



October 20, 2016

Harold Nikipelo  
Lifeview Petroleum Inc.  
1211 – 18th Ave. N.W.  
CALGARY AB T2M 0W3

Dear Mr. Nikipelo:

**Re: Approval of Enhanced Recovery Project (EOR) Status for Royalty/Tax Purposes  
Prairiedale Area – Bakken Formation – Thermal Injection Project (SK PJ 70085)**

Thank you for your application dated August 19, 2016, requesting that the Ministry of the Economy (ECON) approve the Prairiedale Area – Bakken Formation – Thermal Injection Project -SK PJ 70085 (the project) as an EOR project under *The Crown Oil and Gas Royalty Regulations, 2012* and *The Freehold Oil and Gas Production Tax Regulations, 2012* (the royalty/tax regulations). The project has previously received approval by MRO 191-16 under *The Oil and Gas Conservation Act*.

This letter serves to provide approval of the project under the royalty/tax regulations and oil production from the project wells will therefore be considered EOR oil for royalty/tax purposes. Capital and operating costs, incurred after the date of MRO 191-16, that are directly related to the implementation and operation of the EOR project will be considered as qualifying investment. See Information Circular PR-IC11A for more details on qualifying costs (<http://publications.gov.sk.ca/details.cfm?p=75632>).

Written notification must be provided to the Petroleum Royalties Unit within 30 days of the date that flue gas/steam injection has commenced.

Mr. Harold Nikipelo

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Please contact Mr. Dan Baron, Manager of Audit and Collections ([dan.baron@gov.sk.ca](mailto:dan.baron@gov.sk.ca)) if you have any questions related to allowable costs, and Mr. Bruce Wilhelm, Manager of Petroleum Fiscal Regimes ([bruce.wilhelm@gov.sk.ca](mailto:bruce.wilhelm@gov.sk.ca)) if have questions related to the terms of this approval.

Sincerely,



Paul Wagner  
Acting Director, Petroleum Royalties  
Energy Policy

cc: Dan Baron, Manager, Economy  
Larry Webber, Manager, Economy  
Bruce Wilhelm, Senior Petroleum Engineer, Economy