

COURT FILE NUMBER 1201-16124
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

PLAINTIFF NATIONAL BANK OF CANADA

DEFENDANT SOLARA EXPLORATION LTD.

DOCUMENT **SUPPLEMENT TO THE SECOND REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF SOLARA EXPLORATION LTD.**

February 14, 2014

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

RECEIVER

FTI Consulting Canada Inc.
1000, 888-3rd Street S.W.
Calgary, AB T2P 5C5
Deryck Helkaa/Dustin Olver
Telephone: (403) 444-5362/ (403) 444-5383
Fax: (403) 444-6758
E-mail: deryck.helkaa@fticonsulting.com
dustin.olver@fticonsulting.com

COUNSEL

Blake, Cassels & Graydon LLP
3500, 855 – 2nd Street SW
Calgary, AB T2P 4J8

Kelly J. Bourassa/Ryan Zahara
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ryan.zahara@blakes.com

INTRODUCTION

1. On December 19, 2012, FTI Consulting Canada Inc. was appointed receiver and manager (the “Receiver”) of the assets, undertakings and properties of Solara Exploration Ltd. (“Solara” or the “Company”) pursuant to the order (the “Receivership Order”) of this Honourable Court.
2. As described in the Receiver’s First Report dated November 1, 2013, the Receiver entered into an asset purchase and sale agreement with Incipient Exploration Ltd. (the “Incipient PSA”) dated October 28, 2013 for the sale of Solara’s Assets. The Incipient PSA was subject to Court approval.
3. On November 7, 2013 the Honourable Justice Hawco granted an Order (the “Approval and Vesting Order”) *inter alia* approving the Incipient PSA.
4. To date, the Receiver has filed one report on various aspects of the Receivership. Receiver’s reports and other information in respect of these proceedings are posted on the Receiver’s website at <http://cfcanada.fticonsulting.com/solara/>.
5. The purpose of this supplement to the Receiver’s Second Report (the “Supplementary Report”), is to inform the Court on the following:
 - (a) Proof of claims received by the Receiver on behalf of Penn West Petroleum Ltd. (“Penn West”) and Anterra Energy Inc., subsequent to the Receiver Filing its Second Report; and
 - (b) A revised Recovery Analysis and Proposed Distribution.
6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

7. Capitalized terms not otherwise defined herein have the meanings set out in the Receivership Order and previous Receiver's Reports.

PROOF OF CLAIMS

8. On February 11, 2014 Burnet, Duckworth and Palmer LLP ("BDP") submitted a proof of claim on behalf of Penn West (the "Penn West Claim") asserting an unsecured and a secured claim against Solara as described below and attached as Appendix "A" to this Supplementary Report.

- (a) An unsecured claim of \$1,098,824.14 as a direct result of Solara's failure to pay the accounts of contractors for work performed and materials supplied to the joint lands. As a result, a number of contractors filed builder's liens against the joint lands;

- (b) A trust claim of \$53,135.11 for unpaid royalties accrued prior to the date of the Receivership pursuant to a Farmout and Royalty Agreement (the "Royalty Agreement"). Pursuant to the Royalty Agreement Penn West is entitled to an overriding royalty for all production from the farmout lands identified in the Royalty Agreement; and

- (c) A subrogated trust claim of \$84,650.45 for unpaid crown royalties owed by Solara which Penn West, as joint lessee, was jointly liable and paid to Alberta Justice after the date of the Receivership.

9. On February 12, 2014 BDP submitted a proof of claim on behalf of Anterra (the "Anterra Claim") asserting a secured claim against Solara as described below and attached as Appendix "B" to this Supplementary Report.

- (a) Pursuant to a Farmout Agreement with Anterra, and associated documents, Solara had earned an interest in the Farmout Lands and post-earning Anterra became the operator of the wells on the Farmout Lands;

- (b) Solara was unable to pay its share of the operating expenses to Anterra as operator of the lands and on July 31, 2012 Anterra issued a default notice to Solara under the CAPL operating procedure that it was exercising its operator's lien remedy to recover amounts outstanding; and
- (c) As a result Anterra claims \$276,654.58 as a secured claim for Solara's failure to pay Anterra amounts due and owing to Anterra as operator.

REVISED RECOVERY ANALYSIS AND PROPOSED DISTRIBUTION

10. The Receiver has completed a revised recovery analysis and proposed interim distribution reflecting the proposed holdback for the Pennwest Claim and the Anterra Claim as presented below. The interim distribution identified below is intended to replace the proposed interim distribution in the Receiver's Second Report.

Recovery Analysis and Proposed Distribution (\$s)	
Funds Available for Distribution	
Cash on Hand	2,332,414
Holdbacks	
Anterra Claim	276,655
Penn West Claim	137,786
Final Statement of Adjustments	100,000
GST	51,031
Costs Associated with Claims	50,000
Operating Expenses	50,000
Professional Fees	50,000
Other Priority Claims	30,000
Total Available for distribution	1,586,943
Proposed Distributions	
Proposed Interim Distribution to National Bank	1,181,975
Proposed Distribution to Lien Holders	368,131
County of Vermilion Amended Proof of Claim	36,837
Net funds available for unsecured creditors	(0)

11. The Receiver will report further to this Honourable Court with respect to the Anterra Claim and the Pennwest Claim once further review has been completed.

RECEIVER'S RECOMMENDATIONS

12. The Receiver recommends holding back appropriate funds to resolve these claims and associated costs until such time as the claims are settled of the Receiver is further directed by this Honourable Court.
13. The Receiver recommends that this Honorable approve the interim distribution as set out in the table above.

All of which is respectfully submitted this 14th day of February 2014.

FTI Consulting Canada Inc.
in its capacity as receiver and manager of
the assets, property and undertaking of Solara
Exploration Ltd.



Name: Deryck Helkaa
Title: Senior Managing Director,
FTI Consulting Canada Inc.

APPENDIX “A”

PENN WEST CLAIM

FORM 31

Proof of Claim
(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:
Penn West Exploration, 200 - 9 Avenue S.W., Calgary, AB. T2P 1K3 Attention: Jerrad Kubik

In the matter of the bankruptcy (or the proposal, or the receivership) of Solara Exploration Ltd. (name of debtor) of
Calgary, AB (city and province) and the claim of Penn West Petroleum Ltd., creditor.

I, Trevor Burke (name of creditor or representative of the creditor), of
Calgary, AB (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am Lead Land Negotiator (state
position or title) of Penn West Petroleum Ltd. (name of creditor or representative of the creditor)).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy (or the date of the receivership, or in the case of a
proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the
19th day of December, 2012, and still is, indebted to the creditor in the sum of \$ 1,236,609.71, as
specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any
counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify
the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ 1,098,824.14

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ 1,098,824.14, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

FORM 31 – Continued

C. SECURED CLAIM OF \$ 137,785.57

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

SEE ATTACHED SCHEDULE "A"

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ _____

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____

F. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

G. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

FORM 31 – Concluded

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: (Provide details of payments, credits and transfers at undervalue.)

(Applicable only in the case of the bankruptcy of an individual.)

- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at Calgary, Alberta this 11th day of Feb



Witness



Creditor

Phone Number: 403.806.3576
Fax Number: _____
Email Address: trevar.hurke@pennwest.com

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

**SCHEDULE "A" to the Proof of Claim of
Penn West Petroleum Ltd. ("Penn West")**

Background

Penn West and Redcliffe Energy Ltd. are parties to a Farmout Agreement, dated April 7, 2006 (the "Farmout Agreement")¹, which incorporates by reference both the CAPL 1997 Farmout and Royalty Procedure and the CAPL 1990 Operating Procedure. Solara Exploration Ltd. ("Solara") is the successor in interest to Redcliffe Energy Ltd. under the Farmout Agreement.

Pursuant to the Farmout Agreement, and associated documents, Solara had earned an interest in and was the operator of two oil and gas wells identified as 100/15-09-045-05W5/00 (the "15 Well") and 100/16-09-045-05W5/00 (the "16 Well"). Penn West's claims against Solara arise as a result of Solara's activities as operator of the 15 Well and the 16 Well.

1. Unsecured Claim

Pursuant to Clause 306 of the Operating Procedure, Solara has an obligation to pay the accounts of contractors for work performed and materials supplied to the joint lands and to keep the joint lands free from liens and encumbrances. As a direct result of Solara's failure to comply with this requirement, a number of contractors have filed builders' liens against the joint lands and Penn West has been named as a defendant in the following builders' lien actions:

Action No.	Plaintiff	Damages Claimed
1201-10572	Trican Partnership	\$48,568.94
1301-01122	Bidell Equipment Limited Partnership	\$186,966.08
1201-07448	CE Franklin Ltd.	\$201,390.37
1303-06983	Nelson Bros. Oilfield Services (1997) Ltd.	\$123,697.30
1303-06984	Nelson Bros. Oilfield Services (1997) Ltd.	\$94,743.22
1201-15313	Apex Distribution Inc.	\$112,405.01
1201-11922	Calfrac Well Services Ltd.	\$331,053.22
TOTAL:		\$1,098,824.14

There are a number of other defendants named in these Actions, including Solara, so it is uncertain at this time as to what Penn West's ultimate loss will be, if any, but Penn West's potential liability is the total amount of the lien claims.

¹ Exhibit 1

2. Trust Claim for Unpaid Royalties

Pursuant to the Royalty Agreement, Penn West is entitled to an overriding royalty for all production from the Farmout Lands, including the 15 Well and the 16 Well. As of December 19, 2012, Solara was indebted to Penn West for unpaid royalties in the amount of \$20,778.01 from the 15 Well and \$32,357.11 from the 16 Well – for a total overriding royalty claim of \$53,135.12.²

Under Clause 507 of the Operating Procedure, Solara held the production revenues and other funds in trust for the benefit of Penn West. This is supported by the Alberta Court of Appeal's decision in *Bank of Nova Scotia v. Societe Generale (Canada) Inc.* 1988, A.R. 133. Accordingly, Penn West submits a trust claim in the amount of \$53,135.12.

3. Subrogated Trust Claim for Unpaid Crown Royalties

On February 22, 2013, Penn West received a demand letter from Alberta Justice and Solicitor General requiring payment of royalty under-delivery arrears in the amount of \$84,650.45.³ This was an amount owing from Solara to Alberta Justice but Penn West, as joint lessee, was jointly liable under s. 20(2.1) of the *Mines and Minerals Act*. In order to avoid potential sanctions, Penn West paid the full amount owing.

Under s. 35 of the *Mines and Minerals Act*, Solara held the petroleum substances in trust in favour of the Crown. As Penn West has paid Solara's debt to the Crown, Penn West is entitled in equity to a subordinated trust claim against Solara in the amount of \$84,650.45.

² Exhibit 2

³ Exhibit 3

EXHIBIT 1

**to the Proof of Claim of
Penn West Petroleum Ltd.**

PENN WEST

Penn West Petroleum Ltd.
Suite 2200, 425 - First Street S.W.
Calgary, Alberta T2P 3L8
Tel: (403) 777-2500

P.O. Box 1450, Station "M"
Calgary, Alberta T2P 2L6

April 7, 2006

Redcliffe Energy Ltd.
Suite 900, 736 - 6th Avenue S.W.
Calgary, Alberta
T2P 3T7

Attention: **Bruce G. Hall**
Vice President, Land

Re: **Farmout Agreement**
Twp. 45 Rge. 5 W5M: Sections 4, 9 and 16
Minnehik Buck Lake Area, AB
Penn West File: 108861

Penn West Petroleum Ltd. hereby agrees to farmout certain lands and interests to Redcliffe Energy Ltd. on the terms and conditions set forth below:

1. **Definitions**

Each capitalized term used in this Agreement will have the meaning given to it in the Farmout & Royalty Procedure and in addition:

- (a) "Commercial Production" means the output from a well of such quantity of the Petroleum Substances or any of them as, considering the cost of drilling and production operations and price and quality of the Petroleum Substances, after a production test of suitable duration and nature in accordance with good oil field practice, would commercially and economically warrant the drilling of a like well in the vicinity thereof;
- (b) "Contract Depth" shall mean a minimum total depth of 1975 meters or 15 meters below the base of the Mannville formation, which ever first occurs;
- (c) "Farmer" means Redcliffe Energy Ltd.;
- (d) "Farmor" means Penn West Petroleum Ltd.;
- (e) "Farmout & Royalty Procedure" means the 1997 CAPL Farmout & Royalty Procedure incorporated by reference herein, subject to the elections and amendments set forth on Schedule "B" attached hereto;
- (f) "Farmout Lands" means collectively the Crown Lands and Indian Lands as set forth on Schedule "A" attached hereto;
- (g) "Offset Well" means any well drilled before or after the Effective Date on any spacing unit laterally or diagonally adjoining the Crown Lands, which spacing unit does not include lands owned by the Farmor or, if owned by the Farmor, not under lease or farmout to the Farmer;

- (h) "Production Contracts" means the agreement or agreements, if any, set out in Schedule "D" hereto.

2. **Schedules**

The following Schedules are attached hereto and are incorporated into this Agreement:

Schedule "A" which sets forth the Farmout Lands, Title Documents, Working Interest and Encumbrances;

Schedule "B" which sets forth the elections and amendments to the Farmout & Royalty Procedure;

Schedule "C" which sets forth Farmor's well information requirement schedule as referred to in Article 9 of the Farmout & Royalty Procedure; and

Schedule "D" which sets forth the Production Contracts.

3. **Test Well**

- (a) Farmee shall on or before April 30, 2006 make application to acquire a Petroleum and Natural Gas Lease from Indian Oil and Gas Canada (the "IOGC Lease") for Section 16-045-05W5M (the "Indian Lands").
- (b) In the event the IOGC Lease has been granted, Farmee shall on or before October 1, 2006, Spud the Test Well at a location of its choice on the Indian Lands in accordance with the provisions of Article 3.00 of the Farmout & Royalty Procedure (the "Spud Date").
- (c) If Farmee is unable to spud the Test Well by the Spud Date due to its inability to:
- (i) obtain a drilling rig of sufficient size and capability to drill the Test Well;
 - (ii) obtain surface access for the location on which the Test Well is to be drilled; or
 - (iii) obtain all regulatory and stakeholder approvals necessary to drill the Test Well;

(collectively the "Extenuating Circumstances");

then, no later than thirty (30) days prior to the Spud Date, Farmee may provide to Farmor written notice of its inability to spud the Test Well due to one or more of the Extenuating Circumstances. Upon receipt of such notice, Farmor may, at its sole and arbitrary discretion amend the Spud Date or terminate this Agreement.

- (d) In the event the IOGC Lease has not been granted, this Agreement and Farmee's right to earn any interest shall terminate.

4. **Well Information**

Farmee shall provide Farmor with information from all drilling and other operations conducted by it on the Farmout Lands, including without limitation operations on the Test Well, on a timely basis and in accordance with Farmor's well information requirement schedule attached hereto as Schedule "C" and Article 9.00 of the Farmout & Royalty Procedure.

5. **Earning and Overriding Royalty**

Provided Farmee has complied with all of the provisions of this Agreement and in particular Article 3.00 of the Farmout & Royalty Procedure, Farmee shall earn Farmor's entire Working Interest in the Crown Lands, subject to the reservation of the Overriding Royalty to Farmor on the Crown Lands and Indian Lands, as set forth and described in the Farmout & Royalty Procedure.

6. **Calculation of Overriding Royalty Not Taken in Kind (No Deductions)**

Notwithstanding anything to the contrary in this Agreement or the Farmout & Royalty Procedure, the parties agree that if not taken in kind by Farmor, the Overriding Royalty shall be determined based on the Market Price, computed at the point of sale, without any deductions whatsoever, of all Petroleum Substances produced, saved and marketed from the Farmout Lands, calculated in accordance with the percentages set forth in Clause 5.01 of the Farmout & Royalty Procedure. The parties have intentionally made elections in Schedule "B" hereto, in order to create such a no deductions royalty.

7. **Offset Wells**

If Commercial Production is obtained after the Effective Date from an Offset Well, then unless: (i) a well(s) has been or is being drilled on the spacing unit(s) of the Crown Lands laterally and diagonally adjoining the spacing unit of the Offset Well and into the zone or formation from which Commercial Production is being obtained from the Offset Well, or (ii) all or part of the spacing unit(s) of the Crown Lands laterally and diagonally adjoining the spacing unit of the Offset Well has been pooled or included in a unit in which the pooled or unitized substances include production from the same zone or formation from which production is being obtained from the Offset Well, the Farmee shall within 12 months from the later of the date of the Offset Well being placed on Commercial Production or, if information with respect to the amount of production from the Offset Well is restricted pursuant to any statute, regulation, order or directive of any government or governmental agency and such information is unknown to the Farmee, until one month after such information is made public:

- (a) commence or cause to be commenced Operations for the drilling of a well on the spacing unit(s) of that portion of the Crown Lands which comprises or is included in the spacing unit(s) laterally and diagonally adjoining the spacing unit of the Offset Well and thereafter drill, or cause to be drilled the same to the zone or formation from which production is being obtained from the Offset Well;

- (b) pool or unitize that portion of the Crown Lands which comprises or is included in the spacing unit(s) laterally and diagonally adjoining the spacing unit of the Offset Well, such pooling or unitization to include production from the same zone or formation from which the Offset Well is being produced;
- (c) surrender to Farmor by written notice all or any portion of the Crown Lands, provided that the surrender shall include but may be limited to the zone or formation from which production is being obtained from the Offset Well underlying that portion of the said lands which comprises or is included in the spacing unit laterally or diagonally adjoining the spacing unit of the Offset Well. This Agreement shall thereupon terminate as to the whole or any part of the leased substances or of the said lands or both of them so surrendered. Upon the said termination, the Farmee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of them so surrendered excepting accrued Overriding Royalty;
- (d) pay to the Farmor at such times as the Overriding Royalty would be payable pursuant to the provisions of this Agreement, until the provisions of paragraphs (a), (b) or (c) of this Clause are met, an overriding royalty which shall be proportionately equivalent on an acreage basis to such Overriding Royalty as would have been payable to the Farmor if the Petroleum Substances produced from the Offset Well were actually being produced from a well on the said Crown Lands which commenced production on the last day of the said 12 month period; provided however, that should any spacing unit of the Crown Lands laterally or diagonally adjoin more than one spacing unit upon which is located an Offset Well from which Commercial Production is being obtained, the overriding royalty which the Farmee may elect to pay to the Farmor pursuant to this subclause shall be calculated on the average of the production from the said Offset Wells, such average to be calculated by dividing the total production from all of the said Offset Wells by the number of all of the said Offset Wells.

8. Density Drilling

In a timely manner and on a best efforts basis, Farmee shall develop the Crown Lands to the extent that the density of wells drilled on or producing therefrom shall be equivalent to the density of wells drilled on or producing from lands adjoining or adjacent to the Crown Lands. Farmee's obligation to develop the Crown Lands in accordance with this Clause shall be subject to good oilfield practices, sound oil and gas economics and all applicable regulations in force from time to time.

9. Confidentiality and Public Announcements

The parties shall keep confidential all information obtained from the other party in connection with the Farmout Lands and shall not release any information concerning this Agreement and the operation and transactions herein provided for, without the prior written consent of the other party, which consent shall not be unreasonably withheld. Farmee shall not issue any press release or other public announcements concerning this Agreement and the operations and transactions herein provided for, without the prior written consent of the Farmor, which consent shall not be unreasonably withheld. In particular, any press release or other public announcement issued by Farmee shall not disclose or infer the identity of Farmor.

10. **Permitted Assignments**

Farmee shall not, during the period that it has a right to earn an interest hereunder, encumber, grant or assign any legal or equitable interest in this Agreement, the Title Documents or the Crown Lands without the prior written consent of Farmor. If after obtaining Farmor's consent, Farmee makes any such assignment, then Farmee shall continue to be bound by and be responsible for carrying out the terms and conditions of this Agreement and Farmor shall only be required to look to Farmee for performance hereunder.

Upon Farmee having earned its interest hereunder, any further assignment shall be subject to the provisions of the Assignment Procedure.

11. **Address for Service**

The address for service of each party hereto for notices issued pursuant to this Agreement, the Farmout & Royalty Procedure and the 1990 CAPL Operating Procedure is as follows:

Farmor:

Penn West Petroleum Ltd.
PO Box 1450, Station M
Calgary, Alberta
T2P 2L6

Attention: Manager, Land

Farmee:

Redcliffe Energy Ltd.
Suite 900, 736 - 6th Avenue S.W.
Calgary, Alberta
T2P 3T7

Attention: Vice President, Land

12. **Production Contracts**

- (a) The Farmor's interest in the Farmout Lands is subject to the Production Contracts.
- (b) Upon earning, Farmee's interest hereunder shall be bound by the Production Contracts and Farmee agrees to abide by and perform the Production Contracts for and in place of Farmor.

13. **Miscellaneous**


- (a) Each of the parties represents and warrants that it now has or is entitled to have full right, full power and absolute authority to enter into this Agreement.
- (b) In the event of any conflict or inconsistency between the provisions of this Agreement and those of any Schedule attached hereto, the provisions of this Agreement shall prevail. In the event of any conflict or inconsistency between the provisions of this Agreement and the Title Documents, the provisions of the Title Documents shall prevail.

- (c) This Agreement shall for all purposes be construed and interpreted according to the laws of Alberta. The courts having jurisdiction with respect to matters relating to this Agreement shall be the courts of Alberta.
- (d) The parties shall from time to time and at all times do all such further acts and execute and deliver all such further deeds and documents as shall be reasonably required in order to perform fully and carry out the terms of this Agreement.
- (e) This Agreement supersedes all other agreements, documents, letters and understandings, whether written or oral, among the parties in respect of the Farmout Lands.
- (f) The two year period for seeking a remedial order under Section 3(1)(a) of the Limitations Act, R.S.A. 2000 c.L-12, as amended, for any claim (as defined in the Act) arising in connection with this Agreement is extended to four years.
- (g) This Agreement may be executed in counterpart and all of those counterparts when taken together shall have the same effect as if all Parties had executed one document.

Please signify acceptance of the terms set forth herein by signing all copies of this Agreement and return one copy to the offices of Penn West.

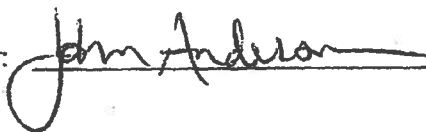
PENN WEST PETROLEUM LTD.

REDCLIFFE ENERGY LTD.

Per: 
 Thane Jensen
 Senior Vice President
 Exploration and Development

Per: 
 Bruce G. Hall
 Vice President, Land

Per: 
 R. C. Woods
 Manager, Land

Per: 
 John P. Andersen
 Vice President, Exploration

CONTRACT # 108861

**SCHEDULE "A" ATTACHED TO AND FORMING PART OF A FARMOUT AGREEMENT MADE
AS OF THE 7th DAY OF APRIL, 2006 AMONG PENN WEST PETROLEUM LTD. AND
REDCLIFFE ENERGY LTD.**

FARMOUT LANDS

Crown Lands	Substances	Zones	Title Document and File Reference	Working Interest	Encumbrances and File Reference
Twp 45 Rge 5 W5M: NW/4 Sec. 4	Petroleum and Natural Gas	Below base Belly River to base Cardium	Alberta Crown P&NG Lease No. 0505030330 (File M67505)	Penn West 100%	Crown Lessor Royalty
Twp 45 Rge 5 W5M: S/2 Sec. 4	Petroleum and Natural Gas	Below base Belly River to base Cardium	Alberta Crown P&NG Lease No. 38015 (File M53929)	Penn West 100%	Crown Lessor Royalty
Twp 45 Rge 5 W5M: NE/4 Sec. 4, SE/4 Sec. 9	Petroleum and Natural Gas	Below base Belly River to base Cardium	Alberta Crown P&NG Lease No. 30811 (File M53921-01)	Penn West 100%	Crown Lessor Royalty
Twp 45 Rge 5 W5M: NE/4 Sec. 4, SE/4 Sec. 9	Petroleum and Natural Gas	Below base Cardium to top Pekisko	Alberta Crown P&NG Lease No. 30811 (File M53921-02)	Penn West 50%	Crown Lessor Royalty

Indian Lands	Substances	Zones	Title Document and File Reference	Working Interest	Encumbrances and File Reference
Twp 45 Rge 5 W5M: 16	Petroleum and Natural Gas	From Surface to Basement, excluding Bitumen and excluding Petroleum and Natural Gas in Pekisko	Indian Oil and Gas Lease # _____	Redcliffe 100%	Indian Oil and Gas Lessor Royalty *

* All Encumbrances on Title Documents to be borne solely by Farmee.

SCHEDULE "B" ATTACHED TO AND FORMING PART OF A FARMOUT AGREEMENT MADE AS OF THE 7th DAY OF APRIL, 2006 AMONG PENN WEST PETROLEUM LTD. AND REDCLIFFE ENERGY LTD.

FARMOUT & ROYALTY PROCEDURE ELECTIONS AND AMENDMENTS

1. Subclause 1.01(f) (Effective Date) – March 1, 2006
2. Subclause 1.01(i)(ii) - delete the last sentence containing the following wording "...provided that any dispute respecting the Facility Usage fee will be resolved under Clause 15.01."
3. Subclause 1.01(t), if Article 6.00 applies (Payout) - Alternate A - N/A
Alternate B - N/A
Alternate B options, if applicable – N/A m3 of Equivalent Production or N/A years.
4. Clause 1.02 (Incorporation of Clauses From 1990 CAPL Operating Procedure) -
(i) Insurance (311) - Alternate A - ___ Alternate B - X
5. Subclause 3.01(B) (Farmee's Test Well Obligations) –replace with the following:

"If Farmee has drilled the Test Well to Contract Depth and if Petroleum Substances are not present in Paying Quantities from any zone in the Farmout Lands, Farmee must promptly comply with the Provisions of Article 7.00. If Farmee has drilled the Test Well to Contract Depth and if Petroleum Substances from any zone in the Farmout Lands are present in Paying Quantities, Farmee will set casing for the well and conduct Production Tests, to the reasonable satisfaction of Farmor, as soon as practicable with respect to each such zone. If the Test Well is Capped for lack of an available natural gas market, Farmee agrees to make diligent efforts to obtain a market and to Complete the Test Well for production at its sole cost, risk and expense at such time as a market is available."

6. Replace Clause 3.03 with the following:

"If Farmee has fulfilled its obligations under the Head Agreement for the Test Well and Farmee is not otherwise in default hereunder, Farmee will earn an interest in the Farmout Lands set forth in the Head Agreement, effective as of the drilling rig release date for the Test Well. Farmor will execute and deliver to Farmee appropriate assignments, subleases, transfers, trust agreements or other documentation to confirm that earning."

7. Subclause 3.04(A)- Deleted in its entirety
8. Article 4.00 (Option Wells) - will _ / will not X apply.
9. Article 5.00 (Overriding Royalty) - will X / will not _ apply.
10. Subclause 5.01A (Quantification of Overriding Royalty):

For Crown Lands:

- a. for Crude oil:

- Alternate 1 will apply

If Alternate 1 applies: 10%

If Alternate 2 applies: ___/___, min ___%. max ___%

- b. all other petroleum substances: - Alternate 2 will apply
 If Alternate 1 applies:
 If Alternate 2 applies: 10% in (i) and 10% in (ii)

For Indian Lands:

- b. for Crude oil: - Alternate 1 will apply
 If Alternate 1 applies: 5%
 If Alternate 2 applies: ___/___, min ___%. max ___%
- b. all other petroleum substances: - Alternate 2 will apply
 If Alternate 1 applies:
 If Alternate 2 applies: 5% in (i) and 5% in (ii)

11. Subclause 5.04B:

- 1 only ___/2 only ___/1 and 2 ___/neither 1 nor 2 below
 - Alternate 2 - N/A

12. Article 6.00 (Conversion of Overriding Royalty) – will /will not apply.

13. Last sentence of Clause 7.01 amended to read only as follows:

"Compliance by the Farmee with the provisions of this Article will constitute Farmee's satisfaction of its obligation to Abandon the wellbore of the Earning Well for the purpose of earning hereunder."

14. Replace Clause 7.02 with the following:

"Well May Be Abandoned For Account of Farmor

If Farmor takes over a well pursuant to this Article, Farmor will Complete or Abandon the well at Farmor's sole cost, risk and expense. Farmor shall reimburse Farmee for the salvage value of any materials and equipment thereon or therein which Farmor wishes to retain, less the estimated cost of salvaging the same."

15. Replace Clause 7.03 with the following:

"If Farmor successfully completes the well in a zone originally contained in the Farmout Lands, Farmee will assign to Farmor, without warranty, Farmee's Working Interest in the Spacing Unit for that well in only the zone(s) Completed by Farmor and the Petroleum Substances therein, effective as of the date of Farmor's election to take over that well. That assignment will not release Farmee from any obligation that should have been performed by it or any liability that may have accrued to it prior to that assignment. If Farmor does not complete the well in a zone originally contained in the Farmout Lands or if Farmor Completes the well in only a Reserved Formation, Farmee will not be required to make an assignment to Farmor pursuant to this Clause."

16. Article 8.00 (Area of Mutual Interest) – will /will not apply.

17. Replace Subclause 9.02(A) with the following:

"Farmee will conduct its drilling and Completion operations for an Earning Well in material compliance with the drilling and Completions programs supplied to Farmor for that well. Farmee will supply all data to be provided to Farmor under this Article at Farmee's sole cost and expense. Farmor will advise Farmee, by notice, of Farmor's representative to whom Farmee is to provide the information described in this Article."

18. Clause 9.03 - Delete all text in Subparagraph 9.03(b) after the words "this Article" in line one thereof.
19. Clause 11.02 (Reimbursement of Land Maintenance Costs) - will /will not X apply.
20. Article 15.00 - Deleted in its entirety

**SCHEDULE "C" ATTACHED TO AND FORMING PART OF A FARMOUT AGREEMENT MADE
AS OF THE 7th DAY OF APRIL, 2006 AMONG PENN WEST PETROLEUM LTD. AND
REDCLIFFE ENERGY LTD.**

WELL INFORMATION REQUIREMENTS

**WELL NAME / LOCATION:
OPERATION:**

<u>PRE-SPUD</u>	<u>#COPIES</u>	<u>DRILLING</u>	<u>#COPIES</u>
Survey	1	Daily Drilling Reports	1
Well Licence Application	1	Wellsite Geological Report	1
Well Licence	1	Directional Survey(s)	1
Geological Prognosis	1	DST Reports	1
Drilling Program	1	Sample & Core Description & Final Analysis	1
		Logs	1

COMPLETION / PRODUCTION / WORKOVER

Program	1	Flow / Buildup Report	1
Daily Report	1	AOF Test	1
Treatment Report	1	Static Gradient Test	1
Swab Report	1	Deliverability Test	1
Logs	1		

WELL ABANDONMENT

Abandonment Report 1

Note: Sample cuttings are not required unless otherwise specified, provided the Operator's set will be available for our examination.

DRILLING REPORTS: Fax daily to Drilling and Completions 777-3388

COMPLETION/WORKOVER REPORTS: Fax daily to Drilling and Completions 777-3388

NOTICE OF INTENTION TO CORE, LOG, TEST, OR ABANDON WILL BE DIRECTED TO:

	<u>FIRST CALL: EXPLORATION</u>	<u>BACKUP: OPERATIONS</u>
Name:	Erin McNichol	Barrie Furlong
Business:	(403) 693-2763	(403) 777-2684
Residence:		
Cellular:	(403) 461-3242	(403) 850-8720
Fax:	(403) 777-2689	(403) 777-2689
Fax:	(403) 777-2623-Continuous Feed	n/a

ALL WELL DATA TO BE FORWARDED TO:

Gale Martin -	Email: gale.martin@pennwest.com	Phone: 693-2732	Fax: 777-3388
	Drilling and Completions		
	Penn West Energy Trust		
	2200, 425 - 1st Street S.W.		
	Calgary, Alberta T2P 3L8		

**SCHEDULE "D" ATTACHED TO AND FORMING PART OF A FARMOUT AGREEMENT MADE
AS OF THE 7th DAY OF APRIL, 2006 AMONG PENN WEST PETROLEUM LTD. AND
REDCLIFFE ENERGY LTD.**

PRODUCTION CONTRACTS

None.

EXHIBIT 2

**to the Proof of Claim of
Penn West Petroleum Ltd.**

PennWest Exploration

Suite 200, Penn West Plaza
207 – 9th Avenue SW
Calgary, Alberta, Canada T2P 1K3
403.777.2500 tel
403.777.2699 fax
www.pennwest.com

December 3, 2012

VIA COURIER

SOLARA EXPLORATION LTD.
1800, 444 – 5th Avenue S.W.
Calgary, Alberta
T2P 2T8

Attention: Land Manager

Re: Notice of Default
Farmout Agreement dated April 7, 2008 ("the Farmout Agreement")
Twp 45 Rge 5 W5M: SE/4 Sec 9
100/15-09-045-05 W5/00
Crystal field / Buck Lake, AB
Penn West File: C108861

This letter shall constitute Penn West Petroleum's formal Notice of Default ("the Notice"), pursuant to the terms of Article 13.00 of the 1997 CAPL Farmout & Royalty Royalty Procedure attached to and forming part of the Farmout Agreement that Solara Exploration Ltd. is in breach or non-performance of the provisions of the Farmout Agreement for insufficient payment of royalties as assessed on Attachment 1. Pursuant to clause 13.01 of the governing Farmout & Royalty Procedure Penn West hereby notifies Solara to remedy such default.

Pursuant to the terms of the Farmout Agreement, if Solara fails to remedy the foregoing default within a period of 30 days from the receipt hereof by paying all outstanding royalty payments, Penn West will pursue the remedies available to it under the terms of the Farmout Agreement in addition to any other rights or remedies that Penn West may have under law.

Yours truly,

PENN WEST PETROLEUM
by its managing partner,
Penn West Petroleum Ltd.

Original Signed By
K. ELLEN SMITH

K. Ellen Smith
Senior Contracts Landman

Telephone: (403) 693-2759
Facsimile: (403) 777-2609
Email: ellen.smith@pennwest.com

cc. Vi Kulawik
Jeffery Chung
Nicoleta Suman

121203-1

Penn West Exploration is a registered trade name of Penn West Petroleum Ltd.

Solaris Exploration Ltd.
 Monies Owed to Pennwest for non payment of royalty income well
 100/15-09-045-05W5/00
 PennWest Contract # C108861
 PennWest CC # 6022963

Production Month	Product	Gas Volumes		Price	Gross Revenue	Royalty			Royalty Payable	
		Volumes	after 10% shrinkage			Rate	Paid on %	WI %	Volume	Amount
Mar 2012	Oil	236.1		\$ 539.11	\$ 127,283.87	10%	50.000%	40.000%	4.7	\$ 2,545.68
Mar 2012	Gas	338.4	304.8	\$ 69.17	\$ 21,069.18	10%	50.000%	40.000%	6.1	\$ 421.38
Mar 2012	Liquids	73.0			\$ 28,545.00	10%	50.000%	40.000%	1.5	\$ 570.90
Apr 2012	Oil	198.6		\$ 528.24	\$ 104,908.46	10%	50.000%	40.000%	4.0	\$ 2,098.17
Apr 2012	Gas	325.3	292.8	\$ 69.17	\$ 20,252.98	10%	50.000%	40.000%	5.9	\$ 405.06
Apr 2012	Liquids	84.0			\$ 31,031.00	10%	50.000%	40.000%	1.7	\$ 620.62
May 2012	Oil	198.5		\$ 549.02	\$ 107,882.43	10%	50.000%	40.000%	3.9	\$ 2,157.65
May 2012	Gas	318.0	286.2	\$ 56.72	\$ 16,233.26	10%	50.000%	40.000%	5.7	\$ 324.87
May 2012	Liquids	75.0			\$ 23,375.00	10%	50.000%	40.000%	1.5	\$ 467.50
Jun 2012	Oil	177.1		\$ 507.38	\$ 89,857.00	10%	50.000%	40.000%	3.5	\$ 1,797.14
Jun 2012	Gas	274.5	247.1	\$ 68.15	\$ 16,345.87	10%	50.000%	40.000%	4.9	\$ 326.91
Jun 2012	Liquids	66.0			\$ 17,723.00	10%	50.000%	40.000%	1.3	\$ 354.46
Jul 2012	Oil	147.5		\$ 477.38	\$ 70,413.55	10%	50.000%	40.000%	3.0	\$ 1,408.27
Jul 2012	Gas	244.5	220.1	\$ 68.15	\$ 14,559.62	10%	50.000%	40.000%	4.4	\$ 291.19
Jul 2012	Liquids					10%	50.000%	40.000%	0.0	\$ -
Aug 2012	Oil	152.5		\$ 540.82	\$ 82,475.05	10%	50.000%	40.000%	3.1	\$ 1,649.50
Aug 2012	Gas	247	222.3	\$ 77.49	\$ 17,228.03	10%	50.000%	40.000%	4.4	\$ 344.52
Aug 2012	Liquids	56.0			\$ 10,658.00	10%	50.000%	40.000%	1.1	\$ 213.12
Sep 2012	Oil	50		\$ 589.73	\$ 28,488.50	10%	50.000%	40.000%	1.0	\$ 569.73
Sep 2012	Gas	85.3	76.8	\$ 73.33	\$ 5,631.74	10%	50.000%	40.000%	1.5	\$ 112.83
Sep 2012	Liquids	18.0			\$ 5,802.00	10%	50.000%	40.000%	0.4	\$ 116.04
Oct 2012	Oil	104.8		\$ 578.59	\$ 60,520.51	10%	50.000%	40.000%	2.1	\$ 1,210.41
Oct 2012	Gas	159.0	143.1	\$ 89.21	\$ 12,785.95	10%	50.000%	40.000%	2.9	\$ 255.32
Oct 2012	Liquids	38.0			\$ 13,048.00	10%	50.000%	40.000%	0.8	\$ 260.92
Nov 2012	Oil	136.2		\$ 539.88	\$ 73,504.42	10%	50.000%	40.000%	2.7	\$ 1,470.09
Nov 2012	Gas	220.7	198.8	\$ 109.62	\$ 21,770.53	10%	50.000%	40.000%	4.0	\$ 435.41
Nov 2012	Liquids	52.0			\$ 17,538.00	10%	50.000%	40.000%	1.0	\$ 350.72
Amount owing to Penn West:									77.1	\$ 20,778.01

Attachment 1

Solara Exploration Ltd.
 Monies Owed to Pennwest for non payment of royalty income well
 100/18-09-045-06WS/00
 PennWest Contract # C108861
 PennWest CC # 6023910

Production Month	Product	Gas Volumes		Price	Gross Revenue	Royalty			Royalty Payable	
		Volumes	after 10% shrinkage			Rate	Paid on %	WI %	Volume	Amount
Nov 2011	Oil	373.3		\$ 635.84	\$ 237,359.07	10%	50.000%	40.000%	7.5	\$ 4,747.18
Nov 2011	Gas	242.3	218.1	\$ 113.02	\$ 24,849.86	10%	50.000%	40.000%	4.4	\$ 492.99
Dec 2011	Oil	347.5		\$ 641.07	\$ 222,771.83	10%	50.000%	40.000%	7.0	\$ 4,455.44
Dec 2011	Gas	207.1	186.4	\$ 110.38	\$ 20,574.83	10%	50.000%	40.000%	3.7	\$ 411.50
Jan 2012	Oil	245.8		\$ 588.47	\$ 144,845.93	10%	50.000%	40.000%	4.9	\$ 2,892.92
Jan 2012	Gas	200.6	180.5	\$ 98.77	\$ 17,488.99	10%	50.000%	40.000%	3.8	\$ 349.34
Jan 2012	Liquids	33.0			\$ 9,619.00	10%	50.000%	40.000%	0.7	\$ 192.38
Feb 2012	Oil	276.7		\$ 593.87	\$ 164,323.83	10%	50.000%	40.000%	5.5	\$ 3,286.48
Feb 2012	Gas	147.8	133.0	\$ 80.51	\$ 10,707.83	10%	50.000%	40.000%	2.7	\$ 214.16
Feb 2012	Liquids	23.0			\$ 6,803.00	10%	50.000%	40.000%	0.5	\$ 132.06
Mar 2012	Oil	226.7		\$ 539.11	\$ 122,216.24	10%	50.000%	40.000%	4.5	\$ 2,444.32
Mar 2012	Gas	153.4	138.1	\$ 69.17	\$ 9,552.38	10%	50.000%	40.000%	2.8	\$ 191.05
Apr 2012	Oil	198.8		\$ 528.24	\$ 105,014.11	10%	50.000%	40.000%	4.0	\$ 2,100.28
Apr 2012	Gas	136.3	122.7	\$ 69.17	\$ 8,487.16	10%	50.000%	40.000%	2.5	\$ 189.74
May 2012	Oil	199.1		\$ 549.02	\$ 109,309.88	10%	50.000%	40.000%	4.0	\$ 2,186.20
May 2012	Gas	151.3	136.2	\$ 56.72	\$ 7,725.26	10%	50.000%	40.000%	2.7	\$ 154.51
Jun 2012	Oil	167.8		\$ 507.38	\$ 85,138.36	10%	50.000%	40.000%	3.4	\$ 1,702.77
Jun 2012	Gas	144.4	130.0	\$ 66.15	\$ 9,599.50	10%	50.000%	40.000%	2.6	\$ 171.99
Jul 2012	Oil	155.7		\$ 477.38	\$ 74,328.07	10%	50.000%	40.000%	3.1	\$ 1,486.56
Jul 2012	Gas	157.8	142.0	\$ 66.15	\$ 9,383.30	10%	50.000%	40.000%	2.8	\$ 187.87
Aug 2012	Oil	134.4		\$ 540.82	\$ 72,686.21	10%	50.000%	40.000%	2.7	\$ 1,453.72
Aug 2012	Gas	144.3	129.9	\$ 77.49	\$ 10,063.83	10%	50.000%	40.000%	2.8	\$ 201.27
Sep 2012	Oil	78.3		\$ 569.73	\$ 44,609.86	10%	50.000%	40.000%	1.8	\$ 892.20
Sep 2012	Gas	92.8	83.5	\$ 73.33	\$ 6,123.06	10%	50.000%	40.000%	1.7	\$ 122.46
Oct 2012	Oil	36.7		\$ 578.59	\$ 21,234.25	10%	50.000%	40.000%	0.7	\$ 424.89
Oct 2012	Gas	31.0	27.9	\$ 89.21	\$ 2,488.96	10%	50.000%	40.000%	0.6	\$ 49.78
Nov 2012	Oil	100.7		\$ 539.68	\$ 54,345.78	10%	50.000%	40.000%	2.0	\$ 1,086.92
Nov 2012	Gas	79.2	71.3	\$ 109.62	\$ 7,815.91	10%	50.000%	40.000%	1.4	\$ 156.32

Amount owing to Penn West: 86.2 \$ 32,357.11

EXHIBIT 3

**to the Proof of Claim of
Penn West Petroleum Ltd.**

Alberta



Energy
Resource Revenue and Operations
Tenure
11 Floor, North Petroleum Plaza
9945 - 108 Street
Edmonton, Alberta T6K 2G6
Canada
Telephone: 780-422-9383
Fax: 780-422-1123
Email: brenda.allbright@gov.ab.ca

m122676

February 22, 2013

Penn West Petroleum Ltd.
Suite 200, 207-9th Avenue S.W.
Calgary, Alberta T2P1K3

Dear Sir:

Re: Royalty Calculated Pursuant to the *Petroleum Royalty Regulation, 2009*, Payable by Solara Exploration Ltd. to the Alberta Petroleum Marketing Commission

Please be advised that royalty under-delivery amounts are owed by Solara Exploration Ltd. (Solara) as follows, in respect of Lease No. 005 0506090584 jointly held by Solara and Penn West Petroleum Ltd. (Penn West).

Month	Well Event	Amount
2012/06/25	100 13 09 045 05W5 00	\$14, 397.16
2012/07/25	100 13 09 045 05W5 00	\$15, 103.00
2012/05/25	100 15 09 045 05W5 00	\$65, 116.08 ⁴

Various credits (both processed, and yet to be processed), in the amount of \$9,965.79 reduce this amount, such that the current pre-receivership balance owed with respect to these well events is \$84,650.45.

Pursuant to section 20(2.1) (a) of the *Mines and Minerals Act*, Penn West is jointly responsible for this debt.

Please be advised that Alberta Energy requires payment in full by the close of business on March 22, 2013, or the Minister of Energy may consider commencing a legal action to collect this amount. In the meantime, we are recommending to the Minister of Energy the following extra-judicial remedies:

1. Section 18(2) *Mines and Minerals Act* – Minister may refuse to issue an agreement to a person who is indebted to the Crown in right of Alberta.
2. Section 5(1)(g) *Crown Minerals Registration Regulation* – Minister may refuse to register a transfer submitted for registration if the transferee or transferor is in default of any debt owing to the Crown in right of Alberta.

We look forward to receiving your payment no later than March 22, 2013. When making your payment, please make it clear that the payment is in respect to petroleum royalty associated with Lease No. 005 0506090584.

Penn West Petroleum Ltd.

- 2 -

Should you wish to discuss the royalty matter further, please do not hesitate to contact Mr. Piyush (Peter) Mittal, Solicitor at 780-427-1848.

Sincerely,



Brenda Albright
Executive Director

cc: Clay Campbell, Alberta Petroleum Marketing Commission
Peter Mittal, Alberta Justice and Solicitor General

Alberta

APPENDIX “B”

ANTERRA CLAIM

FORM 31

Proof of Claim
(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:
Anterra Energy Inc., 1420, 1122 4th Street S.W. Calgary AB, T2R 1M1

In the matter of the bankruptcy (or the proposal, or the receivership) of Solara Exploration Ltd. (name of debtor) of
Calgary, AB (city and province) and the claim of Anterra Energy Inc. creditor.

I, Robert D. McCuaig (name of creditor or representative of the creditor), of
Calgary, AB (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am Executive Vice President and COO (state
position or title) of Anterra Energy Inc. (name of creditor or representative of the creditor)).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of ~~bankruptcy (or the date of the receivership, or in the case of a
proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed)~~, namely the
12th day of November, 2013, and still is, indebted to the creditor in the sum of \$ 276,654.58, as
specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any
counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify
the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

FORM 31 -- Continued

C. SECURED CLAIM OF \$ 276,654.58

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____

(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ _____

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____

F. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

G. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

FORM 31 -- Concluded

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: (Provide details of payments, credits and transfers at undervalue.)

(Applicable only in the case of the bankruptcy of an individual.)

- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at Calgary, AB, this 12 day of February, 2014.



Witness



Creditor

Phone Number: (403) 215-3282
Fax Number: (403) 261-6601
Email Address: mccuaigb@anterraenergy.com

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

**SCHEDULE "A" to the Proof of Claim of
Anterra Energy Inc. ("Anterra")**

Summary of Lien Claim

Anterra, Solara Exploration Ltd. ("Solara") and Anadime Energy Inc. are parties to a Farmout and Participation Agreement, dated October 4, 2010 (the "Farmout Agreement")¹, which incorporates by reference both the CAPL 1997 Farmout and Royalty Procedure and the CAPL 1990 Operating Procedure.

Pursuant to the Farmout Agreement, and associated documents, Solara had earned an interest in the Farmout Lands and post-earning Anterra became the operator of the wells on the Farmout Lands. Anterra's lien claim against Solara, in the amount of \$276,654.58, arises as a result of Solara's failure to pay Anterra amounts due and owing to Anterra as operator.

Anterra sent a default notice² to Solara on July 31, 2012 advising that it would be enforcing its operator's lien pursuant to Clause 505 of the Operating Procedure to recover amounts owing. A Statement of Account³ is attached showing the amounts still due and owing to Anterra as of November 12, 2013, at which time Solara's interest in the Farmout Lands were transferred to a third party free and clear of Anterra's operator's lien. In accordance with the terms of the Approval and Vesting Order, dated November 7, 2013, Anterra's operator's lien then attached to the proceeds from the sale of Solara's interest in the Farmout Lands.

¹ Exhibit A

² Exhibit B

³ Exhibit C

EXHIBIT A
to the Proof of Claim
of Anterra Energy Inc.

Buck Lake (Pembina) Area, Alberta

FARMOUT AND PARTICIPATION AGREEMENT

THIS AGREEMENT made as of the 4th day of October, 2010.

BETWEEN:

ANTERRA ENERGY INC., a body corporate having an office at the City of Calgary, in the Province of Alberta (hereinafter referred to as "Anterra" or the "Farmor" or the "Participant")

OF THE FIRST PART

-and-

SOLARA EXPLORATION LTD., a body corporate, having an office at the City of Calgary, in the Province of Alberta (hereinafter referred to as "Solara" or the "Farmee")

-and-

OF THE SECOND PART

ANADIME ENERGY INC., a body corporate, having an office at the City of Calgary, in the Province of Alberta (hereinafter referred to as "Anadime" or the "Farmee")

OF THE THIRD PART

WHEREAS the Farmor owns an undivided 100% interest in a certain Lease covering Petroleum and Natural Gas Rights in the Buck Lake (Pembina) area of Alberta (the "Farmout Lands");

AND WHEREAS the Farmor is prepared to grant a farmout to the Farmee for a portion of its interest in the Lease and Farmout Lands, and participate in the drilling of a test well on the Farmout Lands on the terms and conditions provided for herein; and

THIS AGREEMENT WITNESSES that in consideration of the following mutual covenants and agreements, the Parties agree as follows:

1. INTERPRETATION

a) In this Agreement, including this clause, the recitals and Schedules attached hereto and made a part hereof, unless the context otherwise requires the definitions contained in Schedule "B" and Schedule "C" shall apply, and in addition:

i) "Barrel" means 34.9722 Canadian Gallons or 0.1589873 cubic metres, whichever is applicable;

ii) "Complete", "Completion" or "Completing" means:

-in the case of a well capable of producing Petroleum Substances in Paying Quantities, to set in the well production casing and to place in the well and on the well-site all equipment necessary for the taking of production up to and including

the outlet valve on the wellhead or its equivalent if a pumping well; or -in the case of a well which, according to good oilfield practice, should be capped to set in the well production casing and to place in the well all equipment necessary for the taking of production and to thereafter cap such well; or in the case of a well which, according to good oilfield practice, should be abandoned, to abandon;

- iii) "Contract Depth" means with respect to the Test Well, a total vertical depth of 1,640 metres or 5 metres into the Cardium formation, whichever depth first occurs, and the drilling a horizontal leg of a minimum of 1,290 metres;
- iv) "Equipping Costs" means with respect to the Test Well, all monies expended beyond Completion to acquire and install equipment required to produce Petroleum Substances from the well including, without restricting the generality of the foregoing, the pump (or other artificial lift equipment), the acquisition and installation of flow lines and production tankage serving the Test Well and where necessary a heater, dehydrator or other facility for the initial treatment of the Petroleum Substances produced from the Test 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;
- v) "Farmout Lands" means the Farmout Lands described in Schedule "A";
- vi) "Farmout Procedure" means the 1997 form of the C.A.P.L. Farmout and Royalty Procedure incorporated herein by reference;
- vii) "Lease" means the Indian Oil and Gas Lease set out and described in Schedule "A" insofar as it relates to the Farmout Lands;
- viii) "Operating Procedure" means the 1990 form of the C.A.P.L. Operating Procedure together with the 1988 form of the P.A.S.C. Accounting Procedure (Revised 1996) incorporated herein by reference;
- ix) "Prior Interests" means the percentage interest of the Farmor in the Farmout Lands as set forth in clause 4 of this Agreement;
- x) "Party or Parties" means a person, firm or corporation which is bound by this Agreement;
- xi) "Paying Quantities" means the output from a well of such quantity of Petroleum Substances as, considering the costs to Complete, operating costs (but not drilling costs), the price, kind and quantity of such production would after a production test, commercially and economically warrant the taking of Petroleum Substances from the well;
- xii) "Petroleum and Natural Gas Rights" means the Petroleum and Natural Gas Rights granted by the Lease insofar only as they relate to the Farmout Lands;
- xiii) "Petroleum Substances" means petroleum and natural gas as contained in the Lease; and

- xiv) "Spacing Unit" means a spacing area as defined in the Operating Procedure or an area comprising 16 hectares or 40 acres for the purpose of any producing oil well, or 256 hectares or 640 acres for the purpose of any producing natural gas well, or any other such spacing designation in the case of a producing horizontal well, as the case may be.
- b) The headings of the clauses of this Agreement and the Schedules are inserted for convenience of reference only and shall not affect the meaning or construction thereof.
- c) Wherever the singular or masculine or neuter is used in this Agreement or the Schedules, the same shall be construed as meaning plural or feminine or body politic or corporate and vice versa as the context requires.
- d) In the event of any conflict or inconsistency between the provisions of this Agreement and those of the Operating Procedure or the Farmout and Royalty Procedure, the provisions of this Agreement shall prevail. If any term or condition of this Agreement conflicts with a term or condition of the Lease, then such term or condition of such Lease shall prevail and this Agreement shall be deemed to be amended accordingly with respect to such Lease.

2. SCHEDULES

The following Schedules are attached to and are incorporated into this Agreement:

- a) Schedule "A" which sets forth the Leases and describes the Farmout Lands;
- b) Schedule "B" which summarizes the elections and rates for the Operating Procedure together with the form of the Accounting Procedure; and
- c) Schedule "C" which sets forth the elections and rates to the 1997 CAPL Farmout and Royalty Procedure.

3. TITLE

The Farmee acknowledges that it has had the opportunity to examine the Lease respecting the Farmor's interest in the Petroleum and Natural Gas Rights underlying the Farmout Lands. The Farmor does not make any representations or warranties as to its title, or to its interest in the Lease and Petroleum and Natural Gas Rights, excepting that it covenants that as of the date hereof, it has not received any notice of default nor has it assigned, transferred, conveyed or in any way encumbered its title in and to its interest in the Lease and Petroleum and Natural Gas Rights to any person, firm or corporation at the date of this Agreement, other than the encumbrances set forth in Schedule "A".

4. PRIOR INTERESTS

At the date of this Agreement, the Farmor holds an undivided one hundred (100%) percent interests in the Farmout Lands, the Lease and the Petroleum and Natural Gas Rights.

5. **FARMEE AND PARTICIPANT COST INTERESTS**

The Parties shall participate in the drilling, casing, and completion a test well (the "Test Well") up to the outlet valve of the wellhead, or abandon same, as the case may be, all in accordance with the terms and conditions of this Agreement in the following cost interests (the "Cost Interests"):

Anterra	undivided forty (40%) percent interest;
Solara	undivided forty (40%) percent interest; and
Anadime	undivided twenty (20%) percent interest.

Thereafter, the Parties shall pay their proportionate share of the costs associated with Equipping and tying-in of the Test Well for production in accordance with their respective after-earned interests as follows (the "After-earned Interests"):

Anterra	undivided 60.00% percent interest;
Solara	undivided 26.67% percent interest; and
Anadime	undivided 13.33% percent interest.

6. **TEST WELL COMMITMENT**

Solara Exploration Ltd., as Operator on behalf of the Participant and Farmee, shall on or before November 18, 2010, subject to surface and regulatory approval, commence the drilling of the Test Well at a surface location in Lsd. 1 of section 18-45-5 W5M, and thereafter shall drill the Test Well diligently and continuously to Contract Depth and log and either complete, cap or abandon same, as the case may be, to a bottom hole location in Lsd. 1 on the Farmout Lands, in accordance with the terms and conditions of this Agreement and the Regulations.

7. **SUBSTITUTE WELL**

If in the drilling of the Test Well, Solara encounters mechanical difficulties or impenetrable formations that in the Solara's opinion makes the drilling of the Test Well inadvisable, Solara shall promptly notify the Farmor and Anadime of the problem encountered. Solara may terminate the drilling of the Test Well after first obtaining the prior consent of Farmor which shall not be unreasonably withheld. Within thirty (30) days after notification of abandonment to the Farmor, Solara may at its sole discretion commence, on behalf of itself, Anterra and Anadime, the drilling a substitute well at a location of its choice on the Farmout Lands. The substitute well shall be deemed to be the Test Well, and all provisions of this Agreement which apply to that Test Well shall apply, mutatis mutandis, to the substitute well.

8. **INFORMATION**

The provisions of Article VII of the Operating Procedure shall apply, mutatus mutandis, to the Test Well to the end that the Solara, on behalf of the Parties, shall acquire any surface rights, and that Solara shall supply to the parties all notices, data, information, reports, samples and other material required to be supplied by the Operator to the Joint Operators, pursuant to the provisions of Article VII. Solara shall carry on all drilling and testing operations with respect to the Test

Well to the extent and in the manner in which such operations are required by Article VII. If the Test Well is capable of production of Petroleum Substances from any zone or formation within the Farmout Lands in Paying Quantities, Solara, on behalf of the Parties, shall conduct, in the case of crude oil, a thirty (30) day production test on any zone or formation, and in the case of natural gas, an absolute open flow test on every such zone or formation provided that any such testing is expressly permitted by the Regulations. Solara shall provide the Parties with copies of all information and data obtained from such tests.

9. **INSURANCE**

Solara shall, on behalf of the parties hereto, carry insurance and shall require its contractors and its subcontractors to carry insurance covering the Test Well operations with an approved insurance company or companies of the kinds and in the minimum amounts set forth in Alternate "A" of clause 311 of the Operating Procedure.

10. **ABANDONMENT**

- a) If Solara wishes to abandon the Test Well, Solara shall give to the Farmor and Anadime written notice that it wishes to abandon that well and if the the other Parties fail to reply to Solara within forty-eight (48) hours in the case where there is a drilling or service rig on the wellsite, or thirty (30) days, in any other case, following the receipt of said notice that it consents to the abandonment of that well, Solara shall abandon the Test Well pursuant to the Regulations.
- b) If, within 48 hours or 30 days, as the case may be, following receipt of said notice, the Farmor or Anadime (hereinafter referred to as the "Non-abandoning party") advises the Farmee that it wishes to takeover and attempt to Complete the Test Well at or above the Contract Depth for the taking of production, then the Test Well shall be taken over by the Non-abandoning Party and the further operations relating thereto shall be carried on by the Non-abandoning Party at its sole risk and expense. In the event of a takeover of such well by the Non-abandoning Party, the Non-abandoning Party shall indemnify the other Parties and hold them harmless from and against all liability, claims, losses or damages arising out of but not prior to such takeover of the Test Well.
 - a) If the Non-abandoning Party attempts to Complete the Test Well at or above the Contract Depth for the taking of production is unsuccessful, then the Non-abandoning Party shall proceed to abandon the well as required by this Agreement. The Non-abandoning Party shall reimburse the other Party in such event for any additional costs of the abandonment incurred as a direct result of the Non-abandoning Party's Completion attempt.
 - b) If any Farmee Party elects not to participate in the Completion of the Test Well at or above the Contract Depth for the taking of production, the interest to be earned hereunder by that Farmee Party in the Farmout Lands, and all material and equipment in and on that well shall be assigned to and taken over by the Farmor and the further operations relating thereto shall be carried on by the Non-abandoning party, at its ole cost, risk and expense provided that the Completion by the Non-abandoning Party results in a oil or gas well capable of producing in Paying Quantities.

11. INTEREST EARNED IN THE FARMOUT LANDS

- a) Upon Solara drilling the Test Well to Contract Depth in accordance with clause 5 and 6 and thereafter having tested the Test Well in accordance with clause 8 and the Test Well having been Completed, or abandoned, or surrendered pursuant to clause 10, as the case may be, all as in this Agreement provided, and further provided that the Farmee is not otherwise in default under this Agreement, the Farmee Parties shall have earned and be entitled to the following After-earned Interests:

Solara	undivided 26.67% interest
Anadime	undivided 13.33% interest

in the Test Well, the Lease, and Petroleum and Natural Gas Rights within, upon or under the Farmout Lands.

- b) Upon the request of the Farmee the interest so earned by the Farmee shall, without warranty of title, express or implied, subject to this Agreement, be assigned or sublet unto the Farmee. In the case of a sublease, such sublease shall be for the remainder of the term of the Lease covered by the sublease less the last day thereof, and if the Lease is renewed or extended, the sublease shall be extended or renewed for the term of such renewal or extension, less the last day thereof.
- c) In the event any assignment or sublease cannot be effectuated by reason of the inability of the Farmor to secure any required approval of any lessor or grantor, then the Farmor shall keep the Lease covering the Petroleum Substances within, upon or under the Farmout Lands, subject to all the terms and conditions of this Agreement, in trust for the Farmee hereto, so long as the sublease or assignment cannot be effectuated.

12. RENTALS

- a) The Farmee Parties, in accordance their respective Cost Interests, forthwith upon being billed by the Farmor, shall reimburse the Farmor for sixty (60%) percent of all rentals, renewals, fees, taxes and other payments which may be paid or may have been paid by the Farmor under the terms of the Leases with respect to the Farmout Lands which are attributable, on a per diem basis, to the period from and after the date of this Agreement to and including the date upon which the Farmee shall have earned the interest hereunder or the Farmee's right to earn an interest has expired or is surrendered, whichever first occurs. Upon earning an interest in the Farmout Lands, as the case may be, all such rentals, renewal fees and other payments relating thereto shall be paid by the Farmee pursuant to the terms of the Operating Procedure.
- b) It is understood and agreed that the term "rentals, fees and other payments" shall mean all payments and drilling deferment penalties and taxes, but shall not include the initial consideration advanced by the Farmor for its Prior Interest in the Lease.

13. **ENCUMBRANCES ON INTEREST**

If the interest of any Party in the Farmout Lands is now or hereafter shall become encumbered by any royalty, production payment or other charge of a similar nature, other than the royalties as set forth under the terms of the Lease covering such Lands, any compensatory royalty payments or other encumbrances more particularly described in Schedule "A" hereto, such additional royalty, interest, payment or charge shall be charged to and paid entirely by the Party so encumbering its interest.

14. **INDEMNITY**

Solara agrees to indemnify and hold the Farmor harmless from and against its proportionate share of any liability, claims, losses or damages, regardless of the nature thereof, arising out of, resulting from or connected with the operations of Solara, its employees or agents or all or any of them on the Farmout Lands, whether such liability arises out of contract or in any other manner. In particular, but not so as to limit the generality of the foregoing, Solara agrees to assume, protect, indemnify and hold the Farmor harmless from and against all claims or damage to property, whether public or private, or injuries to or death of persons or animals caused by, resulting from, arising out of, or incidental to work on the Farmout Lands, including court cost and solicitor and client cost, if any.

15. **APPLICATION OF OPERATING PROCEDURE AND JOINT OPERATIONS**

a) Prior to the Farmee earning the interest of the Farmor in the Farmout Lands, the following provisions of the Operating Procedure shall apply, mutatis mutandis, and governing the relationship of the Parties to this Agreement, namely:

Article III	-	Clause 304 - Proper Practices
Article XV	-	Relationship of the Parties
Article XVI	-	Force Majeure
Article XX	-	Waiver
Article XXI	-	Further Assurances
Article XXII	-	Notices
Article XXV	-	Perpetuities
Article XXVI	-	Miscellaneous

b) The Farmout Lands in which the Farmee Parties earn the After-earned Interests hereunder pursuant to clause 11 are "Joint Lands", and all operations on those Joint Lands shall be carried out by the Parties participating therein in accordance with the terms or provisions contained in the Operating Procedure.

c) None of the Parties shall be entitled to propose a joint or independent drilling operation until the Test Well has been drilled and completed and all information required to be provided pursuant to clause 7 has been so provided by the Operator.

16. **OPERATORSHIP**

Solara Exploration Ltd. is appointed the initial Operator of the Farmout Lands during the drilling, casing, completion and testing of the Test Well. Upon recovery by Solara of the Farmor's participating interest share, being forty (40%) percent, of the costs to drill, case and

complete the Test Well through to the outlet valve of the wellhead, and further provided that the Farmor is financially able and willing to pay for and coordinate the Equipping and tying-in of the Test Well in a timely manner, then the Farmor shall be entitled to take over operatorship of the Test Well, and shall proceed with the Equipping and tying-in of the Test Well, all in accordance with the After-earned Interests of the parties hereto. Solara shall act in good faith by providing the Farmor a reasonable estimate of its respective share of all costs expended up to and including the wellhead of the Test Well, inclusive of any testing operations in a timely manner.

17. **TERM OF AGREEMENT**

Subject to the terms of this Agreement, this Agreement shall continue for the life of the Lease and any extensions or renewals thereof whether by production or otherwise.

18. **LAW OF CONTRACT**

In the performance of the operations under this Agreement the parties shall comply with and observe the application Regulations of the governmental authority having jurisdiction, but subject thereto, this Agreement shall be construed and the relationship between the Parties determined in accordance with the laws of the Province of Alberta. The courts having exclusive jurisdiction with respect to all matters directly or indirectly relating to this Agreement shall be the courts of the Province of Alberta which shall have capacity to adjudicate upon the application and interpretation of the laws of the governmental authority having jurisdiction over operations conducted under this Agreement.

19. **ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the Parties hereto regarding the subject matter hereof and entirely replaces and supersedes any prior agreement with respect to such subject matter. No oral representations of any officer, agent or employee of the Farmor or the Farmee Parties, either before or after the execution of this Agreement, shall affect or modify any obligations of any party hereunder and no amendments hereafter made shall be valid unless in writing and signed by the duly authorized representatives of the Parties.

20. **FACILITIES PARTICIPATION**

- a) If a Party (the "Proposing Party") wishes to construct or participates in the construction of any plant or facilities, including pipelines, for the treating, processing or transportation of Petroleum Substances produced from the Joint Lands (the "Facility") the other Parties shall have the right to participate for the construction, ownership and operation of the facility to the extent of each such Party's participating interest.
- b) Prior to commencement of construction of the Facility, the Proposing party shall provide the other Parties with all information necessary to enable those Parties to make a fully evaluated decision on whether or not to participate in the Facility.
- c) Notwithstanding the generality of subclauses (a) and (b), all Parties shall negotiate in good faith for the purpose of mutually constructing, owning and operating the Facility.

21. **GOODS AND SERVICES TAX**

In executing the Agreement, each and every party authorizes the Operator, on its behalf as participant, to make an election or elections jointly with the Operator under subsection 273 (1) of the Excise Tax Act. Each Party agrees to be bound by that election, when made, for the duration of this Agreement. Each Party agrees to be bound by that election, when made, for the duration of this Agreement. This shall also apply where the Operator has received income or process through the sale of a non-operator's share of production from the Farmout Lands and the Option Lands.

22. **LIMITATIONS ACT**

The two (2) year period for seeking a remedial order under Section 3(1)(a) of the Limitations Act of Alberta, R.S.A. 2000 c. L-12, as amended, (the "Act"), for any claim, as defined in the Act, arising out of or as a consequence of this Agreement is extended as follows:

- (a). For claims disclosed by a joint venture audit, two years after the time this Agreement permitted that any such audit to be performed; or
- (b). For all other bona fide claims, four (4) years from the expiry date of the Agreement.

23. **ENVIRONMENTAL IMPACT**

Provided that the Farmee Parties have earned the interests pursuant to the terms and conditions hereof, the Parties agree that, for the purposes of clause 2901 of the Operating Procedure, the phrase "all wells on the Joint Lands have been abandoned" shall be deemed to include the requirement for remediation of any environmental damage or problems arising due to operations of any nature whatsoever carried out under this Agreement, with such remediation occurring in the standard required by the Regulations and by good industry practice. Subject to Article IV of the Operation Procedure, where any such environmental damage or problem arises after termination of this Agreement, the Parties shall remain liable for remedial costs and expenses so incurred in accordance with their respect of the indemnifying Party's share thereof. This clause shall survive termination of this Agreement.

24. **ENUREMENT**

This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of this day and year first above written.

SOLARA EXPLORATION LTD.

PER: _____

DONALD R. HENNING
President & C.E.O.

ANADIME ENERGY INC.

PER: _____

ANTERRA ENERGY INC.

PER: _____

Robert D. McCuaig, Executive VP

21. **GOODS AND SERVICES TAX**

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- (b). For all other bona fide claims, four (4) years from the expiry date of the Agreement.

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24. **ENUREMENT**

This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of this day and year first above written.

SOLARA EXPLORATION LTD.

ANTERRA ENERGY INC.

PER: 

PER: _____

DONALD R. HOLDING

President & C.E.O.

ANADIME ENERGY INC.

PER: 

SCHEDULE "A"

Attached to and forming part of the Farmout and Participation Agreement dated the 4th day of October, 2010 between Anterra Energy Inc., Solara Exploration Ltd. and Anadime Energy Inc.

the "Lease" and the "Farmout Lands"

<u>Land Description</u>	<u>Title Document</u>	<u>Expiry</u>	<u>Encumbrances</u>
Sec. 17-45-5 W5M, all P&NG from surface to basement, excluding the Pekisko formation	Ptn. Indian Oil & Gas Lease No. OL-6340 dated July 1, 2009	June 30, 2011	Indian Oil & Gas Royalty

SCHEDULE "B"

Attached to and made part of a Farmout and Participation Agreement dated the 4th day of October, 2010 between Solara Exploration Ltd., Anterra Energy Inc. and Anadime Energy Inc.

CAPL OPERATING PROCEDURE - 1990

Operator: Solara Exploration Ltd.

Clause 311 - Insurance: Alternate A B

Clause 604 - Marketing Fee: Alternate A B

Clause 903 - Less than All Parties Participate: Alternate A B

Clause 1007 - Penalty Where Independent Well Results in Production:

1007 (a) (iv) - Development Wells 400%

1007 (b) (iv) - Exploratory Wells 500%

Clause 1010 - Preservation of Title: 120 days

Clause 2202 - Addresses for Notices:

Solara Exploration Ltd.
1800, 444 - 5th Avenue SW
Calgary, AB
T2P 2T8
Attn: Land Manager

Anterra Energy Inc.
1420, 1122 - 4th Street SW
Calgary, AB
T2R 1M1
Attn: Land Manager

Anadime Energy Inc.
1420, 1122 - 4th Street SW
Calgary, AB
T2R 1M1
Attn: Land Manager

Clause 2401 - Right to Assign, Sell or Dispose: Alternate A B

Clause 2404 - Recognition upon Assignment: Not Applicable

PASC ACCOUNTING PROCEDURE - 1988 (Revised February 1991)

Clause 105(a) - Operating Advances: 10%

Clause 110 - Approvals: 2 or more parties totalling 75% 30 day response period

Clause 202(b) - Labour: (1) shall be chargeable
(2) shall not be chargeable

Clause 203 - Employee Benefits: (b) Non-Compulsory - 22%

Clause 217(a) - Warehouse Handling: (1) 2 1/2%; \$5,000; (2) 5%

Clause 302 - Overhead Rates:

- (a) For each Exploration Project:
 - (1) 5% of the first \$50,000 plus
 - (2) 3% of the next \$100,000 plus
 - (3) 1% of cost exceeding the sum of (1) and (2)
- (b) For each Drilling Well:
 - (1) 3% of the first \$50,000 plus
 - (2) 2% of the next \$100,000 plus
 - (3) 1% of cost exceeding the sum of (1) and (2)
- (c) For each Construction Project:
 - (1) 5% of the first \$50,000 plus
 - (2) 3% of the next \$100,000 plus
 - (3) 1% of cost exceeding the sum of (1) and (2)
- (d) For Operation and Maintenance:
 - (1) of the cost; and
 - (2) \$275/producing well/month; and
 - (3) \$ Flat rate-per month.

Rates for (d)(2) and (d)(3) will not be adjusted each April

Article IV - Pricing: greater than \$25,000 requiring approval

Clause 501 - Periodic Inventory: at 5 year intervals

Schedule C

Attached to and forming part of that certain Farmout and Participation Agreement dated October 4th, 2010 between Solara Exploration Ltd., Anterra Energy Inc. and Anadime Resources Inc.

1997 CAPL FARMOUT AND ROYALTY PROCEDURE ELECTION AND AMENDMENT SHEET

1.01(f)	EFFECTIVE DATE	October 4, 2010			
1.01(t)	PAYOUT	_____	Shall apply	_____ X	Shall not apply
		If applicable Alternate A: _____	_____	Alternate B: _____	_____
		If Alternate B applicable _____	Cubic meters of Equivalent Production		
		or _____	Years		
1.02	311 - INSURANCE	Alternate A: _____	X _____	Alternate B: _____	_____
4.00	OPTIONAL WELLS	_____	Will apply	_____ X	Will not apply
5.00	OVERRIDING ROYALTY	_____	Will apply	_____ X	Will not apply
5.01	QUANTIFICATION OF OVERRIDING ROYALTY	(a) crude oil	Alternate 1 will apply	_____	_____
			Alternate 2 will apply	_____	_____
		If Alternate 1 applicable _____	of gross monthly production		
		If Alternate 2 applicable Divided by _____			
		Not less than _____	Not more than _____		
		(b) all other Petroleum Substances	Alternate 1 will apply	_____	_____
			Alternate 2 will apply	_____	_____
		If Alternate 1 applicable _____	of gross monthly production		
		If Alternate 2 applicable If not taken in kind _____ %	% of gross monthly production		
		If taken in kind _____ %	% of gross monthly production		
5.04B	DEDUCTIONS	Alternate 1 only will apply	_____		
		Alternate 2 only will apply	_____		
		Alternate 1 and 2 will apply	_____		
		Neither alternate 1 or 2 will apply	_____		
6.00	CONVERSION OF OVERRIDING ROYALTY	_____	Will apply	_____ X	Will not apply
8.00	AREA OF MUTUAL INTEREST	_____	Will apply	_____ X	Will not apply
11.02	FARMEE TO REIMBURSE FARMOR	_____	Will apply	_____ X	Will not apply
		If applicable Farmee will pay \$ _____			within 30 days of the Effective Date

EXHIBIT B
to the Proof of Claim
of Anterra Energy Inc.



July 31, 2012

Solara Exploration Ltd.
1800, 444 – 5th Avenue SW
Calgary, AB
T2P 2T8

SENT VIA EMAIL & COURIER
don_solaraexploration@shaw.ca

Attn: Don Holding

**RE: Default Notice
Outstanding Invoices
Farmout and Participation Agreement dated October 4, 2010 ("Agreement")
Buck Lake, AB
Anterra File: C0100**

After review of our accounting files, to date Solara has an outstanding amount of \$428,144.97 owed to Anterra for various invoices. Most of this outstanding amount relates to our joint wells at Buck Lake (100/1-17-45-5W5M & 100/8-17-45-5W5M). Due to this large dollar amount, and the small payments we have received recently, we are concerned that this will continue to grow much faster than the payments being made.

Although Anterra has received your letter dated June 1, 2012 indicating your financial situation, we are not prepared to carry such a large outstanding amount for Solara. Pursuant to Clause 502 of the 1990 CAPL Operating Procedure ("Operating Procedure") attached to the above Agreement Solara is required to pay our invoices within 30 days. Since we are missing payment of a number of invoices going back to July 1, 2011, Solara is in default under the Agreement. Anterra hereby requests that this default be remedied immediately. This letter will serve as our official notice to you that Anterra has elected to exercise its rights under Subclauses 505(b)(iii) and 505(b)(v) of the Operating Procedure, which includes an immediate and automatic assignment to Anterra of the proceeds of the sale of Solara's share of petroleum substances produced under the above Agreement. Please note that these actions do not preclude Anterra from seeking further remedies under the Agreement for this outstanding amount.

If you have any questions, please contact the undersigned at (403) 215-2860.

Sincerely,
ANTERRA ENERGY INC.


Qiping Men
VP Finance & CFO

Tei: 403.215.3280 Fax: 403.261.6601 1420, 1122 – 4th Street SW | Calgary, Alberta T2R 1M1

death or damage or such insurer is determined by a court of competent jurisdiction not to be required to make payment with respect to such loss, expense, injury, death or damage under such policy of insurance; and

(b) when and to the extent that such loss, expense, injury, death or damage is a direct result of, or is directly attributable to, the gross negligence or wilful misconduct of the Operator or its Affiliates, directors, officers, servants, consultants, agents, contractors or employees, provided that an act or omission of the Operator or its Affiliates, directors, officers, servants, consultants, agents, contractors or employees shall be deemed not to be gross negligence or wilful misconduct, insofar as such act or omission was done or was omitted to be done in accordance with the instructions of or with the concurrence of the Joint-Operators.

To the extent that the conditions in Subclauses (a) or (b) of this Clause apply (but subject to the exceptions provided therein), the Operator shall be solely liable for such loss, expense, injury, death or damage and, in addition, shall indemnify and save harmless each other Joint-Operator and its Affiliates, directors, officers, servants, consultants, agents and employees from and against the same and also from and against all actions, causes of action, suits, claims and demands by any person or persons whomsoever in respect of any such loss, expense, injury, death or damage, and any costs and expenses relating thereto. However, in no event shall the responsibility of the Operator prescribed by this Clause extend to losses suffered by the Joint-Operators respecting the loss or delay of production from the joint lands, including, without restricting the generality of the foregoing, loss of profits or other consequential or indirect losses applicable to such loss or delay of production.

402 **INDEMNIFICATION OF OPERATOR** - Except as otherwise provided in Clause 401, the Joint-Operators hereby indemnify and save harmless the Operator, its Affiliates, directors, officers, servants, consultants, agents and employees from and against any and all actions, causes of action, suits, claims, demands, costs, losses and expenses resulting from loss, injury, death or damage respecting any person, which may be brought against or incurred or suffered by the Operator, its Affiliates, directors, officers, servants, consultants, agents or employees or which the Operator, its Affiliates, directors, officers, servants, consultants, agents or employees may sustain, pay or incur by reason of, or which may be attributable to or arise out of, any act or omission of the Operator or its Affiliates, directors, officers, servants, consultants, agents, contractors or employees in conducting joint operations. All such liabilities shall be for the joint account and shall be borne by the Joint-Operators in the proportions of their respective working interests.

ARTICLE V

COSTS AND EXPENSES

501 **ACCOUNTING PROCEDURE AS BASIS** - The Accounting Procedure shall be the basis for all charges and credits for the joint account, except to the extent that the Accounting Procedure may be in conflict with the provisions herein or in the Agreement. The accounting and financial records maintained by the Operator with respect to the operations conducted by it hereunder shall be maintained separately from those kept by it with respect to operations which are not conducted hereunder, in accordance with established industry accounting practice.

502 **OPERATOR TO PAY AND RECOVER FROM PARTIES** - Subject to the provisions of Clause 503, the Operator shall initially advance and pay all costs and expenses incurred for the joint account. The Operator shall charge to each Joint-Operator its proportionate share of such costs and expenses, and each respective Joint-Operator shall pay the same to the Operator within thirty (30) days after receipt of the Operator's statement thereof.

503 **ADVANCE OF COSTS** -

(a) Upon approval of an Authority for Expenditure by a Joint-Operator, the Operator may, by notice, require that individual Joint-Operator to secure payment of its proportionate share of all costs to be incurred for the joint account pursuant to such AFE in a manner satisfactory to the Operator. If the payment is to be secured by an irrevocable standby letter of credit, it shall be established in favour of the Operator by that Joint-Operator with a Canadian chartered bank with respect to that Joint-Operator's proportionate share of the costs and expenses which are anticipated to be incurred pursuant to such AFE. In the event a letter of credit is so established, the Operator may draw on the letter of credit in the same manner and at the same time intervals as provided with respect to amounts to be paid by that Joint-Operator pursuant to such AFE.

(b) The Operator may, by notice to the Joint-Operators, require each Joint-Operator to advance its proportionate share of all costs to be incurred for the joint account, subject to Subclause (a) of this Clause. If the Operator so elects to cash call the Joint-Operators, it shall, not earlier than thirty (30) days prior to the first (1st) day of a calendar month, submit to each Joint-Operator an itemized written estimate of the costs which are expected to be paid by the Operator for the joint account hereunder in that calendar month, together with a request for payment by each Joint-Operator of its proportionate share thereof, insofar as such amount is not secured by Subclause (a) of this Clause. A Joint-Operator shall pay its share of such cash call to the Operator (or otherwise secure payment thereof

as provided in Subclause (a) above) on or before the twentieth (20th) day after its receipt of such estimate or by the fifteenth (15th) day of the calendar month to which such estimate relates, whichever is the later.

(c) The Operator shall adjust each monthly billing to reflect advances received from a Joint-Operator hereunder. Costs in excess of the advances requested hereunder shall be billed and paid by the Joint-Operators pursuant to the Accounting Procedure. Amounts advanced by the Joint-Operators in excess of actual costs shall be refunded by the Operator with the related billing for the month in which the advance was paid. Any such excess amounts not refunded shall, at the option of each Joint-Operator, bear interest (payable by the Operator for the account of that Joint-Operator) on the same basis as is provided in paragraph 505(b)(i).

504 FORECAST OF OPERATIONS - The Operator shall, from time to time at the request of a Joint-Operator, provide the Joint-Operators with a written forecast outlining all operations which it proposes to conduct for the joint account during the forecast period (which shall be not less than three (3) months and not more than twelve (12) months), together with the estimated costs thereof. Such forecasts are for informational purposes only and shall not commit the parties to make the expenditures described therein.

505 OPERATOR'S LIEN -

(a) Effective from the date of the Agreement, the Operator shall have a lien and charge, which is first and prior to any other lien, charge, mortgage or other security interest, with respect to the interest of each Joint-Operator in the joint lands, the wells and equipment thereon, the petroleum substances produced therefrom and any production facilities, to secure payment of such Joint-Operator's proportionate share of the costs and expenses incurred by the Operator for the joint account.

(b) If a Joint-Operator fails to pay or advance any of the costs or expenses incurred for the joint account which are to be paid or advanced by it within the time period prescribed by the Accounting Procedure or Clause 502 or 503, as the case may be, the Operator may, without limiting the Operator's other rights as contained in this Operating Procedure or otherwise held at law or in equity:

- (i) charge such Joint-Operator compound interest, as computed monthly, with respect to such unpaid amount from the day such payment is due until the day it is paid, at the rate of two percent (2%) per annum higher than the rate designated as the prevailing prime rate for Canadian commercial loans by the principal Canadian chartered bank used by the Operator, regardless of whether the Operator has notified such party in advance of its intention to charge interest with respect to such unpaid amount;
- (ii) withhold from such Joint-Operator any further information and privileges with respect to operations conducted hereunder, which information and privileges shall be conveyed or restored, as the case may be, to such Joint-Operator upon such default being fully rectified;
- (iii) set-off against the amount unpaid by such defaulting Joint-Operator, any sums due or accruing to such Joint-Operator from the Operator pursuant to this Operating Procedure or any other agreement between the Operator and such Joint-Operator, whether executed before or after the effective date of the Agreement;
- (iv) maintain an action or actions for such unpaid amounts and interest thereon on a continuing basis as such amounts are payable, but not paid by such defaulting Joint-Operator, as if the obligation to pay such amounts and the interest thereon were liquidated demands due and payable on the relevant date such amounts were due to be paid, without any right or resort of such Joint-Operator to set-off or counter-claim;
- (v) treat the default as an immediate and automatic assignment to the Operator of the proceeds of the sale of such Joint-Operator's share of petroleum substances produced hereunder. Service of a copy of this Operating Procedure upon a purchaser of such petroleum substances from such Joint-Operator, together with written notice from the Operator, shall constitute a written irrevocable direction by the Joint-Operator to any such purchaser to pay to the Operator the proceeds from any such sale up to the amount owed to the Operator by such Joint-Operator hereunder (including any accrued interest with respect thereto), and such purchaser is authorized by such Joint-Operator to rely upon the statement of the Operator as to the amount so owed to it by such Joint-Operator; and
- (vi) enforce the lien referred to in Subclause (a) of this Clause by taking possession of or using free of charge all or any part of the interest of the defaulting Joint-Operator in the joint lands, in all or any part of the production therefrom and equipment thereon or in any production facilities and all rights, powers and privileges of such Joint-Operator in connection with such interest until such default is

EXHIBIT C
to the Proof of Claim
of Anterra Energy Inc.

Solara Exploration Ltd. Summary
Outstanding Amount Owed to Anterra Energy Inc.

Year	Type of Invoice	Amount Total
2011	Joint Venture Billings	261,081.38
2011	Treater Services	4,368.45
2012	Joint Venture Billings	296,188.56
2012	Treater Services	28,364.86
2013	Joint Venture Billings	(18,127.84)
2013	Keyera Processing Fees	38,524.13
	Revenue Withheld	(393,841.91)
	IOGC Royalty Payments	60,096.95
	TOTAL	276,654.58

Joint Venture Billings for 2011

Invoice Number	Invoice Date	Original Invoice Amount	Invoice Balance Amount
608	July 1, 2011	154,447.88	154,447.88
621	August 1, 2011	76,134.83	72,986.14
608	September 1, 2011	(124,195.81)	(124,195.81)
635	September 1, 2011	31,939.57	31,939.57
648	October 1, 2011	25,228.25	25,228.25
664	November 1, 2011	32,709.43	32,709.43
677	December 1, 2011	67,965.92	67,965.92
		Total	261,081.38

Treater Services for 2011

Invoice Number	Invoice Date	Original Invoice Amount	Invoice Balance Amount
NOV11-040	November 1, 2011	3,183.82	3,183.82
DEC11-040	December 1, 2011	1,184.63	1,184.63
		Total	4,368.45

Joint Venture Billings for 2012

Invoice Number	Accounting Date	Invoice Date	Original Invoice Amount	Invoice Balance Amount
11	Jan-12	January 31, 2012	14,331.30	14,331.30
28	Feb-12	February 29, 2012	49,843.72	49,843.72
40	Mar-12	March 31, 2012	25,663.78	25,663.78
52	Apr-12	April 30, 2012	31,713.87	31,713.87
66	May-12	May 31, 2012	19,083.54	19,083.54
78	June-12	June 30, 2012	26,748.43	26,748.43
90	July-12	July 31, 2012	53,015.17	53,015.17
106	Aug-12	August 31, 2012	7,250.13	7,250.13
121	Sep-12	September 30, 2012	17,549.69	17,549.69
135	Oct-12	October 31, 2012	(17,255.18)	(17,255.18)
149	Nov-12	November 30, 2012	108,259.09	108,259.09
162	Dec-12	December 30, 2012	(40,014.98)	(40,014.98)
			Total	296,188.56

Treater Services for 2012

Invoice Number	Invoice Date	Original Invoice Amount	Invoice Balance Amount
JAN12-041	January 31, 2012	1,867.15	1,867.15
FEB12-139	February 28, 2012	30.34	30.34
JAN12-040	February 29, 2012	4,432.65	4,432.65
MAR12-043	March 31, 2012	2,993.27	2,993.27
APR12-037	April 30, 2012	3,012.95	3,012.95
MAY12-045	May 31, 2012	3,617.82	3,617.82
JUN12-045	June 30, 2012	2,956.06	2,956.06
JUL12-042	July 31, 2012	2,539.69	2,539.69
AUG12-048	August 31, 2012	3,446.76	3,446.76
SEP12-044	September 30, 2012	1,647.37	1,647.37
OCT12-048	October 30, 2012	1,649.39	1,649.39
Nov 12-049	November 30, 2012	171.41	171.41
		Total	28,364.86

Joint Venture Billings for 2013

Invoice Number	Accounting Date	Invoice Date	Original Invoice Amount	Invoice Balance Amount
176	Jan-13	Jan-13	(61,318.77)	-61,318.77
189		Feb-13	1,549.48	1,549.48
204		Mar-13	10,147.35	10,147.35
217		Apr-13	3,042.90	3,042.90
230		May-13	3,493.43	3,493.43
243		Jun-13	3,926.71	3,926.71
256		Jul-13	5,992.16	5,992.16
270		Aug-13	3,381.13	3,381.13
282		Sep-13	3,898.93	3,898.93
292		Oct-13	6,611.79	6,611.79
304		Nov-13	5,128.00	1,880.27
OOIFEB2013		Feb-13	(242.48)	-242.48
Credit			(490.74)	-490.74
			Total	-18,127.84

Keyera Processing Fees for 2013

Invoice Number	Invoice Date	Original Invoice Amount	Invoice Balance Amount
PROC2012	Jun-13	15,667.31	15,667.31
PROC201304	Jun-13	2,240.17	2,240.17
PROC2013-Q1	Jun-13	6,417.77	6,417.77
PROC201305	Jul-13	7,334.77	7,334.77
PROC201306	Aug-13	2,555.16	2,555.16
PROC201307	Sep-13	1,864.82	1,864.82
PROC201308	Nov-13	2,444.13	2,444.13
		Total	38,524.13

Revenues Withheld

Invoice Number	Accounting Date	Invoice Date	Original Invoice Amount	Invoice Balance Amount
WHR-AUG12GAS	Aug-12	September 27, 2012	(4,917.25)	(4,917.25)
WHR-AUG12NGL	Aug-12	September 27, 2012	(5,106.93)	(5,106.93)
WHR-AUG12OIL	Aug-12	September 27, 2012	(26,031.91)	(26,031.91)
WHR-AUG12OILADJ	Aug-12	September 27, 2012	(310.58)	(310.58)
WHR-SEP12GAS	Sep-12	October 26, 2012	(5,530.29)	(5,530.29)
WHR-SEP12NGL	Sep-12	October 26, 2012	(5,497.92)	(5,497.92)
WHR-SEP12OIL	Sep-12	October 26, 2012	(23,851.97)	(23,851.97)
WHR-OCT12GAS	Oct-12	November 27, 2012	(6,528.94)	(6,528.94)
WHR-OCT12NGL	Oct-12	November 27, 2012	(5,564.02)	(5,564.02)
WHR-OCT12OIL	Oct-12	November 27, 2012	(26,654.76)	(26,654.76)
WHR-NOV12GAS	Nov-12	December 21, 2012	(6,146.69)	(6,146.69)
WHR-NOV12NGL	Nov-12	December 21, 2012	(4,103.10)	(4,103.10)
WHR-NOV12OIL	Nov-12	December 21, 2012	(26,864.77)	(26,864.77)
WHR-DEC12GAS	Dec-12	January 29, 2013	(4,424.12)	(4,424.12)
WHR-DEC12NGL	Dec-12	January 29, 2013	(3,493.97)	(3,493.97)
WHR-DEC12OIL	Dec-12	January 29, 2013	(16,348.07)	(16,348.07)
WHR-JAN13GAS	Jan-13	January 31, 2013	(4,384.36)	(4,384.36)
WHR-JAN13NGL	Jan-13	January 31, 2013	(3,216.39)	(3,216.39)
WHR-JAN13OIL	Jan-13	January 31, 2013	(16,348.07)	(16,348.07)
WHR-DEC12NGL2	Jan-13	February 4, 2013	736.30	736.30
WHR-JAN13OIL2	Jan-13	March 25, 2013	(2,097.00)	(2,097.00)
WHR-FEB13GAS	Feb-13	March 25, 2013	(2,922.95)	(2,922.95)
WHR-FEB13NGL	Feb-13	March 25, 2013	(2,798.81)	(2,798.81)
WHR-FEB13OIL	Feb-13	March 25, 2013	(16,362.05)	(16,362.05)
WHR-MAR13GAS	Mar-13	April 25, 2013	(3,357.20)	(3,357.20)
WHR-MAR13NGL	Mar-13	April 25, 2013	(1,995.09)	(1,995.09)
WHR-MAR13OIL	Mar-13	April 25, 2013	(11,078.34)	(11,078.34)
WHR-APR13GAS	Mar-13	April 30, 2013	(4,153.72)	(4,153.72)
WHR-APR13OIL	Apr-13	April 30, 2013	(11,650.46)	(11,650.46)
WHR-ARP13NGL	Apr-13	April 30, 2013	(1,639.46)	(1,639.46)
WHR-MAY13GAS	May-13	May 31, 2013	(3,745.51)	(3,745.51)
WHR-MAY13NGL	May-13	May 31, 2013	(2,536.53)	(2,536.53)
WHR-MAY13OIL	May-13	May 31, 2013	(18,007.90)	(18,007.90)
WHR-JUN13GAS	Jun-13	July 26, 2013	(3,255.35)	(3,255.35)
WHR-JUN13NGL	Jun-13	July 26, 2013	(2,206.86)	(2,206.86)
WHR-JUN13OIL	Jun-13	July 26, 2013	(18,207.34)	(18,207.34)
WHR-JUL13GAS	Jul-13	July 31, 2013	(2,539.76)	(2,539.76)
WHR-JUL13NGL	Jul-13	August 23, 2013	(1,997.45)	(1,997.45)
WHR-JUL13OIL	Jul-13	August 23, 2013	(21,137.52)	(21,137.52)
WHR-AUG13GAS	Aug-13	September 26, 2013	(2,829.05)	(2,829.05)
WHR-AUG13NGL	Aug-13	September 26, 2013	(2,274.29)	(2,274.29)
WHR-AUG13OIL	Aug-13	September 26, 2013	(25,210.51)	(25,210.51)
WHR-SEP13GAS	Sep-13	October 25, 2013	(1,753.49)	(1,753.49)
WHR-SEP13NGL	Sep-13	October 25, 2013	(2,282.21)	(2,282.21)
WHR-SEP13OIL	Sep-13	October 25, 2013	(8,087.51)	(8,087.51)
WHR-OCT13GAS	Oct-13	November 27, 2013	(2,975.94)	(2,975.94)
WHR-OCT13NGL	Oct-13	November 27, 2013	(2,427.99)	(2,427.99)
WHR-OCT13OIL	Oct-13	November 27, 2013	(15,290.75)	(15,290.75)
WHR-NOV13GAS	Nov-13	December 30, 2013	(1,074.74)	(394.07)
WHR-NOV13NGL	Nov-13	December 30, 2013	(684.01)	(250.80)
WHR-NOV13OIL	Nov-13	December 30, 2013	(10,331.40)	(3,788.18)
			Total	(393,841.91)

IOGC Royalties

Invoice Number	Invoice Date	Original Invoice Amount	Invoice Balance Amount
1-17IOGC2011-12	April 30, 2013	16,054.18	16,054.18
8-17IOGC2011-12	April 30, 2013	10,418.58	10,418.58
IOGCQ12013	July 31, 2013	11,088.18	11,088.18
IOGCQ22013	August 22, 2013	10,032.13	10,032.13
IOGCJUL2013	August 30, 2013	2,302.13	2,302.13
IOGCAUG2013	September 26, 2013	4,012.26	4,012.26
IOGCSEP2013	October 24, 2013	2,492.09	2,492.09
IOGCOCT2013	November 19, 2013	3,433.37	3,433.37
IOGCNOV2013	December 17, 2013	720.07	264.03
		Total	60,096.95