MINISTER'S ORDER

MRO 20/15

Under The Oil and Gas Conservation Act

Wauchope North Tilston Beds Pool - Horizontal Oil Well Project

Pursuant to section 17.1 of The Oil and Gas Conservation Act, approval is granted to Federated Co-Operatives Limited, for one horizontal oil well in the Tilston Beds, underlying the north-west quarter of Section 3-8-33 W1M, in accordance with plans filed as Document No. H.W. 1962, and subject to the following:

1. Good production practice is approved.

Dated at Regina, Saskatchewan, January 7, 2014.

[Signature]

Ed Dancsok, Assistant Deputy Minister
Petroleum and Natural Gas
Saskatchewan Ministry of the Economy
Horizontal Well Project Approval Information
(Attach to the well licence application with the MRO approval)

Well Name: FCL WAUCHOPE NORTH HZ 1D14-3-1C13-3-8-33

Pool Name / Area - Formation: Wauchope North Tilston Beds Pool

Application Date: October 6, 2014
Survey Date: September 26, 2014

MRO: 20/15
HW: 1962

No intermediate casing, casing will be run from total depth of the well to the surface. (Mono bore)
Addendum Agreement Required.
A strat/vertical test hole is to be drilled.
Enhanced Oil Recovery (EOR)

Comments:

Drainage

Comprised of Isd’s:
13, 14-3-8-33 W1M

Total Area = 2 Isd’s, 32.38 hectares

Reviewed by: Giovanni Felipe Ramos on 7-Jan-15
email: Giovanni.ramos@gov.sk.ca
phone #: (306) 787-0322

Approved By: Brent Paquin, Acting Manager, Crude Oil, Engineering Services Branch on Jan. 7

If the productive interval for the above approved horizontal well is revised, a detailed description of the revision must be submitted to Engineering Services along with a copy of this approval, prior to submitting the well licence application. Any other revisions to the well plan (ie. changes to surface location, access road, flow line(s), etc.) should be summarized in a letter and attached to the well licence application.

Revised February 8, 2012
HAND DELIVERED

October 6, 2014

ADDRESSEE: Saskatchewan Industry and Resources
2101 Scarth Street
Regina, Saskatchewan

Attention: Engineering Services

Ladies/Gentlemen:

RE: FCL Wauchope North Hz 1D14-3-1C13-3-8-33W1
    Horizontal Well Application

Federated Co-operatives Limited, by its crude oil agent Adonai Resources Corporation, proposes to apply for a new horizontal well MRO. Please find attached one copy of the HZ Well Form, map of project area including lessees and lessors of adjacent quarter sections, certified survey plan and well schematic.

Adonai Resources Corporation requests the well be placed on production using Good Production Practices (GPP). If you have any questions, please contact myself at (306) 522-3511 ext 253.

Yours truly,
Federated Co-operatives Limited
by its crude oil agent
Adonai Resources Corporation

[Signature]

Lisa MacGillivray
Horizontal Oil Well Application

General Information

Proposed for production of [ ] Heavy Oil [x] Non-heavy Oil

Zone(s) of Interest

Tilston

Pool Name (if applicable)

Wuolahoe North

Unit Name (if applicable)


Proposed Well Name

PCL-Wuolahoe North Hz 1D14-3-1C13-3-8-33W1

Completion type [x] open hole [ ] monobore [ ] pre-perforated liner or screen [ ] frac liner [ ] other: [ ]

[ ] re-entry, the following information must be provided:

WID ID

License #

details of build section isolation, as outlined in the form instructions, are attached.

Setback from Equity Boundaries

The productive portions of all HZ sections are at least 100m inside the commonly owned lease or unit boundary?[x] Yes [ ] No

If No, at least one of the following must be selected to proceed with the application:

[ ] The setback distance from a diversely owned lease boundary is not met - consents are attached.
[ ] Multiple Crown leases with diverse lessees.
[ ] Freehold pooling - an agreement has been signed by all owners and details are attached.
[ ] Crown-freehold pooling - consents for the drainage unit are attached.

Interwell Setback

The minimum interwell setback distance of 100m (heavy oil) or 150m (non-heavy oil) will be met:

[ ] Yes [x] No

If No, at least one of the following must be selected to proceed with the application:

[ ] Reduced interwell setback is approved by a Pool Order. Pool name: [ ] or
[ ] reduced interwell setback has been routinely approved in this pool/area, or
[ ] approval is requested for a test of reduced interwell setback (supporting technical documents are attached), or
[ ] reduced interwell setback is requested because lower-productivity adjacent wells are unlikely to be affected (complete table below).

Adjacent well location

<table>
<thead>
<tr>
<th>Proposed HZ Well</th>
<th>Average Oil Production (m³/day)</th>
<th># Days on Production</th>
<th>Distance from Proposed HZ Well (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/11-03-608-33W1/0</td>
<td>2.13</td>
<td>342</td>
<td>100</td>
</tr>
</tbody>
</table>

Logging

Waiver of logging requirements is requested [x] Yes, existing well(s) with log coverage [ ] Yes, strat test planned [ ] No

Required Attachments

In addition to the attachments specified above, the following supporting documentation is required:

[ ] Well survey plan, to scale. (horizontal section must match the survey plan that will be submitted with the well licence application).
[ ] Map of the project area and adjacent quarter Sections with lessees and lessors identified for the zone(s) of interest.
[ ] Well design schematic.

Applicant Information

Company Name

Federated Co-Operatives Limited

Company/Agent Contact [x] Mr. [ ] Mrs. [x] Ms. Lisa MacGillivray

TelephoneNumber

306-522-3511 ext 253

Email Address

macgillivray@adonaireresources.com

By signing below, I hereby certify that the application form and the attached supporting documentation is complete and accurate. If the application is found to be incomplete or inaccurate, I acknowledge that the Ministry of Energy and Resources will discard the application after notifying me of the deficiencies and that I will be required to submit a new application.

Signed by

[Signature]

Date

October 6, 2014

Application Submission

Submit one copy of the signed application to:

Engineering Services Branch, Saskatchewan Ministry of Energy and Resources, 200 - 2101 Scarth Street, Regina, SK, S4P 2H9

Horizontal Application Form

Revised June 16, 2011
Plan Showing Survey of
FCL WAUCHEPOE NORTH HZ 1D14-3-1C13-3-8-33
Well Site and Access Road
Horizontally Drilled From a Surface Location In
L.S.14 SEC.3 TWP.8 RGE.33 W.1M.
R.M. OF ANTLER No. 61

WELL SITE DETAIL
SCALE: 1:2000

WELL CENTRE CO-ORDS
GIVEN = 170.00 S of N 895.00 E of W SEC. 10
SURVEYED = 160.13 S of N 744.56 E of W SEC. 10
WCS MOVED 9.9 x NORTH AND 49.6 x EAST DUE TO BUSH & LOW AREAS (DRY)

SURFACE CO-ORDINATES: 1D14-3
160.13 SOUTH of NORTH } SEC. 3
744.55 EAST of WEST

CARTESIAN CO-ORDINATES:
130.70 SOUTH } N.W. COR. SEC. 3
744.55 EAST

GEOGRAPHIC CO-ORDINATES:
LAT. = 49°37'59.556" } NAD 83
LONG. = 101°53'04.140" } GPS DERIVED

UTM CO-ORDINATES:
UTM = 5 501 625.01 N } NAD 27 ZONE 14
S 291 762.25 E } GPS DERIVED

ELEVATIONS:
WELL CENTRE = 629.60
N.W. = 628.26 N.E. = 628.63
S.W. = 627.12 S.E. = 628.54

DATUM: PROVINCE OF SASKATCHEWAN
MON. No. 81V181, ELEV. 592.176

AREAS:
1/4 HECTARES ACRES
WELL SITE: 1.440 3.56
ACCESS ROAD: 0.017 0.04
TOTAL: 1.457 3.60

OPERATOR: FEDERATED CO-OPERATIVES LIMITED
ACCESS ROUTE DETAIL
SCALE: 1:259 000

RECTANGULAR CO-ORDS
SURFACE 0.00 SOUTH
1D14-3 0.00 WEST
INT 8.63 SOUTH
CASING 221.57 WEST
END HZ 29.15 SOUTH
1C13-3 639.57 WEST
EXISTING ICP 12.89 SOUTH
2A3-10-3A11-3 116.48 WEST
EXISTING 183.42 SOUTH
END HZ 1B13-3 589.89 WEST
PROPOSED 37.80 NORTH
W/C 3C13-3 689.56 WEST

Utility companies (SaskPower, SaskEnergy, SaskTel & TransGas) were contacted and indicated there were no buried facilities in the area other than those shown.

All buried facilities must be located by the respective authority prior to construction.

Sask 1st Call (SaskEnergy, SaskTel, TransGas & SaskPower)
Toll Free: 1-888-529-4888
Cell: #4888
Fax: 1-306-525-2356
Website: www.sask1stcall.com
Flowlines: Individual Operator

I certify that the survey represented by this plan is correct and true to the best of my knowledge and was completed on the 20th day of September, 2014.

[Signatures]

CALTECH SURVEYS LTD
Calgary (604) Ph: 262-6605 Fax: 262-6608
Regina (306) Ph: 775-1814 Fax: 775-1818
Unyu (306) Ph: 228-4368 Fax: 228-4367

REV DATE DESCRIPTION
2 2012.12.18 CORRECTED DRILL PATH 203-10-3C6-3 (312-67/49)
3 2014.10.03 PLAN UPDATE

LANDOWNER INFORMATION
LEGAL DESCRIPTION: N.E.1/4 SEC.3-8-33-1 EXT.0
LANDOWNER(S): MAURICE RICHARD COLLEAUX
TITLE NO: 190566122

LEGAL DESCRIPTION: N.W.1/4 SEC.3-8-33-1 EXT.0
LANDOWNER(S): JOLEEN ANN COLLEAUX & MICHEAL SHANE RACHUL
TITLE NO: 145484298

ACCESS ROUTE DETAIL
SCALE: 1:259 000

RECTANGULAR CO-ORDS
SURFACE 0.00 SOUTH
1D14-3 0.00 WEST
INT 8.63 SOUTH
CASING 221.57 WEST
END HZ 29.15 SOUTH
1C13-3 639.57 WEST
EXISTING ICP 12.89 SOUTH
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REV DATE DESCRIPTION
2 2012.12.18 CORRECTED DRILL PATH 203-10-3C6-3 (312-67/49)
3 2014.10.03 PLAN UPDATE

CALTECH JOB NO: 314-5706 PAGE: 2 OF 3
<table>
<thead>
<tr>
<th>Date</th>
<th>PRD Monthly OIL m3</th>
<th>PRD Monthly HRS hrs</th>
<th>Days</th>
<th>Daily Average</th>
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<td>29.4</td>
<td>686</td>
<td>28.58333333</td>
<td>1.028571429</td>
</tr>
</tbody>
</table>

**Total Days on Production**: 342

**Average Daily Rate**: 2.13

2-4 m³/day = 100 m
### FCL Wauchope North Hz 1D14-3-1C13-3-8-33W1 Well Schematic

**Well:** FCL Wauchope North Hz 1D14-3-1C13-3-8-33W1  
**DATE:** October-06-14

<table>
<thead>
<tr>
<th>Completion</th>
<th>Open Hole</th>
<th>Formation</th>
<th>Tilston</th>
</tr>
</thead>
</table>

| Casing Details: | Surf: | Size: 244.5 mm | Weight: 48.07 kg | Grade: H-40 | Depth: 180.0m |
|                | Intermediate: | Size: 177.8 mm | Weight: 29.8 kg | Grade: J-55 | Depth: 1259.0m |

**Remarks:**

**KB md (m) | Depth SS (m) | TVD (m) | Bit Model**
--- | --- | --- | ---
Surface Casing | 180 | 180 |  
KOP | 890 | -255.6 | 890 |
Intermediate Casing Point | 1259 | -459 | 1093.4 |
TD | 1614 | -461 | 1095.4 |

**Comments:**
- Applied for logging requirements to be waived due to vertically logged wells in area.
- Main hole size is 222 mm from surface casing shoe to intermediate casing point
- 177.8 mm Intermediate casing from Surf casing to Intermediate casing point
- Surface hole size 349 mm
- 159 mm hole size from Intermediate Casing Point point to TD

**Pump Type:**  
**Serial No.:**  
**Make:**
**Remarks:**

<table>
<thead>
<tr>
<th>Rod Size</th>
<th>Number</th>
<th>Grade</th>
<th>Scraper Description</th>
<th>Remarks</th>
</tr>
</thead>
</table>

890.0m md KOP  
1259.0m md Intermediate Casing Point  
1614.0m md TD