CAPL 88 (2) **MANITOBA** 

# PETROLEUM AND NATURAL GAS LEASE



## This Indenture made or the

BETWEEN

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AND-

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THE LESSOR big register discovered controlled to become reliable and owner of the lesion substance. (as hereinafte de ined within up in or under that certain parcel or tract of and egaly deslibed as follows

as more particularly described and set forth in Certificate( ) of Title No (herein called the aid lands ) in consideration of the sum of \$10 ( 0 paid to the Lessor by the Lessor by the Lessor and of an acditional

(\$ ) to be paid within days of the date hereof and in consideration of the colemants of the Lelisee h-remafter contained HEREBY GRANTS AND LEASES exclusivily unto the Lessee all tile I-ased sub-tance it as hereinafter defined subject to the royalties hereinafte reserved within upon or under the said ands together with all of help esent or future right little intuition and in erest if any of the Lisson in a dito the leased substance or any of them within upon or under any ands excepted om the saic ands and a vica ways lanes or rights of way ar joining the said land ogethed with the exclusive right and privilege to explose for drill for operate or product with take them one of the lease su stance and the light to inject substances into the said lands for the puriore of obtaining maintaining crimmea indiproduction from the said land. The pooled lands in the unitized land, and to store and recover any such sub an es injected into the said I inds

TO HAVE AND ENJOY the same for the erm of ) years (here nina led the iprimury leim) commencing on the date hereof and continuing lo long he refter a poerations (as here narthrigher are conducted upon the laid and the pocket land of the unitized land with no cessation in the case of each ce\_ a on of operation of mcr- than 00 con cut vidays

THE LESSOR AND THE IESBEE HEREBY COVENANT AND AGRIE AS FOILOWS

### 1 INTERPRETATION

In this Lease the following  $\varepsilon$  pression. Fall hall  $\varepsilon$  le following meanings

- (a) anniversary date meal the date corresponding to the date list above written lead an year during which this leader remains in licities.
  (b) commercial production means the output from a well of lich quantity of the leader to tances or any of them as considering he distributions and pattern that output from a well of lich quantity of the leader to tances or any of them as considering he distributions and pattern that output from a well of lich quantity of the leader to tances or any of them as considering he distributions and pattern that output from a well of lich quantity of the leader to tance any of them as considering he distributions. substances at rial procurtion elt of sui oil dura ich and nature i i ac ordance wilh cocd oil leid practice would commercially and economically war ant he drilling of a like viel in the vicility therec
- force majeure im ans any cause billo di the Lesses ri-a onable contro alid without limitation includes an introduction of God strike lockoit or othe industrial disturbance act of any public enemy war bickade rist ichtning file torm flood expl sion unusually severe weather conditions governmen estraint including road bans but shall not in u e lack c1 hances
- (d) lease year means a sell dictional ear commencing on the date firit above writerior any annivirsary date and ending at midnight of the day immedia ely preceding the next nniversely dele
- eased substances اعدد المائة والمائد والمائد المائة المائد المائ liquid solid or gaseous and whe her hydroca bon on tiprodulecili as loation within pricleum natiral gas or related hydrocarbin or found in an liwater longared
- (f) offset well meals any well arrilled cliany spacing unit alerall acjoining the sail lands which spacing unit does not include lands owned by the Lessor or if owned by the Lessor not under lease to the essee
- operations means any of the following (g)
- (i) drilling testing completing reworking recompleting deepening plugging balk or repairing a well or culpment on or in the said lands of injecting substances by means of well in a high for or in an enceavor to obtain mail and or increase production of any leased substance from the said lands. the pooled lands or h- unit Lec and
- (II) the production of any Hused L stance
- (iii) the recovery of any injected substinia or
- (iv) any acts for or incidental t any o h fo egcing
- pooled lands mean all or any portion of the said lands and just other aris a may have been pooled whi pooling hall no excee spacing unit in accordance with their rms hericfinity remains a rystalule regulation of any gove nment or a y governmental agency (i) rental shall have the meaning give in paragraph 2
- said lands means all the laid and all ones and firm attons uncerlying he lands described above as the said land. Or such pinion or portions thereous shall not have been surrendered
- (k) spacing unit means the area allocaed to a will from time to line on in the runity of he said lands for thin purposit of drilling for priceducing a little ase may be the leased substances in any of thin it a defined or prescribed by of under the leased substances in any of thin it a defined or prescribed by of under the leased substances in any of thin it and the leased substances in any of thin it and the leased substances in any of thin it and the leased substances in any of thin it and the leased substances in any of thin it and the leased substances in any of thin it and the leased substances in any of thin it and the leased substances in any of the leased substances. agency
- (1)
- suspended well payment is all have the meaning iven in palagraph for unitized lands means or any portion on here aid land and suggested and suggested lands at may lake been unitized in accordance with the term thereofor pulluality any agreement statute or any requilition ordinar directive of any gollernment or any gollernment ali agency
- (n) Unit Agreement means any agreement or the developmining or operation of all priany portion of the said lands to lene with other lands a langle unit without regard to separate ownership and or the allolation coots and benefits on a basing the agreement

## 2 RENTALS (Strike out inapplicable lause)

## **Lump Sum**

The Lessee shall on or be preithe date on which he additional consideration provided for above is payable pay of the Lessor a sum (herein called the rental) equal to the sum of

## **Periodic Payments**

If operations are not commen -- to not the laid ands the pooled lands or the unitized lands during the list lease year he Lessee shall on or bifor ≥ the expiration of the first lease year pay or tendar to he Lesso a im (here idea aled he iertall) o

i as the annual tental for the next ensuind lease lear of th Doters (\$ id ands he pooled laics of the untized laids during any sulleast primary term if operation are nit commerced on the ear during th primary term the Lessee shall make like payments or tend is on or in efore the exiliation of that year. For one te certaint or rtal shall be paid on th expiry of the primary term

## 3 SUSPENDED WELLS

If at the expiration of the p may term or at an / time or imes then aft in there is an / well on the laid land. The cited land or the unit is dilands capable of producing the leased substances or any of them, and all such vells are shut in o suspended this Lease shall neve thile con nue i fc ce as though operations were being conduited in height for olong as all height dwells are just in o suspended and so long the rafter as operations are conduited upon the said lands the pooled lands or ne unit and land with noise attention in the land of each design of operations of more than 90 the negative days if no royalties are otherwise payable in-relinded cuiting a ease least term the rimary term within which such shut in period cool and during suit ease year no other operations are onducted on the said land, the probability of the land then he less estail reveit the first term of the said lands the poled lands or neurity and then he less estail reveit the first term of the said lands the pole that the po

#### **4 ROYALTIES**

- (a) The Lessee shall pay to the Lessor a royalty in an amount equal to the current market value at the wellhead as and when produced of
- /) of all the leased substances produced saved and sold or used by the Lessee for a purpose other than that described in subclause (b) percent ( hereof from the said lands provided that in no event shall the current market value be deemed to be in excess of the value actually received by the Lessee pursuant to a bona fide arm's length sale or transaction. The royalty as determined under this clause shall be payable on or before the 15th day of the second month following the month in which the leased substances, with respect to which the royalty is payable, were produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b) No royalty shall be payable to the Lessor with respect to any substance injected into and recovered from the said lands other than leased substances originally produced from the said lands for which a royalty has not been paid or payable. The Lessor shall bear its reasonable proportion of any expense incurred by the Lessee for separating treating processing and transportation to the point of sale beyond the point of measurement.

  (b) Notwithstanding anything to the contrary herein contained or implied the Lessee shall be entitled to use such part of the production of leased substances from the
- said lands as reasonably may be required and used by the Lessee in its operations hereunder on the said lands, the pooled lands or the unitized lands and the Lessor shall not be entitled to any royalty with respect to leased substances so used
- (c) The Lessor agrees that the royalty reserved and payable hereunder in respect of the leased substances shall be inclusive of any prior disposition of any royalty or other interest in the leased substances and agrees to make all payments required by any such disposition out of the royalty received hereunder and to indemnify and save the Lessee harmless from its failure to do so provided however that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the royalty rental and suspended well payments otherwise payable to the Lessor
- (d) The Lessee shall make available to the Lessor during normal business hours at the Lessee's address for notice the Lessee's records relating to the leased substances produced from or allocated to the said lands

#### **5 LESSER INTEREST**

If the Lessor's interest in the leased substances is less than the entire and undivided fee simple estate, the royalties rentals and suspended well payments herein provided shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee

## 6 TAXES PAYABLE BY THE LESSOR

The Lessor shall promptly pay all taxes rates and assessments that may be assessed or levied directly or indirectly against the Lessor by reason of the Lessor's interest in production of leased substances obtained from the said lands or the Lessor's ownership of the leased substances

#### 7 TAXES PAYABLE BY THE LESSEE

The Lessee shall pay all taxes rates and assessments that may be assessed or levied in respect of the operations of the Lessee on in over or under the said lands and shall further pay all taxes rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production of leased substances from the said lands. The Lessee shall on the written request of the Lessor accompanied by such tax receipts, statements or tax notices as

the Lessee may require reimburse the Lessor for /)of any taxes assessed or imposed on the Lessor while this Lease percent ( remains in force by reason of the Lessor being the registered owner of the leased substances or being entitled to become such owner provided that the Lessee shall at the written request of the Lessor pay the Lessor's said percentage of said tax and be reimbursed from any sums payable to the Lessor under this Lease

#### 8 OFFSET WELLS

If commercial production is obtained after the date of this Lease from an offset well then unless (i) a well has been or is being drilled on the spacing unit of the said lands laterally 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 of the said lands laterally 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 Lessee shall within 6 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 Lessee 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 of that portion of the said lands which comprises or is included in the spacing unit laterally 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 said lands which comprises or is included in the spacing unit laterally 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 all or any portion of the said lands pursuant to the provisions hereof 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 adjoining the spacing unit of the offset well or

  (d) pay to the Lessor at such times as royalty would be payable pursuant to the provisions of this Lease until the provisions of paragraphs (a) (b) or (c) of this clause
- are met a royalty which shall be proportionately equivalent on an acreage basis to such royalty as would have been payable to the Lessor if the leased substances produced from the offset well were actually being produced from a well on the said lands which commenced production on the last day of the said 6 month period provided however that should any spacing unit of the said lands laterally adjoin more than one spacing unit upon which is located an offset well from which commercial production is being obtained the royalty which the Lessee may elect to pay to the Lessor 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

  Notwithstanding anything herein contained the obligations imposed by this clause shall be deemed not to have arisen if (a) the offset well shall cease to be

capable of or ceases commercial production during the said 6 month period or (b) the offset well is productive primarily or only of natural gas and the Lessee has not previously arranged an adequate and commercial market for the natural gas which might be produced from any well to be drilled pursuant to this clause

## 9 POOLING AND UNITIZATION

- (a) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to pool the said lands or any portion thereof or any zone or formation underlying the said lands or any portion thereof or any of the leased substances therein with any other lands or any zone or formation underlying such other lands or any portion thereof or any of the leased substances therein but so that the other lands or any zone or formation thereof together with the said lands or any zone or formation thereof shall not exceed one spacing unit. The Lessee shall thereafter give written notice to the Lessor describing the extent to which the said lands are being pooled and describing the spacing unit with respect to which they are so pooled. In the event of pooling there shall be allocated to that portion of the said lands included in the spacing unit that proportion of the total production of the leased substances from the spacing unit after deducting any leased substances used in operations on the pooled lands which the surface area of that portion of the said lands placed in the spacing unit bears to the total surface area of the lands in the spacing unit. The production so allocated shall be considered for all purposes including the payment of royalty to be the entire production of the leased substances from the pooling in the said lands. lands included in the pooling in the same manner as though produced from the said lands under the terms of this Lease
  - The Lessee may terminate any pooling pursuant to subclause (a) of this clause and thereafter shall give written notice to the Lessor
- (c) If the spacing unit pooled under this clause is varied or terminated by any statute regulation order or directive of any government or governmental agency or if the pooling is terminated or invalidated by reason of the termination or expiration of a lease covering any lands other than the said lands within the spacing unit or any other cause beyond the Lessee's reasonable control and this Lease would otherwise terminate as a result of such variation or termination of the spacing unit or such termination or invalidation of the pooling this Lease shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the spacing unit has been varied or terminated or the pooling has been terminated or invalidated and the term of the Lease may be extended further pursuant to other provisions of this Lease including without limitation the commencement of operations within the said 90 day period
- (d) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to include the said lands or any portion thereof or any zone or formation underlying the said lands or any portion thereof or any of the leased substances therein in a Unit Agreement for the unitized development or operation thereof with any other lands or any zone or formation underlying such other lands or any of the leased substances therein if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall thereafter give written notice to the Lessor stating that the said lands are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the several tracts of unitized lands, and the contents of any such Unit Agreement
- shall be in the sole discretion and determination of the Lessee exercised bona fide and when so determined shall be binding upon the Lessor

  (e) In the event of unitization the production of leased substances which are unitized shall be allocated to that portion of the said lands included in the unit in accordance with the terms of the Unit Agreement. The production so allocated shall be considered for all purposes including the payment of royalty to be the entire production of the leased substances from the portion of the said lands included in the unit in the same manner as though produced from the said lands under the terms of this Lease Upon notice from the Lessor the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the said lands or any portion or portions of the said lands or the leased. substances from the Unit Agreement and shall give the Lessor written notice thereof
- (f) Any operations conducted on the pooled lands or the unitized lands whether conducted before after or during the exercise of the rights and powers granted under this clause or the presence of a shut in or suspended well on the pooled lands or the unitized lands shall have the same effect in continuing this Lease in force and effect during the term hereby granted or any renewal or extension thereof as if such operations were upon the said lands or as if said shut in or suspended well were located on the said lands

## 10 CONDUCT OF OPERATIONS

The Lessee shall conduct all operations on the said lands in a diligent careful and workmanlike manner and in compliance with the provisions of any statutes regulations orders or directives of any government or governmental agency applicable to such operations and where such provisions conflict with the terms of this Lease such provisions shall prevail

## 11 INDEMNIFICATION

The Lessee shall indemnify the Lessor against all actions suits claims and demands by any person or persons whomsoever in respect of any loss injury or damage arising out of or connected with any operations carried out by the Lessee on the said lands the pooled lands or the unitized lands unless such loss injury or damage was caused by the act or omission of the Lessor its agents employees or contractors

## 12 DISCHARGE OF TAXES AND ENCUMBRANCES

The Lessee may at the Lessee's option pay or discharge the whole or any portion of any withholding or other tax charge mortgage lien or encumbrance payable incurred or created by the Lessor or the Lessor's predecessors or successors in title or interest which may now or hereafter exist on or against or in any way affect the said lands or the leased substances in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and at the Lessee's option may reimburse itself by applying the amount so paid by the Lessee against the consideration payable hereunder the rentals suspended well payments royalties or other sums accrued or accruing to the Lessor under the terms of this Lease and any sums so applied shall for all purposes of this Lease be deemed to have been paid to and received by the Lessor in payment of the consideration payable hereunder rentals suspended well payments or royalties or other sums accrued or accruing to the Lessor under the terms of this Lease as the case may be

#### 13 SURRENDER

- (a) Notwithstanding anything herein contained the Lessee may at any time or from time to time by written notice to the Lessor surrender this Lease as to the whole or any part of the leased substances or the said lands or both of them and this Lease 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 Lessee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of (b)
- them so surrendered excepting accrued royalty rentals suspended well payments taxes and assessments. Any rentals paid shall not be refunded

  (c) Upon the said termination, suspended well payments and the obligation to pay rental and royalties shall be extinguished or proportionately reduced as the case may be provided that if the Lessee surrenders all or any part of the said lands by zone or formation the rental hereinbefore specified shall not abate

#### 14 REMOVAL OF EQUIPMENT

The Lessee shall have at all times during the currency of this Lease and for a period of 6 months after its termination the right to remove from the said lands all or any of its machinery equipment structures pipelines casing and materials whether placed upon within or under the said lands

## 15 DEFAULT

- (a) If before or after the expiry of the primary term the Lessor considers that the Lessee has not complied with any provision or obligation of this Lease including but not limited to a failure to give notice or to pay in the manner specified any rental suspended well payments royalty or other sums for which specific provision is made in this Lease the Lessor shall notify the Lessee in writing describing in reasonable detail the alleged breach or breaches. The Lessee shall have 30 days after receipt of such notice to
  - remedy or commence to remedy the breach or breaches alleged by the Lessor and thereafter diligently continue to remedy the same or
  - commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or ommisions constitute a breach or breaches on the part of the Lessee
- (b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the 30 day period or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same and if proceedings have not been commenced for a judicial determination as aforesaid this Lease except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Lease shall thereupon terminate and it shall be lawful for the Lessor to re enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Lease shall not terminate until the existence of such breach has been finally judicially determined, nor shall it terminate if the Lessee within 30 days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches. thereafter diligently continues to remedy the same
- Notwithstanding anything contained in this Lease this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands or on the pooled lands or on the unitized lands a well capable of producing leased substances or any of them or on which operations are being conducted and in that event the Lessor's remedy for any default under this Lease shall be for damages only

#### 16 FORCE MAJEURE

- (a) If operations are interrupted or suspended or cannot be commenced as a result of force majeure this Lease shall not terminate during any such period of interruption suspension or inability to commence caused thereby or for 30 days thereafter

  (b) If the Lessee is unable in whole or in part by force majeure to carry out its obligations hereunder other than any obligation to make payment of any monies due hereunder then the obligations of the Lessee so far as they are affected by such force majeure shall be suspended during the continuance of any inability so caused and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch
  - (c) Nothing herein shall require the settlement of strikes lockouts or other labour disturbances except in the sole discretion of the Lessee

#### 17 QUIET ENJOYMENT

The Lessor covenants and warrants that subject only to such mortgages and encumbrances contained in the existing Certificate of Title the Lessor has not disposed of the Lessor's interest in all or any part of the said lands and the leased substances and has the right and full power to enter into this Lease and o grant and demise the said lands and the leased substances and that the Lessee upon observing and performing the covenants and conditions on the Lessee's part to be observed and performed shall and may peaceably possess and enjoy the same during the primary term of this Lease and any extensions thereof without any int-rruption or disturbance from or by the Lessor or any person claiming under or through the Lessor

## **18 FURTHER ASSURANCES**

The Lessor and the Lessee shall each do and perform all such further acts and execute and deliver all such deeds documents and writings and give all such further assurances as may be reasonably required in order to fully perform and carry out the terms of this Lease

#### 19 MANNER OF PAYMENT

(a) All payments to the Lessor provided for in this Lease shall at the Lessee's option be paid or tendered either to the Lessor or to the depository named in or pursuant to this clause and all such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to said depository which cheque or draft shall be payable in Canadian funds. If payment is made by the Lessee to the depository the Lessor does hereby appoint

as the sole depository for the receipt of all monies payable under this Lease and the Lessor agrees that said depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder regardless of changes of ownership (whether by assignment succession or otherwise and whether in whole or in part) of the said lands or the leased substances or of the consideration payable hereunder rentals suspended well payments or royalties to accrue hereunder. Any payment mailed to the Lessor or to the depository shall be deemed to have been paid 4 days (excluding Saturdays Sundays and statutory holidays) after deposit in any mail box or post office.

(b) The Lesser may not cancel the appointment of a depository without designating a successor but may at any time designate a new depository by giving written notice to the Lessee specifying the name and address of such new depository provided that

i) only a bank trust company credit union or treasury branch in Canada may be designated as a depository

ii) only one depository shall be designated at any one time regardless of whether or not any monies payable hereunder are or become payable to

- more than one person and the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of the 45 day period. All payments or tenders made to such new depository shall be deemed to have been made in accordance with the terms of this Lease.
- (c) If any depository shall at any time resign or fail or refuse to act as the depository hereunder and a new depository is not designated by the Lessor pursuant to the terms of this clause within 10 days from such resignation failure or refusal to act then the Lessee at its option may designate a depository hereunder which depository shall be entitled to charge its usual fees and collect same from the Lessor and said depository shall be the depository to all intents and purposes as if oricinally appointed by the Lessor
- (d) Should the Lessor be a non resident of Canada the Lessor acknowledges and agrees that the Lessee may deduct income withholding or other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the Income Tax Act tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended whereupon the timely remittance by the Lessee of the balance of the payment to the Lessor shall be deemed to constitute full performance by the Lessee in respect of such payment

## 20 ASSIGNMENT

Each of the parties hereto may delegate assign sublet or convey to any other person firm or corporation all or any of the property powers rights and interests obtained by or conferred upon them respectively by this Lease and may enter into all agreements contracts and writings and do all necessary acts and things to give effect to the provision of this clause provided that no assignment by the Lessor shall be binding upon the Lessee notwithstanding any actual or constructive notice or knowledge thereof unless and except when the same be for the entire interest of the Lessor. The Lessee need not act on any assignment until 45 days after the Lessee has been actually furnished with evidence satisfactory to it of such assignment. All payments made within the aforesaid period to the party or parties who would have been entitled to actually furnished with evidence satisfactory to it of such assignment. All payments made within the aloresaid period to the party of parties who would have been entitled to the same in the absence of such assignment shall be deemed to have been made in accordance with the terms of this Lease. The foregoing shall no however prohibit the Lessee from acting upon the assignment prior to the expiration of the aforesaid 45 day period and all payments or tenders made in accordance with such assignment shall be deemed to have been made in accordance with the terms of this Lease provided further that if the Lessee shall assign this Lease as to any part or parts of the said lands then the rental suspended well payments and royalties shall be apportioned among the several lease holders rateably according to the surface area of each and should the assignee or assignees of any such part or parts fail to pay the proportionate part of the rental suspended well payments and royalties payable by him or them such failure to pay shall not affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its assignees shall have made due payment

## 21 NOTICES

- (a)
- All notices communications and statements (herein called notices) required or permitted hereunder shall be in writing. Notices may be served in personally by delivering them to the party on whom they are to be served at that party's address hereinafter given provided such delivery shall be during normal business hours. Personally served notices shall be deemed received by the addressees when actually delivered as aforesaid or in by telegraph or telecommunication (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are to be served at that party's address hereinafter given. Notices so served shall be deemed received by the respective addressees thereof (1) when actually received by them if received within the normal working hours of a business day or (2) at the commencement of the next ensuing business day following transmission thereof whichever is the earlier or
  iii) by mailing them first class (air mail if to or from a location outside of Canada) post postage prepaid to the party on whom they are to be served
  - Notices so served shall be deemed to be received by the addressee at noon local time on the earlier of the actual date of receipt or the 4th day (excluding Saturdays Sundays or statutory holidays) following the mailing thereof. No notice shall be effective if mailed during any period in ich postal workers are on strike or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the notice
- (b) The address for service of notices shall be as follows

Lessee Lessor

- Any party may change its address for service by notice to the other party served as aforesaid Nothing herein shall in any way affect the method of the payment of monies as set out in clauses 19 and 20 of this Lease

#### 22 ENTIRE AGREEMENT

The terms of this Lease constitute the entire agreement between the parties and no implied covenant or liability of any kind is created or shall arise by reason hereof or anything contained herein. This Lease supersedes and replaces all previous oral or written agreements memoranda correspondence or other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Lease may be modified or affected by statute regulation order or directive of any government or governmental agency.

#### 23 NO AMENDMENT EXCEPT IN WRITING

No amendment or variation of the terms of this Lease shall be binding on any party unless it is evidenced in writing executed by the parties

### 24 TIME OF THE ESSENCE

Time shall be of the essence

#### **25 ENUREMENT**

This Lease shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs executors administrators successors and assigns

#### **26 SEVERABILITY**

If any provision hereof becomes illegal or unenforceable, the provision will be deemed to be severed and the Lease shall continue as amended

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease on the day and year first above written SIGNED SEALED AND DELIVERED

by the Lessor in the presence of

Witness Lessor Seal
Witness Per

#### HOMESTEAD ACT CONSENT TO DISPOSITION AND ACKNOWLEDGEMENT

1	the spouse of the Lessor c	onsent to the disposition of the homestead effected by	this
Lease and Grant and acknowled	ge that		
	esteads Act gives me a life estate in the homestead and I have the right	to prevent this disposition of the homestead by	
withholding my consent			
2 I am aware that the effect	of this consent is to give up my life estate in the homestead to the exte	int necessary to give effect to this disposition, and	
3 I execute this consent ap-	art from my spouse freely and voluntarily without any compulsion on the	e part of my spouse	
DATED at	in the Province of Manitoba this	day of	
A Commissioner for Oaths i	n and for the Province of Manitoba Signature		

My Appointment Expires	(or Being a Solicito	r)		
CANADA	AFFIDAVIT BY MA	AFFIDAVIT BY MAKER OF INSTRUMENT		
PROVINCE OF MANITOBA	I			
TO WIT	of the make oath and say	of	in the PROVINCE OF MANITOE	

1 THAT I am (one of) the Lessor(s) named in the instrument

2 THAT I have no spouse

or

3 THAT the person who consents as spouse to the within instrument is my spouse

or

)

4 THAT no part of the land referred to in the instrument is or ever has been the homestead of me the Lessor

5 THAT my co Lessor is my spouse

SWORN before me at )

in the Province of Manitoba this

day of

A Commissioner for Oaths in and for the Province of Manitoba

Signature

My Appointment Expires

(or Being a Solicitor)

CANADA
PROVINCE OF MANITOBA
TO WIT

AFFIDAVIT OF EXECUTION

I

of the of make oath and say

in the PROVINCE OF MANITOBA

Lessee

1 THAT I was personally present and did see

named in the within instrument who is (are) personally known to me to be the person(s) named therein duly sign seal and execute the same for the purposes named therein

2 THAT the same was executed at

in the Province of Manitoba and that I am the subscribing witness thereto

3 THAT I know the said

and he (or she) is (or they are each) in my belief of the full age of eighteen years

SWORN before me at )
in the Province of Manitoba this )
day of A D

A COMMISSIONER FOR OATHS in and for the Province of Manitoba

My Appointment Expires (or Being a Solicitor)