

SCHEDULE E-6**UNIT OPERATION AGREEMENTS**

<u>Tab</u>	<u>Page</u>	<u>Instrument</u>	<u>Registered</u>	<u>Dated</u>	<u>Parties</u>
E-6-1	2	R314210	18 Dec 1996	22 Mar 1996	Porter to Paragon
E-6-2	15	LT19333	18 Sep 2002	" Amended	Porter to Talisman
E-6-3	20	R314207	18 Dec 1996	28 Aug 1996	Grainger to Paragon
E-6-4	41	LT19341	18 Sep 2002	28 Aug 1996	Van Aaken to Talisman

Province
of
Ontario

Document General

Form 4 - Land Registration Reform Act, 1984

EL-010A

D

FOR OFFICE USE ONLY

0314210

CERTIFICATE OF REGISTRATION
HURON (22) GOSLERICH

'96 DEC 18 PM 3 02

LAND REGISTRATION

New Property Identifiers

Additional:
See
Schedule ☐

Executions

Additional:
See
Schedule ☐(1) Registry ☒Land Titles ☐

(2) Page 1 of 13 pages

(3) Property
Identifier(s)

Block

Property

Additional:
See
Schedule ☐

(4) Nature of Document

UNIT OPERATION AGREEMENT

(5) Consideration

FIVE HUNDRED & TWENTY FIVE Dollars \$525.00

(6) Description

In the Township of Stanley, in the County of Huron, all of Lot 7, in Concession B.R.N., SAVE & EXCEPT the Southerly 17.0 feet of said Lot, as set out in Instrument No. 98973.

(7) This
Document
Contains:(a) Redescription
New Easement
Plan/Sketch ☒

(b) Schedule for:

Description ☒Additional
Parties ☐Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

312832

(10) Part(ies) (Set out Status or Interest)
Name(s)

Signature(s)

Date of Signature
Y M D

PORTER, William Gordon

1996 03 22

PORTER, Nancy Charlene

1996 03 22

We are spouses of one another.

We are both at least eighteen years of age.

LESSOR

(11) Address
for Service

R.R. #1, Bayfield, Ontario N0M 1G0

(12) Part(ies) (Set out Status or Interest)
Name(s)

Signature(s)

Date of Signature
Y M D

PARAGON PETROLEUM CORPORATION

Campbell C. Hardy, Vice President, Land

1996 04 04

LESSEE

(13) Address
for Service

555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property

Unknown

(15) Document Prepared by:

ELEXCO LTD.
555 Southdale Road East
London, Ontario
N6E 1A2
Our File: 047133-16-8716
Paragon's 173M20000

Fees and Tax

Registration Fee

50

Total

50

UNIT OPERATION AGREEMENT

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AGREEMENT made this 22nd day of March, 1996.

B E T W E E N:

WILLIAM GORDON PORTER and NANCY CHARLENE PORTER, of the Township of Stanley, in the County of Huron, in the Province of Ontario

hereinafter called "the Lessor"
OF THE FIRST PART

and

PARAGON PETROLEUM CORPORATION, a company incorporated under the laws of the Province of Alberta, having an office in the City of London, in the Province of Ontario

hereinafter called "the Lessee"
OF THE SECOND PART

and

FARM CREDIT CORPORATION

hereinafter called "the Mortgagee"
OF THE THIRD PART

and

N/A

hereinafter called "
OF THE FOURTH PART

WHEREAS by an Oil and Gas Lease dated the 22nd day of March, 1996 and registered on the 25th day of October, 1996, in the Registry Office for the Registry Division of the County of Huron as Instrument No. 312832, (hereinafter together with any amendments and assignments thereto made prior to the date hereof, referred to as and included in the expression, the "said lease"), the Lessor (or the Lessor's predecessor in title or interest) did demise and lease unto the Lessee (or its predecessor in interest) for the purposes set forth therein, those certain lands in the Township of Stanley, in the County of Huron, Province of Ontario, described as follows:

All of Lot 7, in Concession B.R.N., save and except the Southerly 17.0 feet of said Lot, as set out in Instrument No. 98973;

containing in all 160.0 acres more or less (hereinafter referred to as the "Lessor's lands");

AND WHEREAS it is believed that Silurian Age Formations underlie those certain lands listed and described in Schedule "B" hereto annexed and made a part hereof, (and which include all or part of the Lessor's lands but whatever of the Lessor's lands is so included, is hereinafter referred to as the "said lands") and may contain a certain gas or gas and oil reservoir or pool to be known as the Old Bayfield Pool (hereinafter called the "said pool");

AND WHEREAS for the purpose of protecting the said pool from unnecessary and wasteful drilling and undue depletion, and for the protection of their correlative rights therein with respect to production of the leased substances, the parties hereto desire to amend the said lease to unite and combine that portion of the said lands which is included in Schedule "B" hereunto annexed and made a part hereof, with all of the other lands in the said Schedule, into a single operative unit to the extent hereinafter set forth.

WITNESSETH that in consideration of the mutual considerations hereinafter contained and the sum of Five Hundred and Twenty Five Dollars (\$525.00) to be paid by the Lessee to the Lessor, within ninety (90) days of the date hereof, the parties hereto each covenant and agree with the other as follows:

1. In this Agreement, including the clause, unless the context otherwise requires:
 - (a) "leased substances" mean severally and collectively gas and oil and related hydrocarbons other than coal;
 - (b) "unit area" means the lands described in, and from time to time remaining in Schedule "B" hereunto annexed and made a part hereof;
 - (c) "participating section of the unit area" means that portion of the unit area that has been shaded on the Plan in Schedule "C" hereunto annexed and made a part hereof, or as the same may be amended from time to time in the manner hereinafter provided;
 - (d) "non-participating section of the unit area" means that portion of the unit area that has not been shaded on the Plan in Schedule "C" hereunto annexed and made a part hereof, or as the same may be amended from time to time in the manner hereinafter provided;
 - (e) "Old Bayfield Pool" means the Silurian Age formations believed to underlie the participating section of the unit area;
 - (f) "other Lessors" means all those persons other than the Lessor herein, who, or whose predecessors in title or interest at any time prior to the date of or during the currency of this Agreement shall have demised and leased lands in the unit area to the Lessee or its predecessor in interest for oil and gas development purposes;
 - (g) "Lessors" means the Lessor herein and the other Lessors, collectively.
2. It is understood and agreed that the Lessee and the other Lessees of other lands in the unit area are endeavouring to have executed by all of the other Lessors in the unit area Agreements similar to this Agreement, and that this Agreement together with any such other Agreements entered into and executed shall be interpreted and treated as a common Agreement for the purpose of developing and obtaining production of the leased substances from those portions of the unit area covered by this Agreement and such other Agreements.
3. Schedule "D" hereunto annexed and made a part hereof, is a list of the oil and gas leases now held from the Lessors in the unit area as presently delineated showing in respect of each such lease the acreage in the participating section of the unit area, the acreage in the non-participating section of the unit area and the acreage outside of the unit area.
4. Notwithstanding anything to the contrary expressed or implied in the said lease;
 - (a) It is understood and agreed that in respect of each calendar year hereafter the Lessee shall pay or tender to the Lessor in lieu of all payments under the said lease, that proportion of the following royalties which the Lessor's acreage from time to time in the participating section of the unit area bears to the total acreage at such respective times in the participating section of the unit area:

(i) Twelve and one-half percent (12.5%) of the current market value at the point of measurement of all gas produced, saved and marketed by the Lessee from the participating section of the unit area as measured by the Lessee;

(ii) Twelve and one-half percent (12.5%) of the current market value at the point of measurement of crude oil produced, saved and marketed by the Lessee from the participating section of the unit area;

which royalties shall be paid or tendered to the Lessor monthly not later than the last day of the month following the month during which production is taken; providing that if the total of such royalties paid or tendered to the Lessor during any calendar year hereafter is less than One Hundred Dollars (\$100.00) for all of the Lessor's lands in the participating section of the unit area, the Lessee shall, not later than the thirty-first day of January next following, pay or tender to the Lessor and the Lessor shall accept in respect of such calendar year an amount sufficient to bring the total amount payable to the Lessor under this sub-clause 4(a) during such calendar year, up to the said sum of One Hundred Dollars (\$100.00);

And as long as the payments provided for in this sub-clause 4(a) are made or tendered, the leased substances shall be deemed to be produced from and operations for the recovery of same shall be deemed to be conducted by the Lessee on the said lands under the said lease, notwithstanding any expiry of the primary term stated in the habendum clause of the said lease, and the said lease as hereby amended shall remain in full force and effect as to all of the Lessor's lands retained by the Lessee under the said lease and/or this Agreement. Provided further that any royalties or rentals paid in advance under the said lease in respect of any period within the effective term of this Agreement and which under the provisions of this sub-clause 4(a) would not have been required to be paid, shall be deducted from the aforesaid payments;

And provided further that in the calendar year in which this Agreement becomes effective the minimum payments under this sub-clause 4(a) shall be that proportion of the aforesaid minimum payments which the unexpired term of the said calendar year bears to the full calendar year.

(b) This Agreement shall be deemed to become effective upon the date of execution of an agreement similar to this Agreement by the last remaining Lessor in the unit area to sign such an agreement. Prior to the said effective date of this Agreement, the said lands shall be governed by the terms of the said lease.

5. The Lessee shall have the right from time to time and at any time to include as part of the unit area additional lands in the vicinity thereof and the same thereafter for the purposes of this Agreement shall be treated in all respects as if included in the appropriate schedules hereto; PROVIDED, however, always that such additional lands shall not be included in the unit area except with the consent in writing first had and obtained of those Lessors who together own not less than sixty percent (60%) of all the lands within the unit area (as existing immediately prior to such enlargement) which are then subject to agreements with the Lessee similar to or identical in terms with this Agreement.

6. It is understood and agreed that the Lessee shall, at any time or from time to time, have the right to withdraw all of the said lands or any portion or portions thereof from the unit area,

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whereupon such lands or portion or portions thereof so withdrawn shall no longer be subject to the terms of this Agreement, but shall be governed thereafter instead by the terms of the said lease.

7. The Lessee shall have the right at any time and from time to time to enlarge or reduce the limits of the participating section of the unit area within such limits as may be determined from the geological and scientific information then available to it.

8. Whenever the limits of the unit area or of the participating section of the unit area are altered in accordance with the provisions of any of the three clauses next preceding, the change so made shall be deemed to have occurred at the expiration of the last day of the month in which the same was effected, and the payments required to be made under the provisions of Clause 4 hereof shall be adjusted and apportioned accordingly. The Lessee shall notify the Lessor in writing of all such changes.

9. The spacing pattern, location and number of wells drilled in the unit area and the rate of drilling and the manner of operating such wells, including amongst other things but not so as to limit the foregoing, the rate of production of the leased substances therefrom shall be at all times in the sole discretion of the Lessee.

10. The Lessee and the Lessor covenant and agree that the said lease is in full force and effect and all covenants and obligations contained therein on the part of the Lessee, including payment of all delay rentals, shut-in or suspended well payments and/or royalty payments to the effective date of this Agreement have been complied with in full. Furthermore, the Lessee and the Lessor covenant and agree the Bluewater-Imperial Bayfield #7 BRN Well and the Bluewater-Imperial Bayfield #8 BRN Well shall both be deemed and constitute, each one individually, a well under the terms and conditions of this Agreement.

11. The Lessee and the Lessor covenant and agree that an amount equal to the annual rental payment under the said lease shall be paid to the Lessor, in the manner and at the address shown in the said lease, for each of the remaining ensuing lease years of the the primary term of the said lease, or until this Agreement is terminated, whichever shall occur first.

12. Notwithstanding anything in this Agreement to the contrary, the Lessee shall be under no obligation to conduct drilling and/or development operations within the unit area.

13. On and after the effective date of this Agreement, the interest of each royalty owner, as lessor, and of each working interest owner, as lessee, in the leased substances within the unit area are hereby unitized, as if the unit area had been included in a single lease executed by the royalty owners, as lessors, in favour of the working interest owners, as lessees, and as if the lease had been subject to this Agreement.

14. As part of the consideration for the payments provided for under Clause 4 hereof, the

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Lessor hereby grants and conveys to the Lessee for so long as development or production are continued or deemed to be continued on the unit area, the right and privilege to fence any portion of the said lands used as a well site not in excess of fifty feet by fifty feet.

15. The Lessee may at its option pay or discharge any tax, mortgage, lien, balance of purchase money or encumbrance of any kind or nature whatsoever, incurred or created by the Lessor and/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, and in addition to any similar or other remedies in that behalf conferred upon the Lessee under the terms of the said lease, the Lessee shall have the right at its option, to reimburse itself by applying to the amount so paid by it any and all sums accruing to the Lessor under the terms of this Agreement.

16. In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained which ought to be observed or performed by the Lessee, including making or tendering the payments provided for in Clause 4(a) hereof, and which have not been waived by the Lessor, the Lessor shall, before bringing any action with respect thereto or declaring any forfeiture, give to the Lessee written notice setting forth the particulars of and requiring it to remedy such default, and in the event that the Lessee shall fail to commence to remedy such default within a period of ninety (90) days from receipt of such notice, and thereafter diligently proceed to remedy the same, then except as hereinafter provided, this Agreement shall thereupon terminate and it shall be lawful for the Lessor into or upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy; PROVIDED that this Agreement shall not terminate nor be subject to forfeiture or cancellation if there is located on the unit area a well capable of producing the leased substances or any of them, and in that event the Lessor's remedy for any default hereunder shall be for damages only.

17. It is hereby declared and agreed that this Agreement and all the terms, conditions and covenants herein contained shall extend to, be binding upon and enure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns respectively, it being understood that the privilege of assigning in whole or in part is hereby expressly allowed and that the unit operation contemplated herein may be conducted by someone other than the Lessee and that the terms of this Agreement binding on the Lessee may be performed by someone on behalf of the Lessee. No assignment, however, of this Agreement by the Lessor, and no change or division in ownership of the said lands and no change or division in the ownership of the sums payable hereunder, shall operate to enlarge the obligations or diminish the rights of the Lessee hereunder.

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18. All payments to the Lessor provided for in this Agreement shall, at the Lessee's option, be paid or tendered either to the Lessor, or on behalf of the Lessor to the credit of PAY LESSOR DIRECT (Bank or Trust Company, hereinafter called "the depository"), which said depository shall be deemed to be the Lessor's agent and shall continue as the depository for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by assignment or otherwise) of the said lands or of the leased substances therein contained or of the royalties or other payments to accrue hereunder, unless and until the Lessee shall have been directed in writing by the Lessor to make such payments to another depository in Canada which shall be specified in such direction; PROVIDED, however, that only one such depository shall be designated at any time or from time to time as aforesaid. All such payments or tenders may be made by cheque or draft either mailed or delivered to the Lessor or to the depository by him so designated.

19. This Agreement shall be of the same force and effect for all intents and purposes as a covenant annexed to and running with all of the lands included within or partly within the unit area which are covered by agreements similar to or identical in terms to this Agreement, and shall be binding upon every person who acquires an interest in any such lands regardless of the manner in which such interest is acquired, provided that nothing in this clause or herein elsewhere expressly or by implication provided shall affect the Lessee's right to surrender in whole or in part its interest in the said lands or any portion or portions thereof, under the said lease and/or this Agreement.

20. Excepting as herein and hereby expressly modified or amended, the said lease shall continue in all respects in full force and effect for so long as therein and herein provided, and the same as so amended or modified is hereby ratified and confirmed. Subject, however, thereto it is agreed that the entire contract and Agreement between the Lessor and the Lessee with reference to the operation of the unit area is embodied herein and that no verbal warranties, representations or promises have been made or relied upon by the parties supplementing, modifying or inducing the execution of this Agreement.

21. This Agreement and all the terms, conditions, covenants and obligations contained herein shall take effect and be binding upon the parties hereto as of and from the day specified in Clause 4 hereof and shall continue in full force and effect for so long as the unit operation herein provided for continues and any portion of the said lands remains within the unit area, and in any event for so long as the payments provided for in Clause 4(a) hereof are made or tendered.

22. All notices to be given hereunder may be given by letter delivered or mailed by prepaid

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registered post and addressed to the Lessor at *R.R. #1, Bayfield, Ontario N0M 1G0* and to the Lessee at *555 Southdale Road East, London, Ontario N6E 1A2*, or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee twenty-four (24) hours after such mailing.

23. The Lessor agrees to comply with the provisions of the Planning Act, and any amendments thereto.

24. We, William Gordon Porter and Nancy Charlene Porter being spouses within the meaning of Section 1(1) of the Family Law Act of Ontario, 1986 do hereby consent to the transaction evidenced by this Instrument and the registration of same on the title to the lands hereinbefore described.

25. The Mortgagee, other encumbrancers, and/or any other Party to this Agreement hereby consent to the grant of these rights and the complete enjoyment thereof by the Lessee.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of

Dr. H.
Witness

Dr. H.
Witness

LESSOR

William Gordon Porter
WILLIAM GORDON PORTER

Nancy Charlene Porter
NANCY CHARLENE PORTER

LESSEE
PARAGON PETROLEUM CORPORATION

Campbell C. Hardy
Campbell C. Hardy, Vice President and

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And the Mortgagee in Mortgage/Charge Number 118742, registered on May 10, 1973, in consideration of the sum of Two Dollars (\$2.00) the receipt of which hereof is hereby acknowledged, joins herein for the purpose of consenting to the rights under the Unit Operation Agreement hereto attached and the complete enjoyment thereof by the Lessee and agrees to be bound by the provisions hereof to the extent that the Mortgagee's interest in the Lessor's lands shall be treated as being subsequent to the Lessee's interest granted by the Unit Operation Agreement.

The Mortgagee certifies that the Mortgagee is at least eighteen years of age and that,

FARM CREDIT CORPORATION

Mortgagee

Date of Signature

Y M D

per: 

Michel Guindon
Authorized Signing Officer

1996 12 11

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**UNIT OPERATION AGREEMENT
Old Bayfield Pool
Township of Stanley, County of Huron
SCHEDULE "A"**

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Township of Stanley, in the County of Huron and in the Province of Ontario and being composed of:

All of Lot 7, in Concession B.R.N..

Save and Except the Southerly 17.0 feet of said Lot as set out in Instrument No. 98973.

UNIT OPERATION AGREEMENT
Old Bayfield Pool
Township of Stanley, County of Huron
SCHEDULE "B"

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ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Township of Stanley, in the County of Huron and in the Province of Ontario and being composed of:

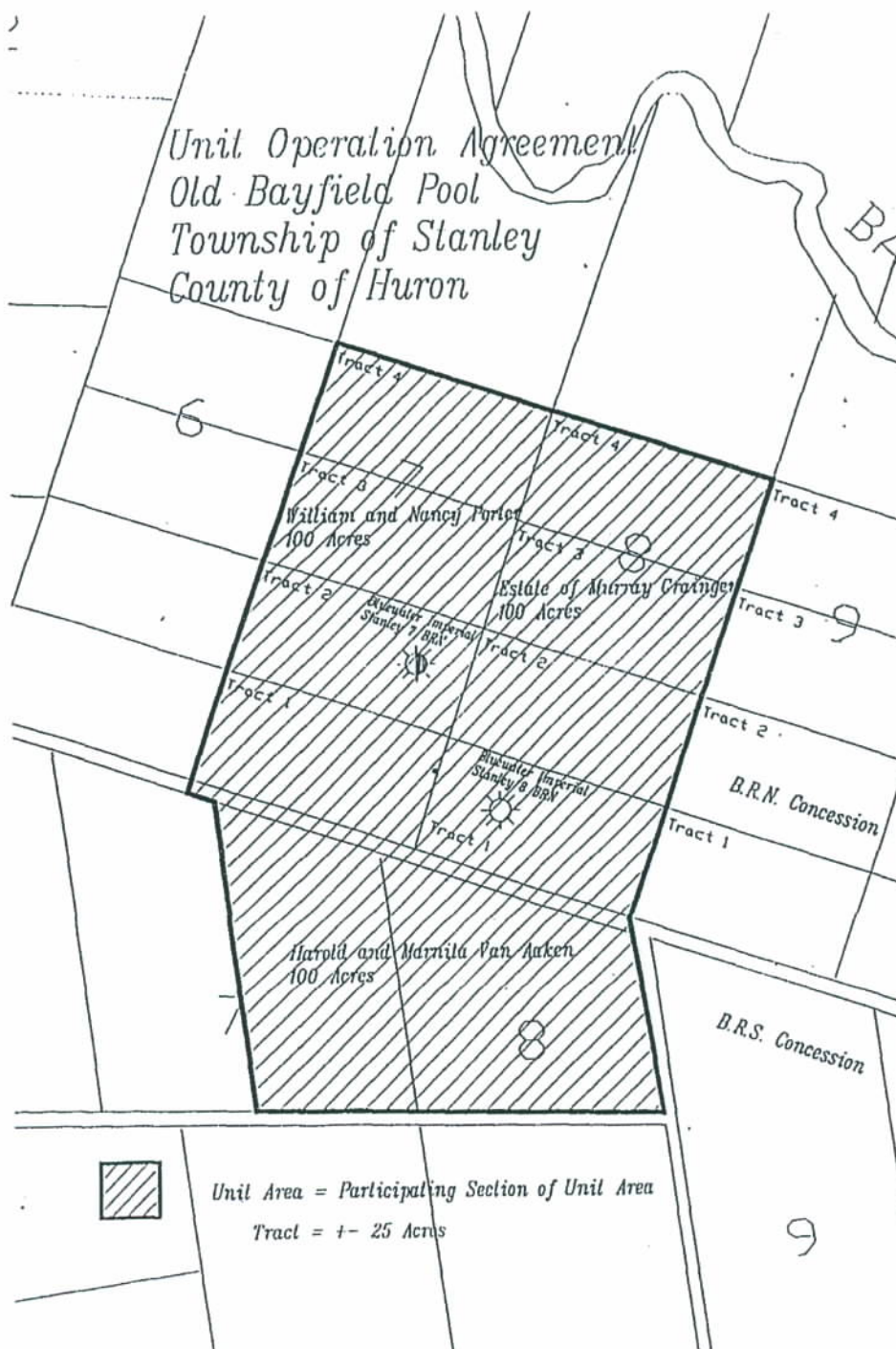
FIRSTLY: That part of Lot 7, in Concession B.R.N., more particularly described as Tract 1, Tract 2, Tract 3 and Tract 4 in Schedule "C" attached hereto and made a part hereof.

SECONDLY: That part of Lot 8, in Concession B.R.N., more particularly described as Tract 1, Tract 2, Tract 3 and Tract 4 in Schedule "C" attached hereto and made a part hereof.

THIRDLY: The East half of Lot 7, in Concession B.R.S..

FOURTHLY: All of Lot 8, in Concession B.R.S..

UNIT OPERATION AGREEMENT
Old Bayfield Pool
Township of Stanley, County of Huron
SCHEDULE "C"



UNIT OPERATION AGREEMENT
 Old Bayfield Pool
 Township of Stanley, County of Huron
 SCHEDULE "D"

REGISTERED INSTRUMENT NO.	LESSOR	ACREAGE INSIDE UNIT AREA	ACREAGE OUTSIDE UNIT AREA	ACREAGE IN PARTICIPATING SECTION OF UNIT AREA	PERCENTAGE OF ACREAGE IN PARTICIPATING SECTION OF UNIT AREA
312832	William Gordon Porter Nancy Charlene Porter	100.0	60.0	100.0	33 1/3%
0314206	Estate of George Murray Grainger	100.0	206.0	100.0	33 1/3%
298474	Harold Mario Van Aaken Marnita Lorrain Van Aaken	100.0	60.0	100.0	33 1/3%

LT 019333 CERTIFICATE OF RECEIPT HURON(22)GODERICH '02 SEP 18 AM 10 36 <i>Edwards</i> LAND REGISTRAR New Property Identifiers Executions	(1) Registry ☐	Land Titles ☒	(2) Page 1 of 5 pages
	(3) Property Identifier(s) Block 41452 Property 0159 41452 0160		Additional: See Schedule ☐
	(4) Nature of Document NOTICE OF AMENDMENT OF LEASE (Section 111 (6) of the Land Titles Act)		
	(5) Consideration Two ----- 00/100 Dollars \$2.00		
	(6) Description In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, <u>FIRSTLY</u>: PT LT 7 BAYFIELD RD NORTH CON, BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076, now known as P.I.N. 41452-0159, and <u>SECONDLY</u>: PT LT 7 BAYFIELD RD NORTH CON, AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T R212930, now known as P.I.N. 41452-0160.		
	(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☐ Additional Parties ☐ Other ☒		

(8) This Document provides as follows:

To: The Land Registrar of the Land Titles Division of Huron (No. 22):

We, **TALISMAN ENERGY INC.**, hereby apply for the entry of a Notice of Amendment of a Petroleum and Natural Gas Lease and Grant produced herewith in respect of the said lands of which **FREERK HIEMSTRA** is the registered owner of the lands known as P.I.N. 41452-0159 and **THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER** is the registered owner of the lands known as P.I.N. 41452-0160.

Continued on Schedule ☐

(9) This Document relates to instrument number(s) 312832, 314210, 332966, LT15621

(10) Party(ies) (Set out Status or Interest)
Name(s)

PORTER, William Gordon

PORTER, Nancy Charlene

We are both at least eighteen years of age. We are spouses of one another.

Lessor

(11) Address for Service R.R. #1, Bayfield, ON N0M 1G0

(12) Party(ies) (Set out Status or Interest)
Name(s)

TALISMAN ENERGY INC.

Lessee and Applicant

(13) Address for Service c/o Elexco Ltd., Suite 201, 555 Southdale Road East, London, ON N6E 1A2

(14) Municipal Address of Property

RR 1 Bayfield
Ontario N0M 1G0

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London, ON N6E 1A2

Our File No. 070369-15-4
34570

Fees and Tax	
Registration Fee	60
Total	60

AGREEMENT made effective this **22nd** day of **March, 1996**.

BETWEEN:

WILLIAM GORDON PORTER and NANCY CHARLENE PORTER, of the Municipality of Bluewater, in the County of Huron, in the Province of Ontario.

(hereinafter collectively referred to as the "Lessors")
OF THE FIRST PART

-and-

TALISMAN ENERGY INC., a company incorporated pursuant to the laws of Canada, having its Head Office in the City of Calgary, in the Province of Ontario.

(hereinafter referred to as the "Lessee")
OF THE SECOND PART

WHEREAS by a Petroleum and Natural Gas Lease and Grant dated March 22, 1996 and registered in the Registry Office for the Registry Division for the County of Huron, on October 25, 1996, as Instrument No. 312832, as assigned by Instrument No. 332966, registered in the Registry Office for the Registry Division for the County of Huron, on April 1, 1999, as further assigned by Instrument No. LT15621, registered in the Registry Office for the Land Titles Division for the County of Huron, on April 25, 2002, the Lessor did grant and lease those lands and premises located in the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, Province of Ontario, being composed of:

All of Lot 7, in Concession B.R.N., save and except the Southerly 17.0 feet of said Lot, as set out in Instrument No. 98973;

unto the Lessee upon the terms therein mentioned and for the said purposes, more particularly set forth in the Petroleum and Natural Gas Lease and Grant (hereinafter referred to as the "said Lease");

AND WHEREAS by a Unit Operation Agreement dated March 22, 1996 and registered in the Registry Office for the Registry Division for the County of Huron, on December 18, 1996, as Instrument No. 314210, as assigned by Instrument No. 332966, registered in the Registry Office for the Registry Division for the County of Huron, on April 1, 1999, as further assigned by Instrument No. LT15621, registered in the Registry Office for the Registry Division for the County of Huron, on

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April 25, 2002, (hereinafter referred to as the "said Unit Operation Agreement") the said Lease was amended as set out therein;

AND WHEREAS the parties hereto have agreed to vary certain terms of the said Lease, as amended by the said Unit Operation Agreement, being sub-clause 4(a) of the said Unit Operation Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH, that in consideration of the sum of Two Dollars (\$2.00) Dollars now paid by the Lessee to the Lessor (the receipt whereof is hereby acknowledged by the Lessor) the said Lessor covenants and agrees with the Lessee that the said Lease, as amended by the said Unit Operation Agreement, shall be hereby amended from and including the 22nd day of March, 1996, as follows:

The Lessor and the Lessee hereby covenant and agree with each other that sub-clause 4(a) of the said Unit Operation Agreement will be amended to read as follows:

" Notwithstanding anything to the contrary expressed or implied in the said lease;

(a) It is understood and agreed that in respect of each calendar year hereafter the Lessee shall pay or tender to the Lessor in lieu of all payments under the said lease, that proportion of the following royalties which the Lessor's acreage from time to time in the participating section of the unit area bears to the total acreage at such respective times in the participating section of the unit area:

- (i) Twelve and one-half percent (12.5%) of the current market value at the point of measurement of all gas produced, saved and marketed by the Lessee from the participating section of the unit area as measured by the Lessee;
- (ii) Twelve and one-half percent (12.5%) of the current market value at the point of measurement of crude oil produced, saved and marketed by the Lessee from the participating section of the unit area;

which royalties shall be paid or tendered to the Lessor monthly not later than the last day of the month following the month during which production is taken; providing that if the total of such royalties paid or tendered to the Lessor during any calendar year hereafter is less than One Thousand, One Hundred and Twenty Dollars (\$1,120.00) for all of the Lessor's lands in the participating section of the unit area, the Lessee shall, not later than the thirty-first day of January next following, pay or tender to the Lessor and the Lessor shall accept in respect of such calendar year an amount sufficient to bring the total amount payable to the Lessor under this sub-clause 4(a) during such calendar year, up to the said sum of One Thousand, One Hundred and Twenty Dollars (\$1,120.00);

.../3

-3-

And as long as the payments provided for in this sub-clause 4(a) are made or tendered, the leased substances shall be deemed to be produced from and operations for the recovery of same shall be deemed to be conducted by the Lessee on the said lands under the said lease, notwithstanding any expiry of the primary term stated in the habendum clause of the said lease, and the said lease as hereby amended shall remain in full force and effect as to all of the Lessor's lands retained by the Lessee under the said lease and/or this Agreement. Provided further that any royalties or rentals paid in advance under the said lease in respect of any period within the effective term of this Agreement and which under the provisions of this sub-clause 4(a) would not have been required to be paid, shall be deducted from the aforesaid payments;

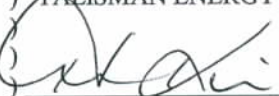
And provided further that in the calendar year in which this Agreement becomes effective the minimum payments under this sub-clause 4(a) shall be that proportion of the aforesaid minimum payments which the unexpired term of the said calendar year bears to the full calendar year. "

In all other respects, the parties hereto confirm the terms and conditions contained in the said Lease, as amended by the said Unit Operation Agreement. All other terms and conditions of the said Lease, as amended by the said Unit Operation Agreement, shall remain in full force and effect and the Lessor hereby fully recognizes the said Lease, as amended by the said Unit Operation Agreement, as being in full force and effect, and that all delay rentals and/or royalty payments payable thereunder, including the increased payments provided for pursuant to the terms hereof, have been paid in full up to and including June 20th, 2002.

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

SIGNED, SEALED AND DELIVERED,
in the presence of :


Witness **witness - Raymond Currie**

) LESSOR
)
)
) 
) WILLIAM GORDON PORTER
)
)
) 
) NANCY CHARLENE PORTER
)
)
) LESSEE
) TALISMAN ENERGY INC.
) 
) Helen Klein, P. Land
Supervisor
Subjects & Lease Adm
) "I have authority to bind the Corporation"
)
)

Refer to all instructions on reverse side.
IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land) In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, FIRSTLY PT LT 7 BAYFIELD RD NORTH CON, BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076, now known as P.I.N. 41452-0159, and SECONDLY: PT LT 7 BAYFIELD RD NORTH CON, AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T R212930 now known as P.I.N. 41452-0160.

BY (print names of all transferors in full) WILLIAM GORDON PORTER and NANCY CHARLENE PORTER

TO (see instruction 1 and print names of all transferees in full) TALISMAN ENERGY INC.

I, (see instruction 2 and print name(s) in full) John L. Norman

MAKE OATH AND SAY THAT:

1. I am (place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s)): (see instruction 2)

- ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- ☐ (c) A transferee named in the above-described conveyance;
- ☒ (d) The authorized agent ~~of the donor~~ acting in this transaction for (insert name(s) of principal(s)) Talisman Energy Inc.
- described in paragraph(s) (d), (c) above; (strike out references to inapplicable paragraphs)
- ☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for (insert name(s) of corporation(s))
- described in paragraph(s) (a), (b), (c) above; (strike out references to inapplicable paragraphs)
- ☐ (f) A transferee described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable) and am making this affidavit on my own behalf and on behalf of (insert name of spouse) who is my spouse described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable) and as such, I have personal knowledge of the facts herein deposed to.

2. (To be completed where the value of the consideration for the conveyance exceeds \$400,000).

I have read and considered the definition of "single family residence" set out in clause 1(1)(j) of the Act. The land conveyed in the above-described conveyance

- ☐ contains at least one and not more than two single family residences.
- ☐ does not contain a single family residence.
- ☐ contains more than two single family residences. (see instruction 3)

Note: Clause 2(1)(d) imposes an additional tax at the rate of one-half of one per cent upon the value of consideration in excess of \$400,000 where the conveyance contains at least one and not more than two single family residences.

3. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1(1)(f) and (g) of the Act and each of the following persons to whom or in trust for whom the land is being conveyed in the above-described conveyance is a "non-resident corporation" or a "non-resident person" as set out in the Act. (see instructions 4 and 5) None

4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

(a) Monies paid or to be paid in cash	\$	<u>Nil</u>	All Blanks Must Be Filled In. Insert "Nil" Where Applicable
(b) Mortgages (i) Assumed (show principal and interest to be credited against purchase price)	\$	<u>Nil</u>	
(ii) Given back to vendor	\$	<u>Nil</u>	
(c) Property transferred in exchange (detail below)	\$	<u>Nil</u>	
(d) Securities transferred to the value of (detail below)	\$	<u>Nil</u>	
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	\$	<u>Nil</u>	
(f) Other valuable consideration subject to land transfer tax (detail below)	\$	<u>Nil</u>	
(g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (Total of (a) to (f))	\$	<u>Nil</u>	
(h) VALUE OF ALL CHATTELS — items of tangible personal property (Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)	\$	<u>Nil</u>	
(i) Other consideration for transaction not included in (g) or (h) above	\$	<u>Nil</u>	
(j) TOTAL CONSIDERATION	\$	<u>Nil</u>	

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 6) Not applicable

6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined

7. Other remarks and explanations, if necessary. The attached Notice of Amendment of Lease amends an oil and gas lease which is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn before me at the City of London
in the County of Middlesex

this 29th day of AUGUST 2002

A Commissioner for taking Affidavits, etc.

signature(s)
JOHN L. NORMAN

Property Information Record

A. Describe nature of instrument: Notice of Amendment of Lease

B. (i) Address of property being conveyed (if available) Not applicable

(ii) Assessment Roll No. (if available) Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed (see instruction 7) Not applicable

D. (i) Registration number for last conveyance of property being conveyed (if available) Not applicable

(ii) Legal description of property conveyed: Same as in D.(i) above.

Yes ☐ No ☐ Not known ☒

E. Name(s) and address(es) of each transferee's solicitor
Not applicable

For Land Registry Office Use Only	
Registration No.	
Registration Date	
Land Registry Office No.	

School Tax Support (Voluntary Election) See reverse for explanation

- (a) Are all individual transferees Roman Catholic? Yes ☐ No ☐
- (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? Yes ☐ No ☐
- (c) Do all individual transferees have French Language Education Rights? Yes ☐ No ☐
- (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? Yes ☐ No ☐

NOTE: As to (c) and (d) the land being transferred will be assigned to the French Public School Board or Sector unless otherwise directed in (a) and (b).

0449D (90-09)



0314207 CERTIFICATE OF REGISTRATION HURON (22) GODERICH '96 DEC 18 PM 2 57 P. E. Macleod LAND REGISTRAR New Property Identifiers	(1) Registry ☒ Land Titles ☐	(2) Page 1 of 26 pages
	(3) Property Identifier(s) Block Property Additional: See Schedule ☐	
	(4) Nature of Document UNIT OPERATION AGREEMENT	
	(5) Consideration Five Hundred and Twenty-Five ----- Dollars \$ 525.00	
	(6) Description In the Township of Stanley, in the County of Huron, all of Lot 8 and all of Lot 9, in Concession B.R.N..	
Executions	(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☒ (b) Schedule for: Description ☒ Additional Parties ☒ Other ☒	Additional: See Schedule ☐
(8) This Document provides as follows:		
Continued on Schedule ☐		
(9) This Document relates to instrument number(s) 314206		
(10) Part(ies) (Set out Status or Interest) Name(s) Signature(s) Date of Signature Y M D		
GRAINGER, George Murray - Estate 1996 08 26		
JOHNSON, Peggy I am at least eighteen years of age. I am not a spouse. Beneficiary (Lessor)		
(11) Address for Service Hillside Manor, 900 North Hill Road, McMinnville, Oregon, U.S.A. 97128		
(12) Part(ies) (Set out Status or Interest) Name(s) Signature(s) Date of Signature Y M D		
PARAGON PETROLEUM CORPORATION Campbell C. Hardy, Vice President Land 1996 09 09		
(Lessee)		
(13) Address for Service 555 Southdale Road East, London, Ontario N6E 1A2		
(14) Municipal Address of Property Unknown	(15) Document Prepared by: ELEXCO LTD. 555 Southdale Road East London, Ontario N6E 1A2 Our File: 047133-2 Paragon's 173M20001	
Fees and Tax		Registration Fee
		Total

Additional Property Identifier(s) and/or Other Information

(10) **ADDITIONAL PARTY(IES)**

Name(s)	Signature(s)	Date of Signature
		Y M D
GRAINGER, George Murray - Estate		
RYAN, Nancy	<i>Nancy Ryan</i>	1976 03 27
I am at least eighteen years of age.		
The property is not ordinarily occupied by me and my spouse,		
who is not separated from me, as our family residence.		
Beneficiary		
(Lessor)		

(11) **Address for Service**

200 Trowbridge Avenue, London, Ontario N6J 3M3

(10) **ADDITIONAL PARTY(IES)**

Name(s)	Signature(s)	Date of Signature
		Y M D
GRAINGER, George Murray - Estate		
GRAINGER, Bob	<i>Bob Grainger</i>	1976 07 30
I am at least eighteen years of age.		
The property is not ordinarily occupied by me and my spouse,		
who is not separated from me, as our family residence.		
Beneficiary		
(Lessor)		

(11) **Address for Service**

276 Royal Avenue, Ottawa, Ontario K2A 1T5

(10) **ADDITIONAL PARTY(IES)**

Name(s)	Signature(s)	Date of Signature
		Y M D
GRAINGER, George Murray - Estate		
YOUNGBERG, Barb	<i>Barb Youngberg</i>	1964 4 14
I am at least eighteen years of age.		
I am not a spouse.		
Beneficiary		
(Lessor)		

(11) **Address for Service**

831 Shetland Place, Sunnyvale, California, U.S.A. 94087

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s)	Signature(s)	Date of Signature
		Y M D
GRAINGER, George Murray - Estate		
ERB, Mary E.	<i>Mary E. Erb</i>	1996.03.29
I am at least eighteen years of age.		
The property is not ordinarily occupied by me and my spouse,		
who is not separated from me, as our family residence.		
Beneficiary		
(Lessor)		

(11) Address for Service

R.R. #1, Bayfield, Ontario NOM 2T0

(10) ADDITIONAL PARTY(IES)

Name(s)	Signature(s)	Date of Signature
		Y M D
GRAINGER, George Murray - Estate		
HORNER, Helen M.	<i>Helen M. Horner</i>	1960.04.14
I am at least eighteen years of age.		
The property is not ordinarily occupied by me and my spouse,		
who is not separated from me, as our family residence.		
Beneficiary		
(Lessor)		

(11) Address for Service

P.O. Box 1480, St. Paul, Alberta T0A 3A0

(10) ADDITIONAL PARTY(IES)

Name(s)	Signature(s)	Date of Signature
		Y M D
GRAINGER, George Murray - Estate		
RAMER, Phyllis E.	<i>Phyllis E. Ramer</i>	1960.04.14
I am at least eighteen years of age.		
The property is not ordinarily occupied by me and my spouse,		
who is not separated from me, as our family residence.		
Beneficiary		
(Lessor)		

(11) Address for Service

P.O. Box 303, 25 Walnut Street, Zurich, Ontario NOM 2T0



Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s)	Signature(s)	Date of Signature
GRAINGER, George Murray - Estate		Y M D
BAIN, Joyce	<i>Joyce Bain</i>	96 04 14
I am at least eighteen years of age.		
The property is not ordinarily occupied by me and my spouse,		
who is not separated from me, as our family residence.		
Beneficiary		
(Lessor)		

(11) Address for Service

R.R. #1, Wingham, Ontario NOG 2W0

(10) ADDITIONAL PARTY(IES)

Name(s)	Signature(s)	Date of Signature
GRAINGER, George Murray - Estate		Y M D
KEILLOR, Marilyn	<i>Marilyn Keillor</i>	96 08 28
I am at least eighteen years of age.		
The property is not ordinarily occupied by me and my spouse,		
who is not separated from me, as our family residence.		
Beneficiary		
(Lessor)		

(11) Address for Service

11714 - 89A Street, Grande Prairie, Alberta T8X 1K2

(10) ADDITIONAL PARTY(IES)

Name(s)	Signature(s)	Date of Signature
GRAINGER, George Murray - Estate		Y M D
HAMILTON, Neil	<i>Neil G. Hamilton</i>	96 04 14
I am at least eighteen years of age.		
The property is not ordinarily occupied by me and my spouse,		
who is not separated from me, as our family residence.		
Beneficiary		
(Lessor)		

(11) Address for Service

6031 Edenwood Drive, Mississauga, Ontario L5N 2Y6



Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s)
GRAINGER, George Murray - Estate

Signature(s)

Date of Signature

GRAINGER, James R.

I am at least eighteen years of age.

The property is not ordinarily occupied by me and my spouse,
who is not separated from me, as our family residence.

Beneficiary

(Lessor)

(11) Address for Service

R.R. #2, Zurich, Ontario NOM 2T0

(10) ADDITIONAL PARTY(IES)

Name(s)
GRAINGER, George Murray - Estate

Signature(s)

Date of Signature

GRAINGER, Steven

I am at least eighteen years of age.

The property is not ordinarily occupied by me and my spouse,
who is not separated from me, as our family residence.

Beneficiary

(Lessor)

(11) Address for Service

R.R. #2, Zurich, Ontario NOM 2T0

(10) ADDITIONAL PARTY(IES)

Name(s)
GRAINGER, George Murray - Estate

Signature(s)

Date of Signature

FAWCETT Cathryn

I am at least eighteen years of age.

The property is not ordinarily occupied by me and my spouse,
who is not separated from me, as our family residence.

Beneficiary

(Lessor)

(11) Address for Service

27 Kingfisher Road, Sherwood Park, Alberta T8A 3P7

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s)	Signature(s)	Date of Signature
		Y M D
GRAINGER, George Murray - Estate		
HAYTER, Betty	<i>Betty Hayter</i>	96, 04, 14
I am at least eighteen years of age.		
The property is not ordinarily occupied by me and my spouse,		
who is not separated from me, as our family residence.		
Beneficiary		
(Lessor)		

(11) Address for Service

7745 Alfred Street, Port Franks, Ontario NOM 2L0

(10) ADDITIONAL PARTY(IES)

Name(s)	Signature(s)	Date of Signature
		Y M D
GRAINGER, George Murray - Estate		
DEICHERT, Elaine E.	<i>Elaine E. Deichert</i>	99, 03, 29
I am at least eighteen years of age.		
The property is not ordinarily occupied by me and my spouse,		
who is not separated from me, as our family residence.		
Beneficiary		
(Lessor)		

(11) Address for Service

RR #3
P.O. Box 1084, Wingham, Ontario NOG 2W0

(10) ADDITIONAL PARTY(IES)

Name(s)	Signature(s)	Date of Signature
		Y M D

(11) Address for Service

WHEREAS Tipperary Resources Limited, Stanley Reef Resources Ltd., Regent Resources Ltd., Sanreta Oil & Gas Resources Ltd., Dutton Resources Ltd., Thames Resources Ltd. and Paladin Petroleum Corporation amalgamated under the name of Paladin Petroleum Corporation and the letters of Amalgamation were registered in the Registry Office for the Registry Division of the County of Huron on the 11th day of February, 1986, as Instrument No. 223558;

AND WHEREAS Paladin Petroleum Corporation, CCNR Petroleum Corporation and E.P. Rowe Oil Limited amalgamated under the name of PPC Oil & Gas Corp. and the letters of Amalgamation were registered in the Registry Office for the Registry Division of the County of Huron on the 11th day of January, 1988, as Instrument No. 239656;

AND WHEREAS Paragon Petroleum Limited, PPC Oil & Gas Corp. and Alterio Resources Limited amalgamated under the name of Paragon Petroleum Corporation and the letters of Amalgamation were registered in the Registry Office for the Registry Division of the County of Huron on the 7th day of March, 1991, as Instrument No. 267992;

AND WHEREAS by a Deed dated September 26, 1961, between George Murray Grainger, as Grantor, and Gordon Lyle Hill and Ruby Edna Hill, as Grantees, registered in the Registry Office for the Registry Division of the County of Huron on September 28, 1961 as Instrument No. 48977, George Murray Grainger reserved unto himself as registered owner all mines and quarries of metals and minerals, and all springs of oil in or under the "said lands" described therein, whether already discovered or not, with liberty of ingress, egress and regress to and for the said George Murray Grainger, his heirs, executors, administrators, licensees and assigns, in order to search for, work, win and carry away the same, and for those purposes to make and use all needful roads and other works, doing no unnecessary damage and making reasonable compensation for all damage actually occasioned;

AND WHEREAS pursuant to section 9 of the Estates Administration Act, more than three (3) years has passed since the date of death of George Murray Grainger, and the Estate of George Murray Grainger has vested in its beneficiaries as determined under the Succession Law Reform Act.

AND WHEREAS George Murray Grainger died on or about the 26th day of February, 1993, intestate, and pursuant to Subsection 47(4) of the Succession Law Reform Act his property shall be distributed among his surviving brothers and sisters equally, and if any brother or sister has predeceased him, the share of the deceased brother or sister shall be distributed among his or her children equally;

AND WHEREAS George Murray Grainger was survived by his sister Peggy Johnson and his remaining brothers and sister, Ardell Grainger, Russel Grainger and Marie Hamilton, all predeceased him;

AND WHEREAS Ardell Grainger is survived by his children Nancy Ryan, Bob Grainger and Barb Youngberg;

AND WHEREAS Russel Grainger is survived by his children Elaine E. Deichert, Mary E. Erb, Helen M. Horner, Phyllis E. Ramer, James R. Grainger, Cathryn Fawcett and Steven Grainger;

AND WHEREAS Marie Hamilton is survived by her children Joyce Bain, Marilyn Keillor, Neil Hamilton and Betty Hayter.

UNIT OPERATION AGREEMENT

AGREEMENT made this 28th day of August, 1996.

B E T W E E N:

THE ESTATE OF GEORGE MURRAY GRAINGER, by its Beneficiaries:

Peggy Johnson, of the City of McMinnville, in the County of Yamhill, in the State of Oregon, one of the United States of America; and

Nancy Ryan, of the City of London, in the County of Middlesex, in the Province of Ontario; and

Bob Grainger, of the City of Ottawa, in the Regional Municipality of Ottawa-Carlton, in the Province of Ontario; and

Barb Youngberg, of the City of Sunnyvale, in the County of Santa Clara, in the State of California, one of the United States of America; and

Joyce Bain, of the Township of Turnberry, in the County of Huron, in the Province of Ontario; and

Marilyn Keillor, of the City of Grande Prairie, in the Province of Alberta; and

Neil Hamilton, of the City of Mississauga, in the Regional Municipality of Peel, in the Province of Ontario; and

Betty Hayter, of the Town of Bosanquet, in the County of Lambton, in the Province of Ontario; and

Elaine E. Deichert, of the Town of Wingham, in the County of Huron, in the Province of Ontario; and

Mary E. Erb, of the Township of Stanley, in the County of Huron, in the Province of Ontario; and

Helen M. Horner, of the Town of St. Paul, in the Province of Alberta; and

Phyllis E. Ramer, of the Village of Zurich, in the County of Huron, in the Province of Ontario; and

James R. Grainger, of the Township of Stanley, in the County of Huron, in the Province of Ontario; and

Steven Grainger, of the Township of Stanley, in the County of Huron, in the Province of Ontario; and

Cathryn Fawcett, of the Hamlet of Sherwood Park, in the County of Strathcona, in the Province of Alberta,

hereinafter called "the Lessor"
OF THE FIRST PART

and

PARAGON PETROLEUM CORPORATION, a company incorporated under the laws of the Province of Alberta, having an office in the City of London, in the Province of Ontario

hereinafter called "the Lessee"
OF THE SECOND PART

and

N/A

hereinafter called "the Mortgagee"
OF THE THIRD PART

and

N/A

hereinafter called "
OF THE FOURTH PART

WHEREAS by an Oil and Gas Lease dated the 28th day of August, 1996 and registered on the 18th day of December, 1996, in the Registry Office for the Registry Division of the County of Huron as Instrument No. 034206, (hereinafter together with any amendments and assignments thereto made prior to the date hereof, referred to as and included in the expression, the "said lease"), the Lessor (or the Lessor's predecessor in title or interest) did demise and lease unto the Lessee (or its predecessor in interest) for the purposes set forth therein,

.../2

those certain lands in the Township of Stanley, in the County of Huron, Province of Ontario, described as follows:

All of Lot 8, in Concession B.R.N., and all of Lot 9, Concession B.R.N.;
containing in all 306.0 acres more or less (hereinafter referred to as the "Lessor's lands");

AND WHEREAS it is believed that Silurian Age Formations underlie those certain lands listed and described in Schedule "B" hereto annexed and made a part hereof, (and which include all or part of the Lessor's lands but whatever of the Lessor's lands is so included, is hereinafter referred to as the "said lands") and may contain a certain gas or gas and oil reservoir or pool to be known as the Old Bayfield Pool (hereinafter called the "said pool");

AND WHEREAS for the purpose of protecting the said pool from unnecessary and wasteful drilling and undue depletion, and for the protection of their correlative rights therein with respect to production of the leased substances, the parties hereto desire to amend the said lease to unite and combine that portion of the said lands which is included in Schedule "B" hereunto annexed and made a part hereof, with all of the other lands in the said Schedule, into a single operative unit to the extent hereinafter set forth.

WITNESSETH that in consideration of the mutual considerations hereinafter contained and the sum of Five Hundred and Twenty Five Dollars (\$525.00) to be paid by the Lessee to the Lessor within ninety (90) days of the date hereof, the parties hereto each covenant and agree with the other as follows:

1. In this Agreement, including the clause, unless the context otherwise requires:
 - (a) "leased substances" mean severally and collectively gas and oil and related hydrocarbons other than coal;
 - (b) "unit area" means the lands described in, and from time to time remaining in Schedule "B" hereunto annexed and made a part hereof;
 - (c) "participating section of the unit area" means that portion of the unit area that has been shaded on the Plan in Schedule "C" hereunto annexed and made a part hereof, or as the same may be amended from time to time in the manner hereinafter provided;
 - (d) "non-participating section of the unit area" means that portion of the unit area that has not been shaded on the Plan in Schedule "C" hereunto annexed and made a part hereof, or as the same may be amended from time to time in the manner hereinafter provided;
 - (e) "Old Bayfield Pool" means the Silurian Age formations believed to underlie the participating section of the unit area;
 - (f) "other Lessors" means all those persons other than the Lessor herein, who, or whose predecessors in title or interest at any time prior to the date of or during the currency of this Agreement shall have demised and leased lands in the unit area to the Lessee or its predecessor in interest for oil and gas development purposes;
 - (g) "Lessors" means the Lessor herein and the other Lessors, collectively.

2. It is understood and agreed that the Lessee and the other Lessees of other lands in the unit area are endeavouring to have executed by all of the other Lessors in the unit area Agreements similar to this Agreement, and that this Agreement together with any such other Agreements entered into and executed shall be interpreted and treated as a common Agreement for the purpose of developing and obtaining production of the leased substances from those portions of the unit area covered by this Agreement and such other Agreements.

3. Schedule "D" hereunto annexed and made a part hereof, is a list of the oil and gas leases now held from the Lessors in the unit area as presently delineated showing in respect of each such lease the acreage in the participating section of the unit area, the acreage in the non-participating section of the unit area and the acreage outside of the unit area.

4. Notwithstanding anything to the contrary expressed or implied in the said lease;

(a) It is understood and agreed that in respect of each calendar year hereafter the Lessee shall pay or tender to the Lessor in lieu of all payments under the said lease, that proportion of the following royalties which the Lessor's acreage from time to time in the participating section of the unit area bears to the total acreage at such respective times in the participating section of the unit area:

(i) Twelve and one-half percent (12.5%) of the current market value at the point of measurement of all gas produced, saved and marketed by the Lessee from the participating section of the unit area as measured by the Lessee;

(ii) Twelve and one-half percent (12.5%) of the current market value at the point of measurement of crude oil produced, saved and marketed by the Lessee from the participating section of the unit area;

which royalties shall be paid or tendered to the Lessor monthly not later than the last day of the month following the month during which production is taken; providing that if the total of such royalties paid or tendered to the Lessor during any calendar year hereafter is less than One Hundred and Five Dollars (\$105.00) for all of the Lessor's lands in the participating section of the unit area, the Lessee shall, not later than the thirty-first day of January next following, pay or tender to the Lessor and the Lessor shall accept in respect of such calendar year an amount sufficient to bring the total amount payable to the Lessor under this sub-clause 4(a) during such calendar year, up to the said sum of One Hundred and Five Dollars (\$105.00);

And as long as the payments provided for in this sub-clause 4(a) are made or tendered, the leased substances shall be deemed to be produced from and operations for the recovery of same shall be deemed to be conducted by the Lessee on the said lands under the said lease, notwithstanding any expiry of the primary term stated in the habendum clause of the said lease, and the said lease as hereby amended shall remain in full force and effect as to all of the Lessor's lands retained by the Lessee under the said lease and/or this Agreement. Provided further that any royalties or rentals paid in advance under the said lease in respect of any period within the effective term of this Agreement and which under the provisions of this sub-clause 4(a) would not have been required to be paid, shall be deducted from the aforesaid payments;

And provided further that in the calendar year in which this Agreement becomes effective the minimum payments under this sub-clause 4(a) shall be that proportion of the aforesaid minimum payments which the unexpired term of the said calendar year bears to the full calendar year.

(b) This Agreement shall be deemed to become effective upon the date of execution of an agreement similar to this Agreement by the last remaining Lessor in the unit area to sign such an agreement. Prior to the said effective date of this Agreement, the said lands shall be governed by the terms of the said lease.

5. The Lessee shall have the right from time to time and at any time to include as part of the unit area additional lands in the vicinity thereof and the same thereafter for the purposes of this Agreement shall be treated in all respects as if included in the appropriate schedules hereto; PROVIDED, however, always that such additional lands shall not be included in the unit area except with the consent in writing first had and obtained of those Lessors who together own not less than sixty percent (60%) of all the lands within the unit area (as existing immediately prior to such enlargement) which are then subject to agreements with the Lessee similar to or identical in terms with this Agreement.

6. It is understood and agreed that the Lessee shall, at any time or from time to time, have the right to withdraw all of the said lands or any portion or portions thereof from the unit area, whereupon such lands or portion or portions thereof so withdrawn shall no longer be subject to the terms of this Agreement, but shall be governed thereafter instead by the terms of the said lease.

7. The Lessee shall have the right at any time and from time to time to enlarge or reduce the limits of the participating section of the unit area within such limits as may be determined from the geological and scientific information then available to it.

8. Whenever the limits of the unit area or of the participating section of the unit area are altered in accordance with the provisions of any of the three clauses next preceding, the change so made shall be deemed to have occurred at the expiration of the last day of the month in which the same was effected, and the payments required to be made under the provisions of Clause 4 hereof shall be adjusted and apportioned accordingly. The Lessee shall notify the Lessor in writing of all such changes.

9. The spacing pattern, location and number of wells drilled in the unit area and the rate of drilling and the manner of operating such wells, including amongst other things but not so as to limit the foregoing, the rate of production of the leased substances therefrom shall be at all times in the sole discretion of the Lessee.

10. The Lessee and the Lessor covenant and agree that the said lease is in full force and effect and all covenants and obligations contained therein on the part of the Lessee, including payment of all delay rentals, shut-in or suspended well payments and/or royalty payments to the effective date of this Agreement have been complied with in full. Furthermore, the Lessee and the Lessor covenant and agree the Bluewater-Imperial Bayfield #7 BRN Well and the Bluewater-Imperial Bayfield #8 BRN Well shall both be deemed and constitute, each one individually, a well under the terms and conditions of this Agreement.

11. The Lessee and the Lessor covenant and agree that an amount equal to the annual rental payment under the said lease shall be paid to the Lessor, in the manner and at the address shown in the said lease, for each of the remaining ensuing lease years of the primary term of the said lease, or until this Agreement is terminated, whichever shall occur first.

12. Notwithstanding anything in this Agreement to the contrary, the Lessee shall be under no obligation to conduct drilling and/or development operations within the unit area.

13. On and after the effective date of this Agreement, the interest of each royalty owner, as lessor, and of each working interest owner, as lessee, in the leased substances within the unit area are hereby unitized, as if the unit area had been included in a single lease executed by the royalty owners, as lessors, in favour of the working interest owners, as lessees, and as if the lease had been subject to this Agreement.

14. As part of the consideration for the payments provided for under Clause 4 hereof, the Lessor hereby grants and conveys to the Lessee for so long as development or production are continued or deemed to be continued on the unit area, the right and privilege to fence any portion of the said lands used as a well site not in excess of fifty feet by fifty feet.

15. The Lessee may at its option pay or discharge any tax, mortgage, lien, balance of purchase money or encumbrance of any kind or nature whatsoever, incurred or created by the Lessor and/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, and in addition to any similar or other remedies in that behalf conferred upon the Lessee under the terms of the said lease, the Lessee shall have the right at its option, to reimburse itself by applying to the amount so paid by it any and all sums accruing to the Lessor under the terms of this Agreement.

16. In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained which ought to be observed or performed by the Lessee, including making or tendering the payments provided for in Clause 4(a) hereof, and which have not been waived by the Lessor, the Lessor shall, before bringing any action with respect thereto or declaring any forfeiture, give to the Lessee written notice setting forth the particulars of and requiring it to remedy such default, and in the event that the Lessee shall fail to commence to remedy such default within a period of ninety (90) days from receipt of such notice, and thereafter diligently proceed to remedy the same, then except as hereinafter provided, this Agreement shall thereupon terminate and it shall be lawful for the Lessor into or upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy; PROVIDED that this Agreement shall not terminate nor be subject to forfeiture or cancellation if there is located on the unit area a well capable of producing the leased substances or any of them, and in that event the Lessor's remedy for any default hereunder shall be for damages only.

17. It is hereby declared and agreed that this Agreement and all the terms, conditions and covenants herein contained shall extend to, be binding upon and enure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns respectively, it being understood that the privilege of assigning in whole or in part is hereby expressly allowed and that the unit operation contemplated herein may be conducted by someone other than the Lessee and that the terms of this Agreement binding on the Lessee may be performed by someone on behalf of the Lessee. No assignment, however, of this Agreement by the Lessor, and no change or division in ownership of the said lands and no change or division in the ownership of the sums payable hereunder, shall operate to enlarge the obligations or diminish the rights of the Lessee hereunder.

18. All payments to the Lessor provided for in this Agreement shall, at the Lessee's option, be paid or tendered either to the Lessor being each of the beneficiaries of the Estate of George Murray Grainger as ^{shown on schedule "E"} ~~to a one-fifteenth (1/15 th) share~~, to be paid directly to:

Peggy Johnson at Hillside Manor, 900 North Hill Road, McMinnville, Oregon, ^{PEJ}
USA 97128

Nancy Ryan at 200 Trowbridge Avenue, London, Ontario N6J 3M3 ^{NR}

Bob Grainger at 276 Royal Avenue, Ottawa, Ontario K2A 1T5 ^{R.N.D.}

Barb Youngberg at 831 Shetland Place, Sunnyvale, California, USA 94087 ^{B.Y.}

Joyce Bain at R. R. #1, Wingham, Ontario N0G 2W0 ^{J. Bain}

Marilyn Keillor at 11714 - 89A Street, Grande Prairie, Alberta T8X 1K2 ^{mk}

Neil Hamilton at 6031 Edenwood Drive, Mississauga, Ontario L5N 2Y6 ^{N.H.}

Betty Hayter at 7745 Alfred Street, Port Franks, Ontario N0M 2L0 ^{BH}

Elaine E. Deichert at R.R. #3, Wingham, Ontario N0G 2W0 ^{EED}

Mary E. Erb at R. R. #1, Bayfield, Ontario N0M 2T0 ^{MEF}

Helen M. Horner at P. O. Box 1480, St. Paul, Alberta T0A 3A0 ^{HH}

Phyllis E. Ramer at P. O. Box 303, 25 Walnut Street, Zurich, Ontario N0M 2T0 ^{PER}

James R. Grainger at R. R. #2, Zurich, Ontario N0M 2T0 ^{JR}

Steven Grainger at R. R. #2, Zurich, Ontario N0M 2T0 ^{SG}

Cathryn Fawcett at 27 Kingfisher Road, Sherwood Park, Alberta, T8A 3P7 ^{CF}

or paid or tendered on behalf of the Lessor to the credit of Pay Direct (Bank or Trust Company, hereinafter called "the depository"), which said depository shall be deemed to be the Lessor's agent and shall continue as the depository for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by assignment or otherwise) of the said lands or of the leased substances therein contained or of the royalties or other payments to accrue hereunder, unless and until the Lessee shall have been directed in writing by the Lessor to make such payments to another depository in Canada which shall be specified in such direction; PROVIDED, however, that only one such depository shall be designated at any time or from time to time as aforesaid. All such payments or tenders may be made by cheque or draft either mailed or delivered to the Lessor or to the depository by him so designated.

19. This Agreement shall be of the same force and effect for all intents and purposes as a covenant annexed to and running with all of the lands included within or partly within the unit area which are covered by agreements similar to or identical in terms to this Agreement, and shall be binding upon every person who acquires an interest in any such lands regardless of the manner in which such interest is acquired, provided that nothing in this clause or herein elsewhere expressly or by implication provided shall affect the Lessee's right to surrender in whole or in part its interest in the said lands or any portion or portions thereof, under the said lease and/or this Agreement.

20. Excepting as herein and hereby expressly modified or amended, the said lease shall continue in all respects in full force and effect for so long as therein and herein provided, and the same as so amended or modified is hereby ratified and confirmed. Subject, however, thereto it is agreed that the entire contract and Agreement between the Lessor and the Lessee with reference to the operation of the unit area is embodied herein and that no verbal warranties, representations or promises have been made or relied upon by the parties supplementing, modifying or inducing the execution of this Agreement.

21. This Agreement and all the terms, conditions, covenants and obligations contained herein shall take effect and be binding upon the parties hereto as of and from the day specified in Clause 4 hereof and shall continue in full force and effect for so long as the unit operation herein provided for continues and any portion of the said lands remains within the unit area, and in any event for so long as the payments provided for in Clause 4(a) hereof are made or tendered.

22. All notices to be given hereunder may be given by letter delivered or mailed by prepaid registered post and addressed to the Lessor at *Estate of Goerge Murray Grainger, c/o Betty Hayter, 7745 Alfred Street, Port Franks, Ontario N0M 2L0* and to the Lessee at *555 Southdale Road East, London, Ontario N6E 1A2*, or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee twenty-four (24) hours after such mailing.

23. The Lessor agrees to comply with the provisions of the Planning Act, and any amendments thereto.

24. We, N/A and N/A being spouses within the meaning of Section 1(1) of the Family Law Act of Ontario, 1986 do hereby consent to the transaction evidenced by this Instrument and the registration of same on the title to the lands hereinbefore described.

25. The Mortgagee, other encumbrancers, and/or any other Party to this Agreement hereby consent to the grant of these rights and the complete enjoyment thereof by the Lessee.

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Attached to and forming a part of a Unit Operation Agreement dated the 28th day of August, 1996 between the Estate of George Murray Grainger, by its beneficiaries, Peggy Johnson, et al, as Lessor, and Paragon Petroleum Corporation, as Lessee.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of

Kathleen Koudels
Witness

Dehl
Witness

Susan Grainger
Witness

Dehl
Witness

Dehl
Witness

Dehl
Witness

Dehl
Witness

Dehl
Witness

Dehl
Witness

Dehl
Witness

Dehl
Witness

Dehl
Witness

LESSOR

THE ESTATE OF GEORGE MURRAY
GRAINGER, by its Beneficiaries:

Peggy Johnson
Peggy Johnson

Nancy Ryan
Nancy Ryan

Bob Grainger
Bob Grainger

Barb Youngberg
Barb Youngberg

Joyce Bain
Joyce Bain

Marilyn Keillor
Marilyn Keillor

Neil G. Hamilton
Neil Hamilton

Betty Hayter
Betty Hayter

Elaine E. Deichert
Elaine E. Deichert

Mary E. Erb
Mary E. Erb

Helen M. Horner
Helen M. Horner

Phyllis E. Ramer
Phyllis E. Ramer

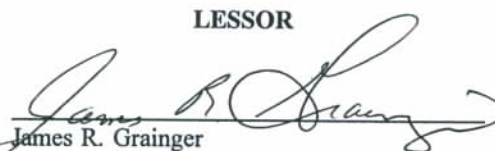
Attached to and forming a part of a Unit Operation Agreement dated the 28th day of August, 1996 between the Estate of George Murray Grainger, by its beneficiaries, Peggy Johnson, et al, as Lessor, and Paragon Petroleum Corporation, as Lessee.

LESSOR


Witness


Witness


Witness


James R. Grainger


Steven Grainger


Cathryn Fawcett
et

LESSEE
PARAGON PETROLEUM CORPORATION


Campbell C. Hardy, Vice President, Land

UNIT OPERATION AGREEMENT
Old Bayfield Pool
Township of Stanley, County of Huron
SCHEDULE "A"

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ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Township of Stanley, in the County of Huron and in the Province of Ontario and being composed of:

FIRSTLY: All of Lot 8, in Concession B.R.N..

SECONDLY: All of Lot 9, in Concession B.R.N..

UNIT OPERATION AGREEMENT
Old Bayfield Pool
Township of Stanley, County of Huron
SCHEDULE "B"

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Township of Stanley, in the County of Huron and in the Province of Ontario and being composed of:

FIRSTLY: That part of Lot 7, in Concession B.R.N., more particularly described as Tract 1, Tract 2, Tract 3 and Tract 4 in Schedule "C" attached hereto and made a part hereof.

SECONDLY: That part of Lot 8, in Concession B.R.N., more particularly described as Tract 1, Tract 2, Tract 3 and Tract 4 in Schedule "C" attached hereto and made a part hereof.

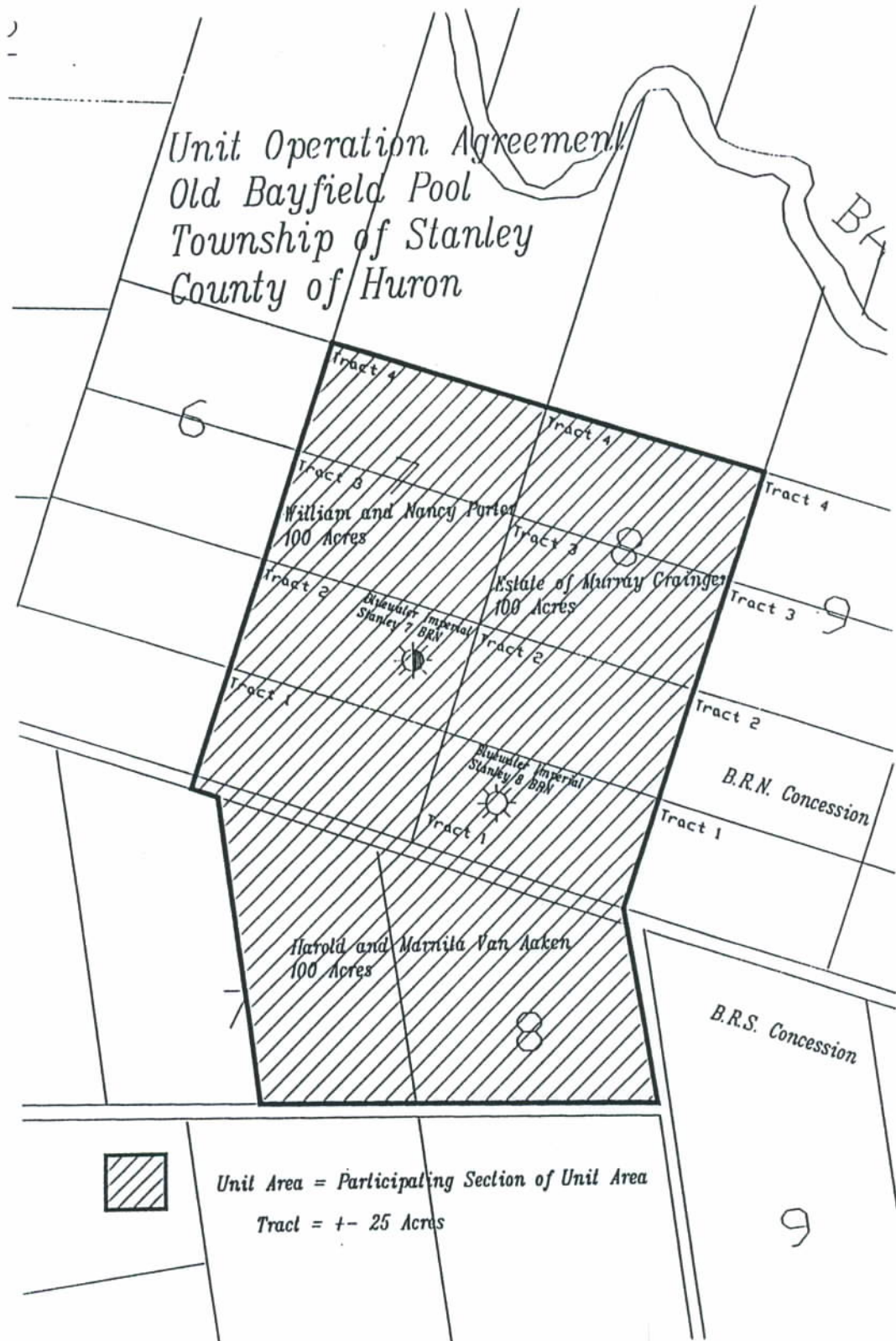
THIRDLY: The East half of Lot 7, in Concession B.R.S..

FOURTHLY: All of Lot 8, in Concession B.R.S..

UNIT OPERATION AGREEMENT
Old Bayfield Pool
Township of Stanley, County of Huron
SCHEDULE "C"

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UNIT OPERATION AGREEMENT
Old Bayfield Pool
Township of Stanley, County of Huron
SCHEDULE "D"

REGISTERED INSTRUMENT NO.	LESSOR	ACREAGE INSIDE UNIT AREA	ACREAGE OUTSIDE UNIT AREA	ACREAGE IN PARTICIPATING SECTION OF UNIT AREA	PERCENTAGE OF ACREAGE IN PARTICIPATING SECTION OF UNIT AREA
0312832	William Gordon Porter Nancy Charlene Porter	100.0	60.0	100.0	33 1/3%
0314206	Estate of George Murray Grainger	100.0	206.0	100.0	33 1/3%
298474	Harold Mario Van Aaken Marnita Lorrain Van Aaken	100.0	60.0	100.0	33 1/3%

SCHEDULE "E"

Attached to and forming a part of a Unit Operation Agreement dated the 28th day of August, 1996, between the Estate of George Murray Grainger, by its beneficiaries, Peggy Johnson, et al, as Lessor, and Paragon Petroleum Corporation, as Lessee.

LESSOR
THE ESTATE OF GEORGE
MURRAY GRAINGER
by its Beneficiaries:

Beneficiary's share:

Peggy Johnson	one quarter (1/4)
Betty Hayter	one sixteenth (1/16th)
Joyce Bain	one sixteenth (1/16th)
Marilyn Keillor	one sixteenth (1/16th)
Neil Hamilton	one sixteenth (1/16th)
Nancy Ryan	one twelfth (1/12th)
Bob Grainger	one twelfth (1/12th)
Barb Youngberg	one twelfth (1/12th)
Elaine Deichert	one twenty-eighth (1/28th)
Mary Erb	one twenty-eighth (1/28th)
Helen Horner	one twenty-eighth (1/28th)
Cathryn Fawcett	one twenty-eighth (1/28th)
Phyllis Ramer	one twenty-eighth (1/28th)
Jim Grainger	one twenty-eighth (1/28th)
Steven Grainger	one twenty-eighth (1/28th)



LT019341 CERTIFICATE OF RECEIPT HURON(22)GODERICH 02 SEP 18 PM 3 29 <i>Swanson</i> LAND REGISTRAR New Property Identifiers Executions	(1) Registry ☐	Land Titles ☒	(2) Page 1 of 14 pages		
	(3) Property Identifier(s) 41452	Block	Property 0155	Additional: See Schedule ☐	
	(4) Nature of Document NOTICE OF AMENDMENT OF LEASE (Section 111 (6) of the Land Titles Act)				
	(5) Consideration Five ----- 00/100 Dollars \$5.00				
	(6) Description In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, PT LT 7 BAYFIELD ROAD SOUTH CON; PT LT 8 BAYFIELD ROAD SOUTH CON AS IN R285767; S/T R64418, now known as PIN 41452-0155. SAVE AND EXCEPT PART 19 ON HWP 2018				
Additional: See Schedule ☐	(7) This Document Contains:			(a) Redescription New Easement Plan/Sketch ☐	(b) Schedule for: Description ☐ Additional Parties ☐ Other ☒
(8) This Document provides as follows: To: The Land Registrar of the Land Titles Division of Huron (No. 22): We, TALISMAN ENERGY INC., hereby apply for the entry of a Notice of Amendment of a Petroleum and Natural Gas Lease and Grant produced herewith in respect of the said lands of which HAROLD MARIO VAN AAKEN and MARNITA LORRAIN VAN AAKEN are the registered owners.					
Continued on Schedule ☐					
(9) This Document relates to instrument number(s) 314209, 332966, LT15630, LT15621					
(10) Party(ies) (Set out Status or Interest)					
Name(s)		Signature(s)		Date of Signature Y M D	
VAN AAKEN, Harold Mario		<i>Harold Van Aaken</i>		2002 03 23	
VAN AAKEN, Marnita Lorrain		<i>Marnita D. Van Aaken</i>		2002 03 23	
We are both at least eighteen years of age. We are spouses of one another.					
Lessor					
(11) Address for Service R.R. #1, Bayfield, ON N0M 1G0 37869 Mill Rd.					
(12) Party(ies) (Set out Status or Interest)					
Name(s)		Signature(s)		Date of Signature Y M D	
TALISMAN ENERGY INC.		<i>Tracey D. Stock</i>		2002 04 09	
		Per: TRACEY D. STOCK, P.Eng. Supervisor, Land A&D			
		"I have authority to bind the Corporation"			
Lessee and Applicant					
(13) Address for Service c/o Elexco Ltd., Suite 201, 555 Southdale Road East, London, ON N6E 1A2					
(14) Municipal Address of Property Unknown		(15) Document Prepared by: Elexco Ltd. 555 Southdale Road East London, ON N6E 1A2 File No. 070369-15-2 Talisman File No. 34583		Fees and Tax	
				Registration Fee	60
				Total	60

UNIT OPERATION AGREEMENT

AGREEMENT made effective this 28th day of August, 1996.

BETWEEN:

HAROLD MARIO VAN AAKEN and MARNITA LORRAIN VAN AAKEN, of the
Municipality of Bluewater, in the County of Huron, Province of Ontario
hereinafter called "the Lessor"
OF THE FIRST PART

and

TALISMAN ENERGY INC., a company incorporated pursuant to the laws of Canada,
having its Head Office in the City of Calgary, in the Province of Ontario
hereinafter called "the Lessee"
OF THE SECOND PART

and

FARM CREDIT CORPORATION
hereinafter called "the Mortgagee"
OF THE THIRD PART

and

GERARDUS CORNELIUS VAN AAKEN and CATHERINA MARY VAN AAKEN
hereinafter called "Mortgagee"
OF THE FOURTH PART

WHEREAS by an Oil and Gas Lease made effective the 16th day of June, 1994 and registered on the 25th day of April, 2002, in the Registry Office for the Registry Division of the County of Huron, as Instrument No. LT15630, (hereinafter together with any amendments and assignments thereto made prior to the date hereof, referred to as and included in the expression, the "said Lease"), the Lessor (or the Lessor's predecessor in title or interest) did demise and lease unto the Lessee (or its predecessor in title or interest) for the purposes set forth therein, those certain lands in the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, Province of Ontario, described as follows:

PT LT 7 BAYFIELD ROAD SOUTH CON, PT LT 8 BAYFIELD ROAD SOUTH CON AS IN R285767; S/T R64418, now known as PIN 41452-0155 and as more particularly described in Schedule "A" attached hereto.

containing in all 160.0 acres more or less (hereinafter referred to as the "Lessor's lands");

AND WHEREAS it is believed that the Silurian Age formations underlie those certain lands listed and described in Schedule "B" hereto annexed and made a part hereof, (and which include all or part of the Lessor's lands but whatever of the Lessor's lands is so included, is hereinafter referred to as the "said lands") and may contain a certain gas or gas and oil reservoir or pool to be known as the Old Bayfield Pool (hereinafter called the "said pool");

AND WHEREAS for the purpose of protecting the said pool from unnecessary and wasteful drilling and undue depletion, and for the protection of their correlative rights therein with respect to production of the leased substances, the parties hereto desire to amend the said Lease to unite and combine that portion of the said lands which is included in Schedule "B" hereunto annexed and made a part hereof, with all of the other lands in the said Schedule, into a single operative unit to the extent hereinafter set forth:

WITNESSETH that in consideration of the mutual considerations hereinafter contained and the sum of Five Dollars (\$5.00) to be paid by the Lessee to the Lessor, receipt whereof is hereby acknowledged, the parties hereto each covenant and agree with the other as follows:

1. In this Agreement, including this clause, unless the context otherwise requires:
 - (a) "leased substances" mean severally and collectively gas and oil and related hydrocarbons other than coal;
 - (b) "unit area" means the lands described in, and from time to time remaining in Schedule "B" hereunto annexed and made a part hereof;
 - (c) "participating section of the unit area" means that portion of the unit area that has been shaded on the Plan in Schedule "C" hereunto annexed and made a part hereof, or as the same may be amended from time to time in the manner hereinafter provided;
 - (d) "non-participating section of the unit area" means that portion of the unit area that has not been shaded on the Plan in Schedule "C" hereunto annexed and made a part hereof, or as the same may be amended from time to time in the manner hereinafter provided;
 - (e) "Old Bayfield Pool" means the Silurian Age formations believed to underlie the participating section of the unit area;
 - (f) "other Lessors" means all those persons other than the Lessor herein, who, or whose predecessors in title or interest at any time prior to the date of or during the currency of this Agreement shall have demised and leased lands in the unit area to the Lessee or its predecessor in interest for oil and gas development purposes;
 - (g) "Lessors" means the Lessor herein and the other Lessors, collectively.
2. It is understood and agreed that the Lessee and other Lessees of other lands in the unit area are endeavouring to have executed by all of the other Lessors in the unit area agreements similar to this Agreement, and that this Agreement together with any such other agreements entered into and executed shall be interpreted and treated as a common agreement for the purpose of developing and obtaining production of the leased substances from those portions of the unit area covered by this Agreement and such other agreements.
3. Schedule "D" hereunto annexed and made a part hereof, is a list of the oil and gas leases now held from the Lessors in the unit area as presently delineated showing in respect of each such lease the acreage in the participating section of the unit area, the acreage in the non-participating section of the unit area and the acreage outside of the unit area.

4. Notwithstanding anything to the contrary expressed or implied in the said Lease;

(a) It is understood and agreed that in respect of each calendar year hereafter the Lessee shall pay or tender to the Lessor in lieu of all payments under the said Lease, that proportion of the following royalties which the Lessor's acreage from time to time in the participating section of the unit area bears to the total acreage at such respective times in the participating section of the unit area:

(i) Twelve and one-half percent (12.5%) of the current market value at the point of measurement of all gas produced, saved and marketed by the Lessee from the participating section of the unit area as measured by the Lessee;

(ii) Twelve and one-half percent (12.5%) of the current market value at the point of measurement of crude oil produced, saved and marketed by the Lessee from the participating section of the unit area;

which royalties shall be paid or tendered to the Lessor monthly not later than the last day of the month following the month during which production is taken; providing that if the total of such royalties paid or tendered to the Lessor during any calendar year hereafter is less than One Thousand One Hundred Twenty Dollars (\$1,120.00) for all of the Lessor's lands in the participating section of the unit area, the Lessee shall, not later than the thirty-first day of January next following, pay or tender to the Lessor and the Lessor shall accept in respect of such calendar year an amount sufficient to bring the total amount payable to the Lessor under this sub-clause 4(a) during such calendar year, up to the said sum of One Thousand One Hundred Twenty Dollars (\$1,120.00);

And as long as the payments provided for in this sub-clause 4(a) are made or tendered, the leased substances shall be deemed to be produced from and operations for the recovery of same shall be deemed to be conducted by the Lessee on the said lands under the said Lease, notwithstanding any expiry of the primary term stated in the habendum clause of the said Lease, and the said Lease as hereby amended shall remain in full force and effect as to all of the Lessor's lands retained by the Lessee under the said Lease and/or this Agreement. Provided further that any royalties or rentals paid in advance under the said Lease in respect of any period within the effective term of this Agreement and which under the provisions of this sub-clause 4(a) would not have been required to be paid, shall be deducted from the aforesaid payments;

And provided further that in the calendar year in which this Agreement becomes effective the minimum payments under this sub-clause 4(a) shall be that proportion of the aforesaid minimum payments which the unexpired term of the said calendar year bears to the full calendar year.

(b) This Agreement shall be deemed to become effective on the 28th day of August, 1996. Prior to the said effective date of this Agreement, the said lands shall be governed by the terms of the said Lease.

5. The Lessee shall have the right from time to time and at any time to include as part of the unit area additional lands in the vicinity thereof and the same thereafter for the purposes of this Agreement shall be treated in all respects as if included in the appropriate schedules hereto; PROVIDED, however, always that such additional lands shall not be included in the unit area except with the consent in writing first had and obtained of those Lessors who together own not less than sixty percent (60%) of all the lands within the unit area (as existing immediately prior to such enlargement) which are then subject to agreements with the Lessee similar to or identical in terms with this Agreement.

6. It is understood and agreed that the Lessee shall, at any time or from time to time, have the right to withdraw all of the said lands or any portion or portions thereof from the unit area, whereupon such lands or portion or portions thereof so withdrawn shall no longer be subject to the terms of this Agreement, but shall be governed thereafter instead by the terms of the said Lease.
7. The Lessee shall have the right at any time and from time to time to enlarge or reduce the limits of the participating section of the unit area within such limits as may be determined from the geological and scientific information then available to it.
8. Whenever the limits of the unit area or of the participating section of the unit area are altered in accordance with the provisions of any of the three clauses next preceding, the change so made shall be deemed to have occurred at the expiration of the last day of the month in which the same was effected, and the payments required to be made under the provisions of sub-clause 4(a) hereof shall be adjusted and apportioned accordingly. The Lessee shall notify the Lessor in writing of all such changes.
9. The spacing pattern, location and number of wells drilled in the unit area and the rate of drilling and the manner of operating such wells, including amongst other things but not so as to limit the foregoing, the rate of production of the leased substances therefrom shall be at all times in the sole discretion of the Lessee. Furthermore, the Lessee and the Lessor covenant and agree the Bluewater-Imperial Bayfield #7 BRN Well and the Bluewater-Imperial Bayfield #8 BRN Well shall both be deemed and constitute, each one individually, a well under the terms and conditions of this Agreement and, notwithstanding anything in this Agreement to the contrary, the Lessee shall be under no obligation to conduct drilling and/or development operations within the unit area.
10. The Lessee and the Lessor covenant and agree that the said Lease is in full force and effect and all covenants and obligations contained therein on the part of the Lessee, including payment of all delay rentals, shut-in or suspended well payments and/or royalty payments up to and including the 1st day of March, 2002 have been complied with in full. Furthermore, the Lessee and the Lessor covenant and agree that any and all payments made pursuant to the Unit Operation Agreement dated March 14, 1996 and registered December 18, 1996 in the Registry Office for the Registry Division of the County of Huron as Instrument No. 314209, as assigned by Instrument No. 332966 registered April 1, 1999 and further assigned by Instrument No. LT15621 registered April 25, 2002, including those payments provided for under Clauses 4 and 11 thereof, shall constitute and be deemed to be payments made pursuant to this Agreement.
11. On and after the effective date of this Agreement, the interest of each royalty owner, as lessor, and of each working interest owner, as lessee, in the leased substances within the unit area are hereby unitized, as if the unit area had been included in a single lease executed by the royalty owners, as lessors, in favour of the working interest owners, as lessees, and as if the lease had been subject to this Agreement.

12. As part of the consideration for the payments provided for under Clause 4 hereof, the Lessor hereby grants and conveys to the Lessee for so long as development or production are continued or deemed to be continued on the unit area, the right and privilege to fence any portion of the said lands used as a well site not in excess of fifty feet by fifty feet.

13. The Lessee may at its option pay or discharge any tax, mortgage, lien, balance of purchase money or encumbrance of any kind or nature whatsoever, incurred or created by the Lessor and/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, and in addition to any similar or other remedies in that behalf conferred upon the Lessee under the terms of the said Lease, the Lessee shall have the right at its option, to reimburse itself by applying to the amount so paid by it any and all sums accruing to the Lessor under the terms of this Agreement.

14. In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained which ought to be observed or performed by the Lessee, including making or tendering the payments provided for in Clause 4 hereof, and which have not been waived by the Lessor, the Lessor shall, before bringing any action with respect thereto or declaring any forfeiture, give to the Lessee written notice setting forth the particulars of and requiring it to remedy such default, and in the event that the Lessee shall fail to commence to remedy such default within a period of ninety (90) days from receipt of such notice, and thereafter diligently proceed to remedy the same, then except as hereinafter provided, this Agreement shall thereupon terminate and it shall be lawful for the Lessor into or upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy; PROVIDED that this Agreement shall not terminate nor be subject to forfeiture or cancellation if there is located on the unit area a well capable of producing the leased substances or any of them, and in that event the Lessor's remedy for any default hereunder shall be for damages only.

15. It is hereby declared and agreed that this Agreement and all the terms, conditions and covenants herein contained shall extend to, be binding upon and enure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns respectively, it being understood that the privilege of assigning in whole or in part is hereby expressly allowed and that the unit operation contemplated herein may be conducted by someone other than the Lessee and that the terms of this Agreement binding on the Lessee may be performed by someone on behalf of the Lessee. No assignment, however, of this Agreement by the Lessor, and no change or division in ownership of the said lands and no change or division in the ownership of the sums payable hereunder, shall operate to enlarge the obligations or diminish the rights of the Lessee hereunder.

16. All payments to the Lessor provided for in this Agreement shall, at the Lessee's option, be paid or tendered either to the Lessor, or on behalf of the Lessor to the credit of **PAY LESSOR DIRECT at R.R. #1, 37869 Mill Rd. Bayfield, ON N0M 1G0** (Bank or Trust Company, hereinafter called "the depository"), which said depository shall be deemed to be the Lessor's agent and shall continue as the depository for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by assignment or

otherwise) of the said lands or of the leased substances therein contained or of the royalties or other payments to accrue hereunder, unless and until the Lessee shall have been directed in writing by the Lessor to make such payments to another depository in Canada which shall be specified in such direction; PROVIDED, however, that only one such depository shall be designated at any time or from time to time as aforesaid. All such payments or tenders may be made by cheque or draft either mailed or delivered to the Lessor or to the depository by him so designated.

17. This Agreement shall be of the same force and effect for all intents and purposes as a covenant annexed to and running with all of the lands included within or partly within the unit area which are covered by agreements similar to or identical in terms to this Agreement, and shall be binding upon every person who acquires an interest in any such lands regardless of the manner in which such interest is acquired, provided that nothing in this clause or herein elsewhere expressly or by implication provided shall affect the Lessee's right to surrender in whole or in part its interest in the said lands or any portion or portions thereof, under the said Lease and/or this Agreement.

18. Excepting as herein and hereby expressly modified or amended, the said Lease shall continue in all respects in full force and effect for so long as therein and herein provided, and the same as so amended or modified is hereby ratified and confirmed. Subject, however, thereto it is agreed that the entire contract and Agreement between the Lessor and the Lessee with reference to the operation of the unit area is embodied herein and that no verbal warranties, representations or promises have been made or relied upon by the parties supplementing, modifying or inducing the execution of this Agreement.

19. This Agreement and all the terms, conditions, covenants and obligations contained herein shall take effect and be binding upon the parties hereto as of and from the day specified in Clause 4 hereof and shall continue in full force and effect for so long as the unit operation herein provided for continues and any portion of the said lands remains within the unit area, and in any event for so long as the payments provided for in sub-clause 4(a) hereof are made or tendered.

20. All notices to be given hereunder may be given by letter delivered or mailed by prepaid registered post and addressed to the Lessor at ^{37869 Mill Rd.} **R.R. #1, Bayfield, ON N0M 1G0** and to the Lessee at **c/o Elenco Ltd., Suite 201, 555 Southdale Road East, London, ON N6E 1A2**, or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee twenty-four (24) hours after such mailing.

21. The Lessor agrees to comply with the provisions of the Planning Act, and any amendments thereto.

22. We, Harold Mario Van Aaken and Marnita Lorrain Van Aaken being spouses within the meaning of Section 1(1) of the Family Law Act of Ontario, 1986 do hereby consent to the transaction evidenced by this Instrument and the registration of same on the title to the lands hereinbefore described.

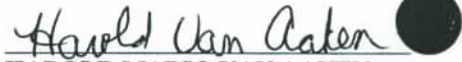
23. The Mortgagee, other encumbrancers, and/or any other Party to this Agreement hereby consent to the grant of these rights and the complete enjoyment thereof by the Lessee.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of


Witness Dale Norman

LESSOR


HAROLD MARIO VAN AAKEN


MARNITA LORRAIN VAN AAKEN

LESSEE

TALISMAN ENERGY INC.

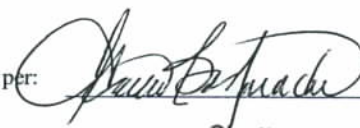
Per:


TRACEY D. STOCK, P.Eng.
Supervisor, Land A&D
"I have authority to bind the Corporation"

AND the Mortgagee in Mortgage/Charge Numbers 117412 and 285768, registered on March 7, 1973 and April 15, 1993, respectively, in consideration of the sum of Two Dollars (\$2.00), the receipt of which hereof is hereby acknowledged, joins herein for the purpose of consenting to the rights under the Unit Operation Agreement hereto attached and the complete enjoyment thereof by the Lessee and agrees to be bound by the provisions hereof to the extent that the Mortgagee's interest in the Lessor's lands shall be treated as being subsequent to the Lessee's interest granted by the Unit Operation Agreement.

WHEREAS by section 3(1) of the Farm Credit Canada Act, Farm Credit Corporation is continued as a body corporate under the name Farm Credit Canada.

FARM CREDIT CANADA
Mortgagee

per:  Date of Signature
Y M D
07 05 07

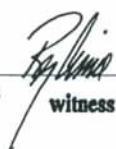
per: _____
Ginette Bastarache
Senior Loan
Administration Clerk

"I/We have the authority to bind the corporation"

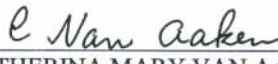


AND the Mortgagee in Mortgage/Charge Number 285769, registered on April 15, 1993, in consideration of the sum of Two Dollars (\$2.00), the receipt of which hereof is hereby acknowledged, joins herein for the purpose of consenting to the rights under the Unit Operation Agreement hereto attached and the complete enjoyment thereof by the Lessee and agrees to be bound by the provisions hereof to the extent that the Mortgagee's interest in the Lessor's lands shall be treated as being subsequent to the Lessee's interest granted by the Unit Operation Agreement.

The Mortgagee certifies that the Mortgagee is at least eighteen years old and that,

Witness  Date of signature
Y M D
02 08 26


GERARDUS CORNELIUS VAN AAKEN


CATHERINA MARY VAN AAKEN

SCHEDULE "A"

UNIT OPERATION AGREEMENT

Old Bayfield Pool

Geographic Township of Stanley, Municipality of Bluewater, County of Huron

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Stanley, Municipality of Bluewater, in the County of Huron and in the Province of Ontario and being composed of:

All of Lot 7, and Lot 8, in Concession B.R.S.

SAVE AND EXCEPT those portions sold for Highway purposes by Instrument No. 99174 and Instrument No. 102454.

SUBJECT TO an Easement in favour of The Tuckersmith Municipal Telephone System by Instrument No. 64418.

As in Instrument No. 285769.

Now known as PIN 41452-0155.



SCHEDULE "B"

UNIT OPERATION AGREEMENT

Old Bayfield Pool

Geographic Township of Stanley, Municipality of Bluewater, County of Huron

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Stanley, in the Municipality of Bluewater in the County of Huron, in the Province of Ontario and being composed of:

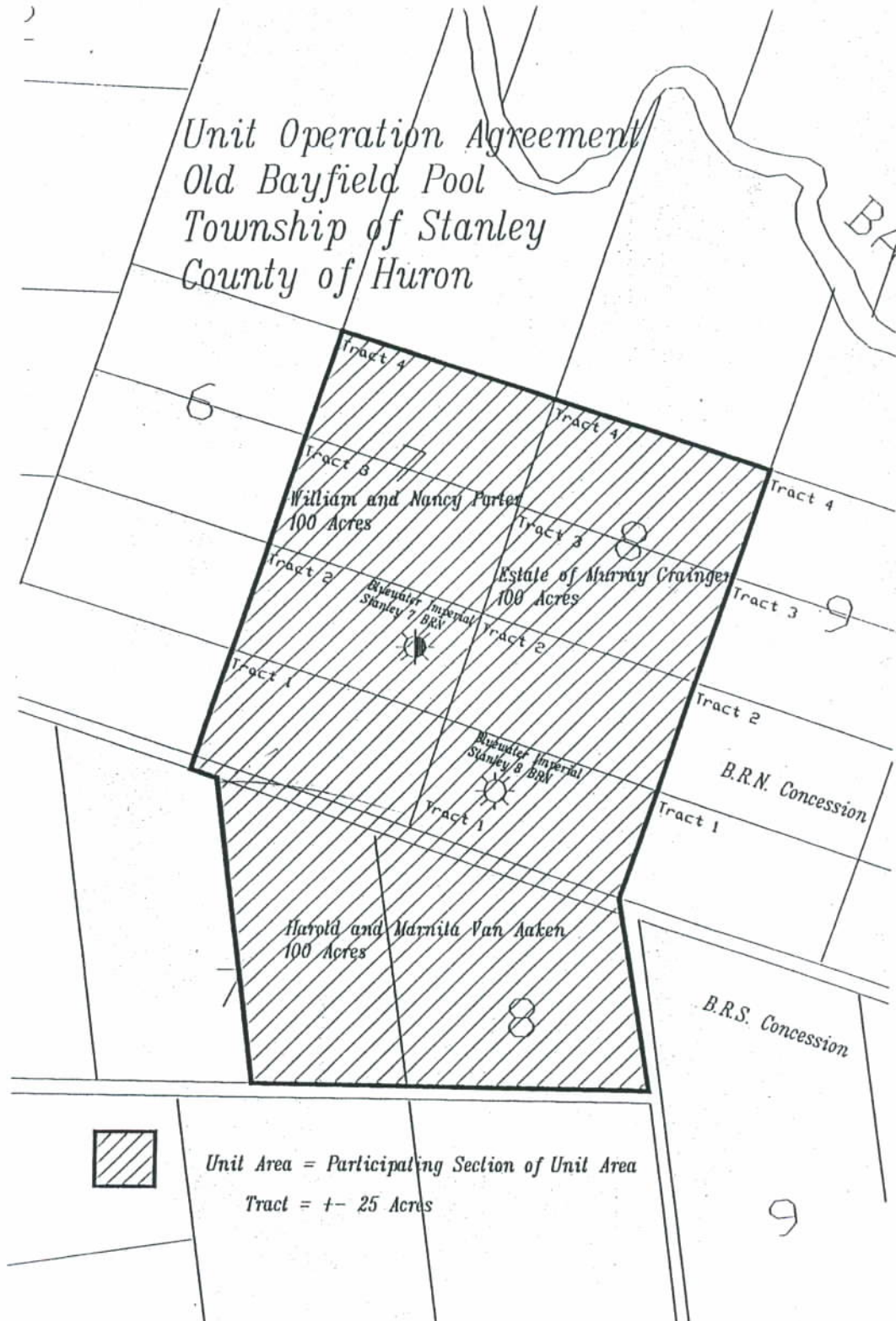
FIRSTLY: That part of Lot 7, in Concession B.R.N., more particularly described as Tract 1, Tract 2, Tract 3 and Tract 4 in Schedule "C" attached hereto and made a part hereof.

SECONDLY: That part of Lot 8, in Concession B.R.N., more particularly described as Tract 1, Tract 2, Tract 3 and Tract 4 in Schedule "C" attached hereto and made a part hereof.

THIRDLY: The East half of Lot 7, in Concession B.R.S.

FOURTHLY: All of Lot 8, in Concession B.R.S.

Old Bayfield Pool

Geographic Township of Stanley, Municipality of Bluewater, County of Huron
SCHEDULE "C"

SCHEDULE "D"

UNIT OPERATION AGREEMENT

Old Bayfield Pool

Geographic Township of Stanley, Municipality of Bluewater, County of Huron

Registered Instrument No.	Lessor	Acreage inside Unit Area	Acreage Outside Unit Area	Acreage in Participating Section of Unit Area	Percentage of Lessor's Acreage in Participating Section of Unit Area
312832	William Gordon Porter Nancy Charlene Porter	100.0	60.0	100.0	33 1/3%
314206	Estate of George Murray Grainger	100.0	206.0	100.0	33 1/3%
LT15630	Harold Mario Van Aaken Marnita Lorrain Van Aaken	100.0	60.0	100.0	33 1/3%

Refer to all instructions on reverse side.
IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land) In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, PT LT 7 BAYFIELD ROAD SOUTH CON; PT LT 8 BAYFIELD ROAD SOUTH CON AS IN R285767; S/T R64418. Now known as PIN 41452-0155.

BY (print names of all transferors in full) HAROLD MARIO VAN AAKEN
MARNITA LORRAIN VAN AAKEN
TO (see instruction 1 and print names of all transferees in full) TALISMAN ENERGY INC.
I, (see instruction 2 and print name(s) in full) John L. Norman

MAKE OATH AND SAY THAT:

1. I am (place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s)): (see instruction 2)

- ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
☐ (c) A transferee named in the above-described conveyance;
☒ (d) The authorized agent ~~of the donor~~ acting in this transaction for (insert name(s) of principal(s))

TALISMAN ENERGY INC.

☐ described in paragraph(s) 00, 00, (c) above; (strike out references to inapplicable paragraphs)
☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for (insert name(s) of corporation(s))

☐ described in paragraph(s) (a), (b), (c) above; (strike out references to inapplicable paragraphs)
☐ (f) A transferee described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable) and am making this affidavit on my own behalf and on behalf of (insert name of spouse) who is my spouse described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable) and as such, I have personal knowledge of the facts herein deposed to.

2. (To be completed where the value of the consideration for the conveyance exceeds \$400,000).

I have read and considered the definition of "single family residence" set out in clause 1(1)(j) of the Act. The land conveyed in the above-described conveyance

- ☐ contains at least one and not more than two single family residences.
☐ does not contain a single family residence.
☐ contains more than two single family residences. (see instruction 3)

Note: Clause 2(1)(d) imposes an additional tax at the rate of one-half of one per cent upon the value of consideration in excess of \$400,000 where the conveyance contains at least one and not more than two single family residences.

3. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1(1)(f) and (g) of the Act and each of the following persons to whom or in trust for whom the land is being conveyed in the above-described conveyance is a "non-resident corporation" or a "non-resident person" as set out in the Act. (see instructions 4 and 5) None

4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

(a) Monies paid or to be paid in cash	\$	<u>5.00</u>
(b) Mortgages (i) Assumed (show principal and interest to be credited against purchase price)	\$	<u>Nil</u>
(ii) Given back to vendor	\$	<u>Nil</u>
(c) Property transferred in exchange (detail below)	\$	<u>Nil</u>
(d) Securities transferred to the value of (detail below)	\$	<u>Nil</u>
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	\$	<u>Nil</u>
(f) Other valuable consideration subject to land transfer tax (detail below)	\$	<u>Nil</u>
(g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (Total of (a) to (f))	\$	<u>5.00</u>
(h) VALUE OF ALL CHATTELS — Items of tangible personal property (Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1990, c.454, as amended)	\$	<u>Nil</u>
(i) Other consideration for transaction not included in (g) or (h) above	\$	<u>Nil</u>
(j) TOTAL CONSIDERATION	\$	<u>5.00</u>

All Blanks
Must Be
Filled In.
Insert "Nil"
Where
Applicable

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 6) Not Applicable

6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined

7. Other remarks and explanations, if necessary. The attached Agreement amends an Oil and Gas Lease which is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn before me at the City of London
in the County of Middlesex
this 18th day of September xx 2002

A Commissioner for taking Affidavits, etc.

signature(s)

Property Information Record

A. Describe nature of instrument: UNIT OPERATION AGREEMENT

B. (i) Address of property being conveyed (if available) Not Applicable

(ii) Assessment Roll No. (if available) Not Applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed (see instruction 7) Not Applicable

D. (i) Registration number for last conveyance of property being conveyed (if available) Not Applicable

(ii) Legal description of property conveyed: Same as in D.(i) above.

Yes ☐ No ☐ Not known ☒

E. Name(s) and address(es) of each transferee's solicitor
Not Applicable

For Land Registry Office Use Only

Registration No.

Registration Date

Land Registry Office No.

School Tax Support (Voluntary Election) See reverse for explanation

(a) Are all individual transferees Roman Catholic? Yes ☐ No ☐

(b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? Yes ☐ No ☐

(c) Do all individual transferees have French Language Education Rights? Yes ☐ No ☐

(d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? Yes ☐ No ☐

NOTE: As to (c) and (d) the land being transferred will be assigned to the French Public School Board or Sector unless otherwise directed in (a) and (b). 0449D (90-09)

SCHEDULE E-7**GAS STORAGE LEASES**

<u>Tab</u>	<u>Page</u>	<u>Instrument</u>	<u>Registered</u>	<u>Dated</u>	<u>Parties</u>
E-7-1	2	R200938	8 Dec 1982	27 Mar 1979	Porter to Harmon
E-7-2	11	R263924	24 Aug 1990	18 Nov 1989	Grainger to PPC
E-7-3	18	R263034	19 Jul 1990	9 Mar 1990	Hill to PPC
E-7-4	24	LT21809	9 Jan 2003	8 Jun 2002	GAC to Talisman
E-7-5	31	R127057	30 Apr 1974	27 Mar 1974	Van Aaken to Harmon
E-7-6	40	R127055	30 Apr 1974	27 Mar 1974	McBride to Harmon

Gas Storage Lease Agreement

This Agreement made this 27th. day of March, 1979

BETWEEN William Gordon Porter

Nancy Charlene Porter

of the Township of Stanley, in the County of Huron, Province of Ontario
(hereinafter called "the Lessor") OF THE FIRST PART and
JAMES M. HARMON, of the Town of Marine City, County of St. Clair, State
of Michigan, one of the United States of America,

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple

in that certain parcel or tract of land, situate, lying and being in the Township of Stanley,

in the County of Huron, Province of Ontario, described as follows:

All of Lot Seven (7), Concession Bayfield Road North, save and except thereout and therefrom those lands conveyed to the Corporation of Huron for road purposes described as the South Seventeen feet (17') of the said lot.

containing in all 160 acres, more or less (hereinafter called the "said lands") subject to an oil and gas lease dated the 15th. day of May, 1952, and registered on the 4th. day of July, 1952, in the Registry Office for the County of Huron as No. 10744, for the Township of Stanley (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the terms and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of

Ten 00/100 Dollars (\$ 10.00) now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of Ten (10) years from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of One 00/100 Dollar (\$ 1.00) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of One hundred and fifty 00/100 Dollars (\$ 150.00) for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

[Handwritten signatures and initials]

200938

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface of the demised lands to drill wells, to re-work, operate or abandon any and all wells now or hereafter drilled on the demised lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.
2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.
3. That at the expiration of the term of Ten (10) years hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of Ten (10) years at the annual rental then being paid as herein provided. Such extended term and each succeeding term thereafter shall be subject to all the provisions hereof including this provision for renewal.
4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.
6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.
7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.
8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.
9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.
10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.
11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office for the Registry Division in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.
13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.
14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings and do all things necessary to give effect to this clause.
15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.
16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands. **The additional acreage rental provided by this clause shall not be less than \$2.50 per acre per annum.**
17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:
 - (a) (i) 12½% of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid form; and
 - (ii) 2¢ per m.c.f. of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.;

— or —

- (b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or

[Handwritten signatures and initials]

both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by a board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution thereof.

19. Subject to the terms of any order made by the board of arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual instalments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee forty-eight (48) hours after such mailing.

The Lessor does hereby appoint William Gordon Porter of
R.R. #3, Bayfield, Ontario NOM IGO as his agent as aforesaid and
Canadian-Imperial Bank of Commerce (Bank or Trust Company),
at Bayfield, Ontario NOM IGO, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

21. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

22. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, and addressed to the Lessor at R.R. #3, Bayfield, Ontario NOM IGO and to The Lessee at 1225 S. Water St., Marine City, Michigan, U.S.A., or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-eight (48) hours after such mailing.

23. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
 In the Presence of:

Douglas W. Porter } Gordon Porter
Charles Porter

Rail E. Scott } James W. Homan

APPROVED

Form.....

Terms.....

Affidavit as to Age and Spousal Status

PROVINCE OF ONTARIO

WE William Gordon Porter
 XX Nancy Charlene Porter

of the Township of Stanley

To Wit: in the County of Huron

in the within instrument named, make oath and say that at the time of the execution of the within instrument,

1. ~~I WAS~~ WE WERE EACH at least eighteen years old.

2. And within the meaning of section 1 (f) of The Family Law Reform Act, 1978.

~~I WAS~~ WAS NOT a spouse.

~~XX~~ was my spouse.

5. We were spouses of one another.

SWORN before me at the Township of Stanley
 of Stanley
 in the County of Huron
 this 18th day of October
 A.D. 1981

Gordon Porter
 Charlene Porter

A Commissioner for taking Affidavits, etc.

DOUGLAS WILLIAM THOMAS

"Appointed to administer oaths and take affidavits within the Province of Ontario while licensed under the Energy Act, 1964, to lease gas or oil rights, and for this purpose only." My Commission Expires on June 29th, 1981

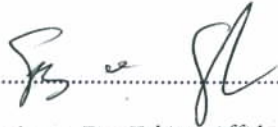
AFFIDAVIT OF SUBSCRIBING WITNESS

I, Douglas W. Thomas
of the Town of Port Elgin

in the County of Bruce, Province of Ontario, make oath and say:

I am a subscribing witness to the attached instrument and I was present and saw
it executed at Township of STANLEY.
by WILLIAM GORDON PORTER
NANCY CHARLENE PORTER.
I verily believe that each person whose signature I witnessed is the party of the
same name referred to in the instrument.

SWORN before me at the Town of)
Port Elgin in the County of Bruce,)
this 2nd day of November, 1979)


A Commissioner For Taking Affidavits,)
Etc.)



AFFIDAVIT OF RESIDENCE AND OF VALUE OF TRANSFERRED PROPERTY

IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land) All of Lot Seven (7), Concession Bayfield...
Road North, save and except thereout and therefrom those lands conveyed to the Corporation
of Huron for road purposes described as the South Seventeen feet of the said lot
BY (print names of all transferors in full) William Gordon Porter
and Nancy Charlene Porter
TO (see instruction 1 and print names of all transferees in full) James M. Harmon
I, (see instruction 2 and print name(s) in full) James M. Harmon

MAKE OATH AND SAY THAT:

- I am (place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s): (see instruction 2))
 - ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
 - ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
 - ☒ (c) A transferee named in the above-described conveyance;
 - ☐ (d) The authorized agent or solicitor acting in this transaction for (insert name(s) of principal(s))
described in paragraph(s) (a), (b), (c) above; (strike out references to inapplicable paragraphs)
 - ☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for (insert name(s) of corporation(s))
described in paragraph(s) (a), (b), (c) above; (strike out references to inapplicable paragraphs)
 - ☐ (f) A transferee described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable) and am making this affidavit on my own behalf and on behalf of (insert name of spouse)
who is my spouse described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable)
and as such, I have personal knowledge of the facts herein deposed to.
- I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1 (1)(f) and (g) of the Act. (see instruction 3).
- The following persons to whom or in trust for whom the land conveyed in the above-described conveyance is being conveyed are non-resident persons within the meaning of the Act. (see instruction 4)
James M. Harmon
- THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

(a) Monies paid or to be paid in cash	\$ 1,759.65	
(b) Mortgages (i) Assumed (show principal and interest to be credited against purchase price)	\$ Nil	
(ii) Given back to vendor	\$ Nil	
(c) Property transferred in exchange (detail below)	\$ Nil	
(d) Securities transferred to the value of (detail below)	\$ Nil	
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	\$ Nil	
(f) Other valuable consideration subject to land transfer tax (detail below)	\$ Nil	
(g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (TOTAL OF (a) to (f))	\$ 1,759.65	\$ 1,759.65
(h) VALUE OF ALL CHATTELS - items of tangible personal property (Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)	\$ Nil	
(i) Other consideration for transaction not included in (g) or (h) above	\$ Nil	
(j) TOTAL CONSIDERATION	\$ 1,759.65	
- If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 5)
n/a
- If the consideration is nominal, is the land subject to any encumbrance?
n/a
- Other remarks and explanations, if necessary
n/a

SWORN before me at the
County of Kent
in the 29th
this

day of November 82

82

signature(s)

A Commissioner for taking Affidavits, etc.

PROPERTY INFORMATION RECORD

- Describe nature of instrument: Gas Storage Lease
- (i) Address of property being conveyed (if available) Not Applicable
- (ii) Assessment Roll No. (if available) Not Applicable
- Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed (see instruction 6) Not Applicable
- (i) Registration number for last conveyance of property being conveyed (if available) Not Applicable
- (ii) Legal description of property conveyed: Same as in D.(i) above. Yes ☐ No ☐ Not Known ☒
- Name(s) and address(es) of each transferee's solicitor
Not Applicable

For Land Registry Office use only

REGISTRATION NO.

Land Registry Office No.

Registration Date

The Registry Act

IN THE MATTER OF THE PLANNING ACT (as amended)

AND IN THE MATTER OF THE TITLE TO All of Lot Seven (7), Concession Bayfield Road North, save and except thereout and therefrom those lands conveyed to the Corporation of Huron for road purposes described as the South Seventeen feet of the said Lot.

Deed, Mortgage,
Partial
Discharge of
Mortgage,
Lease, etc.

AND IN THE MATTER OF A Gas Storage Lease

THEREOF, FROM William Gordon Porter and Nancy Charlene Porter

TO James M. Harmon

DATED March 27th 19 79 .

I,

of the Town of Marine City of County of St. Clair in the State of Michigan

MAKE OATH AND SAY AS FOLLOWS:

1. I am

the Lessee named in the above mentioned Instrument, and have knowledge of the matters hereinafter sworn.

2. A consent under section 29 of The Planning Act, as amended, in respect of the said Instrument is not required because

Delete (a)
if not
applicable

(a) the person conveying or otherwise dealing with land in the said Instrument does not retain the fee or the equity of redemption in, or a power or right to grant, assign or exercise a power of appointment with respect to any land abutting the land that is being conveyed or otherwise dealt with.

State
other
reason
if any

(b)

SWORN before me in the Town of Blenheim

at the County of Kent

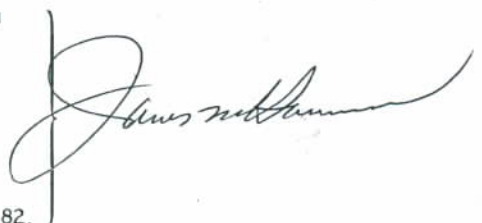
in the

this 29th

day of

November

19 82.


"MISSIONER OR TAKING AFFIDAVIT"

AFFIDAVIT OF SUBSCRIBING WITNESS

I, **Lois E. Scott**
of the **City of Chatham**
in the **County of Kent**

make oath and say:

I am a subscribing witness to the attached instrument and I was present and saw it executed
at **the City of Chatham** by **James M. Harmon**

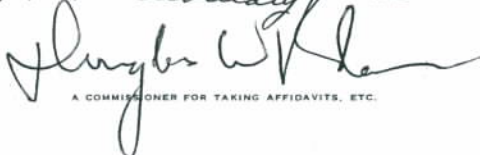
*See footnote

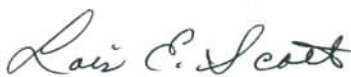
*See footnote

I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

SWORN before me at the **City of Chatham**
in the **County of Kent**

this 14 day of February 1980


A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.



* Where a party is unable to read the instrument or where a party signs by making his mark or in foreign characters add "after the instrument had been read to him and he appeared fully to understand it". Where executed under a power of attorney insert "(name of attorney) as attorney for (name of party)"; and for next clause substitute "I verily believe that the person whose signature I witnessed was authorized to execute the instrument as attorney for (name)".

MARCH, 1978

AFFIDAVIT AS TO AGE AND SPOUSAL STATUS

I ~~WE~~ **James M. Harmon**
of the **Town of Marine City**
in the **County of St. Clair, State of Michigan**

* If attorney
see footnote

make oath and say: When **I** executed the attached instrument,

I ~~WE~~ **was** at least eighteen years old.

Within the meaning of section 1(f) of The Family Law Reform Act, 1978:—

Strike out
inapplicable
clauses.

a) I was a spouse.

b) ~~XXXXXXXXXXXXXXXXXXXX~~

c) **Mary Harmon** was my spouse.

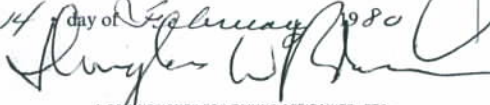
**Not a
Matrimonial
Home, etc.
see footnote.

I was a Non-Resident of Canada pursuant to Section 116 of the Income Tax Act.

Resident of
Canada, etc.

(SEVERALLY) SWORN before me at the **City**
of Chatham, County of Kent

this 14 day of February 1980


A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.



Where affidavit made by attorney substitute: "When I executed the attached instrument as attorney for (name), he/she was (spousal status and, if applicable, name of spouse) within the meaning of Section 1(f) of The Family Law Reform Act, 1978, and when he/she executed the power of attorney, he/she had attained the age of majority".

**Where spouse does not join in or consent, see Section 12(3) of The Family Law Reform Act, 1978 (or complete separate affidavit).

Lease No:
Dated: March 27th., 1979

William Gordon Porter
Nancy Charlene Porter
R.R. #3
Bayfield, Ontario
NOM 1GO

and

James M. Harmon
1225 S. Water Street
Marine City, Michigan
U.S.A.

GAS STORAGE LEASE AGREEMENT

County: Huron
Township: Stanley
Lot Number: 7
Con. Number: B.R.N.

THE

200938

No. 200938
Registry Division of HURON (No. 22)
I CERTIFY that this instrument is registered as of
7 P.M.

3:07 P.M.

DEC 08 1982

Land Registry
Office at
Goderich,
Ontario.

Land Registrar

BETWEEN

Murray Grainger
of the Township of Plympton,
in the County of Lambton, and Province of Ontario
hereinafter called the "Lessor", of the First Part

and

PPC OIL & GAS CORP.
a Company incorporated under the laws of the Province
of Ontario, having its Head Office in the City of London,
in the Province of Ontario
hereinafter called the "Lessee" of the Second Part

WHEREAS the Lessor is the registered owner of all mines and quarries of metals and minerals, and all springs of oil in or under that certain parcel or tract of land, situate, lying and being in the Township of Stanley, in the County of Huron, and Province of Ontario, described as follows:

All of Lot 8 and Lot 9, in the Bayfield Road North Concession, containing in all 306 acres, more or less (hereinafter called the "said lands") subject to an oil and gas lease dated the 13th day of September, 1952, and registered on the 28th day of October, 1952, in the Registry Office for the County of Huron as No. 10913, for the Township of Stanley (hereinafter called "the oil and gas lease");

AND WHEREAS the sub-surface of the said lands (hereinafter called the "demised lands") are subject to a gas storage lease dated the 9th day of March, 1990, and registered on the 19 day of JULY, 1990, in the Registry Office for the Registry Division of the County of Huron as Instrument No. 263034 (hereinafter called "the gas storage lease") for the purpose of injecting, storing and withdrawing gas, natural and/or artificial (hereinafter collectively referred to as "gas") within or from the demised lands.

AND WHEREAS the sub-surface of the said lands (hereinafter called the "demised lands") are subject to a gas storage lease dated the 8th day of June, 1990, and registered on the 24 day of AUGUST, 1990, in the Registry Office for the Registry Division of the County of Huron, as Instrument No. 263923 (hereinafter called "the gas storage lease") for the purpose of injecting, storing and withdrawing gas, natural and/or artificial (hereinafter collectively referred to as "gas") within or from the demised lands.

WITNESSETH that in consideration of the sum of SIX HUNDRED AND TWELVE DOLLARS (\$612.00) now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and further rents, covenants and agreements hereinafter reserved and contained;

SCHEDULE "A"
to
GAS STORAGE LEASE AGREEMENT

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Township of Stanley, in the County of Huron, and Province of Ontario, being composed of:

FIRSTLY: All of Lot 8, Bayfield Road North Concession, being composed of all mines and quarries of metals and minerals, and all springs of oil in or under the said land, whether already discovered or not, with liberty of ingress, egress, and regress to and for George Murray Grainger, his heirs, executors, administrators, licensees and assigns, in order to search for, work, win, and carry away the same, and for those purposes to make and use all needful roads and other works, doing no unnecessary damage and making reasonable compensation for all damage actually occasioned.

SUBJECT TO an Easement in favour of Bluewater Oil & Gas Limited, as set out in Instrument No. 29523, for the Township of Stanley, and subsequently assigned to Moffat Lake Exploration Inc. by Instrument No. 131228, registered in the Registry Office for the Registry Division of the County of Huron.

SECONDLY: All of Lot 9, Bayfield Road North Concession, being composed of all mines and quarries of metals and minerals, and all springs of oil in or under the said land, whether already discovered or not, with liberty of ingress, egress, and regress to and for George Murray Grainger, his heirs, executors, administrators, licensees and assigns, in order to search for, work, win, and carry away the same, and for those purposes to make and use all needful roads and other works, doing no unnecessary damage and making reasonable compensation for all damage actually occasioned.

THE LESSOR AND LESSEE do hereby mutually covenant and agree each with the other as follows:

1. In the event the Lessee shall inject gas into the demised lands pursuant to the provisions of the Gas Storage Lease, the Lessee is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the petroleum substances contained in the demised lands.
2. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 1 hereof shall be computed as follows:
 - a) (i) 6 1/4% of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid form; and

(ii) 6 1/4% of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.;
 - b) in the manner hereinafter provided.
3. Subject to the terms of any order made by the board of arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual instalments. The first payment of the purchase price shall be made the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price shall be made on the anniversary dates thereof.
4. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee forty-eight (48) hours after such mailing.

The Lessor does hereby appoint **Murray Grainger**
of **Plympton** as
his agent as aforesaid and **Bank of Montreal**
(Bank or Trust Company), at **128 Square, P.O. Box 70, Goderich, Ontario,**
N7A 3Y5 and its successor, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice, provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

5. That at the expiration of the term of Ten (10) years hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of Ten (10) years at the annual rental then being paid as herein provided. Such extended term and each succeeding term thereafter shall be subject to all the provisions hereof including this provision for renewal.
6. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

7. This Agreement expresses and constitutes the entire Agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.
8. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **P.O. Box 9070, Station 40, London, Ontario, N6E 1V0** and to the Lessor at **General Delivery, Goderich, Ontario, N7A 3Y4** or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.
9. We, **N/A** and **N/A** being spouses within the meaning of Section 1(1) of The Family Law Act of Ontario, 1986 do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.
10. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.
11. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

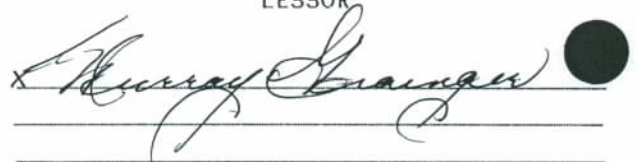
IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the presence of:



LESSOR



LESSEE

PPC OIL & GAS CORP.



E. Peter Rowe, President.

Affidavit of Residence and of Value of the Consideration

Refer to all instructions on reverse side.

IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land) In the Township of Stanley, in the County of Huron, all of Lot 8 and Lot 9, both in Bayfield Road North Concession.

BY (print names of all transferors in full)

MURRAY GRAINGER

TO (see instruction 1 and print names of all transferees in full)

PPC OIL & GAS CORP.

I, (see instruction 2 and print name(s) in full)

John L. Norman

MAKE OATH AND SAY THAT:

1. I am (place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s)): (see instruction 2)

- ☐ (a) A person in trust for whom the land conveyed in the above described conveyance is being conveyed;
- ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- ☐ (c) A transferee named in the above-described conveyance;
- ☒ (d) The authorized agent PPC OIL & GAS CORP. acting in this transaction for (insert name(s) of principal(s)) _____

described in paragraph(s) (a), (b), (c) above; (strike out references to inapplicable paragraphs)

- ☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for (insert name(s) of corporation(s)) _____

described in paragraph(s) (a), (b), (c) above; (strike out references to inapplicable paragraphs)

- ☐ (f) A transferee described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable) and am making this affidavit on my own behalf and on behalf of (insert name of spouse) _____ who is my spouse described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable) and as such, I have personal knowledge of the facts herein deposed to.

2. (To be completed where the value of the consideration for the conveyance exceeds \$250,000).

I have read and considered the definition of "single family residence" set out in clause 1(1)(ja) of the Act. The land conveyed in the above-described conveyance

- ☐ contains at least one and not more than two single family residences.
- ☐ does not contain a single family residence.
- ☐ contains more than two single family residences. (see instruction 3)

Note: Clause 2(1)(d) imposes an additional tax at the rate of one-half of one per cent upon the value of consideration in excess of \$250,000 where the conveyance contains at least one and not more than two single family residences.

3. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1(1)(f) and (g) of the Act and each of the following persons to whom or in trust for whom the land is being conveyed in the above-described conveyance is a "non-resident corporation" or a "non-resident person" as set out in the Act. (see instructions 4 and 5) None

4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

(a) Monies paid or to be paid in cash	\$	<u>612.00</u>	
(b) Mortgages (i) Assumed (show principal and interest to be credited against purchase price)	\$	<u>Nil</u>	
(ii) Given back to vendor	\$	<u>Nil</u>	
(c) Property transferred in exchange (detail below)	\$	<u>Nil</u>	
(d) Securities transferred to the value of (detail below)	\$	<u>Nil</u>	
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	\$	<u>Nil</u>	
(f) Other valuable consideration subject to land transfer tax (detail below)	\$	<u>Nil</u>	
(g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (Total of (a) to (f))	\$	<u>612.00</u>	\$ <u>612.00</u>
(h) VALUE OF ALL CHATTELS – items of tangible personal property (Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)	\$	<u>Nil</u>	
(i) Other consideration for transaction not included in (g) or (h) above	\$	<u>Nil</u>	
(j) TOTAL CONSIDERATION	\$	<u>612.00</u>	

All Blanks
Must Be
Filled In.
Insert "Nil"
Where
Applicable.

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 6)

N/A6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined

7. Other remarks and explanations, if necessary. The attached lease is for an unexpired term of less than 50 years and an exemption is claimed pursuant to Section 1 (4) of the Land Transfer Tax Act, R.S.O., 1980, as amended.

Sworn before me at the City of London
in the County of Middlesex
this 11th day of JUNE 19 90

A Commissioner for Taking Affidavits, etc.

Signature(s)

Property Information Record

A. Describe nature of instrument GAS STORAGE LEASE AGREEMENTB. (i) Address of property being conveyed (if available) Not applicable(ii) Assessment Roll No. (if available) Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed (see instruction 7)

Not applicableD. (i) Registration number for last conveyance of property being conveyed (if available) Not applicable

(ii) Legal description of property conveyed: Same as in D.(i) above

Yes ☐ No ☐ Not known ☒

E. Name(s) and address(es) of each transferee's solicitor

Not applicable

For Land Registry Office use only

REGISTRATION NO.

Land Registry Office No.

Registration Date

NUMBER 263034 CERTIFICATE OF REGISTRATION '90 JUL 19 AM 1:36 HURON No. 22 GODERICH <i>P. E. Maclean</i> LAND REGISTRAR New Property Identifiers Executions	(1) Registry ☒ Land Titles ☐ (2) Page 1 of 6 pages								
	(3) Property Identifier(s) Block Property								
	(4) Nature of Document GAS STORAGE LEASE AGREEMENT								
	(5) Consideration FOUR HUNDRED AND NINETY FIVE ---Dollars \$ 495.00								
	(6) Description In the Township of Stanley, in the County of Huron, being part of Lot 8, in the Bayfield Road North Concession.								
	(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒								
(8) This Document provides as follows: Continued on Schedule ☐									
(9) This Document relates to instrument number(s)									
(10) Party(ies) (Set out Status or Interest) <table style="width:100%;"> <tr> <td style="width:60%;">Name(s) HILL & HILL FARMS LIMITED</td> <td style="width:20%;">Signature(s) <i>Gordon Hill</i> Gordon Lyle Hill, President</td> <td style="width:20%;">Date of Signature Y M D 1990 03 09</td> </tr> <tr> <td colspan="3">LESSOR</td> </tr> </table>		Name(s) HILL & HILL FARMS LIMITED	Signature(s) <i>Gordon Hill</i> Gordon Lyle Hill, President	Date of Signature Y M D 1990 03 09	LESSOR				
Name(s) HILL & HILL FARMS LIMITED	Signature(s) <i>Gordon Hill</i> Gordon Lyle Hill, President	Date of Signature Y M D 1990 03 09							
LESSOR									
(11) Address for Service R. R. #1, Varna, Ontario NOM 2R0									
(12) Party(ies) (Set out Status or Interest) <table style="width:100%;"> <tr> <td style="width:60%;">Name(s) PPC OIL & GAS CORP.</td> <td style="width:20%;">Signature(s) <i>E. Peter Rowe</i> E. Peter Rowe, President</td> <td style="width:20%;">Date of Signature Y M D 1990 06 19</td> </tr> <tr> <td colspan="3">LESSEE</td> </tr> </table>		Name(s) PPC OIL & GAS CORP.	Signature(s) <i>E. Peter Rowe</i> E. Peter Rowe, President	Date of Signature Y M D 1990 06 19	LESSEE				
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LESSEE									
(13) Address for Service 150 Kent Street, London, Ontario N6A 1L3									
(14) Municipal Address of Property R.R. #1 Varna, Ontario NOM 2R0	(15) Document Prepared by: Ellexco Ltd., 150 Kent Street, London, Ontario. N6A 1L3 Our File 107036-7328								
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">Fees and Tax</th> </tr> <tr> <td style="width:50%;">Registration Fee</td> <td style="width:50%; text-align: right;">2500</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td>Total</td> <td style="text-align: right;">2500</td> </tr> </table>		Fees and Tax		Registration Fee	2500			Total	2500
Fees and Tax									
Registration Fee	2500								
Total	2500								

GAS STORAGE LEASE AGREEMENT

This Agreement made this 9th day of March, 1990

HILL & HILL FARMS LIMITED

BETWEEN

a company incorporated under the laws of the Province of Ontario, having its Head Office in the Township of Stanley, in the County of Huron.

Township of Stanley of Huron in the County of Huron and Province of Ontario, hereinafter called the "Lessor", of the First Part, and

PPC OIL & GAS CORP. a company incorporated under the laws of the Province of Ontario, having its Head Office at the City of London, in the Province of Ontario.

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the Township of

Stanley

in the County of Huron, Province of Ontario, described as follows:

That part of Lot 8, in the Bayfield Road North Concession, which may be more particularly described in Schedule "A" attached hereto and made a part hereof.

containing in all 165 acres, more or less (hereinafter called the "said lands") subject to an oil and gas lease dated the 13th day of September, 1952, and registered on the 28th day of October, 1952, in the Registry Office for the County of Huron as No 10913, for the Township of Stanley (hereinafter called "the oil and gas lease"); AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the terms and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of FOUR HUNDRED AND NINETY FIVE Dollars (\$ 495.00) now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of Ten (10) years from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of Three Dollars (\$ 3.00) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as payable in advance on the anniversary date hereof in each year during the term hereof, together with the sum of 300.00 Dollars (\$ 300.00) for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

107036-7328

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Township of Stanley, in the County of Huron, and Province of Ontario, being composed of:

That part of Lot 8, in the Bayfield Road North Concession, which may be more particularly described as follows:

COMMENCING at the most Northerly angle of Lot 8;
THENCE Southeasterly, along the Northeasterly limit of said Lot, to the most Easterly angle of Lot 8;
THENCE Southwesterly, along the Southeasterly limit of said Lot, to a point distant 17.0 measured Northeasterly therealong from the Southwesterly limit of Lot 8;
THENCE Northwesterly, parallel to the Southwesterly limit of said Lot, to a point in the Northwesterly limit of Lot 8, distant 17.0 feet measured Northeasterly therealong from the Southwesterly limit of said Lot;
THENCE Northeasterly, along the Northwesterly limit of Lot 8, to the point of commencement.

(The lands described above are intended to be those lands described in Instrument No. 109209, less those lands described in Instrument No. 99165, for the Township of Stanley,, registered in the Registry Office for the Registry Division of the County of Huron.)

AND FOR THE CONSIDERATION of the rentals and payments aforesaid, the Lessor doth hereby Page 21 of 48 Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.
2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.
3. That at the expiration of the term of Ten (10) years hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of Ten (10) years at the annual rental then being paid as herein provided. Such extended term and each succeeding term thereafter shall be subject to all the provisions hereof including this provision for renewal.
4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.
6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.
7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.
8. ~~Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.~~
9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.
10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.
11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office for the Registry Division in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.
13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.
14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings and do all things necessary to give effect to this clause.
15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.
16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.
17. ~~The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:~~
 - (a) (i) 12 1/2% of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid form; and
 - (ii) 12 1/2% of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.;

- or -

 - (b) ~~in the manner hereinafter provided.~~
18. ~~In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by a board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution thereof.~~
19. Subject to the terms of any order made by the board of arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual instalments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee forty-eight (48) hours after such mailing.

The Lessor does hereby appoint Gordon L. Hill of

R.R. # 1, VARNA, Ontario NOM 2R0 as his agent as aforesaid and

Pay Direct to Lessor (Bank or Trust Company),

at and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

21. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

22.

All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at 150 Kent Street, London, Ontario N6A 1L3

and to the Lessor at R. R. #1, Varna, Ontario NOM 2R0

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

23.

We, N/A and N/A being spouses within the meaning of Section 1(1) of The Family Law Act of Ontario, 1986 do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

24. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

25. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

LESSOR

HILL & HILL FARMS LIMITED



Gordon Lyle Hill
Gordon Lyle Hill, President

LESSEE

PPC OIL & GAS CORP.

E. Peter Rowe
E. Peter Rowe, President

Affidavit of Residence and of Value of the Consideration

Refer to all instructions on reverse side.

IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land) In the Township of Stanley, in the County of Huron, part of Lot 8, in the Bayfield Road North Concession.

BY (print names of all transferors in full) HILL & HILL FARMS LIMITED

TO (see instruction 1 and print names of all transferees in full) PPC OIL & GAS CORP.

I, (see instruction 2 and print name(s) in full) John L. Norman

MAKE OATH AND SAY THAT:

1. I am (place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s)): (see instruction 2)

- ☐ (a) A person in trust for whom the land conveyed in the above described conveyance is being conveyed;
- ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- ☐ (c) A transferee named in the above-described conveyance;
- ☒ (d) The authorized agent ~~of the corporation~~ acting in this transaction for (insert name(s) of principal(s)) PPC OIL & GAS CORP.
- ☐ described in paragraph(s) (X), (X), (c) above; (strike out references to inapplicable paragraphs)
- ☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for (insert name(s) of corporation(s)) _____
- ☐ described in paragraph(s) (a), (b), (c) above; (strike out references to inapplicable paragraphs)
- ☐ (f) A transferee described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable) and am making this affidavit on my own behalf and on behalf of (insert name of spouse) _____ who is my spouse described in paragraph () (insert only one of paragraph (a), (b) or (c) above, as applicable) and as such, I have personal knowledge of the facts herein deposed to.

2. (To be completed where the value of the consideration for the conveyance exceeds \$250,000).

I have read and considered the definition of "single family residence" set out in clause 1(1)(a) of the Act. The land conveyed in the above-described conveyance

- ☐ contains at least one and not more than two single family residences.
- ☐ does not contain a single family residence.
- ☐ contains more than two single family residences. (see instruction 3)

Note: Clause 2(1)(d) imposes an additional tax at the rate of one-half of one per cent upon the value of consideration in excess of \$250,000 where the conveyance contains at least one and not more than two single family residences.

3. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1(1)(f) and (g) of the Act and each of the following persons to whom or in trust for whom the land is being conveyed in the above-described conveyance is a "non-resident corporation" or a "non-resident person" as set out in the Act. (see instructions 4 and 5) None

4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

(a) Monies paid or to be paid in cash	\$ 495.00	
(b) Mortgages (i) Assumed (show principal and interest to be credited against purchase price)	\$ Nil	
(ii) Given back to vendor	\$ Nil	
(c) Property transferred in exchange (detail below)	\$ Nil	
(d) Securities transferred to the value of (detail below)	\$ Nil	
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	\$ Nil	
(f) Other valuable consideration subject to land transfer tax (detail below)	\$ Nil	
(g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (Total of (a) to (f))	\$ 495.00	\$ 495.00
(h) VALUE OF ALL CHATTELS - items of tangible personal property (Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)	\$ Nil	
(i) Other consideration for transaction not included in (g) or (h) above	\$ Nil	
(j) TOTAL CONSIDERATION	\$ 495.00	

All Blanks
Must Be
Filled In.
Insert "Nil"
Where
Applicable.

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 6)

N/A

6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined

7. Other remarks and explanations, if necessary. The attached lease is for an unexpired term of less than 50 years and an exemption is claimed pursuant to Section 1 (4) of the Land Transfer Tax Act, R.S.O., 1980, as amended.

Sworn before me at the City of London
in the County of Middlesex
this 3rd day of MAY 19 90

A Commissioner for Taking Affidavits, etc.

signature(s)

Property Information Record

- A. Describe nature of instrument GAS STORAGE LEASE AGREEMENT
- B. (i) Address of property being conveyed (if available) Not applicable
- (ii) Assessment Roll No. (if available) Not applicable
- C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed (see instruction 7) Not applicable
- D. (i) Registration number for last conveyance of property being conveyed (if available) Not applicable
- (ii) Legal description of property conveyed: Same as in D.(i) above
- E. Name(s) and address(es) of each transferee's solicitor Not applicable

Yes ☐ No ☐ Not known ☒

For Land Registry Office use only

REGISTRATION NO.

Land Registry Office No.

Registration Date

Province of Ontario		Document General Form 4 — Land Registration Reform Act		SoftDocs® 41 Wordprocessor Interface									
CERTIFICATE OF RECEIPT HURON(22)GODERICH '03 JAN 9 PM 3 11 LAND REGISTRAR New Property Identifiers Executions Additional: See Schedule ☐		(1) Registry ☐ Land Titles ☒ (2) Page 1 of 7 pages (3) Property Identifier(s) 41453 Block Property 0060 Additional: See Schedule ☒ (4) Nature of Document NOTICE OF LEASE (Gas Storage Lease Agreement) Section 111 (1) of THE LAND TITLES ACT (5) Consideration Four Hundred and Twenty-Six 00/100 Dollars \$426.00 (6) Description In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, LT 9 BAYFIELD ROAD NORTH CON EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097. Now known as PIN 41453-0060. (7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☐ Additional Parties ☐ Other ☒											
(8) This Document provides as follows: TALISMAN ENERGY INC. hereby applies for the entry of a Notice of the Gas Storage Lease Agreement produced herewith in respect of the said lands of which GAC CORPORATION is (are) the registered owners. Continued on Schedule ☐													
(9) This Document relates to Instrument number(s)													
(10) Party(ies) (Set out Status or Interest) Name(s) Signature(s) Date of Signature Y M D GAC CORPORATION Lessor (11) Address for Service c/o Patricia Cantrick, P.O. Box 411, Bayfield, ON N0M 1G0 Signature(s) <i>Patricia M. Cantrick - President</i> Per: PATRICIA M. CANTRICK "I have the authority to bind the corporation" Date of Signature 2002 12 16													
(12) Party(ies) (Set out Status or Interest) Name(s) Signature(s) Date of Signature Y M D TALISMAN ENERGY INC. Lessee and Applicant (13) Address for Service c/o Elenco Ltd., Suite 201, 555 Southdale Road East, London, Ontario N6E 1A2 Signature(s) <i>[Signature]</i> "I have the authority to bind the corporation" Date of Signature 2002 12 23													
(14) Municipal Address of Property unknown													
(15) Document Prepared by: Elenco Ltd. 555 Southdale Road East London ON N6E 1A2 File No. 070369-15-5 34642													
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Fees and Tax</th> </tr> </thead> <tbody> <tr> <td style="width: 50%;">Registration Fee</td> <td style="width: 50%; text-align: right;">60</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td>Total</td> <td style="text-align: right;">60</td> </tr> </tbody> </table>						Fees and Tax		Registration Fee	60			Total	60
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This Agreement made effective this 8th day of June 2002.

BETWEEN GAC CORPORATION, a company incorporated under the laws of Michigan, one of the States of the United States of America, having its Head Office in the City of Detroit.

hereinafter called the "Lessor", of the First Part

and

TALISMAN ENERGY INC., a company incorporated pursuant to the laws of Canada, having its Head Office in the City of Calgary, in the Province of Alberta

hereinafter called the "Lessee", of the Second Part.

WHEREAS George A. Cantrick Co., Inc., the predecessor corporation to the Lessor changed its name to GAC Corporation by Certificate of Amendment to the Articles of Incorporation filed with the Director of the Michigan Department of Commerce on April 9, 1980, which corporate name change was made by Application to Amend the Register registered November 14, 2002 as Instrument No. LT20619;

AND WHEREAS George A. Cantrick Co., Inc. entered into a Gas Storage Lease Agreement with P.P.C. Oil & Gas Corp. dated June 8, 1990 and registered August 24, 1990 as Instrument No. 263923 (hereinafter referred to as the "Original GSL");

AND WHEREAS an error was made in the Original GSL in describing the Lessor as "George A. Cantrick Co., Inc." and not "GAC Corporation";

AND WHEREAS the Lessor and the Lessee wish to enter into this Gas Storage Lease Agreement to correct the aforesaid error and as a replacement Gas Storage Lease Agreement to the Original GSL.

AND WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron Province of Ontario, described as follows:

LT 9 BAYFIELD ROAD NORTH CON EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097, more particularly described in Schedule "A" attached hereto and made a part hereof. Now known as PIN 41453-0060.

containing in all 142.0 acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 28th day of August 1996, and registered on the 18th day of December 1996, in the Registry Office for the County of Huron as No. 314206, as amended by a Unit Operation Agreement dated the 28th day of August 1996, and registered on the 18th day of December 1996, in the Registry Office for the County of Huron as No. 314207, as assigned by an Assignment of Leases dated the 1st day of February 1999, and registered on the 1st day of April 1999, in the Registry Office for the County of Huron as No. 332966, as further assigned by a Notice of Assignment of Leases dated the 1st day of June 2001, and registered on the 25th day of April 2002, in the Registry Office for the County of Huron as No. LT15621 (hereinafter collectively called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of ~~FOUR HUNDRED TWENTY-SIX~~ Dollars (\$ ~~426.00~~) now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of Ten (10) years from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, and Province of Ontario, being composed of:

All of Lot 9, in the Bayfield Road North Concession.

SAVE AND EXCEPT the Southerly 17.0 feet conveyed to The Corporation of the County of Huron, by Instrument No. 100207 registered in the Registry Office for the Registry Division of the County of Huron, on the 30th day of June, 1970.

RESERVING UNTO George Murray Grainger, his heirs, executors, administrators, licensees and assigns, all mines and quarries of metals and minerals, and all springs of oil in or under the said land, whether already discovered or not, with liberty in ingress, egress, and regress to and for the said George Murray Grainger, his heirs, executors, administrators, licensees, and assigns, in order to search for, work, win and carry away the same, and for those purposes to make and use all needful roads and other works, doing no unnecessary damage and making reasonable compensation for all damage actually occasioned.

Now known as PIN 41453-0060.

Yielding and paying therefor a clear annual rental at the rate of--THREE--..... Dollars (\$.....3.00.....) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of

.....--THREE HUNDRED--..... Dollars (\$.....300.00.....) for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.
2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.
3. That at the expiration of the term of Ten (10) years hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of Ten (10) years at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.
4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.
6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.
7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.
8. ~~Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.~~ *P. M. C.*
9. Not to drill or operate a well within ~~one~~ *four* hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth. *P. M. C.*
10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.
11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.
13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.
14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.
15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.
16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

- (a) — (i) — 12 1/2 % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and
- (ii) — 12 1/2 % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.;

—or—

(b) — in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

- (i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter 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 a breach or breaches within the Thirty (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 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 said 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 finally judicially determined; nor shall it terminate if the Lessee within Thirty (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.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint . . . GAC CORPORATION c/o Patricia Cantrick . . .

. . . of . . . P.O. Box 411, Bayfield, ON N0M 1G0 . . .

. . . as his agent as aforesaid and . . . PAY DIRECT . . . (Bank or Trust Company),

at . . . , and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at . . . c/o Elexco Ltd., Suite 201, 555 Southdale Road East, London, ON N6E 1A2 . . .

and to the Lessor at . . . c/o Patricia Cantrick, P.O. Box 411, Bayfield, ON N0M 1G0 . . .

. . . or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, . . . N/A . . . and . . . N/A . . . being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

27. The Lessor hereby acknowledges and agrees that the payment in the amount of Four Hundred Twenty-six Dollars (\$426.00) referred to on page 2 of this Agreement, immediately following the recitals, was received by the Lessor on or before June 8, 2002 pursuant to the terms of the Original GSL, which payment shall be deemed for all purposes to have been the first payment payable by the Lessee to the Lessor pursuant to the terms of this Agreement.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

LESSOR
GAC CORPORATION



Virginia M. Sweetman
Witness

Patricia M. Cantrick - President
Per: PATRICIA M. CANTRICK

"I have authority to bind the Corporation"

LESSEE
TALISMAN ENERGY INC.

Tracey D. Stock
Per: TRACEY D. STOCK, P.Eng.
Supervisor, Land A&D
"I have authority to bind the Corporation"

Refer to all instructions on reverse side.

IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land) In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, LT 9 BAYFIELD ROAD NORTH CON EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097. Now known as PIN 41453-0060.

BY (print names of all transferors in full) GAC CORPORATION

TO (print names of all transferees in full) TALISMAN ENERGY INC.

I / We have personal knowledge of the facts herein deposed to and MAKE OATH AND SAY THAT:

1. I am / We are (place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):

- ☐ (a) the transferee(s) named in the above-described conveyance;
- ☒ (b) the authorized agent ~~and/or~~ acting in this transaction for the transferee(s);
- ☐ (c) the President, Vice-President, Secretary, Treasurer, Director or Manager authorized to act for _____ (the transferee(s));
- ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of (insert name of spouse or same-sex partner) _____ who is my spouse or same-sex partner.
- ☐ (e) the transferor and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

(a) Monies paid or to be paid in cash	\$	<u>426.00</u>	} All blanks must be filled in. Insert "Nil" where applicable.	
(b) Mortgages (i) Assumed (<i>principal and interest</i>)	\$	<u>Nil</u>		
(b) Mortgages (ii) Given back to vendor	\$	<u>Nil</u>		
(c) Property transferred in exchange (<i>detail below in para. 5</i>)	\$	<u>Nil</u>		
(d) Other consideration subject to tax (<i>detail below</i>)	\$	<u>Nil</u>		
(e) Fair market value of the lands (<i>see instruction 2</i>)	\$	<u>Nil</u>		
(f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax (<i>Total of (a) to (e)</i>)	\$	<u>426.00</u>	\$	<u>426.00</u>
(g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the <i>Retail Sales Tax Act</i>	\$	<u>Nil</u>		
(h) Other consideration for transaction not included in (f) or (g) above	\$	<u>Nil</u>		
(i) Total Consideration	\$	<u>426.00</u>		

3. To be completed where the value of the consideration for the conveyance exceeds \$400,000.00

I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:

- ☐ does not contain a single family residence or contains more than two single family residences.
- ☐ contains at least one and not more than two single family residences.
- ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is \$ _____ and the remainder of the lands are used for _____ purposes.

Note: Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of \$400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☒ No

5. Other remarks and explanations, if necessary. The attached Notice of Lease is for an unexpired term of less than 50 years and an exemption is claimed pursuant to Section 1(6) of the Land Transfer Tax Act, R.S.O., 1990.

Sworn before me at the City of London

in the County of Middlesex

this 24th day of DECEMBER, 2002

A Commissioner for taking Affidavits, etc.

John L. Norman

Signature(s)

Property Information Record

A. Describe nature of instrument: NOTICE OF LEASE

B. (i) Address of property being conveyed (if available) Not applicable

(ii) Assessment Roll No. (if available) Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed Not applicable

D. (i) Registration number for last conveyance of property being conveyed (if available) Not applicable

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:

Not applicable

For Land Registry Office Use Only	
Registration No.	
Registration Date (Year/Month/Day)	
Land Registry Office No.	

School Support (Voluntary Election) (See reverse for explanation)

- (a) Are all individual transferees Roman Catholic? ☐ Yes ☐ No
- (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? ☐ Yes ☐ No
- (c) Do all individual transferees have French Language Education Rights? ☐ Yes ☐ No
- (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? ☐ Yes ☐ No

Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).

Gas Storage Lease Agreement

This Agreement made this 27th day of March, 1974

BETWEEN Gerardus Cornelius Van Aaken

Catherina M. Van Aaken

of the Township of Stanley in the County of Huron
and Province of Ontario, hereinafter called the "Lessor", of the First Part, and
JAMES M. HARMON, of the Town of Marine City, County of St. Clair, State of
Michigan, one of the United States of America, hereinafter called the "Lessee",
of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple
in that certain parcel or tract of land, situate, lying and being in the Township of Stanley
in the County of Huron, Province of Ontario, described as follows:

All Lot Seven (7), Concession B.R.S. & All Lot Eight (8), Concession B.R.S., save and
except therout and therefrom:

- (a) That part of Lot Seven (7) as described as those lands conveyed to the
Corporation of The County of Huron for road purposes described as the north Seventeen
Feet (17') of the said lot;
- (b) That part of Lot Eight (8) as described as those lands conveyed to the
Corporation of the County of Huron for road purposes described as the north Seventeen
Feet (17') of the said lot;
- (c) That part of Lot Eight (8) as described as those lands conveyed to the
Corporation of the County of Huron for road purposes described as Part 16, R.D.#56
registered on the 24th day of June, 1970

containing in all 160 acres, more or less (hereinafter called the "said lands") subject to an oil and gas
lease dated the 27th day of March, 1974, and registered on the
day of _____, 19____, in the Registry Office for the County of _____
as No. _____, for the Township of _____ (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on
the terms and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of Five xx/100 Dollars (\$ 5.00)
now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and
agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save
and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the
Lessee, subject to the oil and gas lease, as tenant for a term of Ten (10) years from the date hereof, subject to renewal as herein-
after provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively
referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of Fifty xx/100 Dollars (\$ 0.50)
per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance
on the anniversary date hereof in each year during the term hereof; together with the sum of One Hundred Fifty xx/100
Dollars (\$ 150.00) for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the
Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of
such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under
any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed
the aforesaid sum.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface of the demised lands to drill wells, to re-work, operate or abandon any and all wells now or hereafter drilled on the demised lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.
2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.
3. That at the expiration of the term of Ten (10) years hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of Ten (10) years at the annual rental then being paid as herein provided. Such extended term and each succeeding term thereafter shall be subject to all the provisions hereof including this provision for renewal.
4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.
6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.
7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.
8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.
9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.
10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.
11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office for the Registry Division in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.
13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.
14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings and do all things necessary to give effect to this clause.
15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.
16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands. "The additional acreage rental provided by this clause shall not be less than \$2.50 per acre per annum".
17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:
 - (a) (i) 12½% of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid form; and
 - (ii) 2¢ per m.c.f. of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.;

— or —

- (b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or

both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by a board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution thereof.

19. Subject to the terms of any order made by the board of arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual instalments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee forty-eight (48) hours after such mailing.

The Lessor does hereby appoint..... the Lessorof
R.R. #3, Bayfield, Ontarioas his agent as aforesaid and
Bank of Montreal(Bank or Trust Company),
at Goderich, Ontario, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

21. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

22. All notices to be given hereunder may be given by letter delivered or mailed postage prepaid, and addressed tothe Lessor.....
at.....R.R. #3, Bayfield, Ontario..... and to
James M. Harmon at 1225 S. Water Street, Marine City, Michigan, U.S.A., or such
other address as either from time to time may appoint in writing, and every such
notice so mailed shall be deemed to be given to and received by the addressee
Forty-eight (48) hours after such mailing.

23. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

Douglas W. Thomas

G. Van Aaken
G. Van Aaken

James J. LeMarsh

JAMES M. HARMON
James M. Harmon

Affidavit

In The Matter of The Land Transfer Tax Act

~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXXXXXXX~~
 PROVINCE OF ONTARIO

*For place of residence insert appropriate County, District, Regional Municipality, etc.

To Wit:

I, James M. Harmon
 of the Town of Marine City
 in the* County of St. Clair, State of Michigan,
one of the United States of America
 named in the within (or annexed) transfer

make oath and say:

This affidavit may be made by the purchaser or vendor or by any one acting for them under power of attorney or by an agent accredited in writing by the purchaser, or vendor or by the solicitor of either of them or by some other person approved by the Minister of Revenue.

1. I am the Lessee
 named in the within (or annexed) transfer.
2. I have a personal knowledge of the facts stated in this affidavit.
3. (1) The total consideration for this transaction has been allocated as follows:

(a) Land, building, fixtures and goodwill	\$ <u>5.00</u>
(b) Chattels — items of tangible personal property (see note)	\$ <u> </u>
TOTAL CONSIDERATION	\$ <u>5.00</u>
- (2) The true consideration for the transfer or conveyance for Land Transfer Tax purposes is as follows:

(a) Monies paid in cash	\$ <u>5.00</u>
(b) Property transferred in exchange (Detail Below)	\$ <u> </u>
(c) Securities transferred to the value of (Detail Below)	\$ <u> </u>
(d) Balances of existing encumbrances with interest owing at date of transfer	\$ <u> </u>
(e) Monies secured by mortgage under this transaction	\$ <u> </u>
(f) Liens, legacies, annuities and maintenance charges to which transfer is subject	\$ <u> </u>
(g) Other (Detail Below)	\$ <u> </u>
TOTAL CONSIDERATION (should agree with 3(1) (a) above)	\$ <u>5.00</u>
4. If consideration is nominal, is the transfer for natural love and affection? No
5. If so, what is the relationship between Grantor and Grantee?
6. Other remarks and explanations, if necessary The total consideration represents the amount paid at the time the lease was taken.

All blanks must be filled in.

SWORN before me at the City
 of Chatham, County of Kent

(signature)

this 17 day of April

19 74

A Commissioner, etc.

Chattels: Retail sales tax is payable on the valuation of items shown in 3(1) (b) unless otherwise exempted under the provisions of The Retail Sales Tax Act.

For the purpose of this affidavit insert above only the value of chattels, the total value of which in the opinion of the deponent exceeds \$100.00. This does not exonerate a purchaser from the payment of Retail Sales Tax on any tangible personal property as part of this transaction. When chattels are purchased as part of this transaction with a value of less than \$100.00, the applicable tax should be paid by the purchaser to the Treasurer of Ontario and remitted to the Minister of Revenue.

Affidavit as to Legal Age and Marital Status

PROVINCE } I, Gerardus Cornelius Van Aaken
 OF }
 ONTARIO } of the Township of Stanley
 To Wit: } in the County of Huron

in the within instrument named, make oath and say that at the time of the execution of the within instrument,

1. I was of the full age of twenty-one years;

2. And that **Catherina M. Van Aaken**

who also executed the within instrument was of the full age of twenty-one years

3. I was legally married to Catherina M. Van Aaken named therein;

~~4. I was unmarried/divorced/widower.~~ ✓

SWORN before me at the Township
 of Stanley
 in the County of Huron
 this 27th day of March
 A.D. 1974...

A Commissioner for taking Affidavits, etc.

Douglas William Thomas
 DOUGLAS WILLIAM THOMAS
 "Appointed to administer oaths and take affidavits within the Province of Ontario while licensed under the Energy Act, 1964, to lease gas or oil rights, and for this purpose only."
 My Commission Expires on 15th June, 1975.

G Van Aaken

Affidavit as to Legal Age and Marital Status

PROVINCE OF ONTARIO } I, James M. Harmon
of the Town of Marine City
in the County of St. Clair, State of Michigan, one of the United
To Wit: States of America

in the within instrument named, make oath and say that at the time of the execution of the within instrument,

1. I was of the full age of twenty-one years;

~~2. And that Mary Harmon.~~

~~who also executed the within instrument was~~
~~of the full age of twenty one years~~

3. I was legally married to Mary Harmon.....
^{not} named therein;

~~XXXXXXXXXXXXXXXXXXXXX~~

SWORN before me at the City
of Chatham
in the County of Kent
this 17 day of April
A.D. 19 74
Stephen
A Commissioner for taking Affidavits, etc.

James M. Smith

AFFIDAVIT OF SUBSCRIBING WITNESS

I, Douglas W. Thomas
of the Town of Port Elgin

in the County of Bruce, Province of Ontario, make oath and say:

I am a subscribing witness to the attached instrument and I was present and saw
it executed at ~~Amherst~~ ^{Port Stanley}.

by GERARDUS CORNELIUS VAN AAKEN ; CATHERINA VAN AAKEN..

I verily believe that each person whose signature I witnessed is the party of the
same name referred to in the instrument.

SWORN before me at the Town of)

Port Elgin in the County of Bruce,)

this 29th day of March, 1924)

George J. Smith)

A Commissioner For Taking Affidavits,)
Etc.)

Douglas W. Thomas

AFFIDAVIT OF SUBSCRIBING WITNESS

I,
of the
in the
make oath and say:
I am a subscribing witness to the attached instrument and I was present
and saw it executed at
by
as attorney(s) for

I verily believe that the person(s) whose signature(s) I witnessed was
(were) authorized to execute the instrument as attorney(s) for

SWORN before me at the
in the
this day of 19
)

A Commissioner For Taking Affidavits, Etc.

AFFIDAVIT OF SUBSCRIBING WITNESS

I, *Lynnda J. LeMarsh*
of the *City of Chatham*
in the *County of Kent*
make oath and say:

I am a subscribing witness to the attached instrument and I was present
and saw it executed at *City of Chatham*
by *James M. Harmon*

I verily believe that each person whose signature I witnessed is the party
of the same name referred to in the instrument.

SWORN before me at the *City of*
Chatham in the *County of*
Kent
this 17 day of *April* 19 *74*
)

Lynnda J. LeMarsh

A Commissioner For Taking Affidavits, Etc.

DATED March 27th 1974

GERARDUS CORNELIUS VAN AAKEN

CATHERINA M. VAN AAKEN

- and -

JAMES M. HARMON

GAS STORAGE LEASE

REGISTRATION FEE	\$11.00
LAND TRANSFER TAX	7.00
RETAIL SALES TAX	

127057

No. Registry Division of Huron (No. 22)
I CERTIFY that this instrument is registered as of

9:30 A.M. APR 30 1974 in the

Registry Office
at Goderich,
Ontario.

Edw. Beaulieu

James M. Harmon
1225 S. Water Street
Marine City, Mich.
U.S.A.

Gas Storage Lease Agreement

This Agreement made this 27th day of March, 1974

BETWEEN Wesley Irvin McBride

Marjorie McBride

of the Township of Stanley in the County of Huron
and Province of Ontario, hereinafter called the "Lessor", of the First Part, and
JAMES M. HARMON, of the Town of Marine City, County of St. Clair, State of
Michigan, one of the United States of America, hereinafter called the "Lessee",
of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple
in that certain parcel or tract of land, situate, lying and being in the Township of Stanley,
in the County of Huron, Province of Ontario, described as follows:

All Lot Nine (9), Concession B.R.S., save and except thereout and therefrom;

- (a) The North Seventeen Feet (17') of the said lot conveyed to the Corporation of the County of Huron for road purposes.
- (b) That part of said lot conveyed to the Corporation of the County of Huron for road purposes, shown as Part #17, in R.D.#56 registered on the 24th day of June, 1970.

containing in all 86 acres, more or less (hereinafter called the "said lands") subject to an oil and gas
lease dated the 27th day of March, 1974, and registered on the
day of March, 1974, in the Registry Office for the County of Huron
as No. 86, for the Township of Stanley (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the terms and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of Five Dollars (\$5.00)
now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of Ten (10) years from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of Fifty Cents (\$0.50)
per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance
on the anniversary date hereof in each year during the term hereof; together with the sum of One Hundred Fifty Dollars (\$150.00)
for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface of the demised lands to drill wells, to re-work, operate or abandon any and all wells now or hereafter drilled on the demised lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.
2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.
3. That at the expiration of the term of Ten (10) years hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of Ten (10) years at the annual rental then being paid as herein provided. Such extended term and each succeeding term thereafter shall be subject to all the provisions hereof including this provision for renewal.
4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.
6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.
7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.
8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.
9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.
10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.
11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office for the Registry Division in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.
 13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.
 14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings and do all things necessary to give effect to this clause.
 15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.
 16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands. *The additional acreage rental provided by this clause shall not be less than \$2.50 per acre per annum.*
 17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:
 - (a) (i) $12\frac{1}{2}\%$ of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid form; and
 - (ii) 2¢ per m.c.f. of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.;

— or —

 - (b) in the manner hereinafter provided.
18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or

both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by a board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution thereof.

19. Subject to the terms of any order made by the board of arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual instalments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee forty-eight (48) hours after such mailing.

The Lessor does hereby appoint Wesley Irvin McBride of

R.R. #1, Varna, Ontario as his agent as aforesaid and

(Bank or Trust Company),

at _____, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

21. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

22. All notices to be given hereunder may be given by letter delivered or mailed postage prepaid, and addressed to Wesley Irvin McBride

at R.R. #1, Varna, Ontario and to James M. Harmon at 1225 S. Water Street, Marine City, Michigan, U.S.A., or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-eight (48) hours after such mailing.

23. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

James M. Harmon

Wesley Irvin McBride

Marjorie W. McBride

Linda J. L. Marsh

JAMES M. HARMON

James M. Harmon

Affidavit

In The Matter of The Land Transfer Tax Act

XXXXXXXXXXXXXXXXXXXX
~~Province of Michigan, one~~
~~of the United States~~
~~of America~~
 PROVINCE OF ONTARIO

*For place of residence insert appropriate County, District, Regional Municipality, etc.

To Wit:

I, James M. Harmon
 of the Town of Marine City
 in the* County of St. Clair, State of Michigan,
one of the United States of America
 named in the within (or annexed) transfer

make oath and say:

This affidavit may be made by the purchaser or vendor or by any one acting for them under power of attorney or by an agent accredited in writing by the purchaser, or vendor or by the solicitor of either of them or by some other person approved by the Minister of Revenue.

1. I am the Lessee
 named in the within (or annexed) transfer.

2. I have a personal knowledge of the facts stated in this affidavit.

3. (1) The total consideration for this transaction has been allocated as follows:

(a) Land, building, fixtures and goodwill \$ 5.00

(b) Chattels — items of tangible personal property (see note) \$ 5.00

TOTAL CONSIDERATION \$ 5.00

(2) The true consideration for the transfer or conveyance for Land Transfer Tax purposes is as follows:

(a) Monies paid in cash \$ 5.00

(b) Property transferred in exchange (Detail Below) \$ —

(c) Securities transferred to the value of (Detail Below) \$ —

(d) Balances of existing encumbrances with interest owing at date of transfer \$ —

(e) Monies secured by mortgage under this transaction \$ —

(f) Liens, legacies, annuities and maintenance charges to which transfer is subject \$ —

(g) Other (Detail Below) \$ 5.00

TOTAL CONSIDERATION (should agree with 3(1) (a) above) \$ 5.00

All blanks must be filled in.

4. If consideration is nominal, is the transfer for natural love and affection? No
 5. If so, what is the relationship between Grantor and Grantee? The total consideration represents
 6. Other remarks and explanations, if necessary, the amount paid at the time the lease was taken.

SWORN before me at the City of Chatham
of County of Kent

(signature)

this 17 day of April 1974

[Signature]
 A Commissioner, etc.

Chattels: Retail sales tax is payable on the valuation of items shown in 3(1) (b) unless otherwise exempted under the provisions of The Retail Sales Tax Act.

For the purpose of this affidavit insert above only the value of chattels, the total value of which in the opinion of the deponent exceeds \$100.00. This does not exonerate a purchaser from the payment of Retail Sales Tax on any tangible personal property as part of this transaction. When chattels are purchased as part of this transaction with a value of less than \$100.00, the applicable tax should be paid by the purchaser to the Treasurer of Ontario and remitted to the Minister of Revenue.

Affidavit as to Legal Age and Marital Status

PROVINCE I, Wesley Irvin McBride
 OF
 ONTARIO of the Township of Stanley
 To Wit: in the County of Huron

in the within instrument named, make oath and say that at the time of the execution of the within instrument,

1. I was of the full age of twenty-one years;

2. And that Marjorie McBride

who also executed the within instrument was of the full age of twenty-one years

3. I was legally married to Marjorie McBride
 named therein;

~~4. I was unmarried/divorced/widower.~~

SWORN before me at the Township
 of Stanley
 in the County of Huron
 this 27th day of March
 A.D. 1974

A Commissioner for taking Affidavits, etc.

Douglas W. Thomas
 DOUGLAS WILLIAM THOMAS
 "Appointed to administer oaths and take affidavits within the
 Province of Ontario while licensed under the Energy Act,
 1964, to lease gas or oil rights, and for this purpose only."
 My Commission Expires on 15th June, 1975.

Wesley McBride

Affidavit as to Legal Age and Marital Status

PROVINCE OF ONTARIO I, James M. Harmon
 of the Town of Marine City
 in the County of St. Clair, State of Michigan, one of the United States of America
 To Wit:

in the within instrument named, make oath and say that at the time of the execution of the within instrument,

1. I was of the full age of twenty-one years;

~~2. And that Mary Harmon~~

~~who also executed the within instrument was
 of the full age of twenty-one years~~

3. I was legally married to Mary Harmon
 not named therein;

~~4. I was unmarried/divorced/widower.~~

SWORN before me at the City
 of Chesden
 in the County of Kent
 this 17 day of April
 A.D. 1974
John A. Harmon
 A Commissioner for taking Affidavits, etc.

AFFIDAVIT OF SUBSCRIBING WITNESS

I, Douglas W. Thomas
of the Town of Port Elgin
in the County of Bruce, Province of Ontario, make oath and say:
I am a subscribing witness to the attached instrument and I was present and saw
it executed at Township of Stanley
by Wesley Irvin McBride. MARJORIE McBRIDE.
I verily believe that each person whose signature I witnessed is the party of the
same name referred to in the instrument.

SWORN before me at the Town of)
) Port Elgin in the County of Bruce,)
this 29th day of March, 1924)

.....)
) Greg. A. Gump)
A Commissioner For Taking Affidavits,)
Etc.)

Douglas W. Thomas

AFFIDAVIT OF SUBSCRIBING WITNESS

DATED March 27 1974

WESLEY IRVIN McBRIDE

MARJORIE McBRIDE

- and -

JAMES M. HARMON

GAS STORAGE LEASE

REGISTRATION FEE	10.00
LAND TRANSFER TAX	-
RETAIL SALES TAX	-

127055

No. Registry Division of Huron (No. 22)
I CERTIFY that this instrument is registered as of

9:30 A.M. APR 30 1974

in the

Registry Office
at Goderich,
Ontario.

James M. Harmon
1225 S. Water St.
Marina City, Michigan.
U.S.A.

E. H. Brown

SCHEDULE E-8**PROPOSED DSA****Tab Page**

E-8-1	2	Bayfield Pool DSA	Land Map	PNG leases
E-8-2	3	Bayfield Pool DSA	Land Map	GS leases
E-8-3	4	Bayfield Pool DSA	Proposed Boundary	
E-8-4	5	Bayfield Pool DSA	MNR Review	Acceptance
E-8-5	6	Bayfield Pool DSA	Description	metes and bounds

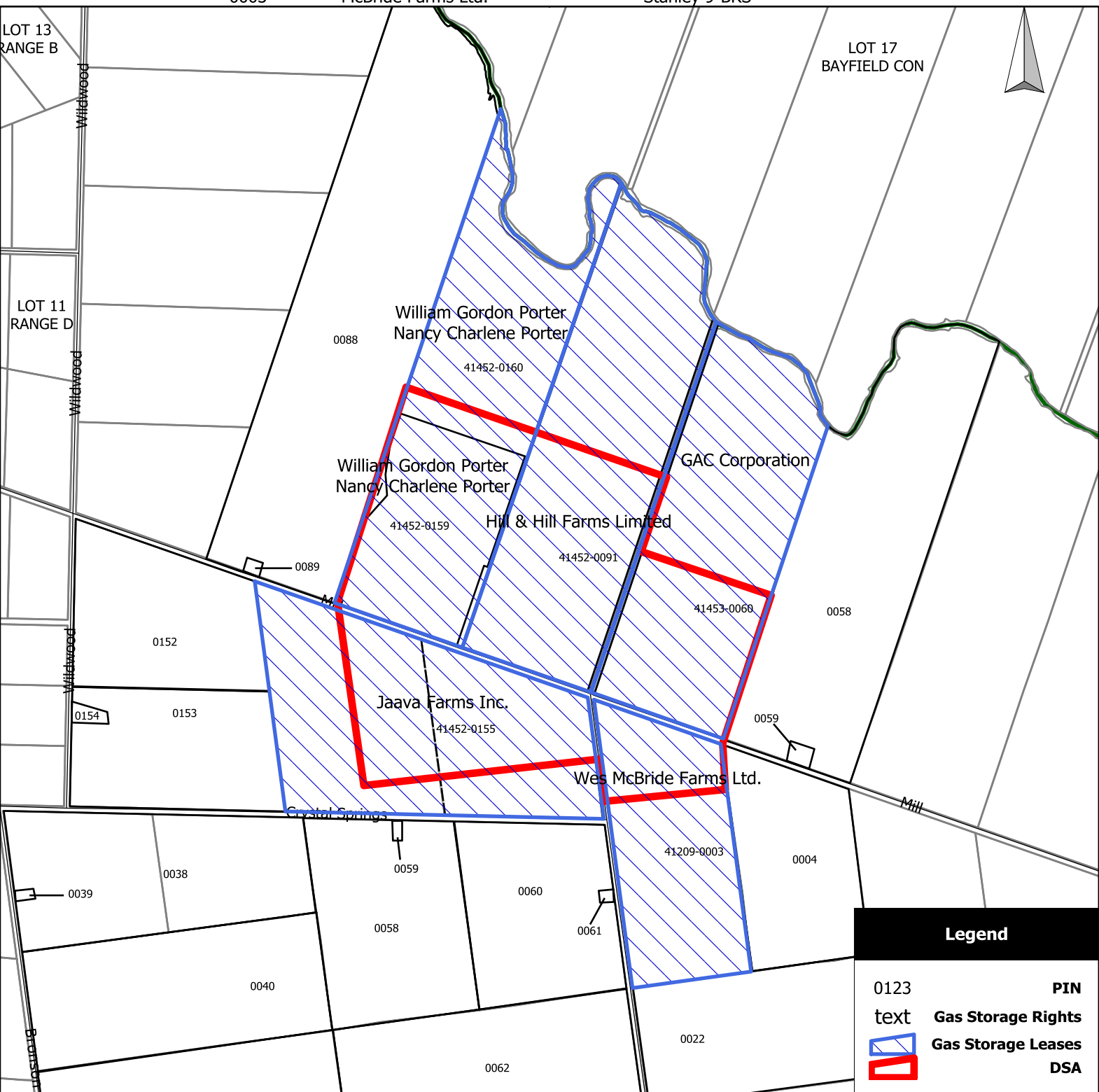


PIN	Landowner	Location
0159	S. Eilers (Porter)	St...
0160	Mun. Bluewater (Porter)	St...
0091	Hill and Hill (Grainger)	St...
0060	GAC Corp. (Grainger)	St...
0155	Jaava Farms Inc.	St...
0003	McBride Farms Ltd.	St...





PIN	Landowner	Location
0159	S. Eilers (Porter)	Stanley 7-BRN
0160	Mun. Bluewater (Porter)	Stanley 7-BRN
0091	Hill and Hill (Grainger)	Stanley 8-BRN
0060	GAC Corp. (Grainger)	Stanley 9-BRN
0155	Jaava Farms Inc.	Stanley 7+8-BRS
0003	McBride Farms Ltd.	Stanley 9-BRS



Legend

0123

text



PIN

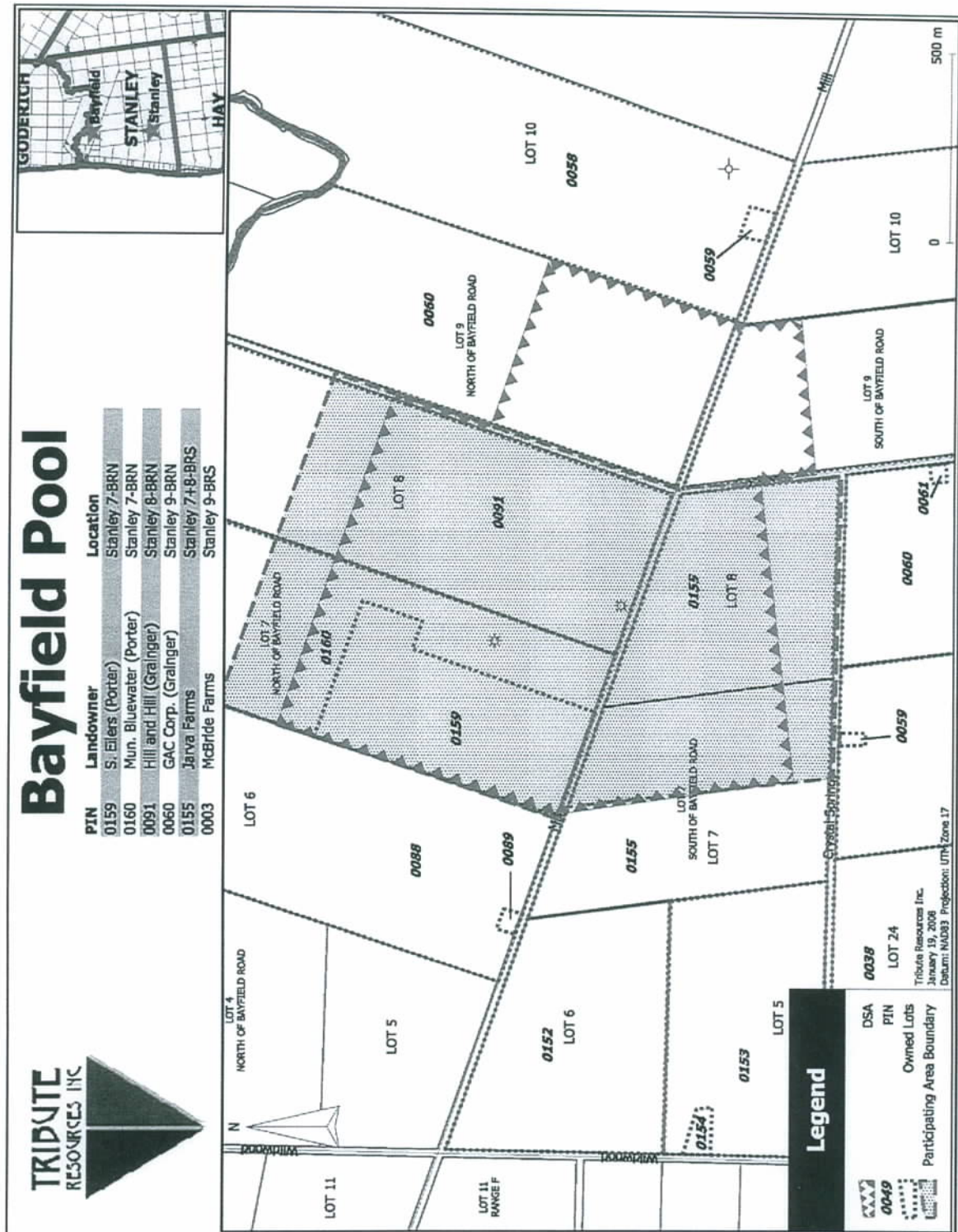
Gas Storage Rights

Gas Storage Leases

DSA

REVISIONS					BAYFIELD POOL GS LEASES		
NO.	DATE	BY	APP'D	REMARKS			
					DRAWN BY	DATE	SCALE
					CHECKED BY	DATE	SHEET
					APPROVED BY	DATE	1 of 1

Proposed Bayfield Pool Gas Storage Area Proposed Designated Storage Area



Proposed Bayfield Pool Gas Storage Area
Ministry of Natural Resources



Ontario

**RECORD OF TECHNICAL DATA REVIEWED FOR A
PROPOSED DESIGNATED GAS STORAGE AREA**

Date: January 12, 2009				
Proponent: Neil Hoey, Howard Jordan		Tribute Resources Inc.		
(Name)		(Representing)		
DSA Name: Bayfield Pool				
Zone(s): Silurian – Guelph Pinnacle Reef				
Area:	Tracts	Lots	Concs.	Township
	7,8,9	7,8	North of Bayfield Rd	Stanley
	8,9	9	North of Bayfield Rd	Stanley
	1,4	7	South of Bayfield Rd	Stanley
	2,3,4	8	South of Bayfield Rd	Stanley
	1,2	9	South of Bayfield Rd	Stanley

DATA SUBMITTED:

Well Data	Geo-physical/chemical Data
Completion record	Seismic profile
DST	Seismic interpretation 3-D
Draw down test	Gravity
Build-up test	Magnetic
Pressure survey	Geochemical:
Other:	Other: Formation tops

Data Retained: ☒ Yes ☐ No

COMMENTS:

Ministry staff are in agreement with the proposed area and boundaries? ☒ Yes ☐ No

R. M. Ryland

Signature – Petroleum Resources Staff

Proposed DSA has been approved by the OEB? ☐ Yes		
If yes, return signed copy of this form to Petroleum Resources Centre.		
Name	Signature	Date

MNR Use Only

Checklist	✓	Initial	Date	Comments
DSA Boundary Plotted				
DSA File Created				

Metes and Bounds Description of the Proposed Boundary of the Bayfield Pool Designated Storage

ALL AND SINGULAR that certain parcel or tract of land in the geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, Province of Ontario, being composed of part of Lots 7, 8 and 9, of Bayfield Road North Concession and part of Lots 7, 8 and 9 of Bayfield Road South Concession, which may be more particularly described as follows:

COMMENCING at the Southeasterly angle of Lot 9, Bayfield Road North Concession;

- THENCE: Northerly along the Easterly limit of Lot 9, Bayfield Road North Concession, a distance of 902.92 metres, more or less, to a point;
- THENCE: Westerly parallel with the Southerly limit of said Lot 9 to a point in the Easterly limit of Lot 8, Bayfield Road North Concession;
- THENCE: Northerly along the Easterly limit of Lot 8, Bayfield Road North Concession, a distance of 451.46 metres, more or less, to a point;
- THENCE: Westerly parallel with the Southerly limit of said Lots 8 and 7 to a point in the Westerly limit of Lot 7, Bayfield Road North Concession;
- THENCE: Southerly along the Westerly limit of Lot 7, Bayfield Road North Concession to the Southwesterly angle of said Lot 7;
- THENCE: Southerly in a straight line to a point in the Northerly limit of Lot 7, Bayfield Road South Concession, at the intersection with the line dividing the Westerly Half and Easterly Half of Lot 7, Bayfield Road South Concession;
- THENCE: Southerly along the last mentioned half line to a point thereon, distant 1,508.76 metres, more or less, measured Northerly therealong from the Southerly limit of Lot 23, Concession 11;
- THENCE: Easterly parallel with the Southerly limit of Lot 23, Concession 11 to a point in the Westerly limit of Lot 9, Bayfield Road South Concession;
- THENCE: Southerly along the Westerly limit of Lot 9, Bayfield Road South Concession, to a point thereon, distant 804.6 metres, more or less, measured Northerly therealong from the Southerly limit of Lot 23, Concession 11;
- THENCE: Easterly parallel with the Southerly limit of Lot 9, Bayfield Road South Concession to a point in the Easterly limit of said Lot 9;
- THENCE: Northerly along the Easterly limit of Lot 9, Bayfield Road South Concession to the Northeasterly angle of said Lot 9;
- THENCE: Northerly in a straight line to the point of commencement.

Corresponding to the Ministry of Natural Resources tracts as described below:

Tracts 7, 8 and 9	Lots 7 and 8	Bayfield Road North Concession
Tracts 8 and 9	Lot 9	Bayfield Road North Concession
Tracts 1 and 4	Lot 7	Bayfield Road South Concession
Tracts 2, 3 and 4	Lot 8	Bayfield Road South Concession
Tracts 1 and 2	Lot 9	Bayfield Road South Concession