

KNOWLEDGE ENERGY INC.
CONTRACT ABSTRACT

File Number: C0105

Base Information

File Status:	ACTIVE	Status Date:	JAN 12, 2021
Admin Company:	KNOWLEDGE ENERGY INC.		
Contract Name:	FARMOUT AND OPTION AGREEMENT		
Contract Type:	FARMOUT & OPTION AGREEMENT		
Effective Date:	DEC 01, 2003	Contract Date:	DEC 12, 2003
Prev Doc Number:	C00226	ROFR Applies:	Yes
Assignment Flag:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown		
See Terms:	<input type="checkbox"/>		
Segregation Flag:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Unknown		

Terms

Occ	Term Type	Term Date
1	ORIGINAL PARTIES DEVON ARL CORPORATION (FARMOR - 50%) BURLINGTON RESOURCES CANADA LTD. (FARMOR - 50%) CEQUEL ENERGY INC. (FARMEE)	
2	ORIGINAL LANDS FARMOUT LANDS CROWN PNG LEASE 0500100219 TWP 81 RGE 12 W6M SEC 1 (ALL PNG) PTN CROWN PNG LICENCE 5494070027 TWP 80 RGE 11 W6M SEC 31 (PNG BASE CHARLIE LAKE TO BASEMENT) GOR TO TALISMAN	
3	TERMS BY JANUARY 30, 2004, FARMEE TO DRILL TEST WELL AT A LOCATION OF ITS CHOICE.	
4	TEST WELL 14-1-81-12 W6M NOTE: SPUD DATE EXTENDED TO MARCH 30, 2004	
5	EARNING UPON DRILLING TEST WELL TO CONTRACT DEPTH OF 15 METRES INTO MONTNEY OR A TOTAL DEPTH OF 1600 METRES SUBSURFACE, FARMEE WILL EARN 70% WI DOWN TO DEEPEST FORMATION FULLY PENETRATED AND EVALUATED IN THE SECTION WHERE THE TEST WELL IS DRILLED.	
6	SPECIAL NOTE - FARMEE EARNED 70% WI IN SEC 1-81-12 W6M (PNG TO BASE DOIG) - THE LEASE COVERING SEC 31-80-11 W6M EXPIRED AT THE END OF ITS PRIMARY TERM	
7	PAY OUT BURLINGTON WAS IN A 200% PENALTY FOR EQUIP & TIE-IN OF THE 14-1 WELL. PAYOUT WAS IN OCTOBER 2006.	

Operating Provisions

Operating Type: CAPL 1990

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- ☐ 311 - Insurance: ☐ Alternate A ☒ Alternate B ☐ Not Applicable
- ☐ 604 - Marketing: ☒ Alternate A ☐ Alternate B ☐ Not Applicable
- ☐ 604 B - Marketing (Alternate B):

a) Petroleum		
.00000000	% or \$.00	/m3
b) Natural Gas		
.00000000	% or \$.00	10(3)m3
c) NGLs and others excl PNG and Sulphur		
.00000000	% or \$.00	/m3
d) Sulphur		
.00000000	% or \$.00	/t

- ☐ 903 - Casing Point Election: ☒ Alternate A ☐ Alternate B ☐ Not Applicable
- ☒ 1007 - PENALTY:
- Development Well: 300.00000 %
- Exploratory Well: 500.00000 %
- ☒ 1010 (a) (iv) - Title Preserving Well:
- 180 Days
- ☒ 2401 - Disposition of Interest: ☐ Alternate A ☒ Alternate B ☐ Not Applicable
- ☒ 2404 - Assignment: ☒ Alternate A ☐ Alternate B ☐ Not Applicable

Remarks:

1004 - OP FOR INDEPENDANT OPERATIONS
REVISED

1007 - PENALTY
EQUIPPING - 200%

1010 (a) (iv) - Title Preserving Well
SURRENDER NOTICE - 60 DAYS
SURRENDER REPLY - 30 DAYS
ABANDONMENT - 30 DAYS

2401 - Disposition of Interest
ROFR APPLIES

2404 - Assignment
CLAUSE DELETED AND REPLACED WITH 1993 CAPL ASSIGNMENT PROCEDURE

Accounting Provisions

Accounting Type: PASC 1996

Effective Date:

Accounting Year:

- ☐ 105- Operating Fund 10.0000 %
- ☐ 110 - APPROVALS CLAUSE 2 Owners 75.0000 %
- ☐ 112 - EXPENDITURE LIMITS
- a) not in excess of \$ 25,000.00
- c) not in excess of \$ 25,000.00
- ☐ 202(b) - EMPLOYEE BENEFITS 25.0000 % (Not to exceed)
- ☐ 213(b) - CAMP AND HOUSING
- ☐ Chargeable ☒ Not Chargeable ☐ Not Applicable
- ☐ 216 - WAREHOUSE HANDLING 5.0000 %
- ☐ 406 - DISPOSITION 25,000.00
- ☐ 221 - Allocation Options

Allocation Type	Fixed \$/Month	Subject to 302(e)	Percent of Direct Cost	Other (Specify)	Not Applicable
204 - AUTOMOTIVE	.00	<input type="checkbox"/>			<input checked="" type="checkbox"/>
207(C) - PRODUCTION OFFICE	.00	<input type="checkbox"/>			<input checked="" type="checkbox"/>

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☐ 221 - Allocation Options

Allocation Type	Fixed \$/Month	Subject to 302(e)	Percent of Direct Cost	Other (Specify)	Not Applicable
212 - COMMUNICATIONS	.00	<input type="checkbox"/>			<input checked="" type="checkbox"/>
213(A) - CAMP	.00	<input type="checkbox"/>			<input checked="" type="checkbox"/>
214 - MEASURE AND CONTROL	.00	<input type="checkbox"/>			<input checked="" type="checkbox"/>

☐ 302 - Overhead

☐ Not Applicable

Overhead Type:

A) EXPLORATION

% of Cost or:

- | | | | |
|-----------|-----------------------------|------------|------|
| 1) 5.0000 | % of first \$ | 50,000.00 | plus |
| 2) 3.0000 | % of next \$ | 100,000.00 | plus |
| 3) 1.0000 | % of cost exceeding 1 and 2 | | |

☐ 302 - Overhead

☐ Not Applicable

Overhead Type:

B) DRILLING

% of Cost or:

- | | | | |
|-----------|-----------------------------|------------|------|
| 1) 3.0000 | % of first \$ | 50,000.00 | plus |
| 2) 2.0000 | % of next \$ | 100,000.00 | plus |
| 3) 1.0000 | % of cost exceeding 1 and 2 | | |

☐ 302 - Overhead

☐ Not Applicable

Overhead Type:

C) CONSTRUCTION

% of Cost or:

- | | | | |
|-----------|-----------------------------|------------|------|
| 1) 5.0000 | % of first \$ | 50,000.00 | plus |
| 2) 3.0000 | % of next \$ | 100,000.00 | plus |
| 3) 1.0000 | % of cost exceeding 1 and 2 | | |

☐ 302 - Overhead

☐ Not Applicable

Overhead Type:

D) SUBSEQUENT CONSTRUCTION

% of Cost or:

- | | | | |
|-----------|-----------------------------|------------|------|
| 1) 5.0000 | % of first \$ | 50,000.00 | plus |
| 2) 3.0000 | % of next \$ | 100,000.00 | plus |
| 3) 1.0000 | % of cost exceeding 1 and 2 | | |

☐ Operations and Maintenance

☐ Not Applicable

- | | | | |
|------------|-----------------------------|--------|-----|
| 1) 10.0000 | % cost of operation | and/or | and |
| 2) 150.00 | \$ /producing well/month or | | |
| 3) .00 | \$ flat rate/month | | |

☐ ADJUST RATES (2) and (3)

☐ Apply

☒ Not Apply

☐ Not Applicable

Remarks:

GENERAL REMARK

CLAUSE 201(A) 6 - DELETED AND REPLACED
CLAUSE 301(A) - DELETED AND REVISED

Amendments (Base)

Occ	Amendment Type	Date	Effective Date	Binding Date	DOI Links
1	NOTICE OF ASSIGNMENT	AUG 23, 2004	JUL 02, 2004	OCT 01, 2004	No
	CEQUEL ENERGY INC. ASSIGNS 50% OF ITS 70% INTEREST TO CYRIES ENERGY INC. (NET 35%)				

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Occ	Amendment Type	Date	Effective Date	Binding Date	DOI Links
2	CHANGE OF OPERATOR CEQUEL ENERGY INC. TO CYRIES ENERGY INC..	JUL 02, 2004	OCT 01, 2004		No
3	AMALGAMATION CEQUEL ENERGY INC. TO PROGRESS ENERGY LTD.	SEP 29, 2004	JUL 02, 2004		No
4	NOTICE OF ASSIGNMENT BURLINGTON RESOURCES CANADA LTD. ASSIGNED THEIR ENTIRE INTEREST TO BURLINGTON RESOURCES CANADA PARTNERSHIP	MAR 14, 2005	DEC 31, 2004	MAY 01, 2005	No
5	NOTICE OF ASSIGNMENT DEVON ARL CORPORATION ASSIGNS ITS ENTIRE INTEREST TO BIRCHCLIFF ENERGY LTD.	MAR 29, 2005	JAN 01, 2005	AUG 01, 2005	No
6	NOTICE OF ASSIGNMENT CYRIES ENERGY INC. ASSIGNS ITS ENTIRE INTEREST TO ITERATION ENERGY (BY ITS MANAGING PARTNER, ITERATION ENERGY LTD.)	MAY 01, 2008	MAY 01, 2008	OCT 01, 2008	No
7	CHANGE OF OPERATOR CYRIES ENERGY INC. TO ITERATION ENERGY (BY ITS MANAGING PARTNER, ITERATION ENERGY LTD.)	MAY 01, 2008	MAY 01, 2008		No
8	AMALGAMATION BURLINGTON RESOURCES CANADA PARTNERSHIP TO CONCOOPHILLIPS CANADA (BRC) PARTNERSHIP	MAY 08, 2008	APR 01, 2008		No
9	NOTICE OF ASSIGNMENT PROGRESS ENERGY LTD. ASSIGNS ITS ENTIRE INTEREST TO PROGRESS EXPLORATION PARTNERSHIP 2009	JAN 15, 2009	JAN 15, 2009	MAR 01, 2009	No
10	AMALGAMATION ITERATION ENERGY LTD. TO CHINOOK ENERGY INC.	SEP 08, 2010	JUN 06, 2010		No
11	NOTICE OF ASSIGNMENT CONOCOPHILLIPS CANADA (BRC) PARTNERSHIP ASSIGNS ITS ENTIRE INTEREST TO SHORELINE ENERGY CORP	MAR 04, 2011	NOV 01, 2010	JUL 01, 2011	No
12	AMALGAMATION PROGRESS RESOURCES CORP. AND PROGRESS ENERGY LTD. AMALGAMATED AND RETAINED THE NAME PROGRESS ENERGY RESOURCES CORP.	FEB 08, 2012	DEC 12, 2012		No
13	DISSOLUTION PROGRESS EXPLORATION PARTNERSHIP 2009 DISSOLVED AND ITS ASSETS DISTRIBUTED TO ITS PARTNERS	FEB 08, 2012	DEC 12, 2012		No
14	AMALGAMATION PROGRESS ENERGY RESOURCES CORP. AND 1705528 ALBERTA LTD. AMALGAMATED AND RETAINED THE NAME PROGRESS ENERGY RESOURCES CORP.	FEB 08, 2012	DEC 12, 2012		No
15	AMALGAMATION PETRONAS CARIGALI CANADA LTD. TO PROGRESS ENERGY RESOURCES CORP.	FEB 08, 2012	DEC 19, 2012		No
16	NAME CHANGE PROGRESS ENERGY RESOURCES CORP. CHANGED ITS NAME TO PROGRESS ENERGY CANADA LTD.	FEB 08, 2012	DEC 19, 2012		No
17	NOTICE OF ASSIGNMENT PROGRESS ENERGY CANADA LTD. ASSIGNED A PROTION OF ITS INTEREST TO PROGRESS DEEP BASIN LTD.	FEB 08, 2012	DEC 12, 2012	MAR 01, 2013	No
18	NOTICE OF ASSIGNMENT ITERATION ENERGY ASSIGNS ITS ENTIRE INTEREST TO CHINOOK ENERGY INC.	JAN 31, 2014	DEC 31, 2013	FEB 01, 2014	No

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Occ	Amendment Type	Date	Effective Date	Binding Date	DOI Links
19	CHANGE OF OPERATOR ITERATION ENERGY TO CHINOOK ENERGY INC.	FEB 01, 2014	DEC 31, 2013		No
20	AMENDMENT SHORELINE ENERGY CORP. WENT INTO RECEIVERSHIP DECEMBER 23, 2015. THE RECEIVER COMPANY (GRANT THORNTON) RENOUNCED OWNERSHIP OF SHORELINE'S ASSETS MARCH 15, 2016. AS A RESULT, SHORELINE'S 15% WAS ALLOCATED TO THE REMAINING W.I. OWNERS: BIRCHCLIFF (2.6470588%), MANITOK (6.1764706%), PROGRESS (6.1764706%).	MAR 15, 2016			No
21	NOTICE OF ASSIGNMENT CHINOOK ENERGY INC. ASSIGNS ITS ENTIRE INTEREST TO TOURNAMENT EXPLORATION LTD.	SEP 19, 2016	MAY 01, 2016	NOV 01, 2016	No
22	CHANGE OF OPERATOR CHINOOK ENERGY INC. TO TOURNAMENT EXPLORATION LTD.	SEP 19, 2016	MAY 01, 2016	NOV 01, 2016	No
23	NAME CHANGE TOURNAMENT EXPLORATION LTD. TO CRAFT OIL LTD.	SEP 27, 2016	SEP 10, 2016		No
24	NOTICE OF ASSIGNMENT CRAFT OIL LTD. ASSIGNS ITS ENTIRE INTEREST TO MANITOK ENERGY INC.	DEC 14, 2016	OCT 01, 2016	FEB 01, 2017	No
25	CHANGE OF OPERATOR CRAFT OIL LTD. TO MANITOK ENERGY INC.	DEC 14, 2016	OCT 01, 2016		No
26	NOTICE OF ASSIGNMENT PROGRESS ENERGY CANADA LTD. ASSIGNS ITS ENTIRE INTEREST TO CANADIAN NATURAL RESOURCES LIMITED	FEB 22, 2018	SEP 01, 2017	MAY 01, 2018	No
27	NOTICE OF ASSIGNMENT BIRCHCLIFF ENERGY LTD. ASSIGNS ITS ENTIRE INTEREST TO KNOWLEDGE ENERGY INC.	JUN 26, 2018	JUN 01, 2018	SEP 01, 2018	No
28	MISCELLANEOUS CNRL SENT A LETTER TO BIRCHCLIFF ADVISING THEY REJECT THE ASSIGNMENT FROM BIRCHCLIFF TO KEI UNTIL SUCH TIME KEI CAN PRODUCE COMPANY FINANCIAL STATEMENTS OR BALANCE SHEET, ETC	JUL 16, 2018	JUL 16, 2018		No
29	NOTICE OF ASSIGNMENT CANADIAN NATURAL RESOURCES LIMITED ASSIGNS ITS ENTIRE INTEREST TO CANADIAN NATURAL RESOURCES	FEB 15, 2018	FEB 15, 2018	MAR 01, 2019	No
30	NOTICE OF ASSIGNMENT CANADIAN NATURAL RESOURCES ASSIGNS ITS ENTIRE INTEREST TO CANADIAN NATURAL RESOURCES NORTHERN ALBERTA PARTNERSHIP	FEB 15, 2018	FEB 15, 2018	MAR 01, 2019	No
31	AMENDMENT MANITOK ENERGY INC. WENT INTO RECEIVERSHIP FEBRUARY 20, 2018. THE RECEIVER COMPANY (ALVAREZ AND MARSAL) RENOUNCED OWNERSHIP OF MANITOK'S ASSETS JULY 9, 2019. AS A RESULT, MANITOK'S 41.1764706% WAS ALLOCATED TO THE REMAINING W.I. OWNERS. RESULTING WI IS: KEI (30.000%), CNRL (70.000%). NOTE: CNRL STILL DOES NOT RECOGNIZE KEI AS A WI HOLDER.	NOV 06, 2019	JUL 09, 2019		No
32	NOTIFICATION AFE #AB201295 SERVED BY CNRL FOR FINAL RECLAMATION OF 14-1-81-12 W6M WELL SITE. CNRL LISTS KEI AT 30% WI, BUT STILL WON'T RECOGNIZE KEI IN ANY TRANSFER DOCUMENTATION FROM BIRCHCLIFF.	JUL 14, 2020	JUL 14, 2020		No

AMI/AOE

Name Cross Reference

Overriding Royalty

Farmout Royalty

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File Number: C0105

FO Royalty Type: CAPL 1997

Revised By:

Revised Date:

☐ 1.01(f) - Effective Date: DEC 01, 2003

☐ 101(t) - Payout:

If Article 6.00 Applies, Apply: ☐ Alternate A ☐ Alternate B ☒ Not Applicable

Alternate B

cubic meters of equivalent production, or .00 years following initial rig release

☐ 1.02 - 1990 CAPL Oper Proc:

For 311 Insurance, Apply: ☐ Alternate A ☒ Alternate B ☐ Not Applicable

☐ 4.00 - Option Well:

☒ Will Apply ☐ Will Not Apply ☐ Not Applicable

☐ 5.00 - Overriding Royalty:

☐ Will Apply ☒ Will Not Apply ☐ Not Applicable

☐ 5.01 - Quantification Of ORR:

A. (a) For Crude Oil - Apply: ☐ Alternate 1 ☐ Alternate 2 ☒ Not Applicable

Alternate 1:

.0000 % of gross monthly production

Alternate 2:

- min % allowable: .0000 %

- max % allowable: .0000 %

- divisor to apply:

(b) For All Other Petroleum Substances - Apply: ☐ Alternate 1 ☐ Alternate 2 ☒ Not Applicable

Alternate 1:

.0000 % of gross monthly production

Alternate 2:

i) if not taken in kind: .0000 % of gross monthly production

ii) if taken in kind: .0000 % of gross monthly production

☐ 5.04 - Payor Deductions:

B. Deductions applicable pursuant to preceding subclause are subject to:

☐ Alternate 1

☐ Alternate 2

Alternate 2 - Max % of the Market Price that the Deductions may be: .0000 %

☐ Alternate 1 and 2

☐ Neither 1 or 2

☒ Not Applicable

☐ 6.00 - Conversion Of ORR:

☐ Will Apply ☒ Will Not Apply ☐ Not Applicable

☐ 6.04 - Operations At Conversion:

A. If Article 6.00 applies, the conversion will be to: .0000 % of the Working Interest

☐ 8.00 - AMI:

☐ Will Apply ☒ Will Not Apply ☐ Not Applicable

☐ 11.02 - Reimbursement:

☐ Will Apply ☒ Will Not Apply ☐ Not Applicable

Reimbursement Amount: \$.00

Remarks (Base)

Occ	RemarkType	Remark Date
1	GENERAL REMARK	
	ACQUIRED FROM BIRCHCLIFF ENERGY LTD. PURSUANT TO A P&S AGREEMENT DATED JUNE 12, 2018 (SEE C0093)	

Obligations (Base)

Original Party

Current Parties

000001	KNOWLEDGE	KNOWLEDGE ENERGY INC.
CNRNAP	CNR NAP	CANADIAN NATURAL RESOURCES NORTHERN
MANITO	MANITOK ENERGY	MANITOK ENERGY INC.
SHORE	SHORELINE ENERG	SHORELINE ENERGY CORP.

Subs

KNOWLEDGE ENERGY INC.
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File Number: C0105

A	- ACTIVE	BONANZA	BONANZA
		TWP 81 RGE 12 W6M N 1	
		ALL PNG FROM TOP SURFACE TO BASE HALFWAY	

Related Files

[Related Contracts](#)

[Related AMI/AOE](#)

[Related Units](#)

[Related Tracts](#)

[Related Mineral](#)

[Related Surface](#)

[Related Road Use](#)

[Related Easement](#)

[Related Wells](#)

[Related Service](#)

[Related Facility](#)

[Related Facilities](#)

[Related Pipelines](#)

KNOWLEDGE ENERGY INC. CONTRACT ABSTRACT

File Number: C0105 A

Sub Information

Sub File Status: ACTIVE **Status Date:** JAN 12, 2021
Reason for Sub:
Division: NOT APPLICABLE
Area: BONANZA - BONANZA (AB)
Operator: MANITOK ENERGY
Cost Centre:

Land Description

Land Description

TWP 81 RGE 12 W6M N 1

Rights Held

ALL PNG FROM TOP SURFACE TO BASE HALFWAY

DOI

TWC - TEST WELL COSTS

Effective Date: Oct 29, 2020 **DOI Id:** 2007

Partner	Short Name / Penalty Well	Trustee Name	Percent	Partner Type / Dev	Exp Payout date
000001	KNOWLEDGE		15.00000000		
MANITO	MANITOK ENERGY		35.00000000	RECEIVERSHIP	
CNRNAP	CNR NAP		35.00000000		
SHORE	SHORELINE ENERG		15.00000000	RECEIVERSHIP	
Comment: ORIGINAL WI			100.00000000		

WI - WORKING INTEREST

Effective Date: Oct 29, 2020 **DOI Id:** 2060

Partner	Short Name / Penalty Well	Trustee Name	Percent	Partner Type / Dev	Exp Payout date
000001	KNOWLEDGE		30.00000000		
MANITO	MANITOK ENERGY		0.00000000	RECEIVERSHIP	
CNRNAP	CNR NAP		70.00000000		
Comment: DOI UNTIL MANITOK IS RE-INSTATED			100.00000000		

Royalty

Amendments (Sub)

Obligations (Sub)

Remarks (Sub)

Related Files

Related Mineral

Mineral File No	File Status	Lease Type	Lessor Type	Lease No	Lease Date	Effective Date
M0151	A ACTIVE	PNG	CR	0500100219	Oct 05, 2000	Oct 05, 2000
Related:	OPERATING			Mineral Interest:	100.00000000	
Comments:	MANITOK FARMOUT					

Related Wells

KNOWLEDGE ENERGY INC.
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File Number: C0105 A

UWI	File Status	Type	Well Status	Status Date	Spud Date	Rig Rls Date
Number of Wells: 1						
100/14-01-081-12-W6/00	ACTIVE	OIL	SUSPENDED	May 25, 2019	Mar 10, 2004	Mar 20, 2004
Well No: 000146	Name: MNK PCOUPE 14-1-81-12					Penalty: N
Licensee: MANITOK ENERGY	Surface Loc: 14-01-081-12 W6M					
Total Depth: 1682 M	Prod Zone: HALFWAY					
Completion Date: Aug 27, 2004	Acct Proj No:					
Relationship: OPERATING						
Comments: MANITOK F/O						

Related Surface

Related Road Use

Related Easement

Related Contracts

Related AMI/AOE

Related Units

Related Tracts

Related Service

Related Facility

Related Facilities

Related Pipelines