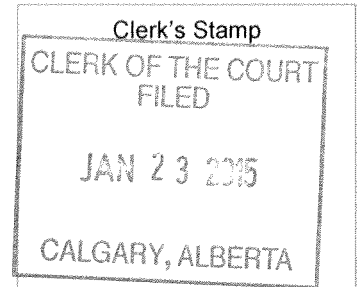


COURT FILE NUMBER 1401-08528  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF NATIONAL BANK OF CANADA  
DEFENDANT EAGLE RANCH RESOURCES LTD.  
DOCUMENT **AFFIDAVIT OF ELIZABETH PINEDA**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
McCARTHY TÉTRAULT LLP  
Barristers & Solicitors  
Pantelis Kyriakakis  
Suite 4000, 421-7<sup>th</sup> Avenue S.W.  
Calgary AB T2P 4K9  
Phone: 403-260-3536  
Fax: 403-260-3501  
Email: pkyriakakis@mccarthy.ca

**AFFIDAVIT OF ELIZABETH PINEDA**  
**Sworn on January 23, 2015**

1. I am a manager with the National Bank of Canada ("**NBC**") and am responsible for NBC's relationship with Eagle Ranch Resources Ltd. ("**Eagle Ranch**"). I have reviewed the books and records maintained by NBC in the ordinary course of business in connection with this matter and as such have personal knowledge of the matters herein deposed except where stated to be based on information and belief, in which case I verily believe such matters to be true.

**The Parties**

2. The Defendant, Eagle Ranch is a body corporate incorporated pursuant to the laws of Alberta carrying on business in the City of Calgary in the Province of Alberta. Attached hereto and marked as Exhibit "**A**" to this my Affidavit is a copy of an Alberta Corporate Registry Search with respect to Eagle Ranch dated January 21, 2015.

3. Elkwater Resources Ltd. ("**Elkwater**") is a body corporate incorporated pursuant to the laws of Alberta, carrying on business in the City of Calgary, in the Province of Alberta. Furthermore, Elkwater is the operator of any oil and gas properties in which Eagle Ranch has a working interest in (the "**Assets**") and, prior to Elkwater completing: (i) a non-brokered private placement of up to an aggregate of approximately \$25 million; and (ii) the appointment of a new management team and board of directors (collectively, the "**Elkwater Transactions**"), shared certain common directors and management with Eagle Ranch. Attached hereto and marked as Exhibit "**B**" to this my Affidavit is a copy of an Alberta Corporate Registry Search with respect to Elkwater, dated January 21, 2015.

#### **The Credit Facilities and the Security**

4. Pursuant to a commitment letter, dated September 24, 2012, as amended and restated from time to time (collectively, the "**Loan Agreement**") NBC advanced various demand credit facilities (collectively, the "**Credit Facilities**") to Eagle Ranch. A true copy of the Loan Agreement is attached hereto and marked as Exhibit "**C**" to this my Affidavit.

5. Eagle Ranch granted various security to NBC in order to secure its obligations to NBC pursuant to the Loan Agreement and the Credit Facilities which included, *inter alia*, the following documents:

- (a) \$25,000,000 Fixed and Floating Charge Demand Debenture, dated July 11, 2006, granted by Eagle Ranch in favour of NBC (the "**Debenture**");
- (b) \$1,700,000 Acknowledgment of Debt Revolving Demand Credit Agreement, dated August 18, 2011, granted by Eagle Ranch in favour of NBC;
- (c) Pledge Agreement, dated July 11, 2006, granted by Eagle Ranch in favour of NBC;
- (d) Negative Pledge and Undertaking, dated July 11, 2006, granted by Eagle Ranch in favour of NBC; and
- (e) General Assignment of Book Debts, dated July 11, 2006, granted by Eagle Ranch in favour of NBC.

(collectively referred to as, the "**Security**")

True copies of the Security are attached and marked as Exhibits "D", "E", "F", "G", and "H" to this my Affidavit.

6. NBC has perfected the Security by registering various financing statements and land charges against Eagle Ranch in the Alberta Personal Property Registry (the "**Alberta PPR**"). True copies of the Alberta PPR searches in respect of Eagle Ranch, dated January 22, 2015, are attached hereto and marked as Exhibit "I" to this my Affidavit. Furthermore, NBC registered security notices with respect to Eagle Ranch's interest in certain Crown Mineral Agreements. True copies of the Alberta Mineral Information Agreement Detail Reports are attached hereto and marked as Exhibit "J" to this my Affidavit.

7. As of January 22, 2014, Eagle Ranch was indebted to NBC in the sum of \$653,016.76 exclusive of costs, interests, and legal fees on a solicitor and own client full indemnity basis (the "**Indebtedness**"). The Indebtedness continues to accrue interest and other fees and expenses, including legal fees on a solicitor and his own client full indemnity basis.

#### **The Default Events**

8. Pursuant to the Loan Agreement, Credit Facilities, and Security (which are payable on demand by NBC), Eagle Ranch is obligated, *inter alia*, to: (i) maintain a working capital ratio of not less than 1.00:1.00; (ii) ensure that its assets are free and clear of encumbrances and maintain certain accounts payable to prevent potential encumbrances; (iii) comply with certain ongoing reporting obligations; and, (iv) ensure that no material adverse effects occur.

9. On or about June, 2014, Eagle Ranch committed the following default events under the Loan Agreement, the Credit Facilities, and the Security:

- (a) Failing to comply with the following reporting obligations:
  - (i) Monthly production and revenue reports as at March 31, 2014 in final form, due May 31, 2014;
  - (ii) December 31, 2013 annual audited consolidated financial statements and compliance certificates, due April 30, 2014;

- (iii) Quarterly unaudited consolidated financial statements including balance sheet, income statement, cash flow statement, and compliance certificate, due May 31, 2014;
  - (iv) December 31, 2013 annual independent engineering report in final form, due April 30, 2014;
  - (v) F2014 annual consolidated budget including production, cash flow, and capital expenditures forecasts, due April 30, 2014;
  - (vi) A copy of Eagle Ranch's sub-ledger associated with any joint venture billings and amounts owing to Elkwater;
- (b) As a result of the following Material Adverse Effects occurring:
- (i) Elkwater withholding the Borrower's monthly production to offset amounts owing to them by Eagle Ranch Resources Ltd. for unpaid joint venture billings;
  - (ii) The loan value attributed to Eagle Ranch's proved developed producing petroleum and natural gas assets, as outlined in GLJ Petroleum Consultant Ltd.'s draft third party engineering report with an effective date of December 31, 2013, being less than that required pursuant to the Security; and,
- (c) Failing to maintain its account at NBC's Calgary Branch through which Eagle Ranch was to conduct all of its banking activities.

(collectively, the "**Default Events**")

10. As a result of the Default Events, on or about June 25, 2014, NBC, through its counsel, demanded repayment of the amounts owing under the Loan Agreement and Credit Facilities (the "**Demand**") and delivered a *Notice of Intention to Enforce Security*, pursuant to and in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "**Notice**"), on Eagle Ranch. True copies of the Demand and the Notice are attached hereto and collectively marked as Exhibit "K" to this my Affidavit.



11. As of the date of this Affidavit, Eagle Ranch has failed to repay the Indebtedness owing to NBC.

### **The Receivership Proceedings**

12. Elkwater previously shared an office with Eagle Ranch. After the Elkwater Transactions, Elkwater relocated its offices and, as a result, Alvarez and Marsal Canada Inc. (the "**Receiver**") was appointed as receiver over all of the books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of Eagle Ranch (collectively, the "**Records**") pursuant to the Order issued in the within proceedings (the "**Receivership Proceedings**") by the Honourable Justice P.R. Jeffery on August 15, 2014, in order to ensure that such Records were not lost, transferred, or destroyed.

13. During the course of the Receivership Proceedings and as a result of the Receiver's examination of the Records, the Receiver discovered certain potential claims available to Eagle Ranch as a result of its mutual business dealings with Elkwater, prior to the Elkwater Transactions (the "**Eagle Ranch Claims**"). Similarly, during such time and as a result of Elkwater's role as operator of Eagle Ranch's Assets, Elkwater appears to have a potential claim of approximately \$750,000 (the "**Elkwater Claim**").

14. In order to resolve the Eagle Ranch Claims and the Elkwater Claim, it is proposed that Elkwater and Eagle Ranch, by and through the Receiver, enter into the Settlement, Priority and Asset Sale Agreement, attached as Exhibit "L" to this my Affidavit (the "**Settlement and Asset Sale Agreement**"). Elkwater has already executed and delivered the Settlement and Asset Sale Agreement which is expressly subject to the approval of this Honourable Court.

15. The Settlement and Asset Sale Agreement contemplates the following: (i) the release of the Eagle Ranch Claims; (ii) the subordination of the Elkwater Claim, in favour of NBC; (iii) the joint marketing and sale of the Assets, including any and all participating interests that Eagle Ranch and Elkwater possess with respect to such Assets; and (iv) the distribution of any and all proceeds derived from the sale of the Assets to Eagle Ranch and Elkwater: (a) first, in an amount equal to Elkwater's and Eagle Ranch's respective working interests in the Assets; (b) second, to satisfy any and all outstanding claims and charges in accordance with the terms and priorities of any applicable receivership order; (c) third, to satisfy and repay all amounts due and owing to NBC; (d) fourth, to satisfy any amounts due and owing to Elkwater as a result of the

Elkwater Claim; (e) fifth, any and all remaining proceeds will be paid to, or retained by, Eagle Ranch.

16. I have been advised by the Receiver that the Receiver is not aware of any other secured creditors with respect to Eagle Ranch, other than NBC, or any creditors with claims in priority to that of NBC.

17. Eagle Ranch has not operated as a going concern since approximately July 11, 2014. Furthermore and to the best of my knowledge and belief, all of the directors and management of Eagle Ranch have resigned and, as of the date of this Affidavit, there is no one left to operate, run, or manage Eagle Ranch.

18. I swear this affidavit in support of an application for, *inter alia*, the following relief:

- (a) expanding the Receiver's current appointment, as receiver of Eagle Ranch's Records, to include any and all of Eagle Ranch's current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;
- (b) authorizing and directing the Receiver, on behalf of Eagle Ranch, to enter into and perform any and all obligations arising under the Settlement and Asset Sale Agreement;
- (c) declaring that the security interest granted by Eagle Ranch to NBC over all of Eagle Ranch's assets, property, and undertakings, is valid, enforceable, and has the first ranking priority, subject to the charges created in the Receivership Order; and
- (d) such further and other relief as may be incidental to the foregoing.

SWORN BEFORE ME at the City of )  
Calgary, in the Province of Alberta, this )  
23 day of January, 2015. )

  
A COMMISSIONER FOR OATHS )  
in and for the Province of Alberta )

**Pantelis Kyriakakis**

065094/463 ~~Barrister~~ and Solicitor  
MT DOCS 14138836v4

  
ELIZABETH PINEDA

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2015/01/21  
Time of Search: 11:39 AM  
Search provided by: MCCARTHY TETRAULT LLP

Service Request Number: 22674639  
Customer Reference Number: 065094463517

Corporate Access Number: 2011667355  
Legal Entity Name: EAGLE RANCH RESOURCES LTD.


Legal Entity Status: Active  
Alberta Corporation Type: Named Alberta Corporation  
Registration Date: 2005/04/27 YYYY/MM/DD

Registered Office:  
Street: 1600, 333 - 7TH AVENUE S.W.  
City: CALGARY  
Province: ALBERTA  
Postal Code: T2P 2Z1

Records Address:  
Street: 1600, 333 - 7TH AVENUE S.W.  
City: CALGARY  
Province: ALBERTA  
Postal Code: T2P 2Z1

## Transfer Agents:

Legal Entity Name: OLYMPIA TRUST COMPANY  
Corporate Access Number: 301301081  
Street: 2300, 125 - 9 AVENUE S.E.  
City: CALGARY  
Province: ALBERTA  
Postal Code: T2G 0P6

THIS IS EXHIBIT " A "  
referred to in the Affidavit of  
Elizabeth Pineda  
Sworn before me this 13  
day of January, A.D. 2015  
  
A COMMISSIONER FOR OATHS  
IN AND FOR THE PROVINCE OF ALBERTA

**Pantelis Kyriakakis**  
*Barrister and Solicitor*

## Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SHARE STRUCTURE SCHEDULE ATTACHED HERETO  
Share Transfers Restrictions: NO RESTRICTIONS  
Min Number Of Directors: 1  
Max Number Of Directors: 15  
Business Restricted To: NO RESTRICTIONS  
Business Restricted From: NO RESTRICTIONS  
Other Provisions: SEE OTHER RULES OR PROVISIONS SCHEDULE ATTACHED HERETO

## Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2013	2013/05/24

## Outstanding Returns:

Annual returns are outstanding for the 2014 file year(s).

## Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2005/04/27	Incorporate Alberta Corporation
2006/06/30	Change Address
2006/11/01	Name/Structure Change Alberta Corporation
2013/05/24	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2014/08/15	Change Director / Shareholder

## Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2005/04/27

Restrictions on Share Transfers	ELECTRONIC	2005/04/27
Other Rules or Provisions	ELECTRONIC	2005/04/27
Other Rules or Provisions	ELECTRONIC	2006/11/01

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.



# Government of Alberta ■ Corporation/Non-Profit Search Corporate Registration System

Date of Search: 2015/01/21  
Time of Search: 11:49 AM  
Search provided by: MCCARTHY TETRAULT LLP

Service Request Number: 22674798  
Customer Reference Number: 065094-463517

Corporate Access Number: 2018617619  
Legal Entity Name: ELKWATER RESOURCES LTD.

Legal Entity Status: Active  
Alberta Corporation Type: Named Alberta Corporation  
Method of Registration: Amalgamation  
Registration Date: 2014/11/20 YYYY/MM/DD

## Registered Office:

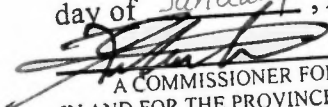
Street: 4000, 421 - 7 AVENUE SW  
City: CALGARY  
Province: ALBERTA  
Postal Code: T2P 4K9

## Records Address:

Street: 4000, 421 - 7 AVENUE SW  
City: CALGARY  
Province: ALBERTA  
Postal Code: T2P 4K9

## Directors:

Last Name: FERGUSON  
First Name: JOHN  
Street/Box Number: 3815 - 8A STREET SW  
City: CALGARY  
Province: ALBERTA

THIS IS EXHIBIT " B "  
referred to in the Affidavit of  
Elizabeth Pineda  
Sworn before me this 23  
day of January, A.D. 2015  
  
A COMMISSIONER FOR OATHS  
IN AND FOR THE PROVINCE OF ALBERTA  
**Pantelis Kyriakakis**  
*Barrister and Solicitor*

**Postal Code:** T2T 3B6

**Last Name:** OLSON

**First Name:** KEVIN

**Street/Box Number:** 710, 400 - 5 AVENUE SW

**City:** CALGARY

**Province:** ALBERTA

**Postal Code:** T2P 0L6

**Last Name:** ROSZELL

**First Name:** NEIL

**Street/Box Number:** 710, 400 - 5 AVENUE SW

**City:** CALGARY

**Province:** ALBERTA

**Postal Code:** T2P 0L6

**Last Name:** WARD

**First Name:** PATRICK

**Street/Box Number:** 268 CANTERVILLE DRIVE SW

**City:** CALGARY

**Province:** ALBERTA

**Postal Code:** T2W 3X2

#### **Details From Current Articles:**

The information in this legal entity table supersedes equivalent electronic attachments

**Share Structure:** SEE ATTACHED SCHEDULE RE AUTHORIZED SHARES

**Share Transfers Restrictions:** NONE

**Min Number Of Directors:** 3

**Max Number Of Directors:** 15

**Business Restricted To:** NONE

**Business Restricted From:** NONE

**Other Provisions:** SEE ATTACHED SCHEDULE RE OTHER PROVISIONS

#### **Other Information:**

##### **Amalgamation Predecessors:**

Corporate Access Number	Legal Entity Name
2016546471	1654647 ALBERTA LTD.

208729897	ELKWATER RESOURCES LTD.
2011994148	EXORO ENERGY INC.
2011117666	EXORO RESOURCES INC.

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2014/11/20	Amalgamate Alberta Corporation

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Articles/Plan of Arrangement/Court Order	10000107116747723	2014/11/20
Share Structure	ELECTRONIC	2014/11/20
Other Rules or Provisions	ELECTRONIC	2014/11/20

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.





OCT 19 2012

Writer's Direct Line  
(403) 294-4920

September 24, 2012

THIS IS EXHIBIT " C "  
referred to in the Affidavit of

Elizabeth Pineda

Sworn before me this 23

day of January, A.D. 2015

**BY COURIER**

Eagle Ranch Resources Ltd.  
1100 - 8 Avenue SW, Suite 300  
Calgary, AB T2P 3T8

A COMMISSIONER FOR OATHS  
IN AND FOR THE PROVINCE OF ALBERTA

**Pantelis Kyriakakis**

*Barrister and Solicitor*

ATTENTION: **Mr. Russell Feschuk**  
**President**

Dear Sir:

**RE: CREDIT FACILITIES - NATIONAL BANK OF CANADA / EAGLE RANCH RESOURCES LTD.**

We are pleased to advise that National Bank of Canada has approved the following revised Credit Facilities for Eagle Ranch Resources Ltd., subject to the terms and conditions set out herein. This Offering Letter contains all the terms and conditions pertaining to the availability of Credit Facilities from National Bank of Canada and as a result it amends, incorporates, and restates the terms and conditions of all existing and new commitments.

**BORROWER:** **EAGLE RANCH RESOURCES LTD.** (the "Borrower" or "Loan Party").

**LENDER:** **NATIONAL BANK OF CANADA** (the "Bank").

**CREDIT FACILITY A:** **REVOLVING OPERATING DEMAND LOAN** (the "Credit Facility A").

**MAXIMUM AMOUNT:** \$1,000,000.

**PURPOSE:** Credit Facility A shall only be used for the Borrower's general corporate purposes including capital expenditures.

**AVAILABILITY:** Prime Rate loans ("Prime Rate Loans"). Revolving in whole multiples of Cdn\$25,000.

Letters of credit and/or letters of guarantee ("L/C/Gs") (maximum term one year). The aggregate Face Amount of L/C/Gs issued and outstanding at any time limited to \$50,000 in any currency acceptable to the Bank.

**REPAYMENT:** Interest only but always subject to Availability, Review, and the Bank's right of demand.

**INTEREST RATE:** **Prime Rate Loans**

The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loans drawn under the Credit Facility A at a rate per annum equal to the Prime Rate as designated from time to time by the Bank plus one and one-half percent (Prime Rate + 1.50% p.a.). Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 3.00% per annum.

**STANDBY FEE:**

One-quarter percent per annum (0.25% p.a.), based on a 365 or 366 day period, as the case may be, on the undrawn portion of the Credit Facility A (the "Standby Fee"), payable monthly on the first Business Day of each month.

**L/C/G FEE:**

One and one-half percent per annum (1.50% p.a.), based on a 365 or 366 day period, as the case may be, of the issue amount, payable at issue (the "L/C/G Fee"). This non-refundable, upfront fee is to be based on the number of months the L/C/G is to be outstanding with any portion of 31 days to be considered a complete month.

**DRAWDOWN,  
NOTIFICATION,  
AND CONVERSION:**

All Advances under Credit Facility A may only be drawn on a day that is a Business Day.

**Prime Rate Loans**

As required.

**EVIDENCE OF DEBT:**

Revolving Demand Credit Agreement and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

**CREDIT FACILITY B:**

**BRIDGE DEMAND LOAN** (the "Credit Facility B").

**MAXIMUM AMOUNT:** *R*

~~\$600,000.~~ *\$500,000 RF*

**PURPOSE:**

To assist with the disposition of assets at Esther, Alberta/Saskatchewan.

**AVAILABILITY:**

Prime Rate loans ("Prime Rate Loans") in Canadian dollars, available by way of multiple draws. *RF*

**REPAYMENT:** *R*

Interest only, but subject to Availability, interest, and the Bank's right of demand, with this Credit Facility B being due and payable in full no later than November 1, 2012. *OK*

**INTEREST RATE:**

The Borrower shall pay interest calculated daily and payable monthly, not in advance, on *AS DETERMINED BY CLOSINGS OF OILWELL PROPERTY SALES.* the outstanding principal amount of Prime Rate Loan(s) drawn under the Credit Facility B at a rate per annum equal to the Prime Rate as designated from time to time by the Bank plus five percent (Prime Rate + 5.00% p.a.). Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 3.00% per annum. *RF*

**EVIDENCE OF DEBT:** *R*

*FOR* Variable Rate Demand Promissory Note and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

**CREDIT FACILITY C:** **MASTERCARD FACILITY** (the "Credit Facility C").

**MAXIMUM AMOUNT:** \$10,000.

**PURPOSE:** Credit Facility C shall only be used by the Borrower to facilitate travel, entertainment, and supplier expenses for company officers.

**REPAYMENT:** Payment in full, monthly.

**INTEREST RATE:** Standard rates as established from time to time by MasterCard.

**EVIDENCE OF DEBT:** MasterCard monthly statements and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

**FOR ALL CREDIT FACILITIES**

**DEFINITIONS:** In this Offering Letter, including the Appendices hereto and in all notices given pursuant to this Offering Letter, capitalized words and phrases shall have the meanings given to them in this Offering Letter in their proper context, and words and phrases not otherwise defined in this Offering Letter but defined in Appendix C to this Offering Letter shall have the meanings given to them in Appendix C to this Offering Letter.

**INTERPRETATION:** In this Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

**FEES:** *MF* *\$6,500* *\$7,500 payable upon provision of this Offering Letter.* *\$1,500 FOR REVOLVING LOAN NOW. \$5,000 UPON CLOSING OF PROPERTY SALES FOR BRIDGE FACILITY. RF.* Non-refundable. This fee includes the Bank's engineering expenses incurred for this Review. This fee is in addition to and not in substitution for any other fees due and payable under this Offering Letter.

**SECURITY:** The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

**Held:**

1. Accepted Offering Letter dated August 3, 2011.
2. Accepted Amending Offering Letters dated December 6, 2011 and August 7, 2012.

3. General Assignment of Book Debts.
4. \$25,000,000 Debenture with a floating charge over all assets of the Borrower with a negative pledge and undertaking to provide fixed charges on the Borrower's producing petroleum and natural gas properties at the request of the Bank, and pledge of such Debenture.
5. Evidence of insurance coverage in accordance with industry standards designating the Bank as first loss payee in respect of the proceeds of the insurance.
6. Appropriate title representation (Officer's Certificate as to Title) including a schedule of major petroleum and natural gas reserves described by lease (type, date, term, parties), legal description (wells and spacing units), interest (Working Interest or other APO/BPO interests), overrides (APO/BPO), gross overrides, and other liens, encumbrances, and overrides.
7. Assignment of revenues and monies under material contracts, as applicable.
8. Subordination/Postponement of all current and future advances due to related party, Elkwater Resources Ltd.
9. Legal Opinion of the Bank's counsel.

The Security has been registered in the Province of Alberta, in a first priority position, subject only to Permitted Encumbrances.

**To Be Obtained:**

1. Accepted Offering Letter dated September 24, 2012.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**REPRESENTATIONS  
AND WARRANTIES:**

Each Loan Party represents and warrants to the Bank (all of which representations and warranties each Loan Party hereby acknowledges are being relied upon by the Bank in entering into this Offering Letter) that:

1. Each Loan Party has been duly incorporated or formed, as applicable, and is in good standing under the legislation governing it, and it has the powers, permits, and licenses required to operate its business or enterprise and to own, manage, and administer its property.
2. This Offering Letter constitutes, and the Security and related agreements shall constitute, legal, valid, and binding obligations of each Loan Party party thereto, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and to the availability of equitable remedies.
3. Each Loan Party has the right to pledge, charge, mortgage, or lien its assets in accordance with the Security contemplated by this Offering Letter.
4. Each Loan Party is presently in good standing under, and shall duly perform and observe, all material terms of all documents, agreements, and instruments affecting or relating to the petroleum assets of such Loan Party.

5. There has been no adverse material change in the financial position of any Loan Party since the date of its most recent consolidated financial statements dated March 31, 2012, which were furnished to the Bank. Such consolidated financial statements fairly present the financial position of each Loan Party at the date that they were drawn up. No Loan Party foresees incurring any major liability which it has not already disclosed to the Bank.
6. No Loan Party is involved in any dispute or legal or regulatory proceedings likely to materially affect its financial position or its capacity to operate its business.
7. No Loan Party is in default under the contracts to which it is a party or under the applicable legislation and regulations governing the operation of its business or its property, including, without limitation, all Environmental Requirements subsequently stated in Environmental Obligations.
8. The Borrower has no subsidiaries.
9. The chief executive office (for the purposes of the PPSA) of each Loan Party is located in Alberta.
10. Each Loan Party has all the requisite power, authority and capacity to execute and deliver this Offering Letter and the Security (to which it is a party) and to perform its obligations hereunder and thereunder.
11. The execution and delivery of this Offering Letter and the Security (to which it is a party) and the performance of the terms of this Offering Letter and such Security do not violate the provisions of any Loan Party's constituting documents or its by-laws or any law, order, rule or regulation applicable to it and have been validly authorized by it.
12. The execution, delivery and performance of the terms of this Offering Letter and the Security (to which it is a party) will not constitute a breach of any agreement to which any Loan Party or its property, assets or undertaking are bound or affected.
13. No Loan Party has incurred any indebtedness or obligations for borrowed money (other than as contemplated hereby or payables incurred in the ordinary course of business or as previously disclosed in writing to the Bank) and has not granted any security ranking equal with or in priority to the Security (other than Permitted Encumbrances).

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Offering Letter shall survive the execution of this Offering Letter and all Security, and shall be deemed to be repeated as of the date of each Advance and as of the date of delivery of each Compliance Certificate, subject to modifications made by the Borrower to the Bank in writing and accepted by the Bank. The Bank shall be deemed to have relied upon such representations and warranties at each such time as a condition of making an Advance hereunder or continuing to extend the Credit Facilities hereunder.

**CONDITIONS  
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Offering Letter, the "Conditions Precedent"):

1. A Variable Rate Demand Promissory Note in the face amount of \$500,000 duly executed and delivered to the Bank by the Borrower.

2. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
3. All fees due and payable to the Bank shall have been paid.
4. No Default or Event of Default shall exist.
5. No Material Adverse Effect has occurred with respect to any Loan Party or the Security.
6. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

**REPORTING  
REQUIREMENTS:**

The Borrower shall submit to the Bank:

1. Monthly production and revenue reports in form and substance satisfactory to the Bank within 60 calendar days of each month end;
2. Quarterly unaudited consolidated financial statements including balance sheet, income statement, and cash flow statement and Compliance Certificate within 60 calendar days of each fiscal quarter end for the first three fiscal quarters of each fiscal year;
3. Annual audited consolidated financial statements and Compliance Certificate within 120 calendar days of each fiscal year end;
4. Annual independent engineering report in form and substance satisfactory to the Bank on the petroleum and natural gas reserves of the Borrower within 120 calendar days of each fiscal year end, prepared by a firm acceptable to the Bank;
5. Annual consolidated budget for the following fiscal year, including production, cash flow and capital expenditures forecasts, within 120 days of each fiscal year end; and
6. Any other information the Bank may reasonably require from time to time.

**AFFIRMATIVE  
COVENANTS:**

Each Loan Party shall (each of the below being an "Affirmative Covenant"):

1. Carry on business and operate its petroleum and natural gas reserves in accordance with good practices consistent with accepted industry standards and pursuant to applicable agreements, regulations, and laws.
2. Maintain its corporate existence and comply with all applicable laws.
3. Pay, when due, all taxes, assessments, deductions at source, crown royalties, income tax or levies for which the payment is guaranteed by legal privilege, prior claim, or legal hypothec, without subrogation or consolidations.

4. Comply with all regulatory bodies and provisions regarding environmental procedures and controls.
5. Upon reasonable notice, allow the Bank access to its books and records, and take excerpts therefrom or make copies thereof, and to visit and inspect its assets and place(s) of business.
6. Maintain adequate and appropriate insurance on its assets including protection against public liability, blow-outs, and "all-risk" perils.
7. Inform the Bank of any event or action which would have a Material Adverse Effect on its operational or financial affairs, including but not limited to the sale of assets, guarantees, funded debt from other lenders, or alteration of type of business.
8. Keep and maintain books of account and other accounting records in accordance with GAAP.
9. Maintain an Adjusted Working Capital Ratio of not less than 1.00:1.00 at all times.
10. Pay all amounts due and payable hereunder and pursuant to the Security in accordance with the respective terms hereof and thereof.
11. As soon as practicable following receipt by such Loan Party of a request by the Bank to provide fixed charge security over the producing petroleum and natural gas properties of such Loan Party (and in any event not more than 5 Business Days following such request), furnish or cause to be furnished to the Bank, at the sole cost and expense of such Loan Party, fixed charge security over such producing and natural gas properties of such Loan Party as are specified by the Bank, in the form of a supplemental instrument to the Security.
12. Observe the terms of and perform its obligations under this Offering Letter and the Security, and under any other agreements now or hereafter made with the Bank.
13. Utilize the Advances only for the applicable purposes stipulated herein.
14. Notify the Bank, without delay, of (a) any litigation or proceeding in which it is a party if an adverse decision therein would require it to pay more than \$50,000 or deliver assets the value of which exceeds such sum (whether or not the claim is considered to be covered by insurance), and (b) the institution of any other suit or proceeding involving it that might materially and adversely affect its property, assets or undertaking, or its operations, financial conditions or business.
15. Notify the Bank, without delay, of any Default or Event of Default.
16. Obtain and maintain the licenses and permits required to operate its business unless failure to obtain such licenses and permits could not reasonably be expected to result in a Material Adverse Effect.
17. Provide the Bank with any information or document that it may reasonably require from time to time.

**NEGATIVE  
COVENANTS:**

No Loan Party shall, without the prior approval of the Bank (each of the below being a "Negative Covenant"):

1. Allow a Change of Control.

2. Merge, amalgamate, consolidate, or wind up its assets, unless (i) such merger, amalgamation, consolidation or winding up is with another Loan Party and (ii) it has notified the Bank, without delay, of such merger, amalgamation, consolidation or winding up.
3. Reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares, unless such distribution, dividends, redemptions, and repurchases do not impair the capacity of such Loan Party to fulfil its obligations with respect to the Credit Facilities, including the repayment of all Credit Facilities; notwithstanding the foregoing, no Loan Party shall reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares when a Default or an Event of Default has occurred and is continuing or shall reasonably expected to occur as a result of reducing or distributing capital or paying dividends or redeeming or repurchasing common or preferred shares, as the case may be.
4. Incur further secured indebtedness, pledge or encumber assets, or guarantee the obligations of others.
5. Make loans or investments, except to or in another Loan Party.
6. Sell or dispose of any assets subject to the Bank's Security in the aggregate of greater than \$50,000 each calendar year. This shall include sale/leaseback transactions on facilities.
7. Hedge or contract crude oil, natural gas liquids, or natural gas, on a fixed price basis, exceeding 50% of actual production volumes.
8. Monetize or effect an early termination of any fixed price financial hedge or contract.
9. Make any material change in the nature of its business as carried on at the date hereof.
10. Utilize Advances to finance a hostile takeover.
11. Move its property, assets or undertaking outside the jurisdictions in which the Security is registered.
12. Move its chief executive office from Alberta.
13. Create, acquire or suffer to exist any subsidiary unless such subsidiary provides a guarantee and such other Security required by the Bank, in its sole discretion.
14. Experience a change in its executive management which, in the opinion of the Bank, acting in its sole discretion, has or may have a Material Adverse Effect.

**ENVIRONMENTAL  
OBLIGATIONS:**

1. Each Loan Party shall comply with the requirements of all legislative and regulatory environmental provisions (the "Environmental Requirements") and shall at all times maintain the authorizations, permits, and certificates required under these provisions.
2. Each Loan Party shall immediately notify the Bank in the event a contaminant spill or emission occurs or is discovered with respect to its property, operations, or those of any neighbouring property. In addition, it shall report to the Bank forthwith any notice, order, decree, or fine that it may receive or be ordered to pay with respect to the Environmental Requirements relating to its business or property.



3. At the request of and in accordance with the conditions set forth by the Bank, each Loan Party shall, at its own cost, provide any information or document which the Bank may require with respect to its environmental situation, including any study or report prepared by a firm acceptable to the Bank. In the event that such studies or reports reveal that any Environmental Requirements are not being respected, the applicable Loan Party shall effect the necessary work to ensure that its business and property comply with the Environmental Requirements within a period acceptable to the Bank.
4. Each Loan Party undertakes to indemnify the Bank for any damage which the Bank may suffer or any liability which it may incur as a result of any non-compliance with the Environmental Requirements.
5. The provisions, undertakings, and indemnification set out in this section shall survive the satisfaction and release of the Security and payment and satisfaction of the indebtedness and liability of the Borrower to the Bank pursuant to the terms hereof.

**EVENTS OF DEFAULT:**

Notwithstanding that the Credit Facilities are on a demand basis, and without prejudice to the Bank's rights thereby, the following shall be considered events of default ("**Events of Default**"), upon the occurrence of which, or of a Default, the Bank may choose, in its sole discretion, to cancel all credit availability and to demand repayment of the Credit Facilities in full, together with outstanding accrued interest, fees and any other obligations of the Borrower to the Bank, and, without prejudice to the Bank's other rights and remedies, the Bank's Security shall become enforceable:

1. Immediately upon failure by any Loan Party to pay any instalment of principal, interest, fees, costs, incidental charges or any other amount payable hereunder or under any of the Security when due.
2. Any material representation or warranty contained in this Offering Letter, the Security, any certificate or any opinion delivered hereunder proves to be untrue.
3. Failure by any Loan Party to observe or comply with any Affirmative Covenant, Negative Covenant, Environmental Obligation, condition, or term as outlined herein, or in any Security document or underlying agreements delivered pursuant hereto (not otherwise specifically dealt with in this Events of Default Section).
4. In the opinion of the Bank, acting reasonably, a Material Adverse Effect in the financial condition of any Loan Party or to the operation of any Loan Party's assets has occurred.
5. If a petition is filed, an order is made or a resolution passed, or any other proceeding is taken for the winding up, dissolution, or liquidation of any Loan Party.
6. If proceedings are taken to enforce any encumbrance on the assets of any Loan Party having a value in the aggregate greater than \$50,000, excepting as long as such proceedings are being contested in good faith by such Loan Party and security satisfactory to the Bank has been provided to the Bank.
7. If any Loan Party ceases or threatens to cease to carry on its business, or if proceedings are commenced for the suspension of the business of any Loan Party, or if any proceedings are commenced under the Companies Creditors Arrangements Act (Canada) or under the Bankruptcy and Insolvency Act (Canada) (including filing a proposal or notice of intention) with respect to any Loan Party, or if any Loan Party commits or threatens to commit an act of bankruptcy, or if any Loan Party becomes insolvent or bankrupt or makes an authorized assignment pursuant to the Bankruptcy

and Insolvency Act (Canada), or a bankruptcy petition is filed by or presented against any Loan Party.

8. If proceedings are commenced to appoint a receiver, receiver/manager, or trustee in respect of the assets of any Loan Party by a court or pursuant to any other agreement.
9. If any Loan Party is in default under the terms of any other contracts, agreements or writings with any other creditor having liens on the property of such Loan Party and such default could reasonably be expected to result in a Material Adverse Effect.
10. If the validity, enforceability or, where applicable, priority of this Offering Letter or any of the Security is prejudiced or endangered.
11. If an event of default under any of the Security occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any of the Security occurs.
12. If any event of default under any material agreement to which a Loan Party is a party occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any material agreement to which a Loan Party is a party occurs.
13. If the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of repayment of any Advance is or is about to be impaired or that the collateral secured by the Security is or is about to be placed in jeopardy.
14. If any Material Adverse Effect occurs.

**INTEREST ON  
OVERDUE AMOUNTS:**

Notwithstanding any other provision of this Offering Letter, in the event that any amount due hereunder (including, without limitation, any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Bank interest on such unpaid amount (including, without limitation, interest on interest), if and to the fullest extent permitted by applicable law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 10:00 a.m. at the place of payment on the date of such payment), and such interest shall accrue daily, be calculated and compounded on the last Business Day of each calendar month and be payable in the currency of the relevant Advance on demand, as well after as before maturity, default and judgment, at a rate per annum that is equal to: (i) the rate of interest then being charged on Prime Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in Canadian Dollars under such Credit Facility; and (ii) the rate of interest then being charged on Base Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in U.S. Dollars under such Credit Facility. The Borrower hereby waives, to the fullest extent it may do so under applicable law, any provisions of applicable law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

**COSTS:**

All reasonable third party expenses incurred by the Bank in connection with the Credit Facilities or this Offering Letter are for the account of the Borrower including, but not limited to, legal fees (on a solicitor and own client basis) and future engineering fees.

**CHANGE OF LAWS:**

Notwithstanding anything contained in this letter to the contrary, in the event that:

1. changes to any existing law or regulation or the introduction of any new law or regulation, or taxes other than income taxes, including, without limitation, a sales tax on loan transactions, or in the interpretation or administration thereof; or
2. compliance by the Bank with any request from or requirement of any central bank or other fiscal or monetary authority having jurisdiction over Canadian banks general (whether or not such request has the force of law);

cause the Bank to:

- a. incur any cost as a result of having entered into and/or performed its obligations hereunder and/or as a result of obligations or options remaining outstanding hereunder including, without limitation, any reserve or special deposit requirement or any payment on or calculated by reference to the amount of the Credit Facilities hereunder; or
- b. suffer a reduction in the rate of return on that part of its overall capital (not due to the rates of tax payable on their overall profits or net income) as a result of a requirement to attribute or allocate capital to the Credit Facilities or a Credit Facility provided hereunder in respect of that part of such Credit Facilities or Credit Facility which is for the time being undrawn as a result of a change in the manner in which the Bank is required to allocate resources to its obligations hereunder,

then the Bank reserves the right to increase the charges for the Credit Facilities or such Credit Facility provided hereunder by the amount of such additional cost of liability as determined by the Bank and the Borrower agrees that it will forthwith on demand pay to the Bank amounts sufficient to reimburse the Bank against such costs or liabilities.

**CURRENT ACCOUNTS:**

Each Loan Party shall maintain its current accounts at the Calgary Branch of the Bank through which it shall conduct all of its banking activities.

Regular Bank service charges shall apply in the day-to-day operations of each Loan Party's accounts.

**GENERAL:**

Time is of the essence.

The terms and conditions of this Offering Letter between the Bank and each Loan Party are confidential and shall be treated accordingly.

Each Loan Party shall do all things and execute all documents deemed necessary or appropriate by the Bank for the purposes of giving full force and effect to the terms, conditions, undertakings, and security granted or to be granted hereunder.

When a conflict or inconsistency exists between the Security and this Offering Letter, this Offering Letter shall govern to the extent necessary to remove such conflict or inconsistency. Notwithstanding the foregoing, if there is any right or remedy of the Bank set out in any of the Security or any part of which is not set out or provided for in this Offering Letter, such additional right shall not constitute a conflict or inconsistency.

**ACCOUNT DEBITS:**

Each Loan Party hereby irrevocably authorizes the Bank to debit periodically or from time to time, any bank account it may maintain at the Bank in order to pay all or part of the amounts any Loan Party may owe to the Bank hereunder.

**PERSONAL PROPERTY  
SECURITY ACT (ALBERTA)  
REQUIREMENTS:**

Each Loan Party hereby waives the requirement for the Bank to provide copies of Personal Property Security Act (Alberta) (collectively with the equivalent legislation in other jurisdictions, the "PPSA") registrations, verification statements, or financing statements undertaken by the Bank.

Each Loan Party hereby agrees to provide to the Bank written notice of a change in its name or address immediately.

**ASSIGNMENT:**

No rights or obligations of any Loan Party hereunder and no amount of the Credit Facilities may be transferred or assigned by any Loan Party, any such transfer or assignment being null and void insofar as the Bank is concerned and rendering any balance then outstanding of the loan immediately due and payable at the option of the Bank and releasing the Bank from any and all obligations of making any further advances hereunder.

**DEMAND:**

Notwithstanding any of the terms of this Offering Letter, all obligations of any Loan Party hereunder are repayable to the Bank at any time upon its demand.

**ADJUSTMENTS:**

Notwithstanding any maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee quoted herein, the Bank shall have the right to adjust such maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee, at the Bank's sole discretion.

**NO OBLIGATION:**

Upon the Bank's demand for repayment or upon the occurrence of a Default or an Event of Default, the Bank shall have no obligation or liability to make further advances under the Credit Facilities.

**ACCESS TO  
INFORMATION:**

Each Loan Party hereby authorizes the Bank to use the necessary information pertaining to it which the Bank has or may have for the purpose of granting credit and insurance products (where permitted by law) and further authorize(s) the Bank to disclose such information to its affiliates and subsidiaries for this same purpose. Moreover, it hereby authorizes the Bank to obtain personal information pertaining to it from any party likely to have such information (credit or information bureau, financial institution, creditor, employer, tax authority, public entity, Persons with whom they might have business relations, and affiliates or Bank subsidiaries) in order to verify the accuracy of all information provided to the Bank and to ensure the solvency of each Loan Party at all times.

**ANTI-MONEY  
LAUNDERING  
LEGISLATION:**

Each Loan Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti money laundering, anti terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Bank may be required to obtain, verify and record information regarding any Loan Party, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Party, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Bank, or any prospective assign or participant of the Bank, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

**NOTICE:**

Notices to be given under this Offering Letter, the Security or any other document in respect thereto any of Loan Party or the Bank shall, except as otherwise specifically provided, be in writing addressed to the party for whom it is intended. Notices shall be given by personal delivery or transmitted by facsimile and shall be deemed to be received on the Business Day of receipt (unless such delivery or transmission is received after 1:00 p.m. Mountain Time, in which case it shall be deemed to have been received on the following Business Day) unless the law deems a particular notice to be received earlier. The address for each Loan Party shall be the addresses currently recorded on the records of the Bank for such Loan Party, or such other mailing or facsimile addresses as such Loan Party may from time to time may notify the Bank as aforesaid. The address for the Bank shall be the Calgary Branch of the Bank or such other mailing or facsimile addresses as the Bank may from time to time may notify the Borrower as aforesaid.

**AUTHORIZATION  
REGARDING  
INSTRUCTIONS SENT  
ELECTRONICALLY:**

Each Loan Party authorizes the Bank to do all things as authorized by such Loan Party even if such authorization is sent by fax or by e-mail and the Bank may deem such authorization valid and sufficient and the aforementioned presumption of accuracy shall apply to the authorization, whether it is required for transmitting information, a debit, issuing drafts or certified cheques or for any other purpose. Moreover, the Bank will not be held liable for any fees or delays which may be caused when an instruction is sent whether due to a technical problem attributable to the systems in use at the Bank or otherwise.

**PAYMENTS:**

Unless otherwise indicated herein, the obligation of each Loan Party to make all payments under this Offering Letter and the Security shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:

1. Any set-off, compensation, counterclaim, recoupment, defence or other right which such Loan Party may have against the Bank or anyone else for any reason whatsoever; or
2. Any insolvency, bankruptcy, reorganization or similar proceedings by or against such Loan Party.

All payments to be made under this Offering Letter shall be made in Canadian Dollars.

All payments made under this Offering Letter shall be made on or prior to 1:00 p.m. Mountain Time on the day such payment is due. Any payment received after 1:00 p.m. Mountain Time shall be deemed to have been received on the following day. Whenever a payment is due on a day which is not a Business Day, such due day shall be extended to the next Business Day and such extension of time shall be included in the computation of any interest payable.

**SET-OFF:**

The Bank shall have the right to set-off and apply any funds of any Loan Party deposited with or held by the Bank from time to time, and any other indebtedness owing to any Loan Party by the Bank, against any of the amounts outstanding under this Offering Letter from time to time.

**JUDGMENT CURRENCY:**

If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Offering Letter it is necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then such conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, rate of

exchange means the rate at which the Bank would, on the relevant day, be prepared to sell a similar amount of such currency against the Judgment Currency.

**RIGHTS AND REMEDIES  
CUMULATIVE:**

The rights, remedies and powers of the Bank under this Offering Letter, the Security, at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank, and no delay or omission in exercise of any such right, remedy or power shall exhaust such rights, remedies and powers to be construed as a waiver of any of them.

**WAIVERS AND  
AMENDMENTS:**

No term, provision or condition of this Offering Letter or any of the Security, may be waived, varied or amended unless in writing and signed by a duly authorized officer of the Bank.

**INTEREST ACT  
(CANADA):**

Any interest rate set forth in this Offering Letter based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such interest rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based. The Borrower hereby waives, to the fullest extent it may do so under law, any provisions of law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

**GAAP / IFRS:**

All financial statements required to be furnished by the Borrower to the Bank hereunder shall be prepared in accordance with GAAP. Each accounting term used in this Offering Letter, unless otherwise defined herein, has the meaning assigned to it under GAAP and, except as otherwise provided herein, reference to any balance sheet item, statement of income item or statement of cash flows item means such item as computed from the applicable financial statement prepared in accordance with GAAP. If there occurs a change in GAAP (an "Accounting Change"), including as a result of a conversion to International Financial Reporting Standards ("IFRS"), and such change would result in a change (other than an immaterial change) in the calculation of any financial covenant, standard or term used hereunder, then at the request of the Borrower or the Bank, the Borrower and the Bank shall enter into negotiations to amend such provisions so as to reflect such Accounting Change with the result that the criteria for evaluating the financial condition of the Borrower or any other party, as applicable, shall be the same after such Accounting Change, as if such Accounting Change had not occurred. If, however, within 30 days of the foregoing request by the Borrower or the Bank, the Borrower and the Bank have not reached agreement on such amendment, the method of calculation shall not be revised and all amounts to be determined thereunder shall be determined without giving effect to the Accounting Change.

**GOVERNING LAW:**

This Offering Letter shall be construed and governed in accordance with the laws of the Province of Alberta. Each Loan Party irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

**REVIEW:**

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Offering Letter as a "Review"). The next Review is scheduled on or before November 1, 2012, but may be set at an earlier or later date at the sole discretion of the Bank.

**EXPIRY DATE:**


This Offering Letter is open for acceptance until September 28, 2012 (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Offering Letter and return one copy to the Bank by the Expiry Date. This Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Offering Letter shall be deemed to be valid execution and delivery of this Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

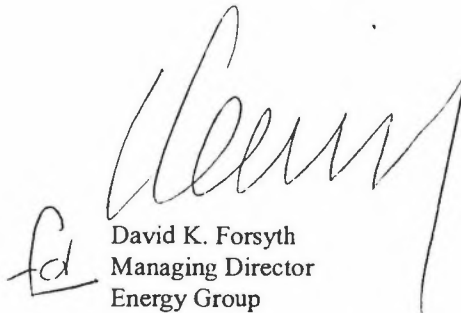
National Bank of Canada appreciates the opportunity of providing this Offering Letter to Eagle Ranch Resources Ltd. We look forward to our continuing and mutually beneficial relationship.

Yours truly,

**NATIONAL BANK OF CANADA**



Robert K. Chorley  
Director  
Energy Group



David K. Forsyth  
Managing Director  
Energy Group

Enclosure  
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AGREED AND ACCEPTED this 19 day of SEP., 2012.  
RS

**EAGLE RANCH RESOURCES LTD.**

Per: 

Per: \_\_\_\_\_

## APPENDIX A

### CREDIT:

Energy Group	Director:	Mr. Robert Chorley
National Bank of Canada	Telephone:	(403) 294-4920
311 – 6 Avenue SW, Suite 1800	Facsimile:	(403) 294-3078
Calgary, AB T2P 3H2	E-mail:	robert.chorley@nbc.ca
	Associate:	Ms. Audrey Ng
	Telephone:	(403) 294-4966
	Facsimile:	(403) 294-3078
	E-mail:	audrey.ng@nbc.ca

### ADMINISTRATION:

BA Administration; Current	Account Representative:	Ms. Gerry McLean
Account Documents; L/C/Gs;	Telephone:	(403) 294-4922
MasterCard; Loan/Account	Facsimile:	(403) 294-3078
Balances; CAD/USD Money	E-mail:	gerry.mclean@nbc.ca
Orders/Bank Drafts; Bank		
Confirmations; Investments;		
General Inquiries		

### BRANCH:

Calgary Downtown Branch	Telephone:	(403) 294-4900
National Bank of Canada	Facsimile:	(403) 294-4965
301 – 6 Avenue SW		
Calgary, AB T2P 4M9		
Calgary MacLeod Trail Branch	Telephone:	(403) 592-8515
National Bank of Canada	Facsimile:	(403) 265-0831
430 - 7337 MacLeod Trail South		
Calgary, AB T2H 0L8		

### INTERNET/ TELEPHONE BANKING

Order Cheques, Loan/Account	Website:	www.nbc.ca
Balances; Traces; Stop	Telephone:	(888) 483-5628
Payments, List of Current		
Account Transactions; Pay Bills;		
Transfer Between Accounts		

### OTHER:

Internet Banking	Manager,	
	Global Cash Management:	Ms. Kathy Holland
	Telephone:	(403) 294-4948
	Facsimile:	(403) 476-1000
	E-mail:	kathy.holland@nbc.ca
Foreign Exchange & Interest	Director, Risk	
Rates	Management Solutions:	Mr. George Androulidakis
National Bank of Canada	Telephone:	(403) 440-1126
311 – 6 Avenue SW, 6 <sup>th</sup> Floor	Facsimile:	(403) 294-4923
Calgary, AB T2P 3H2	E-mail:	george.androulidakis@tres.bnc.ca
Commodity Derivatives	Telephone:	(403) 294-4935
311 – 6 Avenue SW, 6 <sup>th</sup> Floor	Facsimile:	(403) 294-4923
Calgary, AB T2P 3H2	E-mail:	energy@nbcenergy.com



## APPENDIX B

### COMPLIANCE CERTIFICATE

To: National Bank of Canada  
311 – 6 Avenue SW, Suite 1800  
Calgary, AB

I \_\_\_\_\_, of the City of \_\_\_\_\_, in the Province of \_\_\_\_\_, hereby certify as at the date of this Certificate as follows:

1. I am the \_\_\_\_\_ of \_\_\_\_\_ (the "Borrower") and I am authorized to provide this Certificate to you for and on behalf of the Borrower;
2. This Certificate applies to the fiscal quarter ended \_\_\_\_\_, \_\_\_\_\_;
3. I am familiar with and have examined the provisions of the Offering Letter dated \_\_\_\_\_, \_\_\_\_\_ between the Borrower and National Bank of Canada and I have made such investigations of corporate records and inquiries of other officers and senior personnel of each Loan Party as I have deemed reasonably necessary for purposes of the Certificate;
4. As of the date hereof, the Borrower confirms that all of its subsidiaries (if any) are Loan Parties.
5. The representations and warranties set forth in the Offering Letter are in all material respects true and correct on the date hereof;
6. No Default or Event of Default has occurred and is continuing of which we are aware;
7. As required, I have calculated the Adjusted Working Capital Ratio for the fiscal quarter ended as follows:  
\_\_\_\_\_ : 1.00; and
8. All relevant calculations and financial statements are attached.

Except where the context otherwise requires, all capitalized terms used herein have the same meanings as given thereto in the Offering Letter.

This Certificate is given by the undersigned officer in their capacity as an officer of the Borrower without any personal liability on the part of such officer.

Executed at the City of \_\_\_\_\_, in the Province of \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Yours truly,

**EAGLE RANCH RESOURCES LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

**EAGLE RANCH RESOURCES LTD.**

**COMPLIANCE CERTIFICATE**

**Calculation of Adjusted Working Capital Ratio**

Current Assets

Current assets	\$
Less: Unrealized Hedging Gains	( )
Add: Undrawn Availability under Credit Facility A	
	<u>\$ (A)</u>

Current Liabilities

Current liabilities	\$
Less: Unrealized Hedging Losses	( )
Less: Current Portion of Bank Debt	( )
	<u>\$ (B)</u>

Adjusted Working Capital Ratio calculated as follows:

$$\frac{A}{B} =$$

## APPENDIX C

### DEFINITIONS

In the Offering Letter, including all Appendices to the Offering Letter, and in all notices given pursuant to the Offering Letter, unless something in the subject matter or context is inconsistent therewith, capitalized words and phrases shall have the meanings given to them in the Offering Letter in their proper context, and capitalized words and phrases not otherwise defined in the Offering Letter shall have the following meanings:

**"Adjusted Working Capital Ratio"** means the ratio of (i) Current Assets plus undrawn Availability under Credit Facility A to (ii) Current Liabilities.

**"Advance"** means an advance of funds made by the Bank under a Credit Facility to the Borrower, or if the context so requires, an advance of funds under one or more of the Credit Facilities or under one or more of the availability options of one or more of the Credit Facilities, and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Prime Rate Loans and Base Rate Loans, plus the Face Amount of all outstanding BAs and the stated amount of all L/C/Gs as applicable.

**"Appendix"** means an appendix to the Offering Letter.

**"Applicable Margin"** means, at any time, a margin, expressed as a rate per annum based on a 365 or 366 day period, as the case may be, for Prime Rate Loans, Base Rate Loans and payment of Standby Fees and L/C/G Fees, or based on a 365 day period in the case of Stamping Fees, and in any case payable to the Bank, as set out in the Pricing Grid for Facility A under the then Net Debt to Cash Flow Ratio applicable to the type of Advance.

**"Availability"** has the meaning ascribed to such term under the section heading "Availability", with respect to the applicable Credit Facility.

**"bps"** means one one-hundredth of one percent.

**"Business Day"** means a day on which banks are open for business in Calgary, Alberta, Montreal, Quebec and Toronto, Ontario; but does not, in any event, include a Saturday or Sunday.

**"Calgary Branch of the Bank"** means the branch of the Bank at 301 – 6 Avenue SW, Calgary, AB T2P 4M9, fax (403) 294-4965, or such other address as the Bank may notify the Borrower from time to time.

**"Canadian Dollars", "Cdn Dollars", "Cdn\$", "CA\$" and "\$"** mean the lawful money of Canada.

**"Capital Lease"** means, with respect to any Person, any lease or other arrangement relating to real or personal property which should, in accordance with GAAP, be accounted for as a capital lease on a balance sheet of such Person but excluding any lease that would in accordance with GAAP be determined to be an operating lease.

**"Cash Flow"** means, at any time, the annualized cash flow of the Borrower on a consolidated basis for the most recent fiscal quarter as determined from its quarterly financial statements for that fiscal quarter, which for certainty means an annualized aggregate amount expressed in Canadian Dollars of the sum, without duplication, of its:

- (a) net earnings (but excluding from the determination of net earnings, non-cash income, unrealized mark to market gains, Capital Lease payments, any abandonment costs paid in cash, cash taxes and any extraordinary or nonrecurring earnings, gains, and losses);
- (b) depletion, depreciation, accretion and amortization;
- (c) exploration and evaluation expenses to the extent deducted from Net Income;
- (d) future income taxes; and
- (e) other charges to operations not requiring a current cash payment,

it being acknowledged that such annualized cash flow shall be adjusted for such other amounts as reasonably requested by the Bank during such fiscal quarter.

**"Change of Control"** means the occurrence of any of the following events, with respect to any Loan Party:

- (a) any Person or Persons acting jointly or in concert (within the meaning of the Securities Act (Alberta)), shall beneficially, directly or indirectly, hold or exercise control or direction over and/or has the right to acquire or control or exercise direction over (whether such right is exercisable immediately or only after the passage of time) more than 20% of the issued and outstanding Voting Shares of such Loan Party; or
- (b) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of such Loan Party cease, for any reason, to constitute at least a majority of the board of directors of such Loan Party unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period (the "Incumbent Directors") and in particular, any new director who assumes office in connection with or as a result of any actual or threatened proxy or other election contest of the board of directors of the Borrower shall never be an Incumbent Director; or
- (c) such Loan Party ceases to own, control or direct 100% of the Voting Shares of a subsidiary.

**"Compliance Certificate"** means a certificate of an officer of the Borrower signed on its behalf by the president, chief executive officer, chief operating officer, chief financial officer or any vice president of the Borrower, substantially in the form annexed hereto as Appendix B, to be given to the Bank by the Borrower from time to time pursuant to the Offering Letter.

**"Credit Facilities"** means the credit facility(ies) (and the risk management facility) to be made available to the Borrower by the Bank in accordance with the provisions of the Offering Letter.

**"Current Assets"** means, as at any date of determination, the current assets of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding the impact of any Unrealized Hedging Gains.

**"Current Liabilities"** means, as at any date of determination, the current liabilities of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding: (i) Current Portion of Bank Debt; and (ii) the impact of any Unrealized Hedging Losses.

**"Current Portion of Bank Debt"** means any current liabilities under the Credit Facilities other than those that arise due to total advances under a Credit Facility exceeding the maximum amount of such Credit Facility, whether by reduction of maximum amount, fluctuations in exchange rates, or due to mandatory repayments, or due to the occurrence of a Default or an Event of Default, or due to the Bank's demand for repayment.

**"Debt"** means, as at any date of determination, all obligations, liabilities and indebtedness of the Borrower which would, in accordance with generally accepted accounting principles, be classified upon a consolidated balance sheet of the Borrower for such date as indebtedness for borrowed money and, without limiting the generality of the foregoing, whether or not so classified, shall include (without duplication):

- (a) obligations under BAs;
- (b) issued and drawn L/C/Gs;
- (c) obligations under guarantees, indemnities, or such other agreements providing financial assistance;
- (d) Capital Leases or sales/lease-backs;
- (e) obligations under deferred purchase price agreements;
- (f) deferred revenues relating to third party obligations;
- (g) the redemption amount of any capital where the holder of such capital has the option to require the redemption of such capital for cash or property and payment of the redemption amounts;
- (h) any distributions declared but not yet paid; and
- (i) all mark to market losses under any Financial Instruments that are due and owing.

**"Default"** means any event or condition which, with the giving of notice, lapse of time or both, or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default.

**"Face Amount"** means (i) in respect of a BA, the amount payable to the holder thereof on its maturity, and (ii) in respect of a L/C/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C/G.

**"Federal Funds Effective Rate"** means, on any day, the rate of interest per annum for that day set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (the "H.15(519)") opposite the caption "Federal Funds (Effective)" and, if on any day such rate is not yet published in H. 15(519), the rate for such day will be the rate set forth in the Composite 3:30 p.m. Quotations for US Government Securities, or any successor publication, for such day published by the Federal Reserve Board (the "Composite 3:30 p.m. Quotations") under the caption "Federal Funds Effective Rate"; provided that if such rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, such rate will be the average of the interest rates per annum quoted for such day on overnight Federal funds (such words to have the meaning generally given to them by money market brokers of recognized standing doing business in the United States of America) transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank;

**"Financial Instrument"** means any currency swap agreement, cross-currency agreement, interest swap agreement, agreement for the making or taking of delivery of any commodity, commodity swap agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar risk management agreement or arrangement, or any combination thereof, to be entered into by the Borrower where (i) the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt) (ii) the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time, or (iii) the subject matter of the same is any commodity or the price, value or amount payable thereunder is dependent or based upon the price of any commodity or fluctuations in the price of any commodity.

**"Generally Accepted Accounting Principles" or "GAAP"** means generally accepted accounting principles consistently applied which are in effect from time to time, as published in the Handbook of the Canadian Institute of Chartered Accountants and other primary sources recognized from time to time by the Canadian Institute of Chartered Accountants.

**"ISDA Master Agreement"** means an International Swap and Derivatives Association, Inc. Master Agreement (Multi Currency - Cross-Border) as from time to time amended, restated or replaced by the International Swap and Derivatives Association, Inc., including the schedule thereto and any confirmation thereunder as entered into by the Borrower with any counterparty thereto.

**"Material Adverse Effect"** means a material adverse effect on:

- (a) the business, financial condition, operations, assets or capitalization of the Borrower on a consolidated basis and taken as a whole;
- (b) the ability of any Loan Party to pay or perform the obligations under this Offering Letter or the ability of any Loan Party to pay or perform any of its obligations or contingent obligations under any Security or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security;
- (c) the ability of any Loan Party to perform its obligations under any material contract, if it would also have a material adverse effect on the ability of such Loan Party to pay or perform its obligations under this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security;
- (d) the validity or enforceability of this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security; and

- (e) the priority ranking of any security interests granted by this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security, or the rights or remedies intended or purported to be granted to the Bank under or pursuant to this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security.

**"Net Debt"** means at any time, on a consolidated basis, the aggregate amount (without duplication) expressed in Canadian Dollars of (a) Working Capital Deficit plus (b) Debt.

**"Net Debt to Cash Flow Ratio"** means at any time, the ratio of (i) Net Debt to (ii) Cash Flow.

**"Offering Letter"** means the offering letter to which this appendix is appended, and any appendices thereto, as amended, supplemented, modified, restated or replaced from time to time.

**"Permitted Contest"** means action taken by a Loan Party in good faith by the appropriate proceedings diligently pursued to contest a tax, claim or security interest, provided that:

- (a) such Loan Party has established reasonable reserves therefor in accordance with GAAP;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and
- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property, assets or undertaking of any Loan Party.

**"Permitted Encumbrance"** means at any particular time any of the following encumbrances on the property or any part of the property of any Loan Party:

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (b) liens under or pursuant to any judgment rendered, or claim filed, against a Loan Party, which such Loan Party shall be contesting at the time by a Permitted Contest;
- (c) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against any Loan Party or which relate to obligations not due or delinquent, or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (d) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of any Loan Party;
- (e) security given by any Loan Party to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of such Loan Party, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of any Loan Party;
- (f) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;
- (g) security interests in favour of the Bank securing the obligations of any Loan Party under the Offering Letter or the Security;

- (h) the Security;
- (i) liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of petroleum or natural gas interests, related production or processing facilities in which such Person has an interest or the transmission of petroleum or natural gas as security in favour of any other Person conducting the exploration, development, operation or transmission of the property to which such liens relate, for any Loan Party's portion of the costs and expenses of such exploration, development, operation or transmission, provided that such costs or expenses are not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (j) liens for penalties arising under non-participation or independent operations provisions of operating or similar agreements in respect of any Loan Party's petroleum or natural gas interests, provided that such liens do not materially detract from the value of any material part of the property of any Loan Party;
- (k) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the petroleum or natural gas interests of any Loan Party;
- (l) any encumbrance or agreement entered into in the ordinary course of business relating to pooling or a plan of unitization affecting the property of any Loan Party, or any part thereof;
- (m) the right reserved or vested in any municipality or governmental or other public authority by the terms of any petroleum or natural gas leases or similar agreements in which any Loan Party has any interest or by any statutory provision to terminate petroleum or natural gas leases or similar agreements in which any Loan Party has any interest, or to require annual or other periodic payments as a condition of the continuance thereof;
- (n) obligations of any Loan Party to deliver petroleum, natural gas, chemicals, minerals or other products to buyers thereof in the ordinary course of business; and
- (o) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under petroleum or natural gas leases or similar agreements in which any Loan Party has any interest.

**"Person" or "person"** means and includes an individual, a partnership, a corporation, a joint stock company, a trust, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

**"Prime Rate"** means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in Canadian Dollars made by the Bank in Canada; and
- (b) the average annual rate (rounded upwards, if necessary, to 0.01%) as determined by the Bank as being the average of the "BA 1 month" CDOR Rate applicable to bankers' acceptances in Canadian Dollars displayed and identified as such on the "Reuters Screen CDOR Page" (as defined in the International Swap and Derivatives Association, Inc. definitions, as modified and amended from time to time) plus 1.00%; provided that if such rates do not appear on the Reuters Screen CDOR Page as contemplated, then the CDOR Rate on any day shall be calculated as the arithmetic average of the 30-day discount rates applicable to bankers' acceptances in Canadian Dollars quoted by three major Canadian Schedule I chartered banks chosen by the Bank as of approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day.

**"Retractable Preferred Shares"** means preferred shares of the Borrower which are retractable at the option of the holder.

**"Stamping Fee"** means, at any time, a margin, expressed as a rate per annum based on a 365 day period, charged by the Bank for accepting and stamping BAs.

**"Unrealized Hedging Gains"** means mark to market unrealized gains in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

**"Unrealized Hedging Losses"** means mark to market unrealized losses in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

**"U.S. Base Rate"** means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in U.S.\$ made by the Bank in Canada; and
- (b) the Federal Funds Effective Rate in effect from time to time multiplied by 365/366, plus a margin on one half (1/2) of one (1) percent (0.50%).

**"U.S. Dollar"** and the symbol **"U.S.\$"** each means lawful money of the United States of America in same day immediately available funds and, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day payment is due.

**"Voting Shares"** means:

- (a) in respect of a corporation or limited liability company, shares of any class or equity ownership interests of such entity:
  - (i) carrying voting rights in all circumstances; or
  - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;

provided that subparagraph (ii) above shall not include voting rights created solely by statute, such as those rights created pursuant to section 183(4) of the Business Corporations Act (Alberta) as in effect on the date of the Offering Letter;

- (b) in respect of a trust, trust units of the trust:
  - (i) carrying voting rights in all circumstances; or
  - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;
- (c) in respect of a partnership, the partnership interests or partnership units:
  - (i) carrying voting rights in all circumstances; or
  - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and is continuing.

**"Working Capital Deficit"** means Current Liabilities minus Current Assets.





**NATIONAL  
BANK**

**FINANCIAL GROUP**

**VARIABLE RATE  
DEMANDE NOTE**

311 - 6 Avenue SW, Suite 1800  
Calgary, AB T2P 3H2  
Branch address

2012/10/23  
Date (YYYY MM DD)

\$ 500 000,00  
Amount

ON DEMAND, I promise to pay to the order of NATIONAL BANK OF CANADA the sum of Five Hundred Thousand ————00 /100 dollars with interest payable monthly at the Bank's prime rate\* plus 5.00 per cent per annum up to and after maturity, until fully paid, plus minimum charges of \$10, at the above National Bank of Canada branch. The prime rate as at the date of this note is 3.00 per cent per annum.


I acknowledge that value has been received as consideration for this note.

\* **Prime rate:** The annual variable interest rate posted by National Bank of Canada from time to time, which is used to determine the interest rate on loans in Canadian dollars made in Canada.

**EAGLE RANCH RESOURCES LTD.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

THIS IS EXHIBIT "D"  
referred to in the Affidavit of  
Elizabeth Pineda  
Sworn before me this 23  
day of January, A.D. 2015  
  
A COMMISSIONER FOR OATHS  
IN AND FOR THE PROVINCE OF ALBERTA

## DEBENTURE

### EAGLE RANCH RESOURCES LTD.

**Pantelis Kyriakakis**  
*Barrister and Solicitor*

(a body corporate incorporated under the laws of Alberta  
and having its head office in the City of Calgary)

1. EAGLE RANCH RESOURCES LTD. (the "Corporation") acknowledges that it is or may become indebted to the National Bank of Canada (the "Bank") up to the principal amount of TWENTY FIVE MILLION (\$25,000,000.00) DOLLARS (the "Principal Sum") and covenants and agrees to and with the Bank that it will pay to the Bank the Principal Sum in lawful money of Canada, ON DEMAND, and further covenants and agrees with the Bank that it will pay to the Bank interest on the Principal Sum or so much thereof remaining from time to time owing at such rate per annum as is determined by the Bank and specified in such demand promissory notes as may be requested from time to time by the Bank or as may be provided for in agreements made between the Bank and the Corporation from time to time (such rate if not so ascertainable to be equal to the Prime Rate plus 2.5% per annum. "Prime Rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it will use to determine the rates of interest on Canadian dollar loans to customers in Canada and designated as the Prime Rate by the Bank), such interest to be calculated on the portion or portions of the Principal Sum as shall from time to time remain unpaid. All payments of principal and interest are to be made at the 301 – 6<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 4M9 branch of the Bank. Interest payable hereunder shall be payable both before and after maturity and before and after judgment until all monies payable hereunder, with interest as aforesaid, shall have been fully paid and satisfied. All unpaid portions of the Principal Sum, together with all interest accruing thereon and all other monies secured or payable hereunder are hereinafter collectively called the "Indebtedness".
2. NEITHER THE EXECUTION, delivery nor registration of this Debenture nor the advance in part of the Principal Sum hereby secured shall bind the Bank to advance the Principal Sum or any unadvanced portion thereof but nevertheless the lien, charge and security interest hereby created shall take effect forthwith on the execution hereof and shall be a continuous charge notwithstanding that the balance owing hereunder may fluctuate and may have been from time to time and at any time reduced to a nil balance and further notwithstanding that the advance of monies hereunder may be repaid and further advanced, it being understood that such continuous charge shall be security for any balance of any and all of the Indebtedness at any time and from time to time payable under the provisions of this Debenture.

3. THE INDEBTEDNESS shall be paid without regard to any equities between the Corporation and the Bank or any set-off or cross-claims and the receipt of the Bank for the payment of the Indebtedness will be a good discharge to the Corporation in respect thereof.
4. AS SECURITY FOR the due payment of the Indebtedness and the performance of the obligations of the Corporation herein contained:
  - (a) the Corporation mortgages and charges to and in favour of the Bank as and by way of a fixed and specific mortgage, charge and security interest all of its present and after-acquired right, title, estate and interest in and to that property described and referred to from time to time in Schedule "A" hereto, including proceeds thereof, together with any and all accretions and accessions thereto, substitutions therefor and any and all attachments and other property at any time or times placed upon or associated with, or as may be necessary for the effective use and operation of the property described in Schedule "A" hereto and which forms part thereof, all of which, together with any other property subsequently acquired and specifically mortgaged and charged as herein provided for, is hereinafter collectively referred to as the "Specifically Mortgaged Property"; and
  - (b) the Corporation mortgages, charges, grants, bargains, sells and assigns as and by way of a floating charge and grants a security interest, in each case, to and in favour of the Bank in all of its other undertaking, property and assets for the time being, both present and future, of whatsoever nature and kind and wheresoever situate including, without limitation, its uncalled capital and all present and future tolls, incomes, monies, sources of money, rights, powers, privileges, franchises, easements, agreements, books, records, leases, shares, bonds, debentures, book debts, proceeds, accounts receivable and securities and all other property and things of value of every kind and nature, tangible or intangible, legal or equitable, of which the Corporation may be possessed or entitled to now or at any time in the future, together with the Specifically Mortgaged Property if and only to the extent that the same, or any part thereof, is not, for any reason, validly subjected to the mortgage, charge and security interest created pursuant to the immediately preceding sub-clause (a), whether directly by the said sub-clause or by virtue of any other clause hereof. The floating charge and security interest created by this sub-clause shall in no way hinder or prevent the Corporation, until the security hereby constituted shall become enforceable (i) from selling, exchanging, acquiring, trading, leasing, assigning, subleasing or otherwise disposing of or dealing with at any time or from time to time all or any part of its property and assets or any interests therein in the ordinary course of its business and for the purpose of carrying on the same, provided that in doing so the Corporation does not otherwise become in breach or default of this Debenture or any other agreement with the Bank, or (ii) from pledging, assigning or giving security or securities on the subject matter of

such security interest and floating charge to the Bank for present or future debts or liabilities to the Bank.

For all purposes of this Debenture, the words "Mortgaged Property" mean and include all present, after-acquired and future undertakings, property and assets of the Corporation, all as described in subclauses (a) and (b) of this clause 4.

5. THE CORPORATION hereby covenants and agrees that if at any time during the currency of this Debenture it shall acquire any property which is incremental and material to the Specifically Mortgaged Property it shall, forthwith upon such acquisition, give notice thereof to the Bank and the Corporation does hereby further covenant and agree to forthwith execute and deliver such deeds, documents, instruments and assurances as the Bank may require to subject such property to the specific mortgage and charge created by clause 4(a) of this Debenture.
6. THIS DEBENTURE shall also operate as security for the due observance and performance of all obligations of the Corporation under any guarantee made by the Corporation in favour of the Bank whether the same are made prior to, concurrent with or after the date hereof, and for the due payment of all monies that at any time and from time to time become payable by the Corporation to the Bank pursuant to any and all such guarantees.
7. THIS DEBENTURE shall also operate as security for the due satisfaction and discharge by the Corporation of all liability which the Bank incurs under any Bankers' Acceptances which the Corporation issues and which the Bank accepts and as security for all liability incurred by the Bank under all letters of credit which the Bank issues to or for the benefit of the Corporation, as well as security for the due payment to the Bank by the Corporation of:
  - (a) all monies which the Bank pays in respect of such Bankers' Acceptances and letters of credit; and
  - (b) all fees and other charges payable by the Corporation to the Bank in respect of the aforesaid Bankers' Acceptances and letters of credit. For the purposes of this Debenture, "Bankers' Acceptances" shall mean bills of exchange or depository bills under the *Depository Bills and Note Act* (Canada), as applicable, drawn by the Corporation and which are accepted by the Bank.
8. THE CORPORATION represents, warrants and undertakes to and with the Bank that:
  - (a) it is the legal and/or beneficial owner of the Specifically Mortgaged Property;

- (b) it has good right and lawful authority to grant, convey, assign, transfer, mortgage and charge the Mortgaged Property according to the true intent and meaning of this Debenture; and
- (c) the Specifically Mortgaged Property is free and clear of all claims, mortgages, liens, charges or encumbrances of any nature whatsoever other than Permitted Encumbrances, those in favour of the Bank, and those referred to in Schedule "A" hereto, if any.

For purposes of this Debenture "Permitted Encumbrances" means:

- (a) undetermined or inchoate liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Corporation or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not yet due or delinquent;
- (b) liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the joint operation of oil and gas properties or related production or processing facilities as security in favour of any other person conducting the development or operation of the property to which such liens relate, for the Corporation's portion of the costs and expenses of such development or operation, provided such costs or expenses are not due or delinquent;
- (c) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by the Corporation (including, without limitation, rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, do not materially detract from the value of such land or materially impair its use in the operation of the business of the Corporation;
- (d) any lien or trust arising in connection with worker's compensation, unemployment insurance, pension and employment laws or which relate to obligations which are not due or delinquent;
- (e) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired by the Corporation, or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof, but only to the extent that such right has not been exercised and no proceedings or other steps have been taken to exercise such rights;

- (f) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title;
  - (g) public statutory and similar liens arising by operation of law or which relate to obligations which are not due or delinquent;
  - (h) all agreements pursuant to which the Corporation has agreed to (or is committed to) sell, for fair market value, petroleum, natural gas and/or related hydrocarbons from any petroleum, natural gas or related hydrocarbon property to an arm's length purchaser and in the ordinary course of its business;
  - (i) minor defects in title not materially adversely affecting any petroleum, natural gas or related hydrocarbon property;
  - (j) overriding royalty interests, net profit interests, reversionary interests, carried interests and lessor royalties or other similar burdens on production in respect of the Corporation's oil and gas properties that are entered into with or granted to arm's length third parties in the ordinary course of business and in accordance with sound oil and gas industry practice; and
  - (k) "purchase money security interests" as such term is defined by the *Personal Property Security Act* (Alberta) which are not otherwise prohibited or restricted by any other agreement made between the Corporation and the Bank.
9. NOTWITHSTANDING ANYTHING in this Debenture, it is understood and agreed that the mortgage, charges and security interests created hereby shall not extend or apply to the last day of the term of any lease or any agreement therefor but upon the enforcement of this Debenture the Corporation shall stand possessed of such last day in trust to assign the same to any person, firm or corporation acquiring such term.
10. THE CORPORATION SHALL NOT, without the prior express written consent of the Bank, not to be unreasonably withheld:
- (a) incur or assume any secured indebtedness for borrowed money which is secured by other than a Permitted Encumbrance or enter into or assume any capital lease ("capital lease" shall mean any lease of property whether real, personal or mixed), other than any lease under which the Corporation is the lessor, which would, in accordance with generally accepted accounting principles, either be required to be classified and accounted for as a capital lease on a balance sheet of the lessee or otherwise be disclosed as such in a note to such balance sheet;
  - (b) become a guarantor or an endorser of any obligation unless such guarantee or obligation is in favour of the Bank;

- (c) sell, assign, lease, convey, or otherwise dispose of the whole or any part of the Mortgaged Property except as may be expressly permitted pursuant to the provisions of this Debenture and any other written agreement between the Corporation and the Bank;
- (d) except for Permitted Encumbrances, create or assume any mortgage, pledge, charge or other encumbrance of whatsoever nature or kind charging the whole or any part of the Mortgaged Property, whether specifically or by way of floating charge or security interest, ranking or intended to rank in priority to or pari passu with this Debenture;
- (e) suffer or permit any lien or encumbrance not expressly permitted by this Debenture to rank in priority to or pari passu with this Debenture or to arise or exist against the Mortgaged Property or any part thereof, provided that the Corporation may, on furnishing the Bank with security satisfactory to the Bank, take any steps necessary to dispute any claim in respect of which a lien or encumbrance may exist or be claimed against the Corporation's property;
- (f) distribute or reduce all or any part of its capital, retained earnings or surplus (as those terms are defined and are consistent with generally accepted accounting principles) whether by way of dividend (stock or otherwise) redemption of shares, repurchase of shares, loan, encumbrance, liquidation, winding up, dissolution, amalgamation, merger, reorganization or by any other manner whatsoever unless in the sole opinion of the Bank, acting reasonably, such distribution or reduction would not impair the capacity of the Corporation to fulfil and meet its obligations to the Bank;
- (g) merge, amalgamate, consolidate, wind-up, liquidate or effect an arrangement or reconstruction with any person, firm or corporation;
- (h) make loans to or investments in subsidiaries or affiliated corporations outside of the normal course of business;
- (i) sell or dispose of any Mortgaged Property which in the aggregate would exceed \$100,000 in any calendar year inclusive of the sale and leaseback of any facilities owned by the Corporation;
- (j) hedge or contract crude oil, natural gas liquids, or natural gas, on a fixed price basis, exceeding 50% of actual production volumes;
- (k) monetize or settle any fixed price financial hedge or contract;
- (l) allow a change in control of the Corporation; or

- (m) do anything which from time to time the Corporation has under the provisions of any other agreement or instrument with the Bank agreed not to do.

11. THE CORPORATION SHALL:

- (a) furnish to the Bank, within one hundred and twenty (120) calendar days of each fiscal year end of the Corporation, its audited consolidated annual financial statements for the fiscal year just ended;
- (b) furnish to the Bank, within sixty (60) calendar days of the end of each fiscal quarter, unaudited consolidated quarterly financial statements;
- (c) furnish to the Bank, within one hundred and twenty (120) calendar days of each fiscal year end, commencing with the fiscal year-end following the date of this Debenture, an annual independent engineering report prepared by a firm acceptable to the Bank on the oil and gas reserves of the Corporation;
- (d) furnish to the Bank, within sixty (60) days of each month-end, monthly production and revenue reports;
- (e) furnish to the Bank any other information and/or certificates agreed to be furnished by the Corporation and within the timeframe(s) permitted therefore;
- (f) keep proper books of account and records covering all its business and affairs and permit the Bank, at all reasonable times, either by its officers or authorized agents, to enter upon all or any of the premises of the Corporation and to inspect the books, records, inventories and assets of the Corporation, make extracts therefrom and generally conduct such examination of such books, records, inventories and assets as the Bank acting reasonably may seem fit;
- (g) carry on and continuously conduct its business in an efficient manner; maintain, repair and keep in good working order and condition the Mortgaged Property; pay all rents and royalties and observe all covenants reserved by and contained in all leases under which the Corporation holds any property; and operate its oil and gas assets in accordance with good oilfield practises, accepted industry standards and all applicable agreements, regulations and laws;
- (h) maintain adequate and appropriate insurance with insurers of recognized standing covering the Corporation's properties and operations, including insurance for public liability, blow-outs, business interruption, loss of key management (if required by the Bank) and all-risk perils as is customarily maintained by persons engaged in the same or similar business in the localities where its properties and operations are located and at the request



of the Bank assign to the Bank, as a first loss payee, all monies payable in respect of any and all such insurances;

- (i) defend title to the Mortgaged Property against the claims and demands of all persons, firms or corporations whomsoever;
- (j) if requested, provide to the Bank from time to time such information about the Mortgaged Property and the Corporation as the Bank may reasonably request;
- (k) comply with the directions and orders of all regulatory bodies and provisions regarding environmental procedures and controls;
- (l) maintain its corporate existence, pay all taxes and comply with all applicable laws;
- (m) in a timely manner inform the Bank of any event or action which would reasonably be expected to have a material adverse impact on the Borrower's business affairs whether operational, financial or otherwise including without limitation such things as the sale of assets, the granting of guarantees, obtaining funded debt from other lenders or changing the nature of its business as it is now presently being carried on; and
- (n) abide by, observe and perform the terms and covenants of all agreements entered into from time to time with the Bank.

12. THE INDEBTEDNESS SHALL immediately become due and payable, whether with or without prior demand therefor, and the security hereby constituted shall become immediately enforceable:

- (a) if the Corporation makes default in payment when due of any indebtedness or liability to the Bank whether secured hereby or not; or
- (b) if and when the Corporation shall make default in payment of any part of the Indebtedness on the days appointed for payment under this Debenture or, in the case of the Principal Sum, upon demand being made for payment thereof; or
- (c) if and when the Corporation shall in the sole opinion of the Bank acting reasonably commit any material breach or material default of this Debenture, or of any other collateral security held by the Bank, or of any other present or future agreement between the Bank and the Corporation, and, without limiting the generality thereof, any breach or default of the Corporation of its obligations under any and all guarantees of the Corporation in favour of the Bank; or
- (d) if the Corporation shall become in breach or default in the observance or performance of any term, condition, covenant, agreement, representation

or warranty contained in any contract to which the Corporation is a party, including those made between the Corporation and the Bank, or by which it is bound and the breach or default is not remedied within the grace period (if any) set forth in such contract or other agreement pertaining thereto; or

- (e) if any of the Corporation's assets having a collective fair market value of \$100,000 are seized or are taken in execution or attachment by any creditor of the Corporation; if the Corporation commits any act or acts of bankruptcy; if a petition in bankruptcy is filed or presented against the Corporation; if the Corporation makes any assignment for the benefit of its creditors or if the Corporation enters into any arrangement with its creditors; if the Corporation becomes bankrupt or insolvent; if the Corporation is party to any transaction which is or falls within the contemplation of any fraudulent preferences legislation; if proceedings are taken for the dissolution, liquidation or winding-up of the Corporation; if the Corporation ceases or threatens to cease to carry on its business; if the Corporation sells or disposes of all or substantially all of its assets; or if any judgment in excess of \$100,000 against the Corporation shall remain unsatisfied for a period in excess of thirty (30) days;
- (f) if, in the sole opinion of the Bank acting reasonably, a material adverse change occurs in respect of the Corporation, its affiliated corporations, or any of its subsidiaries or in their business, assets or financial condition; or
- (g) if proceedings are taken to enforce any lien, charge or other encumbrance against any of the Mortgaged Property which part of the Mortgaged Property has, in the sole opinion of the Bank acting reasonably, a fair market value greater than \$100,000.

Nothing in this clause or elsewhere in this Debenture shall in any way alter the demand nature of the Indebtedness or any part thereof and the Bank may, if it deems it advisable, in its sole and absolute discretion, demand payment in full of the Indebtedness (and of all other indebtedness and obligations secured hereby) at any time.

13. IF THE SECURITY hereby constituted shall become enforceable pursuant to the terms hereof, the Corporation acknowledges to and agrees with the Bank that the Bank may enter into possession of all or any part of the Mortgaged Property, or the Bank may commence such legal action or other proceedings (including, without limitation, actions or proceedings seeking foreclosure and/or sale and the appointment of a receiver, which term as used in this Debenture includes a receiver-manager) as it in its sole and absolute discretion may deem expedient and realize upon any security granted in favour of the Bank, all without the obligation to marshal its security and without any additional notice, presentation, demand or protest, all of which the Corporation hereby expressly waives. The commencement of any such entry into possession or any such action or

proceedings or any such appointment shall be conclusively deemed to crystallize and fix the security hereby constituted to the extent that the same was not previously so fixed and crystallized. The rights and remedies of the Bank hereunder are cumulative, are in addition to and are not in substitution for any rights or remedies provided by law or contained in any other agreement, instrument, or security heretofore or hereafter granted by the Corporation in favour of the Bank, and any and all such rights or remedies may be exercised independently or concurrently by the Bank.

14. THE BANK MAY, at any time after the security hereby constituted shall have become enforceable, appoint any person, firm or corporation, whether an officer or employee of the Bank or not, to be a receiver of all or any part of the Mortgaged Property and may from time to time remove any receiver so appointed and appoint another in its stead and the Bank shall not in any way be responsible for any misconduct or negligence on the part of any such receiver.
15. A RECEIVER SO APPOINTED shall, for the purposes of responsibility for his acts, be deemed to be the agent of the Corporation and shall (unless limited by applicable legislation) have power:
  - (a) to take possession of, collect and get in all or such part of the Mortgaged Property as he deems fit from time to time and for that purpose take any proceedings in the name of the Corporation or otherwise;
  - (b) to carry on or to concur in the carrying on of the business of the Corporation;
  - (c) to sell or lease or concur in selling or leasing all or any part of the Mortgaged Property by public auction or private contract on such terms as to credit and otherwise and for such price as can be reasonably obtained therefore;
  - (d) to make any arrangement or compromise which the receiver may think expedient;
  - (e) to prosecute and defend all suits, proceedings and actions which the receiver considers necessary or advisable for the proper protection of the Mortgaged Property; and
  - (f) for any one or more of the above purposes to borrow money and grant security for the repayment thereof and all amounts so borrowed, together with interest thereon, shall form a first fixed charge upon the Mortgaged Property in priority to the mortgages and charges hereby created,

and for the purposes aforesaid, the Corporation hereby authorizes a receiver so appointed (and by these presents does so appoint such receiver its true and lawful attorney for and in its name, place and stead) to execute and deliver for and on behalf of the Corporation all such transfers, leases, mortgages, deeds, documents,

instruments and assurances and do and perform all such acts and things as may be necessary or advisable to carry out the powers hereby granted. Further, the receiver shall be vested with such other discretions and powers as may be granted in the instrument of appointment and any supplement thereto. The aforesaid authorization and appointment shall in no way limit, restrict or derogate from, in any manner whatsoever, those powers and authorities which such receiver shall otherwise have and enjoy.

THE NET PROFITS of carrying on the business of the Corporation and the net proceeds of sale of the Mortgaged Property, or any part or parts thereof, shall be applied by the receiver, subject to the claim of all secured and unsecured creditors (if any), ranking in priority to this Debenture:

FIRSTLY: in payment of all costs and expenses of and incidental to the appointment of the receiver and the exercise by him of all or any of the aforesaid powers, including the reasonable remuneration of the receiver and all outgoings properly paid or payable by him;

SECONDLY: in and towards payment to the Bank of the Indebtedness to be applied by the Bank thereto at its discretion to any interest or principal remaining payable or due on or under this Debenture; and

THIRDLY: any surplus shall be paid to the Corporation.

The Bank shall be under no liability to the receiver for his remuneration, costs, charges or expenses.

16. THE BANK MAY (at any time and from time to time) pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the Mortgaged Property, or any part thereof, and all amounts so paid shall be added to the debt hereby secured and the same shall be payable forthwith with interest at the rate provided for herein and all amounts so paid, with interest thereon as aforesaid, shall be charged upon the Mortgaged Property.
17. THE INDEBTEDNESS WILL BE PAID in lawful money of Canada in favour of the Bank payable at Calgary, Alberta, as the same shall become due and payable hereunder.
18.
  - (a) NO POSTPONEMENT or partial release or discharge of the mortgages, charges and security interests created by this Debenture shall in any way operate or be construed to release or discharge the security hereby constituted except as therein specified, or to release or discharge the Corporation from any obligation or liability to the Bank under this Debenture.
  - (b) THE BANK MAY waive any breach or default by the Corporation of any of the provisions contained in this Debenture or any breach or default by the Corporation in the observance or performance of any covenant or

condition required to be observed or performed by the Corporation under the terms of this Debenture; provided that any such waiver shall apply only to the particular breach or default waived and shall not operate as a waiver of any other or future breach or default. Further, no delay or omission upon the part of the Bank to exercise any right or power hereunder shall impair such right or power or be considered to be a waiver of any breach or default or any acquiescence thereunder.

- (c) THE TAKING OF a judgment or judgments by the Bank on any of the covenants herein contained or on any of the covenants contained in any further or associated security documentation taken pursuant hereto shall not operate as a merger of the said covenants nor affect the right of the Bank to interest at the applicable rates and times as aforesaid.
- 19. THE SECURITY hereby created is in addition to and not in substitution for any other security or securities which the Bank may now or from time to time hold or take from the Corporation.
- 20. THE CORPORATION hereby agrees to pay to the Bank, forthwith upon demand, all costs, charges and expenses (including legal fees on a solicitor and his own client basis) which the Bank suffers or incurs in connection with the preparation, execution, delivery, registration, administration, defending and enforcement of this Debenture together with interest thereon at the rate provided for herein from the date the Bank makes demand for payment of such costs, charges and expenses so suffered or incurred.
- 21. ANY AND ALL NOTICES or other communications required or permitted hereunder shall be in writing and shall be:
  - (a) personally served upon an officer or director of the Corporation, or in the case of the Bank upon an Account Manager of the Energy Group at the address for the Bank set forth in sub-clause (b) of this clause; or
  - (b) mailed by prepaid registered letter addressed to the Corporation at 650, 910 – 7<sup>th</sup> Avenue SW, Calgary, Alberta T2P 3N8 and to the Bank at 2700, 530 – 8<sup>th</sup> Avenue SW, Calgary, Alberta T2P 3S8, and any such notice(s) shall be deemed to have been served at the expiration of three (3) days after posting.

THE BANK and/or the Corporation may change their respective addresses for service as set forth in clause 21(b) hereof by giving notice thereof to the other as herein provided for.

- 22. THIS DEBENTURE has been issued in accordance with resolutions of the directors of the Corporation and all other matters and things have been done and performed so as to authorize and make the creation and issue of this Debenture and its execution and delivery legal and valid in accordance with the laws of

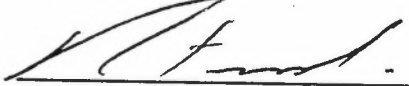
Alberta and is given as security for the due payment of the Indebtedness and the guarantees, Bankers' Acceptances and letters of credit hereinbefore referred to.

23. THE CORPORATION shall execute and deliver to the Bank such further and other deeds, documents, instruments and assurances and do or cause to be done all such other acts and things as may be required by the Bank from time to time to give full force and effect to this Debenture and the mortgages and charges created hereby.
24. THIS DEBENTURE shall enure to the benefit of and shall be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF the Corporation has caused its corporate seal to be hereunto affixed, attested by the signature of its proper officer duly authorized in that behalf, this 22 day of ~~June~~, 2006.

*July*

**EAGLE RANCH RESOURCES LTD.**

Per:  c/s  
Russ Feschuk  
President and Secretary

## **SCHEDULE "A"**

### **Specifically Mortgaged Property**

The Specifically Mortgaged Property referred to in clause 4(a) to the Debenture of Eagle Ranch Resources Ltd. (the "Corporation") to the National Bank of Canada to which this Schedule "A" forms part consists of all of the present and after-acquired right, title and interest of the Corporation in and to:

- (a) all petroleum, natural gas and related hydrocarbons or minerals in place or in storage within, upon or under the lands from time to time set forth in Exhibit "1" hereunto annexed (as the same may be amended, supplemented or replaced from time to time) and made part of this Schedule "A" (the interest of the undersigned therein being represented to be not less than that set forth in Exhibit "1"); and
- (b) all rights, licences, agreements, leases and permits now owned or hereafter acquired by the undersigned to obtain and remove such hydrocarbons or minerals and to enter upon and use any lands from or on which such hydrocarbons or minerals are or may be extracted, mined or produced; and
- (c) all the estate or interest of the undersigned in or to any of the said hydrocarbons or minerals, rights, licences, permits and lands; and
- (d) all the right, title and interest of the undersigned in the casing and equipment used or to be used in extracting, mining or producing or seeking to extract, mine or produce and storing any of such hydrocarbons or minerals;

and in particular, but without limitation, the rights and interest of the undersigned referred to in Exhibit "1" hereto.

**EXHIBIT "1" to SCHEDULE "A"**

**AGREEMENT**

**LANDS**

**INTEREST**

(This Exhibit "1" shall include and consist of such interests and rights of Eagle Ranch Resources Ltd. as may from time to time be pledged by it to the National Bank of Canada pursuant to that Negative Pledge and Undertaking dated the same date as the Debenture to which this Exhibit "1" forms part together with such other interests and rights of Eagle Ranch Resources Ltd. as it and the National Bank of Canada may by agreement from time to time add hereto).





**NATIONAL  
BANK**  
FINANCIAL GROUP

THIS IS EXHIBIT " E " referred to in the Affidavit of Elizabeth Pineda

Sworn before me this 23 day of January, 2015

**ACKNOWLEDGEMENT OF DEBT  
REVOLVING DEMAND CREDIT**

[Signature]  
A COMMISSIONER FOR OATHS

IN AND FOR THE PROVINCE OF ALBERTA

In consideration of the National Bank of Canada (hereinafter called the "Bank") and Dimitrios Kyriakakis (hereinafter called the "Customer") with a revolving demand loan facility (hereinafter called the "Loan Facility") in the aggregate principal amount not exceeding \$ 1,700,000.00 --- One Million Seven Hundred Thousand --- dollars (CDN) the Customer agrees with the Bank as follows:

# **1. TERM OF CREDIT**

The Customer promises to pay to the Bank, on demand, all amounts outstanding under this Loan Facility including, without limitation, principal, interest, fees and accessories.

# **2. INTEREST RATE**

## **2.1 Advances in CDN\$**

Advances in CDN\$ shall bear interest, until payment in full, at the Canadian Prime Rate of the Bank plus one and one-half (1.50%) per cent, calculated daily and payable monthly, with a minimum charge of \$ 10.00.  
At the date hereof the Canadian Prime Rate of the Bank is three (3.00%) per cent per annum.

# **3. FINANCING CONDITIONS**

**3.1** The Customer authorizes the Bank, but the Bank is not obliged, to debit from time to time his Account with the amount of interest accrued and unpaid by the Customer.

**3.2** Provided that the Bank has not demanded payment of any amount outstanding under this Loan Facility, or has not terminated this Agreement, the Customer may, at the Bank's discretion, borrow, repay and reborrow up to the amount available under this Loan Facility at any time and from time to time in the following manner:

**3.2.1** The Customer authorizes the Bank, daily or otherwise as and when determined by the Bank from time to time, to ascertain the position or net position (as the case may be) between the Customer and the Bank in respect to the deposit account or, if more than one, the deposit accounts maintained by the Customer with the Bank (herein called the "Account") and that

**3.2.1.1** if such position or net position is a credit in favour of the Customer, the Bank may apply the amount of such credit or any part thereof, rounded to the nearest \$ 25,000.00 as a repayment of the Loan Facility, and the Bank will debit the Account with the amount of such repayment; and

**3.2.1.2** if such position or net position is a debit in favour of the Bank, the Bank will make an advance under the Loan Facility of such amount, rounded to the nearest \$ 25,000.00 as is required to place the Account in such credit or net credit position as has been agreed between the Customer and the Bank from time to time, and the Bank may increase the unpaid balance owing under the Loan Facility, and credit the Account with the amount of such advance;

provided that at no time shall the balance owing exceed the amount of the Loan Facility.

**3.3** The Customer agrees to maintain an average monthly minimum credit balance in the Account, which may include compensating balances to cover service charges, reserves and debit float. Such balance shall be the amount agreed to in writing between the Customer and the Bank from time to time.

**3.4** The Bank shall maintain on the books of its unit of account, accounts, and records evidencing the outstanding principal amount of the loan of the Bank to the Customer under this Loan Facility together with any interest in respect thereof. The Bank shall maintain a record or computerized data of the amount of the balance, each advance, and each payment of principal and interest on account of the loan. The Bank's accounts and records constitute in the absence of manifest error prima facie evidence of the indebtedness of the Customer to the Bank under this Loan Facility.

# **6. INTERPRETATION**

## **6.1 Definitions**

For the purposes hereof, the following words and phrases shall have the following meaning:

**6.2 Conversion to U.S. or Canadian dollars**

Each time an amount in Canadian dollars must be converted or expressed in U.S. dollars, or the equivalent in U.S. dollars (or inversely) must be determined, such calculation shall be made, on the appropriate date, in accordance with the cash purchase rate of the Bank at about 10:30 a.m.

**6.3 Other Agreements**

The Customer acknowledges that the terms of this agreement are in addition to and not in substitution for any terms and conditions of any other agreements between the Customer and the Bank.

**7. GENERAL TERMS AND CONDITIONS OF REPAYMENT**

**7.1 Currency and place of payment**

All amounts due by the Customer under the terms hereof shall be paid by the Customer to the Bank in Canadian dollars in the case of a financing granted in Canadian dollars, or in U.S. dollars in the case of a financing granted in U.S. dollars.

Should the amount of principal of the debt owing to the Bank exceed the credit limit effectively granted hereunder, the Customer shall reimburse the Bank, on demand, an amount equal to such excess amount.

**7.2 Judgment rendered in a currency other than the currency in which the financing granted was due**

Should a judgment be obtained against the Customer for an amount owed by it, in a currency other than the one in which the said amount was owing hereunder, the Customer shall pay the Bank, as applicable, on the judgment payment date, such additional amount as is equal to the excess of the amount that was due hereunder and converted into the other currency, on the judgement payment date, with respect to the judgement amount. The exchange rate applicable for the purposes of obtaining the judgment and for calculating said conversion shall be the rate at which the Bank is able, on the appropriate date, in Montreal to sell the currency applicable to this agreement to purchase the other currency.

Any additional amount owing under this clause shall be due as a separate debt from that which gave rise to the judgment, which judgment shall not constitute res judicata.

**8. LANGUAGE**

The Customer has expressly requested that this document be drawn up and executed in the English language.

EXECUTED AT CALGARY THIS 18 DAY OF AUG. 2011

NATIONAL BANK OF CANADA

SIGNATURE (Bank)

Kevin W. Striemer  
Director  
Energy Group

EAGLE RANCH RESOURCES LTD.

SIGNATURE (Customer)

SIGNATURE (Customer)

THIS IS EXHIBIT " F "

referred to in the Affidavit of

Elizabeth Pineda

Sworn before me this 23

day of January A.D. 2015

PLEDGE

COMMISSIONER FOR OATHS  
IN AND FOR THE PROVINCE OF ALBERTA

**Pantelis Kyriakakis**  
*Barriester and Solicitor*

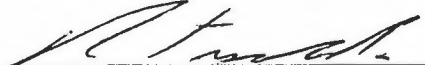
WHEREAS EAGLE RANCH RESOURCES LTD. (the "Corporation"), a company incorporated under the laws of the Province of Alberta, has executed a demand fixed and floating charge debenture dated as of the date of this Pledge payable to the NATIONAL BANK OF CANADA ("the Bank") in the principal amount of TWENTY FIVE MILLION (\$25,000,000.00) DOLLARS (such debenture as amended, supplemented or restated is hereinafter referred to as the "Debenture"), the Corporation, in consideration of advances made or to be made by the Bank to the Corporation, hereby covenants and agrees with the Bank as follows:

1. The Debenture is hereby assigned, transferred, pledged and hypothecated to and in favour of the Bank as general and continuing collateral security for the payment and fulfilment of all debts, liabilities and obligations, present and future, direct or indirect, matured or not, of the Corporation to the Bank of whatsoever nature and kind and whether arising from any agreement, guarantee or other dealings between the Bank and the Corporation, or from any agreement or dealings between the Bank and any third party by which the Bank may be or become in any manner whatsoever a creditor of the Corporation, or howsoever otherwise arising, and whether the Corporation be bound alone or with another or others and whether as principal or surety, including without limitation, any indebtedness or liability pursuant to any promissory notes granted from time to time in connection therewith (collectively, the "Obligations").
2. In the event of any default in payment of any part of the monies secured under the Debenture, or in the observance or performance of any other obligation of the undersigned to the Bank, including those contained in the Debenture, the Bank may at any time during the continuance of any such default realize upon the Debenture by sale, transfer or delivery, or exercise and enforce all the rights and remedies of a holder of the Debenture as if the Bank were absolute owner thereof, without notice to, or control by the undersigned, and any such remedy may be exercised separately or in combination and shall be in addition to and not in substitution for any other rights of the Bank however created, provided that the Bank shall not be bound to exercise any such right or remedy.
3. The records of the Bank as to payment of the debts, liabilities and obligations being in default or of any demand in payment having been made will be prima facie evidence of such default or demand.
4. The Bank may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Corporation and all other parties and securities as the Bank may see fit, all without prejudice to the debts, liabilities and obligations of the Corporation under the Debenture, or the Bank's rights in respect of the Debenture and the security thereby and hereby constituted.

5. The proceeds of the Debenture may be applied by the Bank on account of such part of the Corporation's indebtedness as it chooses without prejudice to the Bank's claim upon the Corporation for any deficiency.
6. Payment by the Corporation to the Bank of interest for any period in respect of the debts, liabilities and obligations of the Corporation to the Bank shall be deemed to be payment in full satisfaction of any interest payment for the same period provided for under the terms of the Debenture.
7. During the currency of the Debenture and so long as the Debenture is held as continuing security the Corporation will duly observe and perform all its covenants and agreements in favour of the Bank contained in the Debenture.
8. The Debenture, and the security hereby constituted, are in addition to and not in substitution for any other security now or hereafter held by the Bank, and shall not operate as a merger of any simple contract debt or suspend the fulfilment of, or affect the rights, remedies or powers of the Bank in respect of any present or future debts, liabilities or obligations of the Corporation to the Bank or any securities now or hereafter held by the Bank for the payment or fulfilment thereof, and no judgment recovered by the Bank shall operate by way of merger or in any way affect the security of the Debenture.
9. If there are any express conflicts or inconsistencies between the terms of the Obligations and the Debenture or this Pledge, then the terms of the Obligations shall govern in all respects to the extent necessary to eliminate such express conflicts or inconsistencies. Notwithstanding the Principal Sum of the Debenture and the interest rate provided therein on such Principal Sum, the obligations secured by the pledge hereof to the Bank pursuant hereto shall not exceed the amount of the Obligations.
10. This agreement shall be binding upon the Corporation and its successors and assigns and shall enure to the benefit of the Bank and its successors and assigns.

IN WITNESS WHEREOF the Corporation has caused its corporate seal to be hereunto affixed, attested by the signature of its proper officer duly authorized in that behalf, this 11 day of ~~June~~ *July*, 2006.

**EAGLE RANCH RESOURCES LTD.**

Per:  c/s  
Russ Feschuk  
President and Secretary

THIS IS EXHIBIT "G"  
referred to in the Affidavit of  
Elizabeth Pineda  
Sworn before me this 23  
day of January, A.D. 2015

## NEGATIVE PLEDGE AND UNDERTAKING

WHEREAS EAGLE RANCH RESOURCES LTD. (the "Corporation") has accepted that offer of finance from the National Bank of Canada (the "Bank") dated June 9, 2006 (the "Offering Letter") wherein among other things, the Corporation, at the request of the Bank agreed to grant to it by way of security for the Corporation's present and future indebtedness and liability to the Bank from time to time, an undertaking not to dispose of, and at the Bank's request provide fixed charge security over, its main producing oil and gas properties (the "Major Interests");

AND WHEREAS the Corporation as part of the security granted to the Bank for its present and future indebtedness and liability to the Bank has granted to the Bank a \$25,000,000 fixed and floating charge demand debenture dated the same date as this Negative Pledge and Undertaking (the "Debenture");

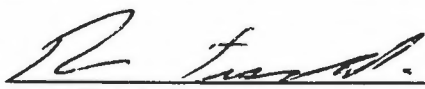
NOW THEREFORE in consideration of the Bank agreeing to make advances to the Corporation from time to time under the Offering Letter (as the same may be amended, replaced or restated from time to time), the Corporation does hereby represent, covenant and agree with the Bank as follows:

1. At the date hereof the Major Interests of the Corporation consist of those oil and gas properties and interests of the Corporation set out and described in Schedule "B" hereto.
2. The Corporation represents and warrants to the Bank it is the legal and beneficial owner of the Major Interests and that the Major Interests are free and clear of all claims, mortgages, liens, charges or encumbrances of any nature or kind whatsoever other than Permitted Encumbrances (as defined in Schedule "A" hereto), those in favour of the Bank and those referred to in Schedule "B" hereto.
3. From time to time the Corporation shall, at the request of the Bank and in a timely manner, provide to it a current list and description as to what it or the Bank considers to then be the significant oil and gas properties and interests of the Corporation (the "Additional Interests"), such description to at least include the information contemplated by Schedule "B" hereto.
4. So long as the Corporation is indebted to the Bank, or the Bank is obligated to make credit available to the Corporation, the Corporation undertakes that, except as otherwise provided for in the Offering Letter and in the Debenture, it shall not, without the prior written consent of the Bank, sell, transfer, convey, mortgage, charge, encumber or in any manner dispose of all or any part of its right, title, estate or interest in and to the Major Interests or the Additional Interests, it being the intention that the Major Interests and Additional Interests are intended to secure the Corporation's present and future indebtedness and liability to the Bank as if the same were expressly subject to a specific fixed lien, charge and security interest in favour of the Bank whether pursuant to the fixed charge of a debenture, the Debenture, S.426 *Bank Act* Security or otherwise.

5. At the written request of the Bank the Corporation shall grant to the Bank a fixed mortgage, lien, charge and security interest in and to all or any of the Major Interests or Additional Interests, the nature of such fixed charge to be determined by the Bank but which, without limitation, shall permit the Bank to add the same to Exhibit "1" to Schedule "A" to the Debenture in which event such Major Interests and Additional Interests shall without more form part of the Specifically Mortgaged Property of the Debenture and shall be subject to all of the terms and conditions thereof as if the same had been so included in Exhibit "1" to Schedule "A" of the Debenture at the time it was executed and delivered to the Bank.
6. In the event of any conflicts between the terms hereof and those of any other agreements made between the Bank and the Corporation from time to time which pertain to the Major Interests or the Additional Interests, those contained herein shall govern and prevail unless the Bank and the Corporation otherwise agree in writing.
7. This Negative Pledge and Undertaking shall be binding upon the Corporation and its successors and assigns and shall enure to the benefit of the Bank and its successors and assigns.

IN WITNESS WHEREOF the Corporation has caused its corporate seal to be hereunto affixed, attested by the signature of its proper officer duly authorized in that behalf, this 22<sup>nd</sup> day of ~~June~~ July, 2006.

**EAGLE RANCH RESOURCES LTD.**

Per:  c/s  
Russ Feschuk  
President and Secretary

## SCHEDULE "A" TO NEGATIVE PLEDGE AND UNDERTAKING

"Permitted Encumbrances" means:

- (a) undetermined or inchoate liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Corporation or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not yet due or delinquent;
- (b) liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the joint operation of oil and gas properties or related production or processing facilities as security in favour of any other person conducting the development or operation of the property to which such liens relate, for the Corporation's portion of the costs and expenses of such development or operation, provided such costs or expenses are not due or delinquent;
- (c) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by the Corporation (including, without limitation, rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, do not materially detract from the value of such land or materially impair its use in the operation of the business of the Corporation;
- (d) any lien or trust arising in connection with worker's compensation, unemployment insurance, pension and employment laws or which relate to obligations which are not due or delinquent;
- (e) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise grant or permit acquired by the Corporation, or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof, but only to the extent that such right has not been exercised and no proceedings or other steps have been taken to exercise such rights;
- (f) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title;
- (g) public statutory and similar liens arising by operation of law or which relate to obligations which are not due or delinquent;

- (h) all agreements pursuant to which the Corporation has agreed to (or is committed to) sell, for fair market value, petroleum, natural gas and/or related hydrocarbons from any petroleum, natural gas or related hydrocarbon property to an arm's length purchaser and in the ordinary course of its business;
- (i) minor defects in title not materially adversely affecting any petroleum, natural gas or related hydrocarbon property; and
- (j) overriding royalty interests, net profit interests, reversionary interests, carried interests and lessor royalties or other similar burdens on production in respect of the Corporation's oil and gas properties that are entered into with or granted to arm's length third parties in the ordinary course of business and in accordance with sound oil and gas industry practice.



## **SCHEDULE "B" TO NEGATIVE PLEDGE AND UNDERTAKING**

Note:

**"Eagle"** means "Eagle Ranch Resources Ltd."

**"WI"** means "Working Interest"

Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-060		
Lse: PNG	Lease: JUL-14-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: JUL-14-2005	Nel \$: 582.40
	Expiry: JUL-14-2010	Date: JUL-14
	Acquir: JUL-14-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.00000000%	Calg: W4M
		Cr. No: 0405070096
		Aca: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net		Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /	416.000

**M-078**

Lse: PNG	Lease: APR-18-2002	Gross\$: 896.00	
Fh/Cr: CR	Effect: APR-18-2002	Net\$: 582.40	
	Expiry: APR-18-2007	Date: APR-18	
	Acquir: MAR-01-2005	Freq: ANNUAL	
	Termin:	Payor: REAL	Catg: W4M
	Min.Int: 100.00000000%	Cr. No: 0402040272	Acq: FARM-IN

<u>LESSOR</u>	<u>Rental %</u>	<u>Rental \$</u>
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net		Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	640.000 /	416.000	UnDevel:	0.000 /	0.000
Prod: (A)	640.000 /	416.000	NonProd:	0.000 /	0.000

### WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP  
Extension: AMI: N ROER: N

## PARTNERS

<u>EAGLE</u>	<u>65.0000000</u>
	<u>100.0000000</u>

## LANDS / RIGHTS / WELLS

TWP 23-RGE 6-W4M 11 NP  
PNG from BASE of MEDICINE HAT SD to BASEMENT

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION: NONCONV

## M-079

Lse: PNG	Lease: APR-18-2002	Gross\$: 896.00	
Fh/Cr: CR	Effect: APR-18-2002	Net \$: 349.44	
	Expiry: APR-18-2007	Date: APR-18	
	Acqir: MAR-01-2005	Freq: ANNUAL	
	Termin:	Payor: REAL	Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0402040269	Acq: FARM-IN

<u>LESSOR</u>	<u>Rental %</u>	<u>Rental \$</u>
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES			Gross / Net		
	Gross /	Net		Gross /	Net
Total: (A)	640.000 /	249.600	Expose:	640.000	
Devel: (A)	640.000 /	249.600	UnDevel:	0.000 /	0.000
Prod: (A)	640.000 /	249.600	NonProd:	0.000 /	0.000

## Split: A

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: P  
Extension: AM: N ROER: N

SECTION 5      SECTION 5

<u>PARTNERS</u>	>8-5 TWSU BPO<	8-5 TWSU APO
EAGLE	65.0000000	39.0000000
	100.0000000	100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.000000	WI OWNERS	100.000000		ON 100.0000% PRODUCTION;
GOR		REAL	100.000000	ELKWATER	35.000000		S/S: 1/24.0000 (5.0000 - 12.0000%) OIL; 12.0000% GAS; ON
				EAGLE	65.000000		100.0000% PRODUCTION; CONV
							CONVERTS TO A 40% W.I. IN SECTION 5 TWSU APO
							DEDUCT: 0.0000%, DEDUCTIONS SAME AS CROWN

## Split: A

Splil: A   Status: ACTIVE   Operator: ELKWATER   Int.: WI   Prod.: P  
Extension:                                  AMI: N   ROFR: N

SEC 31 (BAL  
OF EARNING B

<u>PARTNERS</u>	<u>&gt;LOCK&lt;</u>
EAGLE	39.0000000
	<u>100.0000000</u>

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.000000	WI OWNERS	100.000000		ON 100.000% PRODUCTION:

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ELKWATER RESOURCES LTD.

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User: FAYE

JV PROPERTY REPORT  
Prov.: AB Area: BINDLOSS  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES		DATES	RENTAL INFO		WORKING INTERESTS				LANDS / RIGHTS / WELLS			
ACREAGES(Gross/Net):			TOTAL AREA		DEVELOPED		UNDEVELOPED		PRODUCING		NON-PRODUCING	
(A)			1,920.000 /	1,081.600	1,280.000 /	665.600	640.000 /	416.000	1,280.000 /	665.600	640.000 /	416.000

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ELKWATER RESOURCES LTD.

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User FAYE

JV PROPERTY REPORT  
Prov.: AB Area: CEREAL  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-043		
Lse: PNG	Lease: APR-07-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: APR-07-2005	Net \$: 582.40
	Expiry: APR-07-2010	Date: APR-07
	Acquir: APR-07-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.00000000%	Cr. No: 0405040062
		Calg: W4M
		Acq: CROWN SALE

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP  
Extension: AMI: N ROFR: N

LANDS / RIGHTS / WELLS

TWP 28-RGE 9-W4M 5 NP  
PNG from BASE of VIKING to BASEMENT

PARTNERS	><
EAGLE	65.00000000
	100.00000000

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

ACREAGES	Gross /	Net		Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /	416.000

ACREAGES(Gross/Net):	TOTAL AREA		DEVELOPED		UNDEVELOPED		PRODUCING		NON-PRODUCING	
(A)	640.000 /	416.000	0.000 /	0.000	640.000 /	416.000	0.000 /	0.000	640.000 /	416.000

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ELKWATER RESOURCES LTD.

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User: FAYE

JV PROPERTY REPORT  
Prov.: AB Area: DEER  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-004		
Lse: PNG	Lease: OCT-28-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: OCT-28-2004	Net \$: 582.40
	Expiry: OCT-28-2009	Date: OCT-28
	Acquir: OCT-27-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0404100333 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

WORKING INTERESTS	LANDS / RIGHTS / WELLS
Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP	TWP 25-RGE 6-W4M 7 NP
Extension:	AM: N ROFR: N
	PNG from BASE of BELLY RIVER to BASEMENT

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

M-025		
Lse: PNG	Lease: FEB-10-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: FEB-10-2005	Net \$: 582.40
	Expiry: FEB-10-2010	Date: FEB-10
	Acquir: FEB-09-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405020030 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP	TWP 25-RGE 7-W4M 1 NP
Extension:	AM: N ROFR: N
	PNG from BASE of BELLY RIVER to BASEMENT

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

M-026		
Lse: PNG	Lease: FEB-10-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: FEB-10-2005	Net \$: 582.40
	Expiry: FEB-10-2010	Date: FEB-10
	Acquir: FEB-09-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405020032 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP	TWP 25-RGE 7-W4M 24 NP
Extension:	AM: N ROFR: N
	ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

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ELKWATER RESOURCES LTD.

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JV PROPERTY REPORT  
Prov.: AB Area: DEER  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-051		
Lse: PNG	Lease: MAY-19-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAY-19-2005	Net \$: 582.40
	Expiry: MAY-19-2010	Date: MAY-19
	Acquir: MAY-19-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Intl: 100.00000000%	Cr. No: 0405050428 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose: 640.000	
Devel: (A)	0.000 /	0.000	UnDevel: 640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd: 640.000 /	416.000

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP  
Extension: AMI: N ROFR: N

LANDS / RIGHTS / WELLS

TWP 24-RGE 6-W4M 36 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

M-075		
Lse: PNG	Lease: NOV-03-2005	Gross\$: 2,688.00
Fh/Cr: CR	Effect: NOV-03-2005	Net \$: 1,747.20
	Expiry: NOV-03-2010	Date: NOV-03
	Acquir: NOV-02-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Intl: 100.00000000%	Cr. No: 0405110046 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	2,688.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	1,920.000 /	1,248.000	Expose: 1,920.000	
Devel: (A)	0.000 /	0.000	UnDevel: 1,920.000 /	1,248.000
Prod: (A)	0.000 /	0.000	NonProd: 1,920.000 /	1,248.000

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP  
Extension: AMI: N ROFR: N

TWP 25-RGE 6-W4M 30 NP  
TWP 25-RGE 7-W4M 25, 36 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

ACREAGES(Gross/Net):	TOTAL AREA	DEVELOPED	UNDEVELOPED	PRODUCING	NON-PRODUCING
(A)	4,480.000 / 2,912.000	0.000 / 0.000	4,480.000 / 2,912.000	0.000 / 0.000	4,480.000 / 2,912.000

JV PROPERTY REPORT  
Prov.: AB Area: EMPRESS NORTH  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO			
M-002					
Lse: PNG	Lease: JAN-09-2003	Gross\$:	896.00		
Fh/Cr: CR	Effect: JAN-09-2003	Net \$:	582.40		
	Expiry: JAN-09-2008	Date:	JAN-09		
	Acquir: DEC-31-2004	Freq:	ANNUAL		
	Termin:	Payor: ELKWATER	Calg: W4M		
	Min.InL: 100.0000000%	Cr. No: 0403010069	Acq:		
LESSOR		Rental %	Rental \$		
ALBERTA DEPARTMENT OF ENERGY		100.0000000	896.00		
ACREAGES	Gross /	Net	Gross /	Net	
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /	416.000

WORKING INTERESTS						LANDS / RIGHTS / WELLS	
Split: A	Status: ACTIVE	Operator: ELKWATER	Int.: WI	Prod.: NP		TWP 24-RGE 2-W4M 4 NP	
	Extension:		AMI: N	ROFR: N		ALL PNG	

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-003					
Lse: PNG	Lease: JAN-09-2003	Gross\$:	896.00		
Fh/Cr: CR	Effect: JAN-09-2003	Net \$:	582.40		
	Expiry: JAN-09-2008	Date:	JAN-09		
	Acquir: DEC-31-2004	Freq:	ANNUAL		
	Termin:	Payor: ELKWATER	Calg: W4M		
	Min.InL: 100.0000000%	Cr. No: 0403010071	Acq:		
LESSOR		Rental %	Rental \$		
ALBERTA DEPARTMENT OF ENERGY		100.0000000	896.00		
ACREAGES	Gross /	Net	Gross /	Net	
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /	416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int.: WI	Prod.: NP		TWP 24-RGE 2-W4M 24 NP	
	Extension:		AMI: N	ROFR: N		ALL PNG	

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-067					
Lse: PNG	Lease: JAN-09-2003	Gross\$:	896.00		
Fh/Cr: CR	Effect: JAN-09-2003	Net \$:	582.40		
	Expiry: JAN-09-2008	Date:	JAN-09		
	Acquir: AUG-01-2005	Freq:	ANNUAL		
	Termin:	Payor: ELKWATER	Calg: W4M		
	Min.InL: 100.0000000%	Cr. No: 0403010068	Acq: PURCHASE		
LESSOR		Rental %	Rental \$		
ALBERTA DEPARTMENT OF ENERGY		100.0000000	896.00		
ACREAGES	Gross /	Net	Gross /	Net	
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /	416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int.: WI	Prod.: NP		TWP 24-RGE 2-W4M 3 NP	
	Extension:		AMI: N	ROFR: N		ALL PNG	

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

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ELKWATER RESOURCES LTD.

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JV PROPERTY REPORT  
Prov.: AB Area: EMPRESS NORTH  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-068		
Lse: PNG	Lease: JAN-09-2003	Gross\$: 896.00
Fw/Cr: CR	Effect: JAN-09-2003	Net \$: 582.40
	Expiry: JAN-09-2008	Date: JAN-09
	Acquir: AUG-01-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0403010072 Acq: PURCHASE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net		Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /	416.000

M-086		
Lse: PNG	Lease: APR-06-2006	Gross\$: 896.00
Fw/Cr: CR	Effect: APR-06-2006	Net \$: 582.40
	Expiry: APR-06-2011	Date: APR-06
	Acquir: APR-06-2006	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0406040019 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net		Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /	416.000

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

LANDS / RIGHTS / WELLS

TWP 24-RGE 2-W4M 25 NP  
ALL PNG

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N TWP 24-RGE 2-W4M 13 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

ACREAGES(Gross/Net):	TOTAL AREA	DEVELOPED	UNDEVELOPED	PRODUCING	NON-PRODUCING
(A)	3,200.000 / 2,080.000	0.000 / 0.000	3,200.000 / 2,080.000	0.000 / 0.000	3,200.000 / 2,080.000



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ELKWATER RESOURCES LTD.

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JV PROPERTY REPORT  
Prov.: AB Area: EMPRESS SOUTH  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES		DATES		RENTAL INFO	
M-001					
Lse: PNG	Lease: OCT-03-2002	Gross\$: 896.00			
Fh/Cr: CR	Effect: OCT-03-2002	Net \$: 582.40			
	Expiry: OCT-03-2007	Date: OCT-03			
	Acquir: DEC-31-2004	Freq: ANNUAL			
	Termin:	Payor: ELKWATER	Calg: W4M		
	Min.Int: 100.00000000%	Cr. No: 0402100040	Acq.:		
LESSOR		Rental %	Rental \$		
ALBERTA DEPARTMENT OF ENERGY		100.00000000	896.00		
ACREAGES	Gross /	Net	Gross /	Net	
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /	416.000

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP  
Extension: AMI: N ROFR: N

LANDS / RIGHTS / WELLS

TWP 21-RGE 2-W4M 35 NP  
PNG from BASE of MEDICINE HAT SD to BASEMENT  
102/08-35-021-02-W4/00

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

M-019					
Lse: PNG	Lease: MAR-07-2002	Gross\$: 896.00			
Fh/Cr: CR	Effect: MAR-07-2002	Net \$: 582.40			
	Expiry: MAR-07-2007	Date: MAR-07			
	Acquir: DEC-16-2004	Freq: ANNUAL			
Termin:	Payor: ELKWATER	Calg: W4M			
Min.Int: 100.00000000%	Cr. No: 0402030064	Acq.:			
<u>LESSOR</u>		<u>Rental %</u>	<u>Rental \$</u>		
ALBERTA DEPARTMENT OF ENERGY		100.00000000	896.00		
<u>ACREAGES</u>	<u>Gross /</u>	<u>Net</u>	<u>Gross /</u>	<u>Net</u>	
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /	416.000

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP  
Extension: AMI: N ROFR: N

TWP 21-RGE 2-W4M 36 NP  
PNG from BASE of MEDICINE HAT SD to BASEMENT

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.
GOR	5.0000	REAL	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV. DEDUCTIONS SAME AS CROWN.

ACREAGES(Gross/Net):	TOTAL AREA	DEVELOPED	UNDEVELOPED	PRODUCING	NON-PRODUCING
(A)	1,280.000 / 832.000	0.000 / 0.000	1,280.000 / 832.000	0.000 / 0.000	1,280.000 / 832.000

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ELKWATER RESOURCES LTD.

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JV PROPERTY REPORT  
Prov.: AB Area: ENCHANT  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-050		
Lse: PNG	Lease: APR-21-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: APR-21-2005	Net \$: 582.40
	Expiry: APR-21-2010	Date: APR-21
	Acquir: APR-21-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.00000000%	Cr. No: 0405040372
		Calg: W4M
		Acq: CROWN SALE

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP  
Extension: AMI: N ROFR: N

LANDS / RIGHTS / WELLS

TWP 12-RGE 17-W4M 2 NP  
PNG from BASE of BOW ISLAND to BASEMENT

PARTNERS

	><
EAGLE	65.0000000
	100.0000000

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

ACREAGES	Gross /	Net		Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /	416.000

ACREAGES(Gross/Net):	TOTAL AREA	DEVELOPED	UNDEVELOPED	PRODUCING	NON-PRODUCING
(A)	640.000 / 416.000	0.000 / 0.000	640.000 / 416.000	0.000 / 0.000	640.000 / 416.000

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ELKWATER RESOURCES LTD.

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JV PROPERTY REPORT  
Prov.: AB Area: GRAINSDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-034		
Lse: PNG	Lease: MAR-10-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAR-10-2005	Net \$: 582.40
	Expiry: MAR-10-2010	Date: MAR-10
	Acquir: MAR-09-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0405030081 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

WORKING INTERESTS

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
	Extension:		AMI: ROFR:	

LANDS / RIGHTS / WELLS

TWP 25-RGE 1-W4M 22 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-037		
Lse: PNG	Lease: MAR-24-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAR-24-2005	Net \$: 582.40
	Expiry: MAR-24-2010	Date: MAR-24
	Acquir: MAR-24-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0405030726 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
	Extension:		AMI: N	ROFR: N

TWP 25-RGE 1-W4M 3 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-038		
Lse: PNG	Lease: MAR-24-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAR-24-2005	Net \$: 582.40
	Expiry: MAR-24-2010	Date: MAR-24
	Acquir: MAR-24-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0405030727 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
	Extension:		AMI: N	ROFR: N

TWP 25-RGE 1-W4M 5 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

JV PROPERTY REPORT  
Prov.: AB Area: GRAINDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-039		
Lse: PNG	Lease: MAR-24-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAR-24-2005	Net \$: 582.40
	Expiry: MAR-24-2010	Date: MAR-24
	Acquir: MAR-24-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Catg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405030729 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

WORKING INTERESTS

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
Extension:			AMI: N	ROFR: N

LANDS / RIGHTS / WELLS

TWP 25-RGE 1-W4M 15 NP
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

M-040		
Lse: PNG	Lease: MAR-24-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAR-24-2005	Net \$: 582.40
	Expiry: MAR-24-2010	Date: MAR-24
	Acquir: MAR-24-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Catg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405030730 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
Extension:			AMI: N	ROFR: N

TWP 25-RGE 2-W4M 27 NP
PNG from BASE of VIKING to BASEMENT

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

M-052		
Lse: PNG	Lease: MAY-19-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAY-19-2005	Net \$: 582.40
	Expiry: MAY-19-2010	Date: MAY-19
	Acquir: MAY-19-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Catg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405050429 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
Extension:			AMI: N	ROFR: N

TWP 25-RGE 1-W4M 4 NP
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

ELKWATER RESOURCES LTD.

JV PROPERTY REPORT  
Prov.: AB Area: GRAINSDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-053		
Lse: PNG	Lease: MAY-19-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAY-19-2005	Net \$: 582.40
	Expiry: MAY-19-2010	Date: MAY-19
	Acqir: MAY-19-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405050430 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N

LANDS / RIGHTS / WELLS

TWP 25-RGE 1-W4M 23 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

M-054		
Lse: PNG	Lease: MAY-19-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAY-19-2005	Net \$: 582.40
	Expiry: MAY-19-2010	Date: MAY-19
	Acqir: MAY-19-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405050431 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N

TWP 25-RGE 1-W4M 34 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

M-061		
Lse: PNG	Lease: JUL-14-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: JUL-14-2005	Net \$: 582.40
	Expiry: JUL-14-2010	Date: JUL-14
	Acqir: JUL-14-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405070098 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N

TWP 25-RGE 1-W4M 6 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

JV PROPERTY REPORT  
Prov.: AB Area: GRAINDALE  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-062		
Lse: PNG	Lease: JUL-14-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: JUL-14-2005	Net \$: 582.40
	Expiry: JUL-14-2010	Date: JUL-14
	Acquir: JUL-14-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405070099 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

WORKING INTERESTS	LANDS / RIGHTS / WELLS
Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod: NP	TWP 25-RGE 1-W4M 14 NP
Extension:	ALL PNG
AMI: N ROFR: N	

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

M-063		
Lse: PNG	Lease: JUL-14-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: JUL-14-2005	Net \$: 582.40
	Expiry: JUL-14-2010	Date: JUL-14
	Acquir: JUL-14-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405070104 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod: NP	TWP 25-RGE 7-W4M 18 NP
Extension:	ALL PNG
AMI: N ROFR: N	

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

M-069		
Lse: PNG	Lease: SEP-08-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: SEP-08-2005	Net \$: 582.40
	Expiry: SEP-08-2010	Date: SEP-08
	Acquir: SEP-07-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405090028 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod: NP	TWP 25-RGE 1-W4M 1 NP
Extension:	ALL PNG
AMI: N ROFR: N	

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

ELKWATER RESOURCES LTD.

JV PROPERTY REPORT  
Prov.: AB Area: GRAINSDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-070		
Lsa: PNG	Lease: SEP-08-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: SEP-08-2005	Net \$: 582.40
	Expiry: SEP-08-2010	Date: SEP-08
	Acquir: SEP-07-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.0000000%	Cr. No: 0405090029
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /

WORKING INTERESTS

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
Extension:			AMI: N	ROFR: N

LANDS / RIGHTS / WELLS

TWP 25-RGE 1-W4M 9 NP
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-071		
Lsa: PNG	Lease: SEP-08-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: SEP-08-2005	Net \$: 582.40
	Expiry: SEP-08-2010	Date: SEP-08
	Acquir: SEP-07-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.0000000%	Cr. No: 0405090030
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
Extension:			AMI: N	ROFR: N

TWP 25-RGE 1-W4M 29 NP
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-080		
Lsa: PNG	Lease: DEC-15-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: DEC-15-2005	Net \$: 582.40
	Expiry: DEC-15-2010	Date: DEC-15
	Acquir: DEC-15-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.0000000%	Cr. No: 0405120390
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
Extension:			AMI: N	ROFR: N

TWP 25-RGE 1-W4M 11 NP
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

ELKWATER RESOURCES LTD.

JV PROPERTY REPORT  
Prov.: AB Area: GRAINSDALE  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-081		
Lse: PNG	Lease: DEC-15-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: DEC-15-2005	Net \$: 582.40
	Expiry: DEC-15-2010	Date: DEC-15
	Acquir: DEC-15-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Intl: 100.0000000%	Cr. No: 0405120391
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /
				416.000

WORKING INTERESTS

Split: A	Status: ACTIVE	Operator: ELKWATER	Int.: WI	Prod.: NP	LANDS / RIGHTS / WELLS
Extension:			AMI: N	ROFR: N	TWP 25-RGE 1-W4M 21 NP
					ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-082		
Lse: PNG	Lease: DEC-15-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: DEC-15-2005	Net \$: 582.40
	Expiry: DEC-15-2010	Date: DEC-15
	Acquir: DEC-15-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Intl: 100.0000000%	Cr. No: 0405120392
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /
				416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int.: WI	Prod.: NP	TWP 25-RGE 2-W4M 1 NP
Extension:			AMI: N	ROFR: N	ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-084		
Lse: PNG	Lease: JAN-12-2006	Gross\$: 896.00
Fh/Cr: CR	Effect: JAN-12-2006	Net \$: 582.40
	Expiry: JAN-12-2011	Date: JAN-12
	Acquir: JAN-12-2006	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Intl: 100.0000000%	Cr. No: 0406010056
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /
				416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int.: WI	Prod.: NP	TWP 25-RGE 1-W4M 24 NP
Extension:			AMI: N	ROFR: N	ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.



JV PROPERTY REPORT  
Prov.: AB Area: GRAINDALE  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-087		
Lse: PNG	Lease: APR-06-2006	Gross\$: 896.00
Fh/Cr: CR	Effect: APR-06-2006	Net \$: 582.40
	Expiry: APR-06-2011	Date: APR-06
	Acquir: APR-06-2006	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.0000000%	Cr. No: 0406040021
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

WORKING INTERESTS

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
Extension:			AMI: N	ROFR: N

LANDS / RIGHTS / WELLS

TWP 25-RGE 1-W4M 2 NP  
ALL PNG

PARTNERS	><
EAGLE	65.0000000
	100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-088

Lse: PNG	Lease: APR-06-2006	Gross\$: 896.00
Fh/Cr: CR	Effect: APR-06-2006	Net \$: 582.40
	Expiry: APR-06-2011	Date: APR-06
	Acquir: APR-06-2006	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.0000000%	Cr. No: 0406040022
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
Extension:			AMI: N	ROFR: N

TWP 25-RGE 1-W4M 12 NP  
ALL PNG

PARTNERS	><
EAGLE	65.0000000
	100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

ACREAGES(Gross/Net):	TOTAL AREA	DEVELOPED	UNDEVELOPED	PRODUCING	NON-PRODUCING
(A)	12,800.000 / 8,320.000	0.000 / 0.000	12,800.000 / 8,320.000	0.000 / 0.000	12,800.000 / 8,320.000

ELKWATER RESOURCES LTD.

JV PROPERTY REPORT  
Prov.: AB Area: HEATHDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-005		
Lse: PNG	Lease: AUG-05-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: AUG-05-2004	Net \$: 582.40
	Expiry: AUG-05-2009	Date: AUG-05
	Acquir: AUG-04-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.0000000%	Cr. No: 0404080030
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /
				416.000

WORKING INTERESTS

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
Extension:			AMI: N	ROFR: N

LANDS / RIGHTS / WELLS

TWP 25-RGE 8-W4M 14 NP
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-013

Lse: PNG	Lease: AUG-19-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: AUG-19-2004	Net \$: 582.40
	Expiry: AUG-19-2009	Date: AUG-19
	Acquir: AUG-18-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.0000000%	Cr. No: 0404080411
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /
				416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
Extension:			AMI: N	ROFR: N

TWP 27-RGE 9-W4M 27 NP
PNG to BASE of VIKING
100/10-27-027-09-W4/00 (GAS)

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-018

Lse: PNG	Lease: DEC-16-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: DEC-16-2004	Net \$: 582.40
	Expiry: DEC-16-2009	Date: DEC-16
	Acquir: DEC-15-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.0000000%	Cr. No: 0404120388
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /
				416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
Extension:			AMI: N	ROFR: N

TWP 26-RGE 8-W4M 15 NP
PNG from BASE of BELLY RIVER to BASEMENT

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

ELKWATER RESOURCES LTD.

JV PROPERTY REPORT  
Prov.: AB Area: HEATHDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-035		
Lse: PNG	Lease: MAR-10-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAR-10-2005	Net \$: 582.40
	Expiry: MAR-10-2010	Date: MAR-10
	Acquir: MAR-09-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405030082 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

WORKING INTERESTS

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
	Extension:		AMI: ROFR:	

LANDS / RIGHTS / WELLS

TWP 25-RGE 7-W4M 19 NP  
PNG from BASE of ZWS to BASEMENT  
100/06-19-025-07-W4/00

PARTNERS	><
EAGLE	65.00000000 100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-036		
Lse: PNG	Lease: MAR-10-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAR-10-2005	Net \$: 582.40
	Expiry: MAR-10-2010	Date: MAR-10
	Acquir: MAR-09-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405030084 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
	Extension:		AMI: ROFR:	

TWP 25-RGE 9-W4M 3 NP  
PNG from BASE of MEDICINE HAT SD to BASEMENT

PARTNERS	><
EAGLE	65.00000000 100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-094		
Lse: PNG	Lease: APR-13-1995	Gross\$: 896.00
Fh/Cr: CR	Effect: APR-13-1995	Net \$: 145.60
	Expiry: APR-13-2000	Date: APR-13
	Acquir:	Freq: ANNUAL
	Termin:	Payor: TERRA Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0495040033 Acq: FARM-IN

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	104.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 104.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 104.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
	Extension: SEC 15 DEC-31-9999		AMI: N	ROFR: N

TWP 27-RGE 8-W4M 22 NP  
PNG to BASE of MANNVILLE

PARTNERS	SELECTED BLO
EAGLE	>CK< 16.25000000 100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

JUN-20-2006  
10:02:10

ELKWATER RESOURCES LTD.

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User: FAYE

JV PROPERTY REPORT  
Prov.: AB Area: HEATHDALE  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-095		
Lse: PNG	Lease: AUG-19-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: AUG-19-2004	Net \$: 582.40
	Expiry: AUG-19-2009	Date: AUG-19
	Acqir:	Freq: ANNUAL
	Termin:	Payor: TERRA
	Min.Int: 100.0000000%	Cr. No: 0404080412
		Calg: W4M
		Acq.: FARM-IN

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net		Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000	
Devel: (A)	640.000 /	416.000	UnDevel:	0.000 /	0.000
Prod: (A)	640.000 /	416.000	NonProd:	0.000 /	0.000

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: P  
Extension: AMI: N ROFR: N

LANDS / RIGHTS / WELLS

TWP 27-RGE 9-W4M 27 P  
PNG from BASE of VIKING to BASE of BANFF  
100/10-27-027-09-W4/00 (GAS)

	10-27 WELL B	10-27 WELL A
PARTNERS	>PO<	PO
EAGLE	65.00000000	39.00000000
	100.00000000	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.
GOR		TERRA	100.0000000	ELKWATER	35.0000000		S/S: 1/23.8365 (5.0000 - 12.5000%) OIL; 12.5000% GAS; ON
				EAGLE	65.0000000		100.0000% PRODUCTION; CONV
							DEDUCT: 0.0000%, SAME AS CROWN, NOT TO EXCEED 50%

ACREAGES(Gross/Net):	TOTAL AREA	DEVELOPED	UNDEVELOPED	PRODUCING	NON-PRODUCING
(A)	4,480.000 / 2,600.000	640.000 / 416.000	3,840.000 / 2,184.000	640.000 / 416.000	3,840.000 / 2,184.000

JUN-20-2006  
10:02:10

ELKWATER RESOURCES LTD.

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User: FAYE

JV PROPERTY REPORT  
Prov.: AB Area: HELMSDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-007		
Lse: PNG	Lease: OCT-14-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: OCT-14-2004	Net \$: 582.40
	Expiry: OCT-14-2009	Date: OCT-14
	Acquir: OCT-13-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0404100036 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N

LANDS / RIGHTS / WELLS

TWP 26-RGE 5-W4M 2 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-008		
Lse: PNG	Lease: AUG-05-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: AUG-05-2004	Net \$: 582.40
	Expiry: AUG-05-2009	Date: AUG-05
	Acquir: AUG-04-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0404080042 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N TWP 26-RGE 5-W4M 22 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-009		
Lse: PNG	Lease: AUG-05-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: AUG-05-2004	Net \$: 582.40
	Expiry: AUG-05-2009	Date: AUG-05
	Acquir: AUG-04-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0404080043 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N TWP 26-RGE 5-W4M 27 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

JUN-20-2006  
10:02:10

ELKWATER RESOURCES LTD.

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User: FAYE

JV PROPERTY REPORT  
Prov.: AB Area: HELMSDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-010		
Lse: PNG	Lease: NOV-18-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: NOV-18-2004	Net \$: 582.40
	Expiry: NOV-18-2009	Date: NOV-18
	Acquir: NOV-17-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.0000000%	Cr. No: 0404110053
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /

WORKING INTERESTS

Split:	A	Status:	ACTIVE	Operator:	ELKWATER	Int: WI	Prod: NP
Extension:						AMI: N	ROFR: N

LANDS / RIGHTS / WELLS

TWP 26-RGE 5-W4M 36 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-015		
Lse: PNG	Lease: DEC-16-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: DEC-16-2004	Net \$: 582.40
	Expiry: DEC-16-2009	Date: DEC-16
	Acquir: DEC-15-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.0000000%	Cr. No: 0404120384
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /

Split:	A	Status:	ACTIVE	Operator:	ELKWATER	Int: WI	Prod: NP
Extension:						AMI: N	ROFR: N

TWP 26-RGE 4-W4M 19 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-016		
Lse: PNG	Lease: DEC-02-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: DEC-02-2004	Net \$: 582.40
	Expiry: DEC-02-2009	Date: DEC-02
	Acquir: DEC-01-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Int: 100.0000000%	Cr. No: 0404120015
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /

Split:	A	Status:	ACTIVE	Operator:	ELKWATER	Int: WI	Prod: NP
Extension:						AMI: N	ROFR: N

TWP 26-RGE 5-W4M 28 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

## ELKWATER RESOURCES LTD.

JV PROPERTY REPORT  
Prov.: AB Area: HELMSDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-017		
Lse: PNG	Lease: DEC-16-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: DEC-16-2004	Net \$: 582.40
	Expiry: DEC-16-2009	Date: DEC-16
	Acquir: DEC-15-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0404120387 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

## WORKING INTERESTS

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP	LANDS / RIGHTS / WELLS
Extension:			AMI: N	ROFR: N	TWP 26-RGE 5-W4M 29 NP
					ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-020		
Lse: PNG	Lease: JAN-13-2005	Gross\$: 224.00
Fh/Cr: CR	Effect: JAN-13-2005	Net \$: 145.60
	Expiry: JAN-13-2010	Date: JAN-13
	Acquir: JAN-12-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0405010053 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	224.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	160.000 /	104.000	Expose:	160.000
Devel: (A)	0.000 /	0.000	UnDevel:	160.000 / 104.000
Prod: (A)	0.000 /	0.000	NonProd:	160.000 / 104.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP	TWP 27-RGE 6-W4M SW20 NP
Extension:			AMI: N	ROFR: N	ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-021		
Lse: PNG	Lease: JAN-13-2005	Gross\$: 224.00
Fh/Cr: CR	Effect: JAN-13-2005	Net \$: 145.60
	Expiry: JAN-13-2010	Date: JAN-13
	Acquir: JAN-12-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0405010054 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	224.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	160.000 /	104.000	Expose:	160.000
Devel: (A)	0.000 /	0.000	UnDevel:	160.000 / 104.000
Prod: (A)	0.000 /	0.000	NonProd:	160.000 / 104.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP	TWP 27-RGE 6-W4M SW32 NP
Extension:			AMI: N	ROFR: N	ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

JV PROPERTY REPORT  
Prov.: AB Area: HELMSDALE  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
<b>M-022</b>		
Lse: PNG	Lease: FEB-10-2000	Gross\$: 896.00
Fh/Cr: CR	Effect: FEB-10-2000	Net \$: 492.80
	Expiry: DEC-31-9999	Date: FEB-10
	Acquir: DEC-05-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0400020036 Acq: FARM-IN
<b>LESSOR</b>		<b>Rental % Rental \$</b>
ALBERTA DEPARTMENT OF ENERGY		100.0000000 896.00
<b>ACREAGES</b>	<b>Gross / Net</b>	<b>Gross / Net</b>
Total: (A)	640.000 / 352.000	Expose: 640.000
Devel: (A)	640.000 / 352.000	UnDevel: 0.000 / 0.000
Prod: (A)	640.000 / 352.000	NonProd: 0.000 / 0.000

**WORKING INTERESTS**

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: P  
Extension: SEC 15 DEC-31-9999 AMI: N ROFR: N

**LANDS / RIGHTS / WELLS**  
TWP 26-RGE 5-W4M 4 P  
PNG to BASE of MANNVILLE  
100/08-04-026-05-W4/00

<b>8-4 TEST WEL</b>	
<b>PARTNERS</b>	<b>&gt;L&lt;</b>
EAGLE	55.0000000
	100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
GOR	5.0000	CONOCO	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV. DEDUCT: 0.0000%, NO DEDUCTIONS ALLOWED ON THIS ROYALTY

<b>M-024</b>		
Lse: PNG	Lease: FEB-10-2000	Gross\$: 896.00
Fh/Cr: CR	Effect: FEB-10-2000	Net \$: 560.00
	Expiry: DEC-31-9999	Date: FEB-10
	Acquir: DEC-05-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0400020038 Acq: FARM-IN
<b>LESSOR</b>		<b>Rental % Rental \$</b>
ALBERTA DEPARTMENT OF ENERGY		100.0000000 896.00
<b>ACREAGES</b>	<b>Gross / Net</b>	<b>Gross / Net</b>
Total: (A)	640.000 / 400.000	Expose: 640.000
Devel: (A)	640.000 / 400.000	UnDevel: 0.000 / 0.000
Prod: (A)	640.000 / 400.000	NonProd: 0.000 / 0.000

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP  
Extension: SEC 15 DEC-31-9999 AMI: N ROFR: N

TWP 26-RGE 5-W4M 10 NP  
PNG to BASE of MANNVILLE  
100/14-10-026-05-W4/00

<b>BAL OF FO LA</b>	
<b>PARTNERS</b>	<b>&gt;NDS&lt;</b>
EAGLE	62.5000000
	100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
GOR	5.0000	CONOCO	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV. DEDUCT: 0.0000%, NO DEDUCTIONS ALLOWED ON THIS ROYALTY

<b>M-027</b>		
Lse: PNG	Lease: FEB-10-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: FEB-10-2005	Net \$: 582.40
	Expiry: FEB-10-2010	Date: FEB-10
	Acquir: FEB-09-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.0000000%	Cr. No: 0405020037 Acq: CROWN SALE
<b>LESSOR</b>		<b>Rental % Rental \$</b>
ALBERTA DEPARTMENT OF ENERGY		100.0000000 896.00
<b>ACREAGES</b>	<b>Gross / Net</b>	<b>Gross / Net</b>
Total: (A)	640.000 / 416.000	Expose: 640.000
Devel: (A)	0.000 / 0.000	UnDevel: 640.000 / 416.000
Prod: (A)	0.000 / 0.000	NonProd: 640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP  
Extension: AMI: N ROFR: N

TWP 26-RGE 5-W4M 3 NP  
ALL PNG  
100/08-03-026-05-W4/00

<b>PARTNERS</b>	<b>&gt;&lt;</b>
EAGLE	65.0000000
	100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.



**JV PROPERTY REPORT**  
Prov.: AB Area: HELMSDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

**TYPES DATES RENTAL INFO**  
**M-029**  
Lse: PNG Lease: FEB-10-2005 Gross\$: 896.00  
Fh/Cr: CR Effect: FEB-10-2005 Net \$: 582.40  
Expiry: FEB-10-2010 Date: FEB-10  
Acquir: FEB-09-2005 Freq: ANNUAL  
Termin: Payor: ELKWATER Calg: W4M  
Min.Int: 100.0000000% Cr. No: 0405020040 Acq: CROWN SALE

**LESSOR**  
ALBERTA DEPARTMENT OF ENERGY  
Rental % 100.0000000 Rental \$ 896.00

**ACREAGES**  
Total: (A) 640.000 / 416.000 Expose: 640.000  
Devel: (A) 0.000 / 0.000 UnDevel: 640.000 / 416.000  
Prod: (A) 0.000 / 0.000 NonProd: 640.000 / 416.000

**WORKING INTERESTS**  
Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N  
LANDS / RIGHTS / WELLS  
TWP 27-RGE 6-W4M 4 NP  
ALL PNG

**PARTNERS**  
EAGLE ><  
65.0000000  
100.0000000

**ROYALTY All-Prod% Paid-To Paid-To-% Paid-By Paid-By-% TIK Royalty Description**  
CSS CSS AB ENERGY 100.0000000 WI OWNERS 100.0000000 ON 100.0000% PRODUCTION; NONCONV.

**M-041**  
Lse: PNG Lease: MAR-24-2005 Gross\$: 896.00  
Fh/Cr: CR Effect: MAR-24-2005 Net \$: 582.40  
Expiry: MAR-24-2010 Date: MAR-24  
Acquir: MAR-24-2005 Freq: ANNUAL  
Termin: Payor: ELKWATER Calg: W4M  
Min.Int: 100.0000000% Cr. No: 0405030740 Acq: CROWN SALE

**LESSOR**  
ALBERTA DEPARTMENT OF ENERGY  
Rental % 100.0000000 Rental \$ 896.00

**ACREAGES**  
Total: (A) 640.000 / 416.000 Expose: 640.000  
Devel: (A) 0.000 / 0.000 UnDevel: 640.000 / 416.000  
Prod: (A) 0.000 / 0.000 NonProd: 640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N  
TWP 27-RGE 5-W4M 34 NP  
ALL PNG

**PARTNERS**  
EAGLE ><  
65.0000000  
100.0000000

**ROYALTY All-Prod% Paid-To Paid-To-% Paid-By Paid-By-% TIK Royalty Description**  
CSS CSS AB ENERGY 100.0000000 WI OWNERS 100.0000000 ON 100.0000% PRODUCTION; NONCONV.

**M-042**  
Lse: PNG Lease: MAR-24-2005 Gross\$: 896.00  
Fh/Cr: CR Effect: MAR-24-2005 Net \$: 582.40  
Expiry: MAR-24-2010 Date: MAR-24  
Acquir: MAR-24-2005 Freq: ANNUAL  
Termin: Payor: ELKWATER Calg: W4M  
Min.Int: 100.0000000% Cr. No: 0405030743 Acq: CROWN SALE

**LESSOR**  
ALBERTA DEPARTMENT OF ENERGY  
Rental % 100.0000000 Rental \$ 896.00

**ACREAGES**  
Total: (A) 640.000 / 416.000 Expose: 640.000  
Devel: (A) 0.000 / 0.000 UnDevel: 640.000 / 416.000  
Prod: (A) 0.000 / 0.000 NonProd: 640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N  
TWP 28-RGE 5-W4M 3 NP  
ALL PNG

**PARTNERS**  
EAGLE ><  
65.0000000  
100.0000000

**ROYALTY All-Prod% Paid-To Paid-To-% Paid-By Paid-By-% TIK Royalty Description**  
CSS CSS AB ENERGY 100.0000000 WI OWNERS 100.0000000 ON 100.0000% PRODUCTION; NONCONV.

ELKWATER RESOURCES LTD.

JV PROPERTY REPORT  
Prov.: AB Area: HELMSDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-055		
Lse: PNG	Lease: MAY-19-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: MAY-19-2005	Net \$: 582.40
	Expiry: MAY-19-2010	Date: MAY-19
	Acquir: MAY-19-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Catg: W4M
	Min.Int: 100.0000000%	Cr. No: 0405050432 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

WORKING INTERESTS

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP	LANDS / RIGHTS / WELLS
Extension:			AMI: N	ROFR: N	TWP 25-RGE 5-W4M 6 NP ALL PNG

PARTNERS	><
EAGLE	65.00000000 100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-056		
Lse: PNG	Lease: MAY-19-2005	Gross\$: 672.00
Fh/Cr: CR	Effect: MAY-19-2005	Net \$: 436.80
	Expiry: MAY-19-2010	Date: MAY-19
	Acquir: MAY-19-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Catg: W4M
	Min.Int: 100.0000000%	Cr. No: 0405050438 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	672.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	480.000 /	312.000	Expose:	480.000
Devel: (A)	0.000 /	0.000	UnDevel:	480.000 / 312.000
Prod: (A)	0.000 /	0.000	NonProd:	480.000 / 312.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP	TWP 27-RGE 6-W4M N20, SE20 NP
Extension:			AMI: N	ROFR: N	ALL PNG

PARTNERS	><
EAGLE	65.00000000 100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-057		
Lse: PNG	Lease: MAY-19-2005	Gross\$: 672.00
Fh/Cr: CR	Effect: MAY-19-2005	Net \$: 436.80
	Expiry: MAY-19-2010	Date: MAY-19
	Acquir: MAY-19-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Catg: W4M
	Min.Int: 100.0000000%	Cr. No: 0405050439 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	672.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	480.000 /	312.000	Expose:	480.000
Devel: (A)	0.000 /	0.000	UnDevel:	480.000 / 312.000
Prod: (A)	0.000 /	0.000	NonProd:	480.000 / 312.000

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP	TWP 27-RGE 6-W4M S22, NE22 NP
Extension:			AMI: N	ROFR: N	ALL PNG

PARTNERS	><
EAGLE	65.00000000 100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

JV PROPERTY REPORT  
Prov.: AB Area: HELMSDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-058		
Lse: PNG	Lease: JUN-30-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: JUN-30-2005	Net \$: 582.40
	Expiry: JUN-30-2010	Date: JUN-30
	Acquir: JUN-29-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405060686 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

## WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N

## LANDS / RIGHTS / WELLS

TWP 26-RGE 5-W4M 30 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-059		
Lse: PNG	Lease: JUN-30-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: JUN-30-2005	Net \$: 582.40
	Expiry: JUN-30-2010	Date: JUN-30
	Acquir: JUN-29-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405060688 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: NTWP 27-RGE 5-W4M 16 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-064		
Lse: PNG	Lease: JUL-14-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: JUL-14-2005	Net \$: 582.40
	Expiry: JUL-14-2010	Date: JUL-14
	Acquir: JUL-14-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0405070106 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: NTWP 28-RGE 5-W4M 13 NP  
ALL PNG excluding NG from TOP of VIKING to BASE of VIKING

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

**JV PROPERTY REPORT**  
Prov.: AB Area: HELMSDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-065		
Lse: PNG	Lease: JUL-14-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: JUL-14-2005	Net \$: 582.40
	Expiry: JUL-14-2010	Date: JUL-14
	Acquir: JUL-14-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Intl: 100.0000000%	Cr. No: 0405070107
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

WORKING INTERESTS	LANDS / RIGHTS / WELLS
Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP	TWP 28-RGE 5-W4M E14 NP
Extension:	AMI: N ROFR: N
	TWP 28-RGE 5-W4M W14 NP

PARTNERS	><
EAGLE	65.0000000
	100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-066		
Lse: PNG	Lease: AUG-11-2005	Gross\$: 448.00
Fh/Cr: CR	Effect: AUG-11-2005	Net \$: 291.20
	Expiry: AUG-11-2010	Date: AUG-11
	Acquir: AUG-10-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Intl: 100.0000000%	Cr. No: 0405080050
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	448.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	320.000 /	208.000	Expose:	320.000
Devel: (A)	0.000 /	0.000	UnDevel:	320.000 / 208.000
Prod: (A)	0.000 /	0.000	NonProd:	320.000 / 208.000

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP	TWP 27-RGE 6-W4M SW28, NE28 NP
Extension:	AMI: N ROFR: N
	ALL PNG

PARTNERS	><
EAGLE	65.0000000
	100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

M-072		
Lse: PNG	Lease: SEP-08-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: SEP-08-2005	Net \$: 582.40
	Expiry: SEP-08-2010	Date: SEP-08
	Acquir: SEP-07-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Intl: 100.0000000%	Cr. No: 0405090035
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP	TWP 27-RGE 6-W4M 19 NP
Extension:	AMI: N ROFR: N
	ALL PNG

PARTNERS	><
EAGLE	65.0000000
	100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

JV PROPERTY REPORT  
Prov.: AB Area: HELMSDALE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-073		
Lse: PNG	Lease: SEP-22-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: SEP-22-2005	Net \$: 582.40
	Expiry: SEP-22-2010	Date: SEP-22
	Acquir: SEP-22-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int.: 100.00000000%	Cr. No: 0405090355 Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

## WORKING INTERESTS

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
	Extension:		AMI: N	ROFR: N

## LANDS / RIGHTS / WELLS

TWP 27-RGE 4-W4M 9 NP
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

## M-074

Lse: PNG	Lease: OCT-20-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: OCT-20-2005	Net \$: 582.40
	Expiry: OCT-20-2010	Date: OCT-20
	Acquir: OCT-19-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int.: 100.00000000%	Cr. No: 0405100401 Acq: CROWN SALE

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
	Extension:		AMI: N	ROFR: N

TWP 28-RGE 5-W4M 5 NP
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

## M-083

Lse: PNG	Lease: DEC-15-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: DEC-15-2005	Net \$: 582.40
	Expiry: DEC-15-2010	Date: DEC-15
	Acquir: DEC-15-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int.: 100.00000000%	Cr. No: 0405120394 Acq: CROWN SALE

Split: A	Status: ACTIVE	Operator: ELKWATER	Int: WI	Prod: NP
	Extension:		AMI: N	ROFR: N

TWP 25-RGE 5-W4M 16 NP
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 / 416.000
Prod: (A)	0.000 /	0.000	NonProd:	640.000 / 416.000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

JUN-20-2006  
10:02:11

ELKWATER RESOURCES LTD.

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User: FAYE

JV PROPERTY REPORT  
Prov.: AB Area: HELMSDALE  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES		DATES	RENTAL INFO		WORKING INTERESTS				LANDS / RIGHTS / WELLS			
ACREAGES(Gross/Net):			TOTAL AREA		DEVELOPED		UNDEVELOPED		PRODUCING		NON-PRODUCING	
(A)			15,680.000 /	10,112.000	1,280.000 /	752.000	14,400.000 /	9,360.000	1,280.000 /	752.000	14,400.000 /	9,360.000

JV PROPERTY REPORT  
Prov.: AB Area: LANFINE  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-076		
Lse: PNG	Lease: NOV-16-2000	Gross\$: 896.00
Fh/Cr: CR	Effect: NOV-16-2000	Net \$: 582.40
	Expiry: MAY-18-2006	Date: NOV-16
	Acquir: OCT-05-2005	Freq: ANNUAL
	Termin:	Payor: BERENS
	Min.IntL: 100.0000000%	Cr. No: 0400110341
		Calg: W4M
		Acq: FARM-IN
LESSOR		
ALBERTA DEPARTMENT OF ENERGY	Rental %	Rental \$
	100.0000000	896.00
ACREAGES	Gross /	Net
Total: (A)	640.000 /	416.000
Devel: (A)	640.000 /	416.000
Prod: (A)	640.000 /	416.000
	Expose:	Gross /
	UnDevel:	0.000 /
	NonProd:	0.000 /

## WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: P  
Extension: SEC 16 MAY-18-2006 AMI: N ROFR: N

## LANDS / RIGHTS / WELLS

TWP 25-RGE 5-W4M 29 P  
ALL PNG  
100/01-29-025-05-W4/00

## EARNED BY 1-

PARTNERS >29<  
EAGLE 65.0000000  
100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
GOR	5.0000	BERENS	100.0000000	WI OWNERS	100.0000000		NONCONV. THIS ROYALTY APPLY TO THE SECTION OF LAND WITH AN EXPIRY DATE PRIOR TO DEC 31, 2005 THAT IS DRILLED ON BY ELKWATER. CASING POINT ELECTION WOULD NOT APPLY AND BERENS GETS A STRAIGHT 5% ROYALTY ON THAT SECTION ONLY.

## M-090

Lse: PNG	Lease: OCT-14-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: OCT-14-2004	Net \$: 582.40
	Expiry: OCT-14-2009	Date: OCT-14
	Acquir: OCT-05-2005	Freq: ANNUAL
	Termin:	Payor: BERENS
	Min.IntL: 100.0000000%	Cr. No: 0404100033
		Calg: W4M
		Acq: FARM-IN
LESSOR		
ALBERTA DEPARTMENT OF ENERGY	Rental %	Rental \$
	100.0000000	896.00
ACREAGES	Gross /	Net
Total: (A)	640.000 /	416.000
Devel: (A)	640.000 /	416.000
Prod: (A)	640.000 /	416.000
	Expose:	Gross /
	UnDevel:	0.000 /
	NonProd:	0.000 /

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP  
Extension: AMI: N ROFR: NTWP 25-RGE 5-W4M 17 NP  
PNG to BASE of BANFFPARTNERS <<  
EAGLE 65.0000000  
100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
GOR	12.5000	BERENS	100.0000000	WI OWNERS	100.0000000		NONCONV. BERENS 12.5% GORR APPLIES TO THE 2 SECTION BLOCK EARNING WHERE THEY ELECT NOT TO PARTICIPATE IN THE COMPLETION OF THAT TEST WELL ONLY. DEDUCT: 0.0000%, UP TO 25%

## M-091

Lse: PNG	Lease: MAY-18-2000	Gross\$: 896.00
Fh/Cr: CR	Effect: MAY-18-2000	Net \$: 582.40
	Expiry: NOV-22-2006	Date: MAY-18
	Acquir: OCT-05-2005	Freq: ANNUAL
	Termin:	Payor: BERENS
	Min.IntL: 100.0000000%	Cr. No: 0400050250
		Calg: W4M
		Acq: FARM-IN
LESSOR		
ALBERTA DEPARTMENT OF ENERGY	Rental %	Rental \$
	100.0000000	896.00
ACREAGES	Gross /	Net
Total: (A)	640.000 /	416.000
Devel: (A)	640.000 /	416.000
Prod: (A)	640.000 /	416.000
	Expose:	Gross /
	UnDevel:	0.000 /
	NonProd:	0.000 /

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: P  
Extension: SEC 16 NOV-22-2006 AMI: N ROFR: NTWP 26-RGE 5-W4M 33 P  
PNG to BASE of BANFF  
100/09-33-026-05-W4/00 (GAS)PARTNERS <<  
EAGLE 65.0000000  
100.0000000

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
GOR	12.5000	BERENS	100.0000000	WI OWNERS	100.0000000		NONCONV. BERENS 12.5% GORR APPLIES TO THE 2 SECTION BLOCK EARNING WHERE THEY ELECT NOT TO PARTICIPATE IN THE COMPLETION OF THAT TEST WELL ONLY. DEDUCT: 0.0000%, UP TO 25%

JV PROPERTY REPORT  
Prov.: AB Area: LANFINE  
Partner: EAGLE -- EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-092		
Lse: PNG	Lease: NOV-15-2001	Gross\$: 896.00
Fh/Cr: CR	Effect: NOV-15-2001	Net \$: 582.40
	Expiry: NOV-15-2006	Date: NOV-15
	Acquir: OCT-05-2005	Freq: ANNUAL
	Termin:	Payor: BERENS
	Min.Int: 100.00000000%	Cr. No: 0401110229
		Catg: W4M
		Acq: FARM-IN

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: P  
Extension: AMI: N ROFR: N

LANDS / RIGHTS / WELLS

TWP 25-RGE 6-W4M 21 P  
PNG to BASE of BANFF  
100/03-21-025-06-W4/00 (GAS)

PARTNERS	><
EAGLE	65.00000000
	100.00000000

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%
GOR	12.5000	BERENS	100.00000000	WI OWNERS	100.00000000

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	640.000 /	416.000	UnDevel:	0.000 / 0.000
Prod: (A)	640.000 /	416.000	NonProd:	0.000 / 0.000

NONCONV.  
BERENS 12.5% GORR APPLIES TO THE 2 SECTION BLOCK  
EARNING WHERE THEY ELECT NOT TO PARTICIPATE IN  
THE COMPLETION OF THAT TEST WELL ONLY.  
DEDUCT: 0.0000%, UP TO 25%

M-093		
Lse: PNG	Lease: MAR-18-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: MAR-18-2004	Net \$: 582.40
	Expiry: MAR-18-2009	Date: MAR-18
	Acquir: OCT-05-2005	Freq: ANNUAL
	Termin:	Payor: BERENS
	Min.Int: 100.00000000%	Cr. No: 0404030617
		Catg: W4M
		Acq: FARM-IN

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N

TWP 25-RGE 6-W4M 28 NP  
PNG to BASE of BANFF

PARTNERS	><
EAGLE	65.00000000
	100.00000000

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%
GOR	12.5000	BERENS	100.00000000	WI OWNERS	100.00000000

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	640.000 /	416.000	UnDevel:	0.000 / 0.000
Prod: (A)	640.000 /	416.000	NonProd:	0.000 / 0.000

NONCONV.  
BERENS 12.5% GORR APPLIES TO THE 2 SECTION BLOCK  
EARNING WHERE THEY ELECT NOT TO PARTICIPATE IN  
THE COMPLETION OF THAT TEST WELL ONLY.  
DEDUCT: 0.0000%, UP TO 25%

ACREAGES(Gross/Net):	TOTAL AREA	DEVELOPED	UNDEVELOPED	PRODUCING	NON-PRODUCING
(A)	3,200.000 / 2,080.000	3,200.000 / 2,080.000	0.000 / 0.000	3,200.000 / 2,080.000	0.000 / 0.000



JUN-20-2006  
10:02:11

ELKWATER RESOURCES LTD.

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User: FAYE

JV PROPERTY REPORT  
Prov.: AB Area: MEDICINE HAT  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-085		
Lse: PNG	Lease: MAR-23-2006	Gross\$: 896.00
Fh/Cr: CR	Effect: MAR-23-2006	Net \$: 582.40
	Expiry: MAR-23-2011	Date: MAR-23
	Acqur: MAR-23-2006	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.Int: 100.00000000%	Cr. No: 0406030713 Acq: CROWN SALE

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N

LANDS / RIGHTS / WELLS

TWP 20-RGE 1-W4M 1 NP  
ALL PNG

PARTNERS	><
EAGLE	65.00000000
	100.00000000

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION, NONCONV.

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /

ACREAGES(Gross/Net):	TOTAL AREA	DEVELOPED	UNDEVELOPED	PRODUCING	NON-PRODUCING
(A)	640.000 / 416.000	0.000 / 0.000	640.000 / 416.000	0.000 / 0.000	640.000 / 416.000

JV PROPERTY REPORT  
Prov.: AB Area: SIBBALD  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-006		
Lse: PNG	Lease: AUG-21-2003	Gross\$: 896.00
Fh/Cr: CR	Effect: AUG-21-2003	Net \$: 582.40
	Expiry: AUG-21-2008	Date: AUG-21
	Acquir: DEC-31-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER Catg: W4M
	Min.Int: 100.0000000%	Cr. No: 0403080449 Acq:
LESSOR		Rental % Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00
ACREAGES	Gross /	Net
Total: (A)	640.000 /	416.000
Devel: (A)	0.000 /	0.000
Prod: (A)	0.000 /	0.000
	Expose:	Gross /
	UnDevel:	416.000
	NonProd:	640.000 /
		416.000

WORKING INTERESTS	LANDS / RIGHTS / WELLS
Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP	TWP 26-RGE 1-W4M 34 NP
Extension:	ALL PNG
AMI: N ROFR: N	
PARTNERS	><
EAGLE	65.00000000
	100.00000000
ROYALTY	All-Prod% Paid-To Paid-To-% Paid-By Paid-By-% TIK Royalty Description
CSS	CSS AB ENERGY 100.0000000 WI OWNERS 100.0000000 ON 100.0000% PRODUCTION; NONCONV.

M-011

Lse: PNG	Lease: AUG-21-2003	Gross\$: 896.00
Fh/Cr: CR	Effect: AUG-21-2003	Net \$: 582.40
	Expiry: AUG-21-2008	Date: AUG-21
	Acquir: DEC-31-2004	Freq: ANNUAL
Termin:	Payor: ELKWATER	Catg: W4M
Min.Int: 100.0000000%	Cr. No: 0403080453	Acq:

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose: 640.000	
Devel: (A)	0.000 /	0.000	UnDevel: 640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd: 640.000 /	416.000

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP	TWP 27-RGE 1-W4M 6 NP
Extension:	ALL PNG
AMI: N ROFR: N	
PARTNERS	><
EAGLE	65.00000000
	100.00000000
ROYALTY	All-Prod% Paid-To Paid-To-% Paid-By Paid-By-% TIK Royalty Description
CSS	CSS AB ENERGY 100.0000000 WI OWNERS 100.0000000 ON 100.0000% PRODUCTION; NONCONV.

M-012		
Lse: PNG	Lease: AUG-21-2003	Gross\$: 896.00
Fh/Cr: CR	Effect: AUG-21-2003	Net \$: 582.40
	Expiry: AUG-21-2008	Date: AUG-21
	Acquir: DEC-31-2004	Freq: ANNUAL
Termin:	Payor: ELKWATER	Catg: W4M
Min.Int: 100.0000000%	Gr. No: 0403080452	Acq.:
<u>LESSOR</u>		<u>Rental %</u>
ALBERTA DEPARTMENT OF ENERGY		<u>Rental \$</u>
		100.0000000
		896.00
<u>ACREAGES</u>	<u>Gross /</u>	<u>Net</u>
Total: (A)	640.000 /	416.000
Devel: (A)	0.000 /	0.000
Prod: (A)	0.000 /	0.000
	Expose:	Gross /
	UnDevel:	640.000 /
	NonProd:	416.000 /
		416.000

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP	TWP 27-RGE 1-W4M 5 NP
Extension:	ALL PNG
AMI: N ROFR: N	
PARTNERS	><
EAGLE	65.00000000
	100.00000000
ROYALTY	All-Prod% Paid-To Paid-To-% Paid-By Paid-By-% TIK Royalty Description
CSS	CSS AB ENERGY 100.0000000 WI OWNERS 100.0000000 ON 100.0000% PRODUCTION; NONCONV.

JUN-20-2006  
10:02:11

ELKWATER RESOURCES LTD.

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User: FAYE

JV PROPERTY REPORT  
Prov.: AB Area: SIBBALD  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-028		
Lse: PNG	Lease: FEB-10-2005	Gross\$: 896.00
Fh/Cr: CR	Effect: FEB-10-2005	Net \$: 582.40
	Expiry: FEB-10-2010	Date: FEB-10
	Acquir: FEB-09-2005	Freq: ANNUAL
	Termin:	Payor: ELKWATER Calg: W4M
	Min.InL: 100.00000000%	Cr. No: 0405020038 Acq: CROWN SALE

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int.: WI Prod.: NP  
Extension: AMI: N ROFR: N

LANDS / RIGHTS / WELLS

TWP 27-RGE 1-W4M 9 NP  
ALL PNG

PARTNERS

><

EAGLE 65.00000000  
100.00000000

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.00000000	896.00

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.00000000	WI OWNERS	100.00000000		ON 100.0000% PRODUCTION; NONCONV.

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose:	640.000
Devel: (A)	0.000 /	0.000	UnDevel:	640.000 /
Prod: (A)	0.000 /	0.000	NonProd:	640.000 /

ACREAGES(Gross/Net):	TOTAL AREA	DEVELOPED	UNDEVELOPED	PRODUCING	NON-PRODUCING
(A)	2,560.000 / 1,664.000	0.000 / 0.000	2,560.000 / 1,664.000	0.000 / 0.000	2,560.000 / 1,664.000

JUN-20-2008  
10:02:11

ELKWATER RESOURCES LTD.

Page 35  
User: FAYE

JV PROPERTY REPORT  
Prov.: AB Area: SOUTH DOBSON  
Partner: EAGLE - EAGLE RANCH RESOURCES LTD.  
Active Mineral - Active Splits

TYPES	DATES	RENTAL INFO
M-014		
Lse: PNG	Lease: AUG-19-2004	Gross\$: 896.00
Fh/Cr: CR	Effect: AUG-19-2004	Net \$: 582.40
	Expiry: AUG-19-2009	Date: AUG-19
	Acquir: AUG-18-2004	Freq: ANNUAL
	Termin:	Payor: ELKWATER
	Min.Intl: 100.00000000%	Cr. No: 0404080413
		Calg: W4M
		Acq: CROWN SALE

LESSOR	Rental %	Rental \$
ALBERTA DEPARTMENT OF ENERGY	100.0000000	896.00

ACREAGES	Gross /	Net	Gross /	Net
Total: (A)	640.000 /	416.000	Expose: 640.000	
Devel: (A)	0.000 /	0.000	UnDevel: 640.000 /	416.000
Prod: (A)	0.000 /	0.000	NonProd: 640.000 /	416.000

WORKING INTERESTS

Split: A Status: ACTIVE Operator: ELKWATER Int: WI Prod: NP  
Extension: AMI: N ROFR: N

LANDS / RIGHTS / WELLS

TWP 28-RGE 9-W4M 36 NP  
PNG from BASE of VIKING to BASEMENT

PARTNERS

	><
EAGLE	65.00000000
	100.00000000

ROYALTY

ROYALTY	All-Prod%	Paid-To	Paid-To-%	Paid-By	Paid-By-%	TIK	Royalty Description
CSS	CSS	AB ENERGY	100.0000000	WI OWNERS	100.0000000		ON 100.0000% PRODUCTION; NONCONV.

ACREAGES(Gross/Net):	TOTAL AREA	DEVELOPED	UNDEVELOPED	PRODUCING	NON-PRODUCING
(A)	640.000 / 416.000	0.000 / 0.000	640.000 / 416.000	0.000 / 0.000	640.000 / 416.000

THIS IS EXHIBIT " H " referred to in the Affidavit of Elizabeth Pineda Sworn before me this 23 day of January, A.D. 2015

## GENERAL ASSIGNMENT OF BOOK DEBTS

1. FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned Debtor Eagle Ranch Resources Ltd. A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA
- of 650, 910 - 7th Avenue SW, Calgary, Alberta T2P 3N8 **Pantelis Kyriakakis**  
(Full name of Assignor) **Bank of Canada**  
(Full address of Assignor)
- in the Province of Alberta, hereby assign(s) transfer(s) and grant(s) to NATIONAL BANK OF CANADA a Chartered Bank having its Head Office at the City of Montreal in the Province of Quebec, and having a branch office at 301 - 6th Avenue SW, Calgary in the Province of Alberta, (hereinafter called the "Bank") a continuing and specific security interest in all debts, proceeds, accounts, claims, money and choses in action which now are or which may at any time hereafter be due or owing to or owned by the undersigned and also all deeds, documents, writings, papers and books relating to or being records of goods or their proceeds, or by which goods or their proceeds are or may hereafter be secured, evidenced, acknowledged or made payable including Documents of Title, (and remaining debt instruments) Chattel Paper, Securities and Instruments, and all contractual rights and insurance claims relating to collateral (hereinafter called the "Collateral").
2. The undersigned agrees that the Collateral shall be held by the Bank as a general and continuing collateral security for the payment of all obligations, indebtedness and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, of the undersigned to the Bank, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof, and as a first and prior claim upon the Collateral.
3. The undersigned covenants at all times to notify the Bank in writing promptly of any change in the information contained herein relating to the undersigned (including the name and location of the chief executive office, sole place of business or residence, as the case may be, of the undersigned aforesaid) and of any material default by any person in payment or other performance of obligations to the undersigned with respect to any of the Collateral.
4. So long as this assignment remains in effect, the undersigned covenants not to sell, or further assign or encumber the Collateral without the prior written consent of the Bank. The undersigned represents and warrants that the Collateral is genuine and owned by the undersigned free of all security interests or other encumbrances.
5. The Bank may collect, realize, sell or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions and at such time or times, whether before or after default, as may seem to it advisable and without notice to the undersigned. All moneys collected or received by the undersigned in respect of the Collateral shall be received as trustee for the Bank, and shall be forthwith paid over to the Bank by the undersigned.
6. The Bank shall not be bound to do, observe or perform or see to the observance or performance by the undersigned of any obligations or covenants imposed upon the undersigned nor shall the Bank be obliged to preserve rights against other persons in respect of any Securities or Records in its possession.
7. The Bank may apply the amounts collected or received by it on account of such parts of the indebtedness and liabilities of the undersigned to the Bank as to the Bank seems best or hold the same in a separate collateral account for such time as it may see fit and then apply the same as aforesaid, the whole without prejudice to its claim for any deficiency.
8. The Bank may compound, compromise, grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the debtors of the undersigned, the undersigned and others, and with the Collateral and other securities as the Bank may see fit, without prejudice to the liability of the undersigned or the Bank's right to hold and realize this security.
9. The Bank shall not be liable or accountable for any failure to collect, realize or obtain payment of the Collateral or any part thereof and the Bank shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Bank, the undersigned or any other person, firm or corporation in respect of the same, and the Bank shall not be responsible for any loss or damage which may occur in consequence of the negligence of any officer, agent or solicitor employed in the collection or realization thereof.
10. The Bank may charge on its own behalf and also pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advices and services) in or in connection with collecting, realizing and/or obtaining payment of the Collateral or any part thereof and may add the amount of such sums to the indebtedness of the undersigned.
11. So long as this assignment remains in effect, the undersigned covenants and agrees to deliver to the Bank from time to time promptly upon request any Documents of Title (and remaining debt instruments), Instruments, Securities and Chattel Papers constituting, representing or relating to the Collateral; all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same; all financial statements prepared by or for the undersigned regarding the undersigned's business; all policies and certificates of insurance relating to the Collateral, and such information concerning the Collateral, the undersigned, the undersigned's business and affairs as the Bank may reasonably request.

12. The undersigned shall from time to time forthwith on the Bank's request do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by the Bank of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents, and the undersigned hereby constitutes and appoints the Manager or Acting Manager for the time being of the above mentioned branch of the Bank the true and lawful attorney of the undersigned irrevocable with full power of substitution to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the undersigned whenever and wherever it may be deemed necessary or expedient.
13. This agreement shall be a continuing agreement in every respect, and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. No remedy for the enforcement of the rights of the Bank hereunder shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The security interest created or provided for by this agreement is intended to attach when this agreement is signed by the undersigned and delivered to the Bank. The undersigned acknowledges and confirms that there has been no agreement between the Bank and the undersigned to postpone the time for attachment of the security interest hereby attached.
14. Nothing in this assignment contained shall or shall be deemed to restrict the rights and remedies at law or in equity or under any applicable personal property security legislation or otherwise, of the Bank against the undersigned and the Collateral, it being hereby agreed by the undersigned that the Bank has and shall have all such rights and remedies as if the same were herein at length set forth and by this reference the same are incorporated in and form a part hereof.
15. Should the undersigned be entitled to a release or discharge or amendment to any financing statement registered by the Bank relating to this assignment, then the undersigned will pay to the Bank all costs, charges, expenses and lawyer's fees and disbursements (as between a solicitor and his own client on a full indemnity basis) incurred by the Bank in connection with such release, discharge or amendment.
16. For greater certainty it is declared that any and all future loans, advances or other value which the Bank may in its discretion make or extend to or for the account of the undersigned shall be secured by this agreement. If more than one person executes this agreement their obligations hereunder shall be joint and several.
17. This assignment shall be governed by and construed in accordance with the law of the jurisdiction where it has been executed by the undersigned, as the same may from time to time be in effect, including, where applicable, the Personal Property Security Act.
18. The undersigned hereby acknowledges receiving a copy of this assignment and waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed or issued at any time in respect of this assignment.
19. **NAME, ETC. OF DEBTOR**  
The full, true and correct legal name and address of Debtor and, where applicable, birth date and sex of Debtor is hereby declared by Debtor to be as follows:

**INDIVIDUAL DEBTOR**

SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY	SEX M/F
ADDRESS OF INDIVIDUAL DEBTOR		CITY	PROVINCE	POSTAL CODE
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY	SEX M/F
ADDRESS OF INDIVIDUAL DEBTOR		CITY	PROVINCE	POSTAL CODE

**BUSINESS DEBTOR**

NAME OF BUSINESS DEBTOR EAGLE RANCH RESOURCES LTD.			
ADDRESS OF BUSINESS DEBTOR 650, 910 - 7th Avenue SW	CITY Calgary	PROVINCE AB	POSTAL CODE T1Z1P3N8
NAME OF BUSINESS			
ADDRESS OF BUSINESS DEBTOR	CITY	PROVINCE	POSTAL CODE

# AFFIDAVIT OF EXECUTION BY INDIVIDUAL OR PARTNERSHIP

(To be completed when assignment to be registered in Atlantic Provinces)

CANADA

Province of \_\_\_\_\_  
County of \_\_\_\_\_

TO WIT:

I, \_\_\_\_\_  
of the \_\_\_\_\_ of \_\_\_\_\_  
in the Province of \_\_\_\_\_  
by occupation \_\_\_\_\_, make oath and say:

(† Insert "one" or  
"two" or as the  
case requires)

1. That I was personally present and did see the Assignment of Book Debts hereto annexed duly signed, sealed and delivered by \_\_\_\_\_ of the parties thereto and that the name \_\_\_\_\_ set and subscribed as a witness to the execution thereof is of the proper handwriting of me this deponent and that the same was executed at the \_\_\_\_\_ of \_\_\_\_\_ in the Province of \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

2. That I know the said \_\_\_\_\_ and he is in my opinion of the full age of \_\_\_\_\_ years.

SWORN before me at the \_\_\_\_\_  
of \_\_\_\_\_ in the Province  
of \_\_\_\_\_ this \_\_\_\_\_  
day of \_\_\_\_\_ A.D. 19 \_\_\_\_\_

A Commissioner, etc., or a Notary Public.

# AFFIDAVIT BY OFFICER OF INCORPORATED COMPANY

(To be completed when assignment to be registered in New Brunswick)

CANADA

Province of \_\_\_\_\_  
County of \_\_\_\_\_

TO WIT:

I, \_\_\_\_\_  
residing at \_\_\_\_\_ (Full Address)  
in the Province of \_\_\_\_\_  
by occupation \_\_\_\_\_, make oath and say:

1. That the paper-writing hereunto annexed is the Assignment of Book Accounts and of every schedule or inventory thereto annexed, or therein referred to, and of every attestation of the execution thereof, as made, given and executed by the \_\_\_\_\_ hereinafter referred to as the Assignor.  
(Name of incorporated company)

2. That the Assignment of Book Accounts was made and given by the said Assignor on the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_.

3. That I \_\_\_\_\_ as \_\_\_\_\_  
(Full name) (Name of office)  
of the said Assignor being duly authorized so to do did affix the seal of the said Assignor to the said Assignment of Book Accounts, did sign the said Assignment of Book Accounts as \_\_\_\_\_ of the said Assignor and did duly deliver the said Assignment of Book Accounts as the act and deed of the said Assignor on the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_.

4. That the head office or chief place of business of the said Assignor in New Brunswick is situated at \_\_\_\_\_ in the said Province  
(Number, street and name of place)

SUBSCRIBED to and sworn before me at the \_\_\_\_\_  
of \_\_\_\_\_ in the  
Province of \_\_\_\_\_  
this \_\_\_\_\_ day of \_\_\_\_\_  
A.D. 19 \_\_\_\_\_

A Commissioner, etc., or a Notary Public.

IN WITNESS WHEREOF, the undersigned Debtor has executed this Assignment this 11<sup>th</sup> day of June JULY ~~xx~~ 2006.

(Signature of Debtor(s) if Individual)  
EAGLE RANCH RESOURCES LTD.  
(Name of Debtor if Corporation or Partnership)  
BY [Signature]  
Russ Feschuk  
TITLE President and Secretary  
(If corporation have signed by authorized officer(s)  
If Owner or Partner state which)

### AFFIDAVIT OF BONA FIDES

(To be completed when assignment to be registered in Atlantic Provinces)

CANADA  
Province of \_\_\_\_\_  
County of \_\_\_\_\_  
TO WIT: I, \_\_\_\_\_  
of the \_\_\_\_\_ of \_\_\_\_\_  
in the Province of \_\_\_\_\_ an employee  
at \_\_\_\_\_  
of the National Bank of Canada the Assignee named in the Assignment of Book Debts  
hereto annexed, make oath and say:

1. That I am an employee of the NATIONAL BANK OF CANADA at \_\_\_\_\_  
in the Province of \_\_\_\_\_.
2. That I am aware of the circumstances connected with the said Assignment of Book Debts and have a personal knowledge of the facts herein deposed to.
3. That the said Assignment of Book Debts hereto annexed was executed in good faith and for valuable consideration, and not for the mere purpose of protecting the book debts therein mentioned against the creditors of \_\_\_\_\_, the Assignor, or for the purpose of preventing such creditors from recovering any claims which they have against the said Assignor.

SWORN before me at the \_\_\_\_\_  
of \_\_\_\_\_ in the Province  
of \_\_\_\_\_ this \_\_\_\_\_  
day of \_\_\_\_\_ A.D. 19 \_\_\_\_\_

\_\_\_\_\_  
A Commissioner, etc., or a Notary Public.

(When assignment to be registered in New Brunswick  
affidavit on next page to be completed in case of  
Incorporated Companies.)



Search ID#: Z06409690

Transmitting Party

MCCARTHY TETRAULT LLP

4000, 421 - 7th AVENUE SW  
CALGARY, AB T2P 4K9

Party Code: 50087121

Phone #: 403 260 3500

Reference #: 065094/463517

Search ID #: Z06409690

Date of Search: 2015-Jan-22

Time of Search: 14:39:49

**Business Debtor Search For:**

EAGLE RANCH RESOURCES LTD

THIS IS EXHIBIT "I"  
referred to in the Affidavit of

Elizabeth Pinala

Sworn before me this 23

day of January, A.D. 2015

  
A COMMISSIONER FOR OATHS  
IN AND FOR THE PROVINCE OF ALBERTA

Exact Result(s) Only Found

**Pantelis Kyriakakis**  
*Barrister and Solicitor*

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.

Be sure to read the reports carefully.



Search ID#: Z06409690

**Business Debtor Search For:**

EAGLE RANCH RESOURCES LTD

Search ID #: Z06409690

Date of Search: 2015-Jan-22

Time of Search: 14:39:49

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Registration Number: 06062322653

Registration Type: SECURITY AGREEMENT

Registration Date: 2006-Jun-23

Registration Status: Current

Expiry Date: 2021-Jun-23 23:59:59

---

Exact Match on: Debtor

No: 1

---

**Amendments to Registration**

11051725075

Renewal

2011-May-17

---

**Debtor(s)**

**Block**

1 EAGLE RANCH RESOURCES LTD.  
650, 910 - 7TH AVENUE SW  
CALGARY, AB T2P 3N8

**Status**

Current

**Secured Party / Parties**

**Block**

1 NATIONAL BANK OF CANADA  
2700, 530 - 8TH AVENUE SW  
CALGARY, AB T2P 3S8

**Status**

Current

**Collateral: General**

**Block**

**Description**

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

**Status**

Current

Search ID#: Z06409690

**Business Debtor Search For:**

EAGLE RANCH RESOURCES LTD

Search ID #: Z06409690

Date of Search: 2015-Jan-22

Time of Search: 14:39:49

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Registration Number: 06062323107

Registration Type: LAND CHARGE

Registration Date: 2006-Jun-23

Registration Status: Current

Registration Term: Infinity

---

Exact Match on: Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 EAGLE RANCH RESOURCES LTD.  
650, 910 - 7TH AVENUE SW  
CALGARY, AB T2P 3N8

Current

**Secured Party / Parties**

**Block**

**Status**

1 NATIONAL BANK OF CANADA  
2700, 530 - 8TH AVENUE SW  
CALGARY, AB T2P 3S8

Current

Result Complete

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
External Search  
Request No.: R3284918  
AMI100012

Parameters

Mineral Agreement I D: 0040411080012,0040402030062,0040402030063,0040402100040,0040478080209,0040410010031,0040403010071,0040410030429,0040402-040272,0040410120014,0040410050371,0040400110341,0040400050250,0040410030430,0040405030082,0040410010034,0040404120384,-0040410070063,0040410080414,0040400020036,0040412050037,0040400020038,0040410070064,0040404080043,0040406070516,0040410-020030,0040410050373,0040411030599,0040405020040,0040405090035

THIS IS EXHIBIT "J"  
referred to in the Affidavit of  
*Elizabeth Finkele*  
Sworn before me this 23  
day of January, A.D. 2015  
*[Signature]*  
COMMISSIONER FOR OATHS  
IN AND FOR THE PROVINCE OF ALBERTA  
**Pantelis Kyriakakis**  
Barrister and Solicitor

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
 Energy External Search  
 Request No.: R3284918  
 AMI100012

### Agreement Summary

Agreement Type	Agreement Number	Status	Term Date	Original Expiry Date	Current Expiry Date	Cancellation Date	Cancellation Reason	Original Area	Current Area
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0400020036	ACTIVE	2000/02/10	2005/02/10	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0400020038	ACTIVE	2000/02/10	2005/02/10	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0400050250	ACTIVE	2000/05/18	2005/05/18	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0400110341	ACTIVE	2000/11/16	2005/11/16	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0402030062	ACTIVE	2002/03/07	2007/03/07	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0402030063	ACTIVE	2002/03/07	2007/03/07	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0402040272	ACTIVE	2002/04/18	2007/04/18	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0402100040	ACTIVE	2002/10/03	2007/10/03	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0403010071	ACTIVE	2003/01/09	2008/01/09	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0404080043	ACTIVE	2004/08/05	2009/08/05	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0404120384	ACTIVE	2004/12/16	2009/12/16	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0405020040	ACTIVE	2005/02/10	2010/02/10	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0405030082	ACTIVE	2005/03/10	2010/03/10	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0405090035	ACTIVE	2005/09/08	2010/09/08	INDEFINITE			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0406070516	ACTIVE	2006/07/27	2011/07/27	INDEFINITE			256.0000	256.0000

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
 Energy External Search  
 Request No.: R3284918  
 AMI100012

Agreement Type	Agreement Number	Status	Term Date	Original Expiry Date	Current Expiry Date	Cancellation Date	Cancellation Reason	Original Area	Current Area
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410010031	UNDER REVIEW	2010/01/14	2015/01/14	2015/01/14			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410010034	UNDER REVIEW	2010/01/14	2015/01/14	2015/01/14			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410020030	ACTIVE	2010/02/11	2015/02/11	2015/02/11			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410030429	ACTIVE	2010/03/25	2015/03/25	2015/03/25			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410030430	ACTIVE	2010/03/25	2015/03/25	2015/03/25			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410050371	ACTIVE	2010/05/20	2015/05/20	2015/05/20			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410050373	ACTIVE	2010/05/20	2015/05/20	2015/05/20			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410070063	ACTIVE	2010/07/08	2015/07/08	2015/07/08			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410070064	ACTIVE	2010/07/08	2015/07/08	2015/07/08			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410080414	ACTIVE	2010/08/19	2015/08/19	2015/08/19			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410120014	ACTIVE	2010/12/02	2015/12/02	2015/12/02			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0411030599	ACTIVE	2011/03/24	2016/03/24	2016/03/24			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0411080012	ACTIVE	2011/08/11	2016/08/11	2016/08/11			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0412050037	ACTIVE	2012/05/03	2017/05/03	2017/05/03			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0478080209	ACTIVE	1978/08/25	1983/08/25	INDEFINITE			256.0000	256.0000

Total Number of Agreements: 30

Totals: 7,680.0000 7,680.0000

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No: R3284918  
AMI100012

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**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Report Detail**

**Agreement Type/Number: 004 0400020036 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	ACTIVE	Status Effective Date:	2000/02/10
Term Date:	2000/02/10	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2005/02/10	Current Expiry Date:	INDEFINITE
Continuation Date:	2005/02/10		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	1	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

**Client ID**  
8075045

**Client Name/Address**  
ELKWATER RESOURCES LTD.  
645 7 AVE SW SUITE 1250  
CALGARY AB T2P 4G8

**Corporate Status**  
ACTIVE



Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0400020036 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Current Participant(s)

Last Transfer Date: 2010/05/19 Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/02/10		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:

4-05-026: 4  
  
PETROLEUM AND NATURAL GAS  
  
TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00  
INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
 Energy External Search  
 Request No.: R3284918  
 AMI100012

Agreement Type/Number: 004 0400020036 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 08 04 026 05W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASED	
			Total: 1

### Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2005/11/15	CONTINUATION - AMENDMENT		0.0000				
Total: 1							

### Bonus Information

Creation Date:	2000/02/10	Original Expiry Date:	2005/02/10
Sale Or O/C Date:	2000/02/09	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$22,054.40
Security Deposit:			
Order in Council:			
Issuance Fee:	\$500.00		

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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Agreement Type/Number: 004 0400020036 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Disclaimer**

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No : R3284918  
AMI100012

**Agreement Type/Number: 004 0400020038 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	ACTIVE	Status Effective Date:	2000/02/10
Term Date:	2000/02/10	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2005/02/10	Current Expiry Date:	INDEFINITE
Continuation Date:	2005/02/10		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	Yes
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	1	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

<b>Client ID</b>	<b>Client Name/Address</b>	<b>Corporate Status</b>
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/05/19    Transfer Pending: No

<b>Client ID</b>	<b>Client Name</b>	<b>Corporate Status</b>	<b>Interest</b>
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AM1100012

**Agreement Type/Number: 004 0400020038 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Rental Information**

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/02/10		
Default Notice Issued:		Monthly Invoice:	Yes

**Land/Rights Description**

Land Description:

4-05-026: 10

PETROLEUM AND NATURAL GAS

TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00  
INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

**Well Events Data**

<b>Well Event ID</b>	<b>Delimiter</b>	<b>Well Event Status</b>	<b>Offset</b>
100 14 10 026 05W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASED	

Total: 1

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0400020038 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Related Agreements / Amendments**

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2005/11/15	CONTINUATION - AMENDMENT		0 0000				
Total: 1							

**Bonus Information**

Creation Date:	2000/02/10	Original Expiry Date:	2005/02/10
Sale Or O/C Date:	2000/02/09	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$31,692.80
Security Deposit:			
Order in Council:			
Issuance Fee:	\$500.00		

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0400050250 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	ACTIVE	Status Effective Date:	2000/05/18
Term Date:	2000/05/18	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2005/05/18	Current Expiry Date:	INDEFINITE
Continuation Date:	2005/05/18		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:	PNG CONT-ACCEPTANCE FEE	Security Deposit Amount:	\$6,400.00
Well Count:	1	Encumbrance Count:	1
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

<b>Client ID</b>	<b>Client Name/Address</b>	<b>Corporate Status</b>
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/05/19    Transfer Pending: No

<b>Client ID</b>	<b>Client Name</b>	<b>Corporate Status</b>	<b>Interest</b>
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
Total Interest:			100.0000000

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0400050250 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/05/18		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:  
4-05-025:

33

PETROLEUM AND NATURAL GAS

TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00  
INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 09 33 025 05W4 00	LOCATED ON AGREEMENT (0)	GAS FLOWING	

Total: 1



Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0400050250 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2005/05/18	PRIMARY CONTINUATION		0.0000				
Total: 1							

Bonus Information

Creation Date:	2000/05/18	Original Expiry Date:	2005/05/18
Sale Or O/C Date:	2000/05/17	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$2,104.00
Security Deposit:	PNG CONT-ACCEPTANCE FEE		
Order in Council:			
Issuance Fee:	\$500.00		

Encumbrance Data

Encumbrance ID	Encumbrance Type	Status	Registration Date	Partial Discharge Type
1401120	SECURITY NOTICE	ACTIVE	2014/05/20	
Total Number of Records: 1				

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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Agreement Type/Number: 004 0400050250 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Encumbrance Details

Registration Type/Number: SN 1401120 SECURITY NOTICE

#### Interest Of

DOE Client ID	Name
1001903	EAGLE RANCH RESOURCES LTD.

#### Secured Party

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA

#### Address For Service

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA 311 6 AVE SW SUITE 1800 CALGARY AB T2P 3H2

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

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Agreement Type/Number: 004 0400050250 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Disclaimer

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0400110341 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	ACTIVE	Status Effective Date:	2000/11/16
Term Date:	2000/11/16	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2005/11/16	Current Expiry Date:	INDEFINITE
Continuation Date:	2005/11/16		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	1	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0400110341 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/11/16		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:

4-05-025: 29

PETROLEUM AND NATURAL GAS

TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00  
INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 01 29 025 05W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASED	

Total: 1

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0400110341 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Related Agreements / Amendments**

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2006/05/20	CONTINUATION - AMENDMENT		0.0000				
Total: 1							

**Bonus Information**

Creation Date:	2000/11/16	Original Expiry Date:	2005/11/16
Sale Or O/C Date:	2000/11/15	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$8,000.00
Security Deposit:			
Order in Council:			
Issuance Fee:	\$500.00		

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End of Agreement

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

Agreement Type/Number: 004 0402030062 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Current Status

Status	ACTIVE	Status Effective Date:	2002/03/07
Term Date	2002/03/07	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2007/03/07	Current Expiry Date:	INDEFINITE
Continuation Date:	2007/03/07		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage	CONTINUED TERM	Oil Sands Area:	No
Security Type:	PNG CONT-ACCEPTANCE FEE	Security Deposit Amount:	\$6,400.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

#### Designated Representative

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

#### Current Participant(s)

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
Total Interest:			100.0000000

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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**Agreement Type/Number: 004 0402030062 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Rental Information**

Required Rental Amount	\$896.00	Current Rental Amount	\$896.00
Rental Paid To Date	2015/03/07		
Default Notice Issued		Monthly Invoice:	Yes

**Land/Rights Description**

Land Description:

4-02-021: 27

PETROLEUM AND NATURAL GAS BELOW THE BASE OF THE MEDICINE HAT SD  
AS DESIGNATED IN DRRZD 00012  
KEY WELL: 00/06-30-014-04W4/00  
INTERVAL: 1,312.00 - 1,582.00 Feet  
LOG TYPE: INDUCTION GAMMA RAY

TO THE BASE OF THE VIKING FM  
AS DESIGNATED IN DRRZD 00006  
KEY WELL: 00/10-10-042-14W4/00  
INTERVAL: 2,600.00 - 2,680.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15



# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No: R3284918  
AMI100012

Agreement Type/Number: 004 0402030062 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2007/03/07	PRIMARY CONTINUATION		0.0000				
Total: 1							

### Bonus Information

Creation Date:	2002/03/07	Original Expiry Date:	2007/03/07
Sale Or O/C Date:	2002/03/06	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$13,711.36
Security Deposit:	PNG CONT-ACCEPTANCE FEE		
Order in Council:			
Issuance Fee:	\$500.00		

### Crown Mineral Activity

Crown Mineral Activity ID	Crown Mineral Activity Type	Crown Mineral Activity Status	Approval Date	Expiry Date
WRE 02030110	WRE	Cancelled	2002/03/27	2002/04/27
WRE 02030111	WRE	Cancelled	2002/03/27	2002/04/27
WRE 02050176	WRE	Cancelled	2002/05/09	2002/06/09
WRE 02090429	WRE	Cancelled	2002/09/23	2002/10/23

Total Number of Crown Mineral Activities: 4

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

**Agreement Type/Number: 004 0402030062 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Disclaimer**

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0402030063 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	ACTIVE	Status Effective Date:	2002/03/07
Term Date:	2002/03/07	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2007/03/07	Current Expiry Date:	INDEFINITE
Continuation Date:	2007/03/07		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:	PNG CONT-ACCEPTANCE FEE	Security Deposit Amount:	\$6,400.00
Well Count:	2	Encumbrance Count:	1
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

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Agreement Type/Number: 004 0402030063 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/03/07		
Default Notice Issued:		Monthly Invoice	Yes

#### Land/Rights Description

Land Description:

4-02-021 28

PETROLEUM AND NATURAL GAS BELOW THE BASE OF THE MEDICINE HAT SD  
AS DESIGNATED IN DRRZD 00012  
KEY WELL: 00/06-30-014-04W4/00  
INTERVAL: 1,312.00 - 1,582.00 Feet  
LOG TYPE: INDUCTION GAMMA RAY

TO THE BASE OF THE VIKING FM  
AS DESIGNATED IN DRRZD 00006  
KEY WELL: 00/10-10-042-14W4/00  
INTERVAL: 2,600.00 - 2,680.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
 Energy External Search  
 Request No.: R3284918  
 AMI100012

Agreement Type/Number: 004 0402030063 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 07 28 021 02W4 00	LOCATED ON AGREEMENT (0)	GAS FLOWING	
100 10 28 021 02W4 02	LOCATED ON AGREEMENT (0)	ABANDONED	

Total: 2

### Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2007/03/07	PRIMARY CONTINUATION		0.0000				

Total: 1

### Bonus Information

Creation Date:	2002/03/07	Original Expiry Date:	2007/03/07
Sale Or O/C Date:	2002/03/06	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$13,711.36
Security Deposit:	PNG CONT-ACCEPTANCE FEE		
Order in Council:			
Issuance Fee:	\$500.00		

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0402030063 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Encumbrance Data

Encumbrance ID	Encumbrance Type	Status	Registration Date	Partial Discharge Type
1401120	SECURITY NOTICE	ACTIVE	2014/05/20	
Total Number of Records: 1				

### Encumbrance Details

Registration Type/Number: SN 1401120 SECURITY NOTICE

### Interest Of

DOE Client ID	Name
1001903	EAGLE RANCH RESOURCES LTD.

### Secured Party

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA

### Address For Service

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA 311 6 AVE SW SUITE 1800 CALGARY AB T2P 3H2

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

Agreement Type/Number: 004 0402030063 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Crown Mineral Activity

Crown Mineral Activity ID	Crown Mineral Activity Type	Crown Mineral Activity Status	Approval Date	Expiry Date
WRE 02030112	WRE	Cancelled	2002/03/27	2002/04/27
WRE 02050175	WRE	Cancelled	2002/05/09	2002/06/09
WRE 02090430	WRE	Cancelled	2002/09/23	2002/10/23

Total Number of Crown Mineral Activities: 3

#### Disclaimer

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End of Agreement

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
 Energy External Search  
 Request No.: R3284918  
 AMI100012

Agreement Type/Number: 004 0402040272 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Current Status

Status	ACTIVE	Status Effective Date:	2002/04/18
Term Date:	2002/04/18	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2007/04/18	Current Expiry Date:	INDEFINITE
Continuation Date:	2007/04/18		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	2	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

### Designated Representative

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

### Current Participant(s)

Last Transfer Date: 2010/06/09 Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1000717	LIGHTSTREAM RESOURCES LTD.	ACTIVE	40.0000000
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	39.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	21.0000000
			Total Interest: 100.0000000



Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0402040272 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date	2015/04/18		
Default Notice Issued:		Monthly Invoice	Yes

Land/Rights Description

Land Description:

4-04-024: 5

PETROLEUM AND NATURAL GAS

TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00  
INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 05 05 024 04W4 00	LOCATED ON AGREEMENT (0)	ABANDONED	
100 08 05 024 04W4 00	LOCATED ON AGREEMENT (0)	GAS ABANDONED ZONE	

Total: 2

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

Agreement Type/Number: 004 0402040272 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2007/04/18	PRIMARY CONTINUATION		0.0000				
Total: 1							

#### Bonus Information

Creation Date:	2002/04/18	Original Expiry Date:	2007/04/18
Sale Or O/C Date:	2002/04/17	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$58,542.08
Security Deposit:			
Order in Council:			
Issuance Fee:	\$500.00		

#### Disclaimer

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number:** 004 0402100040 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Current Status**

Status:	ACTIVE	Status Effective Date:	2002/10/03
Term Date:	2002/10/03	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2007/10/03	Current Expiry Date:	INDEFINITE
Continuation Date:	2007/10/03		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	2	Encumbrance Count:	1
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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Agreement Type/Number: 004 0402100040 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/10/03		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:

4-02-021: 35

PETROLEUM AND NATURAL GAS BELOW THE BASE OF THE MEDICINE HAT SD  
AS DESIGNATED IN DRRZD 00012  
KEY WELL: 00/06-30-014-04W4/00  
INTERVAL: 1,312.00 - 1,582.00 Feet  
LOG TYPE: INDUCTION GAMMA RAY

TO THE BASE OF THE VIKING FM  
AS DESIGNATED IN DRRZD 00006  
KEY WELL: 00/10-10-042-14W4/00  
INTERVAL: 2,600.00 - 2,680.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0402100040 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
102 08 35 021 02W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASED	
102 08 35 021 02W4 02	LOCATED ON AGREEMENT (0)	GAS SUSPENDED	

Total: 2

### Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2007/10/03	PRIMARY CONTINUATION		0.0000				
Total: 1							

### Bonus Information

Creation Date:	2002/10/03	Original Expiry Date:	2007/10/03
Sale Or O/C Date:	2002/10/02	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$31,083.52
Security Deposit:			
Order in Council:			
Issuance Fee:	\$500.00		

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0402100040 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Encumbrance Data

Encumbrance ID	Encumbrance Type	Status	Registration Date	Partial Discharge Type
1401120	SECURITY NOTICE	ACTIVE	2014/05/20	
Total Number of Records: 1				

### Encumbrance Details

Registration Type/Number: SN 1401120 SECURITY NOTICE

### Interest Of

DOE Client ID	Name
1001903	EAGLE RANCH RESOURCES LTD.

### Secured Party

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA

### Address For Service

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA 311 6 AVE SW SUITE 1800 CALGARY AB T2P 3H2

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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**Agreement Type/Number: 004 0402100040 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

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End of Agreement

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0403010071 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Current Status

Status:	ACTIVE	Status Effective Date:	2003/01/09
Term Date:	2003/01/09	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2008/01/09	Current Expiry Date:	INDEFINITE
Continuation Date:	2008/01/09		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	1	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

### Designated Representative

<b>Client ID</b>	<b>Client Name/Address</b>	<b>Corporate Status</b>
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

### Current Participant(s)

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000



## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

Agreement Type/Number: 004 0403010071 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2016/01/09		
Default Notice Issued:		Monthly Invoice:	Yes

#### Land/Rights Description

Land Description:

4-02-024: 24

PETROLEUM AND NATURAL GAS

TO THE BASE OF THE BELLY RIVER GRP  
AS DESIGNATED IN DRRZD 00039  
KEY WELL: 00/07-18-032-22W4/00  
INTERVAL: 1,688.00 - 2,453.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

#### Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 06 24 024 02W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASED	

Total: 1

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

Agreement Type/Number: 004 0403010071 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2008/01/09	PRIMARY CONTINUATION		0.0000				
Total: 1							

#### Bonus Information

Creation Date:	2003/01/09	Original Expiry Date:	2008/01/09
Sale Or O/C Date	2003/01/08	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$17,157.12
Security Deposit			
Order in Council			
Issuance Fee	\$500.00		

#### Disclaimer

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End of Agreement

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0404080043 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Current Status

Status:	ACTIVE	Status Effective Date:	2004/08/05
Term Date:	2004/08/05	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2009/08/05	Current Expiry Date:	INDEFINITE
Continuation Date:	2009/08/05		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	1	Encumbrance Count:	1
Offset Compensation:	No	Last Update Date:	2014/08/20

#### Designated Representative

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

#### Current Participant(s)

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
Total Interest:			100.0000000

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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**Agreement Type/Number: 004 0404080043 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Rental Information**

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/08/05		
Default Notice Issued:		Monthly Invoice:	Yes

**Land/Rights Description**

Land Description:

4-05-026: 27

PETROLEUM AND NATURAL GAS

TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00  
INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

**Well Events Data**

Well Event ID	Delimiter	Well Event Status	Offset
102 09 27 026 05W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASED	

Total: 1

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0404080043 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2009/08/05	PRIMARY CONTINUATION		0.0000				
Total: 1							

### Bonus Information

Creation Date:	2004/08/05	Original Expiry Date:	2009/08/05
Sale Or O/C Date:	2004/08/04	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$32,680.96
Security Deposit:			
Order in Council:			
Issuance Fee:	\$500.00		

### Encumbrance Data

Encumbrance ID	Encumbrance Type	Status	Registration Date	Partial Discharge Type
1401120	SECURITY NOTICE	ACTIVE	2014/05/20	
Total Number of Records: 1				

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

Agreement Type/Number: 004 0404080043 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Encumbrance Details

Registration Type/Number: SN 1401120 SECURITY NOTICE

#### Interest Of

DOE Client ID	Name
1001903	EAGLE RANCH RESOURCES LTD.

#### Secured Party

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA

#### Address For Service

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA 311 6 AVE SW SUITE 1800 CALGARY AB T2P 3H2

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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**Agreement Type/Number: 004 0404080043 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

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End of Agreement

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0404120384 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Current Status

Status:	ACTIVE	Status Effective Date:	2004/12/16
Term Date:	2004/12/16	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2009/12/16	Current Expiry Date:	INDEFINITE
Continuation Date:	2009/12/16		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	1	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

### Designated Representative

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

### Current Participant(s)

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000



**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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Agreement Type/Number: 004 0404120384 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Rental Information**

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/12/16		
Default Notice Issued:		Monthly Invoice:	Yes

**Land/Rights Description**

Land Description:  
4-04-026 19

PETROLEUM AND NATURAL GAS

TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00  
INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

**Well Events Data**

Well Event ID	Delimiter	Well Event Status	Offset
100 05 19 026 04W4 00	LOCATED ON AGREEMENT (0)	GAS FLOWING	

Total: 1

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0404120384 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2009/12/16	PRIMARY CONTINUATION		0.0000				
Total: 1							

Bonus Information

Creation Date:	2004/12/16	Original Expiry Date:	2009/12/16
Sale Or O/C Date:	2004/12/15	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$86,630.40
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

Disclaimer

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0405020040 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	ACTIVE	Status Effective Date:	2005/02/10
Term Date:	2005/02/10	Term:	5 Years 0 Months 0 Days
Original Expiry Date	2010/02/10	Current Expiry Date:	INDEFINITE
Continuation Date	2010/02/10		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	2	Encumbrance Count:	1
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0405020040 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/02/10		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:

4-06-027: 4

PETROLEUM AND NATURAL GAS

TO THE BASE OF THE FISH SCALE-WESTGATE

AS DESIGNATED IN DRRZD 00273

KEY WELL: 02/06-13-011-20W4/00

INTERVAL: 794.00 - 841.00 Meters

LOG TYPE: INDUCTION ELECTRIC

Continued To: INDEFINITE Section of Act/Regulation: 15

Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 10 04 027 06W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASSED	
100 10 04 027 06W4 03	LOCATED ON AGREEMENT (0)	GAS FLOWING	

Total: 2

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0405020040 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2010/02/10	PRIMARY CONTINUATION		0.0000				
Total: 1							

Bonus Information

Creation Date:	2005/02/10	Original Expiry Date:	2010/02/10
Sale Or O/C Date:	2005/02/09	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$73,625.60
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

Encumbrance Data

Encumbrance ID	Encumbrance Type	Status	Registration Date	Partial Discharge Type
1401120	SECURITY NOTICE	ACTIVE	2014/05/20	
Total Number of Records: 1				

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0405020040 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Encumbrance Details

Registration Type/Number: SN 1401120 SECURITY NOTICE

### Interest Of

DOE Client ID	Name
1001903	EAGLE RANCH RESOURCES LTD.

### Secured Party

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA

### Address For Service

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA 311 6 AVE SW SUITE 1800 CALGARY AB T2P 3H2

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Agreement Type/Number: 004 0405020040 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0405030082 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	ACTIVE	Status Effective Date:	2005/03/10
Term Date:	2005/03/10	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2010/03/10	Current Expiry Date:	INDEFINITE
Continuation Date:	2010/03/10		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	1	Encumbrance Count:	1
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000



## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0405030082 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/03/10	Monthly Invoice:	Yes
Default Notice Issued:			

#### Land/Rights Description

Land Description:

4-07-025. 19

PETROLEUM AND NATURAL GAS BELOW THE BASE OF THE SECOND WHITE SPECKS  
AS DESIGNATED IN DRRZD 00013  
KEY WELL: 00/10-17-014-09W4/00  
INTERVAL: 1,820.00 - 2,030.00 Feet  
LOG TYPE: INDUCTION ELECTRIC

TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00  
INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0405030082 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 06 19 025 07W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASED	

Total: 1

### Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2010/03/10	PRIMARY CONTINUATION		0.0000				
Total: 1							

### Bonus Information

Creation Date:	2005/03/10	Original Expiry Date:	2010/03/10
Sale Or O/C Date:	2005/03/09	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$86,425.60
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0405030082 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Encumbrance Data

Encumbrance ID	Encumbrance Type	Status	Registration Date	Partial Discharge Type
1401120	SECURITY NOTICE	ACTIVE	2014/05/20	
Total Number of Records: 1				

Encumbrance Details

Registration Type/Number: SN 1401120 SECURITY NOTICE

Interest Of

DOE Client ID	Name
1001903	EAGLE RANCH RESOURCES LTD.

Secured Party

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA

Address For Service

DOE Client ID	Name
8014777	NATIONAL BANK OF CANADA 311 6 AVE SW SUITE 1800 CALGARY AB T2P 3H2

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

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Agreement Type/Number: 004 0405030082 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Disclaimer

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0405090035 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	ACTIVE	Status Effective Date:	2005/09/08
Term Date:	2005/09/08	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2010/09/08	Current Expiry Date:	INDEFINITE
Continuation Date:	2010/09/08		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	1	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0405090035 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/09/08	Monthly Invoice:	Yes
Default Notice Issued:			

Land/Rights Description

Land Description:  
4-06-027, 19  
  
PETROLEUM AND NATURAL GAS  
  
TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00  
INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL  
  
Continued To: INDEFINITE Section of Act/Regulation: 15

Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 06 19 027 06W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASED	

Total: 1

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

Agreement Type/Number: 004 0405090035 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2010/09/08	PRIMARY CONTINUATION		0.0000				
Total: 1							

### Bonus Information

Creation Date	2005/09/08	Original Expiry Date	2010/09/08
Sale Or O/C Date	2005/09/07	Original Area	256.0000
Payment Origin	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount	\$74,956.80
Security Deposit			
Order in Council			
Issuance Fee	\$625.00		

### Disclaimer

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End of Agreement

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50 28 PM  
Energy External Search  
Request No. R3284918  
AMI100012

Agreement Type/Number: 004 0406070516 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Current Status

Status:	ACTIVE	Status Effective Date:	2011/11/14
Term Date:	2006/07/27	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2011/07/27	Current Expiry Date:	INDEFINITE
Continuation Date:	2011/07/27		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	1	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

Designated Representative

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

Current Participant(s)

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
Total Interest:			100.0000000



Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0406070516 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/07/27		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:  
4-05-026:

33

PETROLEUM AND NATURAL GAS

TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00  
INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 15 33 026 05W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASED	

Total: 1

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

Agreement Type/Number: 004 0406070516 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Bonus Information

Creation Date:	2006/07/27	Original Expiry Date:	2011/07/27
Sale Or O/C Date:	2006/07/26	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$83,609 60
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

Disclaimer

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End of Agreement

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0410010031 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Current Status

Status:	UNDER REVIEW	Status Effective Date:	2015/01/15
Term Date:	2010/01/14	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/01/14	Current Expiry Date:	2015/01/14
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2015/01/15

### Designated Representative

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

### Current Participant(s)

Last Transfer Date 2010/05/19 Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
Total Interest:			100.0000000

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

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Agreement Type/Number: 004 0410010031 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Rental Information

Required Rental Amount	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date	2015/01/14		
Default Notice Issued		Monthly Invoice:	Yes

#### Land/Rights Description

Land Description:  
4-02-024: 4  
  
PETROLEUM AND NATURAL GAS

#### Bonus Information

Creation Date:	2010/01/14	Original Expiry Date:	2015/01/14
Sale Or O/C Date:	2010/01/13	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$2,618.88
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

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Agreement Type/Number: 004 0410010031 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Disclaimer

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0410010034 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	UNDER REVIEW	Status Effective Date:	2015/01/15
Term Date:	2010/01/14	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/01/14	Current Expiry Date:	2015/01/14
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2015/01/15

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

Agreement Type/Number: 004 0410010034 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/01/14		
Default Notice Issued:		Monthly Invoice:	Yes

#### Land/Rights Description

Land Description:  
4-08-025 14  
  
PETROLEUM AND NATURAL GAS

#### Bonus Information

Creation Date:	2010/01/14	Original Expiry Date:	2015/01/14
Sale Or O/C Date:	2010/01/13	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$4,485.12
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

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Agreement Type/Number: 004 0410010034 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

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End of Agreement



**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0410020030 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	ACTIVE	Status Effective Date:	2010/02/11
Term Date:	2010/02/11	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/02/11	Current Expiry Date:	2015/02/11
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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**Agreement Type/Number: 004 0410020030 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Rental Information**

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/02/11		
Default Notice Issued:		Monthly Invoice:	Yes

**Land/Rights Description**

Land Description:  
4-07-026: 22  
  
PETROLEUM AND NATURAL GAS

**Bonus Information**

Creation Date:	2010/02/11	Original Expiry Date:	2015/02/11
Sale Or O/C Date:	2010/02/10	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$9,369.60
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

---

Agreement Type/Number: 004 0410020030 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Disclaimer

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End of Agreement

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

Agreement Type/Number: 004 0410030429 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Current Status

Status:	ACTIVE	Status Effective Date:	2010/03/25
Term Date:	2010/03/25	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/03/25	Current Expiry Date:	2015/03/25
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

#### Designated Representative

<b>Client ID</b>	<b>Client Name/Address</b>	<b>Corporate Status</b>
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

#### Current Participant(s)

Last Transfer Date: 2010/05/19    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

Agreement Type/Number: 004 0410030429 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date	2015/03/25		
Default Notice Issued		Monthly Invoice:	Yes

Land/Rights Description

Land Description

4-02-024: 24

PETROLEUM AND NATURAL GAS BELOW THE BASE OF THE BELLY RIVER GRP  
AS DESIGNATED IN DRRZD 00039  
KEY WELL: 00/07-18-032-22W4/00  
INTERVAL: 1,688.00 - 2,453.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

TO THE BASE OF THE VIKING FM  
AS DESIGNATED IN DRRZD 00006  
KEY WELL: 00/10-10-042-14W4/00  
INTERVAL: 2,600.00 - 2,680.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

Agreement Type/Number: 004 0410030429 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Bonus Information

Creation Date:	2010/03/25	Original Expiry Date:	2015/03/25
Sale Or O/C Date:	2010/03/24	Original Area:	256 0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$2,693 12
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

Disclaimer

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End of Agreement

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
 Energy External Search  
 Request No.: R3284918  
 AMI100012

Agreement Type/Number: 004 0410030430 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Current Status

Status:	ACTIVE	Status Effective Date:	2010/03/25
Term Date:	2010/03/25	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/03/25	Current Expiry Date:	2015/03/25
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

### Designated Representative

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

### Current Participant(s)

Last Transfer Date: 2010/05/19 Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
Total Interest:			100.0000000

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0410030430 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/03/25		
Default Notice Issued:		Monthly Invoice:	Yes

### Land/Rights Description

Land Description:  
4-06-025:

7

PETROLEUM AND NATURAL GAS BELOW THE BASE OF THE BELLY RIVER GRP  
AS DESIGNATED IN DRRZD 00039  
KEY WELL: 00/07-18-032-22W4/00  
INTERVAL: 1,688.00 - 2,453.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

### Bonus Information

Creation Date:	2010/03/25	Original Expiry Date:	2015/03/25
Sale Or O/C Date:	2010/03/24	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$4,700.16
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		



**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No. R3284918  
AMI100012

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Agreement Type/Number: 004 0410030430 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Disclaimer**

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End of Agreement

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AM1100012

Agreement Type/Number: 004 0410050371 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Current Status

Status:	ACTIVE	Status Effective Date:	2010/05/20
Term Date:	2010/05/20	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/05/20	Current Expiry Date:	2015/05/20
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

### Designated Representative

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

### Current Participant(s)

Last Transfer Date: 2010/06/09    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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Agreement Type/Number: 004 0410050371 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/05/20		
Default Notice Issued:		Monthly Invoice:	Yes

#### Land/Rights Description

Land Description:  
4-05-025: 17  
  
PETROLEUM AND NATURAL GAS

#### Bonus Information

Creation Date:	2010/05/20	Original Expiry Date:	2015/05/20
Sale Or O/C Date:	2010/05/19	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$9,500.16
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

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Agreement Type/Number: 004 0410050371 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Disclaimer

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0410050373 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Current Status**

Status:	ACTIVE	Status Effective Date:	2010/05/20
Term Date:	2010/05/20	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/05/20	Current Expiry Date:	2015/05/20
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/06/09    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0410050373 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/05/20		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:  
4-08-026: 15

PETROLEUM AND NATURAL GAS BELOW THE BASE OF THE BELLY RIVER GRP  
AS DESIGNATED IN DRRZD 00039  
KEY WELL: 00/07-18-032-22W4/00  
INTERVAL: 1,688.00 - 2,453.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Bonus Information

Creation Date:	2010/05/20	Original Expiry Date:	2015/05/20
Sale Or O/C Date:	2010/05/19	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$9,500.16
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

Agreement Type/Number: 004 0410050373 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Disclaimer

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End of Agreement

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0410070063 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Current Status

Status	ACTIVE	Status Effective Date:	2010/07/08
Term Date	2010/07/08	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/07/08	Current Expiry Date:	2015/07/08
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending	No	Continuation Pending:	No
Vintage	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

### Designated Representative

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

### Current Participant(s)

Last Transfer Date: 2010/07/21 Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000



**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

Agreement Type/Number: 004 0410070063 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Rental Information**

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/07/08		
Default Notice Issued:		Monthly Invoice:	Yes

**Land/Rights Description**

Land Description	
4-05-026	1
PETROLEUM AND NATURAL GAS	

**Bonus Information**

Creation Date:	2010/07/08	Original Expiry Date:	2015/07/08
Sale Or O/C Date:	2010/07/07	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$9,605.12
Security Deposit			
Order in Council			
Issuance Fee	\$625.00		

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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**Agreement Type/Number: 004 0410070063 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

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End of Agreement

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0410070064 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Current Status

Status:	ACTIVE	Status Effective Date:	2010/07/08
Term Date:	2010/07/08	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/07/08	Current Expiry Date:	2015/07/08
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

### Designated Representative

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

### Current Participant(s)

Last Transfer Date: 2010/07/21    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

**Agreement Type/Number: 004 0410070064 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Rental Information**

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/07/08		
Default Notice Issued:		Monthly Invoice:	Yes

**Land/Rights Description**

Land Description:	
4-05-026	22
	PETROLEUM AND NATURAL GAS

**Bonus Information**

Creation Date:	2010/07/08	Original Expiry Date:	2015/07/08
Sale Or O/C Date:	2010/07/07	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$3,356.16
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AM1100012

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Agreement Type/Number: 004 0410070064 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Disclaimer

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0410080414 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Current Status**

Status:	ACTIVE	Status Effective Date:	2010/08/19
Term Date:	2010/08/19	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/08/19	Current Expiry Date:	2015/08/19
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	2	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2010/09/01    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
Total Interest:			100.0000000

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0410080414 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Rental Information**

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/08/19	Monthly Invoice:	Yes
Default Notice Issued:			

**Land/Rights Description**

Land Description:  
4-05-026: 3  
  
PETROLEUM AND NATURAL GAS

**Well Events Data**

Well Event ID	Delimiter	Well Event Status	Offset
100 08 03 026 05W4 00	LOCATED ON AGREEMENT (0)	GAS SUSPENDED	
100 08 03 026 05W4 02	LOCATED ON AGREEMENT (0)	DRILLING & CASED	

Total: 2

**Bonus Information**

Creation Date:	2010/08/19	Original Expiry Date:	2015/08/19
Sale Or O/C Date:	2010/08/18	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$4,546.56
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

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Agreement Type/Number: 004 0410080414 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

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End of Agreement



**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0410120014 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status	ACTIVE	Status Effective Date:	2010/12/02
Term Date	2010/12/02	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/12/02	Current Expiry Date:	2015/12/02
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count	1	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2011/01/12    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0410120014 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/12/02		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:  
4-05-025. 6  
  
PETROLEUM AND NATURAL GAS

Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 06 06 025 05W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASED	

Total: 1

Bonus Information

Creation Date:	2010/12/02	Original Expiry Date:	2015/12/02
Sale Or O/C Date:	2010/12/01	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$3,397.12
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

Agreement Type/Number: 004 0410120014 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Disclaimer

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

**Agreement Type/Number: 004 0411030599 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	ACTIVE	Status Effective Date:	2011/03/24
Term Date:	2011/03/24	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2016/03/24	Current Expiry Date:	2016/03/24
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2011/05/17    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

---

Agreement Type/Number: 004 0411030599 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Rental Information**

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/03/24		
Default Notice Issued:		Monthly Invoice:	Yes

**Land/Rights Description**

Land Description:	
4-04-027	9
PETROLEUM AND NATURAL GAS	

**Bonus Information**

Creation Date:	2011/01/25	Original Expiry Date:	2016/03/24
Sale Or O/C Date:	2011/03/23	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$13,480.96
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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Agreement Type/Number: 004 0411030599 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

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End of Agreement

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No : R3284918  
AMI100012

Agreement Type/Number: 004 0411080012 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Current Status

Status:	ACTIVE	Status Effective Date:	2011/08/11
Term Date:	2011/08/11	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2016/08/11	Current Expiry Date:	2016/08/11
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

### Designated Representative

<b>Client ID</b>	<b>Client Name/Address</b>	<b>Corporate Status</b>
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

### Current Participant(s)

Last Transfer Date: 2011/08/23 Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0411080012 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount:	\$896 00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/08/11		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:  
4-01-020:

1

PETROLEUM AND NATURAL GAS BELOW THE BASE OF THE MEDICINE HAT SD  
AS DESIGNATED IN DRRZD 00012  
KEY WELL: 00/06-30-014-04W4/00  
INTERVAL: 1,312.00 - 1,582.00 Feet  
LOG TYPE: INDUCTION GAMMA RAY

Bonus Information

Creation Date:	2011/06/14	Original Expiry Date:	2016/08/11
Sale Or O/C Date:	2011/08/10	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$4,751.36
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625 00		



## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM

Energy External Search

Request No.: R3284918

AMI100012

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Agreement Type/Number: 004 0411080012 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Disclaimer

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0412050037 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Current Status**

Status	ACTIVE	Status Effective Date:	2012/05/03
Term Date:	2012/05/03	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2017/05/03	Current Expiry Date:	2017/05/03
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count	1	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

**Designated Representative**

<b>Client ID</b>	<b>Client Name/Address</b>	<b>Corporate Status</b>
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2012/05/15    Transfer Pending: No

<b>Client ID</b>	<b>Client Name</b>	<b>Corporate Status</b>	<b>Interest</b>
1001903	EAGLE RANCH RESOURCES LTD	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0412050037 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/05/03		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:  
4-05-026: 9  
  
PETROLEUM AND NATURAL GAS

Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 02 09 026 05W4 00	LOCATED ON AGREEMENT (0)	DRILLING & CASED	

Total: 1

Bonus Information

Creation Date:	2012/03/06	Original Expiry Date:	2017/05/03
Sale Or O/C Date:	2012/05/02	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$2,900.48
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

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**Agreement Type/Number: 004 0412050037 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Disclaimer**

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0478080209 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Current Status**

Status:	ACTIVE	Status Effective Date:	1978/08/25
Term Date:	1978/08/25	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	1983/08/25	Current Expiry Date:	INDEFINITE
Continuation Date:	1983/08/25		
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	4	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2010/07/19

**Designated Representative**

Client ID	Client Name/Address	Corporate Status
0000751	MEDICINE HAT, CITY OF GAS UTILITY 364 KIPLING ST SE MEDICINE HAT AB T1A 1Y4	NONREG

**Current Participant(s)**

Last Transfer Date: 2003/07/24    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
0000751	MEDICINE HAT, CITY OF	NONREG	100.0000000
			Total Interest: 100.0000000

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0478080209 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

**Rental Information**

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/08/25		
Default Notice Issued:		Monthly Invoice	Yes

**Land/Rights Description**

Land Description:  
4-02-022

11

PETROLEUM AND NATURAL GAS

TO THE BASE OF THE VIKING FM  
AS DESIGNATED IN DRRZD 00006  
KEY WELL: 00/10-10-042-14W4/00  
INTERVAL: 2,600.00 - 2,680.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

**Well Events Data**

Well Event ID	Delimiter	Well Event Status	Offset
100 02 11 022 02W4 00	LOCATED ON AGREEMENT (0)	GAS SUSPENDED	
100 04 11 022 02W4 00	LOCATED ON AGREEMENT (0)	GAS SUSPENDED	
100 06 11 022 02W4 00	LOCATED ON AGREEMENT (0)	ABANDONED	
102 06 11 022 02W4 00	LOCATED ON AGREEMENT (0)	GAS SUSPENDED	

Total: 4

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 2:50:28 PM  
Energy External Search  
Request No.: R3284918  
AMI100012

Agreement Type/Number: 004 0478080209 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
1983/08/25	PRIMARY CONTINUATION		0.0000				
1983/08/25	DIVISION INTO	004047808A209	0.0000				
1978/08/25	ORIGINATING DISP - CONVERSION (LSAS)	0535376080030	0.0000				

Total: 3

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End of Agreement

End Of Report

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 3:10:17 PM  
External Search  
Request No: R3284934  
AMI100012

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**Parameters**

Mineral Agreement I D: 0040495040033,0040410050383,0040410010048



Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 3:10:17 PM  
Energy External Search  
Request No.: R3284934  
AMI100012

Agreement Summary

Agreement Type	Agreement Number	Status	Term Date	Original Expiry Date	Current Expiry Date	Cancellation Date	Cancellation Reason	Original Area	Current Area
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410010048	UNDER REVIEW	2010/01/14	2015/01/14	2015/01/14			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0410050383	ACTIVE	2010/05/20	2015/05/20	2015/05/20			256.0000	256.0000
004 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE	0495040033	ACTIVE	1995/04/13	2000/04/13	INDEFINITE			512.0000	512.0000
Total Number of Agreements: 3						Totals:		1,024.0000	1,024.0000

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 3:10:17 PM  
Energy External Search  
Request No.: R3284934  
AMI100012

**Agreement Report Detail**

**Agrément Type/Number: 004 0410010048 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	UNDER REVIEW	Status Effective Date:	2015/01/15
Term Date:	2010/01/14	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/01/14	Current Expiry Date:	2015/01/14
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2015/01/15

**Designated Representative**

<b>Client ID</b>	<b>Client Name/Address</b>	<b>Corporate Status</b>
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 3:10:17 PM  
Energy External Search  
Request No.: R3284934  
AMI100012

Agreement Type/Number: 004 0410010048 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Current Participant(s)

Last Transfer Date: 2010/05/19 Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD	ACTIVE	35.0000000
			Total Interest: 100.0000000

Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/01/14		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:

4-09-028: 36

PETROLEUM AND NATURAL GAS BELOW THE BASE OF THE VIKING FM  
AS DESIGNATED IN DRRZD 00006  
KEY WELL: 00/10-10-042-14W4/00  
INTERVAL: 2,600.00 - 2,680.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 3:10:17 PM  
Energy External Search  
Request No: R3284934  
AMI100012

---

**Agreement Type/Number: 004 0410010048 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Bonus Information**

Creation Date:	2010/01/14	Original Expiry Date:	2015/01/14
Sale Or O/C Date:	2010/01/13	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$7,313.92
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

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End of Agreement

# Alberta Mineral Information

## Agreement Detail Report

Created On: 2015/01/21 3:10 17 PM  
Energy External Search  
Request No.: R3284934  
AMI100012

Agreement Type/Number: 004 0410050383 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

### Current Status

Status:	ACTIVE	Status Effective Date:	2010/05/20
Term Date:	2010/05/20	Term:	5 Years 0 Months 0 Days
Original Expiry Date:	2015/05/20	Current Expiry Date:	2015/05/20
Continuation Date:			
Original Area(Ha):	256.0000	Current Area(Ha):	256.0000
Transfer Pending:	No	Continuation Pending:	No
Vintage:	PRIMARY	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	0	Encumbrance Count:	0
Offset Compensation:	No	Last Update Date:	2014/08/20

### Designated Representative

Client ID	Client Name/Address	Corporate Status
8075045	ELKWATER RESOURCES LTD. 645 7 AVE SW SUITE 1250 CALGARY AB T2P 4G8	ACTIVE

### Current Participant(s)

Last Transfer Date: 2010/06/09    Transfer Pending: No

Client ID	Client Name	Corporate Status	Interest
1001903	EAGLE RANCH RESOURCES LTD.	ACTIVE	65.0000000
8075045	ELKWATER RESOURCES LTD.	ACTIVE	35.0000000
			Total Interest: 100.0000000

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 3:10:17 PM  
Energy External Search  
Request No.: R3284934  
AMI100012

---

Agreement Type/Number: 004 0410050383 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Rental Information

Required Rental Amount:	\$896.00	Current Rental Amount:	\$896.00
Rental Paid To Date:	2015/05/20		
Default Notice Issued:		Monthly Invoice:	Yes

#### Land/Rights Description

Land Description:  
4-09-028: 35  
  
PETROLEUM AND NATURAL GAS

#### Bonus Information

Creation Date:	2010/05/20	Original Expiry Date:	2015/05/20
Sale Or O/C Date:	2010/05/19	Original Area:	256.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$4,636.16
Security Deposit:			
Order in Council:			
Issuance Fee:	\$625.00		

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 3:10:17 PM  
Energy External Search  
Request No.: R3284934  
AMI100012

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Agreement Type/Number: 004 0410050383 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

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End of Agreement

**Alberta Mineral Information**  
**Agreement Detail Report**

Created On: 2015/01/21 3:10:17 PM  
Energy External Search  
Request No: R3284934  
AMI100012

**Agreement Type/Number: 004 0495040033 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE**

**Current Status**

Status:	ACTIVE	Status Effective Date:	1995/04/13
Term Date:	1995/04/13	Term:	5 Years 0 Months 0 Days
Original Expiry Date	2000/04/13	Current Expiry Date:	INDEFINITE
Continuation Date	2000/04/13		
Original Area(Ha)	512.0000	Current Area(Ha):	512.0000
Transfer Pending	No	Continuation Pending:	No
Vintage:	CONTINUED TERM	Oil Sands Area:	No
Security Type:		Security Deposit Amount:	\$0.00
Well Count:	3	Encumbrance Count:	0
Offset Compensation	Yes	Last Update Date:	2010/04/16

**Designated Representative**

<b>Client ID</b>	<b>Client Name/Address</b>	<b>Corporate Status</b>
8073768	NUVISTA ENERGY LTD. 700 2 ST SW SUITE 3500 CALGARY AB T2P 2W2	ACTIVE

**Current Participant(s)**

Last Transfer Date: 2003/07/25    Transfer Pending: No

<b>Client ID</b>	<b>Client Name</b>	<b>Corporate Status</b>	<b>Interest</b>
8073768	NUVISTA ENERGY LTD.	ACTIVE	100.0000000
			Total Interest: 100.0000000



Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 3:10:17 PM  
Energy External Search  
Request No.: R3284934  
AMI100012

Agreement Type/Number: 004 0495040033 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

Rental Information

Required Rental Amount:	\$1,792.00	Current Rental Amount:	\$1,792.00
Rental Paid To Date:	2015/04/13		
Default Notice Issued:		Monthly Invoice:	Yes

Land/Rights Description

Land Description:

Tract Number: 01  
4-08-027: 22

PETROLEUM AND NATURAL GAS

TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00  
INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

Tract Number: 02  
4-08-027: 21

PETROLEUM AND NATURAL GAS BELOW THE BASE OF THE VIKING FM  
AS DESIGNATED IN DRRZD 00006  
KEY WELL: 00/10-10-042-14W4/00  
INTERVAL: 2,600.00 - 2,680.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

TO THE BASE OF THE MANNVILLE GRP  
AS DESIGNATED IN DRRZD 00004  
KEY WELL: 00/06-16-041-08W4/00

Alberta Mineral Information  
Agreement Detail Report

Created On: 2015/01/21 3:10:17 PM  
Energy External Search  
Request No.: R3284934  
AMI100012

Agreement Type/Number: 004 0495040033 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

INTERVAL: 2,557.00 - 2,985.00 Feet  
LOG TYPE: INDUCTION ELECTRICAL

Continued To: INDEFINITE Section of Act/Regulation: 15

Well Events Data

Well Event ID	Delimiter	Well Event Status	Offset
100 04 21 027 08W4 00	LOCATED ON AGREEMENT (0)	ABANDONED ZONE	
100 08 21 027 08W4 00	LOCATED ON AGREEMENT (0)	GAS FLOWING	
100 10 22 027 08W4 00	LOCATED ON AGREEMENT (0)	ABANDONED	
100 04 26 027 08W4 02	FREEHOLD WELL (F)	GAS FLOWING	

Total: 4

Related Agreements / Amendments

Reason Date	Reason Description	Agreement ID	Area (HA)	Renewal Count	Status	Cancellation Date	Cancellation Reason
2000/08/09	CONTINUATION - AMENDMENT		0.0000				
Total: 1							

Bonus Information

Creation Date:	1995/04/13	Original Expiry Date:	2000/04/13
Sale Or O/C Date:	1995/04/12	Original Area:	512.0000
Payment Origin:	PETROLEUM AND NATURAL GAS LEASE SALE - BONUS	Payment Amount:	\$78,177.28
Security Deposit:			
Order in Council:			
Issuance Fee:	\$450.00		

## Alberta Mineral Information

### Agreement Detail Report

Created On: 2015/01/21 3:10:17 PM

Energy External Search

Request No.: R3284934

AMI100012

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Agreement Type/Number: 004 0495040033 5 YEAR PLAINS PETROLEUM AND NATURAL GAS LEASE

#### Offset Notice(s)

Offset Notice ID	Offset Type	Status	Notice Date	Expiry Date
2090129C	GAS OFFSET	Cancelled	2011/02/09	2011/08/09
Total Number of Offset Notices: 1				

#### Disclaimer

THIS SEARCH IS PROVIDED ON THE CONDITION AND UNDERSTANDING THAT HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA IS IN NO WAY RESPONSIBLE FOR LOSS OR DAMAGE ARISING FROM ANY ERRORS OR OMISSIONS IN THIS SEARCH AND ANY PERSON MAKING USE OF RELYING IN ANY WAY ON THIS SEARCH HEREBY RELEASES HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA FROM ANY LIABILITY FOR SUCH LOSS OR DAMAGE.

End of Agreement

End Of Report

**mccarthy  
tétrault**

THIS IS EXHIBIT "K"  
referred to in the Affidavit of  
Elizabeth Pineda  
Sworn before me this 23  
day of January, A.D. 2015

  
A COMMISSIONER FOR OATHS  
IN AND FOR THE PROVINCE OF ALBERTA

**Pantelis Kyriakakis**  
*Barrister and Solicitor*

McCarthy Tétrault LLP  
Suite 4000  
421-7th Avenue SW  
Calgary AB T2P 4K9  
Canada  
Tel: 403-260-3500  
Fax: 403-260-3501

**Walker W. MacLeod**  
Direct Line: (403) 260-3710  
Direct Fax: (403) 260-3501  
Email: [wmacleod@mccarthy.ca](mailto:wmacleod@mccarthy.ca)

Assistant: **Marcia Smith**  
Direct Line: 403-260-3546  
Email: [marciasmith@mccarthy.ca](mailto:marciasmith@mccarthy.ca)

June 25, 2014

**Via Courier**

Eagle Ranch Resources Ltd.  
Suite 2000, 840 7th Avenue SW  
Calgary, AB T2P 3G2

Attention: Mr. Don J. Brown, President

Dear Sirs:

**Re: \$600,000 Secured Credit Facilities granted by National Bank of Canada  
in favour of Eagle Ranch Resources Ltd.**

We are counsel to National Bank of Canada ("NBC") in connection with the secured credit facilities NBC has granted to Eagle Ranch Resources Ltd. (the "**Borrower**"). Reference is made to the commitment letter, dated September 24, 2012, between Eagle Ranch Resources Ltd., as borrower, and NBC as lender, as amended, modified, supplemented, restated, or replaced from time to time (the "**Loan Agreement**").

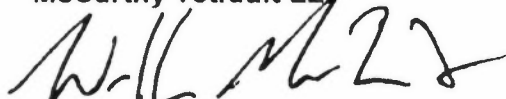
On behalf of NBC, we hereby demand repayment of all amounts due and owing by the Borrower to NBC which, as of June 24, 2014, are \$603,336.98, exclusive of professional fees and costs. Interest continues to accrue in accordance with the terms and conditions of the Loan Agreement at the *per diem* rate of \$115.07. Please contact us on the date repayment is to be made and we shall provide the then outstanding balance inclusive of professional fees and costs.

If full payment, as set forth above, is not made within ten (10) days from the date hereof then NBC will take whatever steps it deems appropriate to secure payment of all amounts outstanding. To this end, we enclose for service upon you, a Notice of Intention to Enforce Security in accordance with Section 244(1) of the *Bankruptcy and Insolvency Act*.

NBC expressly reserves its rights as against the Borrower in connection with any further amounts that may become due and owing to NBC. This notice is without prejudice to any and all rights, powers, privileges and remedies of NBC under the Loan Agreement, the security granted to NBC by the Borrower and/or applicable law, including with respect to any defaults committed by the Borrower, or any additional defaults that are or may be committed by the Borrower under the Loan Agreement or the security granted to NBC by the Borrower, all of which rights are expressly reserved, and nothing herein shall act as a waiver thereof.

Yours truly,

McCarthy Tétrault LLP

A handwritten signature in black ink, appearing to read "W. W. MacLeod", written over the printed name.

Walker W. MacLeod

WWM/ms

Encl.

c.c. National Bank of Canada

**FORM 86**  
**Notice of Intention to Enforce Security**  
**(Rule 124)**

**TO: Eagle Ranch Resources Ltd. (the "Debtor"), an insolvent person**

**TAKE NOTICE THAT:**

1. National Bank of Canada ("NBC"), a secured creditor, intends to enforce its security on the insolvent person's property, being all of the Debtor's present and after acquired personal and real property.
2. The security that is to be enforced is in the form of: (i) 25,000,000 Fixed and Floating Charge Demand Debenture, dated July 11, 2006, granted by the Debtor to the Lender; (ii) Pledge Agreement, dated 11, 2006, granted by the Debtor in favour of NBC; (iii) Negative Pledge and Undertaking, dated 11, 2006, granted by the Debtor in favour of NBC; and (iv) General Assignment of Book Debts, dated July 11, 2006, granted by the Debtor in favour of NBC (collectively, the "Security").
3. The total amount of indebtedness secured by the Security, as of June 24, 2014, is \$603,336.98, plus accruing interest, costs, expenses and fees including, without limitation, solicitor and own client costs on a full indemnity basis.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Calgary, Alberta, this 25<sup>th</sup> day of June, 2014.

**NATIONAL BANK OF CANADA**  
**by its duly authorized solicitors and agents**  
**McCarthy Tétrault LLP**

Per: 

Walker W. MacLeod

THIS IS EXHIBIT " L  
referred to in the Affidavit of  
Elizabeth Pineda  
Sworn before me this 23  
day of January, A.D. 2015.

**SETTLEMENT, PRIORITY AND ASSET SALE AGREEMENT**

THIS AGREEMENT is made effective as of the \_\_\_\_ day of January, 2015.

A COMMISSIONER FOR OATHS  
IN AND FOR THE PROVINCE OF ALBERTA  
**Pantelis Kyriakakis**  
Barrister and Solicitor

AMONG:

**EAGLE RANCH RESOURCES LTD.** a corporation incorporated pursuant to the laws of the Province of Alberta by and through Alvarez & Marsal Canada Inc., in its capacity as court-appointed receiver and manager of Eagle Ranch Resources Ltd., and not in its personal or corporate capacity ("**Eagle Ranch**")

- and -

**ELKWATER RESOURCES LTD.** a corporation incorporated pursuant to the laws of the Province of Alberta ("**Elkwater**")

**WHEREAS** Elkwater and Eagle Ranch are working interest participants under and pursuant to the Joint Operating Agreement, with respect to the Joint Assets;

**AND WHEREAS** as operator of the Joint Assets, Elkwater is the holder of the Junior Operator's Claim;

**AND WHEREAS** NBC and Eagle Ranch are party to the Loan Agreement;

**AND WHEREAS** pursuant to the Loan Agreement, NBC had made certain availments available to Eagle Ranch;

**AND WHEREAS** Eagle Ranch provided the Senior Security to NBC in order to secure the performance of Eagle Ranch's obligations under the Loan Agreement, which would include the repayment of the Senior Debt;

**AND WHEREAS** NBC applied for and obtained the Receivership Order, appointing the Receiver as receiver and manager of Eagle Ranch's Records;

**AND WHEREAS** the Receiver, through the examination of the Records and as a result of the mutual business dealings between the Parties, identified the Released Claim;

**AND WHEREAS** the Parties hereto wish to settle and resolve any and all actual or potential disputes by acknowledging and granting priority to the Senior Debt and the Senior Security over the Junior Operator's Claim and the Junior Rights, releasing the Released Claim, and commencing and completing the Sales Process, in accordance with the terms and conditions stated herein;

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged, each of the Parties covenant and agree as follows:

## ARTICLE 1 CONSTRUCTION AND INTERPRETATION

### 1.1 Definitions

In this Agreement, including the aforementioned recitals, this Section 1.1, and any schedules attached hereto, unless the context otherwise requires, or unless otherwise defined herein, the following words and phrases shall have the following meanings:

- (a) **"Affiliate"** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by, or is under common control with such Person. The term "control" as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership of more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise;
- (b) **"Agreement"** means this agreement, as the same may be amended, modified, supplemented, or restated from time to time in accordance with the provisions hereof;
- (c) **"Applicable Laws"** means, in relation to any Person, asset, transaction, event or circumstance:
  - (i) statutes (including regulations enacted thereunder);
  - (ii) judgments, decrees, and orders of courts of competent jurisdiction;
  - (iii) regulations, orders, ordinances, and directives issued by Government Authorities;
  - (iv) the terms and conditions of all permits, licenses, approvals, and authorizations; and,
  - (v) common law, equity, or any other laws of any nature whatsoever;which are applicable to such Person, asset, transaction, event, or circumstance;
- (d) **"Court"** means the Court of Queen's Bench of Alberta;
- (e) **"Court Approval"** means the approval of the Court of the NBC Application;
- (f) **"Government Authority"** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub ministry, agency or sub agency, court, board, bureau, office, or department, including any government owned entity, having jurisdiction over a Party, the Joint Assets, or any transactions or process contemplated by this Agreement;
- (g) **"Eagle Ranch's Participating Interest"** means Eagle Ranch's 65.0% undivided interest in the Joint Assets;



- (h) **"Elkwater's Participating Interest"** means Elkwater's 35.0% undivided interest in the Joint Assets;
- (i) **"JIBs"** means joint-interest billings and related invoices with respect to Elkwater's operation of the Joint Assets, validly issued, strictly in accordance with the Joint Operating Agreement;
- (j) **"Joint Operating Agreement"** means the Joint Operating Agreement, dated June 19, 2013, between Elkwater and Eagle Ranch, as amended and restated from time to time;
- (k) **"Joint Lands"** means any and all lands subject to the Joint Operating Agreement or as identified in Schedule "A" hereto and all Petroleum Substances therein;
- (l) **"Joint Assets"** means, collectively, the Joint Lands, the Petroleum and Natural Gas Rights, the Tangibles, and the Title Documents;
- (m) **"Junior Operator's Claim"** means any and all present and future obligations, indebtedness, liabilities, covenants, agreements, and undertakings of Eagle Ranch which may be owing or become owing to or in favour of Elkwater, including but not limited to any and all obligations, indebtedness, liabilities, covenants, agreements, and undertakings owed by Eagle Ranch to Elkwater under, pursuant to, or relating to any such debt, agreement, instrument, or other document which evidences or relates to the Joint Operating Agreement, the Joint Assets, or which may otherwise result from the mutual business relationship between Eagle Ranch and Elkwater wheresoever and howsoever incurred or arising, whether direct or indirect, absolute or contingent, matured or not, extended or renewed, and any ultimate unpaid balance thereof;
- (n) **"Junior Rights"** means any and all rights, remedies, and powers of Elkwater with respect to the Junior Operator's Claim, the Joint Operating Agreement, the Joint Assets, or pursuant to any agreement, instrument, or other document evidencing or relating to the mutual business dealings between the Parties, including but not limited to any liens, set-off rights, or any other rights or remedies otherwise available to Elkwater pursuant to Applicable Laws or in connection with the Joint Operating Agreement, the Joint Assets, the Junior Operator's Claim, or as a result of the mutual business dealings between the Parties;
- (o) **"Leases"** means the leases, reservations, permits, licenses, or other documents related to the Parties interests in any of the Joint Assets and any documents of title issued in substitution for, amendment of, or in addition to any of such document or instrument;
- (p) **"Loan Agreement"** means the Commitment Letter, dated September 24, 2012, between Eagle Ranch, as borrower, and NBC, as lender, as amended and restated from time to time;
- (q) **"NBC"** means the National Bank of Canada;
- (r) **"NBC Application"** means the application by NBC to appoint the Receiver as receiver and manager of Eagle Ranch's Participating Interest in the Joint Assets and

with the Court's explicit authorization and direction for the Receiver to: (i) execute this Agreement; (ii) without further Order, execute any document or instruments related to the Sales Process, including the engagement of NRG; (iii) without further Order, conduct the Sales Process; (iv) without further Order or approval, sell and transfer Eagle Ranch's Participating Interest in the Joint Assets; and (v) without further order, distribute any and all proceeds from the sale of Eagle Ranch's Participating Interest in the Joint Assets in accordance with this Agreement;

- (s) "**NRG**" means NRG Divestitures Inc.;
- (t) "**Order**" means any order as may be granted or pronounced by any court of competent jurisdiction;
- (u) "**Party**" means either Eagle Ranch or Elkwater, as the context may require, and "**Parties**" means both Eagle Ranch and Elkwater;
- (v) "**Participating Interests**" means, collectively, Eagle Ranch's Participating Interest and Elkwater's Participating Interest;
- (w) "**Permitted Payments**" has the meaning given in Section 2.3;
- (x) "**Persons**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Government Authority or any other entity capable of entering into a binding legal contract;
- (y) "**Petroleum and Natural Gas Rights**" means all of the right, title, estate, and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", which a Party may have in the Joint Lands and the Title Documents, in accordance with such Party's Participating Interests therein;
- (z) "**Petroleum Substances**" means any of crude oil, crude bitumen, and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to or produced in conjunction with any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and hydrogen sulphide;
- (aa) "**Purchase and Sale Agreement**" means any and all agreements of purchase and sale or any agreement or instruments similar thereto which result from the Sales Process or otherwise relate to the sale of the Joint Assets or Eagle Ranch's Participating Interest in the Joint Assets;
- (bb) "**Receiver**" means Alvarez & Marsal Canada Inc., in its capacity as receiver and manager in accordance with the Receivership Order;
- (cc) "**Receivership Charges**" means any and all charges as outlined in, or pursuant to, the Receivership Order with the same priority as indicated therein, which would include, but is not limited to, any and all charges resulting from the Receiver's borrowings in accordance with the Receivership Order;

- (dd) **"Receivership Order"** means the order issued by the Court in the Receivership Proceedings on August 15, 2014, as amended, modified, or supplemented from time to time;
- (ee) **"Receivership Proceedings"** means the proceedings before the Court and identified as Court File No. 1401-08528;
- (ff) **"Records"** means all of Eagle Ranch's books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of Eagle Ranch, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information;
- (gg) **"Released Claim"** means any and all claims, debts, counter-claims, and rights of set-off Eagle Ranch may have against Elkwater as a result of Elkwater acting as the operator of the Joint Assets or pursuant to the Joint Operating Agreement;
- (hh) **"Representatives"** means, with, respect to any Party, its Affiliates, and the respective directors, officers, servants, agents, advisors, employees, consultants, and representatives of that Party and its Affiliates;
- (ii) **"Sales Process"** means the process by which the Parties agree to retain and engage NRG, as marketing agent, in order conduct a sales and marketing process with respect to both: (i) the Joint Assets, as a whole; and, (ii) Eagle Ranch's Participating Interest in the Joint Assets, both jointly and severally;
- (jj) **"Senior Debt"** means any and all present and future obligations, indebtedness, liabilities, covenants, agreements, and undertakings of Eagle Ranch to NBC under, pursuant to, or in any way relating to the Loan Agreement or the Senior Security, whether direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred or arising, and any ultimate unpaid balance thereof, including all obligations and indebtedness thereunder whether the same are from time to time reduced and thereafter increased and including any and all of the expenses that NBC has incurred or will incur arising out of NBC's dealings with Eagle Ranch (including but not limited to the costs and expenses associated with the Receivership Proceedings, which do not or will not form part of the Receivership Charges, this Agreement, and any and all costs, expenses, and disbursements paid by NBC which relate to Alvarez & Marsal Canada Inc.'s involvement with Eagle Ranch, which do not or will not form part of the Receivership Charge) and in the preparation, registration, protection, preservation, and enforcement of the Senior Security including, without limitation, NBC's legal costs, calculated as between a solicitor and its own client on a full indemnity basis, and any associated fees, disbursements, and any and all charges which may be recoverable by NBC or may otherwise be for the account of Eagle Ranch pursuant to the Loan Agreement or the Senior Security;
- (kk) **"Senior Security"** means any and all general and continuing security, guarantees, indemnities, liens, charges, encumbrances, security interests, or other similar rights provided to NBC, by Eagle Ranch, for the performance of Eagle Ranch's obligations and the repayment of the Senior Debt, as such documents or instruments may be amended or restated from time to time;

- (ll) **"Tangibles"** means, collectively, any and all right, title, interest, and estate of the Parties, whether absolute or contingent, legal or beneficial, present or future, vested or not, in and to the tangible depreciable property and assets located within or upon the Joint Lands, and which are used or are intended to be used to produce, process, gather, treat, measure, dispose, or make marketable Petroleum Substances or in connection with water condensate, injection or removal operations that pertain to the Petroleum and Natural Gas Rights;
- (mm) **"Title Documents"** means all agreements, contracts, instruments, and other documents that govern the ownership, operation, or use of the Joint Lands, including: (i) the Leases and other agreements and instruments pursuant to which the Petroleum and Natural Gas Rights were issued, granted, or created; (ii) permits, licenses, approvals, and authorizations; (iii) operating agreements, unit agreements, production allocation agreements, trust declarations, participation agreements, joint venture agreements, farmin agreements, farmout agreements, and royalty agreements, (iv) agreements that create or relate to any surface interests with respect to the Joint Lands and the Petroleum and Natural Gas Rights; (v) agreements for the construction, ownership and/or operation of the Tangibles; (vi) trust declarations and other documents and instruments that evidence the Parties interests in the Joint Lands or the Petroleum and Natural Gas Rights; and, (vii) trust declarations pursuant to which the Parties hold interests in the Joint Assets in trust for other Persons;

## 1.2 **Construction**

In this Agreement, unless otherwise expressly stated:

- (a) the headings in this Agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation, or construction of this Agreement;
- (b) whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and vice versa, as the context requires;
- (c) the words "hereto", "herein", "hereof", "hereby", "hereunder", and similar expressions refer to this Agreement and not to any particular provision of this Agreement;
- (d) reference to any Article, Section, or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified;
- (e) if any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict; and
- (f) "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

## 1.3 **References to Agreements and Enactments**

Unless otherwise stated, references herein to any agreement, instrument, licence, or other document shall be deemed to include reference to such agreement, instrument, licence, or other

document as the same may from time to time be amended, modified, supplemented, or restated; and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended, or extended from time to time and to any successor enactment.

## ARTICLE 2 PRIORITY OF SENIOR DEBT AND SENIOR SECURITY

### 2.1 General

Notwithstanding the terms of any agreements, instruments, or other documents giving rise to the Junior Operator's Claim or the Junior Rights, Elkwater hereby agrees that any and all of Elkwater's rights, including the enforcement, payment, and priority of the Junior Operator's Claim and the Junior Rights shall be governed in accordance with the terms of this Agreement.

### 2.2 Priority, Postponement, and Standstill

Elkwater hereby covenants and agrees with Eagle Ranch, for the benefit of NBC, that so long as any Senior Debt remains outstanding or the Loan Agreement remains active and until all of the Senior Debt has been indefeasibly and irrevocably repaid and satisfied, in full, and the Loan Agreement is terminated in accordance with its terms:

- (a) the Senior Debt and the Senior Security shall have priority, in any and all respects, over the Junior Operator's Claim, the Junior Rights, and any and all present or future interest of Elkwater in and to any and all of Eagle Ranch's present and after-acquired personal and real property, assets, and undertakings, including, but not limited to, the Joint Assets, any Petroleum Substances, or the Title Documents;
- (b) any payment with respect to the Junior Operator's Claim is postponed to the indefeasible and irrevocable repayment of the Senior Debt, in its entirety, and the termination of the Loan Agreement, in accordance with its terms;
- (c) subject to Section 2.3, Elkwater will not, directly or indirectly, receive from Eagle Ranch, in any manner, payment of, or consideration for the reduction of, the whole of or any part of, the Junior Operator's Claim and if any such payment is received or made, such payment shall be held by Elkwater in trust for the benefit of, and shall be promptly paid over, in the form received (duly endorsed to NBC, if necessary), to NBC, in accordance with Section 2.6; and
- (d) Elkwater shall not realize upon or otherwise exercise any Junior Rights or commence, consent to, or join with any other creditor in commencing any enforcement, receivership, bankruptcy, moratorium, reorganization, readjustment of debt, adjustment of debt, reorganization, compromise, arrangement or any dissolution, receivership, liquidation or any other proceedings, of any nature whatsoever, against or with respect to Eagle Ranch.

Notwithstanding the foregoing provisions of Section 2.2 yet subject to the remaining terms of this Agreement, including Sections 2.4, 2.5, and 2.6, Eagle Ranch shall be entitled to make, and, Elkwater shall be entitled to receive and retain, payments in accordance with Section 2.3.

### 2.3 Permitted Payments

Notwithstanding Section 2.2, Elkwater shall be entitled to receive payment from Eagle Ranch only in respect of JIBs issued from and after the date hereof.

### 2.4 Covenants of Elkwater

Elkwater hereby covenants and agrees with Eagle Ranch, for the benefit of NBC, as follows:

- (a) Elkwater shall provide NRG with full and complete access to Elkwater's books, records, offices, and other properties, as may be required, with respect to the engagement of NRG or otherwise associated with the Sales Process and furthermore shall assist and co-operate with NRG with respect to the Sales Process;
- (b) Elkwater shall not take, hold, or have any additional security interest in, to, or against any property, assets, or undertaking of Eagle Ranch or take, hold, or have any collateral security with respect to or in connection with the Junior Operator's Claim which may in any way prejudice, prevent, or delay the repayment of the Senior Debt; and
- (c) other than any changes that are administrative or curative in nature or are not adverse to NBC or Eagle Ranch, as determined by the Receiver, in the Receiver's sole and unfettered discretion, Elkwater shall not amend, modify, supplement, or restate the Joint Operating Agreement or any Title Documents related thereto without the prior written consent of Eagle Ranch, by and through the Receiver.

### 2.5 Distribution to Creditors

Subject to Article 2.3, upon any payment or distribution of any assets of Eagle Ranch (of any kind or character, whether in cash, property, Petroleum Substances, or securities, whether or not such distribution relates to a Purchase and Sale Agreement, the Sales Process, or this Agreement) to any Persons, whether any of the foregoing is voluntary or involuntary, partial or complete, the Parties expressly agree that the distribution of any such assets or proceeds, which would include but is not limited to any proceeds from the sale of Eagle Ranch's Participating Interest in the Joint Assets, as contemplated by this Agreement, shall be used to satisfy the following obligations, in accordance with the following priorities:

- (a) **firstly**, to satisfy any and all outstanding Receivership Charges, in accordance with the terms and priorities of the Receivership Order;
- (b) **secondly**, to satisfy and indefeasibly and irrevocably repay any and all of the Senior Debt, in full;
- (c) **thirdly**, subject to the payment of the Senior Debt, in full, and upon the termination of the Loan Agreement, in accordance with its terms, to satisfy the Junior Operator's Claim, in full, or any obligations which may be owed by Eagle Ranch to Elkwater as a result of or with respect to the Junior Rights; and
- (d) **fourthly**, any all remaining proceeds or assets, if any, shall be paid to or retained by Eagle Ranch;

should any payment or distribution of the assets of Eagle Ranch, of any kind or character, whether in cash, property, Petroleum Substances, or securities, be payable to Elkwater, as a result of the Junior Operator's Claim or any of the Junior Rights, such payment or distribution shall be paid by Eagle Ranch, or the Receiver, or any other person making such payment or distribution, directly to NBC to the extent necessary to satisfy and indefeasibly repay, in full, all of the Senior Debt before any payment or distribution is made to Elkwater or any of its Representatives thereof.

## **2.6 Trust**

If any payment or distribution of any and all assets or any proceeds related thereto, of Eagle Ranch, of any kind or character, whether in cash, property, Petroleum Substances, or securities, whether in connection with this Agreement, the Sale Process, the Joint Assets, any Purchase and Sale Agreement or which is in any other way connected to the Junior Operator's Claim or the Junior Rights is received by Elkwater or any of its Representatives before the Senior Debt is indefeasibly repaid, in full, and irrevocably satisfied, such payment or distribution shall be held by Elkwater (or such Representatives) in trust for the benefit of, and shall be promptly paid over, in the form received (duly endorsed, if necessary, to NBC), to NBC.

## **2.7 Entitlement to Proceeds of Joint Assets**

The Parties are entitled to any and all revenues and benefits from the operation and development of the Joint Assets, incurred or accrued, from and after the date hereof in accordance with such Party's Participating Interests in the Joint Assets. Subject to any and all other provisions of this Agreement, all benefits and obligations of any kind and nature relating to the operation of the Joint Assets, excluding income taxes but otherwise including without limitation maintenance, development, operating and capital costs, government incentives and administration fees, royalties (paid and received), and other burdens, and proceeds from the sale of any and all production, Petroleum Substances, or any other property connected to the Joint Assets, whether accruing, payable, or paid and received or receivable, shall be adjusted between the Parties as of and from the date hereof in accordance with generally accepted accounting principles and the terms and conditions of this Agreement.

# **ARTICLE 3 ACKNOWLEDGEMENTS OF ELKWATER; FURTHER COVENANTS; REPRESENTATIONS AND WARRANTIES**

## **3.1 Dealings by NBC**

Notwithstanding anything in this Agreement, Elkwater acknowledges, covenants, and agrees with Eagle Ranch, for the benefit of NBC, that

- (a) NBC shall be entitled to lend monies or otherwise extend credit or accommodations to Eagle Ranch or the Receiver in connection with the Receivership Proceedings, the Sales Process, or any borrowings thereunder or in connection thereto (including any and all borrowing which shall form part of the Receivership Charges);
- (b) NBC shall be entitled to take any security interests from Eagle Ranch, including any Receiver's certificates in connection with the Receivership Proceedings or any other charges, documents, or instruments related thereto;



- (c) NBC shall be entitled to acquire, give up, vary, exchange, release, discharge, or otherwise deal with or fail to deal with, any interest relating to the Senior Debt or the Senior Security, or allow Eagle Ranch or any other person to deal with any property which is subject to the Senior Security; and
- (d) no loss in respect of any interests associated with the Senior Debt or the Senior Security, whether occasioned by fault, omission, or negligence of any kind, whether by NBC, Eagle Ranch, or otherwise, shall in any way limit or impair the liability of Elkwater or the rights of NBC and Eagle Ranch under this Agreement.

### **3.2 Agreement Not to Challenge**

Elkwater covenants and agrees with Eagle Ranch, for the benefit of NBC, that Elkwater shall not, at any time, challenge, dispute, or contest the validity or enforceability of any of the Senior Debt, the Loan Agreement, the Senior Security, or the perfection of the security interests constituted by any such documents, instruments, or any documents or instruments related thereto, including, but not limited to this Agreement, nor shall Elkwater or any of its Representatives at any time challenge, dispute, or contest the validity or enforceability of the priority, postponement, and standstill provided for herein or take any action whereby the priority, postponement, or standstill contemplated hereby may be prejudiced.

### **3.3 Restriction on Enforcement**

Elkwater will not take any steps whatsoever to enforce payment of the Junior Operator's Claim (including, without limitation, demand for payment, rights of set-off, commencement of any proceedings, bankruptcy proceedings, foreclosure, sale, power of sale, taking of possession, appointing or making application to a court for an order appointing an agent or a receiver or receiver-manager) unless, prior to the taking of any such steps, the Senior Debt has been indefeasibly and irrevocably paid, in full, and the Loan Agreement has been terminated in accordance with its terms.

### **3.4 Elkwater's Representations & Warranties**

Elkwater hereby represents and warrants to Eagle Ranch and for the benefit of NBC, that:

- (a) **Standing:** It is and until the conclusion of the Sales Process shall continue to be a corporation duly organized and validly existing under the laws of the jurisdiction of incorporation of Alberta, is authorized to carry on business in the Province in which the Joint Assets are located, and now has good right, full power, and absolute authority to complete the Sales Process and enter into any Purchase and Sale Agreement, should Elkwater determine, in its sole and unfettered discretion to do so;
- (b) **Requisite Authority:** It has taken all action and has full power and authority to enter into this Agreement and any other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Agreement and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder;
- (c) **Execution and Enforceability:** This Agreement has been, and all documents and agreements to be executed and delivered pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by Elkwater, this Agreement



constitutes, and all documents and agreements required to be executed and delivered, in accordance with this Agreement, will constitute legal, valid, and binding obligations of Elkwater enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences;

- (d) **No Further Authorization Required:** To its knowledge after due inquiry no authorization or approval or other action by, and no notice to or filing with, any Government Authority exercising jurisdiction over the Joint Assets is required by it or on its behalf for the due execution and delivery of this Agreement;
- (e) **No Conflicts:** The consummation of this Agreement or any of the transactions contemplated herein will not constitute or result in a material violation, breach, or default by it under any provision of any agreement or instrument to which Elkwater is a party, or by which is it bound, or any judgment, law, decree, order, or ruling applicable to it; and
- (f) **Acknowledgment of Documentation:** Elkwater hereby acknowledges that it is familiar with and understands the terms of the Loan Agreement and the Senior Security. Elkwater shall ensure that Eagle Ranch provides such copies as Elkwater wishes to receive of all amendments, modifications, or supplements to any of the aforementioned documents and of any other security or agreements which are executed in the future pursuant to which the Senior Debt may arise. NBC shall have no obligation whatsoever to ensure such receipt, nor shall lack of receipt in any way affect the absolute, irrevocable, and unconditional nature of Elkwater's obligations, covenants, and agreements herein.

## **ARTICLE 4 CONTINUING PRIORITY**

### **4.1 Continuing Priority**

This Agreement shall create a continuing acknowledgement and grant of priority which, in any and all events, including but not limited to the Sales Process being unsuccessful, no Purchase and Sale Agreement being entered into, or any other provision of this Agreement remaining incomplete or incapable of being successfully completed in accordance with the terms and conditions herein, such continuing acknowledgement and grant of priority, as created by this Agreement, shall:

- (a) be irrevocably and unconditionally binding upon Elkwater and its successors, assigns, heirs, executors, administrators, and other Representatives; and
- (b) enure, together with the rights and remedies of NBC and Eagle Ranch hereunder, to the benefit of and be enforceable by NBC and Eagle Ranch and their successors and assigns.

### **4.2 Other Obligations not Affected**

The Parties hereby acknowledge and agree, in favour of NBC, that any priority or acknowledgment of such, as provided for herein, is in addition to and not in substitution for any other agreement or

any other security by whomsoever given or at any time held by NBC with respect to the Senior Debt, and NBC shall at all times have the right to proceed against or realize upon all or any portion of the Senior Security, any other agreement or security or any other monies or assets to which NBC may become entitled to or have a claim against, in such order and in such manner as NBC, in its sole and unfettered discretion, may deem appropriate.

## **ARTICLE 5 SETTLEMENT AND RELEASE**

### **5.1     Release of Eagle Ranch's Claim**

In consideration of Elkwater's acknowledgment and grant of priority of the Senior Debt and Senior Security over the Junior Operator's Claim and the Junior Rights, in accordance with the terms of this Agreement, Eagle Ranch, on its behalf as well as on behalf of all of its respective directors, officers, employees, agents, representatives, successors, affiliates, security holders, insurers, heirs, and assigns hereby releases and forever discharges Elkwater and any and all of its employees, agents, representatives, successors, affiliates, security holders, insurers, heirs, and assigns from any and all liabilities, causes of action, claims, proceedings, demands, suits, debts, duties, losses, damages, injuries, and costs of any nature or kind whatsoever whether known or unknown, presently existing or which hereafter may exist, which Eagle Ranch either has or hereafter can, shall, or may have against Elkwater in connection with the Released Claim or this Agreement; provided, however, that nothing herein shall release or discharge Elkwater from operating in accordance with this Agreement and complying with Section 2.3 with respect to the issuance of any JIBs, as of the date hereof and going forward.

### **5.2     Release of Elkwater's Claim**

In consideration of Eagle Ranch's release of the Released Claim in accordance with Section 5.1, Elkwater hereby remises, releases, and forever discharges Eagle Ranch, the Receiver, and NBC, and any of their Representatives, administrators, employees, servants, agents, counsel, insurers, successors, and assigns from any and all actions, causes of action, claims, suits, debts, contracts, complaints, demands, damages, interest, costs, expenses, and compensation of whatsoever kind and howsoever arising, whether in law or in equity, whether at common law, under any legislation or otherwise, whether known or unknown, and which Elkwater now has or at any time hereafter can, shall, or may have in any way resulting or arising from or in any other way connected to any matters associated with the sale of the Joint Assets, the Sales Process, this Agreement, any Purchase and Sale Agreement, Court Approval, the priority of the Senior Debt, and the priority of the Senior Security or any matters related thereto.

## **ARTICLE 6 SALES PROCESS AND SALE OF JOINT LANDS AND TITLE DOCUMENTS**

### **6.1     Engagement of NRG**

Elkwater and Eagle Ranch covenant and agree that they shall engage NRG, as a marketing agent, to establish and conduct the Sales Process in order to identify, examine, and consider the sale of the Joint Assets. Such Sales Process shall be subject to and in accordance with the specific milestones, as outlined in Schedule "B" hereto. Furthermore, Eagle Ranch and Elkwater shall, immediately upon execution of this Agreement, instruct and allow NRG to make full and complete

disclosure to NBC in respect of NRG's involvement with the Parties with respect to the Joint Assets, the Sales Process, any potential Purchase and Sale Agreement or any other relevant information in connection therewith.

## **6.2 Parties Consent to Sale of Joint Assets**

The Parties confirm and agree that each Party hereto expressly consents to and authorizes the sale of the Joint Assets, and that no further consent or authorization, between the Parties, is required pursuant to, or in accordance with, the Joint Operating Agreement or the Title Documents in order to execute, complete, or close any sale or transfer of the Joint Assets or Eagle Ranch's Participating Interest in the Joint Assets pursuant to any Purchase and Sale Agreement. For greater clarity, no further authorization or consent, among and between the Parties will be required in order to effectively and successfully sell or transfer any of the Joint Assets.

## **6.3 Proceeds of Sale of Joint Assets**

The Parties covenant and agree that any and all proceeds received from the sale of Eagle Ranch's Participating Interest in the Joint Assets, less any fees payable to NRG, shall be distributed in accordance with Section 2.5 of this Agreement.

## **6.4 Parties Shall Cover Their Own Expenses**

The Parties covenant and agree that any and all costs, expenses, and disbursements associated with this Agreement, the Sales Process, any Purchase and Sale Agreement, or any other matters related thereto shall be borne and paid by the Party responsible for such costs, expenses, and disbursements and that each Party shall be solely responsible for its own costs, expenses, and disbursements in relation thereto, and the Parties expressly acknowledge and agree that if any such costs, expenses, and disbursements are paid by NBC, on behalf of or to Eagle Ranch or the Receiver, any and all such amounts, as paid by NBC and which do not form part of the Receivership Charges, shall form part of the Senior Debt and, as such, shall benefit from any and all of the terms, conditions, and priorities afforded to the Senior Debt pursuant to this Agreement.

## **6.5 Termination of the Sales Process**

The Parties covenant and agree that the Sales Process and any and all obligations of the Parties under and pursuant to Section 6.1 of this Agreement, with respect to the Sales Process, shall terminate on May 31, 2015, or as may otherwise be agreed to in writing and duly executed by the Parties.

# **ARTICLE 7 CONDITIONS PRECEDENT**

## **7.1 Eagle Ranch's Condition Precedent**

The obligation of Eagle Ranch to enter into and execute this Agreement, along with any and all of Eagle Ranch's obligations and covenants as contained herein, is subject to and predicated upon, as a condition precedent, the Court Approval.

## ARTICLE 8 GENERAL

### 8.1 No Waiver

No waiver by any Party of any breach of any of the terms, conditions, representations, or warranties in this Agreement shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

### 8.2 Non-Merger

The provisions contained in this Agreement shall survive the closing of the transactions contemplated hereby and shall not merge upon any transfer or other document or instrument in connection herewith. Without limiting the generality of the foregoing, the liability of any Party for any breach of any of its representations, warranties, covenants, agreements or other obligations hereunder prior to the full and irrevocable repayment of the Senior Debt and the termination of the Loan Agreement, in accordance with its terms, as contemplated herein, shall not be extinguished or in any manner diminished by such completion.

### 8.3 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and the Parties agree and confirm that this Agreement cancels and supersedes any prior understandings and agreements between the Parties hereto with respect to the subject matter hereof. No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties.

### 8.4 Notice

Any notices or demands given under this Agreement may be delivered by courier, facsimile, or electronic mail transmission to the parties at the addresses set forth below and, where so given, shall be deemed received by the recipient on the same business day as delivered or transmitted if delivered or transmitted prior to 5:00 p.m. (MST), otherwise such notice or demand will be deemed received by the recipient on the next business day:

(a) If to Eagle Ranch

•

Attention: •

Fax: •

Email: •

with a copy to

National Bank of Canada  
600, 311 – 6<sup>th</sup> Ave SW  
Calgary, Alberta T2P 3H2

Attention: Beth Pineda  
Fax: (403) 410-2084  
email: ElizabethF.Pineda@nbc.ca

(b) If to Elkwater

Elkwater Resources Ltd.  
Suite 1250 645 7<sup>th</sup> Ave SW  
Calgary, Alberta T2P 4G8

Attention: Doug Bailey  
email: dbailey@strikerexp.com

#### 8.5 Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of Alberta. Each party hereto irrevocably attorns to the jurisdiction of the Courts of the Province of Alberta.

#### 8.6 Severability

In the case any of the provisions of this Agreement should be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

#### 8.7 Further Assurances

Each of the Parties shall from time to time and at all times on and after the date hereof, without further consideration, do and perform all such further acts and things, and execute and deliver all such further agreements, assurances, notices, releases, and other documents and instruments, at their own expense, as may reasonably be required to more fully give effect to the intent and purpose of this Agreement.

**8.8     Counterpart Execution**

This Agreement may be executed in counterpart and all executed counterparts together shall constitute one agreement. This Agreement shall be binding upon any Party upon such Party's execution and delivery of this Agreement in accordance with the terms herein.

**8.9     Electronic Execution**

Delivery of an executed signature page to this Agreement by any Party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

**[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]**

IN WITNESS WHEREOF the parties have executed and delivered this Agreement as of the date first above written.

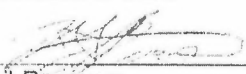
EAGLE RANCH RESOURCES LTD. by its court appointed receiver and manager ALVAREZ & MARSAL CANADA INC., in its capacity as court appointed receiver and manager of certain of the assets, properties, and undertakings of Eagle Ranch Resources Ltd., and not in its personal capacity

Per: \_\_\_\_\_  
[Name]  
[Title]

Per: \_\_\_\_\_  
[Name]  
[Title]

ELKWATER RESOURCES LTD.

Per:   
Doug Bailey  
President & CEO

Per:   
Neil Burrows  
CFO

**SCHEDULE "A"**  
**JOINT LANDS**



**SCHEDULE "B"**  
**SALES PROCESS MILESTONES**