

UNIT AGREEMENT

LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

SASKATCHEWAN

UNIT AGREEMENT

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UNIT AGREEMENT

LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

WHEREAS the Parties own Royalty Interests and Working Interests, or either of them in the Unitized Zone;

AND WHEREAS the Parties desire that the Unitized Zone be developed, produced and operated as a unit, all as hereinafter provided;

NOW THEREFORE in consideration of the covenants herein contained, the Parties agree as follows:

ARTICLE I

DEFINITIONS

101. Definitions

In this Agreement:

- (a) "Drainage Unit" means the area allocated to a well by the Minister with respect to the Midale Beds for the purpose of drilling for or producing Petroleum Substances;
- (b) "Effective Date" means the time and date referred to in Article XIV;
- (c) "Lease" means an instrument granting a Working Interest in the Unitized Zone;
- (d) "Midale Beds" means the Midale Beds zone of early Mississippian age, which is identified in the well Transwest et al Weyburn 7-13-6-15 W2M located in Legal Subdivision 7, of Section 13, in Township 6, Range 15, West of the 2nd Meridian, between the depths of 1423.0 meters and 1451.8 meters below the Kelly Bushing, as shown on the reproduction of the Borehole Compensated Sonic log recorded in the said well and attached hereto as Exhibit "C";
- (e) "Minister" means the Minister of Energy and Mines of the Government of the Province of Saskatchewan;
- (f) "Outside Substances" means any substances initially obtained from any source other than the Unitized Zone, or any Unitized Substances with respect to which royalty has been paid;
- (g) "Party" means a person who is bound by this Agreement;
- (h) "Petroleum Substances" means petroleum, natural gas and other hydrocarbons (except coal) or any of them;

- (i) "Royalty Interest" means any interest other than a Working Interest in Petroleum Substances, or the proceeds from the sale thereof, produced from the Midale Beds, but does not include the interest of a person as a purchaser of Petroleum Substances after production;
- (j) "Royalty Owner" means a Party owning a Royalty Interest in the Unitized Substances;
- (k) "Tract" means a parcel of land described and given a Tract number in Exhibit "A" and shown in Exhibit "B".
- (l) "Tract Participation" means the effective percentage allotted to a Tract pursuant to Article VI and set forth in Exhibit "A";
- (m) "Unit Area" means the lands described in Exhibit "A" and shown outlined on Exhibit "B";
- (n) "Unit Operating Agreement" means the Agreement entitled "Unit Operating Agreement - Loughheed Midale Beds Voluntary Unit No 1" entered into by the Working Interest Owners;
- (o) "Unit Operator" means the person who is so designated under the Unit Operating Agreement.
- (p) "Unitized Substances" means Petroleum Substances, and all substances associated therewith, in or obtained from the Unitized Zone;
- (q) "Unitized Zone" means the Midale Beds within the Unit Area;
- (r) "Working Interest" means any right to produce and dispose of Petroleum Substances from the Midale Beds including an interest chargeable with any costs of drilling for, recovery of and disposal of Petroleum Substances therefrom; and
- (s) "Working Interest Owner" means a Party owning a Working Interest in the Unitized Substances.

ARTICLE II

EXHIBITS

201. Exhibits

The following exhibits are attached to and incorporated in this Agreement:

- (a) Exhibit "A" which identifies and describes each Tract and sets forth its Tract Participation, the names of the owners of the Working Interests and their respective shares of the Working Interest together with the names of owners of the Royalty Interest;
- (b) Exhibit "B" which is a plan of the Unit Area and a Tract map; and
- (c) Exhibit "C" which is a reproduction of a portion of the Borehole Compensated Sonic Log of the well known as Transwest et al Weyburn 7-13-6-15 W2M.

202. Exhibits Correct

Each exhibit shall be deemed conclusively to be correct to the effective time of a revision or correction thereof as herein provided.

203. Correction of Exhibits

If any mistake or mechanical error occurs in an exhibit, the Unit Operator may, or upon request of a Party shall, prepare a corrected exhibit, but the data used in establishing Tract Participations shall not be re-evaluated.

204. Effective Time

Any corrected exhibit prepared on or before the Effective Date or within ninety (90) days thereafter shall be effective on the Effective Date. Any corrected exhibit prepared after said ninety (90) days shall be effective at 07:00 hours Central Standard Time on the first day of the first calendar month after it has been supplied to the Minister in accordance with Clause 205;

205. Supplying of Exhibits

Each time that an exhibit is revised or corrected pursuant to this Agreement, the Unit Operator shall supply the Minister with one or more copies, as required, and shall supply each Working Interest Owner with the number of copies of the exhibit it requests. Each Working Interest Owner shall supply each of its Royalty Owners, excepting the Crown, with a copy of the revised exhibit.

206. Form of Revised or Corrected Exhibits

Exhibits that are revised or corrected shall show the effective date of the revision or correction in accordance with Clause 204 and shall be numbered consecutively.

ARTICLE III

UNITIZATION AND EFFECT

301. Unitization

On and after the Effective Date the interests of each Royalty Owner and of each Working Interest Owner in the Unitized Substances and in the Unitized Zone are hereby unitized, as if the Unitized Zone had been included in a single lease executed by the Royalty Owners, as lessors, in favor of the Working Interest Owners, as lessees, and as if the lease had been subject to this Agreement.

302. Personal Property Excepted

All lease and well equipment heretofore or hereafter placed by any of the Working Interest Owners on lands in the Unit Area shall be deemed conclusively to be and shall remain personal property belonging to and may be removed by the Working Interest Owners. The Working Interest Owners' rights and interests therein are set forth in the Unit Operating Agreement.

303. Continuation of Leases

All operations conducted with respect to the Unitized Zone or production of Unitized Substances shall, except for the purpose of calculating payments to Royalty Owners, be deemed conclusively to be operations upon or production from all of the Unitized Zone in each Tract, and such operations or production shall continue in force and effect each Lease and any other Agreement or instrument relating to the Unitized Zone or Unitized Substances as if such operations had been conducted on and a well was producing from each Tract or Drainage Unit, or portion thereof, in the Unit Area.

304. Leases Amended

Each Lease and any other Agreement or instrument relating to the Unitized Zone or Unitized Substances is hereby amended only to the extent necessary to make it conform to this Agreement.

305. Ratification of Leases

Except for a Lease in respect of which a court action has been commenced and adjudication thereof is pending on the Effective Date, each Royalty Owner hereby ratifies and confirms any Lease, as amended by this Agreement, to which it is a party and agrees that no default exists with respect thereto and that any such Lease is in effect as of the Effective Date.

306. Effect of Unitization on Titles

Nothing herein shall be construed as a transfer or exchange of any interest in the Leases, Tracts or Unitized Zone, or in the Unitized Substances before production thereof.

307. Name

The name of the Unit hereby constituted is "Lougheed Midale Beds Voluntary Unit No. 1".

ARTICLE IV

AUTHORITY TO WORKING INTEREST OWNERS

401. Operations

The Working Interest Owners are hereby granted the right to develop and operate the Unitized Zone without regard to the provisions of the Leases or the boundary lines of the Tracts or Drainage Units in such manner and by such means and methods as the Working Interest Owners consider necessary and proper, and, without limiting the generality of the foregoing, the right to inject any substance or combination of substances into the Unitized Zone and convert and use as injection wells any wells now existing or hereafter drilled into the Unitized Zone.

402. Delegation

The Working Interest Owners may delegate to the Unit Operator any of the rights and powers herein or otherwise granted to them.

403. Vote of Working Interest Owners

Any matter to be determined under this Agreement by the Working Interest Owners may be determined by vote of the parties to the Unit Operating Agreement as prescribed therein.

ARTICLE V

INCLUSION AND QUALIFICATION OF TRACTS

501. Tracts Included on Effective Date

The Tracts included in the Unit Area as of the Effective Date are those Tracts which are qualified under Clause 502:

- (a) before the Effective Date; or
- (b) on or within ninety (90) days after the Effective Date.

502. Qualification of Tracts

A tract is qualified for inclusion in the Unit Area when its title has been approved by the Working Interest Owners under Article XI and when:

- (a) owners of one hundred percent (100%) of the Working Interest therein have become Parties and parties to the Unit Operating Agreement and owners of one hundred percent (100%) of the Royalty Interest therein have become Parties; or
- (b) owners of one hundred percent (100%) of the Working Interest therein have become Parties and parties to the Unit Operating Agreement and owners of less than one hundred percent (100%) of the Royalty Interest therein have become Parties, and such owners of Working Interests agree, if required by the other Working Interest Owners, to indemnify the other Working Interest Owners in a form and manner satisfactory to them for any loss or damages that may be suffered by such other Working Interest Owners in respect of claims and demands that, because of the inclusion of the Tract in the Unit Area, may be made by those owners of Royalty Interests in the Tract who have not become Parties; or

503. Revision of Exhibits

Within one hundred and twenty (120) days after the Effective Date the exhibits shall be revised, if necessary, to set out only those Tracts included in the Unit Area under this Article. The revised Exhibit "A" shall set forth the Tract Participations of the Tracts recalculated on the same basis and using the same data as that used in the calculation of Tract Participations in the original Exhibit "A" and so that their summation is one hundred percent (100%). The exhibits as so revised shall be effective as of the Effective Date.

ARTICLE VI

TRACT PARTICIPATION

601. Tract Participation

Each Tract has the Tract Participation as shown on Exhibit "A".

ARTICLE VII

ALLOCATION OF UNITIZED SUBSTANCES PRODUCED

701. Allocation to Tracts

Subject to Clauses 707, 801 and 802, the Unitized Substances when produced shall be allocated to the Tracts in accordance with their Tract Participations.

The amount of Unitized Substances allocated to each Tract, and only that amount, regardless of whether it be more or less than the amount of actual production of Unitized Substances from the well or wells, if any, on the Tract, shall be deemed conclusively to have been produced from the Tract.

702. Distribution Within Tracts

The Unitized Substances allocated to a Tract shall be distributed by the Working Interest Owners thereof among, or accounted for to, the Parties entitled to share in production from the Tract in the same manner, the same proportions, and upon the same conditions as they would have participated and shared in the production from the Tract, or in the proceeds from the sale thereof, had the Unitized Substances allocated to the Tract been actually produced therefrom by the Working Interest Owners.

703. Calculation of Royalty

For the purpose of calculating royalty with respect to each Tract, the royalty payable under the respective Lease, Agreement or other instrument covering such tract shall be calculated on the Unitized Substances allocated to the Tract, and at the applicable rate under such Lease, Agreement or other instrument. The Royalty Owners of each Tract agree to accept payment of royalty so calculated in satisfaction of the obligation of a Working Interest Owner to make royalty payments on Unitized Substances under the Lease, Agreement or other instrument covering such Tract; but a lessee under a Lease shall not be relieved from making payment of royalty to its lessor if payment is not made by the Working Interest Owner as aforesaid.

704. Taking Unitized Substances in Kind

The Unitized Substances allocated to a Tract shall be delivered in kind at the time and place of production to the Parties entitled thereto who may, if there is no interference with unit operations, construct, maintain and operate in the Unit Area all necessary facilities for taking delivery in kind.

705. Failure to Take in Kind

To the extent that a Party entitled to take in kind any of the Unitized Substances fails to take or otherwise dispose of them at the time and place of production, then so long as such failure continues, the Unit Operator, as agent and for the account and at the expense of such Party may sell, store, inject or otherwise dispose of them. Where there is a sale the net proceeds remaining from the sale shall be paid to the Party. The Unit Operator may contract for the sale thereof only for the minimum term obtainable which in no event shall exceed one (1) year. When the Unit Operator has so contracted, the Party may take its share of the Unitized Substances in kind upon the expiration of the current sales contract if it has given the Unit Operator sixty (60) days notice prior to the expiration of the current sales contract that it intends to take its share in kind. Subject to the foregoing, any Party not taking in kind may revoke at will the Unit Operator's authority hereunder by taking in kind all of its share of the Unitized Substances not previously contracted for sale by the Unit Operator.

706. Royalty on Outside Substances

If an Outside Substance is injected into the Unitized Zone, the first like substance contained in the Unitized Substances subsequently produced and sold or used other than for operations hereunder shall be deemed conclusively to be an Outside Substance until a quantity equal to the quantity of the Outside Substance injected into the Unitized Zone is recovered. No royalty shall be payable on any substance which is deemed conclusively to be an Outside Substance.

707. Oil in Lease Tankage and Over-Production as of the Effective Date

- (a) A proper and timely gauge shall be made of all tanks delivered to the Unit Operator to ascertain the amount of oil in such tanks as of the Effective Date. If any wells producing into such tanks have made more than their cumulative production allowables as set by the Department of Energy and Mines, the amount of such over-production of oil then in such tanks that has, prior to the Effective Date, been produced from those zones, which on the Effective Date became the Unitized Zone, shall be deemed to be Unitized Substances. Except as aforesaid, the oil in such tanks shall remain and be at the risk of and be the property of the person owning the same prior to the Effective Date and upon request shall be delivered in kind to such person, or in the absence of such request, shall be sold by the Unit Operator for the credit of and on behalf of such person at not less than the prevailing wellhead price, and the proceeds thereof shall be paid by the purchaser directly to such person.
- (b) If any production from those zones, which on the Effective Date became the Unitized Zone, was in excess of the cumulative production allowable of any Tract as of the Effective Date and such excess production was sold prior to the Effective Date, the Unit Operator, during each subsequent month after the fifth month next following the Effective Date, shall withhold seventy five percent (75%) of the Unitized Substances that would otherwise be allocated to such

Tract except for the provisions of this subsection, and the amount of production so withheld shall be reallocated to all of the Tracts in proportion to their respective Tract Participations.

The withholding from such Tract of oil that would otherwise be allocated shall be continued until the accumulated total of such withholding is equal to the amount of production in excess of the cumulative production allowable of such Tract as of the Effective Date.

- (c) No allowance shall be made with respect to any wells that have produced, up to the Effective Date, less than their cumulative production allowables as set by the Department of Energy and Mines.

ARTICLE VIII

USE, LOSS AND STORAGE OF UNITIZED SUBSTANCES

801. Use or Loss

The Working Interest Owners may use as much of the Unitized Substances, other than crude oil, as they deem necessary for the operation and development of the Unitized Zone including, but not limited to, the injection thereof into the Unitized Zone and in the operation of any plant or plants handling Unitized Substances. Unitized Substances so used or injected and Unitized Substances lost shall be excluded in allocating Unitized Substances to Tracts, and no royalty or other payment shall be payable in respect thereof, except that in the case of Unitized Substances that have been so injected, royalty shall be payable in respect thereof when such Unitized Substances are ultimately recovered from the Unitized Zone and sold or used other than for operations hereunder.

802. Storage

The Working Interest Owners are hereby granted the right to inject Unitized Substances into the Unitized Zone for any purpose related to Unit Operations, including, without limitation, storage thereof. Unitized Substances so injected shall be excluded in allocating Unitized Substances to Tracts, and no royalty or other payment shall be payable in respect thereof until they are recovered from storage and sold or used other than for operations hereunder.

ARTICLE IX

ENLARGEMENT OF UNIT AREA

901. Application for Enlargement

After the expiry of ninety (90) days from the Effective Date, if an owner of a Working Interest in lands in the vicinity of the Unit Area indicated to be potentially productive of Petroleum Substances from the Midale Beds makes application therefore, the Working Interest Owners may, upon such terms and conditions as they may determine, approve the admission of the lands into the Unit Area. If the lands qualify for inclusion in the Unit Area under Clause 502, the Unit Area shall, subject to this Article, be enlarged to include them. Even though an owner of a Working Interest or of a Royalty Interest in lands approved hereunder for admission into the Unit Area is a Party, the lands shall not qualify for inclusion in the Unit Area unless the owner again executes and delivers two counterparts of this Agreement with the necessary amendments to the Unit Operator, or the lands otherwise qualify for inclusion in the Unit Area pursuant to Clause 502.

902. Adjustment of Tract Participation

The Tract Participation of each Tract added pursuant to Clause 901 shall be determined by the Working Interest Owners. The Tract Participations shall then be adjusted so that:

- (a) the ratios of the Tract Participations of Tracts shown on Exhibit "A" immediately prior to the enlargement of the Unit Area remain the same to each other; and
- (b) the total of the Tract Participations for all Tracts of the enlarged Unit Area is one hundred percent (100%).

903. Exhibits

The Unit Operator shall revise Exhibits "A" and "B" as required by the enlargement.

904. Effective Time of Enlargement

An enlargement of the Unit Area and an adjustment of Tract Participations under this Article shall take effect at 07:00 hours, Central Standard Time, on the first day of the first calendar month following Tract qualification for inclusion in the Unit Area under Clause 502 and approval of admission thereof under Clause 901.

905. No Retroactive Adjustment

There shall be no retroactive adjustment of the allocation of Unitized Substances by reason of an enlargement of the Unit Area under this Article.

906. Minister's Consent

Notwithstanding anything to the contrary contained in this Agreement, if the Crown is the owner of any Royalty Interest or Working Interest in any Tract included in the Unit Area, or in any lands proposed to be admitted to the Unit Area pursuant to this Article, no enlargement of the Unit Area shall be carried out until the Minister has in writing consented to such enlargement.

ARTICLE X

DISPUTES

1001. Disputes

If the title or right of a Party to receive in kind all or any portion of the Unitized Substances allocated to a Tract, or any share of the proceeds from the sale thereof, is in dispute, the Party concerned shall forthwith give notice thereof to the Unit Operator. If the Unit Operator is so notified or if the Unit Operator is directed to do so by the Working Interest Owners in the event that it is otherwise informed of the dispute, the Unit Operator shall withhold and sell the portion of Unitized Substances the title or right to which is in dispute, and hold in trust the proceeds from the sale thereof until:

- (a) the Party concerned furnishes security in a form and manner satisfactory to the Working Interest Owners for the proper accounting thereof to the rightful owner or owners if the title or right of the Party shall fail in whole or in part, whereupon the proceeds shall be paid to the Party; or
- (b) the title or right thereto is established by a final judgement of a Court or otherwise to the satisfaction of the Working Interest Owners, whereupon such proceeds shall be paid to the Party or parties rightfully entitled.

If the Unit Operator does not comply with this Clause because it is not notified of a dispute by a Party concerned, that Party hereby agrees to indemnify and save harmless the Unit Operator from any loss or damage suffered because of anything done or omitted to be done by the Unit Operator because it was not notified.

ARTICLE XI

APPROVAL OF TITLES

1101. Titles Committee

The Working Interest Owners shall appoint a titles committee which shall investigate the ownership of all Tracts. Each Working Interest Owner shall submit to the titles committee such data and information as the titles committee may reasonably require from time to time. The titles committee shall report the result of its investigation to the Working Interest Owners specifying the titles to Tracts which it unanimously recommends for approval.

1102. Approval of Titles by Working Interest Owners

The Working Interest Owners may approve:

- (a) the titles of Working Interest Owners to Tracts which have been unanimously recommended for approval by the titles committee; and
- (b) the titles of Working Interest Owners to Tracts which have not been unanimously recommended for approval by the titles committee but with respect to which the Working Interest Owners of such Tracts have agreed to indemnify the other Working Interest Owners, in a form and manner satisfactory to the other Working Interest Owners, from loss or damage that may be suffered by them in respect of claims and demands made because of subsequent failure of the Working Interest Owners' title.

Notwithstanding the foregoing, the Working Interest Owners may approve any title that has not been unanimously approved by the titles committee.

1103. Subsequent Failure of Title

If the title of a Working Interest Owner to a Tract fails, the Tract shall be excluded from this Agreement and the Unit Operating Agreement as of 07:00 hours Central Standard Time on the first day of the calendar month in which the failure of title is finally determined unless:

- (a) any other Party, other than the Crown, is held or declared to own the title in which event that Party shall be bound by this Agreement and the Unit Operating Agreement in respect of the Tract; or
- (b) by the last day of the next following calendar month the Tract qualifies for inclusion in the Unit Area pursuant to Clause 502.

1104. Revision of Exhibits

The Unit Operator shall revise the exhibits to reflect any change in ownership in or exclusion from this Agreement of a Tract pursuant to Clause 1103. Where a Tract is excluded, the Tract Participations of the other Tracts shall each be increased, without changing their ratios to each other, so that their summation is one hundred percent (100%). The revised exhibits shall be effective as of 07:00 hours Central Standard Time on the first day of the calendar month in which the failure of title referred to in Clause 1103 is finally determined.

ARTICLE XII

TRANSFER OF INTEREST

1201. Disposition

In this Clause "disposition" means a sale, assignment, transfer, lease, sublease, conveyance, gift, parting with possession, or any transaction of a similar nature, whether by trust or otherwise. A disposition of an interest owned by a Party in a Tract shall cover the whole or an undivided interest in the Party's interest in such Tract. A disposition shall not be binding on the Unit Operator until the acquiring parties who are not Parties have executed and delivered to the Unit Operator counterparts of this Agreement and, in the case of parties acquiring a Working Interest, counterparts of the Unit Operating Agreement, and the parties to such disposition have each given notice thereof to the Unit Operator. The Unit Operator shall revise the exhibits to reflect each disposition of an interest in a Tract and the revised exhibits shall be effective as of 07:00 hours Central Standard Time on the first day of the calendar month next following the calendar month in which the notice is received by the Unit Operator.

All notices to the Unit Operator pursuant of this Clause shall be in writing, delivered or mailed postage prepaid to the Unit Operator at its business office in the city of Calgary, Alberta. Notices mailed shall be deemed to have been received seventy-two (72) hours after the date of mailing, excluding Saturdays, Sundays and statutory holidays; notices sent by telecommunication shall be deemed to have been received twelve (12) hours after the sending thereof. No Party shall mail any notice hereunder during any period in which Canadian postal workers are on strike or if any such strike is imminent and may be anticipated to affect normal delivery.

ARTICLE XIII

IN GENERAL

1301. Execution in Counterpart

This Agreement may be executed in separate counterparts and all the executed counterparts together shall constitute one Agreement.

1302. Dual Capacity

If a Party owns a Working Interest and a Royalty Interest, its execution of this Agreement shall, subject to Clause 1313, constitute execution in both capacities.

1303. Subsequent Execution

An owner of an interest in a Tract who has not become a Party as of the date the Tract was included in the Unit Area under Article V or IX, may become a Party with respect to that interest only on such terms and conditions as may be prescribed by the Working Interest Owners.

1304. No Partnership

The duties and obligations of the Parties shall be separate and not joint or collective. Nothing contained in this Agreement shall be construed to create a partnership or association.

1305. Force Majeure

Neither the Unit Operator nor any Party shall be deemed to be in default with respect to non-performance of its obligations hereunder, other than financial, if and for so long as its non-performance is due, in whole or in part, to any cause beyond its reasonable control, but lack of funds shall not be a cause beyond a Party's reasonable control. The performance of such obligations shall begin or be resumed within a reasonable time after such cause has been removed. Neither this Agreement nor any Lease or any other Agreement or instrument relating to the Unitized Zone or Unitized Substances shall terminate by reason of suspension of unit operations for the cause set forth in this Clause.

1306. Taxes

Each Party shall be separately liable to the extent of its ownership for all taxes on Unitized Substances and with respect to the production or sale of Unitized Substances. A Working Interest Owner may, at any time and from time to time, pay said taxes on behalf of its Royalty Owner and deduct the amount of the payment from the Royalty Owner's royalty. Taxes on production or the value thereof shall be adjusted so that they are borne as if the basis of taxation was the allocation of Unitized Substances hereunder.

1307. Right of Redemption

A Working Interest Owner may, at any time and from time to time, with full rights of subrogation, redeem for its Royalty Owner any Agreement for sale, mortgage, or other lien or encumbrance of any kind or nature affecting any interest in the Unit Area in the event of default of payment by the Royalty Owner and deduct the amount of any payment made hereunder from the Royalty Owner's royalty.

1308. Interpretation

The Clause headings in this Agreement shall not be considered in interpreting the text.

1309. Number and Gender

In this Agreement words importing the singular include the plural and vice versa; words importing the masculine gender include the feminine and vice versa; and words importing persons include firms or corporations and vice versa.

1310. Time of the Essence

Time is of the essence in this Agreement.

1311. Inuring Clause

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators, successors and assigns.

1312. Time

In this Agreement all times are Central Standard Time.

1313. Limitation on Effect of Minister's Execution

Notwithstanding anything to the contrary contained in this Agreement, the execution of this Agreement by the Minister shall not in any way constitute or be deemed to be, the Minister's consent, approval or order under any act or regulation of the Province of Saskatchewan governing operations with respect to the production or conservation of Petroleum Substances; such execution shall only be on behalf of the Crown as the owner of a Royalty Interest, as authorized by Section 18 of the Crown Minerals Act of Saskatchewan.

1314. Encumbrance Responsibility

If the interest of any Working Interest Owner in the Unitized Zone of a Tract is now, or hereafter becomes, encumbered by any royalty production payment, or other charge of a similar nature (other than the royalties set forth under the terms of the Lease covering the Tract), the Parties covenant and agree that such additional royalty production payment, or charge so created shall at all times during the term of this agreement remain the sole responsibility of the Party who creates such encumbrance, or whose interest is now encumbered.

ARTICLE XIV

EFFECTIVE DATE

1401. Effective Date

The unitization provided for herein shall become effective as of 07:00 hours Central Standard Time on the first day of the first calendar month following:

- (a) the date of the qualification under Clause 502 of Tracts having a combined Tract Participation of one hundred percent (100%) of the total Tract Participation as originally set out in Exhibit "A";
- (b) filing of an executed copy of this Agreement and an executed copy of the Unit Operating Agreement, with the Minister;

1402. Notice of Effective Date

As soon as possible after the Effective Date the Unit Operator shall notify all Working Interest Owners and the Minister of the Effective Date and of the Tracts qualified for inclusion in the Unit Area as of the Effective Date, and each Working Interest Owner shall advise each of its Royalty Owners, excepting the Crown, of the Effective Date.

1403. Release of Parties

This Agreement shall cease to bind the Parties if Unit Enlargement No. 1 provided for herein has not become effective on or before the 1st day of July, 1996, and the original Unit Agreement and Unit Operating Agreement will continue to govern the Unit.

ARTICLE XV

TERM

1501. Effect of Execution and Delivery

Subject to Clause 1403, this Agreement is binding upon a person who executes and delivers a counterpart thereof to the Unit Operator, and that person is bound by this Agreement as of the time of such delivery.

This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the Parties, but if a Tract proposed for inclusion is not included in the Unit Area under Article V, the Parties owning interests therein shall be completely released from this Agreement with respect to it upon the expiration of ninety (90) days after the Effective Date.

1502. Termination

This Agreement terminates ninety (90) days after all wells for the production of Unitized Substances in the Unit Area have been abandoned or plugged and thereafter the Parties shall be governed by the terms and provisions of their Leases and contracts.

1503. Salvaging Equipment Upon Termination

The Royalty Owners grant the Working Interest Owners the right for a period of six (6) months after termination of this Agreement to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with unit operations.

1504. Notice to Royalty Owners

The Working Interest Owners shall give notice in accordance with their Leases to their respective Royalty Owners of the termination of this Agreement within thirty (30) days thereafter.

1505. Laws and Courts

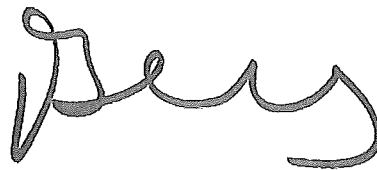
This Agreement shall be construed in accordance with the laws of the Province of Saskatchewan, and the courts having exclusive original jurisdiction with respect to any matter or thing arising directly or indirectly relating to this Agreement shall be the courts of the Province of Saskatchewan and each of the Parties hereto hereby irrevocably attorns to the jurisdiction of the court of the Province of Saskatchewan.

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

December 8, 2016

SPARTAN ENERGY CORP.

Date

A handwritten signature in dark ink, appearing to read 'Randy Berg', written over a horizontal line.

Randy Berg, P. Land

Vice President Land

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

March 1, 2016

Date

ARC Resources Ltd.

Carla Kruschel

Carla Kruschel, Supervisor
Contracts and Land Administration

ADDRESS FOR SERVICE
ARC Resources Ltd.
1200, 308 – 4th Avenue S.W. Calgary,
Alberta T2P 0H7

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

January 1, 2011

Date:

ARC RESOURCES GENERAL PARTNERSHIP
By its managing partner
ARC RESOURCES LTD.



William Sawchuk, Manager, Joint Venture

Address for Service

1200, 308 – 4th Avenue S.W.
Calgary, Alberta
T2P 0H7

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

Apr 27, 2001
Date

ARC (Sask.) ENERGY TRUST

Susan D. Healy
Susan D. Healy
Vice President, Land

COMPANY NAME AND/OR ADDRESS

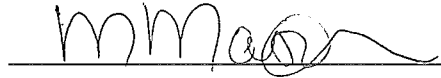
ARC (Sask.) Energy Trust
Suite 2100, 440 – 2nd Avenue S.W.
Calgary, Alberta T2P 5E9

This is the execution page of the
UNIT AGREEMENT – LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

Date

STARTECH RESOURCES LIMITED



COMPANY NAME AND/OR ADDRESS


STARTECH RESOURCES LIMITED
Suite 2600, Sunlife Plaza-North Tower
140 – 4th Avenue S.W.
Calgary, Alberta
T2P 3N3

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed the Agreement each on the date shown opposite its execution hereof.

December 31, 2012
Date

Seek Energy Ltd.


Per: Donald R. Woolley, President

Address for Service:

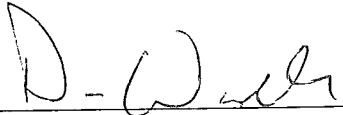
Seek Energy Ltd.
1250, 396 – 11 Avenue SW
Calgary Alberta T2R 0C5

This is counterpart execution page of the
Unit Agreement – Lougheed Midale Beds Voluntary Unit No. 1

IN WITNESS WHEREOF the Parties have executed the Agreement each on the date shown opposite its execution hereof.

January 1, 2003
Date

Phase Energy Ltd.



Donald R. Woolley, President

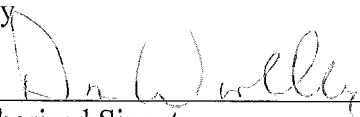
Company Name and/or Address:

Phase Energy Ltd.
850, 540 – 5th Ave SW
Calgary AB T2P 0M2

This is counterpart execution page of the
UNIT AGREEMENT – LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

January 1, 2000
Date

Intrigue Energy Ltd.
Party


Authorized Signature

Company Name and/or Address:

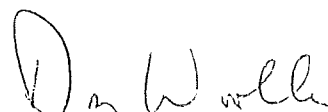
Intrigue Energy Ltd.
850, 540 – 5th Ave SW
Calgary AB T2P 0M2

This is counterpart execution page of the
UNIT AGREEMENT – LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

January 30, 1997
Date

DON WOOLLEY
Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

705479 ALBERTA LTD.

850, 540 - 5 Avenue S.W.


Calgary, Alberta, T2P 0M2

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

April 15, 1996
Date

DON WOOLLEY
Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

FLATLAND RESOURCES LTD.
1540, 521 - 3 Avenue S.W.
Calgary, Alberta
T2P 3T3

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

June 25/96
Date

DAN McFODYEN
Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

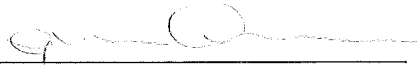
SASKATCHEWAN ENERGY & MINES
1914 HAMILTON STREET
REGINA, CANADA
S4P 4V4

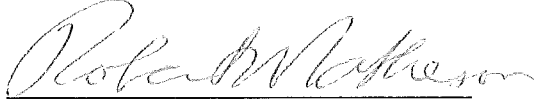
This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

96/03/27
Date

TRANSWEST ENERGY INC.


George M. Amos, P.Eng.
Manager, Engineering


Robert Matheson,
Vice President

COMPANY NAME AND/OR ADDRESS

TRANSWEST ENERGY INC.
400, 255 - 5th Avenue S.W.
Calgary, Alberta
T2P 3G6

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

MAR 21 1996
Date

PAUL J. HAMILTON
Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

NEW ENERGY WEST CORPORATION
1000, 2424 - 4 STREET S.W.
CALGARY, ALBERTA T2S 2T4

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

MARCH 29/96
Date

ED KLETTKE
Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

TARRAGON OIL AND GAS LIMITED

TARRAGON OIL AND GAS LIMITED
2500, 500 - 4th AVENUE S.W.
CALGARY, ALBERTA T2P 2V6

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

April 19/96
Date

RIGEL OIL & GAS LTD.
Name (print)

[Signature]

[Signature]
Authorized Signature

COMPANY NAME AND/OR ADDRESS

RIGEL OIL & GAS LTD.

1900 BOW VALLEY SQUARE 3

255 - 5th Avenue S.W.

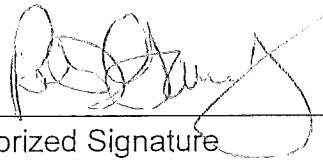
CALGARY, AB T2P 3G6

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

JUN 18 1996
Date

P.D. SAMETZ, P. Eng.
VICE PRESIDENT, PRODUCTION
Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

ELAN Energy Inc.
4100, 150 - 6 Avenue S.W.
Calgary, Alberta
T2P 3Y7

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

May 30/96
Date

Ken Glasspool
Name (print)

[Signature]
Authorized Signature

COMPANY NAME AND/OR ADDRESS

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

May 26 / 96
Date

LEDA MCALISTER
Name (print)
for Estate of
G. Alexander McAlister

Leda McAlister
Authorized Signature

COMPANY NAME AND/OR ADDRESS

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

APR 15th 1996.
Date

MARIAN JOAN ORMONT
Name (print)

Marian Joan Ormont
Authorized Signature

COMPANY NAME AND/OR ADDRESS

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

Larry C. Kitson

March 28, 1996
Date

Larry C. Kitson

Name (print)

Larry C. Kitson
Authorized Signature

COMPANY NAME AND/OR ADDRESS

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

May 26 / 96
Date

JUNE Patricia Smith
Name (print)

JUNE Patricia Smith
Authorized Signature

COMPANY NAME AND/OR ADDRESS

9580 DIAMOND ROAD
RICHMOND B.C.
V7E 1P6

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

May 24 1996
Date

JOHN GLASSPOOL
Name (print)

J. C. Glasspool
Authorized Signature

COMPANY NAME AND/OR ADDRESS

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

26 March 1996
Date

Daniel H. Connor
Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

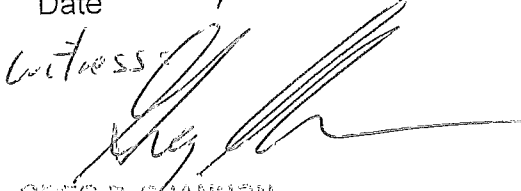
11351 Morning Gate Drive
North Bethesda, Maryland
20852
USA

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

April 18, 1996
Date

ESTHER A. DEMOFSKY
Name (print)

Witness

GREG P. SHANNON
Barrister & Solicitor
200 - 537 LEON AVENUE
KELOWNA, B.C. V1Y 2A9


Authorized Signature

COMPANY NAME AND/OR ADDRESS

MEADOWLARK RESOURCES CORP.
98 - 615 GLEN MEADOWS ROAD
KELOWNA, B.C. V1Y 1N9

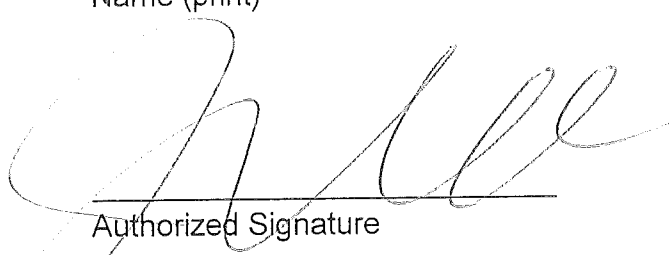
This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

Mar 13 / 96
Date

JOHN W. MOTIUK

Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

JOHN W. MOTIUK

Barrister & Solicitor

#201-6125 SUSSEX AVE.

BURNABY, B.C. V5H 4G1

PHONE: 437-8684

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

April 29-96
Date

JAMES M. KITSON
Name (print)

James M. Kitson
Authorized Signature


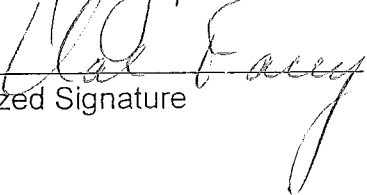
COMPANY NAME AND/OR ADDRESS

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

JUNE 5, 1996
Date

MONTREAL TRUST COMPANY OF CANADA
Name (print)



Authorized Signature

COMPANY NAME AND/OR ADDRESS

MONTREAL TRUST COMPANY OF CANADA

7TH FLOOR, 530 - 8TH AVENUE S.W.

CALGARY, ALBERTA

T2P 3S8

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

May 30, 1996
Date

Brian A. Skinner
Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

Questar Exploration Inc.
1700, 311 - 6th Avenue S.W.
Calgary, Alberta T2P 3H2

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

MAY 24, 1996
Date

OESA RESOURCES LTD.
DOUGLAS M. HILLAND
Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

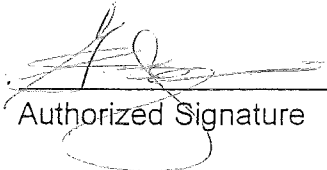
OESA RESOURCES LTD.

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

April 8, 1996
Date

Guy C.L. James
Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

Guy C.L. James
56 Woodfield Court S.W.
Calgary, AB T2W 3W5

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

June 21/96
Date

ALAN H. STEVENS
Name (print)


Authorized Signature

COMPANY NAME AND/OR ADDRESS

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

June 13, 1996

Date

J. H. Anna Petursson

Name (print)

J. H. Anna Petursson
Authorized Signature

COMPANY NAME AND/OR ADDRESS

6411 Southboine Drive

Winnipeg, Manitoba

R3R 0B7

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

IN WITNESS WHEREOF the Parties have executed this Agreement each on the date shown opposite its execution hereof.

March 22, 1996
Date

Mackey Municipal Trust
Name (print)

Geraldine Longmore
Evelyn E. Devitt
Authorized Signature

COMPANY NAME AND/OR ADDRESS

This is the execution page of the
UNIT AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

EXHIBIT "A"

Attached to and made part of an Agreement entitled "Unit Agreement – Loughheed Midale Beds Voluntary Unit No. 1"

List of Abbreviations

Working Interest Owners:

Spartan Energy Corp.
Seek Energy Ltd.

Spartan
Seek

Royalty Interest Owners:

Her Majesty the Queen in the Right
in the Province of Saskatchewan

Crown

Glasspool, John V., Estate of
Glasspool, Kenneth I.
Smith, June P.

John Glasspool
K I Glasspool
June P. Smith

Kitson, Elizabeth McLaren
101156355 Saskatchewan Ltd
Mackey Mineral Trust
Harlaw Investment Agency

Kitson, Elizabeth
101156355 SK
Mackey Mineral
Harlaw Investment

Spartan Energy Corp.
Seek Energy Ltd.

Spartan
Seek

Meadowlark Resources Corp.
McAlister, Leda, Estate of George
Connor, Daniel H.

Meadowlark
McAlister
Connor, Daniel

Connor, Paul N.
Connor Adrienne G.

Connor, Paul
Connor, Adrienne

Ormont, Marian Joan

Ormont, Marian

Tiber*:

Guy L. James
Oesa Resources Ltd.
J.H. Anna Petursson

James
Oesa
Petursson

*James, Oesa, and Petursson, referred to collectively as "Tiber" hold an ORR on certain ARC interests comprising the ORR held by employees of the former Tiber Energy Corporation.

Revision #23

Effective January 01, 2017

LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

EXHIBIT "A"

TRACT	LAND DESCRIPTION	LESSOR PROPORTION	ROYALTY OWNER(S)	CROWN P&NG LEASE or FH RATE	TRACT FACTOR	WORKING INTEREST BY TRACT	TRACT PARTICIPATION
1	LSD'S 3 & 4-18-6-14 W2M	100%	CROWN	PN21018	5.68202	Spartan 100.0000	5.68%
2	LSD'S 5 & 6-18-6-14 W2M	100%	CROWN	PN21018	9.45638	Spartan 100.0000	9.46%
3A	LSD 1-13-6-15 W2M (1 Acre)	100%	CROWN	PN21239	0.08992	Spartan 100.0000	0.09%
3B	LSD 1-13-6-15 W2M (39 acres)	33.33% 33.33% 33.34%	John Glasspool June P. Smith K.I. Glasspool TIBER	15.00%	3.50713	Spartan 100.0000	3.51%
3C	LSD 2-13-6-15 W2M	33.33% 33.33% 33.34%	John Glasspool June P. Smith K.I. Glasspool TIBER	15%	3.59706	Spartan 100.0000	3.60%
4	LSD 7 & 8-13-6-15 W2M	33.33% 33.33% 33.34%	John Glasspool June P. Smith K.I. Glasspool TIBER	15%	5.49474	Spartan 100.0000	5.49%
5	NW/4 18-6-14 W2M	100%	CROWN	PN21018	0.43751	Spartan 100.0000	0.44%
6	LSD'S 15 & 16-1-6-15 W2M	50% 50%	Kitson, Elizabeth 101156355 SK	15% 15%	0.34615	Spartan 100.0000	0.35%
7	S/2 11-6-15 W2M	100%	CROWN	PN30871 & PN26512	0.76611	Spartan 100.0000	0.77%
8	LSD'S 9 & 10-11-6-15 W2M	100%	CROWN	PN30871	0.08412	Spartan 100.0000	0.08%
9	LSD'S 15 & 16-11-6-15 W2M	100%	CROWN	PN21032	0.08412	Spartan 100.0000	0.08%
10	SECTION 12-6-15 W2M	100%	CROWN	PN20615	32.60648	Spartan 100.0000	32.61%
11	SW/4 13-6-15 W2M	50% 50%	Mackey Mineral Harlaw Investment	16.5% 15.0%	5.42119	Spartan 100.0000	5.42%
12	NW/4 13-6-15 W2M	50% 50%	Mackey Mineral Harlaw Investment	16.5% 15.0%	5.96858	Spartan 100.0000	5.97%
13	NE/4, LSD'S 7 & 8-14-6-15 W2M	100%	CROWN	PN21485	8.77701	Spartan 100.0000	8.78%
14	*SE/4 23-6-15 W2M	50%	Seek Spartan Meadowlark	17.00%	6.22059	Spartan 77.8956	4.85%
15	NW/4 23-6-15 W2M	16.67% 16.67% 16.66% 50.00% 100%	Connor, Daniel Connor, Paul Connor, Adrienne Ormont, Marian McAlister, Leda	15% 15% 17.00%	2.33750	SEEK 22.1045 Spartan 100.0000	1.38% 2.34%
16	NE/4 23-6-15 W2M	50% 50%	Mackey Mineral Harlaw Investment	16.5% 15.0%	3.53662	Spartan 100.0000	3.54%
17	SE/4 26-6-15 W2M	16.67% 16.67% 16.66% 50.00% 100%	Connor, Daniel Connor, Paul Connor, Adrienne Ormont, Marian McAlister, Leda	15% 15% 15%	5.58677	Spartan 100.0000	5.59%

REVISION #23

EFFECTIVE DATE OF REVISION: January 01, 2017

100.00000

100.00%

EXHIBIT "A"

Attached to and made part of an Agreement entitled
"Unit Agreement – Loughheed Midale Beds Voluntary Unit No. 1

List of Abbreviations

Working Interest Owners:

ARC Resources Ltd.
Seek Energy Ltd.

ARC
Seek

Royalty Interest Owners:

Her Majesty the Queen in the Right
in the Province of Saskatchewan

Crown

Glasspool, John V., Estate of
Glasspool, Kenneth I.
Smith, June P.

John Glasspool
K I Glasspool
June P. Smith

Kitson, Elizabeth McLaren
101156355 Saskatchewan Ltd

Kitson, Elizabeth
101156355 SK

Mackey Mineral Trust
Harlaw Investment Agency

Mackey Mineral
Harlaw Investment

ARC Resources Ltd.

ARC

Seek Energy Ltd.

Seek

Meadowlark Resources Corp.

Meadowlark

McAlister, Leda, Estate of George

McAlister

Connor, Daniel H.

Connor, Daniel

Connor, Paul N.

Connor, Paul

Connor Adrienne G.

Connor, Adrienne

Ormont, Marian Joan

Ormont, Marian

Tiber*:

Guy L. James

James

Oesa Resources Ltd.

Oesa

J.H. Anna Petursson

Petursson

*James, Oesa, and Petursson, referred to collectively as "Tiber" hold an ORR on certain ARC interests comprising the ORR held by employees of the former Tiber Energy Corporation.

Revision #22

Effective March 01, 2016

LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1

EXHIBIT "A"

TRACT	LAND DESCRIPTION	LESSOR PROPORTION	ROYALTY OWNER(S)	CROWN P&G LEASE or FH RATE	TRACT FACTOR	WORKING INTEREST BY TRACT	TRACT PARTICIPATION
1	LSD'S 3 & 4-18-6-14 W2M	100%	CROWN	PN21018	5.66202	ARC 100.0000	5.68%
2	LSD'S 5 & 6-18-6-14 W2M	100%	CROWN	PN21018	9.45638	ARC 100.0000	9.46%
3A	LSD 1-13-6-15 W2M (1 Acre)	100%	CROWN	PN21239	0.08992	ARC 100.0000	0.09%
3B	LSD 1-13-6-15 W2M (39 acres)	33.33% 33.33% 33.34%	John Glasspool June P. Smith K.I. Glasspool TIBER	15.00%	3.50713	ARC 100.0000	3.51%
3C	LSD 2-13-6-15 W2M	33.33% 33.33% 33.34%	John Glasspool June P. Smith K.I. Glasspool TIBER	15%	3.59706	ARC 100.0000	3.60%
4	LSD 7 & 8-13-6-15 W2M	33.33% 33.33% 33.34%	John Glasspool June P. Smith K.I. Glasspool TIBER	15%	5.49474	ARC 100.0000	5.49%
5	NW/4 18-6-14 W2M	100%	CROWN	PN21018	0.43751	ARC 100.0000	0.44%
6	LSD'S 15 & 16-1-6-15 W2M	50%	Kitsou, Elizabeth 101156365 SK	15%	0.34615	ARC 100.0000	0.35%
7	S/2 11-6-15 W2M	100%	CROWN	PN30871 & PN26512	0.76611	ARC 100.0000	0.77%
8	LSD S 9 & 10-11-6-15 W2M	100%	CROWN	PN30871	0.08412	ARC 100.0000	0.08%
9	LSD'S 15 & 16-11-6-15 W2M	100%	CROWN	PN21032	0.08412	ARC 100.0000	0.08%
10	SECTION 12-6-15 W2M	100%	CROWN	PN20615	32.60648	ARC 100.0000	32.61%
11	SW/4 13-6-15 W2M	50%	Mackey Mineral Harlaw Investment	16.5% 15.0%	5.42119	ARC 100.0000	5.42%
12	NW/4 13-6-15 W2M	50%	Mackey Mineral Harlaw Investment	16.5% 15.0%	5.96858	ARC 100.0000	5.97%
13	NE/4, LSD'S 7 & 8-14-6-15 W2M	100%	CROWN	PN21485	8.77701	ARC 100.0000	8.78%
14	*SE/4 23-6-15 W2M	50%	Seek ARC Meadowlark	17.00%	6.22059	ARC 77.8956	4.85%
15	NW/4 23-6-15 W2M	16.67% 16.67% 16.66% 50.00% 100%	Connor, Daniel Connor, Paul Connor, Adrienne Ormont, Marian McAlister, Leda	15% 15%	2.33750	SEEK 22.1045 ARC 100.0000	1.38% 2.34%
16	NE/4 23-6-15 W2M	50%	Mackey Mineral Harlaw Investment	16.5% 15.0%	3.53662	ARC 100.0000	3.54%
17	SE/4 26-6-15 W2M	16.67% 16.67% 16.66% 50.00% 100%	Connor, Daniel Connor, Paul Connor, Adrienne Ormont, Marian McAlister, Leda	15% 15%	5.58677	ARC 100.0000	5.59%

REVISION #22

EFFECTIVE DATE OF REVISION: March 01, 2016

100.00000

100.00%

EXHIBIT "A"

Attached to and made part of an Agreement entitled "Unit Agreement – Loughheed Midale Beds Voluntary Unit No. 1"

List of Abbreviations

Working Interest Owners:

ARC Resources General Partnership	ARC
by its managing partner, ARC Resources Ltd.	
Seek Energy Ltd.	Seek

Royalty Interest Owners:

Her Majesty the Queen in the Right in the Province of Saskatchewan	Crown
Glasspool, John V., Estate of	John Glasspool
Glasspool, Kenneth I.	K I Glasspool
Smith, June P.	June P. Smith
Kitson, Elizabeth McLaren	Kitson, Elizabeth
101156355 Saskatchewan Ltd	101156355 SK
Mackey Mineral Trust	Mackey Mineral
Harlaw Investment Agency	Harlaw Investment
ARC Resources General Partnership	ARC
Seek Energy Ltd.	Seek
Meadowlark Resources Corp.	Meadowlark
McAlister, Leda, Estate of George	McAlister
Connor, Daniel H.	Connor, Daniel
Connor, Paul N.	Connor, Paul
Connor Adrienne G.	Connor, Adrienne
Ormont, Marian Joan	Ormont, Marian
Tiber*:	
Guy L. James	James
Oesa Resources Ltd.	Oesa
J.H. Anna Petursson	Petursson

*James, Oesa, and Petursson, referred to collectively as "Tiber" hold an ORR on certain ARC interests comprising the ORR held by employees of the former Tiber Energy Corporation.

Revision #21

Effective February 1, 2013

LOUGHEED MIDDLE BEDS VOLUNTARY UNIT NO. 1

EXHIBIT "A"

TRACT	LAND DESCRIPTION	LESSOR PROPORTION	ROYALTY OWNER(S)	CROWN P&NG LEASE or FH RATE	TRACT FACTOR	WORKING INTEREST BY TRACT	TRACT PARTICIPATION
1	LSD'S 3 & 4-18-6-14 W2M	100%	CROWN	PN21018	5.68202	ARC 100.0000	5.68%
2	LSD'S 5 & 6-18-6-14 W2M	100%	CROWN	PN21018	9.45638	ARC 100.0000	9.46%
3A	LSD 1-13-6-15 W2M (1 Acre)	100%	CROWN	PN21239	0.08992	ARC 100.0000	0.09%
3B	LSD 1-13-6-15 W2M (39 acres)	33.33% 33.33% 33.34%	John Glasspool June P. Smith K.I. Glasspool TIBER	15.00%	3.50713	ARC 100.0000	3.51%
3C	LSD 2-13-6-15 W2M	33.33% 33.33% 33.34%	John Glasspool June P. Smith K.I. Glasspool TIBER	15%	3.59706	ARC 100.0000	3.60%
4	LSD 7 & 8-13-6-15 W2M	33.33% 33.33% 33.34%	John Glasspool June P. Smith K.I. Glasspool TIBER	15%	5.49474	ARC 100.0000	5.49%
5	NW/4 18-6-14 W2M	100%	CROWN	PN21018	0.43751	ARC 100.0000	0.44%
6	LSD'S 15 & 16-1-6-15 W2M	50% 50%	Kison, Elizabeth 101156355 SK	15% 15%	0.34615	ARC 100.0000	0.35%
7	S/2 11-6-15 W2M	100%	CROWN	PN30871 & PN26512	0.76611	ARC 100.0000	0.77%
8	LSD'S 9 & 10-11-6-15 W2M	100%	CROWN	PN30871	0.08412	ARC 100.0000	0.08%
9	LSD'S 15 & 16-1-6-15 W2M	100%	CROWN	PN21032	0.08412	ARC 100.0000	0.08%
10	SECTION 12-6-15 W2M	100%	CROWN	PN20615	32.60648	ARC 100.0000	32.61%
11	SW/4 13-6-15 W2M	50%	Mackey Mineral Harlaw Investment	16.5% 15.0%	5.42119	ARC 100.0000	5.42%
12	NW/4 13-6-15 W2M	50% 50%	Mackey Mineral Harlaw Investment	16.5% 15.0%	5.96858	ARC 100.0000	5.97%
13	NE/4, LSD'S 7 & 8-14-6-15 W2M	100%	CROWN	PN21485	8.77701	ARC 100.0000	8.78%
14	*SE/4 23-6-15 W2M	50%	Seek ARC Meadowmark	17.00% 17.00%	6.22059	ARC 77.8956	4.85%
15	NW/4 23-6-15 W2M	16.67% 16.67% 16.66% 50.00% 100%	Connor, Daniel Connor, Paul Connor, Adrienne Ormont, Marian McAlister, Leda	15% 15% 15% 17.00%	2.33750	ARC 100.0000	2.34%
16	NE/4 23-6-15 W2M	50% 50%	Mackey Mineral Harlaw Investment	16.5% 15.0%	3.53662	ARC 100.0000	3.54%
17	SE/4 26-6-15 W2M	16.67% 16.67% 16.66% 50.00% 100%	Connor, Daniel Connor, Paul Connor, Adrienne Ormont, Marian McAlister, Leda	15% 15% 15%	5.58677	ARC 100.0000	5.59%

REVISION #21

EFFECTIVE DATE OF REVISION: February 1, 2013

100.00000

100.00%

EXHIBIT "A"

- (1) - Crown Sliding Scale Royalty based on one hundred percent (100%) of production.
- Paid by ARC on Tracts 1, 2, 3A, 5, 7, 8, 9, 10 and 13.
- (2) - Freehold Lessor Royalty of fifteen percent (15%) based on one hundred percent (100%) of production. This Former Estate of Ethel McKillop is now equally held by John Glasspool, Estate of Lawrence Glasspool, Kenneth I.N. Glasspool, and June Patricia Smith.
- Paid by ARC on Tracts 3B, 3C, and 4.
- (3) - Gross Overriding Royalty of two and one-half percent (2.5%) based on fifty percent (50%) of production.
- Paid by ARC on Tracts 3A, 3B, 3C, 4, 6, 11, 12, 15, 16 and 17.
- Paid to James, Stevens, Oesa, and Petursson, referred to collectively as "Tiber" (employees of the former Tiber Energy Corporation).
- (4) - Freehold Lessor Royalty of fifteen percent (15%) based on one hundred percent (100%) of production. The lease is held equally by J. M. Kitson and L. C. Kitson.
- Paid by ARC on Tract 6
- (5) - Freehold Lessor Royalty of sixteen and one-half percent (16.5%) based on fifty percent (50% lease) of one hundred percent (100%) of production.
- Paid by ARC on Tracts 11, 12 and 16.
- (6) - Freehold Lessor Royalty of fifteen percent (15%) based on fifty percent (50% lease) of one hundred percent (100%) of production.
- Paid by ARC on Tracts 11, 12 and 16.
- (7) - Freehold Lessor Royalty of seventeen percent (17%) based on fifty percent (50% lease) of one hundred percent (100%) of production.
- Paid by ARC and Intrigue on Tract 14.
- Paid to Intrigue (66%) and ARC (34%).
- (8) - Freehold Lessor Royalty of seventeen percent (17%) based on fifty percent (50% lease) of one hundred percent (100%) of production.
- Paid by ARC and Intrigue Tract 14.
- (9) - Freehold Lessor Royalty of fifteen percent (15%) based on fifty percent (50% lease) of one hundred percent (100%) of production. This former estate of George McAlister is held by Leda McAlister.
- Paid by ARC on Tracts 15 and 17.
- (10) - Freehold Lessor Royalty of fifteen percent (15%) based on fifty percent (50% lease) of one hundred percent (100%) of production. This former Estate of Marian H. Connor is now held equally by Dr. Daniel H. Connor and Dr. Marian Joan Ormont.
- Paid by ARC on Tracts 15 and 17.

THIS PAGE NOT UPDATED, AS IT WAS DONE FOR A REFERENCE ONLY PER DUNN LANDREILLE ATT. A.B.D.

**LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1 – EXPANSION
UNIT ENLARGEMENT – ATTACHMENT TO EXHIBIT “A” PAGE 3 (REVISION #14)**

TRACT ALLOCATION FOR SE/4 23-6-15-W2M

LAND DESCRIPTION 6 COMPONENTS TO TRACT #14	AS TO WELL	PORTION OF LEASE	ROYALTY OWNER(S)	F.H. RATE	TRACT FACTOR CONTRIBUTION	WORKING INTERESTS IN PRODUCTION IN COMPONENT OF TRACT		NET UNIT WORKING INTEREST BY COMPONENT OF	
						ARC	PHASE	ARC	PHASE
1. *LSD'S 1 & 2-23-6-15 W2	1-23	50%	PHASE	17.0%	0.30186%	67.00000%	33.00000%	0.20224%	0.09962%
2. *		50%	MEADOWLARK	17.0%					
3. *LSD'S 7 & 8-23-6-15 W2	7-23	50%	PHASE	17.0%	0.49800%	42.00000%	58.00000%	0.20916%	0.28884%
4. *		50%	MEADOWLARK	17.0%					
5. *SE/4 23-6-15 W2	D7-23	50%	PHASE	17.0%	5.42072%	81.800000%	18.2000%	4.43415%	0.98657%
6. *	Hz	50%	MEADOWLARK	17.0%					
TOTAL					6.22058%	4.84555%		1.37503%	

POOLED PRODUCTION INTERESTS						WORKING INTERESTS IN PRODUCTION OF TRACT		NET UNIT WORKING INTEREST IN TRACT 14	
						ARC	PHASE	ARC	PHASE
* ALL SE/4 23-6-15 W2M						77.89555%	22.10446%	4.84555%	1.37503%
Total						4.84555%		1.37503%	

* WORKING INTERESTS REPRESENT POOLED LEASE INTERESTS – THERE IS HOWEVER, NO CROSS CONVEYANCE

Rev

Revision #14
Effective February 1, 2003

*SEE ATTACHMENT TO EXHIBIT "A" WHICH INDICATES THE LEASE OWNERSHIP AND PRODUCTION SHARING. THERE IS NO CROSS CONVEYANCE OF LEASES IN SE/4 23-6-15W2M.

TOTAL CROWN 57.98367%

45% PRODUCTIVITY, 37.5% EXPONENTIAL, 12.5% HYPERBOLIC, 5% HCPV

EXHIBIT "A"

FINAL UNIT PARTICIPATION (%)

<u>WORKING INTEREST OWNERS</u>	<u>UNIT PARTICIPATION %</u>
ARC (Sask.) Energy Trust	98.62497
Phase Energy Ltd.	<u>1.37503</u>
TOTAL	100.00000

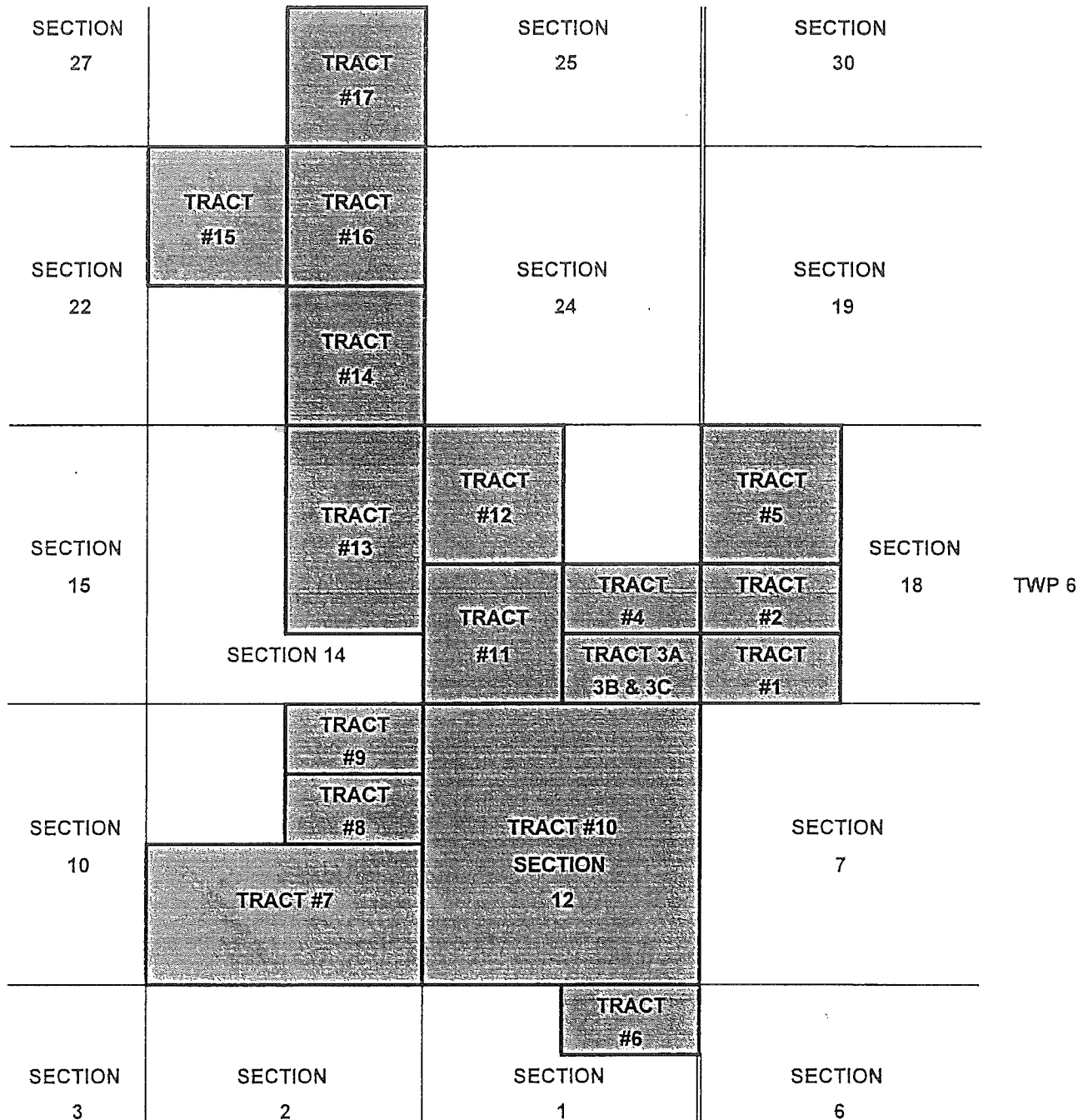
EXHIBIT "B" - REVISION #1

PLAN OF UNITIZED AREA - UNIT ENLARGEMENT NO. 1

ATTACHED TO AND MADE PART OF THE AGREEMENT ENTITLED
"UNIT AGREEMENT, LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO.1"

RGE 15 W2M

RGE 14 W2M



UNITIZED ZONE

Attached to and made part of an agreement entitled
 "Unit Agreement - Lougheed Midale Beds Voluntary Unit No. 1"

A portion of the BOREHOLE COMPENSATED SONIC LOG
 recorded at Transwest ET AL WEYBURN located in
 Lsd. 7, Sec. 13, Twp. 6, Rge. 15 West of the 2nd Meridian

Transwest et al WEYBURN 07-13-006-15W2M
 KB: 601.25m

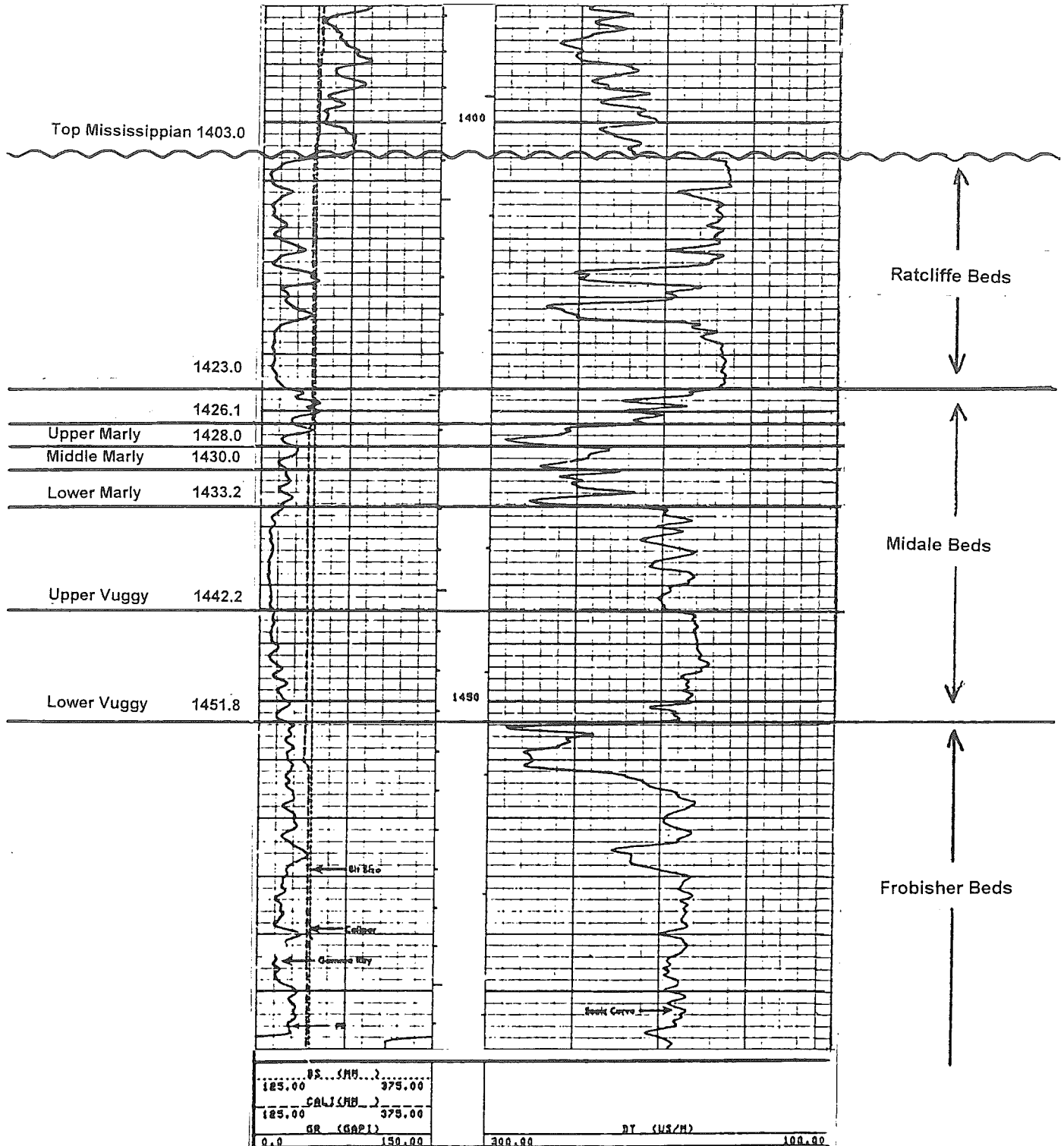


EXHIBIT "F" - REVISION #1
UNIT ENLARGEMENT NO. 1

Attached to and made part of an Agreement entitled
"UNIT OPERATING AGREEMENT - LOUGHEED MIDALE BEDS VOLUNTARY UNIT NO. 1"

ACCOUNTING PROCEDURE

PART I
GENERAL PROVISIONS

101. Definitions

The definitions of the Unit Operating Agreement, Lougheed Midale Beds Voluntary Unit No. 1, (hereinafter called the "Agreement"), are adopted for the purposes of this Accounting Procedure. In addition, in this Accounting Procedure, unless the context otherwise requires:

- (a) "Completion Costs" means all monies expended in preparing a Unit Well for the taking of production up to and including the initial installation of tubing and the wellhead in and on a Unit Well but does not include "Equipping Costs";
- (b) "Construction Project" means any construction or installation undertaken for the Joint Account, including each subsequent addition thereto or alteration thereof or replacement of Material thereon and Equipping Costs of a Unit Well, but does not include Drilling. For purposes of Paragraph 302(b), each addition, alteration or replacement hereunder will be considered as a separate Construction Project except that multiple projects of a similar nature being constructed under a single program will be consolidated as a single Construction Project;
- (c) "Controllable Material" means Material which at the time is so classified in the Controllable Material Price Catalogue as most recently recommended by the Petroleum Accountants Society of Canada;
- (d) "Drilling" means the use of a rig and crew for the drilling, completing, production testing, capping, plugging and abandoning, deepening, plugging back, re-drilling and reconditioning of a Unit Well (except routine cleanout and pump or rod pulling operations) or the converting of a well to a source, input, observation or producing well, and includes Completion Costs but does not include Equipping Costs;
- (e) "Equipping Costs" of a Unit Well means all monies expended, beyond Completion Costs, to acquire and install equipment required to produce Unitized Substances from the Unit Well including the pump (or other artificial lift equipment), the acquisition and installation of flow lines and production tankage serving the Unit Well and where necessary a heater, dehydrator or other facility for the initial treatment of the Unitized Substances produced from the Unit Well to prepare such production for transport to market, but specifically excluding costs incurred beyond the point of entry into a gathering system, plant or other common facility which is or will be operated pursuant to a separate agreement;