

**WASKADA UNIT NO. 6
WATERFLOOD EOR PROJECT**

ANNUAL WATERFLOOD PROGRESS REPORT FOR 2016

May 11, 2017

Tundra Oil and Gas Partnership

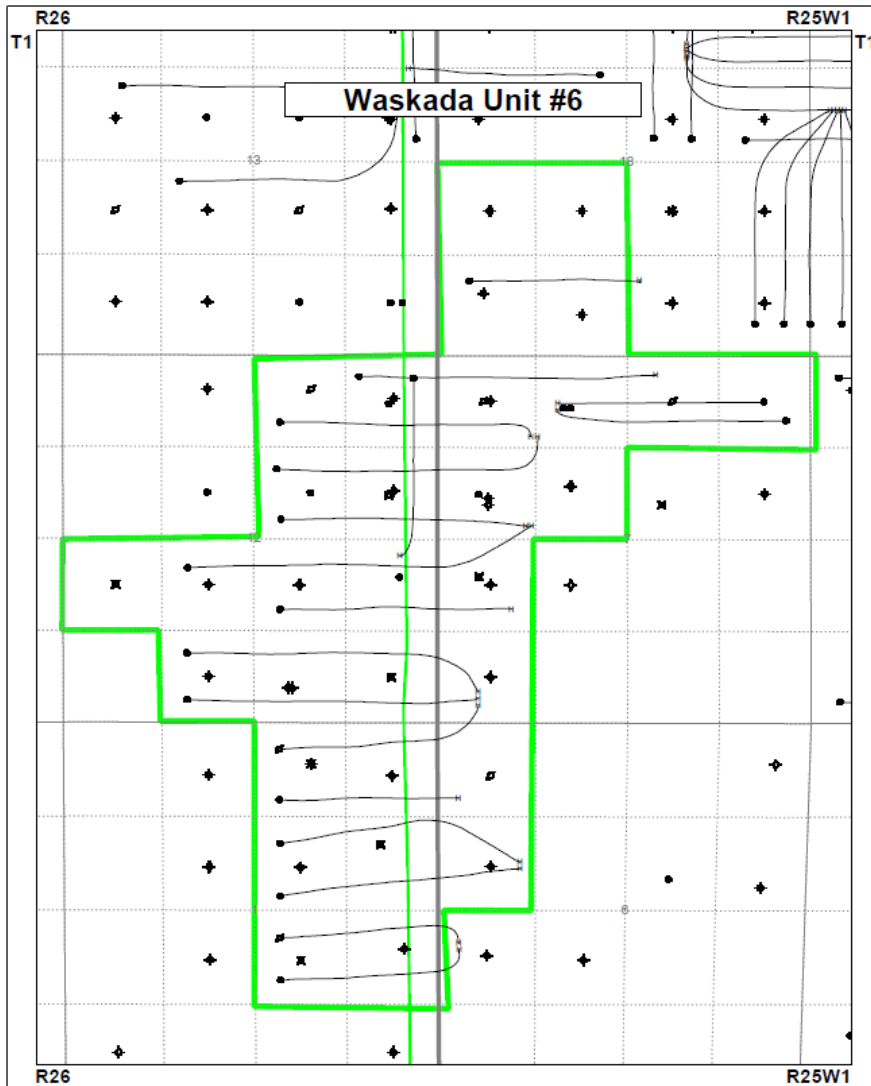
Table of Contents

Introduction	3.
Discussion	4.
Production History	4.
Waterflood EOR Operating Strategy and Performance	5.
Water Source and Quality	5.
Injection Wellhead Pressures	5.
Reservoir Pressure	6.
Well Servicing	6.
Waterflood Performance Discussion	6.
Table 1: Waskada Unit No. 6 Well List and History	
Table 2: Waskada Unit No. 6 Voidage Replacement Ratio Calculation	
Table 3: Waskada Unit No. 6 Monthly Injection Table	
Table 4: Summary of Producing Wells	
Table 5: Injection Pressure Summary	

INTRODUCTION

Waskada Unit No. 6 Enhanced Oil Recovery (EOR) Waterflood Project was approved under Board Order No. PM 44 effective May 1985 and then amended into WF Order No. 1 in May 1995. The Unit area contains 22 abandoned/suspended wells, including 11 inactive/abandoned injectors, and 26 producing/injection wells in 31 LSDs in Township 1, Range 26 W1 as shown in the figure below.

Figure 1: Waskada Unit 6 Area Outline



In accordance with Section 73 of the Manitoba Drilling and Production Regulation, Tundra hereby submits the following 2016 Annual Progress Report for Waskada Unit No. 6.

DISCUSSION

Production History

For the wells included in Waskada Unit No. 6, production started in November 1982 with the 00/10-01-001-26W1/0 Vertical well. Average oil production peaked for the first time at 3.0 m³/d per well in May 1985. This production was coming from 30 wells and totaled 91.4 m³/d for the whole Unit. The production at the end of December 2016 averaged 0.5 m³/d per well, totaling 6.3 m³/d for the Unit. Water injection commenced in Waskada Unit No. 6 in January 1985 until present day. The rates and WOR are presented in Figure 2. In 2016, the Unit produced 3.6 e³m³ of Oil, 46.2 e³m³ of Water, 172.0 e³m³ of Gas, and injected 60.9 e³m³ of Water.

Figure 2: Waskada Unit 6 Production/Injection Rates and WOR vs Time

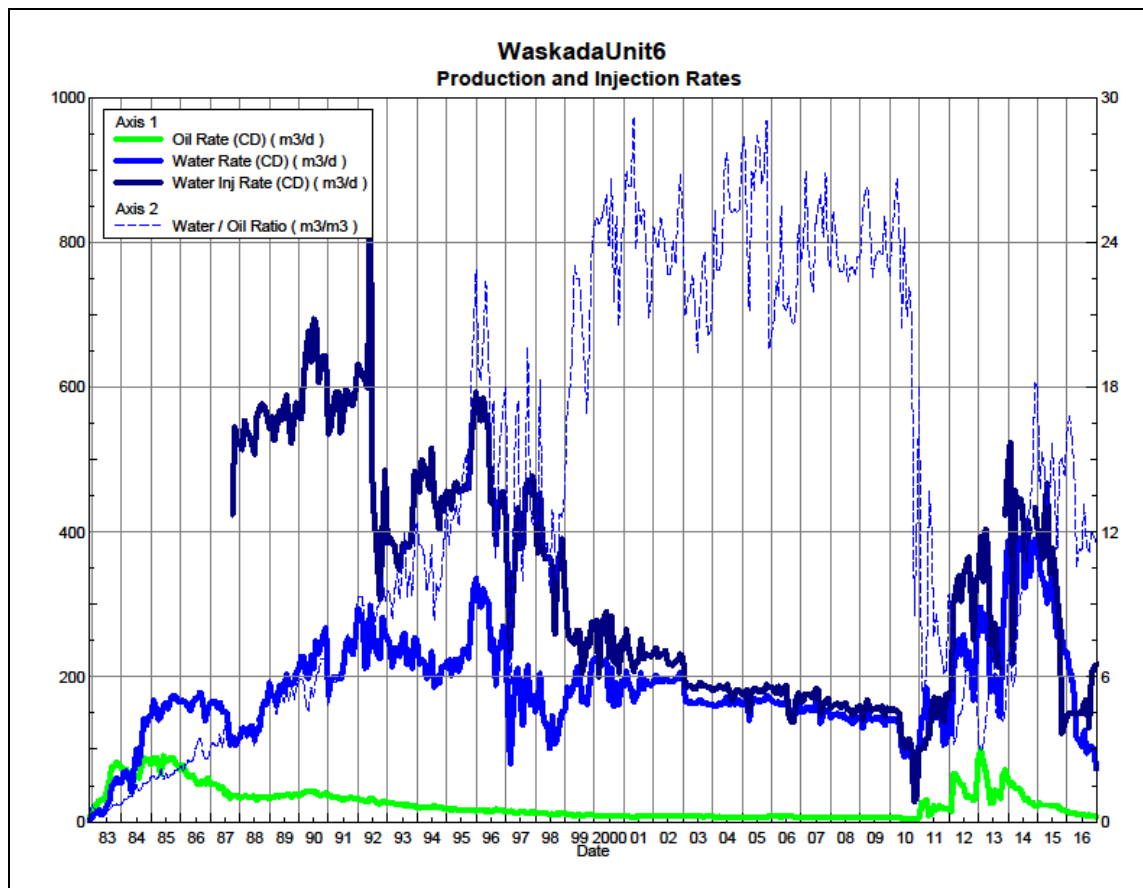
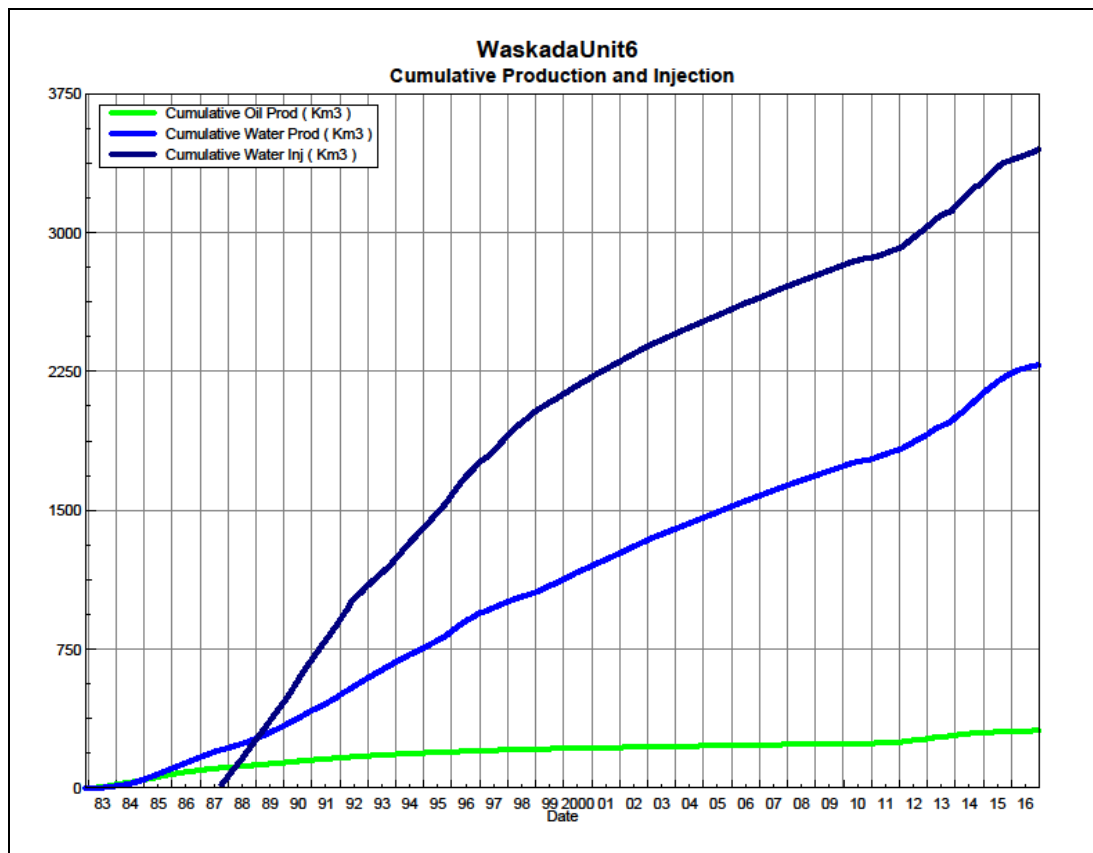


Figure 3 shows the cumulative production for Waskada Unit No. 6 to the end of December 2016 as 310.6 e³m³ of oil, and 2,286.1 e³m³ of water.

Figure 3: Waskada Unit 6 Cumulative Oil, Water and Water Injected vs Time



Waterflood EOR Operating Strategy and Performance

Corrosion and Scale Prevention

The facilities in Unit 6 are currently using cathodic and chemical protection against corrosion and scale in the new horizontal wells. All facilities are monitored every 3 months to assess the corrosion and ensure that proper electrical current is being supplied. There have been no issues with corrosion or scale to date.

Injection Wellhead Pressures

Table No. 5 summarizes the Injection Wellhead Pressures that were recorded in 2016.

Reservoir Pressure

Where practical, Tundra is committed to collecting pressure data from newly drilled injection wells. Since no new wells were drilled in the Unit, therefore, no pressure surveys were conducted in 2016.

Well Servicing

The following table illustrates the maintenance done on the Waskada Unit 6 wells in 2016.

UWI	Workover Type	Date
103.15-01-001-26W1.00	Water Injection Well Repair - Failed Packer Integrity	28-Sep-16
102.07-12-001-26W1.00	Pump Change	23-Dec-16
102.15-12-001-26W1.00	Pump Change	3-Oct-16

Waterflood Performance Discussion

From January 1 to December 31 in 2016, Waskada Unit No. 6 produced 49.8 e³m³ of fluid (3.6 e³m³ of Oil, 46.2 e³m³ of Water) and injected 60.9 e³m³ of source water.

Table 2 summarizes the yearly and cumulative VRR for Waskada Unit No. 6. This resulted in a yearly VRR of 1.211, above the minimum target of 1. Despite the yearly VRR being above 1, the cumulative VRR lowered to 1.306.

Figure 4: Waskada Unit 6 Production and Injection Rate

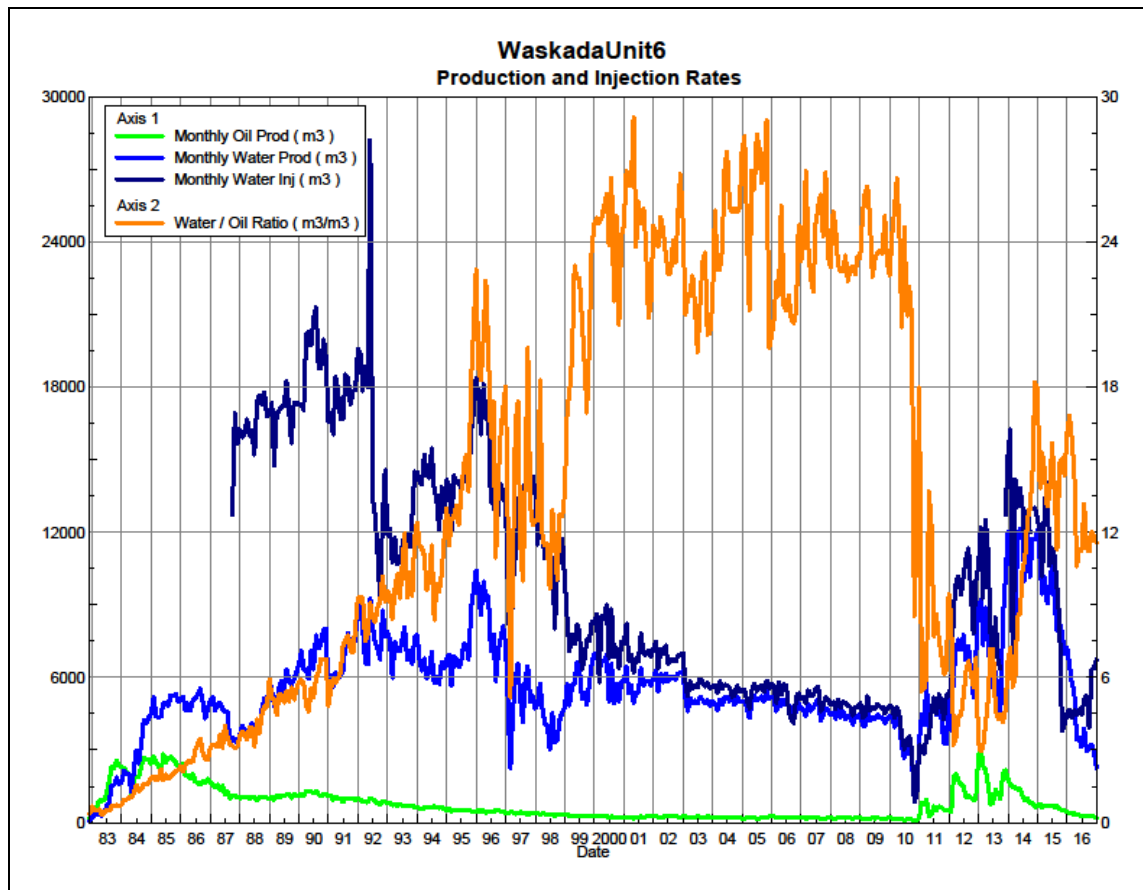


TABLE NO. 1: WASKADA UNIT NO. 6 WELL SUMMARY

<i>UWI</i>	<i>Type</i>	<i>Status</i>	<i>On Prod Date</i>	<i>Cum Prd Oil (m3)</i>	<i>Cum Prd Water (m3)</i>	<i>Last Prod Date</i>	<i>Cum Inj Water (m3)</i>	<i>Last Inj Date</i>
100/12-06-001-25W1/0	Vertical	Abandoned	2/1/1985	4241.1	11334.1	3/31/1998	0	
100/13-06-001-25W1/0	Vertical	Injection	4/1/1984	34.2	942	6/30/1984	478428.5	9/30/2015
100/04-07-001-25W1/2	Vertical	Abandoned	8/1/1984	774.4	28605.5	6/30/1994	0	
102/05-07-001-25W1/0	Vertical	Abandoned	7/1/1983	5283.7	13236.1	8/31/1987	221669	9/30/1996
100/11-07-001-25W1/0	Vertical	Abandoned	8/1/1983	1171.9	31626.8	8/31/1987	0	
103/12-07-001-25W1/0	Vertical	Producing	7/1/1983	12549.5	629315.7	8/31/2016	0	
102/13-07-001-25W1/0	Vertical	Injection	2/1/1984	2360.4	12143.8	3/31/1987	719516.6	9/30/2015
102/14-07-001-25W1/0	Vertical	Producing	2/1/1984	11383.8	200101.9	4/30/2010	0	
100/15-07-001-25W1/0	Vertical	Injection	1/1/1985	1450.5	923.9	7/31/1987	239538.3	12/31/2016
100/16-07-001-25W1/0	Vertical	Producing	5/1/1985	10754.1	8605.4	11/30/2016	0	
102/16-07-001-25W1/0	Horizontal	Producing	3/1/2014	992.7	28767.7	12/31/2016	0	
103/16-07-001-25W1/0	Horizontal	Producing	2/1/2014	1897.5	10524	12/31/2016	0	
100/03-18-001-25W1/0	Vertical	Abandoned Zone	10/1/1983	13732.3	204058.9	12/31/2011	0	
100/04-18-001-25W1/0	Vertical	Abandoned	3/1/1983	3759.3	4724.5	9/30/1996	0	
102/04-18-001-25W1/0	Horizontal	Suspended	12/1/2010	1471.5	7262.1	2/28/2015	0	
100/05-18-001-25W1/0	Vertical	Abandoned	12/1/1983	1675.9	829.4	8/31/1987	231694	5/31/1996
100/06-18-001-25W1/0	Vertical	Abandoned	12/1/1983	1116.3	2385.1	8/31/1991	0	
100/07-01-001-26W1/0	Vertical	Abandoned	9/1/1984	98.4	1576	6/30/1985	176052.2	4/30/2010
102/07-01-001-26W1/0	Horizontal	Injection	10/1/2013	634.3	6896.2	1/31/2015	13385	12/31/2016
103/07-01-001-26W1/0	Horizontal	Producing	10/1/2013	1345.2	15916.4	12/31/2016	0	
100/08-01-001-26W1/2	Vertical	Abandoned Zone	8/1/1984	8523	166615.9	4/30/2010	0	
100/09-01-001-26W1/0	Vertical	Abandoned	12/1/1983	3896.5	2034	7/31/1995	115865.1	4/30/2010
100/10-01-001-26W1/2	Vertical	Abandoned Zone	11/1/1982	14140.7	87218.1	4/30/2010	0	
102/10-01-001-26W1/0	Horizontal	Producing	11/1/2012	3805.9	8015.3	12/31/2016	0	
103/10-01-001-26W1/0	Horizontal	Producing	11/1/2012	2626.1	3975.2	12/31/2016	0	
100/15-01-001-26W1/2	Vertical	Abandoned	8/1/1984	2493.9	11767.5	7/31/1987	258006.9	4/30/2010
102/15-01-001-26W1/0	Horizontal	Producing	1/1/2011	3783	17683.8	12/31/2016	0	
103/15-01-001-26W1/0	Horizontal	Injection	1/1/2012	3470	14440.9	10/31/2014	13291	12/31/2016
100/16-01-001-26W1/2	Vertical	Abandoned Zone	2/1/1984	16167.8	24282.2	4/30/2010	0	
100/01-12-001-26W1/0	Vertical	Abandoned	10/1/1983	7143.7	2449	7/31/1995	187525.5	4/30/2010
100/02-12-001-26W1/2	Vertical	Abandoned	8/1/1984	11076.9	49866.5	5/31/1998	0	
100/03-12-001-26W1/2	Vertical	Abandoned	8/1/1984	6526.2	43242	7/31/1995	32670	3/31/1998
102/03-12-001-26W1/0	Horizontal	Producing	1/1/2012	6491.3	18992.1	12/31/2016	0	
103/03-12-001-26W1/0	Horizontal	Producing	1/1/2012	7955.7	11826	12/31/2016	0	
100/05-12-001-26W1/0	Vertical	Abandoned	N/A	0	0		81890	12/31/1998
100/06-12-001-26W1/2	Vertical	Producing	8/1/1984	14175.6	150615.7	12/31/2016	0	
102/06-12-001-26W1/0	Horizontal	Producing	12/1/2012	7137.8	23892.7	12/31/2016	0	
100/07-12-001-26W1/0	Vertical	Abandoned	10/1/1983	2923.1	567.1	7/31/1987	54892	6/30/1997
102/07-12-001-26W1/0	Horizontal	Producing	12/1/2010	7650.7	66000.8	12/31/2016	0	
100/08-12-001-26W1/0	Vertical	Producing	3/1/1983	7098.1	2421.2	3/31/2015	0	
102/09-12-001-26W1/0	Vertical	Source	7/1/1983	27002.3	159261.9	12/31/2014	0	
100/10-12-001-26W1/0	Vertical	Producing	6/1/1983	23243.5	4543.4	2/28/2014	0	
102/10-12-001-26W1/0	Horizontal	Producing	11/1/2012	5915.7	24923.3	12/31/2016	0	
103/10-12-001-26W1/0	Horizontal	Producing	10/1/2013	6144.2	15156.2	12/31/2016	0	
100/15-12-001-26W1/0	Vertical	Injection	11/1/1982	5834.5	2515.3	7/31/1987	627366.6	12/31/2016
102/15-12-001-26W1/0	Horizontal	Producing	9/1/2013	2082.9	60530.7	12/31/2016	0	
102/16-12-001-26W1/0	Vertical	Producing	1/1/1983	25314	68393.1	8/31/2013	0	
104/16-12-001-26W1/0	Horizontal	Producing	11/1/2012	1275.7	25107.6	12/31/2016	0	
				310625.8	2286113.0		3451790.7	

TABLE NO. 2 - VRR Calculations

Date	Mth Oil Prod m3	Cum Oil Prod Km3	Mth Water Prod m3	Cum Water Prod Km3	Mth Gas Prod Scm	Cum Gas Prod Km3	Water Oil Ratio m3/m3	Gas Oil Ratio m3/m3	Mth Water Inj m3	Cum Water Inj Km3	VRR	Cum VRR
12/31/1982	494	0.494	281	0.281	23712	23.712	0.57	48.00		0.000	0.000	0.000
12/31/1983	18868	19.362	11673	11.954	905683	929.4	0.62	48.00		0.000	0.000	0.000
12/31/1984	25805	45.168	35563	47.517	1238654	2168.0	1.38	48.00		0.000	0.000	0.000
12/31/1985	29905	75.073	58995	106.511	1435450	3603.5	1.97	48.00		0.000	0.000	0.000
12/31/1986	21910	96.983	59447	165.958	1051666	4655.2	2.71	48.00		0.000	0.000	0.000
12/31/1987	15248	112.230	50655	216.613	731880	5387.0	3.32	48.00	61536	61.536	0.902	0.178
12/31/1988	12414	124.644	51401	268.015	595867	5982.9	4.14	48.00	199861	261.397	3.043	0.635
12/31/1989	13139	137.783	68582	336.597	630682	6613.6	5.22	48.00	203383	464.780	2.430	0.939
12/31/1990	14451	152.234	82867	419.464	693629	7307.2	5.73	48.00	229934	694.714	2.311	1.169
12/31/1991	11892	164.126	82582	502.046	570821	7878.0	6.94	48.00	211949	906.663	2.202	1.312
12/31/1992	10464	174.590	92956	595.002	502262	8380.3	8.88	48.00	187670	1094.333	1.788	1.375
12/31/1993	8526	183.116	86609	681.612	409243	8789.5	10.16	48.00	144204	1238.537	1.496	1.388
12/31/1994	7238	190.354	76511	758.122	347429	9137.0	10.57	48.00	167541	1406.078	1.975	1.439
12/31/1995	6017	196.371	89692	847.814	288826	9425.8	14.91	48.00	176159	1582.237	1.823	1.474
12/31/1996	5644	202.015	97515	945.330	270907	9696.7	17.28	48.00	178310	1760.547	1.714	1.495
12/31/1997	4807	206.822	60790	1006.120	230741	9927.5	12.65	48.00	143942	1904.489	2.170	1.531
12/31/1998	4159	210.981	51395	1057.515	199627	10127.1	12.36	48.00	131548	2036.037	2.342	1.566
12/31/1999	3398	214.378	69699	1127.213	163080	10290.2	20.51	48.00	91414	2127.451	1.242	1.549
12/31/2000	2961	217.340	72428	1199.641	142147	10432.3	24.46	48.00	91329	2218.780	1.204	1.531
12/31/2001	2775	220.115	68585	1268.226	133219	10565.5	24.71	48.00	84399	2303.179	1.176	1.514
12/31/2002	2988	223.103	72169	1340.395	143438	10709.0	24.15	48.00	82778	2385.957	1.095	1.494
12/31/2003	2796	225.900	59930	1400.325	134218	10843.2	21.43	48.00	68078	2454.035	1.078	1.478
12/31/2004	2382	228.282	60185	1460.509	114346	10957.5	25.26	48.00	66399	2520.434	1.055	1.463
12/31/2005	2410	230.692	60474	1520.983	115666	11073.2	25.10	48.00	65708	2586.143	1.039	1.448
12/31/2006	2629	233.321	57899	1578.882	126211	11199.4	22.02	48.00	61685	2647.828	1.013	1.433
12/31/2007	2302	235.623	55893	1634.775	110496	11309.9	24.28	48.00	61859	2709.687	1.057	1.422
12/31/2008	2264	237.887	52693	1687.468	108667	11418.6	23.28	48.00	57891	2767.578	1.047	1.411
12/31/2009	2144	240.031	51611	1739.079	102907	11521.5	24.07	48.00	56636	2824.214	1.047	1.402
12/31/2010	1718	241.748	36596	1775.675	82445	11603.9	21.31	48.00	40024	2864.237	1.038	1.395
12/31/2011	7207	248.956	53060	1828.734	345950	11949.9	7.36	48.00	52417	2916.655	0.854	1.379
12/31/2012	17042	265.997	80993	1909.728	817997	12767.9	4.75	48.00	114448	3031.103	1.138	1.368
12/31/2013	20286	286.284	91043	2000.771	973747	13741.6	4.49	48.00	109077	3140.179	0.954	1.348
12/31/2014	13191	299.475	131905	2132.676	633168	14374.8	10.00	48.00	138114	3278.293	0.939	1.323
12/31/2015	7567	307.042	107258	2239.934	363226	14104.8	14.17	48.00	112563	3390.857	0.971	1.308
12/31/2016	3584	310.626	46179	2286.113	172032	14546.8	12.88	48.00	60934	3451.791	1.211	1.306

TABLE NO. 3

**Tundra Oil and Gas
Waskada Unit No. 6
2016 Injection Volumes**

Well Location	Date	Hours On	H ₂ O Inj Cal-d avg (m ³ /d)	Monthly Injected H ₂ O (m ³)
Unit No. 6 Total:				
	Jan-16	0	150.5	4665.00
	Feb-16	0	149.0	4320.00
	Mar-16	0	149.4	4630.00
	Apr-16	0	148.6	4459.00
	May-16	0	151.0	4681.00
	Jun-16	0	149.3	4479.00
	Jul-16	0	164.6	5103.00
	Aug-16	0	168.8	5234.00
	Sep-16	0	130.4	3911.00
	Oct-16	0	203.7	6316.00
	Nov-16	0	213.1	6393.00
	Dec-16	0	217.5	6743.00
2016 Group Totals:				60934.00

Unit No. 6 Total:

1981	0	0	0.00
1982	0	0	0.00
1983	0	0	0.00
1984	0	0	0.00
1985	0	0	0.00
1986	0	0	0.00
1987	0	503.89	61,536.00
1988	0	546.09	199,861.00
1989	0	557	203,383.00
1990	0	630.11	229,934.00
1991	0	580.62	211,949.00
1992	0	512.7	187,670.00
1993	0	395.1	144,204.00
1994	0	459.3	167,541.00
1995	0	482.3	176,159.00
1996	0	487.4	178,310.00
1997	0	393.4	143,942.00
1998	0	361.2	131,548.00
1999	0	250.6	91,414.00
2000	0	249.3	91,329.00
2001	0	231.2	84,398.90
2002	0	226.8	82,778.20
2003	0	186.5	68,078.10
2004	0	181.5	66,399.00
2005	0	180.1	65,708.40
2006	0	169.1	61,685.00
2007	0	169.6	61,858.90
2008	0	158.2	57,891.30
2009	0	155.2	56,636.00
2010	0	109.9	40,023.50
2011	0	143.4	52,417.40
2012	0	312.9	114,448.10
2013	0	326.4	109,076.50
2014	0	411.9	138,114.00
2015	0	308.9	112,563.40
2016	0	166.3	60,934.00
			3,451,790.70

TABLE NO. 4

**Tundra Oil and Gas
Waskada Unit No. 6
2016 Production Volumes**

Date	Hours On	Oil Rate (CD) m3/d	Monthly Oil Prod m3	Water Rate (CD) m3/d	Monthly Water Prod m3	Water Oil Ratio m3/m3	Well Count
Jan-16	11,352	12.54	389	210.89	6,538	16.81	15
Feb-16	11,016	12.53	364	199.57	5,787	15.92	16
Mar-16	11,376	11.96	371	173.64	5,383	14.51	15
Apr-16	9,720	10.84	325	114.77	3,443	10.58	14
May-16	10,080	10.01	310	113.30	3,512	11.32	14
Jun-16	9,048	9.27	278	104.11	3,123	11.23	13
Jul-16	10,152	9.55	296	125.72	3,897	13.16	14
Aug-16	9,072	8.33	258	94.87	2,941	11.39	12
Sep-16	10,488	9.37	281	104.95	3,149	11.20	15
Oct-16	10,488	8.68	269	104.21	3,231	12.00	14
Nov-16	9,768	8.27	248	97.47	2,924	11.79	14
Dec-16	8,904	6.28	195	72.61	2,251	11.57	12
	121,464		3,584		46,179		

Date	Hours On	Oil Rate (CD) m3/d	Monthly Oil Prod m3	Water Rate (CD) m3/d	Monthly Water Prod m3	Water Oil Ratio m3/m3	Well Count
31/12/1982	1848	8.06	494	4.56	281	0.52	1
31/12/1983	61272	51.52	18,868	31.85	11673	0.57	7
31/12/1984	164880	70.51	25,805	97.12	35563	1.34	19
31/12/1985	229872	81.95	29,905	161.61	58995	1.99	26
31/12/1986	228288	60.09	21,910	162.87	59447	2.75	26
31/12/1987	207648	41.83	15,248	138.98	50655	3.33	24
31/12/1988	173472	33.93	12,414	140.38	51401	4.15	20
31/12/1989	170232	35.98	13,139	187.80	68582	5.22	19
31/12/1990	167808	39.60	14,451	227.08	82867	5.76	19
31/12/1991	166272	32.58	11,892	226.03	82582	6.97	19
31/12/1992	157728	28.59	10,464	253.97	92956	8.89	18
31/12/1993	159504	23.37	8,526	237.19	86609	10.22	18
31/12/1994	144072	19.83	7,238	209.73	76511	10.64	17
31/12/1995	138600	16.48	6,017	245.40	89692	15.07	16
31/12/1996	125376	15.42	5,644	266.55	97515	17.40	14
31/12/1997	113112	13.19	4,807	166.10	60790	12.88	13
31/12/1998	93840	11.39	4,159	141.17	51395	12.38	11
31/12/1999	93960	9.31	3,398	190.88	69699	20.60	11
31/12/2000	99696	8.09	2,961	197.94	72428	24.41	11
31/12/2001	96288	7.60	2,775	187.87	68585	24.95	11
31/12/2002	104064	8.19	2,988	197.69	72169	24.19	12
31/12/2003	101376	7.66	2,796	164.19	59930	21.49	12
31/12/2004	101544	6.51	2,382	164.43	60185	25.34	12
31/12/2005	99864	6.61	2,410	165.74	60474	25.49	11
31/12/2006	102066	7.20	2,629	158.67	57899	22.11	12
31/12/2007	100,776	6.31	2,302	153.19	55893	24.39	12
31/12/2008	103,920	6.18	2,264	143.97	52693	23.30	12
31/12/2009	102,432	5.87	2,144	141.43	51611	24.15	12
31/12/2010	75,504	4.71	1,718	100.46	36596	20.70	9
31/12/2011	78,720	19.77	7,207	145.25	53060	7.98	9
31/12/2012	97,680	46.64	17,042	221.43	80993	5.33	11
31/12/2013	138,024	55.70	20,286	249.38	91043	4.88	16
31/12/2014	161,736	36.24	13,191	361.05	131905	11.13	18
31/12/2015	130,848	20.74	7,567	294.19	107258	14.28	15
31/12/2016	121,464	9.80	3,584	126.34	46179	12.62	14
	4,413,786		310,626		2,286,113		

TABLE NO. 5 - Average Injection Pressures

	00/07-01 Inj	00/13-06 Inj	00/15-01 Inj	00/15-07 Inj	00/15-12 Inj	02/07-01 Inj	02/13-07 Inj	03/15-01 Inj
Year	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)	Inj Pressure (kPa)
2002	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2003	1376.1	672.6	1093.6	1291.8	384.0	0.0	113.0	0.0
2004	1123.2	377.0	1361.2	1691.3	2310.0	0.0	94.0	0.0
2005	1890.0	473.7	1554.0	2108.5	2912.6	0.0	114.2	0.0
2006	2109.3	519.1	1992.3	1841.9	2820.5	0.0	42.5	0.0
2007	2628.7	0.0	2740.0	2387.7	2907.7	0.0	0.0	0.0
2008	2582.5	0.0	2213.7	1807.4	2532.3	0.0	0.0	0.0
2009	2078.6	0.0	1746.3	1915.3	2507.9	0.0	0.0	0.0
2010	842.2	45.0	714.5	893.7	1881.6	0.0	24.1	0.0
2011	0.0	128.9	0.0	187.0	166.6	0.0	76.2	0.0
2012	0.0	2455.0	0.0	3257.4	3004.5	0.0	3170.8	0.0
2013	0.0	1827.6	0.0	821.8	1208.2	0.0	1398.9	0.0
2014	0.0	3034.1	0.0	2875.8	1913.5	0.0	2249.5	0.0
2015	0.0	2183.8	0.0	2444.4	827.6	0.0	1476.6	0.0
2016	0.0	0.0	0.0	1562.4	1052.7	0.0	0.0	0.0