22/2016
100.12-29-008-28W1.00	Rod Failure	10/12/2016

Waterflood Performance Discussion

At the end of 2016, Ewart Unit No. 3 waterflood area had 2 injection patterns in place. Since water injection started in August 2013, there is no waterflood analysis that can be done at this time. Tundra currently plans to produce the 02/04-29 producer until mid-2017 and then convert it to an injector.

A summary table of the injector pattern(s) is presented in Appendix A. Plots of the production and injection data along with the VRR information are presented in Appendix D for each of the injector pattern(s).

List of Appendices

Appendix A

Ewart Unit No. 3 Injection Pattern Summary as of December 2016

Pattern Name	Injector BH Location (008-28W1)	Injector Surf. Location (008-28W1)	Status	No. of Supported Wells	Supported Wells (008-28W1)	Allocation Factor	Pattern Prod Start Month	Inj Start Month	Oil Rate (m^3/d)	Water Rate (m^3/d)	WOR (m^3/m^3)	Water Injection (m^3/d)	Cum Oil (E^3m^3)	Cum Water (E^3m^3)	Cum Inj Water (E^3m^3)	Monthly VRR	Cum VRR
02/04-29-008-28W1 Injector	02/04-29	03/04-28	Capable of Oil Production	2	04-29, 02/05-29	0.5	Dec 2008	-	9.8	10.4	1.06	0.0	20.9	28.9	0.0	0.000	0.000
02/12-29-008-28W1 Injector	02/12-29	02/13-28	Water Injection	2	12-29, 13-29	0.5	Jul 2009	Aug 2013	7.2	27.8	3.85	13.6	14.2	39.4	24.6	0.384	0.451
03/12-29-008-28W1 Injector	03/12-29	03/05-28	Water Injection	2	02/05-29, 12-29	0.5	Sep 2010	Sep 2013	10.2	31.4	3.07	14.7	14.7	39.8	25.4	0.348	0.457

APPENDIX B

Ewart Unit No. 3 - Pressure Summary

Location	Test Date	Final Pressure (kPaa)	MPP (mTVD)	KB	Datum Depth	Gradient	Pressure @ -450 masl
102/12-29-008-28W1/00	Dec 17, 2011 - Oct 9, 2012	2681.6	889.7	501.1	-450	8.25	3189
103/12-29-008-28W1/00	Dec 9, 2011 - Jan 13, 2012	6119.2	890.7	499.3	-450	8.25	6603

Appendix C

Average Monthly Injection Pressure (kPag)

Month	102/12-29	103/12-29
Aug-13	696	0
Sep-13	0	0
Oct-13	0	0
Nov-13	0	0
Dec-13	0	0
Jan-14	-25	0
Feb-14	-78	0
Mar-14	-78	0
Apr-14	-78	0
May-14	-78	0
Jun-14	-69	494
Jul-14	-61	548
Aug-14	-35	989
Sep-14	187	1310
Oct-14	436	1576
Nov-14	583	1671
Dec-14	1397	2042
Jan-15	1571	2177
Feb-15	1512	2096
Mar-15	776	308
Apr-15	1727	1879
May-15	2285	2486
Jun-15	74	2959
Jul-15	1198	3250
Aug-15	2397	3224
Sep-15	2312	2744
Oct-15	3078	3594
Nov-15	3086	3676
Dec-15	3255	3775
Jan-16	3329	3858
Feb-16	3416	4307
Mar-16	3417	4118
Apr-16	3605	4305
May-16	3774	4470
Jun-16	3667	4570
Jul-16	2021	2772
Aug-16	1329	2227
Sep-16	1059	2068
Oct-16	932	2019
Nov-16	601	1806
Dec-16	423	2037

Appendix D

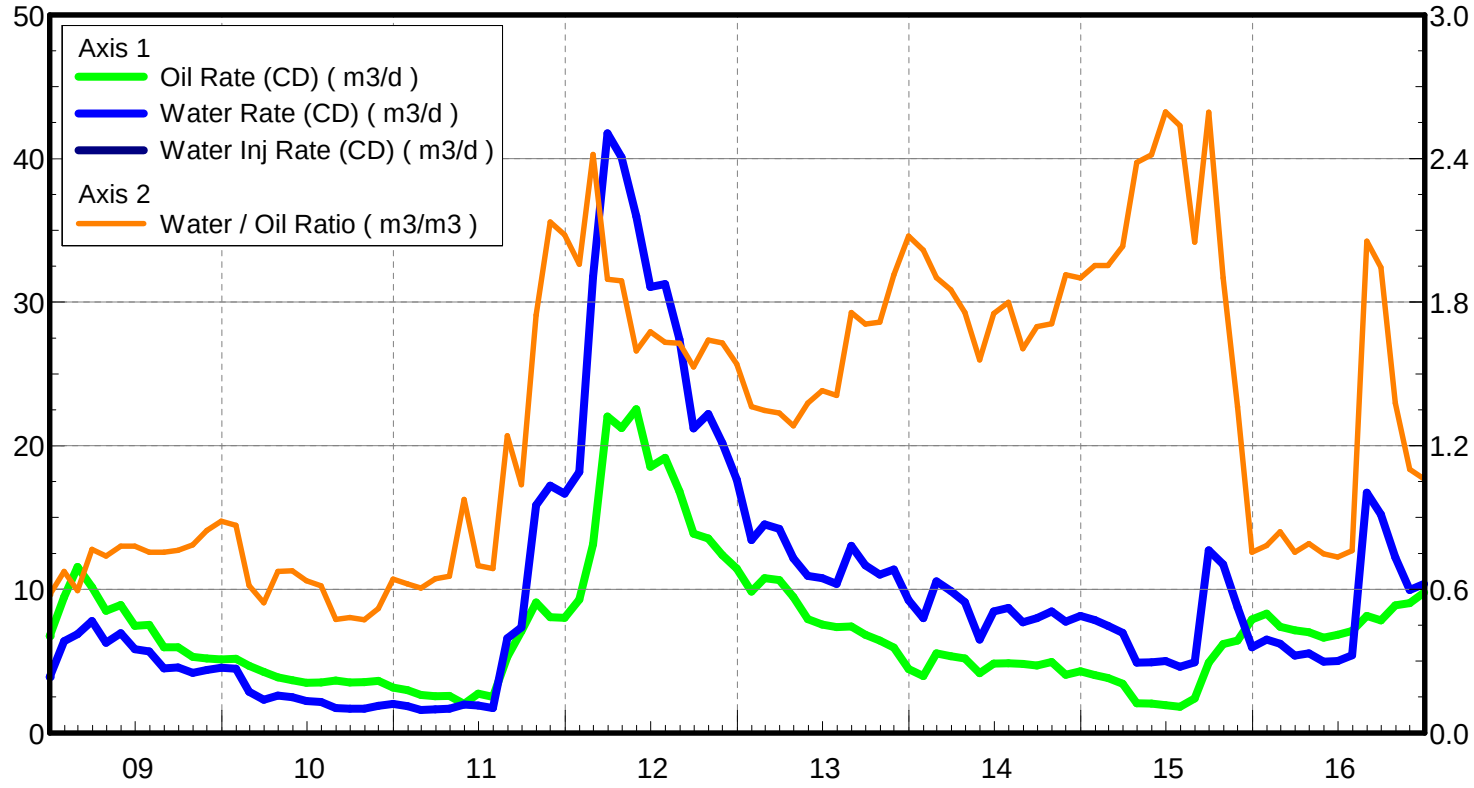
Rates and VRR Plots

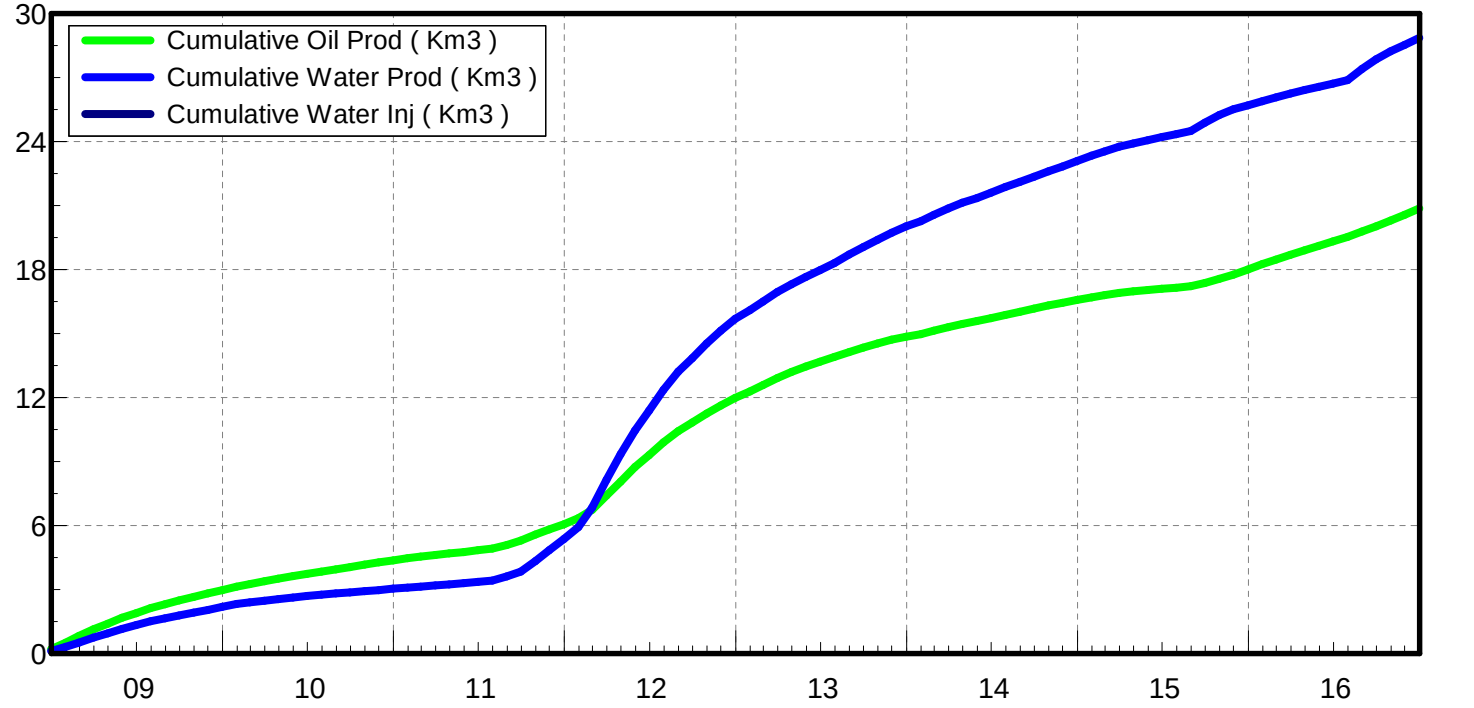
Pattern: 02/04-29-008-28Inj Set: EwartUnit#3

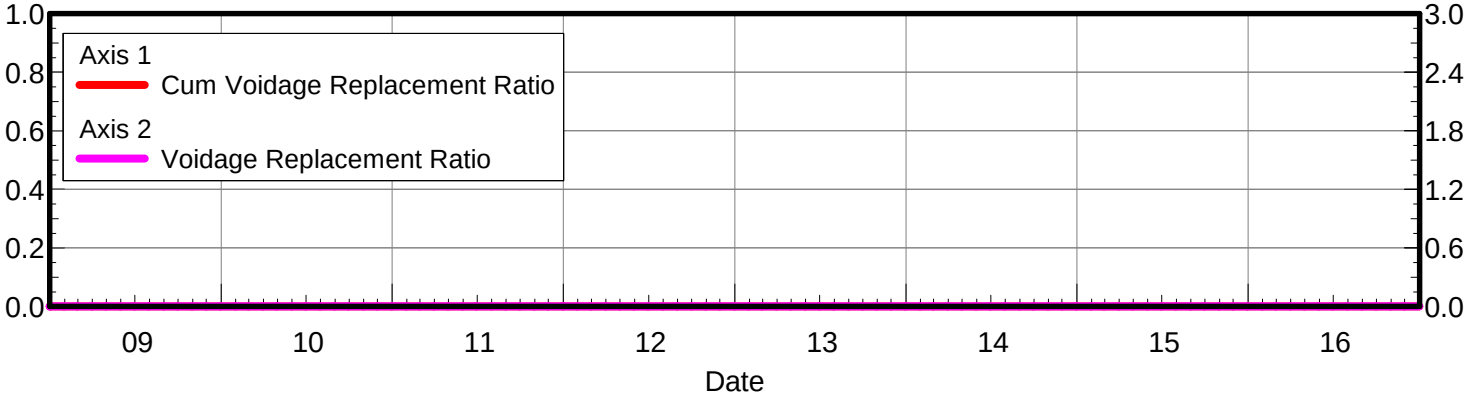
Oil Formation Vol. Factor : 1.0710 m3/m3
Water Formation Vol Factor : 1.0015 m3/m3
Water / Oil Ratio : 1.09 m3/m3

April 21, 2017
Operator: TUNDRA_OIL_&_GAS_LIMITED

Oil Rate (CD) : 8.89 m3/d
Water Rate (CD) : 9.70 m3/d
Water Inj Rate (CD) : * m3/d





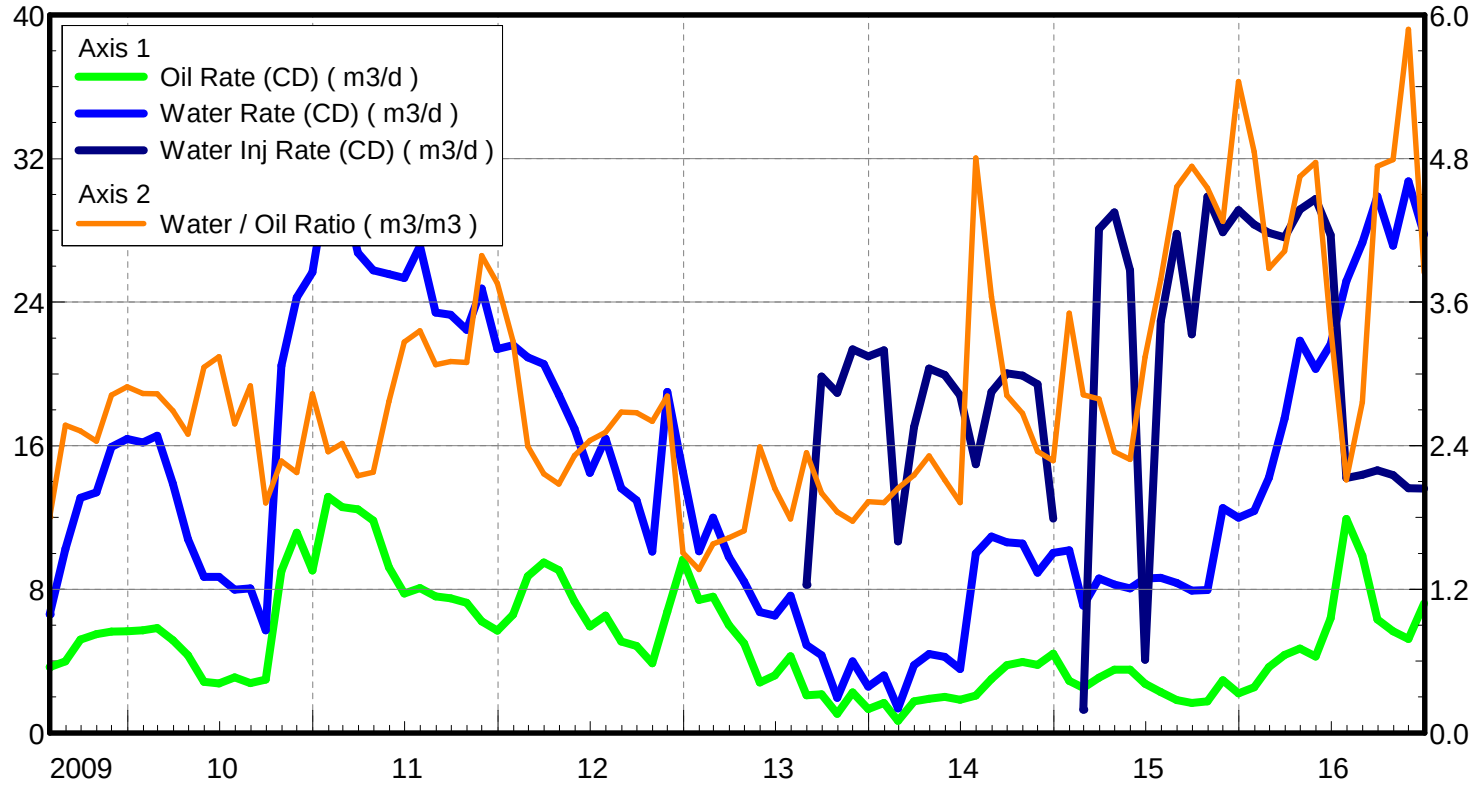


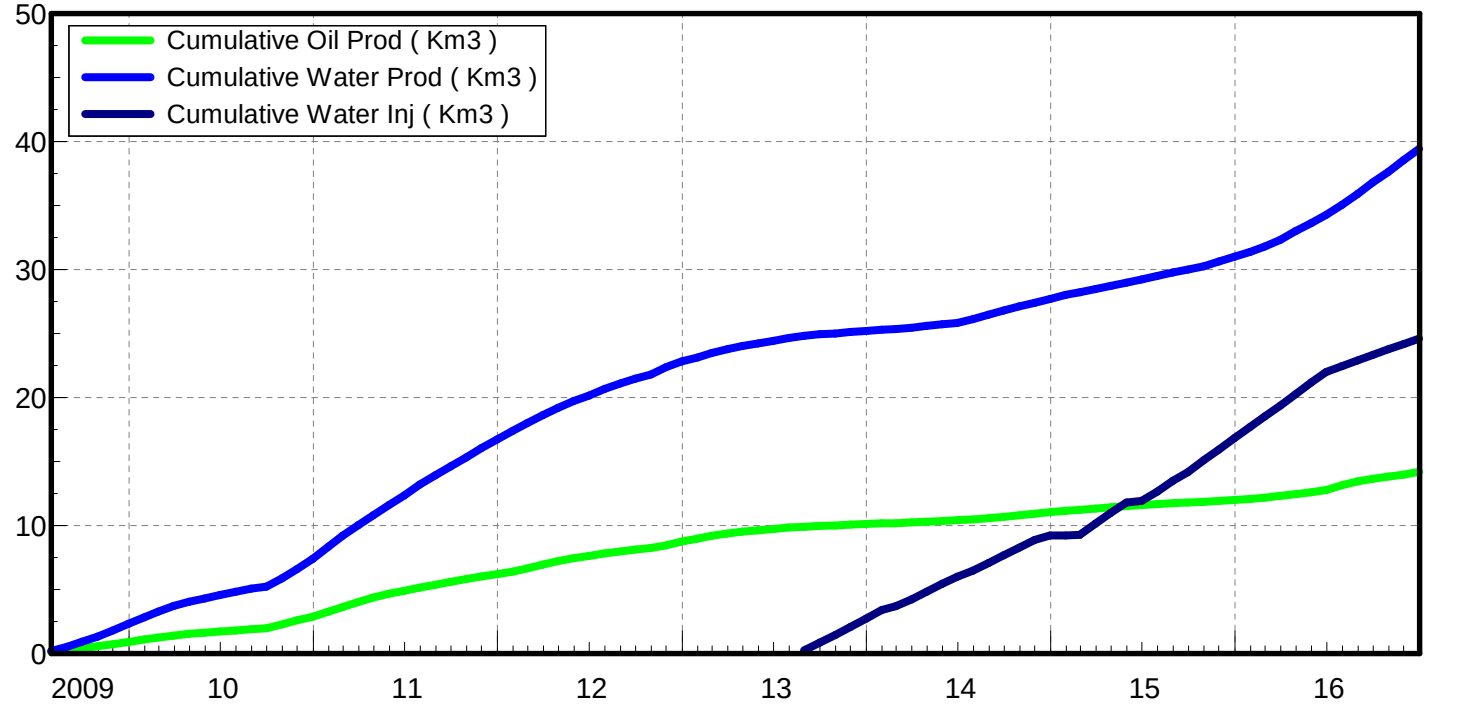
Pattern: 02/12-29-008-28Inj Set: EwartUnit#3

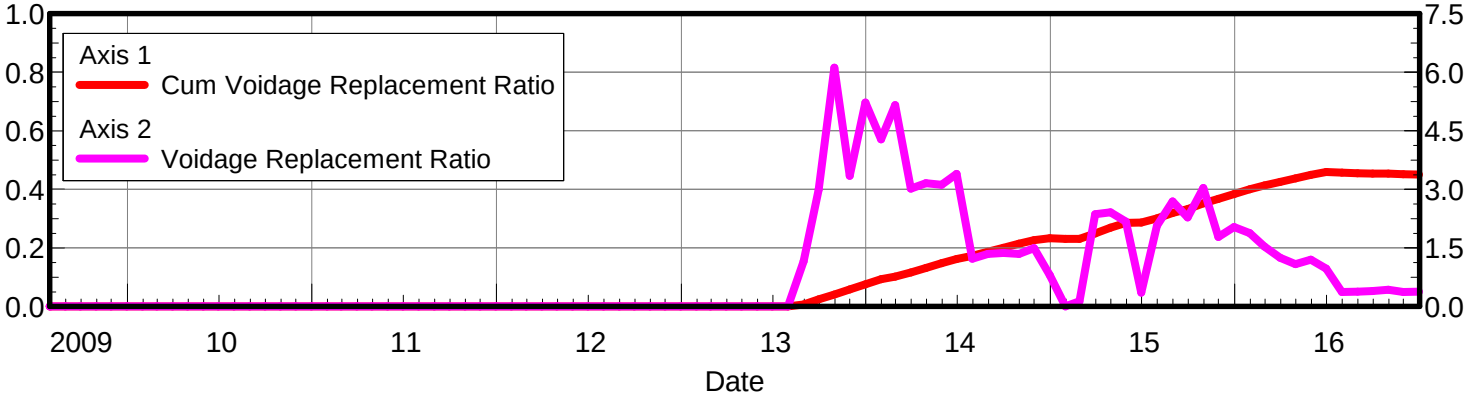
Oil Formation Vol. Factor : 1.0710 m3/m3
Water Formation Vol Factor : 1.0015 m3/m3
Water / Oil Ratio : 2.04 m3/m3

April 21, 2017
Operator: TUNDRA_OIL_&_GAS_LIMITED

Oil Rate (CD) : 10.49 m3/d
Water Rate (CD) : 21.42 m3/d
Water Inj Rate (CD) : 14.48 m3/d







Pattern: 03/12-29-008-28Inj Set: EwartUnit#3

Oil Formation Vol. Factor : 1.0710 m3/m3
Water Formation Vol Factor : 1.0015 m3/m3
Water / Oil Ratio : 2.08 m3/m3

April 21, 2017
Operator: TUNDRA_OIL_&_GAS_LIMITED

Oil Rate (CD) : 12.39 m3/d
Water Rate (CD) : 25.72 m3/d
Water Inj Rate (CD) : 16.68 m3/d