

SMOKY LAKE COUNTY

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| Title: Well Site Agreement and Pipeline Road Crossing Agreement | Policy No.: 06-02 |
| Section: 03 | Page No.: 1 of 6 |

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| Legislation Reference: | Municipal Government Act, Section 18 |
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| Purpose: | To provide a standard in dealing with Resource Companies. |
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| Policy Statement and Guidelines: |
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| <p>Resource Companies must enter into the accompanying agreements:</p> <ul style="list-style-type: none">A. WELL SITE AGREEMENT. B. PIPELINE ROAD CROSSING AGREEMENT. |

| | Date | Resolution Number |
|-----------------|---------------------------|--------------------------|
| Approved | June 3, 1985 | # 601 – Page # 4945 |
| Amended | September 28, 2000 | # 644 – Page # 6931 |
| Amended | | |

WELL SITE AGREEMENT

BETWEEN

SMOKY LAKE COUNTY
(hereinafter called “**the County**”)

AND

(hereinafter called “**the Operator**”)

WHEREAS the Operator proposed to conduct drilling operation or plant placement for the discovery or processing of oil or natural gas on the:

(hereinafter called “**the Land**”)

IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. The Operator will locate the well head and/or facility in accordance with the survey plan attached hereto and the County expressly agrees to set back of a minimum of 36 meters from the centre of the road allowance.
2. The County grants permission to the Operator to construct an approach for the access road provided:
 - a. The Operator will construct the said approach in a good workmanlike manner to the satisfaction of the Public Works Superintendent of the County and will place such gravel on the approach and the County road in the immediate area of the approach, as may be required by the Superintendent.
 - b. The Operator will install such culverts as may be required by the Superintendent and will maintain the culverts in a state of good repair.
 - c. The Operator will ensure that if a County owned Natural Gas Distribution Line must be crossed, there must be minimum of 1.5 meter cover.
 - d. The Operator will ensure that is an undeveloped County Road allowance must be crossed in order to build an access road to the site, it must be restored to a road construction standard.

Print Name

Corporation Officer – Signature

Date:_____

SMOKY LAKE COUNTY

Vern Billey
Rural Utilities Officer

Date:_____

PIPELINE ROAD CROSSING AGREEMENT

WHEREAS the Smoky Lake County (hereinafter referred to as “**the Municipality**”) has the control and management of the Public Highways and Roads (hereinafter referred to as “**the Road Allowances**”) within the Municipality pursuant to Section 18 of the *Municipal Government Act*, Chapter M-26.1, R.S.A. 1994, and amendments thereto;

AND WHEREAS _____, a person or Corporation
Corporation Name

given authority to construct a pipeline under Section 38, 29, 41 of the *Pipeline Act*, R.S.A. 1980, has the right to cross over or under the highway or Road Allowance;

AND WHEREAS _____, (hereinafter referred to as
Corporation Name

“**the Corporation**”) is desirous of obtaining the Municipality’s approval to enter upon road allowance for the purpose of making thereon such excavation as will permit the Corporation to install and bury its high pressure pipelines across and beneath the said Road Allowance and to operate and maintain the same (the said excavating, installing, operating, and maintaining of the pipeline within a Road Allowance to be hereinafter referred to as “**the Crossing(s)**”) all upon the terms and conditions as are hereinafter set forth:

For the Municipal Road Crossing of _____
Legal Description to & from

NOW THEREFORE WITNESSED that in consideration of the mutual covenants, terms and conditions hereinafter set forth the parties hereto each agree with the other as follows:

1. For the purpose of this Agreement, a pipeline is as defined in the *Pipeline Act*.
2. The Municipality does hereby in consideration of the sum of ONE DOLLAR (\$1.00) paid to the Municipality by the Corporation, the receipt of which sum is hereby acknowledged, and in consideration to the covenants and conditions hereinafter set forth, grant and transfer unto the Corporation right and privilege to “**the Crossing(s)**” under such road allowance.
3. The said right and privilege is hereby granted by the municipality to the Corporation for the purposes of the installing, replacing, repairing, maintaining, inspecting, operating, casing, improving, and removing the Corporation’s pipeline within the crossings.
4. Attached to this agreement are detailed plans showing the proposed location of such new crossings and suitable crossings and profile for each road for the Municipality’s approval.

5. The Corporation shall provide a minimum of two (2) normal working days notice to the Municipality of its intention to commence installing, replacing, excavating, casing, improving, and removing a pipeline. In the case of breakage of the Corporation's pipeline or other emergency, no prior notice shall be required to be given to the Municipality for the Corporation to attend to the emergency, but the Municipality shall in all instances be advised forthwith of such an emergency.
6. The Corporation shall comply with the design standards and other matters as set out in the current version of CSA Standards or other standards as regulated by the *Pipeline Act*.
7. Crossings of Road Allowances shall be constructed with the pipeline as close as practical to a 90° angle to the Road Allowance, unless otherwise approved by the Municipality.
8. Crossings of road allowances shall be constructed with no horizontal or vertical bends in the pipe within the road allowance; or any horizontal bends within sixteen (16) meters of the centre line of a regular statutory Road Allowance twenty (20) meters or thirty-two (32) meters of the centre line of a Secondary road, unless otherwise approved by the Municipality.
9. The depth of cover is to be six (6) feet (182.8 cm) below the lowest point in the ditch. Exceptions to this depth may be made where operational or financial difficulties are encountered. However, financial liability for relocating and/or moving shall be accepted by the party requesting a waiver of the required depth. (Either lessor or greater than six (6) feet).
 - a. After initial installation the six (6) foot to cover may be reduced without pipeline relocation to the minimum cover as permitted under the appropriate CSA Standards and Energy Resources Conservation Board regulations.
 - b. After initial installation of the pipeline, alternative design criteria as authorized by the Energy Resources Conservation Board, may be incorporated into the pipeline to accommodate ground surface disturbances that alter the original six (6) feet of cover.
 - c. Should pipeline relocation, lowering or redesign, be required on any pipeline in the original road allowance placed at the eight (8) foot depth, these costs shall be paid for by the Corporation.
10. Notwithstanding Clause 9, the said right, privilege and license to install and maintain the crossing shall be for as long a period as required by the Corporation, its successors or assign. Should protection, lowering or relocation of the pipeline be required in the future, with no other alternative being identified, all reasonable costs relative thereto shall be borne by the Corporation. If an Agreement cannot be reached as to the necessity of these alterations and the allocation of costs, the matter or matters will be referred to the Energy Resources Conservation Board in accordance with Section 34 of the *Pipeline Act*.

11. A developed Road Allowance shall be crossed using the boring method under the constructed road bed of the Road Allowance (i.e. from toe to toe) unless approved by the Municipality.
12. Undeveloped Road Allowances may be crossed using the open cut method of crossing.
13. Where it is required that traffic be detoured around any road Allowance construction area, on account of the construction of a crossing by the Corporation, a detour, as approved by the Municipality, shall be provided by the Corporation and shall be adequately maintained, with ample lights, flares, barricades and warning signs and devices being erected throughout and adjacent to the construction area.
14. The crossings shall be restored by the Corporation to their original conditions as nearly as possible and to the satisfaction of the Municipality, and the Corporation shall maintain the crossing to the continued satisfaction of the Municipality for a period of two (2) years following the completion of the pipeline construction.
15. The Corporation shall be responsible for properly marking the crossing with warning signs. All such warning signs shall be placed and maintained on each side of the road allowance to identify the crossing location.
16. Upon the execution of these presents and at all time hereafter provided, the corporation may enter upon the occupy the Municipality's Road Allowances at crossing locations for the purposes provided in this Agreement and the right and privileges herein granted to the Corporation is strictly limited to the rights expressly granted herein to the said Corporation.
17. Nothing contained in this Agreement shall be deemed to limit or in any manner prohibit the Municipality from fully using and enjoying any portions of the said Road Allowances where crossing have been installed in any lawful manner whatsoever, provided always that the Municipality shall comply with all applicable statutes and regulations when working above or adjacent to the Corporation's Pipelines.
18. The Corporation agrees to, at all times hereinafter, indemnify and keep the Municipality indemnified against all actions, claims and damages that may be lawfully brought or made against the Municipality by reason of anything done by the Corporation, its Agent(s) or Contractor(s), in the exercise or purported exercise of the rights, privileges and licenses herein granted to the Corporation, except and to the extend that such actions, claims or damages are caused or contributed to by the negligence of the Municipality or its employee(s) or contractor(s).
19. No assignments of this Agreement or any right here under by the Corporation shall be valid without the written consent of the Municipality, such consent not to be unreasonably withheld. Notwithstanding this, the Corporation may

without the prior written consent of the Municipality, assign this Agreement by way of security to any leader providing financing to the Corporation.

- 20. This Agreement shall ensure to the benefit of and be binding upon the parties, their respective assignees and administrators including mutually agreed upon amendments initiated by either party (subject to ninety (90) days written notice of the proposed amendment).
- 21. Whenever under the provisions of this Agreement any notices, demands or requests are required to be given by either party to the other, such notice, demand, or request may (except where expressly otherwise herein provided), be given by delivery by hand to, or by prepaid singly registered mail sent to the respective addresses hereinafter provided for, and if given by mail shall be deemed to have been served and given on the tenth (10) business day following the date of mailing, the respective addresses of the parties being:

THE MUNICIPALITY: **Smoky Lake County**
P.O. Box 310
Smoky Lake, Alberta
T0A 3C0

THE CORPORATION: _____

_____, Alberta _____

provided however, that such addresses may be changed upon (10) days notice; and provided further that if in the event that notice served by mail at a time when there is an interruption of mail service affecting the delivery of such mail, than notice shall not be deemed to have been served until one (1) week after the date that normal service is returned.

IN WITNESS WHEREOF the parties hereto have hereunto caused their corporate seals to be affixed, attested under the hands of their proper officer(s), in that behalf, this _____ day of _____, A.D. 20____.

Witness

Print Name

Corporation Officer – Signature

Vern Billey
Rural Utilities Officer