

PETROLEUM AND NATURAL GAS  
LEASE AND GRANT

THIS INDENTURE (hereinafter called "**this Agreement**") is dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and made between:

\_\_\_\_\_  
(the "**Lessor**")

-AND-

\_\_\_\_\_  
(the "**Lessee**")

having an office in the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_

THE LESSOR is the registered owner, or entitled to become registered as owner, of the Leased Substances within or upon the lands legally described as follows:

\*

as more particularly described and set forth in Certificate(s) of Title No. \_\_\_\_\_  
(in this Agreement called the "**Certificate of Title**").

In consideration of this Agreement being signed, sealed and delivered and other good and valuable consideration given to the Lessor by the Lessee, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the covenants of the Lessee hereinafter contained, THE LESSOR HEREBY LEASES AND GRANTS the Lands and all the Leased Substances within or upon the Lands exclusively to the Lessee, subject to the royalties hereinafter reserved, together with the exclusive right and privilege to conduct Operations to explore for, drill for, operate, produce, win, take, remove, treat and dispose of the Leased Substances and to inject substances into and recover such substances from the Lands as is permitted by the Regulations (but shall not include any right to store or dispose of substances in the Lands) for the purpose of obtaining, maintaining or increasing production of the Leased Substances from the Lands, the Pooled Lands or the Unitized Lands.

THE LESSEE IS TO HAVE AND ENJOY the same for the term of \_\_\_\_\_ (\_\_\_\_\_) months (in this Agreement called the "**Primary Term**") commencing on the Effective Date and continuing to midnight of the day ending the Primary Term and so long thereafter as continued pursuant to Clause 4.

THE LESSOR AND THE LESSEE HEREBY COVENANT AND AGREE AS FOLLOWS:

1. **INTERPRETATION**

In this Agreement, in addition to terms defined parenthetically herein, the following expressions shall have the following meanings:

- (a) "**Anniversary Date**" means that date which corresponds to the day after expiry of the Primary Term in each subsequent calendar year during which this Agreement remains in force.
- (b) "**Current Market Value**" means:
  - (i) if the Lessee sells the Leased Substances pursuant to a bona fide arm's-length sale or transaction, the value actually received by the Lessee; and
  - (ii) in any other case, the average market price which the Lessee would have received for the sale of like substances in the area in which the Lands are located as and when the Leased Substances were produced, provided that such value is reasonable in the circumstances having regard to the current market conditions that would have otherwise been applicable in a bona fide arm's-length sale or transaction.
- (c) "**Effective Date**" means 12:01 a.m. on the date of this Agreement first above written.
- (d) "**Force Majeure**" means any cause beyond the Lessee's reasonable control which may include, without limitation, an act of God, strike, lockout or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, accidents, inability to obtain necessary materials or equipment in the open market, severe weather conditions, or a change in government policy or the Regulations that impose new restraints on Operations (including, without limitation, moratoriums restricting or suspending the ability to conduct Operations in one or more Zones or on the Lands or the Pooled Lands or the Unitized Lands), but shall not include lack of finances.

- (e) **"Horizontal Well"** means a well with one or more horizontal sections, or a well that is classified or approved as a horizontal well pursuant to the Regulations.
- (f) **"Lands"** means all the lands described above, any roadways, lanes or rights of way adjoining such lands, and all Zones from \_\_\_\_\_ to \_\_\_\_\_ underlying such lands, to the extent same are included in the Certificate of Title or in any other similar document of title issued in replacement of the Certificate of Title, except all such portions thereof as have terminated, expired or been surrendered pursuant to the terms of this Agreement.
- (g) **"Lease Year"** means a period of one year commencing on each Anniversary Date of this Agreement beyond expiry of the Primary Term and ending at midnight of the day immediately preceding the next Anniversary Date.
- (h) **"Leased Substances"** means:
- ☐ For both petroleum and natural gas rights – all Petroleum Substances, or any of them; or
- ☐ For natural gas rights only – those Petroleum Substances, or any of them, as are determined under the Regulations to be attributable to the owner of natural gas rights only; or
- ☐ For petroleum rights only – those Petroleum Substances, or any of them, as are determined under the Regulations to be attributable to the owner of petroleum rights only;
- and that are obtained from the Lands and allocated to the Lands from other lands with which the Lands have been pooled or unitized, but only to the extent that the foregoing are included in the Certificate of Title or in any other similar document of title issued in replacement of the Certificate of Title.
- (i) **"Notice"** means any notice required or permitted in this Agreement, which shall be in writing.
- (j) **"Offset Well"** means any well drilled before or subsequent to the Effective Date on, into or through any Spacing Unit laterally or diagonally adjoining a Spacing Unit wholly or partially comprising the Lands, which Spacing Unit does not include lands owned by the Lessor or, if owned by the Lessor, not under lease to the Lessee, which is obtaining production of the same kind of Petroleum Substances as comprise the Leased Substances that had not been produced prior to the Effective Date from any well from the same individual stratum or formation strata member of a Zone within such adjoining Spacing Unit; provided, however:
- (i) if the Regulations then permit more than one well to be drilled into the same stratum or formation strata member of a Zone in any such Spacing Unit that is greater in size than one quarter section for gas and one legal sub-division for oil, then only those wells drilled on, into or through a quarter section, in the case of gas, or a legal sub-division, in the case of oil, that laterally or diagonally adjoins the Lands shall be considered to be an Offset Well or Offset Wells, as applicable, and this reduced area shall be considered the adjoining Spacing Unit for purposes of Clause 6; and
- (ii) a Horizontal Well shall be an Offset Well only to the extent of that portion of the Productive Horizontal Section contained within such an adjoining Spacing Unit or, in the above case of increased well density, the smaller adjoining quarter section or legal sub-division, as is applicable.
- (k) **"Operations"** means any of the following with respect to the Lands, the Pooled Lands or the Unitized Lands:
- (i) drilling, testing, completing, reworking, recompleting, re-entering, deepening, plugging back or repairing a well or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any Leased Substances;
- (ii) the production of any Leased Substances;
- (iii) the recovery of any injected substance;
- (iv) the extraction of water for the purpose of obtaining, maintaining or increasing production of Leased Substances from the Lands, Pooled Lands or Unitized Lands; or
- (v) any acts for or incidental to any of the foregoing.
- (l) **"Petroleum Substances"** means petroleum, natural gas and all other hydrocarbons, or any of them (except coal), and all materials and substances (except valuable stone) produced in association with petroleum, natural gas or other hydrocarbons, whether liquid, solid or gaseous, or found in any water contained in any Zone, and whether hydrocarbons or not.
- (m) **"Pooled Lands"** means all or any portion of the Lands and such other lands as have been pooled in accordance with the terms of this Agreement or pursuant to the Regulations.
- (n) **"Productive Horizontal Section"** means, unless otherwise determined under the Regulations, all of that portion of a Horizontal Well measured from the point of entry into the top of the stratum member to be produced from a Zone to the end termination point of a horizontal leg based on the final as-drilled survey, whether or not contained entirely within the Lands, which end termination point shall be adjusted to deduct any length of the horizontal leg that is permanently plugged back or cemented off at commencement of production.
- (o) **"Regulations"** means, as may be amended, any applicable statute, regulation, license, grant, order or directive of any government, governmental agency, court or quasi-judicial body having jurisdiction in respect of the Lands.
- (p) **"Royalty Determination Point"** means:
- (i) in the case of crude oil and liquid hydrocarbons extracted from natural gas at the wellhead, at the first point of metering, measurement or allocation downstream of the wellhead, as applicable, after any treatment for the separation, removal and disposal of basic sediment, water and other impurities;
- (ii) in the case of natural gas and any liquid hydrocarbons processed, extracted or enriched at a gas plant, at the outlet valve of the gas plant; and
- (iii) in the case of raw natural gas sold or used by the Lessee for purposes other than as allowed pursuant to Subclause 3(d), the first point of metering, measurement or allocation downstream of the wellhead after any wellsite dehydration.
- (q) **"Spacing Unit"** means:
- (i) the area allocated to a well from time to time for the purpose of drilling for or producing, as the case may be, Petroleum Substances or any of them, as defined or prescribed by or under any Regulations, other than for purposes of drilling for or producing a Horizontal Well, and
- (ii) for purposes of drilling for or producing a Horizontal Well, the area or areas that would otherwise be allocated to one or more wells under Paragraph (i) above if drilled into the lands containing any portion of the Productive Horizontal Section;

provided that the pooling of the Lands with other lands to complete a Spacing Unit shall be subject to the provisions of Clause 7 and the granting of a holding, downspacing or similar grant under the Regulations or suspension of any

applicable Regulation with respect to the location of wells utilized in development on the Lands, any Pooled Lands or Unitized Lands shall not be considered a variance or termination of any combination of lands or allocation of production that occurred under this Agreement prior to any alteration of the area or spacing allowed for wells under the Regulations, except as provided for in Subclause 7(f).

- (r) **"Unitized Lands"** means all or any portion of the Lands and such other lands as have been unitized in a unit that includes any part of the Lands in accordance with the terms of this Agreement and pursuant to the Regulations.
- (s) **"Unit Agreement"** means any agreement, as authorized hereunder and approved in accordance with the Regulations, for the unitization of all or any portion of the Lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in that agreement.
- (t) **"Zone"** means any subsurface geologic stratum or a number of inter-related rock strata having comparable lithology, facies or other similar properties, as is determined by the governing bodies under the Regulations to be members of a formation, and means any grouping of related formations, as is considered distinctly separate and apart from any other stratum, strata member, formation or group for Crown lease continuation purposes; provided, however, in the event of any re-designation of a formation or group under the Regulations to include or exclude certain strata members comprising the formation or those formations contained within the group, which occurs after an earlier designation has been used to determine a Zone for purposes of this Agreement, that earlier designation shall continue to apply for the term of this Agreement.

## 2. LEASE PAYMENT

- (a) In addition to all the other consideration given to the Lessor by the Lessee and subject to any adjustment for reimbursements as provided for in Clause 10, the Lessee shall pay to the Lessor within ninety (90) days of the Effective Date (in this Clause called the **"Payment Date"**) the sum of:

Dollars (\$ \_\_\_\_\_)

(in this Agreement called the **"Lease Payment"**).

- (b) The Lessee shall not commence Operations until the Lease Payment has been made. In the event the Lease Payment has not been paid on or before the Payment Date, the provisions of Clause 13 shall not apply and this Agreement shall terminate, in which event the obligations of the parties hereto shall be at an end; except, subject to Subclause 2(c), the obligation of the Lessee to pay the Lease Payment to the Lessor shall survive the termination of this Agreement as liquidated damages and not as a penalty.
- (c) If the Lessee determines that there are deficiencies with respect to the title of the Lessor to the Lands such that a reasonable lessee of the Lessor's interest in the Lands would not accept such title, the Lessee shall, on or before the Payment Date, give the Lessor written Notice of such deficiencies, providing reasonable particulars of same, and the Lessee shall thereupon no longer be required to pay the Lease Payment to the Lessor and this Agreement shall terminate and be at an end. Failure by the Lessee to give the Lessor Notice of deficiencies as aforesaid shall be deemed agreement by the Lessee to accept any such deficiencies in the context of this Agreement.

## 3. ROYALTY

- (a) Subject to Subclause 3(c), the Lessor reserves a royalty share of the Leased Substances and the Lessee shall pay to the Lessor, in satisfaction of such royalty share, a royalty (in this Agreement called the **"Royalty"**) in an amount equal to the Current Market Value at the Royalty Determination Point of \_\_\_\_\_ percent (\_\_\_\_%) of the Leased Substances produced, saved and sold from the Lands, or otherwise allocated thereto pursuant to any pooling or Unit Agreement, or used by the Lessee for a purpose other than that described in Subclause 3(d). In computing the Current Market Value at the Royalty Determination Point, the Lessee may deduct those expenses allowed by the Crown under the Regulations related to the Royalty percentage share of Leased Substances sold or so allocated or used, provided that such deductions shall not exceed fifty percent (50%) of the Royalty amount owing for the Leased Substances sold or so allocated or used by the Lessee in a month, before any such deductions.
- (b) The Royalty shall be payable on or before the fifteenth day of the third month following the month in which the Leased Substances were sold or used by the Lessee for a purpose other than that described in Subclause 3(d).
- (c) If the Lessor's undivided interest in the Leased Substances is less than the entire and undivided fee simple estate, the Royalty shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee simple estate.
- (d) Notwithstanding anything to the contrary herein contained or implied, the Lessor shall not be entitled to any Royalty with respect to that portion of the Leased Substances as may be reasonably lost or required to fuel any equipment used by the Lessee in its Operations or used at any processing facilities beyond the wellhead to make such Leased Substances saleable; provided that, if any such equipment or processing facilities are not used solely for handling or processing the Leased Substances to make them saleable, the Lessor shall not be entitled to any Royalty with respect only to that portion of the Leased Substances determined to be so lost or used based on that percentage that the volume of such Leased Substances bears to the total volume of all Petroleum Substances processed from all wells through such equipment or facilities in each month.
- (e) The Lessor agrees that the Royalty shall be inclusive of any prior disposition of any other royalty or other interest in the Leased Substances evidenced on the Certificate of Title and further agrees to make all payments required by any such prior disposition out of the Royalty and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by Notice to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from any Guaranteed Payment, as defined in Subclause 4(b), or Royalty otherwise payable to the Lessor.
- (f) The Lessee shall, upon receipt of Notice from the Lessor requesting access, make available to the Lessor or its authorized representative during a business day (as defined in Subclause 20(a)) at the Lessee's address for Notice or principal place of business, the Lessee's production and financial records relating to the Leased Substances produced from or allocated to the Lands.

## 4. CONTINUATION BEYOND PRIMARY TERM

- (a) Subject to the provisions of Clause 11, this Agreement shall continue beyond the expiry of the Primary Term or the expiry of any Lease Year thereafter, so long as any one of the following apply:
  - (i) there is a well on the Lands or Pooled Lands that, to the extent reasonably necessary, has been adequately perforated, stimulated and treated to obtain production of the Leased Substances from one or more Zones,



provided that all such Zones are not abandoned and the well is not being used solely for pressure maintenance, pressure observation, water source, water disposal or any purpose other than production of the Leased Substances;

- (ii) the Lessee has elected, or has been deemed to have elected, to pay a royalty pursuant to Paragraph 6(a)(iv);
  - (iii) the Lessee has spud a well or has re-entered a well on the Lands or Pooled Lands for the purpose of obtaining, maintaining or increasing production of the Leased Substances and, at such expiry date, is continuously carrying out all such Operations as are reasonably pertinent to the drilling or re-entry of that well for that purpose, in which case the provisions of this Subclause shall again apply, mutatis mutandis, ninety (90) days after cessation of such Operations for determination of the continuation of this Agreement, unless otherwise continued pursuant to Subclause 4(e); or
  - (iv) any of the Lands are Unitized Lands.
- (b) Insofar as this Agreement is continued beyond the Primary Term pursuant to the provisions of Subclause 4(a), the total amount of the Royalty paid to the Lessor pursuant to Clause 3 in every Lease Year thereafter shall not be less than an amount equal to Twelve Dollars and Fifty Cents (\$12.50) per net hectare (using a conversion rate of 2.5 acres to 1 hectare if the area of the Lands is given in acres on the Certificate of Title), based on the Lessor's undivided interest in that portion of the Lands which were subject to this Agreement at the end of such Lease Year (such amount in this Agreement called the "**Guaranteed Payment**"). If the Royalty paid in any such Lease Year is less than the Guaranteed Payment, any difference shall be paid to the Lessor on or before the fifteenth day of the third month following the month in which such Lease Year expires.
- (c) Failure to correctly calculate or make a Guaranteed Payment pursuant to this Clause shall be subject to remedy in accordance with Clause 13.
- (d) At the end of the third Lease Year beyond expiry of the Primary Term and at the end of every subsequent Lease Year thereafter, regardless of whether this Agreement would otherwise meet any of the conditions for continuation as provided for in Subclause 4(a), if all of the wells on the Lands, the Pooled Lands and the Unitized Lands have collectively produced Leased Substances for less than an aggregate of seven hundred and twenty (720) hours (with all production hours obtained from all such wells at any time during a Lease Year as reported under the Regulations) in each and every one of the preceding three (3) consecutive Lease Years, this Agreement shall then terminate at the end of such third consecutive Lease Year unless the Lessee has satisfied the conditions of Subclause 4(e) for further continuation.
- (e) If this Agreement would otherwise terminate in accordance with Subclause 4(d), and, at such expiry date, the Lessee is then conducting Operations as described in Paragraph 4(a)(iii) or, at any time during the last Lease Year, the Lessee has drilled, re-entered, deepened, completed, reworked or recompleted a well, or commenced to inject substances, for the purpose of obtaining, maintaining or increasing production of any Leased Substances from the Lands, Pooled Lands or Unitized Lands, this Agreement shall then continue to remain in force for one additional Lease Year. At expiry of any such additional Lease Year, this Agreement shall terminate unless the Lessee has then obtained production of the Leased Substances for more than an aggregate of seven hundred and twenty (720) hours collectively from all of the wells on the Lands, the Pooled Lands and the Unitized Lands during that additional Lease Year; in which case, this Agreement will be continued thereafter, subject to meeting the conditions of Subclause 4(a), until the conditions of Subclause 4(d) again apply.

## 5. TAXES

- (a) The Lessee agrees to pay:
- (i) all taxes, rates and assessments that are assessed or levied, directly or indirectly, for Operations of the Lessee in respect of the Lands;
  - (ii) all taxes, rates and assessments that are assessed or levied, directly or indirectly, in respect of the production of Leased Substances from, or allocated to, the Lands; and
  - (iii) any taxes, rates or assessments that are assessed or levied, directly or indirectly, on the Lessor in respect of the Lessor's fee simple ownership of the Lands, other than income taxes related to the Royalty or other payments received by the Lessor from, or on behalf of, the Lessee pursuant to this Agreement.
- (b) The Lessor, upon Notice from the Lessee accompanied by such tax receipts, statements or tax notices as the Lessor may require, agrees to deductions from any Guaranteed Payment or Royalty accruing to the Lessor in an amount equal to the Royalty percentage of all taxes, rates and assessments that are assessed or levied, directly or indirectly, in respect of:
- (i) the production of Leased Substances from the Lands; and
  - (ii) the Lessor's fee simple ownership of the Lands.

## 6. OFFSET WELLS

- (a) If, at any time after the Effective Date, production is obtained from an Offset Well then, unless Operations are being conducted on the Spacing Unit of the Lands laterally or diagonally adjoining the Spacing Unit of such Offset Well with respect to the same stratum or formation strata member of the Zone from which such production is being obtained, the Lessee shall, within the later of six (6) months from the date of the Offset Well being placed on production or, if information with respect to the Offset Well is restricted pursuant to any Regulations and such information is unknown to the Lessee, within three (3) months after such information is made public (in this Clause called the "**Offset Obligation Date**"), and provided that the Offset Well has not by that time been abandoned, do at least one of the following:
- (i) commence or cause to be commenced Operations on that portion of the Lands which comprises or is included in the Spacing Unit laterally or diagonally adjoining the Spacing Unit of the Offset Well for the purpose of obtaining production of that kind of Petroleum Substance, from the same stratum or formation strata member of the Zone, as is being obtained from the Offset Well, provided that any single well drilled in accordance with this Paragraph will satisfy the obligations created under this Clause related to any one or more Offset Wells, all obtaining from time to time the same kind of Petroleum Substance from the same stratum or formation strata member of that Zone in such adjoining Spacing Unit;
  - (ii) pool or unitize that portion of the Lands which comprises or is included in the Spacing Unit laterally or diagonally adjoining the Spacing Unit of the Offset Well, with such Pooled Lands or Unitized Lands obtaining or being allocated production of that kind of Petroleum Substance, from the same stratum or formation strata member of the Zone, as is being obtained from the Offset Well;

- (iii) surrender all or any portion of the Lands pursuant to the provisions of Clause 11, provided that the surrender shall include, but may be limited to, the same stratum or formation strata member of the Zone and kind of Petroleum Substance being produced from the Offset Well as are underlying that portion of the Lands which comprises or is included in the Spacing Unit laterally or diagonally adjoining the Spacing Unit of the Offset Well; or
- (iv) defer its obligations under Paragraphs 6(a)(i), 6(a)(ii) and 6(a)(iii) beyond the Offset Obligation Date and commence to pay to the Lessor, pursuant to the provisions of this Agreement, a royalty which shall be equal to the Royalty that would be payable to the Lessor as if the Petroleum Substances produced from the Offset Well at any time, and from time to time, were actually being produced from the Lands, with production deemed to have commenced on the Offset Obligation Date; provided, however, should any Spacing Unit of the Lands laterally or diagonally adjoin more than one Spacing Unit containing an Offset Well, or one Spacing Unit that contains more than one Offset Well, all from which production of the same kind of Petroleum Substance is being obtained from the same stratum or formation strata member of the Zone, 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 all such Offset Wells, as applicable. In the event such Offset Wells are not producing the same kind of Petroleum Substance or are being produced from different Zones or different stratum or formation strata members of a Zone, the royalty shall be paid with respect to the production of each such kind of Petroleum Substance or from each such Zone, stratum or formation strata member. The royalty payable for a Horizontal Well that is an Offset Well, subject to any application of Paragraph 1(j)(ii), shall be determined based on that portion of the total production from that Horizontal Well that is equal to the percentage that the total length of the Productive Horizontal Section(s) located on the offsetting Spacing Units bears to the total length of the Productive Horizontal Section(s) of that Horizontal Well.
- (b) If the Lessee fails to satisfy the obligation created by the Offset Well pursuant to Paragraphs 6(a)(i), 6(a)(ii) or 6(a)(iii) by the Offset Obligation Date, it shall be deemed to have elected to pay a royalty in accordance with Paragraph 6(a)(iv). If the Lessee has elected or has been deemed to have elected to pay a royalty in accordance with Paragraph 6(a)(iv), the Lessee shall subsequently be entitled to undertake any of the actions set out in Paragraphs 6(a)(i), 6(a)(ii) and 6(a)(iii) and, when such actions have been completed or when all the applicable Offset Wells are abandoned, the obligations of the Lessee under Paragraph 6(a)(iv) shall terminate.
- (c) Notwithstanding anything to the contrary contained in Subclause 6(a), an offset obligation shall not exist if there is a well drilled on a Spacing Unit, comprised of any portion of the Lands that laterally or diagonally adjoins the Spacing Unit of the Offset Well, for purposes of obtaining any kind of Petroleum Substances from the same pool as designated by the Regulations.

## 7. POOLING AND UNITIZATION

- (a) The Lessee is hereby given the right, power and authority, at any time during and after the Primary Term, to pool the Lands or Leased Substances, or any portion thereof, with any other lands, geologic zones or substances provided that the area so pooled shall not exceed the Spacing Unit applicable to any Operation to be conducted on or in such Pooled Lands. The Lessee shall give Notice to the Lessor describing the extent to which the Lands or Leased Substances are being or have been pooled and describing the Spacing Unit with respect to which they are so pooled.
- (b) In the event of pooling to form a Spacing Unit for a well, other than a Horizontal Well, there shall be allocated to the Lands included in the Spacing Unit that proportion of the total pooled production from the Spacing Unit which the surface area of the Lands included in the Spacing Unit bears to the total surface area of the lands in the Spacing Unit.
- (c) In the event of pooling to form the Spacing Unit for a Horizontal Well, unless otherwise prescribed under the Regulations, there shall be allocated to the Lands that portion of the total pooled production from that Horizontal Well that is equal to the percentage that the total length of the Productive Horizontal Section(s) located on the Lands bears to the total length of the Productive Horizontal Section(s) of that Horizontal Well.
- (d) The production so allocated under Subclauses 7(b) and 7(c) shall be considered for all purposes, including the payment of the Royalty, to be the entire production of Leased Substances from the Lands included in the pooling in the same manner as though produced from the Lands under the terms of this Agreement.
- (e) The Lessee may terminate any pooling made pursuant to Subclause 7(a) and shall give Notice of such termination to the Lessor in a timely manner.
- (f) If the Spacing Unit pooled under this Clause is varied or terminated by any Regulations, or if the pooling is terminated or invalidated by reason of the termination or expiration of an agreement covering any lands, other than the Lands, within the Spacing Unit, or any other cause beyond the Lessee's reasonable control, and this Agreement would otherwise terminate as a result of such variation or termination of the Spacing Unit or such termination or invalidation of the pooling, this Agreement shall nonetheless continue in force for a period of ninety (90) days after the Lessee receives notice that the Spacing Unit has been varied or terminated or that the pooling has been terminated or invalidated and the term of this Agreement may be extended further pursuant to other provisions of this Agreement, including, without limitation, the commencement of Operations within such ninety (90) day period.
- (g) The Lessee is hereby given the right, power and authority at any time and from time to time during and after the Primary Term to include the Lands or Leased Substances, or any portion thereof, in a Unit Agreement if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall forthwith give written Notice to the Lessor stating that such Lands or Leased Substances are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the tracts of unitized lands and the terms of any such Unit Agreement shall be at the sole discretion and determination of the Lessee, exercised bona fide, and shall be binding upon the Lessor.
- (h) In the event of unitization, the production of Leased Substances which are unitized shall be allocated to the 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 the Royalty, to be the entire production of the Leased Substances from the Lands included in the unit in the same manner as though produced from the Lands under the terms of this Agreement. 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 to the Lessee hereunder has been exercised. The Lessee shall also have the right and power to withdraw the Lands or Leased Substances, or any portion thereof, from the Unit Agreement and shall forthwith give the Lessor Notice thereof.

- (i) Subject to Subclause 4(d), 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 to the Lessee under this Clause, or the presence of any well not abandoned on the Pooled Lands or the Unitized Lands, shall have the same effect in continuing this Agreement in force and effect during the term hereby granted, or any continuance or extension thereof, as if such Operations were upon the Lands or as if such well was located on the Lands.

## **8. CONDUCT OF OPERATIONS**

The Lessee shall conduct all Operations in a diligent, careful and workmanlike manner and in compliance with the Regulations; and, where the Regulations conflict with the terms of this Agreement, the Regulations shall prevail.

## **9. INDEMNIFICATION**

In respect to any Operations conducted by the Lessee, its invitees, agents, employees or contractors on the Lands, Pooled Lands or Unitized Lands, the Lessee shall be liable to the Lessor for all losses, costs, damages and expenses whatsoever which the Lessor may suffer, sustain pay or incur and indemnify and hold harmless the Lessor against all actions, causes of action, proceedings, claims, demands and expenses which may be brought against or suffered by the Lessor or which it may sustain, pay or incur (including reasonable legal fees and disbursements on a solicitor and its own client basis), except insofar as such loss, injury or damage was caused by the negligence or fraud of the Lessor, its invitees, agents, employees or contractors. Notwithstanding the foregoing, the Lessee shall have no liability for indirect, consequential, business or economic loss, loss of profit, punitive damages or tax liabilities of the Lessor.

## **10. DISCHARGES BY LESSEE**

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 other 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 Lands or the Leased Substances. In such 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 Lease Payment, Guaranteed Payments, Royalty payments or other sums accrued or accruing to the Lessor under the terms of this Agreement.

## **11. SURRENDER AND DEEP RIGHTS REVERSION**

- (a) The Lessee may, at any time, by Notice to the Lessor, surrender this Agreement as to the whole or any portion of the Lands, or Zones thereof, and this Agreement shall thereupon terminate as to that portion of the Lands or Zones so surrendered.
- (b) Upon the said termination, the obligations of the Lessee shall be reduced, as the case may be, proportionately equivalent to the surface area of only that portion of the Lands so surrendered as to all Zones thereunder.
- (c) Subject to Subclause 11(d), at the expiry of the Primary Term, this Agreement shall terminate as to all Zones below the base of the deepest of:
  - (i) the Zone being produced from any Well on the Lands, the Pooled Lands or the Unitized Lands;
  - (ii) the Zone which has been completed, tested and shows the presence of any of the Leased Substances in any well on the Lands, the Pooled Lands or the Unitized Lands, provided that, at the end of the third Lease Year after expiry of the Primary Term, the provisions of this Subclause (c) shall again apply for continuation of this Agreement with respect only to those Zones to the base of the deepest Zone, if any, as is applicable at that time under Paragraphs 11(c)(i) and 11(c)(iii); or
  - (iii) the Zone related to an Offset Well for which the Lessee is paying compensatory royalties in accordance with Paragraph 6(a)(iv).
- (d) If Operations are in progress at the end of the Primary Term pursuant to Paragraph 4(a)(iii), the date of termination pursuant to Subclause 11(c) shall be extended to ninety (90) days after the cessation of such Operations, notwithstanding anything to the contrary contained or implied in this Clause and regardless of this Agreement being otherwise continued beyond the Primary Term pursuant to any other provision of Clause 4.
- (e) The Lessee shall give Notice to the Lessor, providing reasonable particulars of termination pursuant to Subclauses 11(c) or 11(d), within the later of ninety (90) days after the expiry of the Primary Term or cessation of such Operations. If the Lessor believes that such surrender and reversion is not in compliance with the terms of this Agreement, the Lessor shall give the Lessee Notice with particulars of the non-compliance within sixty (60) days after receipt of the Lessee's Notice and the provisions of Clause 13 shall then apply. If no such Notice is received by the Lessee, the Lessor shall be deemed to have accepted such termination.

## **12. REMOVAL OF CAVEAT**

In the event the Lessee has registered this Agreement, or any caveat or other document with respect thereto, in the Land Titles Office, the Lessee shall withdraw or discharge such registration within the earlier of ninety (90) days following the complete termination of this Agreement or thirty (30) days from receipt of the Lessor's written request made at any time following the date of such termination.

## **13. DEFAULT**

- (a) If, before or after the expiry of the Primary Term, the Lessor considers that the Lessee has not complied with any provisions or obligations of this Agreement, including but not limited to a failure to give Notice or to pay, in the manner specified herein, any Guaranteed Payments, Royalty payments or other sums for which specific provision is made in this Agreement, the Lessor shall give the Lessee Notice describing in reasonable detail the alleged breach or breaches. The Lessee shall have thirty (30) days after receipt of such Notice to either:
  - (i) remedy or commence to remedy the breach or breaches alleged by the Lessor and thereafter to diligently continue to remedy the same; or
  - (ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions 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 the breach or breaches within such thirty (30) day period or, if having so commenced to remedy the breach or breaches, thereafter fails to continue diligently to remedy the same, or if



proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, 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 Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the Lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been judicially determined and all appeal periods have expired; nor shall it terminate if the Lessee has within thirty (30) days of such final determination 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.

- (c) Subject to the provisions of Clauses 4 and 11, this Agreement shall not terminate nor be subject to forfeiture or cancellation if there is located on the Lands, the Pooled Lands or the Unitized Lands a well on which Operations are being conducted or a well which has been completed for the production of Leased Substances or any of them and, in the foregoing events, the Lessor's remedy for any default under this Agreement shall be for damages only.

#### 14. FORCE MAJEURE

- (a) If Operations are interrupted, suspended or cannot be commenced as a result of Force Majeure, this Agreement shall not terminate or expire during any such period of interruption, suspension or inability to commence, and for ninety (90) days thereafter, or for such additional period of time that the Lessee may require to re-commence Operations under the circumstances acting in a diligent and reasonable manner.
- (b) If the Lessee is unable, in whole or in part, by reason of Force Majeure to carry out its obligations hereunder, except for any obligation to make payment of any monies due hereunder other than with respect to the payment of royalties under Paragraph 6(a)(iv) which shall abate during the period of Force Majeure, 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 by the Lessee with all reasonable dispatch.
- (c) Within thirty (30) days of an event of Force Majeure, and no later than fifteen (15) days prior to the expiry of the ninety (90) day period as provided for in Subclause 14(a) in the event the Lessee requires additional time, the Lessee shall provide Notice to the Lessor outlining, in reasonable detail, the event of Force Majeure or those circumstances, as is applicable in each case, prohibiting the Lessee from fulfilling its obligations under this Agreement. If the additional period of time required exceeds thirty (30) days, such Notice shall again be served for receipt by the Lessor prior to the expiry of every thirty (30) day period during which such circumstances continue to exist.
- (d) Nothing herein shall require the settlement of strikes, lockouts or other labour or industrial disturbances except in the sole discretion of the Lessee.

#### 15. QUIET ENJOYMENT

The Lessor covenants and warrants that, subject only to such endorsements contained in or registered against the existing Certificate of Title, as of the Effective Date: i) it has not disposed of any of its interest in all or any part of the Lands and the Leased Substances; ii) it has the right and full power to enter into this Agreement and to grant and demise the Lands and the Leased Substances; and iii) 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 Agreement and any continuance or extension of this Agreement without any interruption or disturbance from or by the Lessor or any person claiming under or through the Lessor.

#### 16. 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 Agreement.

#### 17. MANNER OF PAYMENT

- (a) All payments to the Lessor provided for in this Agreement shall, at the Lessee's option, be paid or tendered:
  - (i) directly to the Lessor; or
  - (ii) by delivery to the Lessor's address pursuant to Clause 20; or
  - (iii) by delivery to the depository named in this Clause.
- (b) All such payments may be made by cheque, bank draft or electronic deposit by the Lessee either mailed or delivered to the Lessor or to said depository, which payments shall be payable in Canadian funds.
- (c) Any payment mailed by prepaid mail, posted in Canada and properly addressed to the Lessor or to the depository, as the case may be, shall be deemed to have been paid on the date of mailing.
- (d) The Lessor 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 financial institution 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 party; and
  - (iii) the Lessee shall not be required to recognize any new depository until the expiration of forty-five (45) days from the receipt by it of such Notice in writing, but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of such forty-five (45) day period. All payments made to such new depository shall be deemed to have been made in accordance with the terms of this Agreement.
- (e) The Lessor does hereby appoint the financial institution identified below as the sole depository for the receipt of all monies payable under this Agreement. The Lessor agrees that the 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 Lands or the Leased Substances or of the Lease Payment, any Guaranteed Payment or any Royalty payment that accrues hereunder.

Depository Name:

Address:

Phone:

Facsimile:

- (f)

If any depository shall at any time resign, 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 ten (10) days from such resignation, failure or refusal to act, the Lessee, at its option, may designate a depository hereunder by giving Notice to the Lessor specifying the name and address of such new depository and that depository shall be the depository for all intents and purposes as if originally appointed by the Lessor.
- (g)

The Lessee shall be entitled to rely on the Lessor being a resident of Canada for income tax purposes unless otherwise indicated as a non-resident of Canada in the Lessor's address for service of Notices. After the Effective Date, the Lessor is required to give Notice to the Lessee within thirty (30) days of any change to its residency status. Should the Lessor be a non-resident of Canada or should the Lessee have reasonable grounds to believe that the Lessor may be a non-resident of Canada, or if the depository is not located in Canada, the Lessor acknowledges and agrees that the Lessee may deduct income, withholding and other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the Income Tax Act, tax agreements, 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.

18. ASSIGNMENT

- (a)

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, authorities and interests obtained by or conferred upon them, respectively, by this Agreement and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this Clause.
- (b)

If the Lessee assigns this Agreement as to only a portion of the Lands or a portion of the Lessee's interest in the Lands to one or more parties, the Lessee may, at its option, provide the Lessor with Notice setting forth the portion of the Lands or interest assigned, each assignee's address for service and the percentage with respect to which each assignee will become responsible for any Guaranteed Payment or the Royalty related to that portion of the Lands. If the Lessor has been provided with such Notice and any assignee of any such part of the Lands fails to pay the Guaranteed Payment or the Royalty payable by it, such failure to pay shall not affect this Agreement insofar as it relates to and comprises the other part or parts of the Lands in respect of which the Lessee or any assignee shall have made due payment. However, where there is more than one party comprising the Lessee in the same part of the Lands, the liability and obligation for payment of the Guaranteed Payment or the Royalty related to that portion of the Lands shall be joint and several among those parties.
- (c)

The Lessee need not act on any Notice of assignment by the Lessor until forty-five (45) days after the Lessee has been actually furnished with evidence satisfactory to it of such assignment, which is to include the new Lessor's address for service. All payments made within the aforesaid period to the party or parties who would have been entitled to, or had been previously appointed as the depository for, the same in the absence of such assignment shall be deemed to have been made in accordance with the terms of this Agreement. The foregoing shall not, however, prohibit the Lessee from acting upon the assignment prior to the expiration of the aforesaid forty-five (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 Agreement. However, if the Lessor assigns its interest in whole or in part to more than one party, the Lessee shall only be required to recognize one party as representative of the Lessor with respect to all matters under this Agreement. If requested by the Lessee, the parties comprising the Lessor shall appoint such representative. This Subclause shall then apply, mutatis mutandis, to any Notice served to the Lessee appointing such representative and to any subsequent Notice that may be given by the then current representative to change such representative from time to time.

19. COLLECTION OF PERSONAL INFORMATION

The parties hereto acknowledge that the collection and use of information collected for the particular purpose of this Agreement shall at all times be subject to the provisions of any applicable laws, acts, rules or regulations pertaining to the collection and use of personal information in the country, province, state or territory in which the Lessor resides, as may be amended from time to time. The parties agree to collection and retention of such information insofar as it is used to facilitate administration of this Agreement for purposes including, but not limited to, communication between the Lessor and Lessee, payment of any consideration, Guaranteed Payment or Royalty and compliance with any request from a governmental body empowered by any Regulations to make a request to disclose such information. The Lessor acknowledges that its personal information may be, from time to time, disclosed by the Lessee to third parties for the purposes of engaging in business transactions including, but not limited to, Unit Agreements and pooling, farmout or other industry agreements to allow for the disposition or development of the Lands or Leased Substances, or any portion thereof, by way of sale, co-venture transaction or otherwise and that such disclosure is standard and reasonable in the conduct of the Lessee in the petroleum and natural gas business.

20. NOTICES

- (a)

For purposes of this Clause, a business day means between 8 a.m. and 4 p.m., Monday to Friday, in the time zone and excluding statutory holidays that are applicable in the jurisdiction of the address for service of the Notice.
- (b)

Notices shall be in writing and may be served:

(i)

personally by delivery to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during a business day;



- (ii)

by facsimile or e-mail, if such method of delivery is included in that party's address for service information in Subclause 20(c), (or by any other like method acceptable to the recipient) directed to the party on whom they are to be served using that party's address for service information hereinafter given. Notices so served shall be deemed received by the addressee thereof when actually received by it provided that if such Notice is not received during a business day it shall be deemed to be received at the commencement of the next ensuing business day; or
- (iii)

by registered mail, express post or priority 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 tenth day (excluding Saturdays, Sundays and statutory holidays) following the mailing thereof. No Notice shall be effective if mailed during any period in which there exists a postal interruption or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the Notice.
- (c)

The respective addresses for service of Notices shall be as follows:

	<u>Lessor</u>	<u>Lessee</u>
Address:	<div></div>	<div></div>
	<div></div>	<div></div>
	<div></div>	<div></div>
E-mail (optional):	<div></div>	<div></div>
Facsimile (optional):	<div></div>	<div></div>
Phone:	<div></div>	<div></div>

(Phone numbers are to be used only to obtain information and not for service of any Notice)

Lessor is a non-resident of Canada: ☐  
(If the box is not checked, the Lessor will be deemed to have represented to the Lessee that it is a resident of Canada for the purposes of Subclause 17(g))

- (d)

Any party may change its address for service by Notice to the other party.

21. ENTIRE AGREEMENT

The terms of this Agreement 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 Agreement supersedes and replaces all previous oral or written agreements, memoranda, correspondence and other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Agreement may be modified or affected by any Regulations.

22. LAWS OF JURISDICTION

This Agreement shall, for all purposes, be subject to, construed, interpreted and enforced according to the laws of the jurisdiction within which the Lands are situated and the laws of Canada applicable therein. The courts having jurisdiction with respect to matters relating to this Agreement shall be the courts of that jurisdiction and any court of appeal therefrom.

23. NO AMENDMENT EXCEPT IN WRITING

No amendment or variation of the terms of this Agreement 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 Agreement 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 of this Agreement becomes illegal or unenforceable, the provision will be deemed to be severed and this Agreement shall continue as amended.

27. SURVIVAL

Notwithstanding anything herein contained, but always subject to the Regulations, any liabilities or obligations of the parties hereto which arise under this Agreement and which relate to and accrue prior to any partial or complete expiry, surrender, reversion or termination of this Agreement shall survive such expiry, surrender, reversion or termination.

28. MODIFICATIONS TO AGREEMENT FORM

This Agreement, inclusive of the appended statements, affidavits, certificates and consents, is in the standard form of the CAPL 2014 Petroleum and Natural Gas Lease and Grant as published by the Canadian Association of Petroleum Landmen. It has been modified only by the completion of the blanks and elections required herein and by those other changes specifically identified herein. Each modification hereof that has not been specifically identified in this manner will be deemed to be ineffective and this Agreement shall be interpreted in accordance with the CAPL 2014 Petroleum and Natural Gas Lease and Grant form, and the form of the statements, affidavits, certificates and consents appended thereto, as if no such changes had been made.

IN WITNESS WHEREOF the Lessor and the Lessee have signed, sealed and delivered this Agreement to become effective as of the Effective Date.

SIGNED, SEALED AND DELIVERED  
By the Lessor in the presence of:

\_\_\_\_\_

Witness

\_\_\_\_\_

Lessor Name (printed)

\_\_\_\_\_

(signature)

\_\_\_\_\_

(seal)

\_\_\_\_\_

Witness

\_\_\_\_\_

Lessor Name (printed)

\_\_\_\_\_

(signature)

\_\_\_\_\_

(seal)

\_\_\_\_\_

Witness

\_\_\_\_\_

Lessor Name (printed)

\_\_\_\_\_

(signature)

\_\_\_\_\_

(seal)

\_\_\_\_\_

Witness

\_\_\_\_\_

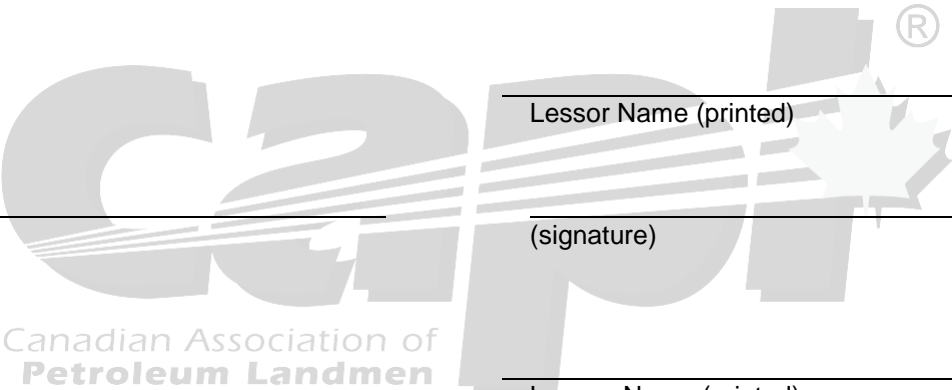
Lessor Name (printed)

\_\_\_\_\_

(signature)

\_\_\_\_\_

(seal)



\_\_\_\_\_

Lessee Name (printed)

Per: \_\_\_\_\_

(signing officer)

\_\_\_\_\_

(seal)

Per: \_\_\_\_\_

(signing officer)

\_\_\_\_\_

(seal)

AFFIDAVIT OF EXECUTION

I, \_\_\_\_\_,  
of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_,  
make oath and say that:

1. 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. The same was executed at the \_\_\_\_\_ of \_\_\_\_\_, in the Province  
of \_\_\_\_\_.
3. I am the subscribing witness thereto.
4. I know the said \_\_\_\_\_ and that he or she is, or they are  
each, in my belief, of the full age of eighteen years.

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_, in the Province of \_\_\_\_\_ )  
\_\_\_\_\_, this \_\_\_\_\_ )  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ )

\_\_\_\_\_  
Witness

\_\_\_\_\_  
A Notary Public or Commissioner for Oaths  
in and for / without the Province of \_\_\_\_\_

\_\_\_\_\_  
my appointment expires: \_\_\_\_\_  
(or being a solicitor)





PROVINCE OF ALBERTA  
DOWER ACT

AFFIDAVIT

I, \_\_\_\_\_,  
of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_, make  
oath and say that:

1. I am the Lessor named in the within instrument.
2. ☐ I am not married.
- or ---
- ☐ Neither myself nor my spouse have resided on the within mentioned land at any time since our marriage.

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_, in the Province of )  
\_\_\_\_\_, this )  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_)

\_\_\_\_\_  
Signature of Lessor

\_\_\_\_\_  
A Notary Public or Commissioner for Oaths  
in and for / without the Province of Alberta  
my appointment expires: \_\_\_\_\_  
(or being a solicitor)

CONSENT OF SPOUSE

I, \_\_\_\_\_, being married to \_\_\_\_\_,  
do hereby give my consent to  
the disposition of our homestead made in this instrument, and I have executed this document for the purpose of giving up my life estate and  
other dower rights in the property given to me by the *Dower Act*, to the extent necessary to give effect to the disposition.

\_\_\_\_\_  
Signature of Spouse

CERTIFICATE OF ACKNOWLEDGEMENT BY SPOUSE

1. This document was acknowledged before me by \_\_\_\_\_  
apart from her or his spouse.
2. \_\_\_\_\_ acknowledged to me that she or he:
- (ii) is aware of the nature of the disposition;
  - (iii) is aware that the *Dower Act* gives her or him a life estate in the homestead and the right to prevent disposition of the homestead by withholding consent;
  - (iv) consents to the disposition for the purpose of giving up the life estate and other dower rights in the homestead given to her or him by the *Dower Act*, to the extent necessary to give effect to the said disposition; and
  - (v) is executing the document freely and voluntarily without any compulsion on the part of her or his spouse.

Dated at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_, this  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
A Notary Public or Commissioner for Oaths  
in and for / without the Province of Alberta  
my appointment expires: \_\_\_\_\_  
(or being a solicitor)

PROVINCE OF ALBERTA  
DOWER ACT

AFFIDAVIT  
(having a registered release of dower rights by spouse or judgement)

I, \_\_\_\_\_,  
of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_,  
make oath and say that:

1. I am the Lessor named in the within instrument.
2. ☐ I am married to \_\_\_\_\_, being the person who executed the release of  
dower rights registered in the Land Titles Office on \_\_\_\_\_ as instrument number \_\_\_\_\_.

--- or ---

- ☐ A judgement for damages was obtained against me by my spouse and registered in the Land Titles Office on  
\_\_\_\_\_ as instrument number \_\_\_\_\_.

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_, in the Province of )  
\_\_\_\_\_, this )  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_)

\_\_\_\_\_  
Signature of Lessor

\_\_\_\_\_  
A Notary Public or Commissioner for Oaths  
in and for / without the Province of Alberta  
my appointment expires: \_\_\_\_\_  
(or being a solicitor)



PROVINCE OF ALBERTA  
DOWER ACT

AFFIDAVIT OF EXECUTOR OR ADMINISTRATOR

I, \_\_\_\_\_,  
of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_, make  
oath and say that:

1.

I am the executor (or administrator) of the estate of \_\_\_\_\_, the deceased.
2.

☐

To the best of my knowledge, information and belief, the deceased was not married.

---

or

---

☐

To the best of my knowledge, information and belief, the spouse of the deceased married person is dead.

---

or

---

☐

To the best of my knowledge, information and belief, neither the deceased nor the spouse have resided on the within mentioned land at any time since their marriage.

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_, in the Province of )  
\_\_\_\_\_, this )  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ )

\_\_\_\_\_  
Signature of Executor or Administrator

\_\_\_\_\_  
A Notary Public or Commissioner for Oaths  
in and for / without the Province of Alberta  
my appointment expires: \_\_\_\_\_  
(or being a solicitor)

CONSENT OF SURVIVING SPOUSE

I, \_\_\_\_\_, being the surviving spouse of \_\_\_\_\_,  
do hereby give my consent to the disposition of our homestead made in this instrument, and I have executed this document for the purpose of giving up my life estate and other dower rights in the property given to me by the *Dower Act*, to the extent necessary to give effect to the disposition.

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_, in the Province of )  
\_\_\_\_\_, this )  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ )

\_\_\_\_\_  
Signature of Surviving Spouse

\_\_\_\_\_  
A Notary Public or Commissioner for Oaths  
in and for / without the Province of Alberta  
my appointment expires: \_\_\_\_\_  
(or being a solicitor)



PROVINCE OF ALBERTA  
DOWER ACT

AFFIDAVIT OF EXECUTOR OR ADMINISTRATOR  
(having a registered release or election of dower rights by surviving spouse or judgement)

I, \_\_\_\_\_,  
of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_, make  
oath and say that:

1. I am the executor (or administrator) of the estate of \_\_\_\_\_, the deceased.
2. ☐ To the best of my knowledge, information and belief, the deceased was, at the time of death, married to \_\_\_\_\_, being the person who executed the release of dower rights registered in the Land Titles Office on \_\_\_\_\_ as instrument number \_\_\_\_\_.

--- or ---

- ☐ The homestead of the deceased consists of land other than the within mentioned land as determined by the election of the spouse (or the order of the Court of Queen's Bench) registered in the Land Titles Office on \_\_\_\_\_ as instrument number \_\_\_\_\_.

--- or ---

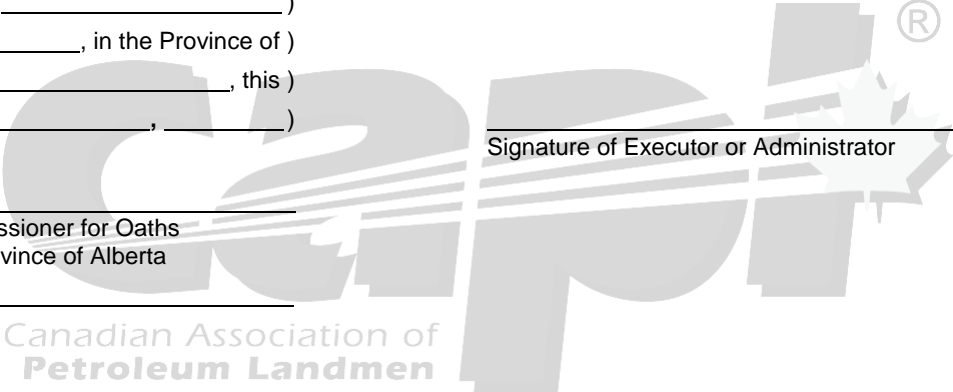
- ☐ A judgement for damages was obtained against the deceased by his or her spouse and registered in the Land Titles Office on \_\_\_\_\_ as instrument number \_\_\_\_\_.

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_, in the Province of )  
\_\_\_\_\_, this )  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ )

Signature of Executor or Administrator

A Notary Public or Commissioner for Oaths  
in and for / without the Province of Alberta  
my appointment expires: \_\_\_\_\_  
(or being a solicitor)

Canadian Association of  
Petroleum Landmen



PROVINCE OF SASKATCHEWAN  
THE HOMESTEADS ACT

AFFIDAVIT

I, \_\_\_\_\_,  
of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_, make  
oath and say that:

1. I am the/a Lessor named in the within instrument.
2. 

☐ I have no spouse.

--- or ---

☐ My spouse and I have not occupied the land described in this disposition as our homestead at any time during our spousal relationship.

--- or ---

☐ My spouse is a registered owner of the land that is the subject matter of this disposition and a co-signatory of this disposition.

--- or ---

☐ My spouse and I have entered into an inter-spousal agreement pursuant to *The Family Property Act* in which my spouse has specifically released all his or her homestead rights in the land that is the subject matter of this disposition.

--- or ---

☐ An order has been made by the Court of Queen's Bench pursuant to *The Family Property Act* declaring that my spouse has no homestead rights in the land that is the subject matter of this disposition and [*the order has not been appealed and the time or appealing has expired*] or [*all appeals from the order have been disposed of or discontinued*].

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_, in the Province of )  
\_\_\_\_\_, this )  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ )

\_\_\_\_\_  
A Notary Public or Commissioner for Oaths  
in and for / without the Province of Saskatchewan  
my appointment expires: \_\_\_\_\_  
(or being a solicitor)

\_\_\_\_\_  
Signature of Lessor

Canadian Association of  
Petroleum **CONSENT OF NON-OWNING SPOUSE**

I, \_\_\_\_\_, non-owning spouse of  
\_\_\_\_\_, consent to the above/attached  
disposition. I declare that I have signed this consent for the purpose of relinquishing all my homestead rights in the property described in the  
above/attached disposition in favor of \_\_\_\_\_ to the extent  
necessary to give effect to this Lease and Grant.

\_\_\_\_\_  
Signature of Non-Owning Spouse

CERTIFICATE OF ACKNOWLEDGEMENT

I, \_\_\_\_\_, [Notary Public] or [Solicitor], certify that I have  
examined \_\_\_\_\_, non-owning spouse of  
\_\_\_\_\_, the owning spouse, in the above/attached  
Lease and Grant, separate and apart from the owning spouse. The non-owning spouse acknowledged to me that he or she:

- (a) signed the consent to the disposition of his or her own free will and consent and without any compulsion on the part of the owning spouse; and
- (b) understands his or her rights in the homestead.

I further certify that I have not, nor has my employer, partner or clerk, prepared the above/attached Lease and Grant and that I am not, nor is my employer, partner or clerk, otherwise interested in the transaction involved.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature

PROVINCE OF SASKATCHEWAN  
THE HOMESTEADS ACT

AFFIDAVIT OF PERSONAL REPRESENTATIVE

I, \_\_\_\_\_,  
of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_, make  
oath and say that:

1. I am the executor of the last will and testament (or the administrator of the estate, or as the case may be) of \_\_\_\_\_, deceased, and as such a signatory to the above/attached disposition.
2. 

☐ The said deceased had no spouse at the time of his or her death.  
--- or ---

☐ The said deceased had a spouse at the time of his or her death but the said spouse died prior to the time of the execution of this disposition.  
--- or ---

☐ No part of the land described in this disposition was occupied by the said deceased and his or her spouse as their homestead at any time during their spousal relationship.  
--- or ---

☐ The land described in this disposition was occupied by the said deceased and his or her spouse as their homestead during their spousal relationship, but no part of the land is in the use and enjoyment of the surviving non-owning spouse of the said deceased, and the land is not necessary for the maintenance and support of the surviving non-owning spouse or any children of the said deceased.  
--- or ---

☐ The said deceased and his or her spouse had entered into an inter-spousal agreement pursuant to *The Family Property Act* in which the non-owning spouse has specifically released all his or her homestead rights in the land that is the subject matter of this disposition.  
--- or ---

☐ An order has been made by the Court of Queen's Bench pursuant to *The Family Property Act* declaring that the spouse of the said deceased has no homestead rights in the land that is the subject matter of this disposition and [*the order has not been appealed and the time or appealing has expired*] or [*all appeals from the order have been disposed of or discontinued*].  
--- or ---

☐ I am the surviving non-owning spouse of the said deceased.  
--- or ---

☐ The surviving non-owning spouse of the said deceased is the Lessee named in this disposition.

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_, in the Province of \_\_\_\_\_ )  
\_\_\_\_\_, this )  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ )

\_\_\_\_\_  
Signature of Executor or Administrator

\_\_\_\_\_  
A Notary Public or Commissioner for Oaths  
in and for / without the Province of Saskatchewan  
my appointment expires: \_\_\_\_\_  
(or being a solicitor)

CONSENT OF SURVIVING NON-OWNING SPOUSE

I, \_\_\_\_\_, being the surviving non-owning spouse of \_\_\_\_\_, deceased, consent to the above/attached disposition.  
I declare that I have signed this consent for the purpose of relinquishing all my homestead rights in the property described in the above/attached disposition in favor of \_\_\_\_\_ to the extent necessary to give effect to this Lease and Grant.

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_, in the Province of \_\_\_\_\_ )  
\_\_\_\_\_, this )  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ )

\_\_\_\_\_  
Signature of Surviving Non-Ownning Spouse

\_\_\_\_\_  
A Notary Public or Commissioner for Oaths  
in and for / without the Province of Saskatchewan  
my appointment expires: \_\_\_\_\_  
(or being a solicitor)



PROVINCE OF MANITOBA  
THE HOMESTEADS ACT

LESSOR'S STATEMENTS

I, \_\_\_\_\_,  
of the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_, do  
solemnly declare as follows:

1.

I am (one of) the Lessor(s) named in the within instrument.
2.

☐

The person who signed the within instrument is my spouse or common-law partner and has homestead rights in the property.

---

or

---

☐

The person who consented to this disposition of the homestead as provided for by the within instrument is my spouse or common-law partner and has homestead rights in the property.

---

or

---

☐

I am not a married person, nor am I a common-law partner as defined in *The Homesteads Act*.

---

or

---

☐

The property referred to in the within instrument is not my homestead within the meaning of *The Homesteads Act*.

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_, in the Province of )  
\_\_\_\_\_, this )  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_)

\_\_\_\_\_  
Signature of Lessor

\_\_\_\_\_  
A Notary Public or Commissioner for Oaths  
in and for / without the Province of Manitoba  
my appointment expires: \_\_\_\_\_  
or  
Other person authorized to take affidavits under  
*The Manitoba Evidence Act*  
specify \_\_\_\_\_

CONSENT TO DISPOSITION AND ACKNOWLEDGEMENT

I, the spouse or common-law partner of the Lessor, consent to the disposition of the homestead effected by this instrument and acknowledge that:

1.

☐

I am the first spouse or common-law partner to acquire homestead rights in the property.

---

or

---

☐

A previous spouse or common-law partner of my current spouse or common-law partner acquired homestead rights in the property but those rights have been released or terminated in accordance with *The Homesteads Act*.
2.

I am aware that *The Homesteads Act* gives me a life estate in the homestead and that I have the right to prevent this change of the homestead by withholding my consent.
3.

I am aware that the effect of my consent is to give up my life estate in the homestead to the extent necessary to give effect to this change of the homestead.
4.

I execute this consent apart from my spouse or common-law partner freely and voluntarily, without any compulsion on the part of my spouse or common-law partner.

Dated at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_, this  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Name of Spouse or Common-Law Partner

\_\_\_\_\_  
A Notary Public or Commissioner for Oaths  
in and for / without the Province of Manitoba  
my appointment expires: \_\_\_\_\_  
or  
Other person authorized to take affidavits under  
*The Manitoba Evidence Act*  
specify \_\_\_\_\_

\_\_\_\_\_  
Signature of Spouse or Common-Law partner

\_\_\_\_\_  
Name of Witness

\_\_\_\_\_  
Signature of Witness