

**EB-2011-0076**  
**EB-2011-0077**  
**EB-2011-0078**  
**EB-2011-0285**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B; and in particular sections 36.1(1), 38(1), 40(1), 90(1), thereof;

**AND IN THE MATTER OF** an application by Tribute Resources Inc. for an Order designating the areas known as the Stanley 4-7-XI Pool and the Bayfield Pool, in the County of Huron, as gas storage areas;

**AND IN THE MATTER OF** an application by Tribute Resources Inc. for authority to inject gas into, store gas in and remove gas from the areas designated as the Stanley 4-7-XI Pool and the Bayfield Pool and to enter into and upon the lands in the said areas and use the land for such purposes;

**AND IN THE MATTER OF** an application by Tribute Resources Inc. to the Ministry of Natural Resources for a license to drill wells in the said areas;

**AND IN THE MATTER OF** an application by Tribute Resources Inc. for an Order granting leave to construct natural gas pipelines in the County of Huron and in the County of Middlesex;

**AND IN THE MATTER OF** an application by Tribute Resources Inc. for a determination in respect of the compensation payable under Section 38 of the *Ontario Energy Board Act, 1998*.

**ANSWERS TO INTERROGATORIES OF TRIBUTE RESOURCES INC. AND  
BAYFIELD RESOURCES INC. (COLLECTIVELY "TRIBUTE") TO THE  
EVIDENCE OF THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER  
("BLUEWATER")**

**AUGUST 22, 2012**

**FROM:** The Corporation of the Municipality of Bluewater  
P.O. Box 250, 14 Mill Ave., Zurich, ON N0M 1G0  
Tel: (519) 236 4351 Fax: (519) 236 4329  
Email: [planninginfo@town.bluewater.on.ca](mailto:planninginfo@town.bluewater.on.ca)

# INDEX

## INDEX

<b><u>Tab</u></b>	<b><u>Page</u></b>	<b><u>Contents</u></b>
1	3	Answers to Interrogatories of Tribute to the Evidence of Bluewater
2	35	Parcel Register for 41452-0160 (LT)
3	38	R57742; By-law No. 6-1963
4	41	R200938; Gas Storage Lease Agreement Porters and Harmon
5	50	R210621; Assignment of Lease Harmon to Tipperary
6	56	22R-1760
7	57	R212930; Grant of Easement
8	65	R312832; Lease Porters and Paragon
9	76	R314210; UOA Porters, Paragon, and Farm Credit Corporation
10	89	R332443; Assignment from Clearkip to Tribute
11	98	R332444; Assignment from Paragon to Clearkip
12	107	R332966; Assignment from Paragon to Northrock
13	115	R337957; Surface Lease Porters and Northrock
14	121	R338076; Transfer/Deed Porters to Bayfield
15	125	22R4570
16	126	LT15621; Assignment Northrock to Talisman
17	134	LT19333; Agreement Porters and Talisman
18	139	LT21811; Assignment Talisman to Clearbeach and Avenue
19	150	HC15840; Name change Bayfield to Bluewater
20	151	HC15841; Lease Bluewater and Clearbeach
21	156	HC 39046; Assignment Clearbeach to Tribute
22	166	HC39050; Assignment Avenue Energy to Tribute
23	176	HC72653; Amending Agreement Porters and Tribute
24	185	Draft Agreement prepared by Tribute
25	190	Tribute pro forma road user agreement

**TAB 1**

**Interrogatory #1**

Reference: Issues List—Issues 4.3, 4.6, 4.7 and 4.8

Reference: Evidence of Bluewater, paragraph 7:

Bluewater and Tribute do not have an access agreement that is in force allowing Tribute access (for vehicles, equipment, pipeline, structures, or otherwise) or other property interests in, on, or over the access lane located on the Bayfield STF Lands, and Bluewater considers that such an agreement is required.

**Question:**

When Bluewater (through its predecessor The Corporation of the Village of Bayfield) purchased the Bayfield STF Lands in 1999 was it aware that its title to the Bayfield STF Lands was subject to the following pre-existing agreements:

- (a) To a Gas Storage Lease Agreement dated March 27, 1979 and registered on December 8, 1982 as Instrument No. R200938 between William Gordon Porter & Nancy Charlene Porter as Lessor and James M. Harmon as Lessee (the “GSL”) (see copy at Tribute’s Pre-filed Evidence, Binder 3, Tab E7);
- (b) To a Petroleum and Natural Gas Lease and Grant dated March 22, 1996 and registered on October 25, 1996 as Instrument No. R312832 between William Gordon Porter & Nancy Charlene Porter as Lessor and Paragon Petroleum Corporation as Lessee (the “PNG Lease”) (see copy at Tribute’s Pre-filed Evidence, Binder 3, Tab E5); and
- (c) To a Unit Operation Agreement dated March 22, 1996 and registered on December 18, 1996 as Instrument No. R314210 between William Gordon Porter & Nancy Charlene Porter as Lessor and Paragon Petroleum Corporation as Lessee (the “UOA”) (see copy at Tribute’s Pre-filed Evidence, Binder 3, Tab E6).

**Answer:**

With the passage of time and the disruptions caused by municipal amalgamations, it is difficult to be definitive as to what Bluewater’s predecessor may or may not have been aware at the time that it or its predecessors purchased what has become the Bayfield STF Lands. We note, however, that whatever Bluewater’s predecessor may or may not have been aware does not alter

the fact that, as stated in paragraph 7 of Mr. McAuley's affidavit, that Bluewater and Tribute *do not now have* an access agreement that is in force allowing Tribute access (for vehicles, equipment, pipeline, structures, or otherwise) or other property interests in, on, or over the access lane located in the Bayfield STF Lands, *and Bluewater considers that such an agreement is required.* Nonetheless, Bluewater is prepared to enter into good faith negotiations with Tribute in respect of such an agreement.

The Parcel Register sets out the registered documents (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 2, p.35).

Bluewater (through a predecessor the Corporation of the Village of Bayfield) acquired lands part of which now form the Bayfield STF Lands on the 15<sup>th</sup> of November 1999, from William Gordon Porter and Nancy Charlene Porter, registered as Instrument Number R338076, as set out on the parcel register for the Bayfield STF Lands (Bluewater Answers to Interrogatories Tab 2 p. 35 and Tab 14 p. 121; Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Tribute Evidence, Binder 3, E4, pages 3-6) (the "Bayfield STF Deed").

The "Property" (as defined in the Bayfield STF Deed, Bluewater Answers to Interrogatories Tab 14 p. 121, Tribute Evidence Binder 3, E4, page 3) that Bluewater acquired was all of Lot 7, Bayfield Road North Concession, Township of Stanley, County of Huron, save and except the south 17 feet thereof, and subject to (i) an easement over Part 1, Plan 22R-1760 and (ii) the reservation by the William Porter and Nancy Porter of the mineral, oil, gas, and gas storage rights as set out in the Schedule to the Bayfield STF Deed (Bluewater Answers to Interrogatories

Tab 14 p. 121; Tribute Evidence Binder 3, E4, page 4). The term “Rights” is broadly defined (section 1 of the Bayfield STF Deed, Bluewater Answers to Interrogatories, Tab 14 p. 122; Tribute Evidence Binder 3, E4, page 4) and that once the existing easements, including those for the gas well pipelines and laneway access to the gas well expire, that anyone wishing to enter the Property for matters relating to the Rights will require the written permission of Bluewater (section 3 of the Bayfield STF Deed, Bluewater Answers to Interrogatories, Tab 14, p. 122; Tribute Evidence Binder 3, E4, page 4). No such written permission has been given and is in force.

Relevant excerpts of the Terms and Conditions of the reservation of the mineral, oil, gas, and gas storage rights follow (Bluewater Answers to Interrogatories, Tab 14, p. 122; Tribute Evidence Binder 3, E4, page 4):

1. The Transferors hereby reserve all right, title, and interest in, under, and to any the mineral, oil, gas and gas storage rights (the “Rights”) relating to the Property together with all revenues, rents, or other payments of any kind which may be payable from time to time relating to the Rights under any lease or other agreement by which the Transferors shall grant or assign all or any portion of the Rights to any person.
2. The Transferors hereby grant the Transferee a right of first refusal to purchase the Rights from the Transferee, which right of first refusal may be exercised by written notice by the Transferee to the Transferor within fifteen (15) business days following the receipt by the Transferee from the Transferor of written notice of the Transferors’ intention to sell, transfer or assign all or any portion of the Rights.
3. ...The Transferee shall co-operate fully with the lessees named in the leases and other agreements relating to the Rights in accordance with the terms and conditions of such leases and other agreement and shall not do any thing or take any step which has the effect or may have the effect of impairing such lessees ability to exercise their respective rights under such leases or agreements; provided, however, that once the existing easements, including those for the gas well pipelines and laneway access to the gas well

expire, that anyone wishing to enter onto the Property for matters relating to the Rights will require the written permission of the Transferee...

4. The terms of this reservation shall enure for the benefit of and shall be binding on the parties' successors, heirs, and assigns.

The instruments registered on title prior to the acquisition by Bluewater on the 15<sup>th</sup> of November 1999 include the following (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 2, p. 35):

- (1) The GSL between William Porter/Nancy Porter and James Harmon, dated the 27<sup>th</sup> of March 1979 and registered on title to the Bayfield STF Lands on 8 December 1982 as Instrument No. R200938 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 4, p. 41; Tribute Evidence, Binder 3, E7, page 3). The term of the GSL was for ten years, subject to renewal in ten year increments (1989, 1999, 2009). By the time of the 2009 GSL renewal, Bluewater had acquired the Bayfield STF Lands (with all the rights and obligations as set out in the Bayfield STF Deed), and Bluewater had constructed and had for years been operating the Bayfield STF.
- (2) An assignment of leases from James Harmon to Tipperary Resources Limited (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 5, p. 50).
- (3) Reference Plan 22R-1760 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 6, p. 56).

(4) An agreement dated 20 June 1984 respecting a right of way/grant of easement (the “Bayfield STF Easement”) made between Gordon Porter/Nancy Porter and Tipperary Resources Limited and Stanley Reef Resources Limited and registered as R212930 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit “A”; Bluewater Answers to Interrogatories, Tab 7, p. 57).

The easement related to Part 1 on Plan 22R-1760 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit “A”; Bluewater Answers to Interrogatories, Tab 6, p. 56). The term of the easement was 20 years (section 1 of the Bayfield STF Easement, Tab 7, page 59). The easement then expired on the 20<sup>th</sup> of June 2004. This easement is specifically referenced in the property description as defined in the Bayfield STF Deed (Bluewater Answers to Interrogatories Tab 14, p. 121, Tribute Evidence Binder 3, E4, page 3). Section 3 of the Schedule to the Bayfield STF Deed provides that “once the existing easements, including those for the gas well pipelines and laneway access to the gas well expire, that anyone wishing to enter onto the Property for matters relating to the Rights will require the written permission of the Transferee (Bluewater Answers to Interrogatories Tab 14, p. 122).

Subsequent to Bluewater’s acquisition of the Bayfield STF Lands, on the expiry of this first agreement, a further agreement was entered into between Bluewater and Clearbeach Resources Inc., effective as of the 20<sup>th</sup> day of June 2004 (Bluewater Evidence, Affidavit

of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 20, p. 151). This lease expired on the 20<sup>th</sup> of June 2009.

On the expiry of this lease, Tribute sent a further draft agreement to Bluewater in 2009 (Bluewater Answers to Interrogatories, Tab 24, p. 185). Bluewater did not enter into this agreement, and Tribute and Bluewater have not entered into any such further agreement.

(5) The PNG Lease between William Porter/Nancy Porter dated 22 March 1996 and registered on 25 October 1996 as Instrument No. R312832 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 8, p. 65; Tribute Evidence, Binder 3, E5, page 3). The primary term is stated to be for five years (expiring 22 March 2001), and continuing so long thereafter as operations are conducted on the lands, the pooled lands or the utilized lands, with no cessation, the in case of each cessation of operations of more than 90 consecutive days (Bluewater Answers to Interrogatories, Tab 8, p. 67; Tribute Evidence, Binder 3, E5, page 5). By the time of the 2001 PNG Lease renewal, Bluewater had acquired the Bayfield STF Lands (with all the rights and obligations as set out in the Bayfield STF Deed), with construction of the Bayfield STF being between 2000 and 2001.

(6) The UOA between William Porter/Nancy Porter and Paragon Petroleum Corporation and Farm Credit Corporation dated 22 March 1996 and registered on 18 December 1996 as Instrument No. R314210 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3,

Exhibit "A"; Bluewater Answers to Interrogatories, Tab 9, p. 76; Tribute Evidence, Binder 3, E6, page 3), which in terms of term, is tied to the PNG Lease set out above.

(7) A general assignment dated 1 February 1998 and registered 3 March 1999 as Instrument No. R332443 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A", Bluewater Answers to Interrogatories, Tab 10, p.89). The assignment from Clearkip Gas Inc. to Tribute Resources Inc. includes the Bayfield STF Easement referenced above (Bluewater Answers to Interrogatories, Tab 10, p. 94).

(8) An assignment dated 1 January 1998 and registered 3 March 1999 as Instrument No. R332444 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 11, p. 98). The assignment from Paragon Petroleum Corporation to Clearkip Gas Inc. includes the Bayfield STF Easement referenced above (Bluewater Answers to Interrogatories, Tab 11, p. 103).

We note that the assignments described in (7) and (8) immediately above do not appear to have been registered in the correct sequence.

(9) An assignment dated 1 February 1999 and registered 1 April 1999 as Instrument No. R332966 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A", (Bluewater Answers to Interrogatories, Tab 12, p. 107). The assignment from Paragon Petroleum Corporation to Northrock Resources Ltd. includes the GSL, PNG, and UOA.

(10) A lease dated 20 June 1999 and registered on 9 November 1999 as Instrument No. R337957 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; (Bluewater Answers to Interrogatories, Tab 13, p. 115). The lease between the Porters and Northrock Resources Ltd. relates to the Bayfield STF Easement Lands. Bluewater acquired ownership on 15 November 1999 (the Bayfield STF Deed) and the lease expired on the 20<sup>th</sup> of June 2004.

As referenced above, Bluewater then acquired the lands now forming the Bayfield STF Lands pursuant to the Bayfield STF Deed (Bluewater Answers to Interrogatories Tab 2, p. 35 and Tab 14 p. 121; Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Tribute Evidence, Binder 3, E4), including the right that once the existing easements, including those for the gas well pipelines and laneway access to the gas well expire, *that anyone wishing to enter the Property for matters relating to the Rights will require the written permission of Bluewater* (section 4 of the Bayfield STF Deed). *The Bayfield STF Easement expired* (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 6 p. 56, Tab 7 p. 57, Tab 20 p. 151, Tab 24 p. 185). *No such written permission has been given and is in force. Further assignments occurred after Bluewater acquired the Bayfield STF Lands (see answer to Interrogatory #2) and constructed the Bayfield STF.*

## **Interrogatory #2**

Reference: Issues List—Issues 4.3, 4.6, 4.7 and 4.8

Reference: Evidence of Bluewater, paragraph 7:

Bluewater and Tribute do not have an access agreement that is in force allowing Tribute access (for vehicles, equipment, pipeline, structures, or otherwise) or other property interests in, on, or over the access lane located on the Bayfield STF Lands, and Bluewater considers that such an agreement is required.

### **Question:**

Is Bluewater aware that the GSL, the PNG Lease and the UOA have all been assigned to Tribute by two Assignments each dated May 10, 2007 and each registered on May 31, 2007 as Instrument Nos. HC39044 and HC39050?

### **Answer:**

Bluewater is aware of an assignment from Clearbeach Resources Inc. to Tribute Resources Inc. of interests in the GSL, PNG Lease, and UOA dated 10 May 2007 and registered as Instrument No. HC39046 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit “A”; Bluewater Answers to Interrogatories, Tab 21, p. 156) and we note that at page 161 in the Description of Lands column, the assignment is subject to Bluewater’s interest in R338076 (the Bayfield STF Deed) and R21930 (the Bayfield STF Easement). Bluewater is aware of an assignment from Avenue Energy Limited Partnership to Tribute Resources Inc. of interests in the GSL, PNG Lease, and UOA dated 10 May 2007 and registered as instrument No. HC39050 (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit “A”; Bluewater Answers to Interrogatories, Tab 22, p. 166) and we note that a page 171 in the Description of Lands column, the assignment is subject to Bluewater’s interest in R338076 (the Bayfield STF Deed) and R21930 (the Bayfield STF Easement).

Bluewater is also aware that in the chain of assignments, Clearbeach Resources Inc. and Avenue Energy Limited Partnership acquired their rights from Talisman Energy Inc. (See LT21811: Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 18, p. 139). Talisman Energy Inc. acquired its rights from William Porter/Nancy Porter (See LT19333: Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 17, p. 134) and Northrock Resources Ltd. (See LT15621: (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 16, p. 126), all of which were subject to Bluewater's interest in R338076 (the Bayfield STF Deed) and R21930 (the Bayfield STF Easement).

**Interrogatory #3**

Reference: Issues List—Issues 4.3, 4.6, 4.7 and 4.8

Reference: Evidence of Bluewater, paragraph 7:

Bluewater and Tribute do not have an access agreement that is in force allowing Tribute access (for vehicles, equipment, pipeline, structures, or otherwise) or other property interests in, on, or over the access lane located on the Bayfield STF Lands, and Bluewater considers that such an agreement is required.

**Question:**

Is Bluewater aware that its ownership rights and surface rights in respect of the Bayfield STF Lands are subject to the prior rights of Tribute pursuant to the GSL, the PNG Lease, and the UOA?

**Answer:**

No. Bluewater is aware of its ownership rights and surface rights in respect of the Bayfield STF Lands as set out in the registered instruments and as described in answer to interrogatories #1 and #2, above. Bluewater is also aware of its rights as a Municipal Corporation and its rights in respect of the Bayfield STF Lands and as the owner and operator of the sewage treatment facility serving its residents in the vicinity of Bayfield, located and operating on the Bayfield STF Lands.

#### **Interrogatory #4**

Reference: Issues List—Issues 4.3, 4.6, 4.7 and 4.8

Reference: Evidence of Bluewater, paragraph 7:

Bluewater and Tribute do not have an access agreement that is in force allowing Tribute access (for vehicles, equipment, pipeline, structures, or otherwise) or other property interests in, on, or over the access lane located on the Bayfield STF Lands, and Bluewater considers that such an agreement is required.

#### **Question:**

The GSL provides in part as follows:

“And for the consideration, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto Lessee insofar as the Lessor has the right 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 hereinafter drilled on the demised lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipelines, 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 out such operations and to fence any portion of the surface of the demised lands used by the Lessee.

2. That the Lessor has good title to the 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.

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 and assigns.”

In light of the foregoing quoted portions of the GSL which has been assigned to Tribute, does Bluewater still maintain that Tribute does not have any access rights to the Bayfield STF Lands for the purpose of permitting vehicles, equipment, pipelines, structures or otherwise to be constructed on the Bayfield STF Lands in furtherance of Tribute’s proposed storage operations? If the answer to this question is negative please provide full and complete details and reasons together with copies of any and all relevant documentation upon which Bluewater is relying to maintain its position.

**Answer**

For all the reasons and with reference to all the documents set out in answers to interrogatories 1, 2, and 3, above, and with particular reference to the rights and obligations flowing from the Bayfield STF Deed, Bluewater maintains that Bluewater and Tribute do not now have an access agreement that is in force allowing Tribute access (for vehicles, equipment, pipeline, structures, or otherwise) or other property interests in, on, or over the access lane located in the Bayfield STF Lands, and Bluewater considers that such an agreement is required. As stated above, Bluewater is prepared to enter into good faith negotiations with Tribute in respect of such an agreement.

In addition, any right that Tribute may have to develop the Bayfield DSA is subject to obtaining the approval of the Ontario Energy Board. In Bluewater’s view, it is not in the public interest to permit a natural gas development in a manner that may impair the structure and function of the

Bayfield STF, and thereby potentially or actually jeopardize the environment, health and safety of its citizens.

We further note that in Tribute's answers to its Bluewater's interrogatories, filed prior to Bluewater's evidence, that according to Tribute:

- (1) As long as the Bayfield STF will not eventually expand down to Mill Road, the Bayfield gas storage facility and wells will not adversely affect any of the Bayfield STF facilities (Answer to Question 2);
- (2) The proposed wells will have no adverse impact on the Bayfield STF and no adverse impact on access to the Bayfield STF (Answers 3(a)(ii) and (ii));
- (3) With reference to the access lane to the Bayfield STF, that a Road Users Agreement will be entered into between Bayfield Pipeline Corp and the Municipality of Bluewater. This Road Users Agreement will detail the pipeline running line location relative to other utilities located in municipality road allowances, depth of burial, profile drawings for critical areas along the right-of-way and for all road crossings, construction methods and traffic control and any compensation due (Answer 3(1)(iv)); and
- (4) Tribute will ensure that there will be no impact of the Applications and the Construction of a Natural Gas Pipeline on the existing and future operations of the Bayfield STF (Answer 5(i)), and if there is an impact that Tribute and its affiliates will work to remedy the situation immediately (Answer 5(iii)).

**Interrogatory #5**

Reference: Issues List—Issues 4.3, 4.6, 4.7 and 4.8

Reference: Evidence of Bluewater, paragraph 7:

Bluewater and Tribute do not have an access agreement that is in force allowing Tribute access (for vehicles, equipment, pipeline, structures, or otherwise) or other property interests in, on, or over the access lane located on the Bayfield STF Lands, and Bluewater considers that such an agreement is required.

**Question:**

When Bluewater constructed the Bayfield STF on the Bayfield STF Lands was it aware that Tribute (or its predecessors in title) had prior registered surface rights to use the Bayfield STF Lands pursuant to the GSL, the PNG Lease and the UOA? When was the Bayfield STF constructed?

**Answer:**

The Bayfield STF was constructed in 2000-2001. In terms of what Bluewater was aware, see answers to Interrogatories #1 to #4.

## **Interrogatory #6**

Reference: Issues List—Issues 4.3, 4.6, 4.7 and 4.8

Reference: Evidence of Bluewater, paragraph 7:

Bluewater and Tribute do not have an access agreement that is in force allowing Tribute access (for vehicles, equipment, pipeline, structures, or otherwise) or other property interests in, on, or over the access lane located on the Bayfield STF Lands, and Bluewater considers that such an agreement is required.

### **Question:**

Is Bluewater aware of the terms and conditions of the mineral rights reservation that was contained in the Transfer of the Bayfield STF Lands registered on November 15, 1999 as Instrument No. 338076 from William Gordon Porter & Nancy Charlene Porter to the Corporation of the Village of Bayfield (Bluewater's predecessor) (see copy at Tribute's Pre-filed Evidence, Binder 3, Tab E4). As a supplementary question, what does Bluewater understand by the following phrase contained in the said Transfer:

"The Transferee shall cooperate fully with the lessees named in the leases and other agreements relating to the Rights in accordance with the terms and conditions of such leases and other agreements and shall not do anything or take any step which has the effect or may have the effect of impairing such lessee's ability to exercise their respective rights under such leases or agreements;"?

### **Answer**

Bluewater is aware of the Bayfield STF Deed, as set out in its answer to Interrogatory #1.

Bluewater is also aware that in this Interrogatory Tribute has not fully excerpted the operative part of section 3 of the Bayfield STF Deed, with the proviso not included by Tribute set out below in italics:

3. The Transferee shall co-operate fully with the lessees named in the leases and other agreements relating to the Rights in accordance with the terms and conditions of such leases and other agreement and shall not do any thing or take any step which has the effect or may have the effect of impairing such lessees ability to exercise their respective

*rights under such leases or agreements; provided, however, that once the existing easements, including those for the gas well pipelines and laneway access to the gas well expire, that anyone wishing to enter onto the Property for matters relating to the Rights will require the written permission of the Transferee... (emphasis added).*

As set out in answer to Interrogatories #1, #2, #3, and #4, and with specific reference to section 3 of the Bayfield STF Deed (Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A"; Bluewater Answers to Interrogatories, Tab 14, p. 121 at p. 122), Bluewater understands that the phrase highlighted by Tribute is subject to the requirement that once the existing easements, including those for the gas well pipelines and laneway access to the gas well expire, that anyone wishing to enter onto the Property for matters relating to the Rights will require the written permission of Bluewater, that the easements have expired, that there is no such written permission in force, and as a result that an agreement with Bluewater is required (see answers to interrogatories #1 and #2 above; Bluewater Answers to Interrogatories, Tab 6, p. 56, Tab 7 p. 57, Tab 20 p. 151, Tab 24, p. 185; Bluewater Evidence, Affidavit of Mr. McAuley, paragraph 7).

**Interrogatory #7**

Reference: Issues List—Issues 4.1 to 4.8 inclusive.

Reference: Evidence of Bluewater, paragraph 8:

Bluewater is also the owner of the road allowance for a portion of Tribute’s proposed pipeline route. Bluewater and Tribute do not have a road user agreement that is in force respecting the use by Tribute of Bluewater’s road allowance lands, and Bluewater considers that such an agreement is required.

**Question:**

We direct you to Tribute’s Pre-filed Evidence, Binder 4, Tab D4-4 which is a letter dated October 9, 2009 from Bluewater to Tribute stating in part that “the Municipality has no reason at this time to object to the preferred routing for the pipeline; however, the following concerns have been identified and will need to be addressed by Tribute prior to final approval by the Municipality:...”. In this letter Bluewater also sets out certain conditions that Tribute must satisfy. Is Bluewater still prepared to reiterate and stand by the terms of its October 9, 2009 letter? If the answer to this question is in the negative, please provide full and complete reasons as to why Bluewater’s position has changed from that stated in its letter of October 9, 2009.

**Answer:**

Bluewater wrote this letter in reference to Tribute’s predecessor Applications, which we understand are no longer before the Ontario Energy Board. Nonetheless, Bluewater’s position is not materially different in respect of the Applications currently before the Ontario Energy Board.

**Interrogatory #8**

Reference: Issues List—Issues 4.1 to 4.8 inclusive.

Reference: Evidence of Bluewater, paragraph 8:

Bluewater is also the owner of the road allowance for a portion of Tribute's proposed pipeline route. Bluewater and Tribute do not have a road user agreement that is in force respecting the use by Tribute of Bluewater's road allowance lands, and Bluewater considers that such an agreement is required.

**Question:**

Does Bluewater have a pro forma road allowance agreement that it has used in the past to permit utilities, other persons or agencies to use road allowances in Bluewater? If the answer to this question is in the affirmative, please provide a copy of such pro forma agreement and is Bluewater prepared to enter into this form of agreement with Tribute provided the conditions and requirements set forth in Bluewater's letter of October 9, 2009 are complied with by Tribute?

**Answer:**

Bluewater has used a variety of agreements to address the use of its road allowance, depending on the circumstances. The use of Bluewater's road allowance by utilities is currently under review.

## **Interrogatory #9**

Reference: Issues List—Issues 4.1 to 4.8 inclusive.

Reference: Evidence of Bluewater, paragraph 8:

Bluewater is also the owner of the road allowance for a portion of Tribute's proposed pipeline route. Bluewater and Tribute do not have a road user agreement that is in force respecting the use by Tribute of Bluewater's road allowance lands, and Bluewater considers that such an agreement is required.

### **Question:**

Attached hereto as Schedule "1" is a pro forma road user agreement which Tribute proposes to enter into with Bluewater for the use of Bluewater's road allowance lands for the proposed pipeline route. Subject to Tribute complying with the conditions and requirements of Bluewater as set out in its letter of October 9, 2009 and subject to OEB approval, is Bluewater prepared to enter into this form of agreement with Tribute for the proposed pipeline? If not, please provide full and complete reasons making specific reference to the clauses in the attached pro forma document that Bluewater disagrees with and the changes the Bluewater requires in order to finalize a document that Bluewater is prepared to enter into or, in the alternative, please provide a copy of the pro forma road user agreement that Bluewater is prepared to enter into with Tribute.

**Note: See Tab 25, p. 190 of Bluewater's answers to interrogatories for a copy of Tribute's pro forma road user agreement referenced in their question as Schedule "1" in this question.**

### **Answer:**

Bluewater is prepared to negotiate in good faith a road user agreement with Tribute. The road user agreement, if any, between Tribute and Bluewater requires a legislative act of Bluewater Council and cannot be negotiated in the context of, and with the limitations of, interrogatories.

Nonetheless, to move the process forward, in addition to the matters raised in Bluewater's letter dated October 9, 2009 (Tribute Evidence, Binder 4, D4-4), and in addition to the proviso that road user agreements for utility companies are under general review in Bluewater (which may

result in the requirement for consideration of an entirely new agreement with Tribute), we provide the following preliminary comments on the Draft Road User Agreement (the “Draft RUA”; see Tab 25 of Bluewater’s Answers to Interrogatories, p. 190 and following) proposed by Tribute, which may be added to and/or subtracted from following further review by Bluewater staff, Bluewater’s consultants, and on direction of Bluewater Council, as matters are clarified and negotiations proceed:

(1) Key aspects in the Draft RUA that are critically deficient and/or faulty include the following:

(a) Term of the Draft RUA (Section 1):

- (i) The Draft RUA sets out a term of twenty (20) years. To protect the integrity and flexibility in the use and occupation of its road allowances, Bluewater generally prefers to license the occupation and use of its road allowances for a (more) limited term or reflect such use and occupation in limited easement rights, subject to the right to end such occupation and use at any time and at the sole discretion of Bluewater and without recourse or penalty to Bluewater;
- (ii) Section 1 contemplates the Company and the Municipality using reasonable commercial efforts to negotiate a further term of the Draft RUA. Bluewater prefers that this requirement be deleted, as Bluewater does not wish to have anything this a Draft RUA that may fetter the discretion of a future Council.

(b) Tribute's Rights in the Draft RUA (Section 2):

- (i) As referenced above, to protect the integrity and flexibility in the use and occupation of its road allowances, Bluewater prefers to grant limited rights rather than general easements for the use and occupation of its road allowances. This concern applies throughout the Draft RUA, wherever the term "easement" is used.
- (ii) Bluewater has obligations to various stakeholders in the community. Any right by Tribute pursuant to a Draft RUA to use and occupy a Bluewater road allowance must clearly be stated as a non-exclusive right.
- (iii) Tribute has not identified the specific locations within Bluewater's road allowances wherein it will require its works to be installed. Schedule "A" has been left blank by Tribute. Further information needs to be supplied by Tribute for this section to be properly evaluated.

(c) Payments by Tribute (Section 3):

- (i) The payments by the Company to Bluewater have been left blank by Tribute. Further information as to what is proposed by Tribute needs to be supplied by Tribute for this section to be properly evaluated. Further, Tribute should indemnify Bluewater for its costs in relation to the preparation, negotiation, and enforcement of this agreement.

(d) Security Deposit (Section 4):

- (i) Without Tribute's details of its proposed work within the Bluewater road allowances together with an estimate of the costs to remove Tribute's works, it is not possible to accurately estimate the appropriate amount of the Company's security deposit. Further information needs to be supplied by Tribute for this section to be properly evaluated. However, at first blush, the amount of \$100,000 seems to understate the required amount.
- (ii) To protect the integrity of its road allowances and its financial position, Bluewater should have broad recourse to this security deposit (see e.g. revisions to sections 12, 20, 21, and 22).

(e) Insurance Requirement (Section 18):

- (i) Without Tribute's details of its proposed work within the Bluewater road allowances, it is not possible to accurately estimate the appropriate amount of the Company's insurance requirement. Further information needs to be supplied by Tribute for this section to be properly evaluated. However, at first blush, the amount of \$5,000,000 seems to understate the required amount.
- (ii) Once Tribute is able to provide details of its proposed work within the Bluewater road allowances and can provide a proposed policy then the Company's proposed policy can be reviewed with Bluewater's insurer.

(f) Succession and Assignment (Sections 19(c), 25(c), 25(g)):

(i) To protect the integrity of the road allowance and the financial position of the municipality, the nature of the rights should be a personal, and unlike the position taken in the draft RUA, should not be assignable by the Company.

(2) Other items in the Draft RUA that are deficient and/or faulty and/or require revision include the following:

- (a) In the second recital, Tribute represents that the Company has applied to the Municipality for permission to install, construct, maintain, and operate natural gas pipelines and related facilities within Bluewater's Road Allowances. Bluewater is aware of Tribute's intentions through this process before the Ontario Energy Board, but is unaware of any formal application made by the Company to Bluewater.
- (b) Section 5 references the Work Permit. The details of the requirements of the Work Permit should be considered once Tribute has supplied the further information relating to its proposed works. Section 5 apparently limits the Company's obligations to the "reasonable requirements of the Municipal Engineer". This is an impermissible limitation on the rights and obligations of the Municipal Engineer, as the decision should be in Bluewater's complete discretion, consistent with the remainder of the section.

- (c) In section 6 the Company agrees to install the gas main and appurtenances within 0.15 metre of the location specified in the Work Permit and plans. Without the information from Tribute as to the specific locations within Bluewater's road allowances of its proposed works, Bluewater is unable to evaluate whether this latitude is reasonable. As above, further information from Tribute is required.
- (d) In section 8, the limitation to "reasonable" time or times as the Municipality should specify should be removed. This is an impermissible limitation on the rights and obligations of the Municipality.
- (e) In section 8, the reference to "unnecessary" nuisance or damage to the Municipality or its property or to any ratepayers or users of Bluewater's road allowance should be removed. To protect its citizens as well as its own property and infrastructure, all work should be undertaken and completed in such a manner so as not to cause nuisance or damage to the Municipality or its property or to any ratepayers or users of Bluewater's Road Allowance.
- (f) To protect its citizens and Bluewater's own property, section 9 should be broadened to include other users and occupiers of Bluewater's road allowance and other neighbouring property owners.
- (g) Section 10(a) should be reworked to ensure that the Company's rights are non-exclusive, other users' or potential users' rights are not limited, and Bluewater's rights

to enter into further agreements with other users, at Bluewater's sole discretion, are not limited.

- (h) To give proper effect to Section 10(b), it should be broadened to include the right of Bluewater to undertake such construction works.
- (i) In section 11, it is unknown what is meant by the phrase "other public lands". Bluewater owns land in addition to its road allowances. To include "other public lands" would improperly broaden this agreement to an unknown scope. This should be removed.
- (j) To protect the integrity and flexibility in the use and occupation of its road allowances as well as to protect the safety of its residents, Bluewater's rights in section 12 should be at its sole discretion, and not limited to the course of constructing, reconstructing, changing, altering, maintaining or improving any highway or any municipal works, or whether Bluewater deems it "necessary". Further, if the Company fails to remove its works in the time permitted or in the case of an emergency (as determined in Bluewater's sole discretion) then Bluewater requires the right to remove the works immediately and without notice, to restore the road allowance, to charge the costs to the Company and have recourse to the security deposit (section 4), and to be released, not be liable in any way for these actions, and be indemnified and saved harmless by the Company.

(k) In respect of the related sections 20, and 21 to protect the integrity and flexibility in the use and occupation of its road allowances as well as to protect the safety of its residents, in the case of an emergency (as determined in Bluewater's sole discretion) the Bluewater requires the right to remove the works immediately and without notice, to restore the road allowance, to charge the costs to the Company and have recourse to the security deposit (section 4), and to be released, not be liable in any way for these actions, and to be indemnified and saved harmless by the Company. Likewise, with respect to section 22, Bluewater should additionally have recourse to the security deposit (section 4) in relation to the costs of such works. Further, within 180 days of the termination of this agreement, the Company should remove all its works from Bluewater's road allowances, failing which Bluewater should have the right to remove the works, restore the road allowances, charge the costs to the Company and have recourse to the security deposit (section 4), and to be released, not be liable in any way for these actions, and to be indemnified and saved harmless by the Company.

(l) Section 13 should not be limited to the "surface of the travelled portion of the highway". To protect the integrity of its road allowances, no excavation, opening or work shall disturb or interfere with the road allowance unless a Work Permit has first been obtained from the Municipal Engineer authorizing such work, and all works shall be completed to his/her satisfaction.

- (m) To protect the integrity of its road allowances, section 13 should not be limited to the Municipality “acting reasonably”. The words “acting reasonably” should be removed.
- (n) To protect the integrity of its road allowances and to protect Bluewater against potential claims, the word “minimal” in section 14 should be removed and replaced with the word “no”. Further, in respect of any interference caused by the Company, its contractors or agents (or others under the Company’s direction or control) with the road allowance or any pedestrian, vehicular, or other traffic thereon, or any use or operation of any ditch or drain adjacent to such public right-of-way, highway, street, or walkway, the Company should make good any loss or damage and indemnify Bluewater.
- (o) In section 15, to protect the integrity of its road allowances and the financial resources of Bluewater, the limitation that the Company restore the road allowance surface to the extent possible and to the same condition as prior to the commencement of the works should be broadened to include the entire road allowance and the limitation of “to the extent possible” should be removed.
- (p) In section 15, the limitation of responsibility to “negligence” should be removed. To protect the integrity of its road allowances and the financial resources of the municipality, the Company should be responsible for any damage caused at any time the Company, its agents, employees, or contractors.

- (q) To protect the integrity of its road allowances, the limitation in section 17 to the “reasonable” directions and permissions of the Municipality should be removed. The Company’s actions should be in strict compliance with the directions and permissions as issued by Bluewater.
  
- (r) In the default provision section 19, to protect the financial position of the Municipality, default for failure to maintain insurance should be automatic and not subject to written notice and a 15 and 30 day requirement.
  
- (s) In the default provision section 19, to protect the financial position of the Municipality, the phrase “without recourse by or remedy to the Company” should be amended to “without recourse by or remedy by the Company”.
  
- (t) In the notice provision of section 25(a), to make this section more workable, we suggest that notice may also be given by fax, and that provision be made to amend the address for the giving of notice.

## **Interrogatory #10**

Reference: Issues List, Issue 4.5

Reference: Evidence of Bluewater, clause 9 of the Affidavit of Stephen McAuley sworn on July 13, 2012:

Bluewater has not received from Tribute any professional expert evidence or assurance that Tribute's Applications can safely and harmoniously co-exist with wind power development in Bluewater. Given the existing proposed and possible future wind power development in the municipality, Bluewater considers that such expert evidence and assurances are required.

## **Question**

Tribute repeats the quotation from its GSL as set out in Question 4 above. Given that it is Tribute's position that it legally holds valid surface rights over the Bayfield STF Lands and the other lands comprising of the proposed Bayfield DSA (which are held by similar storage lease provisions), does Bluewater not acknowledge and recognize that by virtue of Tribute's pre-existing surface rights that any subsequent proposed or possible future wind power development over the same lands would require some form of mutual co-existence or non-disturbance agreement to be negotiated between Tribute and the holder of the subsequent wind power development rights over the Bayfield DSA? Tribute hereby undertakes to seriously consider any requests from a company that acquires wind power development rights over the proposed Bayfield DSA, to negotiate in good faith and, provided that Tribute's proposed gas storage operations are not compromised, to negotiate a mutually agreeable mutual co-existence agreement or non-disturbance agreement with such company that acquires wind power development rights over the proposed Bayfield DSA subsequent to those now held by Tribute by virtue of its Gas Storage Lease. Does Bluewater accept this assurance recognizing at the same time Tribute does have prior legal registered surface rights over the proposed Bayfield DSA?

## **Answer**

As set out in Bluewater's answers to interrogatories #1-#6, above, Bluewater does not agree with Tribute's characterization of its access development rights in respect of the Bayfield STF Lands. The assurance suggested to Tribute does not address Bluewater's concerns. Bluewater seeks to protect and foster the economic, social and environmental well-being of the municipality, the

health, safety and well-being of persons, and the protection of persons and property within the municipality. The concern with the safe and harmonious co-existence of the Tribute Applications with wind power development goes beyond the Bayfield STF Lands, and the Bayfield DSA and encompasses the road allowance and the municipality as a whole. The statement put to Bluewater in the interrogatory does not change the facts that Bluewater has not received from Tribute any professional expert evidence or assurance that Tribute's Applications can safely and harmoniously co-exist with wind power development in Bluewater and that given the existing proposed and possible future wind power development in the municipality, Bluewater considers that such expert evidence and assurances are required.

## **Interrogatory #11**

Reference: Issues List, Issue 4.5

Reference: Evidence of Bluewater, clause 9 of the Affidavit of Stephen McAuley sworn on July 13, 2012:

Bluewater has not received from Tribute any professional expert evidence or assurance that Tribute's Applications can safely and harmoniously co-exist with wind power development in Bluewater. Given the existing proposed and possible future wind power development in the municipality, Bluewater considers that such expert evidence and assurances are required.

### **Question:**

Please provide full and complete details of any easement agreements or option agreements in favour of wind power corporations that affect or are registered against title to Tribute's proposed designated storage area for the Bayfield Pool. If there are no such easement agreements or option agreements please explain how future wind power corporation that proposes to develop a wind farm covering lands comprising of the proposed designated storage area for the Bayfield Pool can acquire prior surface rights over such lands to those being enjoyed by Tribute and provide full and complete details of the same.

### **Answer:**

The parcel register for the Bayfield STF Lands is set out in Bluewater's Evidence, Affidavit of Mr. McAuley, paragraph 3, Exhibit "A". Bluewater has not undertaken for the purposes of answering these interrogatories the further investigation of searching title for the remainder of the Bayfield DSA, and objects to doing so as this exercise is not relevant to Bluewater's evidence and Tribute may equally search title itself, if it has not already done so. Additionally, there may be other easement or option agreements in favour of wind power corporations that are not registered on title and of which Bluewater may not be advised, and in any event property rights and interests may change over time by operation of law or on consent of the stakeholders, as alluded to in Tribute's interrogatory #10 immediately above.

**TAB 2**

PROPERTY DESCRIPTION: PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T R212930

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:  
DIVISION FROM 41452-0090

PIN CREATION DATE:  
2001/02/05

OWNERS' NAMES CAPACITY SHARE  
THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2000/05/29 **						
R57742	1963/05/13	BYLAW				C
R200938	1982/12/08	AGREEMENT				C
R210621	1984/04/27	NO ASSG LESSEE INT			TIPPERARY RESOURCES LIMITED	C
REMARKS: MULTI CORRECTIONS: 'INSTRUMENT TYPE' CHANGED FROM 'ASSGMT LEASE' TO 'NTCE ASSG LEASE' ON 2003/01/06 BY SUE CORRIVEAU. 'THIS INSTRUMENT' WAS DELETED FROM PROPERTY 41452-0160 IN ERROR AND WAS RE-INSTATED ON 2007/05/17 BY LEIGH SWANSON. 'THIS INSTRUMENT' WAS DELETED FROM PROPERTY 41452-0159 IN ERROR AND WAS RE-INSTATED ON 2007/05/18 BY LEIGH SWANSON.						
22R1760	1984/08/13	PLAN REFERENCE				C
R212930	1984/08/14	AGR RIGHT OF WAY			TIPPERARY RESOURCES LIMITED STANLEY REEF RESOURCES LIMITED	C
R312832	1996/10/25	LEASE			PARAGON PETROLEUM CORPORATION	C
R314210	1996/12/18	AGREEMENT				C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
R332443	1999/03/03	ASSIGNMENT GENERAL				C
	REMARKS: MULTI					
R332444	1999/03/03	ASSIGNMENT GENERAL				C
	REMARKS: MULTI					
R332966	1999/04/01	NO ASSG LESSEE INT			NORTHROCK RESOURCES LTD.	C
	REMARKS: MULTI CORRECTIONS: 'INSTRUMENT TYPE' CHANGED FROM 'ASSGMT LEASE' TO 'NYCE ASSG LEASE' ON 2003/01/06 BY SUE CORRIVEAU. 'THIS INSTRUMENT' WAS DELETED FROM PROPERTY 41452-0160 IN ERROR AND WAS RE-INSTATED ON 2007/05/17 BY LEIGH SWANSON.					
R337957	1999/11/09	LEASE			NORTHROCK RESOURCES LTD.	C
R338076	1999/11/15	TRANSFER	\$680,000		THE CORPORATION OF THE VILLAGE OF BAYFIELD	C
22R4570	2000/09/27	PLAN REFERENCE				C
LT15621	2002/04/25	NO ASSG LESSEE INT	\$2	NORTHROCK RESOURCES LTD.	TALISMAN ENGERGY INC.	C
	REMARKS: MULTIPLE ASSIGNMENTS					
LT19333	2002/09/18	NOTICE		PORTER, WILLIAM GORDON PORTER, NANCY CHARLENE	TALISMAN ENERGY INC.	C
	REMARKS: R312832, R314210, R332966 & LT15621					
LT21811	2003/01/09	NO ASSG LESSEE INT	\$1	TALISMAN ENERGY INC.	CLEARBEACH RESOURCES INC. AVENUE ENERGY LIMITED PARTNERSHIP	C
	REMARKS: MULTIPLE LEASE NOS. SEE DOCUMENT					
HC15840	2004/11/25	APL CH NAME OWNER		THE CORPORATION OF THE VILLAGE OF BAYFIELD	THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	C
HC15841	2004/11/25	NOTICE OF LEASE	\$2,500	THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	CLEARBEACH RESOURCES INC.	C
HC39046	2007/05/31	NO ASSG LESSEE INT		CLEARBEACH RESOURCES INC.	TRIBUTE RESOURCES INC.	C
	REMARKS: MULTIPLE LEASES REFER TO DOCUMENT					
HC39050	2007/05/31	NO ASSG LESSEE INT		AVENUE ENERGY LIMITED PARTNERSHIP AVENUE ENERGY TRUST	TRIBUTE RESOURCES INC.	C
	REMARKS: MULTIPLE LEASES REFER TO DOCUMENT					
HC72653	2011/01/27	NOTICE	\$2	PORTER, WILLIAM GORDON	TRIBUTE RESOURCES INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND  
REGISTRY  
OFFICE #22

41452-0160 (LT)

PAGE 3 OF 3  
PREPARED FOR BLUEWATER  
ON 2012/05/02 AT 11:53:09

\* CERTIFIED BY LAND REGISTRAR IN ACCORDANCE WITH LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: R200938, R313832, R314210						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

**TAB 3**

1259

57742

13 May 1963

*Handwritten signature*

*Handwritten signature*

*Handwritten text*

Abstr.	
Alpha Index	<i>Handwritten mark</i>
Microfilm	
Rec. Fee	99.50
Land Tax	

This Document the Property of the Registry Office, County of Huron

I certify that the within instrument is duly entered and registered in the Registry Office for the Registry Division of the County of Huron, at

128 5/20 clock 2 m. of the 13

day of May 1963

NUMBER 57742

*Handwritten signature*  
Registrar

THE CORPORATION OF THE  
TOWNSHIP of STANLEY  
BY-LAW NO. 6, 1963

A BY-LAW TO DESIGNATE AN AREA OF SUBDIVISION CONTROL

WHEREAS section 26 of the Planning Act authorizes a municipality to designate by by-law any area within the municipality as an area of subdivision control;

AND WHEREAS it is deemed expedient in order to control adequately the development of land in the municipality that a by-law be passed pursuant to the said section 26;

NOW THEREFORE the Council of the Corporation of the TOWNSHIP of STANLEY enacts as follows:

- I. The area(s) described in Schedule "A" to this by-law is (are) hereby designated as an area of subdivision control.

SCHEDULE "A"

- Concession 1, Lot 1 except Plan #11, Township of Stanley
- Concession 1, Lot 2 to 14 inclusive
- Concession 1, Lot 15 except Plan #13, Township of Stanley
- Concession 1, Lot 16 except Plan #12, Township of Stanley
- Concession 1, Lot 17 to 35 inclusive
- Concession 1, Lot 36 including Plan #2, Township of Stanley  
Lot 1 to 24 inclusive
- Concession 2, Lot 1 to 34 inclusive
- Concession 3, Lot 3 to 34 inclusive
- Concession 4, Lot 3 to 15 inclusive
- Concession 4, Lot 20 to 32 inclusive
- Concession 5, Lot 3 to 15 inclusive
- Concession 5, Lot 20 to 32 inclusive
- Concession 6, Lot 3 to 16 inclusive
- Concession 7, Lot 3 to 17 inclusive
- Concession 8, Lot 3 to 19 inclusive
- Concession 9, Lot 3 to 20 inclusive
- Concession 10, Lot 3 to 22 inclusive
- Concession 11, Lot 3 to 23 inclusive
- Concession 12, Lot 3 to 24 inclusive
- Concession 13, Lot 3 to 15 inclusive
- B.R.N., Lot 1 to 17 inclusive
- B.R.N., Lot 18 except Plan #8, Township of Stanley
- B.R.N., Lot 19 except Plan #8, Township of Stanley
- B.R.N., Lot 20 to 25 inclusive
- B.R.S., Lot 6 to 17 inclusive
- B.R.S., Lot 18 except Plan #8, Township of Stanley
- B.R.S., Lot 19 except Plan #8, Township of Stanley
- B.R.S., Lot 20 to 25 inclusive
- S.B., Lot 4 to 29 inclusive
- S.B., Lot 30 except Plan #5, Township of Stanley
- L.R.E., Lot 1 to 23 inclusive
- L.R.W., Lot 1
- L.R.W., Lot 2 except Plan #20, Township of Stanley
- L.R.W., Lot 3 except Plan #15, Township of Stanley
- L.R.W., Lot 4 to 7 inclusive
- L.R.W., Lot 8 & 9 except Plan #17, Township of Stanley
- L.R.W., Lot 10
- L.R.W., Lot 11 & 12 except Plan #23, Township of Stanley



By-law # 6, 1963  
SCHEDULE "A" continued

- L.R.W., Lot 13 to 15 inclusive
- L.R.W., Lot 16 & 17 except Plan #22, Township of Stanley
- L.R.W., Lot 18
- L.R.W., Lot 19 except Plan #24, Township of Stanley
- L.R.W., Lot 20 except Plan #19, Township of Stanley
- L.R.W., Lot 21 to 24 inclusive
- L.R.W., Lot 25 except Plan #21, Township of Stanley and Plan #5, Township of Stanley
- Range A, Lot 1 to 14 inclusive
- Range B, Lot 3 to 14 inclusive
- Range C, Lot 2 to II inclusive
- Range D, Lot 1 except Plan #2, Village of Bayfield
- Range D, Lot 2 to 5 inclusive
- Range D, Lot 8 to II inclusive
- Range E, Lot 3 to II inclusive
- Range F, Lot 1 to II inclusive
- Range G, Lot 6 to 8 inclusive
- Range H, Lot 4 to 8 inclusive
- Range I, Lot 2 to 8 inclusive
- Range K, Lot 1 to 8 inclusive
- Range L, Lot 1 to 8 inclusive
- Range M, Lot 1 except parts of Plan #14, Village of Bayfield and Plan #18, Township of Stanley
- Range M, Lot 4 to 6 inclusive
- Range M, Lot 7 & 8 except Plan #14, Township of Stanley and Plan #15, Village of Bayfield
- Range N, Lot 1 to 6 inclusive
- Range N, Lot 8
- Range N, Lot 10
- Range N, Lot II except Plan #18, Township of Stanley
- Range N, Lot 2 & 3 except Plan #16, Township of Stanley

Read a first and second time this 24 day of April 1963

Ernest Salbot  
REEVE

Mel. Graham  
CLERK



Read a third time and finally passed this 24<sup>th</sup> day of April 1963

Ernest Salbot  
REEVE

Mel. Graham  
CLERK



I, Mel Graham, Clerk of the Township of Stanley do hereby certify that the foregoing is a true copy of By-law # 6, 1963, Township of Stanley, finally passed the 24 day of April 1963.

Mel. Graham  
CLERK



**TAB 4**

41

301 (9)

200938 Lease No:  
Dated: March 27th., 1979

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

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: THE B.R.N.

PROPERTY  
REGISTRY

*H.A. Wilson*  
*Registrar*  
*Blenheim*

No. 200938

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

3-07P

DEC 08 1982 In the

Land Registry  
Office at  
Goderich,  
Ontario.

*DeWitt*  
Land Registrar

\$150

~~351.92~~ PTT  
351.92

### 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 (10) Dollars (\$10.00) now paid to the Lessor by the Lessee (the receipts 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 (1) 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 (150) 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 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 recited 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 exempted 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 commingled 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 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) 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]*

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 1GO as his agent as aforesaid and Canadian-Imperial Bank of Commerce (Bank or Trust Company), Bayfield, Ontario NOM 1GO 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 1GO 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 herebefore provided this Agreement shall remain in full force 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:

*[Signature]*

*William Gordon Porter*  
*Charles Porter*

*Lucia C. Heits* *James M. Houser*

APPROVED  
Form.....  
Terms.....





AFFIDAVIT OF RESIDENCE AND OF VALUE OF THE CONSIDERATION

GRANTOR OF THE CONVEYANCE OF (insert brief description of land) All of Lot Seven (7) of Concession Bayfield ...  
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  
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

1. (see instruction 2 and print name(s) in full) James M. Harmon

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 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 paragraph(s))
(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 paragraph(s))
(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. 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)

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

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

(a) Money paid or to be paid in cash	\$ 1,759.65	
(b) Mortgages (i) Assumed (new 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 (detail below) (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	\$ 1,759.65

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 5) n/a
- 6. If the consideration is nominal, is the land subject to any encumbrance? n/a
- 7. Other remarks and explanations, if necessary n/a

SWORN before me at the Town of Blenheim, in the County of Kent this 29th day of November 19 82

A Commissioner for taking Affidavits, etc.

Signature of Commissioner

PROPERTY INFORMATION RECORD

- A. Describe nature of instrument: Gas Storage 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 6): 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.
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

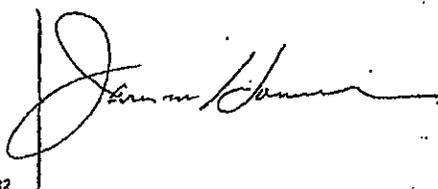
at the *Town of Blenheim*

in the *County of Kent*

this *29th*

day of *November*

1982.



A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.

49

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 verify 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 *14th* day of *February* 19 *80*

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 state "(name of attorney) as attorney for (name of party)"; and for next clause substitute "I verify 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

~~NAME~~ **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,

~~NAME~~ was at least eighteen years old.

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

Strike out inapplicable clauses.

- a) I was a spouse.
- b) ~~Was my spouse at the time~~
- c) **Mary Harmon** was my spouse.

\*\*Not a Matrimonial Name, 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 *14th* day of *February* 19 *80*

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 (marital status and, if applicable, name of spouse) within the meaning of Section 1(1) 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 14(1) of The Family Law Reform Act, 1978 (or complete separate affidavits).

**TAB 5**

ASSIGNMENT OF LEASES

THIS AGREEMENT made this 29th day of November, 1982, A.D.,

BETWEEN:

JAMES M. HARMON, Geologist, of the  
Town of Marine City, County of St.  
Clair, State of Michigan, one of  
the United States of America

(hereinafter called "the Assignor")

OF THE FIRST PART

-and-

TIPPERARY RESOURCES LIMITED, A Company  
Incorporated under the laws of the  
Province of Ontario and having its  
Head Office at Suite 201, 20 Victoria  
Street, Toronto, Ontario

(hereinafter called "the Assignee")

OF THE SECOND PART

WHEREAS by lease or leases and/or grant or grants (which are, whether singular or plural, hereinafter referred to as the "said leases") particulars of which are set forth in Schedule "A" hereunto annexed and made part hereof, the party or parties described in the said Schedule as lessor or lessors did grant, demise and lease unto the Assignor (or the Assignor's predecessor in title or interest) for the term or terms and for the purposes set forth therein, those certain lands (hereinafter referred to as the "said lands") in the County of Huron, Province of Ontario, described in the said leases, together with the exclusive right and privilege to make geological surveys, prospect, explore, drill for, win, take, remove, store and dispose of all oil and gas and related hydrocarbons within, upon or under the said lands, inject, store and withdraw gas, natural or artificial within or from the said lands; and other rights and privileges, all as set forth in the said leases;

AND WHEREAS the Assignor is the owner of the wells and related facilities situated on the said lands all as more particularly described in Schedule "B" annexed hereto and made part hereof, (hereinafter referred to as the "said wells");

AND WHEREAS the Assignor has agreed to grant, bargain, sell, assign, transfer and set over unto the Assignee, all the Assignor's interest in the said leases, the residue unexpired of the terms thereof, the rights and privileges granted thereby, the said lands and all oil and gas and related hydrocarbons within, upon or under the said lands, the said wells, and the right to inject, store and withdraw gas, natural or artificial within or from the said lands, and other rights and privileges, all as set forth in the said leases;

WITNESSETH that in consideration of the sum of One Dollar (\$1.00) paid by the Assignee to the Assignor (receipt of which is hereby acknowledged) the Assignor doth hereby grant, bargain, sell, assign, transfer and set over unto the Assignee all and singular the Assignor's interest in and to the said leases, the residue unexpired of the terms thereof, the rights and

50



AFFIDAVIT OF SUBSCRIBING WITNESS

I, Lois Scott  
of the City of Chatham  
in the County of Kent

make oath and say:

"See footnote I am a subscribing witness to the attached instrument and I was present and saw it executed at Blenheim, Ontario by James M. Harmon

"See footnote I verily believe that each person whose signature is subscribed to the same is the person referred to in the instrument.

SWORN before me at the Town of Blenheim, County of Kent

*Lois Scott*

this 29th day of November 19 82

*[Signature]*  
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 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 each clause substitute "I verily believe that the person whose signature is subscribed was authorized to execute the instrument as attorney for (name)".

AFFIDAVIT AS TO AGE AND SPOUSAL STATUS

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

(severally) make oath and say: When I / ~~XXX~~ executed the attached instrument,

I WAS / ~~XXXXXXXXXXXX~~ at least eighteen years old;

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

- (a) I WAS / ~~XXXXXXXXXX~~ a spouse.
- (b) ~~Mary Harmon~~ was my spouse.

Strike out inapplicable clauses.

(c) We were spouses of one another.  
I was a Non-Resident of Canada pursuant to Section 116 of the Income Tax Act The property described in the said instrument or writing has never been occupied by myself and my spouse as our matrimonial home.  
A consent under section 29 of The Planning Act, as amended, in respect of the said instrument is not required because the person conveying or otherwise dealing with the 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

\*\* Not a matrimonial home, etc., see footnote.

Resident of Canada, etc.

this 29th day of November 1982

*[Signature]*  
A COMMISSIONER FOR TAKING AFFIDAVITS, ETC

\* Note: Where affidavit made by attorney, substitute "When I executed the attached instrument as attorney for (name), before me (spousal status, age, if applicable, next of other spouse) (in the meaning of section 1(f) of The Family Law Reform Act, 1978 and where applicable corrected the power of attorney Act/she had attained the age of majority)".  
\*\* Note: See Section 1(1)(1) of The Family Law Reform Act, 1978 where spouse does not live in or consent; or complete a separate affidavit.

SCHEDULE "A"

ATTACHED TO AND FORMING PART OF AN ASSIGNMENT BETWEEN  
 JAMES M. HARMON AND TIPPERARY RESOURCES LIMITED  
 DATED THE 29th DAY OF NOVEMBER, 1982

Township of Stanley, County of Huron

Gas Storage Lease Agreements

<u>Date of Lease</u>	<u>Registration No. and Date</u>	<u>Lessor</u>	<u>Land description</u>	<u>Acreage</u>
27/Mar./74	127060 dated 30/Apr./74	Arthur Peck Alma Peck	All ex. pt. of Lot 6, Conc. B.R.N.	240
27/Mar./74	127055 dated 30/Apr./74	Wesley Irvin McBride Marjorie McBride	All ex. pt. of Lot 9, Conc. B.R.S.	86
27/Mar./74	127057 dated 30/Apr./74	Gerardus Cornelius Van Aaken Catherina N. Van Aaken	All ex. pt. of Lots 7 & 8, Conc. B.R.S.	160
27/Mar./79	200938 dated 8/Dec./82	William Gordon Porter Nancy Charlene Porter	All ex. pt. of Lot 7, Conc. B.R.N.	160
18/Oct./79	200941 dated 8/Dec./82	James R. Armstrong	Part of Lot 24, Conc. 12 as in 200941	100
27/Mar./79	200939 dated 8/Dec./82	William Gordon Porter Nancy Charlene Porter	Part of E/2 of Lot 23, Conc. 11 as in 200939	82
12/Oct./79	200940 dated 8/Dec./82	Hilton E. Talbot Emma Jane Flossie Talbot	Part of Lot 23, Conc. 11 as in 200940	82
16/Nov./79	200942 dated 8/Dec./82	Myrtle Etta Jean Robinson	All of Lot 5, Conc. B.R.S.	67

Petroleum and Natural Gas Lease and Grants

Township of Stanley, County of Huron

<u>Date of Lease</u>	<u>Registration No. and Date</u>	<u>Lessor</u>	<u>Land Description</u>	<u>Acreage</u>
15/May/52	10744 dated 4/July/52	Sarah E. Porter Adelaide E. Reid	All of Lot 7, Conc. B.R.N.	160
13/Sept./52	10913 dated 28/Oct./52	Murray Grainger	All of Lot 8, Conc. B.R.N. All of Lot 9, Conc. B.R.N.	306
27/Mar./74	127056 dated 30/Apr./74	Wesley Irvin McBride Marjorie McBride	All ex. pt. of Lot 9, Conc. B.R.S.	86

Continued on Page Two

SCHEDULE "B"

ATTACHED TO AND FORMING PART OF AN ASSIGNMENT BETWEEN  
JAMES M. HARMON AND TIPPERARY RESOURCES LIMITED  
DATED THE 29th DAY OF NOVEMBER, 1982

County of Huron

Well Name

Location

Classification

Related Facilities

Bluewater-Imperial  
Bayfield #7 BRN

Lot 7, BRN. Conc.,  
Township of Stanley

Gas Well

Well head, down hole piping,  
gathering line and ancillary  
surface facilities

Bluewater-Imperial  
Bayfield #8 BRN

Lot 7, BRN. Conc.,  
Township of Stanley

Gas Well

Well head, down hole piping,  
gathering line and ancillary  
surface facilities

\*\*\*\*\*

2

210621

-DATED November 29th, 1982

JAMES M. HARMON

-and-

TIPPERARY RESOURCES LIMITED

'84 APR 27 A9:37

ASSIGNMENT OF LEASES

4



No. 210621  
Registry Division of HURON (No. 22)  
I CERTIFY that this instrument is registered as of

APR 27 1984 In the

Land Registry  
Office at  
Godfrich,  
Ontario.

*[Signature]*  
Land Registrar

PROPERTY OF  
REGISTRY DIVISION  
HURON (22)

James M. Harmon,  
P.O. Box 1720,  
Blenheim, Ontario,  
N0P 1A0.

ARMSTRONG, SCHIRALLI & CEARY  
BARRISTERS & SOLICITORS  
SUITE 420, 181 UNIVERSITY AVENUE  
TORONTO, ONTARIO  
M5H 3A7

7540

**TAB 6**



**TAB 7**

8

212930

DATED June 20th 19 84

GORDON PORTER  
NANCY CHARLENE PORTER

212930

to

No.  
Registry Division of HURON (No. 22)  
I CERTIFY that this Instrument is registered as of

M. '84 AUG 14 P2:42 TIPPERARY RESOURCES LIMITED  
in the suite 418, 181 University Avenue  
Toronto, Ontario. M5H 3M7

Land Registry  
Office at  
Goderich,  
Ontario.

*[Signature]*

Land Registrar

PROPERTY OF  
REGISTRY DIVISION  
HURON (22)

RIGHT OF WAY AGREEMENT

*[Signature]*

*Troyer Fincher*  
ARMSTRONG, SCHIRALLI & CLEARY  
Barristers, & Solicitors  
Suite 420,  
181 University Avenue  
Toronto, Ontario  
M5H 3M7

*# 160  
From RST*

212930

TIPPERARY RESOURCES LIMITED

GRANT OF EASEMENT

THIS ENDENTURE made the...Twentieth day of June.....19 84

In Pursuance of the Short Forms of Conveyances Act

B E T W E E N:

...Gordon Porter and.....

...Nancy Charlene Porter his wife.....

.....

of the.....Township.....of

.....Stanley.....in the County

of.....Huron.....Province

of Ontario, hereinafter called the "Grantor" OF THE FIRST PART

AND

TIPPERARY RESOURCES LIMITED and STANLEY REEF RESOURCES LIMITED Companies incorporated under the laws of the Province of Ontario with head offices in the Municipality of Metropolitan Toronto, hereinafter called "the Grantee" OF THE SECOND PART

and

.....Nancy Charlene Porter.....

.....

of the said.....Township.....of

.....Stanley.....wife

of the Grantor, OF THE THIRD PART

and

..... OF THE FOURTH PART

WHEREAS the Grantor is the registered owner of the following lands and premises (hereinafter referred to as "the Grantor's lands") in the Township of.....Stanley.....in the County of...Huron..... and Province of Ontario, namely:.....<sup>Part</sup> Lot #7--Concession BRN Stanley Twp..... being part 1, 22R 1760.....

AND WHEREAS

WITNESSETH that, in consideration of the sum of ONE DOLLARS of lawful money of Canada now paid by the Grantee to the Grantor, the receipt of which is hereby acknowledged, (Hereinafter called the "purchase price"), the Grantor (and/or

the Party of the Fourth part) do hereby GRANT, CONVEY, TRANSFER AND CONFIRM unto the Grantee, its successors and assigns, the right, liberty, privilege and easement on, over, in, under and/or through a strip of the Grantor's lands known as part lot 7, BRN Concession, Stanley Township being part 1760 (hereinafter referred to as "the said lands") to survey, lay, construct, maintain, inspect, patrol, alter, remove, replace, reconstruct, repair, move, keep, use, and/or operate a pipeline for the transmission of gas (hereinafter referred to as "the said pipeline") including therewith all such buried attachments, equipment and appliances for cathodic protection which the Grantee may deem necessary or convenient thereto, together with the right of ingress and egress at any and all times over and upon the said lands for its servants, agents, employees, those engaged in its business, contractors, and subcontractors on foot and/or with vehicles, supplies, machinery and equipment for all purposes necessary or incidental to the exercise and enjoyment of the rights, privileges hereby granted. The Parties hereto mutually covenant and agree each with the other as follows:-

1. The rights, privileges and easement hereby granted shall continue until the Grantee shall execute and deliver a surrender and release thereof, or for a term of twenty years, ~~or for a term of twenty years, or until the grantee produces~~ and the grantee agrees to pay the sum of Two Hundred (\$200.00) a year for the said right for as long as the easement continues.

2. The Grantee shall compensate the Grantor (or the person or persons entitled thereto) for damage done to growing crops, seeded lands, trees, shrubs, vines and suchlike growing things upon the Grantor's lands and upon the said lands and to buildings, culverts, bridges, farm produce and livestock located upon the Grantor's lands and upon the said lands, occasioned by the exercise of any of the rights herein granted. Any gates, fences and tile drains interfered with by the Grantee shall be restored by the Grantee at its expense as closely as reasonably practicable to the condition in which they existed immediately prior to such interference by the Grantee, and in the case of tile drains, such restoration shall be performed in accordance with good drainage practice.

3. The said pipeline (including attachments, equipment and appliances for cathodic protection but excluding valves, take-offs and fencing installed under Clause 8 hereof) shall be laid to such a depth that upon completion of installation it will not obstruct the natural surface run-off from the said lands nor ordinary cultivation of the said lands nor any tile drainage system existing in the said lands at the time of installation of the said pipe line nor any planned tile drainage system to be laid in the said lands in accordance with standard drainage practice, if the Grantee is given notice of such planned system prior to the installation of the said pipeline; provided that the Grantee may leave the said pipe line exposed in crossing a ditch, stream gorge or similar object.

4. As soon as reasonably practicable after the construction of the said pipeline, the Grantee shall remove all surplus soil and debris from the said lands and in all respects restore the said lands to their former state so far as is practicable, save and except for items in respect of which compensation is due under Clause 2 hereof.

5. In the event that the Grantee fails to comply with any of the requirements set out in Clause 2, 3, or 4 hereof within a reasonable time of the receipt of notice in writing from the Grantor setting forth the failure complained of, the Grantee shall compensate the Grantor (or the person or persons entitled thereto) for any damage, if any, necessarily resulting from such failure.

6. Except in case of emergency, the Grantee shall not enter upon any lands of the Grantor, other than the said lands, without the consent of the Grantor. In case of emergency the right of entry upon the Grantor's lands for ingress and egress to and from the said lands is hereby granted.

7. The Grantor shall have the right to fully use and enjoy the said lands except as may be necessary for any of the purposes hereby granted to the Grantee, provided that without the prior written consent of the Grantee, the Grantor shall not excavate, drill, install, erect or permit to be excavated, drilled, installed or erected in, on, over or through the said lands any pit, well, foundation, pavement, building or other structure or installation. Notwithstanding the foregoing, the Grantee upon request shall consent to the Grantor erecting or repairing fences, constructing or repairing his drains and constructing or repairing his farm lanes, roads, driveways, pathways and walks across, on and in the said lands or any portion or portions thereof, provided that before commencing any of the work referred to in this sentence the Grantor shall (a) give the Grantee at least five (5) clear days notice in writing pointing out the work desired so as to enable the Grantee to have a representative inspect the site and/or be present at any time or times during the performance of the work, (b) shall follow the instructions of such representative as to the performance of such work without damage to the said pipeline, (c) shall exercise a high degree of care in carrying out any such work and (d) shall perform any such work in such a manner as not to endanger or damage the said pipeline.

8. The rights, privileges and easement herein granted shall include the right to install, keep, use, operate, service, maintain, repair, remove and/or replace in, on and above the said lands any valves and/or take-offs and to fence in such valves and/or take-offs and to keep same fenced in, but for this right the Grantee shall pay to the Grantor (or the person or persons entitled thereto) such additional compensation as may be agreed upon and in default of agreement as may be settled by arbitration under the provisions of The Arbitration Act of the Province of Ontario or any Act passed in amendment thereof or substitution therefor. The Grantee shall keep down weeds on any lands removed from cultivation by reason of locating any valves and/or take-offs in the said lands.

9. Notwithstanding any rule of law or equity and even though the said pipeline and its appurtenances may become annexed or affixed to the realty, title thereto shall nevertheless remain in the Grantee.

10. The Grantor covenants that he has the right to convey this easement notwithstanding any act on his part, that he will execute such further assurances of this easement as may be requisite and which the Grantee may at its expense prepare and that the Grantee, performing and observing the covenants and conditions on its part to be performed, shall have quiet possession and enjoyment of the rights, privileges and easement hereby granted. If it shall appear that at the date hereof the Grantor is not the sole owner of the said lands, this Indenture shall nevertheless bind the Grantor to the full extent of his interest therein and shall also extend to any after-acquired interest.

11. All notices to be given hereunder may be given by registered letter addressed to (Suite 418, 181 University Avenue) Toronto, Ontario, M5H 3M7, and to the Grantor at R.R.#3, Bayfield, Ontario, N0M 1G0, or such other address as the Grantor and the Grantee may respectively from time to time appoint in writing, and any such notice shall be deemed to be given to and received by the addressee five (5) days after the mailing thereof, postage prepaid.

12. The rights, privileges and easement hereby granted are and shall be of the same force and effect as a covenant running with the land and this Indenture, including all the covenants and conditions herein contained, shall extend to, be binding upon and enure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties hereto respectively; and, wherever the singular or masculine is used it shall, where necessary, be construed as if the plural, or feminine or neuter had been used, as the case may be.

IN WITNESS WHERE OF the Parties hereto have executed and delivered this Indenture as of the day and year first above written.

SIGNED, SEALED and DELIVERED

*[Handwritten signature]*

*[Handwritten signature]*.....

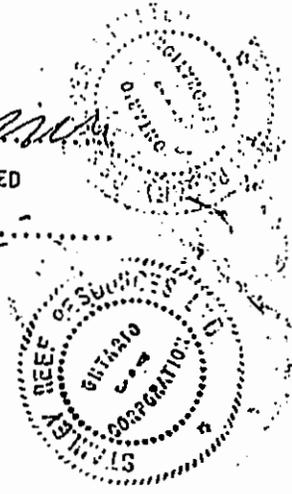
*[Handwritten signature]*.....

TIPPERARY RESOURCES LIMITED

*[Handwritten signature]*.....

STANLEY REEF RESOURCES LIMITED

*[Handwritten signature]*.....



# Affidavit - Planning Act

IN THE MATTER OF THE PLANNING ACT (as amended)

AND IN THE MATTER OF THE TITLE TO ~~Part lot 7, BRN Concession~~  
Township of Stanley  
being part 1, 22R1760

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

AND IN THE MATTER OF A grant of easement  
THEREOF, FROM Gordon Porter and Nancy Charlene Porter  
TO Tipperary Resources Limited and Stanley Reef Resources Limited

DATED June 20th 19 84 .

I, Gordon Porter  
of the Township of Stanley in the County of Huron

MAKE OATH AND SAY AS FOLLOWS:

1. I am one of the grantors named in the above mentioned Instrument, and have knowledge of the matters hereinafter sworn.

2. A consent under section 49 of the Planning Act, 1983, 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.~~

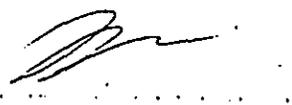
State  
other  
reason  
if any

(b) this grant of easement is for a period of 20 years.

SWORN before me at the  
Town of Goderich, in the  
County of Huron

  
Gordon Porter

this 10 day of Aug 19 84



Form 1 - Land Transfer Tax Act  
AFFIDAVIT OF RESIDENCE AND OF VALUE OF THE CONSIDERATION

MATTER OF THE CONVEYANCE OF ~~part of the above described land~~  
part lot 7, BRN Concession, Township of Stanley  
being part 1, 22R1760

BY (print names of all transferees in full)  
Gordon Porter and Nancy Charlene Porter

TO (see instruction 1 and print names of all transferees in full)  
Tipperary Resources Limited and Stanley Reef Resources Limited

I, (see instruction 2 and print name(s) in full)  
Thomas J. Troyan

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 or solicitor acting in this transaction for (insert name(s) of principal(s))  
Tipperary Resources Limited and Stanley Reef Resources Limited  
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. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1 (1X) and (g) of the Act. (see instruction 3).

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)  
none

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

(a) Monies paid or to be paid in cash	\$ 1.00	
(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))	\$ 1.00	\$ 1.00
(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. 1990, c. 454, as amended)	\$ nil	
(i) Other consideration for transaction not included in (g) or (h) above	\$ nil	
(j) TOTAL CONSIDERATION	\$ 1.00	\$ 1.00

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 5)

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

7. Other remarks and explanations, if necessary: This instrument conveys only an easement. The total consideration therefore is as set out above. If encumbrances exist, they are not being assumed by the grantees.

SWORN before me at the Town of Goderich  
in the County of Huron  
this 14th day of August 19 84

A Commissioner *Diane Wallace*  
Diane Wallace, Commissioner, etc.  
Councils of Huron and Lambton for  
Troyan and Fincher, Barristers

*Thomas J. Troyan*  
signature(s)  
Thomas J. Troyan

PROPERTY INFORMATION RECORD

- A. Describe nature of interest: conveyance of easement
- B. (i) Address of property being conveyed: Bayfield, Ontario
- (ii) Assessment Roll No. (if available): not available
- C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed (see instruction 6): Bayfield, Ontario
- D. (i) Registration number for last conveyance of property being conveyed (if available): not available
- (ii) Legal description of property conveyed: Same as in D(a) above. Yes  No  Not Known
- E. Name(s) and address(es) of each transferee's solicitor: Troyan & Fincher  
1 Nelson St. E. Goderich

For Land Registry Office use only	
REGISTRATION NO.	
Land Registry Office No.	
Registration Date	

AFFIDAVIT OF SUBSCRIBING WITNESS

I, Thomas J. Troyan  
of the Town of Goderich  
in the County of Huron

make oath and say:

I am a subscribing witness to the attached instrument and I was present and saw it executed  
at Goderich, Ontario by

Gordon Porter and  
Nancy Charlene Porter

\*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 Town of Goderich

in the County of Huron

this 10 day of July August 19 84

*Diane Wallace*



Diane Wallace, a Commissioner, etc.,  
a Commissioner of Huron and Lambton for  
Troyan and Fincher, Barristers &  
Solicitors. Expires Oct. 26, 1985.

\* 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 "in 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 of party".

MAY, 1982

AFFIDAVIT AS TO AGE AND SPOUSAL STATUS

I-4 WE Gordon Porter and Nancy Charlene Porter  
of the Township of Stanley  
in the County of Huron

(severally) make oath and say:

When I-4 WE executed the attached instrument,

\*If attorney  
see footnote

~~WE~~ I WE WERE EACH at least eighteen years old;  
and within the meaning of clause 1 (f) of the Family Law Reform Act,

Strike out  
inapplicable  
clauses

~~(a) I WAS / I WAS NOT a spouse~~

(b)

~~was my spouse.~~

(c) We were spouses of one another.

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

Residents of  
Canada etc

(SEVERALLY) SWORN before me at the

Town of Goderich, in the County  
of Huron

this 10 day of July Aug 19 84

*Gordon Porter*  
Gordon Porter

*Nancy Charlene Porter*  
Nancy Charlene Porter

A COMMISSIONER FOR THE PROVINCE OF ONTARIO

**TAB 8**



RECITALS

WHEREAS Tipperary Resources Limited, Stanley Reef Resources Ltd., Regent Resources Ltd., Sanrota 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.



PETROLEUM and NATURAL GAS LEASE and GRANT

Agreement of Lease made this 22nd day of March 1986
BETWEEN WILLIAM GORDON PORTER
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 body corporate with its Head Office at the City of Calgary, in the
Province of Alberta, incorporated under the laws of the Province of Alberta.

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered
encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas
within, upon or under those certain lands in the Township of STANLEY in the County of
HURON Province of Ontario, containing 160 acres, more or less and
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

(herein called the "said lands") in consideration of the sum of

ONE THOUSAND ONE HUNDRED AND TWENTY Dollars (\$1,120.00)
to be paid within 90 days of the date hereof and in consideration of the covenants of the Lessee hereinafter contained,
HEREBY GRANTS AND LEASES exclusively unto the Lessee all the leased substances (as hereinafter defined)
subject to the royalties hereinafter reserved, within, upon or under the said lands, together with all of the present or
future right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon
or under any lands excepted from the said lands and any roadways, lands or rights of way adjoining the said lands;
together with the exclusive right and privilege to conduct geophysical operations and to explore for, drill for, operate
for, produce, win, take, remove, store, treat and dispose of the leased substances and the right to inject substances
into the said lands for the purpose of obtaining, maintaining or increasing production from the said lands, the pooled
lands or the unitized lands and to store and recover any such substances injected into the said lands and for the said
purpose to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or
convenient and to drill wells, lay pipelines including any and all necessary appurtenances, attachments and cathodic
protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the
said lands used as a well site as may be necessary for these purposes.

TO HAVE AND ENJOY the same for the term of FIVE ( 5 ) years (herein called the "primary
term") commencing on the date hereof and continuing so long thereafter as operations (as hereinafter defined) are
conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation
of operations, of more than 90 consecutive days.

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

1. INTERPRETATION

In this Lease the following expressions shall have the following meanings:

- (a) "anniversary date" means the date corresponding to the date first above written in each year during which the
Lease remains in force;
(b) "force majeure" means any cause beyond the Lessee's reasonable control and, without limitation, includes an
act of God, strike, lockout, or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning,
fire, storm, flood, explosion, unusually severe weather conditions, government restraints, including road bans, but
shall not include lack of finances;
(c) "lease year" means a period of one year commencing on the date first above written or any anniversary date and
ending at midnight of the day immediately preceding the next anniversary date;

- (d) "leased substances" means all petroleum, natural gas and related hydrocarbons (except coal), and all materials and substances (except valuable stone), whether liquid, solid or gaseous and whether hydrocarbons or not produced in association with petroleum, natural gas or related hydrocarbons or found in any water contained in any reservoir;
- (e) "operations" means any of the following:
  - (i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the said lands or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any leased substances from the said lands, the pooled lands or the unitized lands;
  - (ii) the production of any leased substances;
  - (iii) the recovery of any injected substance; or
  - (iv) any acts for or incidental to any of the foregoing;
- (f) "pooled lands" means all or any portion of the said lands and such other lands as may have been pooled, which pooling shall not exceed a spacing unit, in accordance with the terms hereof or pursuant to any agreement, statute, or any regulation, order or directive of any government or any governmental agency;
- (g) "rental" shall have the meaning given in clause 2;
- (h) "said lands" means all the lands and all zones and formation underlying the lands described above as the "said lands" or such portion or portions thereof as shall not have been surrendered;
- (i) "spacing unit" means the area allocated to a well from time to time on or in the vicinity of the said lands, for the purpose of drilling for or producing, as the case may be, the leased substances or any of them, as defined or prescribed by or under any statute, regulation order or directive of any government or any governmental agency;
- (j) "suspended well payment" shall have the meaning given in clause 3;
- (k) "unitized lands" means all or any portion of the said lands and such other lands as may have been unitized in accordance with the terms hereof or pursuant to any agreement, statute, or any regulation, order or directive of any government or any governmental agency;
- (l) "Unit Agreement" means any agreement for the development or operation of all or any portion of the said lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in the agreement.

2. RENTALS (Strike out inapplicable clause)

~~Lump Sum~~  
 The Lessee shall, not later than 45 days after the date first above written, pay to the Lessor a sum (herein called the "rental") equal to the sum of ..... Dollars (\$.....)

Periodic Payments

If operations are not commenced on the said lands, the pooled lands or the unitized lands during the first lease year, the Lessee shall, on or before the expiration of the first lease year, pay or tender to the Lessor a sum (herein called the "rental") of ONE THOUSAND ONE HUNDRED AND TWENTY ..... Dollars (\$1,120.00.....) as the annual rental for the next ensuing lease year of the primary term. If operations are not commenced on the said lands, the pooled lands or the unitized lands during any successive lease year during the primary term, the Lessee shall make like payments or tenders on or before the expiration of that year. For a greater certainty, no rental shall be paid on the expiry of the primary term.

3. SUSPENDED WELLS

If, at the expiration of the primary term or at any time or times thereafter, there is any well on the said lands, the pooled lands or the unitized lands, capable of producing the leased substances or any of them, and all such wells are shut-in or suspended, this Lease shall, nevertheless, continue in force as though operations were being conducted on the said lands, for so long as all the said wells are shut-in or suspended and so long thereafter as operations are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days. If no royalties are otherwise payable hereunder during a lease year after the primary term within which such shut-in period or periods occur and during such lease year no other operations are conducted on the said lands, the pooled lands, or the unitized lands, then the Lessee shall pay to the Lessor an amount equal to ....ONE THOUSAND ONE HUNDRED AND TWENTY- - Dollars (\$1,120.00) within 90 days after the expiry of such lease year (herein called the "suspended well payment").

4. ROYALTIES

(a) The Lessee shall pay to the Lessor a royalty in an amount equal to the current market value at the wellhead as and when produced:

- (i) of twelve and one-half percent (12.5%) of all the leased substances (except natural gas, including casinghead gas), and
- (ii) of the following percentages of all natural gas (including casinghead gas):
  - An amount up to 500,000 cubic feet per day ..... 3 %
  - 500,001 to 2,000,000 cubic feet per day ..... 5 %
  - 2,000,001 to 4,000,000 cubic feet per day ..... 7½ %
  - An amount exceeding 4,000,000 cubic feet per day ..... 12½ %

produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b) hereof, from the said lands; provided that in no event shall the current market value be deemed to be in excess of the value actually received by the Lessee pursuant to a bona fide, arm's length sale or transaction. The royalty as determined under this clause shall be payable on or before the 25th day of the second month following the month which the leased substances with respect to which the royalty is payable, were produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b). No royalty shall be payable to the Lessor with respect to any substance injected into and recovered from the said lands, other than leased substances originally produced from the said lands for which a royalty has not been paid or payable. The Lessor shall bear its reasonable proportion of any expense incurred by the Lessee for separating, treating, processing and transportation to the point of sale beyond the point of measurement.

(b) Notwithstanding anything to the contrary herein contained or implied, the Lessee shall be entitled to use such part of the production of leased substances from the said lands as reasonably may be required and used by the

5 69  
Lessee in its operations hereunder on the said lands, the pooled lands or the unitized lands and the Lessor shall not be entitled to any royalty with respect to leased substances so used.

(c) The Lessor agrees that the royalty reserved and payable hereunder in respect of the leased substances shall be inclusive of any prior disposition of any royalty or other interest in the leased substances, and agrees to make all payments required by any such disposition out of the royalty received hereunder and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the royalty, rental and suspended well payments otherwise payable to the Lessor.

(d) The Lessee shall make available to the Lessor during normal business hours at the Lessee's address for notice, the Lessee's records relating to the leased substances produced from or allocated to the said lands.

#### 5. LESSOR INTEREST

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

#### 6. TAXES PAYABLE BY THE LESSOR

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

#### 7. TAXES PAYABLE BY THE LESSEE

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

#### 8. COMPENSATION AND RESTORATION OF SURFACE

The Lessee shall 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 on the well site, and upon the surrender of the Lease as herein provided, the Lessee shall 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.

#### 9. POOLING AND UNITIZATION

(a) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to pool the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, with any other lands or any zone or formation underlying such other lands or any portion thereof, or any of the leased substances therein, but so that the other lands or any zone or formation thereof, together with the said lands or any zone or formation thereof, shall not exceed one spacing unit. The Lessee shall thereafter give written notice to the Lessor describing the extent to which the said lands are being pooled and describing the spacing unit with respect to which they are so pooled. In the event of pooling there shall be allocated to that portion of the said lands included in the spacing unit that proportion of the total production of the leased substances from the spacing unit, after deducting any leased substances used in operations on the pooled lands, which the surface area of that portion of the said lands placed in the spacing unit bears to the total surface area of the lands in the spacing unit. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the pooling in the same manner as though produced from the said lands under the terms of this Lease.

(b) The Lessee may terminate any pooling pursuant to subclause (a) of this clause and thereafter shall give written notice to the Lessor.

(c) If the spacing unit pooled under this clause is varied or terminated by any statute, regulation, order or directive of any government or governmental agency, or if the pooling is terminated or invalidated by reason of the termination or expiration of the lease covering any lands, other than the said lands, within the spacing unit, or any other cause beyond the Lessee's reasonable control, and this Lease would otherwise terminate as a result of such variation or termination of the spacing unit or such termination or invalidation of the pooling, this Lease shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the spacing unit has been varied or terminated or the pooling has been terminated or invalidated and the term of the Lease may be extended further pursuant to other provisions of this Lease, including, without limitation, the commencement of operations, within the said 90 day period.

(d) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to include the said lands or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, in a Unit Agreement for the unitized development or operation thereof with any other lands, or any zone or formation underlying such other lands, or any of the leased substances therein, if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall thereafter give written notice to the Lessor stating that the said lands are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the several tracts of unitized lands, and the contents of any such Unit Agreement shall be in the sole discretion and determination of the Lessee, exercised bona fide, and when so determined shall be binding upon the Lessor.

(e) In the event of unitization, the production of leased substances which are unitized shall be allocated to that portion of the said lands included in the unit in accordance with the terms of the Unit Agreement. The production

so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the unit in the same manner as though produced from the said lands under the terms of this Lease. Upon notice from the Lessor, the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the said lands, or any portion or portions of the said lands or the leased substances, from the Unit Agreement and shall give the Lessor written notice thereof.

(f) Any operations conducted on the pooled lands or the unitized lands, whether conducted before, after or during the exercise of the rights and powers granted under this clause, or the presence of a shut-in or suspended well on the pooled lands or the unitized lands, shall have the same effect in continuing this Lease in force and effect during the term hereby granted or any renewal or extension thereof as if such operations were upon the said lands, or as if said shut-in or suspended well were located on the said lands.

**10. CONDUCT OF OPERATIONS**

The Lessee shall conduct all operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of any statute, or any regulation, order or directive of any government or governmental agency applicable to such operations, and where such provisions conflict with the terms of this Lease, such provisions shall prevail.

**11. INDEMNIFICATION**

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

**12. DISCHARGE OF TAXES AND ENCUMBRANCES**

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

**13. SURRENDER**

(a) Notwithstanding anything herein contained, the Lessee may, at any time or from time to time, by written notice to the Lessor, surrender this Lease as to the whole or any part of the leased substances or the said lands or both of them, and this Lease shall thereupon terminate as to the whole or any part of the leased substances or of the said lands or both of the so surrendered.

(b) Upon the said termination, the Lessee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of them so surrendered excepting accrued royalty, rentals, suspended well payments, taxes and assessments. Any rentals paid shall not be refunded.

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

**14. REMOVAL OF EQUIPMENT**

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

**15. DEFAULT**

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

- (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 30 day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Lease, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Lease, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If

proceedings for a judicial determination are commenced within the aforesaid period of time, this Lease shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within 30 days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Lease, this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands or on the pooled lands or on the unitized lands a well capable of producing leased substances or any of them, or on which operations are being conducted; and, in that event, the Lessor's remedy for any default under this Lease shall be for damages only.

**16. CORRECTION OF LAND DESCRIPTION**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**17. CLEARANCE OF PRIOR LEASES**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**18. REGISTRATION OF LEASE**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**19. FORCE MAJEURE**

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

(b) If the Lessee is unable, in whole or in part, by force majeure to carry out its obligations hereunder, other than any obligation to make payment of any monies due hereunder, then the obligations of the Lessee, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused; and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

(c) Nothing herein shall require the settlement of strikes, lockouts or other labour disturbances except in the sole discretion of the Lessee.

**20. QUIET ENJOYMENT**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained, the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**21. FURTHER ASSURANCES**

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

**22. MANNER OF PAYMENT**

(a) All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor or to the depository named in or pursuant to this clause, and all such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to said depository, which cheque or draft shall be payable in Canadian funds. If payments is made by the Lessee to the depository, the Lessor does hereby appoint... WILLIAM GORDON PORTER and NANCY CHARLENE PORTER... as the sole depository for the receipt of all monies payable under this Lease, and the Lessor agrees that said depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder, regardless of changes of ownership (whether by assignment, succession or otherwise and whether in whole or in part) of the said lands or the leased substances or of the consideration payable hereunder, rentals, suspended well payments or royalties to accrue hereunder. Any payment mailed to the Lessor or to the depository shall be deemed to have been paid 4 days (excluding Saturdays, Sundays and statutory holidays) after deposit in any mail box or post office.

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

- (i) only a bank, trust company, credit union, or treasury branch in Canada may be designated as a depository,
- (ii) only one depository shall be designated at any one time, regardless of whether or not any monies payable hereunder are, or become, payable to more than one person, and
- (iii) the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing, but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of the 45 day period. All payments or tenders made to such new depository shall be deemed to have been made in accordance with the terms of this Lease.

(c) If any depository shall at any time resign, or fail or refuse to act as the depository hereunder and a new depository is not designated by the Lessor pursuant to the terms of this clause within 10 days from such resignation, failure or refusal to act then the Lessee at its option may designate a depository hereunder, which depository shall be entitled to charge its usual fees and collect same from the Lessor, and said depository shall be the depository to all intents and purposes as if originally appointed by the Lessor.

(d) Should the Lessor be a non-resident of Canada, the Lessor acknowledges and agrees that the Lessee may deduct income, withholding or other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the Income Tax Act, tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended, whereupon the timely remittance by the Lessee of the balance of the payment to the Lessor shall be deemed to constitute full performance by the Lessee in respect of such payment.

**23. ASSIGNMENT**

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

**24. NOTICES**

(a) All notices, communications and statements (herein called "notices") required or permitted hereunder shall be in writing.

Notices may be served:

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

(b) The address for service of notices shall be as follows:

Lessee: 555 Southdale Road East	Lessor: R. R. #1
London, Ontario	Bayfield, Ontario
N6E 1A2	N0M 1G0

(c) Any party may change its address for service by notice to the other party served as aforesaid.

(d) Nothing herein shall in any way affect the method of the payment of monies as set out in clauses 22 and 23 of this Lease.

9

**25. ENTIRE AGREEMENT**

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

**26. NO AMENDMENT EXCEPT IN WRITING**

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

**27. TIME OF THE ESSENCE**

Time shall be of the essence.

**28. ENUREMENT**

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

**29. SEVERABILITY**

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

**30. STANDARD OF MEASUREMENT**

If the standard of measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

**31.**

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.

**32.**

See Schedule "A" attached hereto and forming part of this lease.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

**SIGNED, SEALED AND DELIVERED**

**LESSOR**

In the Presence of:

X.....*William Gordon Porter*.....  
WILLIAM GORDON PORTER

X.....*[Signature]*.....  
Witness

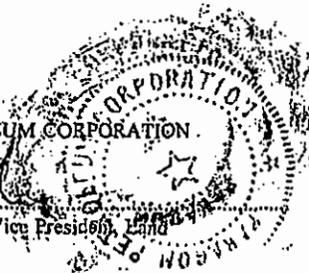
X.....*Nancy Charlene Porter*.....  
NANCY CHARLENE PORTER

**LESSEE**

PARAGON PETROLEUM CORPORATION

X.....

X.....*[Signature]*.....  
Campbell C. Hardy, Vice President



SCHEDULE "A"

Attached hereto and forming a part of Petroleum and Natural Gas Lease and Grant dated the 22nd day of March, 1996 between William Gordon Porter and Nancy Charlene Porter, as Lessor and Paragon Petroleum Corporation, as Lessee; and all provisions in this schedule shall be additional and shall be paramount in case of any conflict with any of the terms contained in the original agreement:

1. The Lessee and the Lessor covenant and agree that the existing well on the said lands, being the Bluewater Imperial Bayfield #7 BRN Well, which was drilled under the Petroleum and Natural Gas Lease and Grant between William Gordon Porter and Nancy Charlene Porter, as Lessor and Paragon Petroleum Corporation, as Lessee, dated May 15, 1952 and registered in the Registry Office for the Registry Division of the County of Huron on July 4, 1952 as Instrument No. 10744, as assigned by Instruments Numbered 26292, 120992 and 210621 and amended by Instrument No. 30191, (hereinafter referred to as the "said Well"), shall constitute and be deemed to be a well under the terms and conditions of this Lease for all purposes including shut-in or suspended well payments and the payment of royalties on all the leased substances produced, saved and marketed from the said Well.

SIGNED, SEALED AND DELIVERED, in the presence of :

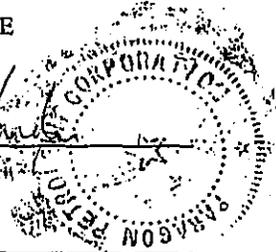
LESSOR

William Gordon Porter

Nancy Charlene Porter

LESSEE

Paragon Petroleum Corporation



[Signature]  
Witness

[Signature]  
Witness

# Affidavit of Residence and of Value of the Consideration Form 1 - Land Transfer Tax Act

75

all instructions on reverse side.  
MATTER OF THE CONVEYANCE OF (insert brief description of land) In the Township of Stanley, in the County of Huron, all of Lot 7, Concession B.R.N.

FROM (print names of all transferors in full) William Gordon Porter  
Nancy Charlene Porter

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

I, (see instruction 2 and print name(s) in full) Campbell C. Hardy

### 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 broker acting in this transaction for (insert name(s) of principal(s)) Paragon Petroleum Corporation 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.
- (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)(g) of the Act. The land conveyed in the above-described conveyance
  - contains at least one and not more than two single family residences. **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.**
  - does not contain a single family residence.
  - contains more than two single family residences. (see instruction 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	\$ 1,120.00	
(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))	\$ 1,120.00	\$ 1,120.00
(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.424, as amended)	\$ Nil	
(i) Other consideration for transaction not included in (g) or (h) above	\$ Nil	
(j) TOTAL CONSIDERATION	\$ 1,120.00	\$ 1,120.00

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

- If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 6) **N/A**
- If the consideration is nominal, is the land subject to any encumbrance? **Undetermined**
- Other remarks and explanations, if necessary. **The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under paragraph 3 of subsection 3(1) of Regulation 703 R.R.O. 1990.**

Sworn before me at the City of Calgary in the Province of Alberta this 4 day of April 1996  
CINDY SCHMIDT  
A Commissioner for Oaths in and for the Province of Alberta  
My Commission expires November 18, 1996  
A Commissioner for Taking Affidavits, etc.

*Campbell G. Hardy*  
Signature(s)  
Campbell G. Hardy

Property Information Record

A. Describe nature of instrument: **Oil and Gas Lease**

B. (i) Address of property being conveyed (if available) **N/A**

(ii) Assessment Roll No. (if available) **N/A**

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

D. (i) Registration number for last conveyance of property being conveyed (if available) **N/A**

(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 **N/A**

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). 04450 (00-00)

**TAB 9**



UNIT OPERATION AGREEMENT

AGREEMENT made this 22nd day of March, 1996.

BETWEEN:

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,

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

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, 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

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

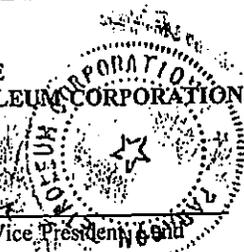
LESSOR

*William Gordon Porter*  
WILLIAM GORDON PORTER

*Nancy Charlene Porter*  
NANCY CHARLENE PORTER

LESSEE  
PARAGON PETROLEUM CORPORATION

*Campbell C. Hardy*  
Campbell C. Hardy, Vice President & Genl



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

**Michel Guindon**  
Authorized Signing Officer

1996 12 11

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

10

85

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"

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.

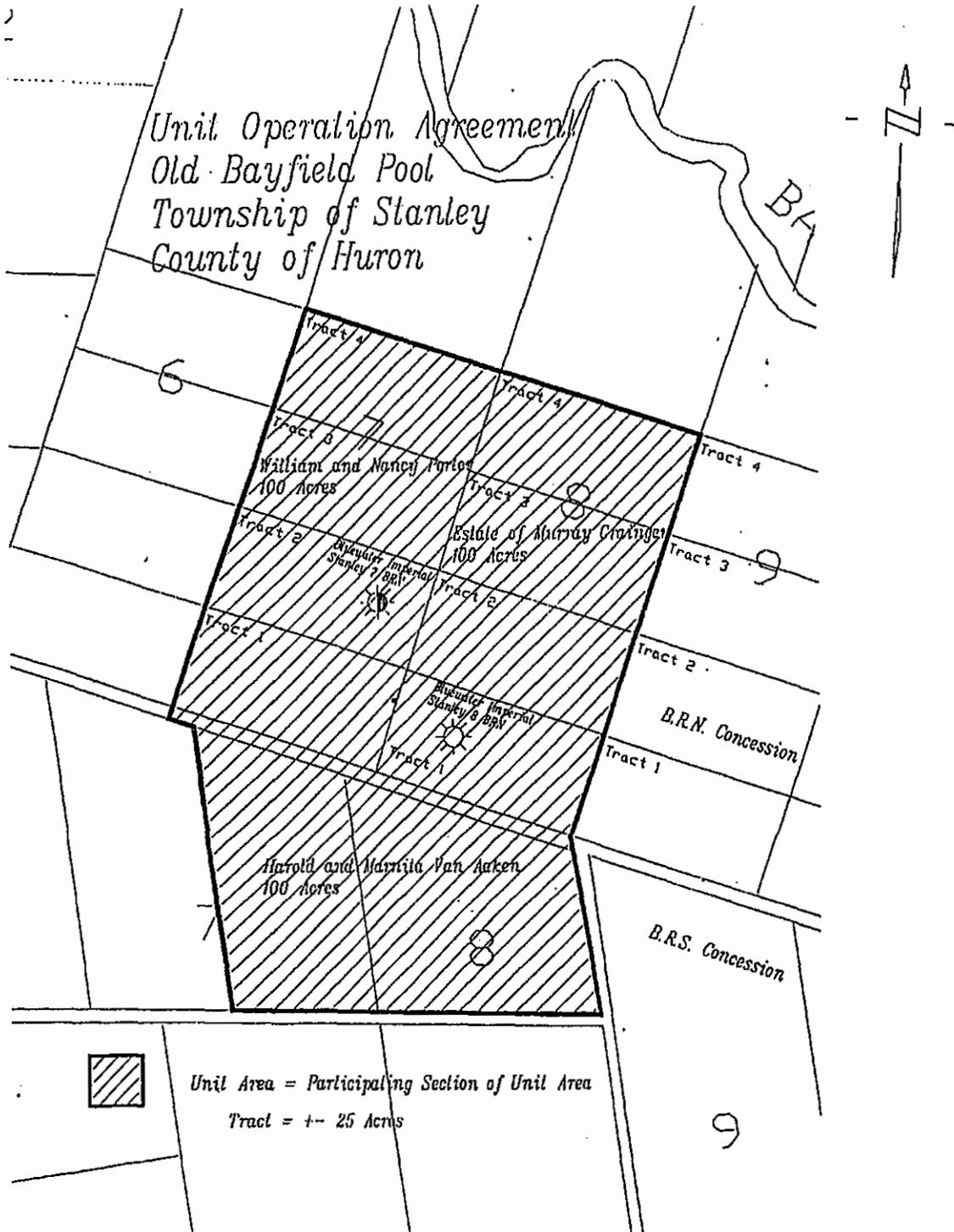
THIRDLY: The East half of Lot 7, in Concession B.R.S..

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

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

12

87



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%

**TAB 10**

FOR OFFICE USE ONLY

0332443

CERTIFICATE OF REGISTRATION  
HURON (22) GODERICH

'99 MAR 3 AM 11 47

*[Signature]*  
LAND REGISTRAR

New Property Identifiers Additional: See Schedule

(1) Registry <input checked="" type="checkbox"/> Land Titles <input type="checkbox"/>		(2) Page 1 of 9 pages	
(3) Property Identifier(s) Block Property		Additional: See Schedule <input type="checkbox"/>	
(4) Nature of Document ASSIGNMENT			
(5) Consideration Two Dollars \$2.00			
(6) Description In the Townships of Goderich and Stanley, in the County of Huron, various Lots and Concessions, more particularly described in Schedule "A" attached hereto.			
(7) This Document Contains:		(a) Redescription New Easement Plan/Sketch <input type="checkbox"/>	
		(b) Schedule for: Description <input checked="" type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input type="checkbox"/>	

Executions Additional: See Schedule

(8) This Document provides as follows:

Continued on Schedule

(9) This Document relates to instrument number(s) **See Schedule "A" attached**

(10) Party(ies) (Set out Status or Interest) Name(s)	Signature(s)	Date of Signature Y M D
CLEARIP GAS INC.	<i>[Signature]</i> Jane Lowrie, Secretary Treasurer	1998 07 14
Assignor	<i>[Signature]</i> Doug Brett, President "We have authority to bind the Corporation!"	1998 07 14

(11) Address for Service **309 Commissioners Road West, Unit "E", London, Ontario N6J 1Y4**

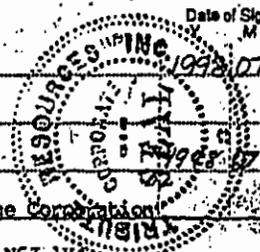
(12) Party(ies) (Set out Status or Interest) Name(s)	Signature(s)	Date of Signature Y M D
TRIBUTE RESOURCES INC.	<i>[Signature]</i> Jane Lowrie, Treasurer	1998 07 14
Assignee	<i>[Signature]</i> Doug Brett, President "We have authority to bind the Corporation!"	1998 07 14

(13) Address for Service **309 Commissioners Road West, Unit "E", London, Ontario N6J 1Y4**

(14) Municipal Address of Property  
**Multiple**

(15) Document Prepared by:  
**Elenco Ltd.  
555 Southdale Road East  
London, Ontario  
N6E 1A2  
Our File 132081-14**

Fees and Tax	
Registration Fee	<i>[Signature]</i>
<b>Total</b>	<i>[Signature]</i>



## RECTIALS

WHEREAS Moffat Lake Exploration Inc. and New Bedford Exploration Ltd. amalgamated under the name of Tipperary Resources Limited and the Letters of Amalgamation were registered in the Registry Office for the Registry Division of the County of Huron on the 28th day of April, 1982, as Instrument No. 196559.

AND 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 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 17th day of January, 1991, as Instrument No. 267992.

ASSIGNMENT OF EASEMENTS

3

91

THIS ASSIGNMENT made this 1st day of February, 1998

BETWEEN:

**CLEARKIP GAS INC.**, a company incorporated pursuant to the laws of the Province of Ontario

(hereinafter referred to as the Assignor)  
OF THE FIRST PART

- AND -

**TRIBUTE RESOURCES INC.**, a corporation duly incorporated under the laws of the Province of Alberta, having its registered office in the City of London, County of Middlesex, Province of Ontario

(hereinafter referred to as the Assignee)  
OF THE SECOND PART

WHEREAS the Assignor is named Grantee of certain Easements (hereinafter called the "said Easements"), which said Easements and the lands covered thereby are described in Schedule "A" attached hereto.

AND WHEREAS the Assignor desires to assign the said Easements and the lands covered thereby to the Assignee.

NOW THEREFORE in consideration of the covenants herein, other valuable consideration and the sum of Two Dollars (\$2.00) paid by the Assignee to the Assignor (the receipt of which is hereby acknowledged), it is agreed as follows:

1. The Assignor hereby transfers and assigns to the Assignee the said Easements, together with the residue unexpired term of years in the said Easements set forth and all the rights, interests and privileges granted to the Assignor in and by the same and all benefits and advantages to be derived therefrom.
2. The Assignor covenants with the Assignee that the said Easements are valid and subsisting Easements in good standing, full force and effect with all considerations due and payable under the said Easements having been paid and satisfied in full in accordance with the terms thereof and that the covenants, conditions and obligations therein contained on the part of the Assignor have been duly observed and performed up to the date hereof.
3. The Assignor further covenants and agrees with the Assignee that it has good right, full and absolute power and authority to assign the said Easements and the unexpired residue of the terms thereof and its interest therein and in the lands and premises therein described according to the true intent and meaning of these presents.

- 4. The Assignor shall and will from time to time and at all times hereinafter at the request of the Assignee do and perform all such acts and things, and execute all such deeds, documents and writings, and give all such further assurances necessary to carry out the terms of this Agreement.
- 5. The Assignor agrees to indemnify and save harmless the Assignee from and against any and all claims, demands, actions or suits of whatsoever nature or kind arising in respect of the said Easements, prior to and including the date of this Assignment but not after.
- 6. This Assignment shall enure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.

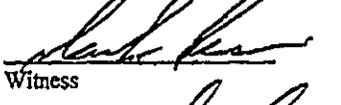
IN WITNESS WHEREOF the parties hereto have executed and delivered these presents as of the day and year first above written.

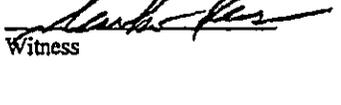
SIGNED, SEALED AND DELIVERED )  
 in the presence of )

  
 Witness )

  
 Witness )

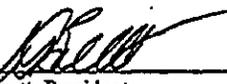
  
 Witness )

  
 Witness )

  
 Witness )

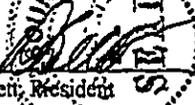
ASSIGNOR  
 CLEARKIP GAS INC.

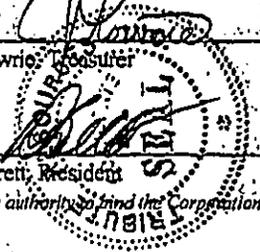
  
 Jane Lowrie, Secretary Treasurer

  
 Doug Brett, President  
*"We have authority to bind the Corporation"*

ASSIGNEE  
 TRIBUTE RESOURCES INC.

  
 Jane Lowrie, Treasurer

  
 Doug Brett, President  
*"We have authority to bind the Corporation"*



Schedule A  
 Attached to an Assignment of Easements  
 in the Township of Stanley, in the County of Huron

File No.	Document Type	Agreement Date	Registration Date	Registration Number	Grantor	Land Description
	Easement	17/10/57	04/11/57	29586	ELLIOTT, Melvin A.	Part of the East half of Lot 32, Concession 4
	Assignment	04/01/73	08/15/73	120991	ELLIOTT, Robert M.	
	Assignment	06/20/74	09/26/74	131228	ELLIOTT, Bessie M.	
	Notice of Claim	04/20/98	04/22/98	325230	ELLIOTT, Shirley A.	
	Easement	17/10/57	04/11/57	29585	GLEN, Donald A.	Part of the West half of Lot 32, Concession 4
	Assignment	04/01/73	08/15/73	120991	GLEN, Edward John	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	17/10/57	04/11/57	29587	GLEN, Edward C.	Part of Lot 31, Concession 4
	Assignment	04/01/73	08/15/73	120991	GLEN, Mary A.	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	17/10/57	04/11/57	29588	ZWAAN, John	Part of Lot 32, Concession 3
	Assignment	04/01/73	08/15/73	120991	ZWAAN, Hilde	
	Assignment	06/20/74	09/26/74	131228	MURPHY, Hubert O.	
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	17/10/57	04/11/57	29584	McFARLANE, John	Part of Lot 31, Concession 5
	Assignment	04/01/73	08/15/73	120991	McFARLANE, Pearl	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/20/98	04/22/98	325230		

Schedule A

Attached to an Assignment of Basements  
in the Township of Stanley, in the County of Huron.

File No.	Document Type	Agreement Date	Registration Date	Registration Number	Grantor	Land Description
	Easement	18/02/58	21/03/58	31102	HANLY, Hugh Mervyn	Part of Lot 31, Concession 1 and part of the East half of Lot 31, Concession 2
	Assignment	04/01/73	08/15/73	120991	HANLY, Kathleen	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	17/10/57	04/11/57	29589	CANTELON, Raymond Innes	Part of Lot 32, Concession 2
	Assignment	04/01/73	08/15/73	120991	CANTELON, Edna Irene	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	10/17/57	10/30/57	29523	GRANGER, Murray	Lot 8, Concession BRN
	Assignment	04/01/73	08/15/73	120991	GREER, Norman	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/23/97	08/12/97	319945		
312E07092	Easement	06/20/84	12/05/84	215053	McKINLEY FARMS AND HATCHERY LIMITED	Part of Lot 7, Concession 12, now designated as Part 1 on Plan 22R-1803
173E06897	Easement	06/20/84	08/14/84	212930	PORTER, Gordon PORTER, Nancy Charlene	Part of Lot 7, Concession BRN, now designated as Part 1 on Plan 22R-1760

Schedule 'A'  
 Attached to an Assignment of Easements  
 in the Township of Goderich, in the County of Huron

File No.	Document Type	Agreement Date	Registration Date	Registration Number	Land Owner	Land Description
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29581 120991 131228 325230	POSTILL, Joseph POSTILL, Elizabeth Jean	Part of Lot 60, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29577 120991 131228 325230	SCOTCHMER, Alfred SCOTCHMER, Rossanna SJAARDA, Ted SJAARDA, Syke	Part of Lot 18, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29580 120991 131228 325230	MIDDLETON, Donald James MIDDLETON, H. Audrey	Part of Lot 61, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29582 120991 131228 325230	STIRLING, Robert R. STIRLING, Marjorie H.	Part of Lot 59, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29579 120991 131228 325230	MIDDLETON, Stewart Grant MIDDLETON, Grace Anna Mae	Part of the East half of Lot 19 and parts of Lots 20 and 21, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29578 120991 131228 325230	RATHWELL, Edgar Benjamin RATHWELL, Helen	Part of the West half of Lot 19, Bayfield Concession

Schedule A Attached to an Assignment of Easements in the Township of Goderich, in the County of Huron						
File No.	Document Type	Agreement Date	Registration Date	Registration Number	Grantor	Land Description
	Easement Assignment Assignment Notice of Claim	22/11/57 04/01/73 06/20/74 04/20/98	06/05/58 08/15/73 09/26/74 04/22/98	31683 120991 131228 325230	The Director, The Veterans' Land Act	Part of Lot 35, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29576 120991 131228 325230	ARKELL, Frederick Peter ARKELL, Daisy BEACON, Mary	Part of Lot 17, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 08/25/98	04/11/57 08/15/73 09/26/74 09/16/98	29583 120991 131228 328654	MIDDLETON, William Harvey	Parts of Lot 44 and 45, Concession 12
	Easement	11/03/80	03/03/81	189431	BRAND, Goff W. BRAND, Bernadine J.	Part of Lot 39 and Lot 40, Concession 9
216E09576 215E07091	Easement	11/03/80	03/03/81	189430	McCULLOUGH, Elwin James	Part of Lot 38 and Part of Lot 39, Concession 9
216E09575	Easement	11/30/83	08/08/84	212832	BRAND, Goff W. BRAND, Bernadine J.	Lot 40, Concession 9

Affidavit of Residence and of Value of the Consideration Form 1 - Land Transfer Tax Act

97

THE MATTER OF THE CONVEYANCE OF (insert brief description of land) In the Townships of Goderich and Stanley, in the County of Huron, various Lots and Concessions.

BY (print names of all transferors in full) CLEARKIP GAS INC.
TO (see instruction 1 and print names of all transferees in full) TRIBUTE RESOURCES INC.
I, (see instruction 3 and print name(s) in full) Jane Lowrie

MAKE OATH AND SAY THAT:

- 1. I am (place a check 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))

(e) The (insert name(s) of principal(s)) described in paragraph(s) (a), (b), (c) above; (strike out references to inapplicable paragraph(s))
TRIBUTE RESOURCES INC.

(f) I, 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
(a) contains at least one and not more than two single family residences.
(b) does not contain a single family residence.
(c) 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)(i) 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:

Table with 2 columns: Description and Amount. Rows include: (a) Money paid or to be paid in cash \$ 2.00; (b) Mortgages (i) Assumed \$ Nil; (c) Property transferred in exchange \$ Nil; (d) Securities transferred to the value of \$ Nil; (e) Liens, mortgages, annuities and maintenance charges to which transfer is subject \$ Nil; (f) Other valuable consideration subject to land transfer tax \$ Nil; (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (Total of (a) to (f)) \$ 2.00; (h) VALUE OF ALL CHATTELS - items of tangible personal property \$ Nil; (i) Other consideration for transaction not included in (g) or (h) above \$ Nil; (j) TOTAL CONSIDERATION \$ 2.00

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) 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 Assignment is for Easement and Right-of-Ways conveyed to a pipeline company and an exemption is claimed as provided under Regulation 695, R.R.O., 1990, as amended.

Sworn before me at the City of London in the County of Middlesex this 14th day of JULY 1998

A Commissioner for taking Affidavits, etc.

Signatures of Commissioner and Jane Lowrie

Property Information Record
A. Describe nature of instrument: ASSIGNMENT
B. (i) Address of property being conveyed (if available) Not Applicable
(ii) Assessment Roll No. (if available) Not Applicable
C. Mailing addresses 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). 04480 (09-09)

**TAB 11**



RECITALS

AND WHEREAS Moffat Lake Exploration Inc. and New Bedford Exploration Ltd. amalgamated under the name of Tipperary Resources Limited and the letters of Amalgamation were registered in the Registry Office for the Registry Division of the County of Huron on the 28th day of April, 1982, as Instrument No. 196559.

AND 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.

ASSIGNMENT OF EASEMENTS

THIS ASSIGNMENT made this 1st day of January, 1998

BETWEEN:

**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 referred to as the Assignor)  
OF THE FIRST PART

- AND -

**CLEARSHIP GAS INC.**, a company incorporated pursuant to the laws of the Province of Ontario

(hereinafter referred to as the Assignee)  
OF THE SECOND PART

WHEREAS the Assignor is named Grantee of certain Easements (hereinafter called the "said Easements"), which said Easements and the lands covered thereby are described in Schedule "A" attached hereto.

AND WHEREAS the Assignor desires to assign the said Easements and the lands covered thereby to the Assignee.

NOW THEREFORE in consideration of the covenants herein, other valuable consideration and the sum of Two Dollars (\$2.00) paid by the Assignee to the Assignor (the receipt of which is hereby acknowledged), it is agreed as follows:

1. The Assignor hereby transfers and assigns to the Assignee the said Easements, together with the residue unexpired term of years in the said Easements set forth and all the rights, interests and privileges granted to the Assignor in and by the same and all benefits and advantages to be derived therefrom.
2. The Assignor covenants with the Assignee that the said Easements are valid and subsisting Easements in good standing, full force and effect with all considerations due and payable under the said Easements having been paid and satisfied in full in accordance with the terms thereof and that the covenants, conditions and obligations therein contained on the part of the Assignor have been duly observed and performed up to the date hereof.
3. The Assignor further covenants and agrees with the Assignee that it has good right, full and absolute power and authority to assign the said Easements and the unexpired residue of the terms thereof and its interest therein and in the lands and premises therein described according to the true intent and meaning of these presents.

- 4. The Assignor shall and will from time to time and at all times hereinafter at the request of the Assignee do and perform all such acts and things, and execute all such deeds, documents and writings, and give all such further assurances necessary to carry out the terms of this Agreement.
- 5. The Assignor agrees to indemnify and save harmless the Assignee from and against any and all claims, demands, actions or suits of whatsoever nature or kind arising in respect of the said Easements, prior to and including the date of this Assignment but not after.
- 6. This Assignment shall enure to the benefit of and be binding upon the parties hereto, their respective 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 )

\_\_\_\_\_  
 Witness )

\_\_\_\_\_  
 Witness )

ASSIGNOR  
 PARAGON PETROLEUM CORPORATION

*[Signature]*  
 Campbell C. Hardy, Vice President  
 "I have authority to bind the Corporation"  
 Grant B. Cagemain  
 Vice President, Marketing  
 & Business Development

ASSIGNEE  
 CLEARKIP GAS INC.

*[Signature]* *[Signature]*  
 Doug Brett Jane Lowrie  
 President Secretary Treasurer  
 "We have authority to bind the Corporation"

Schedule A  
Attached to an Assignment of Easements  
in the Township of Stanley, in the County of Huron

File No.	Document Type	Agreement Date	Registration Date	Registration Number	Grantor	Land Description
	Easement	17/10/57	04/11/57	29586	ELLIOTT, Melvin A.	Part of the East half of Lot 32, Concession 4
	Assignment	04/01/73	08/15/73	120991	ELLIOTT, Robert M.	
	Assignment	06/20/74	09/26/74	131228	ELLIOTT, Bessie M.	
	Notice of Claim	04/20/98	04/22/98	325230	ELLIOTT, Shirley A.	
	Easement	17/10/57	04/11/57	29585	GLEN, Donald A.	Part of the West half of Lot 32, Concession 4
	Assignment	04/01/73	08/15/73	120991	GLEN, Edward John	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	17/10/57	04/11/57	29587	GLEN, Edward C.	Part of Lot 31, Concession 4
	Assignment	04/01/73	08/15/73	120991	GLEN, Mary A.	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	17/10/57	04/11/57	29588	ZWAAN, John	Part of Lot 32, Concession 3
	Assignment	04/01/73	08/15/73	120991	ZWAAN, Hilde	
	Assignment	06/20/74	09/26/74	131228	MURPHY, Hubert O.	
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	17/10/57	04/11/57	29584	McFARLANE, John	Part of Lot 31, Concession 5
	Assignment	04/01/73	08/15/73	120991	McFARLANE, Pearl	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/20/98	04/22/98	325230		

Schedule "A"  
 Attached to an Assignment of Easements  
 in the Township of Stanley in the County of Huron

File No.	Document Type	Agreement Date	Registration Date	Registration Number	Grantor	Land Description
	Easement	18/02/58	21/03/58	31102	HANLY, Hugh Mervyn	Part of Lot 31, Concession 1 and part of the East half of Lot 31, Concession 2
	Assignment	04/01/73	08/15/73	120991	HANLY, Kathleen	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	17/10/57	04/11/57	29589	CANTELON, Raymond Innes	Part of Lot 32, Concession 2
	Assignment	04/01/73	08/15/73	120991	CANTELON, Edna Irene	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	10/17/57	10/30/57	29523	GRANGER, Murray	Lot 8, Concession BRN
	Assignment	04/01/73	08/15/73	120991	GREER, Norman	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/23/97	08/12/97	319945		
312E07092	Easement	06/20/84	12/05/84	215053	McKINLEY FARMS AND HATCHERY LIMITED	Part of Lot 7, Concession 12, now designated as Part 1 on Plan 22R-1803
173E06897	Easement	06/20/84	08/14/84	212930	PORTER, Gordon PORTER, Nancy Charlene	Part of Lot 7, Concession BRN, now designated as Part 1 on Plan 22R-1760

Schedule "A"  
Attached to an Assignment of Easements  
in the Township of Goderich, in the County of Huron

File No.	Document Type	Agreement Date	Registration Date	Registration Number	Land Owner	Land Description
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29581 120991 131228 325230	POSTILL, Joseph POSTILL, Elizabeth Jean	Part of Lot 60, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29577 120991 131228 325230	SCOTCHMER, Alfred SCOTCHMER, Rossanna SJAARDA, Ted SJAARDA, Syke	Part of Lot 18, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29580 120991 131228 325230	MIDDLETON, Donald James MIDDLETON, H. Audrey	Part of Lot 61, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29582 120991 131228 325230	STIRLING, Robert R. STIRLING, Marjorie H.	Part of Lot 59, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29579 120991 131228 325230	MIDDLETON, Stewart Grant MIDDLETON, Grace Anna Mac	Part of the East half of Lot 19 and parts of Lots 20 and 21, Bayfield Concession
	Easement Assignment Assignment Notice of Claim	17/10/57 04/01/73 06/20/74 04/20/98	04/11/57 08/15/73 09/26/74 04/22/98	29578 120991 131228 325230	RATHWELL, Edgar Benjamin RATHWELL, Helen	Part of the West half of Lot 19, Bayfield Concession

7

104

Schedule A Attached to an Assignment of Easements in the Township of Goderich in the County of Huron						
File No.	Document Type	Agreement Date	Registration Date	Registration Number	Grantor	Land Description
	Easement	22/11/57	06/05/58	31683	The Director,	Part of Lot 35, Bayfield Concession
	Assignment	04/01/73	08/15/73	120991	The Veterans' Land Act	
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	17/10/57	04/11/57	29576	ARKELL, Frederick Peter	Part of Lot 17, Bayfield Concession
	Assignment	04/01/73	08/15/73	120991	ARKELL, Daisy	
	Assignment	06/20/74	09/26/74	131228	BEACON, Mary	
	Notice of Claim	04/20/98	04/22/98	325230		
	Easement	17/10/57	04/11/57	29583	MIDDLETON, William Harvey	Parts of Lot 44 and 45, Concession 12
	Assignment	04/01/73	08/15/73	120991		
	Assignment	06/20/74	09/26/74	131228		
	Notice of Claim	08/25/98	09/16/98	328654		
	Easement	11/03/80	03/03/81	189431	BRAND, Goff W. BRAND, Bernadine J.	Part of Lot 39 and Lot 40, Concession 9
216E09576 215E07091	Easement	11/03/80	03/03/81	189430	McCULLOUGH, Elwin James	Part of Lot 38 and Part of Lot 39, Concession 9
216E09575	Easement	11/30/83	08/08/84	212832	BRAND, Goff W. BRAND, Bernadine J.	Lot 40, Concession 9

Affidavit of Residence and of Value of the Consideration  
Form 1 - Land Transfer Tax Act

106

In the Townships of Goderich and Stanley,  
In the County of Huron, various Lots and Concessions.

BY (print names of all transferors in full) PARAGON PETROLEUM CORPORATION

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

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

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 3)
  - (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)) \_\_\_\_\_

(e) The Secretary Treasurer described in paragraphs (a), (b), (c) above; (strike out references to inapplicable paragraphs)  
CLEARKIP GAS INC. authorized to act for (insert name(s) of corporation(s)) \_\_\_\_\_

(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)(a) of the Act. The land conveyed in the above-described conveyance
  - contains at least one and not more than two single family residences. *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.*
  - does not contain a single family residence.
  - contains more than two single family residences. (see instruction 3)

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:

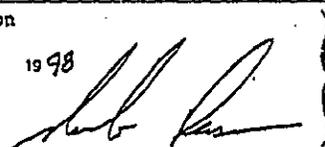
(a) Monies paid or to be paid in cash	\$ 2.00	
(b) Mortgages (i) Assumed (show principal and interest to be credited against purchase price)	\$ NIL	
(ii) Given back to vendor	\$ NIL	
(c) Property transferred in exchange (detail below)	\$ NIL	
(d) Securities transferred to the value of (detail below)	\$ 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))	\$ 2.00	\$ 2.00
(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. 1990, c.464, as amended)	\$ NIL	
(i) Other consideration for transaction not included in (g) or (h) above	\$ NIL	
(j) TOTAL CONSIDERATION	\$ 2.00	

All Blanks Must Be Filled In, Even "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 Assignment is for Easement and Right-of-Ways conveyed to a pipeline company and an exemption is claimed as provided under Regulation 695, R.R.O., 1990, as amended.

Sworn before me at the City of London  
in the County of Middlesex  
this 2ND day of APRIL 1998  
   
A Commissioner for taking Affidavits, etc. (signature)

Property Information Record

A. Describe nature of instrument: Assignment

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 (a) and (b), the land being transferred will be assigned to the French Public School Board or another separate educational authority (specified in (a) and (b)).

**TAB 12**

107



# Document General

Form 4 - Land Registration Reform Act

**D**

FOR OFFICE USE ONLY

0332966

CERTIFICATE OF REGISTRATION  
HURON (20) CONCESSION

99 APR 1 AM 10 06

*[Signature]*  
LAND REGISTRAR

(1) Registry  Land Titles  (2) Page 1 of 8 pages

(3) Property Identifier(s) Block  Property  Additional: See Schedule

(4) Nature of Document  
ASSIGNMENT OF LEASES

(5) Consideration  
NIL Dollars \$ 0.00

(6) Description  
Various Lots and Concessions in the Township of Stanley in the County of Huron, being more particularly described in Schedule "A" attached hereto and made part hereof.

New Property Identifiers Additional: See Schedule

Executions 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:

Continued on Schedule

(9) This Document relates to instrument number(s) See Schedule "A"

(10) Party(ies) (Set out Status or Interest)  
Name(s) Signature(s) Date of Signature  
PARAGON PETROLEUM CORPORATION *[Signature]* 1999 03/12  
("Assignor")

(11) Address for Service Suite 202, 555 Southdale Road East, London, Ontario, N6E 1A2

(12) Party(ies) (Set out Status or Interest)  
Name(s) Signature(s) Date of Signature  
NORTHROCK RESOURCES LTD. *[Signature]* 1999 03/12  
("Assignee")

(13) Address for Service Suite 202, 555 Southdale Road East, London, Ontario, N6E 1A2

(14) Municipal Address of Property  
Unknown

(15) Document Prepared by:  
NORTHROCK RESOURCES LTD.  
Suite 202, 555 Southdale Road East  
London, Ontario, N6E 1A2  
HURON *[Signature]*

Fees and Tax	
Registration Fee	50.00
Total	50.00



### ASSIGNMENT OF LEASES

THIS ASSIGNMENT dated and made effective this 1st day of February, 1999.

#### BETWEEN:

**PARAGON PETROLEUM CORPORATION**, a body corporate with its Head Office at the City of Calgary, in the Province of Alberta, incorporated under the laws of the Province of Alberta.

(hereinafter called "Assignor")  
OF THE FIRST PART

- and -

**NORTHROCK RESOURCES LTD.**, a body corporate with its Head Office at the City of Calgary, in the Province of Alberta, incorporated under the laws of the Province of Alberta.

(hereinafter called "Assignee")  
OF THE SECOND PART

WHEREAS Tipperary Resources Limited, Stanley Reef Resources Ltd., Regent Resources Ltd., Samreta 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 11<sup>th</sup> 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 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 11<sup>th</sup> day of January, 1988, as Instrument No. 239656.

AND WHEREAS PPC Oil & Gas Corp., Paragon Petroleum Limited and Alterio Resources Limited amalgamated under the name of Paragon Petroleum Corporation, and the letters of Amalgamation were registered the 7th day of March, 1991 as Instrument Number 267992 in the Registry Office for the Registry Division of the County of Huron.

AND WHEREAS Paragon Petroleum Corporation is named Assignor of certain petroleum and natural gas leases, gas storage leases, surface leases, disposal leases and their related amending agreements (hereinafter referred to as the "said leases"), which said leases and lands covered thereby are described in Schedule "A" attached hereto.

NOW THEREFORE it is agreed as follows:

1. The Assignor hereby transfers and assigns to the Assignee an undivided one hundred percent (100%) working interest in the said leases described in Schedule "A", together with the residue unexpired term of years in the said leases set forth and all the rights, interests and

privileges granted to the Assignor in and by the same and all benefits and advantages to be derived therefrom.

- 2. The Assignor covenants with the Assignee that all rentals due and payable under the said leases have been paid and satisfied in full in accordance with the terms thereof and that the covenants, conditions and obligations therein contained on the part of the Assignor have been duly observed and performed up to the date hereof.
- 3. The Assignor further covenants and agrees with the Assignee that it has good right, full power and absolute authority to assign the said leases and the unexpired residue of the terms thereof and its interest therein and in the lands and premises therein described according to the true intent and meaning of these presents.
- 4. The Assignor shall and will from time to time and at all times hereinafter at the request of the Assignee do and perform all such acts and things, and execute all such deeds, documents and writings, and give all such further assurances necessary to carry out the terms of this Agreement.
- 5. The Assignor agrees to indemnify and save harmless the Assignee from and against any and all claims, demands, actions or suits of whatsoever nature or kind arising in respect of the said leases or of the said lands and premises or of the leased substances therein and thereby demised, prior to and including the date of this Agreement but not after.
- 6. The Assignee hereby appoints itself at 3500, 700 Second Street S.W., Calgary, Alberta T2P 2W2 as agent for the purpose of receiving any notices whatsoever in respect to the said leases.
- 7. This Assignment shall endure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

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

ASSIGNOR:

PARAGON PETROLEUM CORPORATION

*[Handwritten signature]*



ASSIGNEE:

NORTHROCK RESOURCES LTD.

*[Handwritten signature]*



**SCHEDULE "A"**

Attached to and forming part of an Assignment of Leases, in Various Townships, in the County of Huron  
Between Paragon Petroleum Corporation and Northrock Resources Ltd.

FILE NUMBER	DOCUMENT TYPE	REG. DATE	REG. NUMBER	LESSOR NAME	LEASE DATE	TWP	LEASE DESCRIPTION
173M10022	Petroleum and Natural Gas Lease and Grant	2-Nov-94	298472	McBRIDE, Wesley Ervin & Marjorie	2-Jun-94	Stanley	Part of Lot 9, Conc B.R.S.
173M10023	Petroleum and Natural Gas Lease and Grant	2-Nov-94	298474	VAN AAKEN, Harold Mario & Mamita Lorraine	16-Jun-94	Stanley	Part of Lot 7, Conc B.R.S. Part of Lot 8, Conc B.R.S.
	Unit Operation Agreement	18-Dec-96	314209	VAN AAKEN, Harold Mario & Mamita Lorraine	14-Mar-96		
173M20000	Petroleum and Natural Gas Lease and Grant	25-Oct-96	312832	PORTER, William Gordon & Nancy Charlene	22-Mar-96	Stanley	Part of Lot 7, Conc B.R.N.
	Unit Operation Agreement	18-Dec-96	314210	PORTER, William Gordon & Nancy Charlene	22-Mar-96		
173M20001	Petroleum and Natural Gas Lease and Grant	18-Dec-96	314206	GRAINGER, George Murray - Estate JOHNSON, Peggy RYAN, Nancy GRAINGER, Bob YOUNGBERG, Barb ERB, Mary E. HORNER, Helen M. RAMER, Phyllis E. BADN, Joyce KEILLOR, Marilyn HAMILTON, Neil GRAINGER, James R. GRAINGER, Steven FAWCETT, Cathryn HAYTER, Betty DEICHERT, Elaine E.	28-Aug-96	Stanley	All of Lot 8, Conc B.R.N. All of Lot 9, Conc B.R.N.

**SCHEDULE "A"**

Attached to and forming part of an Assignment of Leases, in Various Townships, in the County of Huron  
Between Paragon Petroleum Corporation and Northrock Resources Ltd.

FILE NUMBER	DOCUMENT TYPE	REG. DATE	REG. NUMBER	LESSOR NAME	LEASE DATE	TWP	LEASE DESCRIPTION
	Unit Operation Agreement	18-Dec-96	314207	GRAINGER, George Murray - Estate JOHNSON, Peggy RYAN, Nancy GRAINGER, Bob YOUNGBERG, Barb ERB, Mary E. HORNER, Helen M. RAMER, Phyllis E. BAIN, Joyce KEILLOR, Marilyn HAMILTON, Neil GRAINGER, James R. GRAINGER, Steven PAWCETT, Cathryn HAYTER, Betty DEICHERT, Elaine E.	28-Aug-96		
173G00323	Gas Storage Lease Agreement	30-Apr-74	127057	VAN AAKEN, Gerardus Cornelius & Catherine M.	27-Mar-74	Stanley	All of Lot 7, Cone B.R.S. All of Lot 8, Cone B.R.S.
	Assignment	27-Apr-84	210621	From: James M. Harmon To: Tipperary Resources Limited	29-Nov-82		
173G00324	Gas Storage Lease Agreement	8-Dec-82	200938	PORTER, William Gordon & Nancy Charlene	27-Mar-79	Stanley	All of Lot 7, Cone B.R.N.
	Assignment	27-Apr-84	210621	From: James M. Harmon To: Tipperary Resources Limited	29-Nov-82		
173G00325	Gas Storage Lease Agreement	30-Apr-74	127055	McBRIDE, Wesley Irvin & Marjorie	27-Mar-74	Stanley	All of Lot 9, Cone B.R.S.
	Assignment	27-Apr-84	210621	From: James M. Harmon To: Tipperary Resources Limited	29-Nov-82		
173G00326	Gas Storage Lease Agreement	8-Dec-82	200939	PORTER, William Gordon & Nancy Charlene	27-Mar-79	Stanley	Part of the E/2 of Lot 23, Cone 11

**SCHEDULE "A"**

Attached to and forming part of an Assignment of Leases, in Various Townships, in the County of Huron  
Between Paragon Petroleum Corporation and Northrock Resources Ltd.

FILE NUMBER	DOCUMENT TYPE	REG. DATE	REG. NUMBER	LESSOR NAME	LEASE DATE	TWP	LEASE DESCRIPTION
	Assignment	27-Apr-84	210621	From: James M. Harmon To: Tipperary Resources Limited	29-Nov-82		
173G00327	Gas Storage Lease Agreement	8-Dec-82	200941	ARMSTRONG, James R.	18-Oct-79	Stanley	Part of Lot 24, Conc 12
	Assignment	27-Apr-84	210621	From: James M. Harmon To: Tipperary Resources Limited	29-Nov-82		
173G00328	Gas Storage Lease Agreement	8-Dec-82	200940	VAN AAKEN, Gerardus	12-Oct-79	Stanley	Part of Lot 23, Conc 11
	Assignment	27-Apr-84	210621	From: James M. Harmon To: Tipperary Resources Limited	29-Nov-82		
173G00329	Gas Storage Lease Agreement	30-Apr-74	127060	PECK, Alma	27-Mar-74	Stanley	Part of Lot 6, Conc B.R.N.
	Assignment	27-Apr-84	210621	From: James M. Harmon To: Tipperary Resources Limited	29-Nov-82		
173G07258	Gas Storage Lease Agreement	24-Aug-90	263924	GRAINGER, George Murray - Estate JOHNSON, Peggy RYAN, Nancy GRAINGER, Bob YOUNGBERG, Barb ERB, Mary E. HORNER, Helen M. RAMER, Phyllis E. BAIN, Joyce KELLOR, Marilyn HAMILTON, Neil GRAINGER, James R. GRAINGER, Steven FAWCETT, Cathryn HAYTER, Betty DEICHERT, Elaine E.	18-Nov-89	Stanley	All of Lot 8, Conc B.R.N. All of Lot 9, Conc B.R.N.

**SCHEDULE "A"**

**Attached to and forming part of an Assignment of Leases, in Various Townships, in the County of Huron  
Between Paragon Petroleum Corporation and Northrock Resources Ltd.**

<b>FILE NUMBER</b>	<b>DOCUMENT TYPE</b>	<b>REG. DATE</b>	<b>REG. NUMBER</b>	<b>LESSOR NAME</b>	<b>LEASE DATE</b>	<b>TWP</b>	<b>LEASE DESCRIPTION</b>
173G07328	Gas Storage Lease Agreement	19-Jul-90	263034	HILL & HILL FARMS LIMITED	9-Mar-90	Stanley	Part of Lot 8, Conc B.R.N.
173G07370	Gas Storage Lease Agreement	24-Aug-90	263923	GEORGE A. CANTRICK CO. INC.	8-Jun-90	Stanley	All of Lot 9, Conc B.R.N.
173S10005	Surface Lease	2-Nov-94	298473	PORTER, Gordon & Nancy Charlene (aka PORTER, William Gordon)	20-Jun-94	Stanley	Part of Lot 7, Conc B.R.N., Part 1 & 2, 22R-1760

114

**Affidavit of Residence and of Value of the Consideration**  
**Form 1 - Land Transfer Tax Act**  
 Various Lots and Concessions in the Township of Stanley,  
 County of Huron  
 Schedule for P.L.N.s  
 Paragon Petroleum Corporation  
 Northrock Resources Ltd.

TO (see instruction 1 and print names of all transferees in full) Northrock Resources Ltd.  
 1. (see instruction 2 and print names in full) Reinhold Deibler

**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; Northrock Resources Ltd.
  - (d) The authorized agent or solicitor acting in this transaction for (insert names of principal(s)) \_\_\_\_\_ described in paragraph(s) 8, 9, 10 (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 paragraph(s))
  - (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)(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 \$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	\$ 1.00	
(b) Mortgages (i) Assumed (never prepaid and interest to be credited against purchase price)	\$ Nil	
(b) Given back to vendor	\$ Nil	
(c) Property transferred in exchange (total value)	\$ Nil	
(d) Securities transferred to the value of (total value)	\$ Nil	
(e) Loans, legacies, annuities and maintenance charges to which transfer is subject	\$ Nil	
(f) Other valuable consideration subject to land transfer tax (total value)	\$ Nil	
(g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (Total of (a) to (f))	\$ 1.00	\$ 1.00
(h) VALUE OF ALL CHATTELS - Items of tangible personal property (total value. This is payable on the value of all chattels unless exempt under the provisions of the "Total Value Tax Act", R.S.O. 1990, c.464, as amended)	\$ Nil	
(i) Other consideration for transaction not included in (g) or (h) above	\$ Nil	
(j) TOTAL CONSIDERATION	\$ 1.00	\$ 1.00

Notes: All Blank, Must Be Filled in, Where Applicable

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 6)
6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined
7. Other remarks and explanations, if necessary. The attached Assignment of Lease(s) is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Paragraph 3 of subsection 3(1) of Regulation 703, R.R.O., 1990.

Sworn before me at the City of London  
 in the County of Middlesex  
 this 27th day of MARCH, 1999

A Commissioner for taking Affidavits, etc. [Signature]

Property Information Record

A. Describe nature of instrument: ASSIGNMENT OF LEASES

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

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). 04480 (02-02)

StatOnline is a registered trade mark of StatOnline Corporation, Toronto, Canada L7M Form 1 2/1992

**TAB 13**

FOR OFFICE USE ONLY	<p>0337957</p> <p>CERTIFICATE OF REGISTRATION HURON (22) GODERICH</p> <p>'99 NOV 9 AM 9 42</p> <p><i>L Swanson</i> LAND REGISTRAR</p> <p>New Property Identifiers <input type="checkbox"/> Additional: See Schedule <input type="checkbox"/></p>	<p>(1) Registry <input checked="" type="checkbox"/> Land Titles <input type="checkbox"/> (2) Page 1 of 6 pages</p>
	<p>(3) Property Identifier(s) Block Property Additional: See Schedule <input type="checkbox"/></p>	
	<p>(4) Nature of Document SURFACE LEASE</p>	
	<p>(5) Consideration <del>Two Thousand 00/100</del> TWO THOUSAND FIVE HUNDRED 2500.00 Dollars \$-2,000.00</p>	
<p>(6) Description BEING PART OF LOT 7 CONCESSION BRN GEOGRAPHIC TOWNSHIP OF STANLEY TOWNSHIP OF STANLEY COUNTY OF HURON</p>		
<p>Executions <input type="checkbox"/> Additional: See Schedule <input type="checkbox"/></p>	<p>(7) This Document Contains: (a) Redescription New Easement Plan/Sketch <input type="checkbox"/> (b) Schedule for: Description <input checked="" type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input checked="" type="checkbox"/></p>	

(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) Name(s)	Signature(s)	Date of Signature Y M D
PORTER, Gordon aka PORTER, William Gordon	<i>Gordon Porter</i>	1999 09 01
PORTER, Nancy Charlene	<i>Charlene Porter</i>	1999 09 01
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) Party(ies) (Set out Status or Interest) Name(s)	Signature(s)	Date of Signature Y M D
NORTHROCK RESOURCES LTD.	<i>G. Fagerheim</i>	1999 10 27
Grant B. Fagerheim Senior Vice President		
LESSEE I have the authority to bind the corporation.		

(13) Address for Service SUITE 3500, 700 SECOND STREET S. W., CALGARY, ALBERTA T2P 2W2

(14) Municipal Address of Property R.R.#1, BAYFIELD, ONTARIO N0M 1G0	(15) Document Prepared by: ELLIOTT'S LAND SERVICES LTD. P.O. Box 989 Grand Bend, Ontario N0M 1T0  1040051166	FOR OFFICE USE ONLY
		<p>Fees and Tax</p> <p>Registration Fee <i>50.00</i></p> <p><i>NT</i></p> <p>Total <i>Exempt</i></p>

THIS INDENTURE made effective as of the 20th day of June, 1999

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT

BETWEEN:

**GORDON PORTER aka WILLIAM GORDON PORTER and  
NANCY CHARLENE PORTER**  
hereinafter called the "Lessor"

OF THE FIRST PART

AND

**NORTHROCK RESOURCES LTD.,**  
a Corporation incorporated under  
the laws of the Province of Alberta  
hereinafter called the "Lessee"

OF THE SECOND PART

WHEREAS the Lessor is the registered owner subject to any registered encumbrances, of certain lands in the Township of Stanley in the County of Huron, and Province of Ontario, and being composed of:

Part of Lot 7, Bayfield Road North, now designated as Parts 1 and 2 on a Reference Plan deposited in the Registry Office for the Registry Division of the County of Huron as 22R-1760.

hereinafter referred to as "the said lands";

WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee, the Lessor doth demise and lease unto the Lessee, its successors and assigns all the said lands.

TO HAVE AND TO HOLD the said lands for and during the term of **FIVE (5)** years to be computed from the 20th day of June, 1999 and from thenceforth next ensuing and fully to be complete and ended.

AND THE LESSOR doth also hereby give and grant unto the Lessee the right, liberty, and privilege in, upon, under or across the said lands to lay down, construct, maintain, inspect, remove, replace, reconstruct and repair pipes or pipe lines and all structures and equipment necessary or incidental thereto for use in connection with all the operations whatsoever of the Lessee.

YIELDING AND PAYING therefor in full settlement for the said term unto the Lessor, or the Lessor's heirs, executors, administrators or assigns, the sum of **TWO THOUSAND FIVE HUNDRED DOLLARS (\$2500.00)** paid prior to the sealing of this indenture, the receipt whereof is hereby acknowledged.

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

- (a) **Taxes Paid by Lessor:**  
To promptly pay and satisfy all taxes, rates and assessments that may be assessed against the said lands during the continuance of this Lease.
- (b) **Quiet Enjoyment:**  
That the Lessor has good title to the said lands as hereinbefore set forth, has good right and, full power to grant and lease the said lands, rights and privileges in manner aforesaid, and that the Lessee, upon observing and performing the covenants and conditions on the Lessee's part herein contained, shall and may peaceably possess and enjoy the demised premises and the rights and privileges hereby granted during the said term and any extension thereof without any interruption or disturbance from or by the Lessor or any other person whomsoever.

*GP*  
*CP*

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

- (a) **Payment of Rental:**  
To pay the rentals hereinbefore reserved.
- (b) **Fencing:**  
During the continuance of this lease, to erect and put upon the boundaries of the sites and roadways constructed or placed by the Lessee on the said lands a good and substantial fence if so requested by the Lessor, and to replace all fences which it may have damaged, and if and when so requested by the Lessor, to provide a proper livestock guard at any point of entry upon the said lands used by it, and, upon the use thereof, to close all gates.
- (c) **Taxes Payable by Lessee:**  
To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, equipment, structures and works placed by the Lessee in, on, over or under the said lands.
- (d) **Abandonment and Restoration:**  
Upon the discontinuance of the use of any portion or portions of the said lands, to restore such portion or portions to the same condition so far as it may be practicable so to do as that existing immediately prior to the entry thereon and the use thereof by the Lessee.
- (e) **Compensation for Damage:**  
To pay compensation for damage done by it to growing crops, fences and buildings or other improvements of the Lessor upon the said lands.
- (f) **Burial of Pipe Lines:**  
To bury pipe lines laid by it crossing any cultivated area of the said lands to a depth of not less than eighteen (18) inches from the surface of the ground, backfill any excavations made and level the same.

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

- (a) **Surrender:**  
The Lessee shall have the right at any time on written notice to that effect to the Lessor, to cease the use and occupation of the demised premises, and in the event of the Lessee so doing this Lease shall be terminated, but there shall be no refund to the Lessee of any rental which may have been paid in advance.
- (b) **Removal of Equipment:**  
The Lessee shall at all times during the continuance of this Lease and for a period of six (6) months following the termination hereof, have the right to remove or cause to be removed from the said lands all buildings, structures, fixtures, casing in wells, pipe lines, material and equipment of, whatsoever nature or kind, which it may have placed on or in the said lands.
- (c) **Discharge of Encumbrances:**  
The Lessee may at its option pay or discharge all or part of any balance owing under any Agreement for Sale or Mortgage, or of any tax, charge, lien or encumbrance of any kind or nature whatsoever which may now or hereafter exist on or against or in any way affect the said lands, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof, and may in addition thereto, at its option, reimburse itself by applying on account of repayment of the amount so paid by it the rentals or other sums accruing to the Lessor under the terms of this Lease.

*BP*  
*CP*

3. (d) Assignment by Lessee:

The Lessee may delegate, assign or convey to other persons or corporations, all or any of the powers, rights and interests obtained by or conferred upon the Lessee hereunder, and may enter into all agreements, contracts, and writings and do all necessary acts and things to give effect to the provisions of this clause.

(e) Notices:

All Notices to be given hereunder may be given by registered letter addressed to the party to whom the notice is to be given, and any such notice shall be deemed to be given to, and received by, the addressee seven (7) days after the mailing thereof, postage prepaid.

(f) Addresses:

Unless changed by notice the addresses of the parties hereto shall be:

Lessor: R.R. #3  
Bayfield, Ontario  
NOM 1GO

Lessee: Suite 3500, 700 Second Street S.W., Calgary, Alberta T2P 2W2

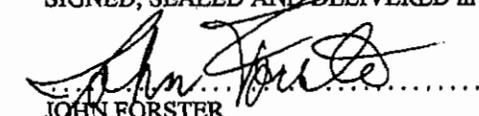
We, Gordon Porter aka William Gordon Porter and Nancy Charlene Porter being spouses within the meaning of Section 1(1) of The Family Law Act of Ontario, S.O., 1990,c.F.3., do hereby consent to the transaction evidenced by this instrument and the registration of the same on the title to the lands herein described.

THESE PRESENTS and everything herein contained shall enure to the benefit of and be binding upon the Lessor, his heirs, executors, administrators and assigns and upon the Lessee, its successors and assigns.

The above mentioned Lessee, doth hereby accept this Lease of the above described land, to be held by it as tenant and subject to the conditions, restrictions and covenants above set forth.

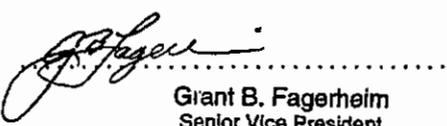
IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents, the day and year first above written.

SIGNED, SEALED AND DELIVERED in the Presence of:

  
.....  
JOHN FORSTER

  
.....  
Gordon Porter aka William Gordon Porter

  
.....  
Nancy Charlene Porter

NORTHROCK RESOURCES LTD.  
  
.....  
Grant B. Fagerheim  
Senior Vice President

119

PAGE 5 OF 6

SCHEDULE "A"

Lot Seven (7), Bayfield Road North Concession, Township of Stanley.

SAVE AND EXCEPT the South Seventeen Feet (17.00').

As in Instrument Number 292701.

SUBJECT TO an Easement registered as Instrument Number 212930, and being Part 1 on 22R-1760.

✓

Affidavit of Residence and of Value of the Consideration

120

Refer to all instructions on reverse side.

IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land)

PART OF LOT 7, CONCESSION BRN, TOWNSHIP OF STANLEY, COUNTY OF HURON

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

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

1. (see instruction 2 and print name(s) in full) SHARON ARTS

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;
[X] (d) The authorized agent or agent acting in this transaction for (insert name(s) of principal(s)) NORTHROCK RESOURCES LTD

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

(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) (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 \$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:

Table with 2 columns: Description and Amount. Rows include: (a) Money paid or to be paid in cash (\$2500.00), (b) Mortgages (i) Assumed (\$nil), (ii) Given back to vendor (\$nil), (c) Property transferred in exchange (\$nil), (d) Securities transferred (\$nil), (e) Liens, legacies, annuities and maintenance charges (\$nil), (f) Other valuable consideration (\$nil), (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (Total of (a) to (f)) (\$2,500.00), (h) VALUE OF ALL CHATTELS - items of tangible personal property (\$nil), (i) Other consideration for transaction not included in (g) or (h) above (\$nil), (j) TOTAL CONSIDERATION (\$2,500.00)

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)

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

7. Other remarks and explanations, if necessary.

THE ATTACHED SURFACE LEASE IS A CONVEYANCE OF ONLY THE MINERAL RIGHTS TO THE LAND AND EXEMPTION FROM LAND TRANSFER TAX IS CLAIMED AS PROVIDED UNDER PARAGRAPH 3 OF SUBSECTION 3(1) (1) OF REGULATION 730 R.R.O. 1990

Sworn before me at the VILLAGE OF GRAND BEND

in the COUNTY OF LAMBTON

this 15 day of OCT 1990

Signature of Commissioner

A Commissioner for taking Affidavits, etc.

Christopher Bruce Elliott, a Commissioner, etc.,

Office of Ontario, while licensed under the

Petroleum Resources Act.

Expires 2 October, 2002.

Signature of Sharon Arts

SHARON ARTS

Property Information Record

- A. Describe nature of instrument: SURFACE LEASE
B. (i) Address of property being conveyed (if available) R.R.# 1 BAYFIELD, ONTARIO N0M 1G0
(ii) Assessment Roll No. (if available) 40 19 18 011
C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed (see instruction 7) R.R.# 1, BAYFIELD, ONTARIO, N0M 1G0
D. (i) Registration number for last conveyance of property being conveyed (if available)
(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).

**TAB 14**



# Transfer/Deed of Land

Form 1 — Land Registration/Reform Act

SoftDeed® 3.11 / Distributed by De Process Software Ltd.

7115

A

121

0338076

CERTIFICATE OF REGISTRATION  
HURON (22) CODERICH

'99 NOV 15 PM 4 09

New Property Identifier  
*L Swanson*

Additional: See Schedule

Executions  
LAND REGISTRAR

Additional: See Schedule

(1) Registry  Land Titles  (2) Page 1 of 4 pages

(3) Property Identifier(s) Block Property Additional: See Schedule

(4) Consideration  
**SIX HUNDRED EIGHTY THOUSAND**  
Dollars \$ 680,000.00

(5) Description This is a: Property Division  Property Consolidation   
**Lot 7, Bayfield Road North Concession, Township of Stanley, County of Huron SAVE AND EXCEPT the south 17 feet thereof. SUBJECT to an easement over Part 1, Plan 22R-1760. ASIN 292701**

**AND SUBJECT to the reservation by the Transferors of the mineral, oil, gas, and gas storage rights relating to the Property in accordance with Schedule attached hereto.**

(6) This Document Contains (a) Redescription New Easement Plan/Sketch  (b) Schedule for: Description  Additional Parties  Other  (7) Interest/Estate Transferred Fee Simple

(8) Transferor(s) The transferor hereby transfers the land to the transferee and certifies that the transferor is at least eighteen years old and that we are spouses of one another.

Name(s)	Signature(s)	Date of Signature		
		Y	M	D
PORTER, William Gordon	<i>William Gordon Porter</i>	1999	11	15
PORTER, Nancy Charlene	<i>N. Charlene Porter</i>	1999	11	15

as partnership property

(9) Spouse(s) of Transferor(s) I hereby consent to this transaction

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

(10) Transferor(s) Address for Service  
R. R. #1 Bayfield, Ontario N0M 1G0

(11) Transferee(s)

Name(s)	Date of Birth		
	Y	M	D
THE CORPORATION OF THE VILLAGE OF BAYFIELD			

(12) Transferee(s) Address for Service  
Box 99 Bayfield, Ontario N0M 1G0

(13) Transferor(s) The transferor verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene section 50 of the Planning Act.

Name	Signature	Date of Signature		
		Y	M	D
William Gordon Porter	<i>William Gordon Porter</i>	1999	11	15
Nancy Charlene Porter	<i>N. Charlene Porter</i>	1999	11	15

Solicitor for Transferor(s) I have explained the effect of section 50 of the Planning Act to the transferor and I have made inquiries of the transferor to determine that this transfer does not contravene that section and based on the information supplied by the transferor, to the best of my knowledge and belief, this transfer does not contravene that section. I am an Ontario solicitor in good standing.

Name and Address of Solicitor: James A. Smith, 18 The Square, Post Office Box #38, Goderich, Ontario, N7A 3Y7

Signature: *James A. Smith* Date of Signature: 1999 11 15

(14) Solicitor for Transferee(s) I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in subclause 50 (22) (c) (i) of the Planning Act and that to the best of my knowledge and belief this transfer does not contravene section 50 of the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

Name and Address of Solicitor: \_\_\_\_\_ Date of Signature: \_\_\_\_\_

(15) Assessment Roll Number of Property: 40 19 001 6000 1100

(16) Municipal Address of Property: R. R. #1 Bayfield, Ontario N0M 1G0

(17) Document Prepared by: James A. Smith/ar Donnelly & Murphy 18 The Square Post Office Box #38 Goderich, Ontario N7A 3Y7

Fees and Tax	
Registration Fee	50
Land Transfer Tax	10,075
Total	SFK

122

Additional Property Identifier(s) and/or Other Information

**Recitals:**

- A. The Property described herein was purchased by the Transferors as partnership property.
- B. The Property has been owned by the Transferors as partnership property throughout their period of ownership.
- C. The Transferors represent all of the partners of the partnership.

**Terms and Conditions of Reservation**

- 1. The Transferors hereby reserve all right, title, and interest in, under, and to any the mineral, oil, gas, and gas storage rights (the "Rights") relating to the Property together with all revenues, rents, or other payments of any kind which may be payable from time to time relating to the Rights under any lease or other agreement by which the Transferors shall grant or assign all or any portion of the Rights to any person.
- 2. The Transferors hereby grant the Transferee a right of first refusal to purchase the Rights from the Transferee, which right of first refusal may be exercised by written notice by the Transferee to the Transferors within fifteen (15) business days following the receipt by the Transferee from the Transferors of written notice of the Transferors' intention to sell, transfer, or assign all of any portion of the Rights.
- 3. The Transferee shall fulfill all of its obligations under any lease or other agreements relating to the Rights and shall immediately inform the Transferors:
  - 3.1 upon receipt by the Transferee of any payments owing under any of such leases or other agreements;
  - 3.2 of any breach or purported breach of any Lease by any lessee named in such lease or other agreement; and
  - 3.3 the termination or purported termination of any Lease by either the lessee named in such lease or other agreement or by the Transferee.

The Transferee shall co-operate fully with the lessees named in the leases and other agreements relating to the Rights in accordance with the terms and conditions of such leases and other agreement and shall not do any thing or take any step which has the effect or may have the effect of impairing such lessees ability to exercise their respective rights under such leases or agreements; provided, however, that once the existing easements, including those for the gas well pipelines and laneway access to the gas well expire, that anyone wishing to enter onto the Property for matters relating to the Rights will require the written permission of the Transferee. The Transferee shall hold any payments received by it relating to the Rights in trust for the Transferors and shall deliver and remit such payment to the Transferors immediately upon receipt by the Transferee of such payment.

FOR OFFICE USE ONLY

43

123

4. The terms of this reservation shall enure for the benefit of and shall be binding on the parties' successors, heirs, and assigns. The Transferee hereby agrees that, for such period of time as any of the Leases remain effective and in good standing, the Transferee shall not transfer all or portion of its interest in the Lands without either the prior written consent of the

**Terms and Conditions, con't**

Transferors or requiring the proposed Transferee to acknowledge his, her or its obligations pursuant to this agreement, which acknowledgment shall be registered against the title to the Lands in the Registry Office.

4  
124

Refer to all instructions on reverse side.  
IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land) Lot 7, Bayfield Road North Cons. Twp. of Stanley,  
nty of Huron, Save and Except the south 17 feet thereof, subject to an easement over Part 1 Plan 22R-1760

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

TO (see instruction 1 and print names of all transferees in full) THE CORPORATION OF THE VILLAGE OF BAYFIELD

I, (see instruction 2 and print name(s) in full) Michael E. Mitchell

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 or solicitor acting in this transaction for (insert name(s) of principal(s)) The Corporation of the Village of Bayfield

described in paragraph(s) (d), (d), (c) above; (strike out references to inapplicable paragraph(s))

(e) The President, Vice-President, Manager, Secretary, Director or Treasurer (insert name(s) of corporation(s)) \_\_\_\_\_

(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)(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 \$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)

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

(a) Monies paid or to be paid in cash	\$	<u>680,000.00</u>	
(b) Mortgages (i) Assumed (show principal and interest to be credited against purchase price)	\$	<u>Nil</u>	} All Blanks Must Be Filled In. Insert "Nil" Where Applicable
(i) 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>680,000.00</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.464, as amended)	\$	<u>Nil</u>	
(i) Other consideration for transaction not included in (g) or (h) above	\$	<u>Nil</u>	
(j) TOTAL CONSIDERATION	\$	<u>680,000.00</u>	

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 4)

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

7. Other remarks and explanations, if necessary.

Sworn before me at the City of Stratford  
in the Province of Ontario

this 15 day of November 19 99

*Jocelyn A. Miller*  
A Commissioner for taking Affidavits, etc.

JOCELYN AMY MILLER, a Commissioner, etc.  
County of Perth, for Mountain, Mitchell, Hill, Monteith & Risma, Barristers and Solicitors.  
Expires September 2, 2000.

*Michael E. Mitchell*  
Signature(s)

Property Information Record

- A. Describe nature of instrument: Deed
- B. (i) Address of property being conveyed (if available) R.R. #1 Bayfield, On N0M 1G0
- (ii) Assessment Roll No. (if available) \_\_\_\_\_
- C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed (see instruction 7) Box 99 Bayfield, On N0M 1G0
- D. (i) Registration number for last conveyance of property being conveyed (if available) 329270
- (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  
Mountain, Mitchell, Hill, Monteith & Risma (MEM:jm)  
56 Albert Street, Stratford, ON, N5A 6W3

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). 04480 (06/00)

**TAB 15**

**WATER BOUNDARY DATA**

NO.	DATE	DEPTH	TYPE
1	1982	1.5	W
2	1983	1.5	W
3	1984	1.5	W
4	1985	1.5	W
5	1986	1.5	W
6	1987	1.5	W
7	1988	1.5	W
8	1989	1.5	W
9	1990	1.5	W
10	1991	1.5	W
11	1992	1.5	W
12	1993	1.5	W
13	1994	1.5	W
14	1995	1.5	W
15	1996	1.5	W
16	1997	1.5	W
17	1998	1.5	W
18	1999	1.5	W
19	2000	1.5	W
20	2001	1.5	W
21	2002	1.5	W
22	2003	1.5	W
23	2004	1.5	W
24	2005	1.5	W
25	2006	1.5	W
26	2007	1.5	W
27	2008	1.5	W
28	2009	1.5	W
29	2010	1.5	W
30	2011	1.5	W
31	2012	1.5	W
32	2013	1.5	W
33	2014	1.5	W
34	2015	1.5	W
35	2016	1.5	W
36	2017	1.5	W
37	2018	1.5	W
38	2019	1.5	W
39	2020	1.5	W
40	2021	1.5	W
41	2022	1.5	W
42	2023	1.5	W
43	2024	1.5	W
44	2025	1.5	W
45	2026	1.5	W
46	2027	1.5	W
47	2028	1.5	W
48	2029	1.5	W
49	2030	1.5	W
50	2031	1.5	W
51	2032	1.5	W
52	2033	1.5	W
53	2034	1.5	W
54	2035	1.5	W
55	2036	1.5	W
56	2037	1.5	W
57	2038	1.5	W
58	2039	1.5	W
59	2040	1.5	W
60	2041	1.5	W
61	2042	1.5	W
62	2043	1.5	W
63	2044	1.5	W
64	2045	1.5	W
65	2046	1.5	W
66	2047	1.5	W
67	2048	1.5	W
68	2049	1.5	W
69	2050	1.5	W
70	2051	1.5	W
71	2052	1.5	W
72	2053	1.5	W
73	2054	1.5	W
74	2055	1.5	W
75	2056	1.5	W
76	2057	1.5	W
77	2058	1.5	W
78	2059	1.5	W
79	2060	1.5	W
80	2061	1.5	W
81	2062	1.5	W
82	2063	1.5	W
83	2064	1.5	W
84	2065	1.5	W
85	2066	1.5	W
86	2067	1.5	W
87	2068	1.5	W
88	2069	1.5	W
89	2070	1.5	W
90	2071	1.5	W
91	2072	1.5	W
92	2073	1.5	W
93	2074	1.5	W
94	2075	1.5	W
95	2076	1.5	W
96	2077	1.5	W
97	2078	1.5	W
98	2079	1.5	W
99	2080	1.5	W
100	2081	1.5	W
101	2082	1.5	W
102	2083	1.5	W
103	2084	1.5	W
104	2085	1.5	W
105	2086	1.5	W
106	2087	1.5	W
107	2088	1.5	W
108	2089	1.5	W
109	2090	1.5	W
110	2091	1.5	W
111	2092	1.5	W
112	2093	1.5	W
113	2094	1.5	W
114	2095	1.5	W
115	2096	1.5	W
116	2097	1.5	W
117	2098	1.5	W
118	2099	1.5	W
119	2100	1.5	W
120	2101	1.5	W
121	2102	1.5	W
122	2103	1.5	W
123	2104	1.5	W
124	2105	1.5	W
125	2106	1.5	W
126	2107	1.5	W
127	2108	1.5	W
128	2109	1.5	W
129	2110	1.5	W
130	2111	1.5	W
131	2112	1.5	W
132	2113	1.5	W
133	2114	1.5	W
134	2115	1.5	W
135	2116	1.5	W
136	2117	1.5	W
137	2118	1.5	W
138	2119	1.5	W
139	2120	1.5	W
140	2121	1.5	W
141	2122	1.5	W
142	2123	1.5	W
143	2124	1.5	W
144	2125	1.5	W
145	2126	1.5	W
146	2127	1.5	W
147	2128	1.5	W
148	2129	1.5	W
149	2130	1.5	W
150	2131	1.5	W
151	2132	1.5	W
152	2133	1.5	W
153	2134	1.5	W
154	2135	1.5	W
155	2136	1.5	W
156	2137	1.5	W
157	2138	1.5	W
158	2139	1.5	W
159	2140	1.5	W
160	2141	1.5	W
161	2142	1.5	W
162	2143	1.5	W
163	2144	1.5	W
164	2145	1.5	W
165	2146	1.5	W
166	2147	1.5	W
167	2148	1.5	W
168	2149	1.5	W
169	2150	1.5	W
170	2151	1.5	W
171	2152	1.5	W
172	2153	1.5	W
173	2154	1.5	W
174	2155	1.5	W
175	2156	1.5	W
176	2157	1.5	W
177	2158	1.5	W
178	2159	1.5	W
179	2160	1.5	W
180	2161	1.5	W
181	2162	1.5	W
182	2163	1.5	W
183	2164	1.5	W
184	2165	1.5	W
185	2166	1.5	W
186	2167	1.5	W
187	2168	1.5	W
188	2169	1.5	W
189	2170	1.5	W
190	2171	1.5	W
191	2172	1.5	W
192	2173	1.5	W
193	2174	1.5	W
194	2175	1.5	W
195	2176	1.5	W
196	2177	1.5	W
197	2178	1.5	W
198	2179	1.5	W
199	2180	1.5	W
200	2181	1.5	W
201	2182	1.5	W
202	2183	1.5	W
203	2184	1.5	W
204	2185	1.5	W
205	2186	1.5	W
206	2187	1.5	W
207	2188	1.5	W
208	2189	1.5	W
209	2190	1.5	W
210	2191	1.5	W
211	2192	1.5	W
212	2193	1.5	W
213	2194	1.5	W
214	2195	1.5	W
215	2196	1.5	W
216	2197	1.5	W
217	2198	1.5	W
218	2199	1.5	W
219	2200	1.5	W
220	2201	1.5	W
221	2202	1.5	W
222	2203	1.5	W
223	2204	1.5	W
224	2205	1.5	W
225	2206	1.5	W
226	2207	1.5	W
227	2208	1.5	W
228	2209	1.5	W
229	2210	1.5	W
230	2211	1.5	W
231	2212	1.5	W
232	2213	1.5	W
233	2214	1.5	W
234	2215	1.5	W
235	2216	1.5	W
236	2217	1.5	W
237	2218	1.5	W
238	2219	1.5	W
239	2220	1.5	W
240	2221	1.5	W
241	2222	1.5	W
242	2223	1.5	W
243	2224	1.5	W
244	2225	1.5	W
245	2226	1.5	W
246	2227	1.5	W
247	2228	1.5	W
248	2229	1.5	W
249	2230	1.5	W
250	2231	1.5	W
251	2232	1.5	W
252	2233	1.5	W
253	2234	1.5	W
254	2235	1.5	W
255	2236	1.5	W
256	2237	1.5	W
257	2238	1.5	W
258	2239	1.5	W
259	2240	1.5	W
260	2241	1.5	W
261	2242	1.5	W
262	2243	1.5	W
263	2244	1.5	W
264	2245	1.5	W
265	2246	1.5	W
266	2247	1.5	W
267	2248	1.5	W
268	2249	1.5	W
269	2250	1.5	W
270	2251	1.5	W
271	2252	1.5	W
272	2253	1.5	W
273	2254	1.5	W
274	2255	1.5	W
275	2256	1.5	W
276	2257	1.5	W
277	2258	1.5	W
278	2259	1.5	W
279	2260	1.5	W
280	2261	1.5	W
281	2262	1.5	W
282	2263	1.5	W
283	2264	1.5	W
284	2265	1.5	W
285	2266	1.5	W
286	2267	1.5	W
287	2268	1.5	W
288	2269	1.5	W
289	2270	1.5	W
290	2271	1.5	W
291	2272	1.5	W
292	2273	1.5	W
293	2274	1.5	W
294	2275	1.5	W
295	2276	1.5	W
296	2277	1.5	W
297	2278	1.5	W
298	2279	1.5	W
299	2280	1.5	W
300	2281	1.5	W
301	2282	1.5	W
302	2283	1.5	W
303	2284	1.5	W
304	2285	1.5	W
305	2286	1.5	W
306	2287	1.5	W
307	2288	1.5	W
308	2289	1.5	W
309	2290	1.5	W
310	2291	1.5	W
311	2292	1.5	W
312	2293	1.5	W
313	2294	1.5	W
314	2295	1.5	W
315	2296	1.5	W
316	2297	1.5	W
317	2298	1.5	W
318	2299	1.5	W
319	2300	1.5	W
320	2301	1.5	W
321	2302	1.5	W
322	2303	1.5	W
323	2304	1.5	W
324	2305	1.5	W
325	2306	1.5	W
326	2307	1.5	W
327	2308	1.5	W
328	2309	1.5	W
329	2310	1.5	W
330	2311	1.5	W
331	2312	1.5	W
332	2313	1.5	W
333	2314	1.5	W
334	2315	1.5	W
335	2316	1.5	W
336	2317	1.5	W
337	2318	1.5	W
338	2319	1.5	W
339	2320	1.5	W
340	2321	1.5	W
341	2322	1.5	W
342	2323	1.5	W
343	2324	1.5	W
344			

**TAB 16**



Document General Form 4 - Land Registration Reform Act

SoftDocs® 41 Wordprocessor Interface 005 070 231-2



L T 0 1 5 6 2 1

CERTIFICATE OF RECEIPT  
HURON (22) 005 01818

12 APR 25 PM 2 06

*[Signature]*  
LAND REGISTRAR

New Property Identifiers  Additional See Schedule

Executions  Additional See Schedule

FOR OFFICE USE ONLY

(1) Registry  Land Titles  (2) Page 1 of 8 pages

(3) Property Identifier(s) Block 41208 Property 0038  
41208-0058-41208-0058  Additional See Schedule

(4) Nature of Document  
**NOTICE OF ASSIGNMENT OF LEASES**  
(SUB-SECTION 111(6) OF THE ACT)

(5) Consideration  
Two Dollars \$ 2.00

(6) Description  
In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, being various Lots and Concessions; more particularly described in Schedule "A" attached hereto and made part hereof.

(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) See Schedule "A" attached

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

**NORTHROCK RESOURCES LTD.** *[Signature]* 2002 04 02

**DANIEL W. LONG**  
VP. CORPORATE DEVELOPMENT

"I have the authority to bind the Corporation."

**ASSIGNOR**

(11) Address for Service 3500, 700 Second Street S.W. Calgary AB T2P 2W2

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

**TALISMAN ENERGY INC.** *[Signature]* 2002 04 02

**TRACEY D. STOCK, P.Eng.**  
Supervisor, Land A&E

"I have the authority to bind the Corporation."

**ASSIGNEE**

(13) Address for Service c/o Elenco Ltd., 201-555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property Unknown

(15) Document Prepared by: **ELENCO LTD.**  
201-555 Southdale Road East  
London, Ontario  
N6E 1A2  
DNI 64 AA from Northrock

FOR OFFICE USE ONLY

Fees and Tax	
Registration Fee	<i>[Signature]</i>
Total	



Additional Property Identifier(s) and/or Other Information

(Box 3) Additional Property Identifiers

41208-0060 ✓

41209-0003 ✓

41452-0159 ✓

41452-0160 ✓

41452-0091 ✓

41452-0088 ✓

41452-0089

41452-0155 ✓

41453-0060 ✓

41452-0089 ✓

FOR OFFICE  
USE ONLY

**THIS INDENTURE made this 1<sup>st</sup> day of June 2001.**

**BETWEEN:**

**NORTHROCK RESOURCES LTD.**, a corporate body with its head office in the City of Calgary, in the Province of Alberta, incorporated under the laws of the Province of Alberta

(hereinafter referred to as "the Assignor")  
**OF THE FIRST PART**

and

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

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

**WHEREAS** Tippetary 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.

**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.

**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.

**WHEREAS** by certain leases, agreements and/or grants (which are, whether singular or plural, hereinafter referred to as the "said leases") particulars of which are set forth in Schedule "A" hereunto annexed and made a part hereof, the party or parties described in the said Schedule did grant, demise and lease unto the Assignor for the term or terms and for the purposes set forth therein, those certain lands (hereinafter referred to as the "said lands") in the County of Huron, in the Province of Ontario, described in the said leases, together with any exclusive right and privilege to explore, drill for, win, take, remove, store and dispose of all oil and gas and related hydrocarbons within, upon or under the said lands, and other rights and privileges, all as set forth in the said leases.

**AND WHEREAS** the Assignor has agreed to grant, assign, and set over unto the Assignee all the Assignor's interest in the said leases as shown in Schedule "A" attached, the unexpired residue of the terms thereof, the said lands and all the rights, interests and privileges granted to the Assignor in and by the same and all benefits and advantages to be derived therefrom

**WITNESSETH** that in consideration of other valuable consideration and the sum of Two Dollars (\$2.00) paid by the Assignee to the Assignor (the receipt of which is hereby acknowledged) the Assignor doth hereby grant, assign and set over unto the Assignee, all and singular the Assignor's interest in and to the said leases as shown in Schedule "A" attached, the unexpired residue of the terms thereof, the rights and privileges granted thereby, together with any exclusive right and privilege to explore, drill for, win, take, remove, store and dispose of all oil and gas and related hydrocarbons within, upon or under the said lands, and other rights and privileges, all as set forth in the said leases;

**TO HAVE AND TO HOLD** the same unto the Assignee for the unexpired residue of the terms of the said leases, subject to the payment of the rentals and royalties and the performance and observance of the covenants, conditions and stipulations reserved and contained in the said leases and henceforth on the Lessee's part to be paid, performed and observed.

AND the Assignor hereby covenants and agrees that the Assignor has good right, full and absolute power and authority to assign all the Assignor's interest in the said leases as shown in Schedule "A" attached, the unexpired residue of the terms thereof, the rights and privileges granted thereby, the said lands and all oil and gas and related hydrocarbons within, upon or under the said lands, according to the true intent and meaning of these presents, and that subject to the payment of the rentals therein prescribed and to the performance of the Lessee's covenants and conditions contained in the said leases, the Assignee may enter into and upon and hold and enjoy the said lands for the unexpired residue of the terms respectively granted by the said leases for its own use and benefit without interruption or molestation of or by the Assignor or any other person whomsoever claiming by, through or under the Assignor.

AND the Assignor shall and will from time to time and at all times hereafter at the request of the Assignee, do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances of the said lands as the Assignee shall reasonably require.

AND it is hereby declared and agreed that the said Schedule "A" hereunto annexed truly and correctly sets forth the said leases and the said lands and that the said Schedule "A" shall form part of this Agreement.

AND the Assignor and the Assignee expressly agree that this assignment of the said leases shall be without any warranty of title, either express or implied.

AND the Assignor agrees to indemnify and save harmless the Assignee from and against any and all claims, demands, actions or suits of whatsoever nature or kind arising in respect of the said leases or of the said lands or of the leased substances therein and thereby demised, prior to and including the date of this Agreement but not after.

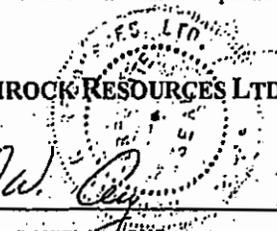
AND it is further declared and agreed that these presents and everything herein contained shall enure to the benefit of and be binding upon the Assignor and Assignee, their successors and assigns, respectively.

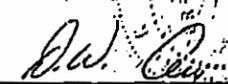
IN WITNESS WHEREOF the Assignor and the Assignee have hereunto affixed their corporate seals, duly attested to by the hands of their proper officers.

SIGNED SEALED AND DELIVERED )  
in the presence of )

\_\_\_\_\_  
Witness )

\_\_\_\_\_  
Witness )

  
NORTHROCK RESOURCES LTD.

  
\_\_\_\_\_  
DANIEL W. LONG  
VP CORPORATE DEVELOPMENT

I have the authority to bind the Corporation

TALISMAN ENERGY INC.

  
\_\_\_\_\_  
TRACEY D. STOCK, P.Eng.  
Supervisor, Land A&D

I have the authority to bind the Corporation

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Northrack Resources Ltd. to Tallman Energy Inc.

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.	
34593	GS Mar 27, 1979 Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999	200938 210621 332966	PORTER, William Gordon PORTER, Nancy Charlene	HIEMSTRA, Freerk	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
					THE CORPORATION OF THE VILLAGE OF BAYFIELD	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34570	PNG Mar 22, 1996 UOA Mar 22, 1996 Assignment	Oct 25, 1996 Dec 18, 1996 Apr 1, 1999	312832 314210 332966	PORTER, William Gordon PORTER, Nancy Charlene	HIEMSTRA, Freerk	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
					THE CORPORATION OF THE VILLAGE OF BAYFIELD	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34700	Surface Lease Jun 20, 1999	Nov 9, 1999	337957	PORTER, Gordon PORTER, Nancy Charlene	HIEMSTRA, Freerk	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
					THE CORPORATION OF THE VILLAGE OF BAYFIELD	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34703	GS Nov 18, 1989 Assignment	Aug 24, 1990 Apr 1, 1999	263924 332966	GRAINGER, Murray	HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165; S/T RESERVATION IN R48977	41452-0091
					GEORGE A. CANTRICK CO. INC.	LT 9 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097	41453-0060
34597	GS Mar 9, 1990 Assignment	Jul 19, 1990 Apr 1, 1999	263034 332966	HILL & HILL FARMS LIMITED	HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165; S/T RESERVATION IN R48977	41452-0091

Lease Type—PNG—Petroleum and Natural Gas Lease  
 AA-321A—SEE TO TALLMAN ENERGY INC.

GS—Gas Storage Lease

UOA—Unit Operation Agreement

Schedule "A"  
Attached to a Notice of Assignment of Leases  
In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
by Northrock Resources Ltd. to Tallman Energy Inc.

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.
34642	GS Jun 8, 1990 Assignment	Aug 24, 1990 Apr 1, 1999 263923 332966	GEORGE A. CANTRICK CO. INC.	GEORGE A. CANTRICK CO. INC.	LT 9 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097	41453-0060
34596	GS Mar 27, 1974 Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 127060 210621 332966	PECK, Arthur PECK, Alma	PECK, ALMA - ESTATE MENZIES, Earl Beecher	PT LT 6 BAYFIELD ROAD NORTH CON STANLEY AS IN R193393	41452-0088
				KERSEY, Linda Suzanne	PT LT 6 BAYFIELD ROAD NORTH CON STANLEY AS IN R285403	41452-0089
34583	PNG Jun 16, 1994 UOA Mar 14, 1996 Assignment	Nov 2, 1994 Dec 18, 1996 Apr 1, 1999 298474 314209 332966	VAN AAKEN, Harold Mario VAN AAKEN, Marnita Lorrain	VAN AAKEN, Harold Mario VAN AAKEN, Marnita Lorrain	PT LT 7 BAYFIELD ROAD SOUTH CON STANLEY; PT LT 8 BAYFIELD ROAD SOUTH CON STANLEY AS IN R285767; SAVE AND EXCEPT PART 19 ON HWP 2218, S/T R64418, MUNICIPALITY OF BLUEWATER	41452-0155
34592	GS Mar 27, 1974 Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 127057 210621 332966	VAN AAKEN, Gerardus Cornelius VAN AAKEN, Catherina M.	VAN AAKEN, Harold Mario VAN AAKEN, Marnita Lorrain	PT LT 7 BAYFIELD ROAD SOUTH CON STANLEY; PT LT 8 BAYFIELD ROAD SOUTH CON STANLEY AS IN R285767; SAVE & EXCEPT PART 19 ON HWP 2218, S/T R64418, MUNICIPALITY OF BLUEWATER	41452-0155
34594	GS Mar 27, 1974 Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 127055 210621 332966	MCBRIDE, Wesley Irvin MCBRIDE, Marjorie	MCBRIDE, Wesley Ervin	LT 9 BAYFIELD ROAD SOUTH CON STANLEY EXCEPT R99176, R102431, & HWP2218; S/T R64419	41209-0003
34595	GS Mar 27, 1979 Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 200939 210621 332966	PORTER, William Gordon PORTER, Nancy Charlene	PORTER, William Gordon PORTER, Nancy Charlene	PT LT 23 CON 11 STANLEY AS IN R292701 EXCEPT HWP2218	41208-0060
34702	GS Oct 12, 1979 Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 200940 210621 332966	TALBOT, Milton E. TALBOT, Emma Jane Flossie	VAN AAKEN, Robert John VAN AAKEN, Leigh Ann	PT LT 23 CON 11 STANLEY AS IN R307345	41208-0058

Lease Type—PNG—Petroleum and Natural Gas Lease  
AA5C11A—SEE TO TLM—IRURX

GS—Gas Storage Lease

UOA—Unit Operation Agreement

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Northrock Resources Ltd. to Tallman Energy Inc.

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.	
34701	GS Oct 18, 1979 Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999	200941 210621 332966	ARMSTRONG, James R.	ARMSTRONG, James R.	PT LT 24 CON 12 STANLEY AS IN R172700; S/T SYA10424	41208-0038
34572	PNG Aug 28, 1996 UOA Aug 28, 1996 Assignment	Dec 18, 1996 Dec 18, 1996 Apr 1, 1999	314206 314207 332966	GRAINGER, George Murray- Estate	GEORGE A. CANTRICK CO. INC.	LT 9 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097	41453-0060
				JOHNSON, Peggy RYAN, Nancy GRAINGER, Bob YOUNGBERG, Barb ERB, Mary E. HORNOR, Helen M. RAMER, Joyce E. BAIN, Joyce KEILLOR, Marilyn HAMILTON, Neil GRAINGER, James R. GRAINGER, Steven FAWCETT, Cathryn HAYTER, Betty DEICHERT, Elaine E.	HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165; S/T RESERVATION IN R48977	41452-0091

Lease Type-PNG—Petroleum and Natural Gas Lease  
 AA-SCHIA-SKE TO TLM. HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

Wordprocessor Interface  
and licensed to A-One Business Services Ltd., London, Ontario

Affidavit of Residence and of Value of the Consideration  
Form 1 - Land Transfer Tax Act

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, various Lots and Concessions.

BY (print names of all transferors in full) Northrock Resources Ltd.

TO (see instruction 1 and print names of all transferees in full) Talisman Energy Inc.

1. (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 ~~acting~~ acting in this transaction for (insert name(s) of principal(s)) Talisman Energy Inc.

(e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for (insert name(s) of corporation(s))  
described in paragraph(s) (d), (d), (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)(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 \$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) Money paid or to be paid in cash	\$	<u>2.00</u>	
(b) Mortgages (i) Assumed (show principal and interest to be credited against purchase price)	\$	<u>Nil</u>	All Blanks Must Be Filled In. Insert "Nil" Where Applicable
(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>2.00</u>	\$ <u>2.00</u>
(h) VALUE OF ALL CHATTELS - Items of tangible personal property (Real Estate 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.184, as amended)	\$	<u>Nil</u>	
(i) Other consideration for transaction not included in (g) or (h) above	\$	<u>Nil</u>	
(j) TOTAL CONSIDERATION	\$	<u>2.00</u>	

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 4)

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 Assignment of Oil and Gas Lease(s) 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 12th day of April X 2002

A Commissioner for taking Affidavits, etc.

*[Signature]*  
signature(s)

Property Information Record

A. Describe nature of instrument: NOTICE OF ASSIGNMENT OF LEASES  
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 transferor's solicitor

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). 04490 (90-09)

**TAB 17**

LT 019333

CERTIFICATE OF RECEIPT  
HURON (22) GODERICH

'02 SEP 18 AM 10 36

*L. Swanson*  
LAND REGISTRAR

New Property Identifiers \_\_\_\_\_ Additional: See Schedule

Executions \_\_\_\_\_ Additional: See Schedule

FOR OFFICE USE ONLY

(1) Registry  Land Titles  (2) Page 1 of 5 pages

(3) Property Identifier(s) 41452 Block Property 0159 ✓ Additional: See Schedule   
41452 0160 ✓

(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, 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.

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

PORTER, William Gordon *William Gordon Porter* 2002 06 20

PORTER, Nancy Charlene *Nancy Charlene Porter* 2002 06 20

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) Signature(s) Date of Signature Y M D

TALISMAN ENERGY INC. *[Signature]* 2002 09 05

Lessee and Applicant

"I have authority to bind this Corporation"

(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. 070369-15-7 34570

Fees and Tax	
Registration Fee	60
Total	60

*Approved by Legal Que 24402*

FOR OFFICE USE ONLY

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

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);

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:

Raymond Currie  
Witness  
witness - Raymond Currie

) LESSOR  
 ) William Gordon Porter  
 ) WILLIAM GORDON PORTER  
 ) Nancy Charlene Porter  
 ) NANCY CHARLENE PORTER  
 )  
 ) LESSEE  
 ) TALISMAN ENERGY INC.  
 ) [Signature]  
 )  
 ) Halton Plains Land Services Ltd.  
 )  
 ) "I have authority to bind the Corporation"

Computer-assisted Interface  
Prepared by The Tesco Group, 555 Southdale Road East, London, Ontario  
to all instructions on reverse side.  
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; SIT INTEREST IN R338076, now known as P.I.N. 41452-0152, and SECONDLY, PT LT 7 BAYFIELD RD NORTH CON. AS IN R338076 EXCEPT PTS 2 & 3 22R4570; SIT INTEREST IN R338076; SIT R212930 now known as P.I.N. 41452-0160.

Affidavit of Residence and of Value of the Consideration  
Form 1 - Land Transfer Tax Act

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 check 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 ~~executive~~ acting in this transaction for (insert name(s) of principal(s)) Talisman Energy Inc.

(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 paragraph(s))  
 (f) I 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)(a) of the Act. The land conveyed in the above-described conveyance  
 contains at least one and not more than two single family residences. 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.  
 does not contain a single family residence.  
 contains more than two single family residences. (see instruction 2)

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) Money paid or to be paid in cash	\$ Nil
(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))	\$ Nil
(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.434, as amended)	\$ Nil
(i) Other consideration for transaction not included in (g) or (h) above	\$ Nil
(j) TOTAL CONSIDERATION	\$ Nil

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

8. 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. 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). 04490 (90-09)  
SoftDocs is a registered trade mark of SilycUS Corporation, Toronto, Canada. LTTA Form 1 6/1992

**TAB 18**

FOR OFFICE USE ONLY

CERTIFICATE OF RECEIPT  
HURON(22)GODERICH

'03 JAN 9 PM 3 54

*Johnson*  
LAND REGISTRAR

New Property Identifiers

Additional:  
See  
Schedule

Executions

Additional:  
See  
Schedule

(1) Registry <input type="checkbox"/>	Land Titles <input checked="" type="checkbox"/>	(2) Page 1 of 11 pages
(3) Property Identifier(s)	Block 41208 41208	Property 0038 0058

Additional:  
See  
Schedule

(4) Nature of Document  
NOTICE OF ASSIGNMENT OF LEASES  
(Subsection 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, various Lots and Concessions, as more particularly described in Schedule "A" attached hereto.

(7) This Document Contains:

(a) Redescription New Easement Plan/Sketch <input type="checkbox"/>	(b) Schedule for: Description <input type="checkbox"/>	Additional Parties <input checked="" type="checkbox"/>	Other <input checked="" type="checkbox"/>
---	---	--	---

(8) This Document provides as follows:  
To: The Land Registrar of the Land Titles Division of Huron:  
  
CLEARBEACH RESOURCES INC. and AVENUE ENERGY LIMITED PARTNERSHIP hereby apply for the entry of a Notice of Assignment of Leases, as set out in Schedule "A" attached, wherein the Lessors leased their interest of which Notice is registered in respect of the said lands of which the registered owners are set out in Schedule "A". The evidence in support of this application consists of: Assignment of Leases.

Continued on Schedule

(9) This Document relates to instrument number(s) See Schedule "A" attached

(10) Party(ies) (Set out Status or Interest)  
Name(s)  
TALISMAN ENERGY INC.

Signature(s) *[Signature]* Date of Signature Y M D  
2002 12 03

*DAVEY D. STOCK, Pres.*  
Superior, Land A&D  
"I have the authority to bind the Corporation"

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

(12) Party(ies) (Set out Status or Interest)  
Name(s)  
CLEARBEACH RESOURCES INC.

Signature(s) *[Signature]* Date of Signature Y M D  
2003 01 07  
Per: Jane Lowrie, President  
*[Signature]* 2002 01 08  
Per: Donald V. Cricht, Secretary-Treasurer

"I/We have authority to bind the Corporation"

Assignee  
(13) Address for Service 309 Commissioners Road West, Unit "C", London, ON N6J 1Y4

(14) Municipal Address of Property Multiple	(15) Document Prepared by: ELEXCO LTD. Suite 201, 555 Southdale Road East London, ON N6E 1A2  File No.: 070369-15-	FOR OFFICE USE ONLY
		Fees and Tax
		Registration Fee 60
		Total 60



# Schedule

Form 5—Land Registration Reform Act

**S**

140

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s)

Signature(s)

Date of Signature

Y M D

AVENUE ENERGY LIMITED

PARTNERSHIP

By its General Partner, Avenue Energy Trust, By its Trustee, Express Energy Corp.

*[Signature]*  
Per: Jack Schoenmakers

"I have authority to bind the Corporation"

2002 | 01 | 07

Assignee

(11) Address for Service

(10) ADDITIONAL PARTY(IES)

Name(s)

Signature(s)

Date of Signature

Y M D

(11) Address for Service

(10) ADDITIONAL PARTY(IES)

Name(s)

Signature(s)

Date of Signature

Y M D

Lessor

(11) Address for Service

FOR OFFICE  
USE ONLY

Additional Property Identifier(s) and/or Other Information

(3) Property Identifiers (Continued)

<u>Block</u>	<u>Property</u>
41208	0060
41209	0003
41452	0088
41452	0089
41452	0091
41452	0159
41452	0155
41452	0160
41453	0060

FOR OFFICE  
USE ONLY

**ASSIGNMENT OF LEASES**

**THIS INDENTURE** made this 16th day of December, 2002

**BETWEEN:**

**TALISMAN ENERGY INC.**, a corporation incorporated pursuant to the laws of the Canada, having its Head Office in the City of Calgary, in the Province of Alberta  
(hereinafter referred to as "the Assignor")  
**OF THE FIRST PART**

**AND**

**CLEARBEACH RESOURCES INC.**, a corporation duly incorporated under the laws of the Province of Ontario, having its registered office at 309 Commissioners Road West, Unit "C", London, ON N6J 1Y4  
(hereinafter referred to as an "Assignee")  
**OF THE SECOND PART**

**AND**

**AVENUE ENERGY LIMITED PARTNERSHIP**, a limited partnership formed under the Limited Partnerships Act of Ontario, having its office at 199 Edgehill Drive, Kitchener, ON N2P 2C6  
(hereinafter referred to as an "Assignee")  
**OF THE THIRD PART**

**WHEREAS** Clearbeach Resources Inc. and Avenue Energy Limited Partnership are collectively sometimes referred to as the "Assignees";

**AND WHEREAS** by certain leases, agreements and/or grants (which are collectively hereinafter referred to as the "said leases") particulars of which are set forth in Schedule "A" hereunto annexed and made a part hereof, the party or parties described in the said Schedule "A" (or their predecessors in title) did grant, demise and lease unto the Assignor (or its predecessors in title) for the term or terms and for the purposes set forth therein, those certain lands (hereinafter referred to as the "said lands") in the County of Huron, in the Province of Ontario, described in the said leases, together with any exclusive right and privilege to explore, drill for, win, take, remove, store and dispose of all oil and gas and related hydrocarbons within, upon or under the said lands, and other rights and privileges, all as set forth in the said leases;

**AND WHEREAS** the Assignor has agreed to grant, assign, and set over unto the Assignee of the Second Part, an undivided fifty percent (50%) of the Assignor's interest in the said leases, the unexpired residue of the terms thereof, the said lands and all the rights, interests and privileges granted to the Assignor in and by the same and all benefits and advantages to be derived therefrom;

**AND WHEREAS** the Assignor has agreed to grant, assign, and set over unto the Assignee of the Third Part, an undivided fifty percent (50%) of the Assignor's interest in the said leases, the unexpired residue of the terms thereof, the said lands and all the rights, interests and privileges granted to the Assignor in and by the same and all benefits and advantages to be derived therefrom;

**WITNESSETH** that in consideration of other valuable consideration and the sum of Two Dollars (\$2.00) paid by the Assignees to the Assignor (the receipt of which is hereby acknowledged) the Assignor doth hereby grant, assign and set over unto each of the Assignee of the Second Part and the Assignee of the Third Part, an undivided fifty percent (50%) interest, being all and singular the Assignor's interest in and to the said leases, the unexpired residue of the terms thereof, the rights and privileges granted thereby, the said lands together with any exclusive right and privilege to explore, drill for, win, take, remove, store and dispose of all oil and gas and related hydrocarbons within, upon or under the said lands, and other rights and privileges, all as set forth in the said leases;

**TO HAVE AND TO HOLD** the same unto the Assignees for the unexpired residue of the terms of the said leases, subject to the payment of the rentals and royalties and the performance and observance of the covenants, conditions and stipulations reserved and contained in the said leases and henceforth on the lessee's part to be paid, performed and observed.

AND the Assignor hereby covenants and agrees with the Assignees that the Assignor has good right, full and absolute power and authority to assign all the Assignor's interest in the said leases as shown in Schedule "A" attached, the unexpired residue of the terms thereof, the rights and privileges granted thereby, the said lands and all oil and gas and related hydrocarbons within, upon or under the said lands, according to the true intent and meaning of these presents, and that subject to the payment of the rentals therein prescribed and to the performance of the lessee's covenants and conditions contained in the said leases, the Assignees may enter into and upon and hold and enjoy the said lands for the unexpired residue of the terms respectively granted by the said leases for their own use and benefit without any interruption of or by the Assignor or any other person whomsoever claiming by, through or under the Assignor.

AND the Assignor shall and will from time to time and at all times hereafter at the request of the Assignees, do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances of the said lands as the Assignees shall reasonably require.

AND it is hereby declared and agreed that the said Schedule "A" hereunto annexed truly and correctly sets forth the said leases and the said lands and that the said Schedule "A" shall form part of this Assignment.

AND the Assignor and the Assignees expressly agree that this Assignment of the said leases shall be without any warranty of title, either express or implied.

AND it is further declared and agreed that these presents and everything herein contained shall enure to the benefit of and be binding upon the Assignor and Assignees, their successors and assigns, respectively.

IN WITNESS WHEREOF the Assignor and the Assignees have executed this Assignment as duly attested to by the hands of their proper officers.

ASSIGNOR:  
TALISMAN ENERGY INC.

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

*"I have authority to bind the Corporation"*

ASSIGNEE:  
CLEARBEACH RESOURCES INC.

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

Jane E. Lowrie, President

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

Donald V. Crich, Secretary-Treasurer

*"I/We have authority to bind the Corporation"*

ASSIGNEE:  
AVENUE ENERGY LIMITED PARTNERSHIP  
By its General Partner, Avenue Energy Trust,  
By its Trustee, Express Energy Corp.

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

Jack Schoenmakers

*"I have authority to bind the Corporation"*

Schedule "A"  
Attached to a Notice of Assignment of Leases  
In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
by Talisman Energy Inc. to Clearbeach Resources Inc. and Avenue Energy Limited Partnership

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.	
34593	GS Mar 27, 1979 Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002	200938 210621 332966 LT15621	PORTER, William Gordon PORTER, Nancy Charlene	HIEMSTRA, Freerk	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
					THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34570	PNG Mar 22, 1996 UOA Mar 22, 1996 Assignment Assignment Amendment	Oct 25, 1996 Dec 18, 1996 Apr 1, 1999 Apr 25, 2002 Sep 18, 2002	312832 314210 332966 LT15621 LT19333	PORTER, William Gordon PORTER, Nancy Charlene	HIEMSTRA, Freerk	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
					THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34700	Surface Lease Jun 20, 1999 Assignment	Nov 9, 1999 Apr 25, 2002	337957 LT15621	PORTER, Gordon PORTER, Nancy Charlene	HIEMSTRA, Freerk	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
					THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34703	GS Nov 18, 1989 Assignment Assignment	Aug 24, 1990 Apr 1, 1999 Apr 25, 2002	263924 332966 LT15621	GRAINGER, Murray	HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165; NOW MUNICIPALITY OF BLUEWATER	41452-0091
					GAC CORPORATION	LT 9 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097; NOW MUNICIPALITY OF BLUEWATER	41453-0060

Lease Type—PNG—Petroleum and Natural Gas Lease  
AA-SCHA—NRK TO TLM—HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

144

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 in the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Talisman Energy Inc. to Clearbeach Resources Inc. and Avenue Energy Limited Partnership

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. NO.	
34597	GS Mar 9, 1990 Assignment Assignment	Jul 19, 1990 Apr 1, 1999 Apr 25, 2002	263034 332966 LT15621	HILL & HILL FARMS LIMITED	HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165	41452-0091 ✓
34642	GS Jun 8, 2002	JAN 9, 2003	LT21809	GAC CORPORATION	GAC CORPORATION	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097	41453-0060 ✓
34596	GS Mar 27, 1974 Assignment Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002	127060 210621 332966 LT15621	PECK, Arthur PECK, Alma	HIEMSTRA, Pieter HIEMSTRA, Freerk	PT LT 6 BAYFIELD ROAD NORTH CON STANLEY AS IN R193393	41452-0088 ✓
					KERSEY, Linda Suzanne	PT LT 6 BAYFIELD ROAD NORTH CON STANLEY AS IN R285403	41452-0089 ✓
34583	PNG Jun 16, 1994 UOA Aug 28, 1996	Apr 25, 2002 Sep 18, 2002	LT15630 LT19341	VAN AAKEN, Harold Mario VAN AAKEN, Mamita Lorrain	VAN AAKEN, Harold Mario VAN AAKEN, Mamita Lorrain	PT LT 7 BAYFIELD ROAD SOUTH CON STANLEY; PT LT 8 BAYFIELD ROAD SOUTH CON STANLEY AS IN R285767; SAVE & EXCEPT PART 19 ON HWP 2218, S/T R64418, MUNICIPALITY OF BLUEWATER	41452-0155 ✓
34592	GS Mar 27, 1974 Assignment Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002	127057 210621 332966 LT15621	VAN AAKEN, Gerardus Cornelius VAN AAKEN, Catherina M.	VAN AAKEN, Harold Mario VAN AAKEN, Mamita Lorrain	PT LT 7 BAYFIELD ROAD SOUTH CON STANLEY; PT LT 8 BAYFIELD ROAD SOUTH CON STANLEY AS IN R285767; SAVE & EXCEPT PART 19 ON HWP 2218, S/T R64418, MUNICIPALITY OF BLUEWATER	41452-0155 ✓
34594	GS Mar 27, 1974 Assignment Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002	127055 210621 332966 LT15621	MCBRIDE, Wesley Irvin MCBRIDE, Marjorie	WES MCBRIDE FARMS LTD.	LT 9 BAYFIELD ROAD SOUTH CON STANLEY EXCEPT R99176, R102431, & HWP2218; S/T R64419	41209-0003 ✓

Lease Type—PNG—Petroleum and Natural Gas Lease -  
 AA-SCHA—NRX TO TLM- HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

145

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 in the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Talisman Energy Inc. to Clearbeach Resources Inc. and Avenue Energy Limited Partnership

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.
34638	PNG Mar 19, 2002	Apr 25, 2002 LT15629	MCBRIDE, Wesley Irvin MCBRIDE, Marjorie	WES MCBRIDE FARMS LTD.	LT 9 BAYFIELD ROAD SOUTH CON STANLEY EXCEPT R99176, R102431, & HWP2218; S/T R64419	41209-0003 ✓
34595	GS Mar 27, 1979 Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002	200939 210621 332966 LT15621	PORTER, William Gordon PORTER, Nancy Charlene	PT LT 23 CON 11 STANLEY AS IN R292701 EXCEPT HWP2218	41208-0060 ✓
34702	GS Oct 12, 1979 Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002	200940 210621 332966 LT15621	TALBOT, Milton E. TALBOT, Emma Jane Flossie	VAN AAKEN, Robert John VAN AAKEN, Leigh Ann	PT LT 23 CON 11 STANLEY AS IN R307345 41208-0058 ✓
34701	GS Oct 18, 1979 Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002	200941 210821 332966 LT15621	ARMSTRONG, James R.	ARMSTRONG, James R. PT LT 24 CON 12 STANLEY AS IN R172700; S/T SYA10424	41208-0038 ✓

Lease Type—PNG—Petroleum and Natural Gas Lease  
 AA-SCHA—NRK TO TLM- HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

8  
146

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 in the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Talisman Energy Inc. to Clearbeach Resources Inc. and Avenue Energy Limited Partnership

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.
34572	PNG Aug 28, 1996 UOA Aug 28, 1996 Assignment Assignment	Dec 18, 1996 Dec 18, 1996 Apr 1, 1999 Apr 25, 2002	314206 314207 332966 LT15621	GAC CORPORATION	LT 9 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097	41453-0060
				HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165; S/T RESERVATION IN R48977	41452-0091

Lease Type—PNG—Petroleum and Natural Gas Lease  
AA-SCHA—NRG TO TLM, HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

6  
 147

is a registered trade mark of Stylis Corporation.

Property Identifier(s) No. #200-0036 #200-0036

Land Transfer Tax Affidavit Land Transfer Tax Act

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, various Lots and Concessions.

BY (print names of all transferors in full) TALISMAN ENERGY INC. TO (print names of all transferees in full) CLEARBEACH RESOURCES INC. and AVENUE ENERGY LIMITED PARTNERSHIP

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 deponent(s): (a) the transferee(s) named in the above-described conveyance; (b) the authorized agent... (c) the President, Secretary, Treasurer or Manager authorized to act for Clearbeach Resources Inc. (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) Money paid or to be paid in cash \$ 2.00 (b) Mortgages (i) Assumed (principal and interest) \$ Nil (ii) Given back to vendor \$ Nil (c) Property transferred in exchange (detail below in para. 5) \$ Nil (d) Other consideration subject to tax (detail below) \$ Nil (e) Fair market value of the lands (see instruction 2) \$ Nil (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax (Total of (a) to (e)) \$ 2.00 \$ 2.00 (g) Value of all chattels - items of tangible personal property which are taxable under the provisions of the Retail Sales Tax Act \$ Nil (h) Other consideration for transaction not included in (f) or (g) above \$ Nil (i) Total Consideration \$ 2.00

- 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: (a) does not contain a single family residence or contains more than two single family residences. (b) contains at least one and not more than two single family residences. (c) 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 (X) No 5. Other remarks and explanations, if necessary. The attached Assignment of Leases 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 and/or the attached Leases are 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 7th day of January, 2008 A Commissioner for taking Affidavits, etc. Jane Elizabeth Lowrie

Property Information Record A. Describe nature of instrument: NOTICE OF ASSIGNMENT OF LEASES 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 (X) 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? (c) Do all individual transferees have French Language Education Rights? (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)?

Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b). 044511 (02-01)

for all instructions on reverse side.

Property Identifier(s) No. 41288-0038 41288-0038

Land Transfer Tax Affidavit Land Transfer Tax Act

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, various Lots and Concessions.

BY (print names of all transferors in full) TALISMAN ENERGY INC. TO (print names of all transferees in full) CLEARBEACH RESOURCES INC. and AVENUE ENERGY LIMITED PARTNERSHIP

I 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... (c) the President, Vice President, Secretary, Treasurer, Director or Manager authorized to act for Express Energy Corp., Trustee of Avenue Energy Trust, General Partner for Avenue Energy Limited Partnership (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:

Table with 2 columns: Description and Amount. Rows include: (a) Money paid or to be paid in cash \$ 2.00; (b) Mortgages (i) Assumed (principal and interest) Nil; (ii) Given back to vendor Nil; (c) Property transferred in exchange (detail below in para. 3) Nil; (d) Other consideration subject to tax (detail below) Nil; (e) Fair market value of the lands (see instruction 2) Nil; (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax (Total of (a) to (e)) \$ 2.00 \$ 2.00; (g) Value of all chattels - items of tangible personal property which are taxable under the provisions of the Retail Sales Tax Act Nil; (h) Other consideration for transaction not included in (f) or (g) above Nil; (i) Total Consideration \$ 2.00

All blanks must be filled in. Insert "Nil" where applicable.

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: (a) does not contain a single family residence or contains more than two single family residences. (b) contains at least one and not more than two single family residences. (c) 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 Assignment of Leases 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 and/or the attached Leases are 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.

Sworn before me at the City of London in the County of Middlesex this 7 day of January, 2008

Signature(s) Jack Schoenmakers

Property Information Record

- A. Describe nature of instrument: NOTICE OF ASSIGNMENT OF LEASES
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). 04-191(02-01)

**TAB 19**

150

**Properties**

PIN 41452 - 0160 LT Estate/Qualifier Fee Simple Lt Conversion Qualified  Redescription  
Description PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS  
IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T R212930  
Address RR #1  
BAYFIELD

**Party From(s)**

Name THE CORPORATION OF THE VILLAGE OF BAYFIELD  
Address for Service 14 Mill Street  
Zurich, ON N0M 1T0

**Applicant(s)** Capacity Share

Name THE CORPORATION OF THE MUNICIPALITY OF  
BLUEWATER  
Address for Service 14 Mill Street  
Zurich, ON N0M 1T0

I, Bill Dowson, Mayor and Janisse Zimmerman, Clerk—Administrator, have the authority to bind the corporation  
This document is not authorized under Power of Attorney by this party.

**Statements**

The name has changed as a result of municipal restructuring and this statement is made for no improper purpose.  
Schedule: On January 1, 2001 The Corporation of the Village of Bayfield amalgamated under the new name of The Corporation of the  
Municipality of Bluewater by Order under the Municipal Act RSO 1990 CM45.

**Signed By**

Christopher Allan Lewis 485 Waterloo St. acting for Applicant(s) Signed 2004 11 25  
London N6B 2P4  
Tel 519-432-8003  
Fax 5196794700

**Submitted By**

GIFFEN & PARTNERS 485 Waterloo St. 2004 11 25  
London N6B 2P4  
Tel 519-432-8003  
Fax 5196794700

**Fees/Taxes/Payment**

Statutory Registration Fee \$60.00  
Total Paid \$60.00

**File Number**

Applicant Client File Number : CLEARBEACH

**TAB 20**

151

**Properties**

PIN 41452 - 0160 LT Estate/Qualifier Fee Simple Lt Conversion Qualified  Redescription  
 Description PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T R212930  
 Address RR# 1 BAYFIELD

**Consideration**

Consideration \$2,500.00

**Party From(s)**

Name THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER  
 Address for Service 14 Mill Street  
 Zurich, ON N0M 1T0

I, Bill Dowson, Mayor and Janisse Zimmerman, Clerk-Administrator, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

<b>Party To(s)</b>	<b>Capacity</b>	<b>Share</b>
--------------------	-----------------	--------------

Name	CLEARBEACH RESOURCES INC.	
Address for Service	309 Commissioners Road West, Unit E London, ON N6J 1Y4	

**Statements**

The following is the complete lease See Schedules

**Signed By**

Christopher Allan Lewis	485 Waterloo St. London N6B 2P4	acting for Party From(s)	Signed	2004 11 25
Tel	519-432-8003			
Fax	5196794700			

**Submitted By**

GIFFEN & PARTNERS	485 Waterloo St. London N6B 2P4			2004 11 25
Tel	519-432-8003			
Fax	5196794700			

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Land Transfer Tax	\$12.50
Total Paid	\$72.50

**LAND TRANSFER TAX STATEMENTS**

In the matter of the conveyance of: 41452 - 0160 PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T R212930

BY: THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER

TO: CLEARBEACH RESOURCES INC.

1. HOWARD JORDAN

I am

- (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 CLEARBEACH RESOURCES INC. described in paragraph(s) (c) above.
- (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for \_\_\_\_\_ described in paragraph(s) ( ) above.
- (f) A transferee described in paragraph() and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my spouse described in paragraph( ) and as such, I have personal knowledge of the facts herein deposited to.
- (g) A transferee described in paragraph() and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my same-sex partner described above in paragraph(s) ( ).

3. The total consideration for this transaction is allocated as follows:

(a) Monies paid or to be paid in cash	2,500.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	2,500.00
(h) VALUE OF ALL CHATTELS -items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	2,500.00

PROPERTY Information Record

A. Nature of Instrument: Notice Of Lease  
LRO 22 Registration No. HC15841 Date: 2004/11/25

B. Property(s): PIN 41452 - 0160 Address RR# 1 Assessment -  
BAYFIELD Roll No

C. Address for Service: 309 Commissioners Road West, Unit E  
London, ON N6J 1Y4

D. (i) Last Conveyance(s): PIN 41452 - 0160 Registration No. R338076  
(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes  No  Not known

E. Tax Statements Prepared By: Christopher Allan Lewis  
485 Waterloo St.  
London N6B 2P4

THIS INDENTURE made effective as of the 20th day of June, 2004

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT

BETWEEN:

**THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER,**

hereinafter called the "Lessor"  
**OF THE FIRST PART**

AND

**CLEARBEACH RESOURCES INC.**

a body corporate with its Head Office at the City of London, in the Province of Ontario,  
incorporated under the laws of the Province of Ontario,

hereinafter called the "Lessee"  
**OF THE SECOND PART**

WHEREAS the Lessor is the registered owner subject to any registered encumbrances, of certain lands in the geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, Province of Ontario, and being comprised of:

Lot 7, Bayfield Road North Concession, save and except Parts 2 and 3 on Reference Plan 22R-4570,

hereinafter referred to as "the Lessor's lands"

WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee, the Lessor doth demise and lease unto the Lessee, its successors and assigns a portion of the Lessor's lands being:

those parts of Lot 7, Bayfield Road North Concession, designated as Parts 1 and 2 on a Reference Plan 22R-1760,

hereinafter referred to as "the said lands"

TO HAVE AND TO HOLD the said lands for and during the term of **FIVE (5)** years to be computed from the 20th day of June, 2004 and from thenceforth next ensuing and fully to be complete and ended;

AND THE LESSOR doth also hereby give and grant unto the Lessee the right, liberty, and privilege in, upon, under or across the said lands to lay down, construct, maintain, inspect, remove, replace, reconstruct and repair pipes or pipe lines and all structures and equipment necessary or incidental thereto for use in connection with all the operations whatsoever of the Lessee;

YIELDING AND PAYING therefor in full settlement for the said term unto the Lessor, or the Lessor's heirs, executors, administrators or assigns, the sum of **TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00)** paid prior to the sealing of this indenture, the receipt whereof is hereby acknowledged;

**1. THE LESSOR HEREBY COVENANTS AND AGREES TO AND WITH THE LESSEE:**

(a) **Taxes Paid by Lessor:**

To promptly pay and satisfy all taxes, rates and assessments that may be assessed against the said lands during the continuance of this Lease.

(b) **Quiet Enjoyment:**

That the Lessor has good title to the said lands as hereinbefore set forth, has good right and, full power to grant and lease the said lands, rights and privileges in manner aforesaid, and that the Lessee, upon observing and performing the covenants and conditions on the Lessee's part herein contained, shall and may peacefully possess and enjoy the demised premises and the rights and privileges hereby granted during the said term and any extension thereof without any interruption or disturbance from or by the Lessor or any other person whomsoever.

- 2 -

**2. THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:**

- (a) **Payment of Rental:**  
To pay the rentals hereinbefore reserved.
- (b) **Fencing:**  
During the continuance of this Lease, to erect and out upon the boundaries of the sites and roadways constructed or placed by the Lessee on the said lands a good and substantial fence if so requested by the Lessor, and to replace all fences which it may have damaged, and if and when so requested by the Lessor, to provide a proper livestock guard at any point of entry upon the said lands used by it, and, upon the use thereof, to close all gates.
- (c) **Taxes Payable by Lessee:**  
To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, equipment, structures and works placed by the Lessee in, on, over or under the said lands.
- (d) **Abandonment and Restoration:**  
Upon the discontinuance of the use of any portion or portions of the said lands, to restore such portion or portions to the same condition so far as it may be practicable so to do as that existing immediately prior to the entry thereon and the use thereof by the Lessee.
- (e) **Compensation for Damage:**  
To pay compensation for damage done by it to growing crops, fences and buildings or other improvements of the Lessor upon the said lands.
- (f) **Burial of Pipe Line:**  
To bury pipe lines laid by it crossing any cultivated area of the said lands to a depth of not less than eighteen (18) inches from the surface of the ground, backfill any excavations made and level the same.

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

- (a) **Surrender:**  
The Lessee shall have the right at any time on written notice to that effect to the Lessor, to cease the use and occupation of the demised premises, and in the event of the Lessee so doing this Lease shall be terminated, but there shall be no refund to the Lessee of any rental which may have been paid in advance.
- (b) **Removal of Equipment:**  
The Lessee shall at all times during the continuance of this Lease and for a period of six (6) months following the termination hereof, have the right to remove or cause to be removed from the said lands all buildings, structures, fixtures, casing in wells, pipe lines, material and equipment of, whatsoever nature or kind, which it may have placed on or in the said lands.
- (c) **Discharge of Encumbrances:**  
The Lessee may at its option pay or discharge all or part of any balance owing under any Agreement for Sale or Mortgage, or of any tax, charge, lien or encumbrance of any kind or nature whatsoever which may now or hereafter exist on or against or in any way affect the said lands, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof, and may in addition thereto, at its option, reimburse itself by applying on account of repayment of the amount so paid by it the rentals or other sums accruing to the Lessor under the terms of this Lease.

3. (d) **Assignment by Lessee:**  
 The Lessee may delegate, assign or convey to other persons or corporations, all or any of the powers, rights and interests obtained by or conferred upon the Lessee hereunder, and may enter into all agreements, contracts, and writings and do all necessary acts and things to give effect to the provisions of this clause.

(e) **Notices:**  
 All Notices to be given hereunder may be given by registered letter addressed to the party to whom the notice is to be given, and any such notice shall be deemed to be given to, and received by, the addressee seven (7) days after the mailing thereof, postage prepaid.

(f) **Addresses:**  
 Unless changed by notice the addresses of the parties hereto shall be:

Lessor: 14 Mill Street, Zurich, Ontario, N0M 1T0

Lessee: 309 Commissioners Road West, Unit E, London, Ontario, N6J 1Y4

The Lessor does hereby consent to the transaction evidenced by this instrument and the registration of the same on title to the lands herein described.

THESE PRESENTS and everything herein contained shall enure to the benefit of and be binding upon the Lessor, his heirs, executors, administrators and assigns and upon the Lessee, its successors and assigns.

The above mentioned Lessee, doth hereby accept this Lease of the above described land, to be held by it as tenant and subject to the conditions, restrictions and covenants above set forth.

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

SIGNED, SEALED AND DELIVERED  
 in the Presence of:

**THE CORPORATION OF THE  
 MUNICIPALITY OF BLUEWATER**

*Bill Dawson*  
 Bill Dawson, Mayor

*J. Zimmerman*  
 Janisse Zimmerman, Clerk-Administrator

Lessor

We have authority to bind the Corporation.

**CLEARBEACH RESOURCES INC.**

*Jane Lowrie*  
 Jane Lowrie President  
 Lessee

I have authority to bind the Corporation.

**TAB 21**



Document General  
Form 4 - Land Registration Reform Act

Do Process Software Ltd. • (416) 322-6111

1162-7036

D  
10

156

FOR OFFICE USE ONLY

NUMBER  
HC 39046  
CERTIFICATE OF RECEIPT  
MAY 31, 2007 11:4 AM  
HURON NO. 22  
GODERICH  
L. Swanson  
Land Registrar

(1) Registry  Land Titles  (2) Page 1 of 10 pages

(3) Property Identifier(s) Block Property  
41452 - 0159  
41452 - 0160 Additional: See Schedule

(4) Nature of Document  
NOTICE OF ASSIGNMENT OF LEASES  
(Subsection 11(6) of the Land Titles Act)

(5) Consideration  
TWO Dollars \$ 2.00

(6) Description  
In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, various Lots and Concessions as more particularly described in Schedule "A" attached hereto.

(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:

TRIBUTE RESOURCES INC. hereby applies for the entry of a Notice of Assignment of Leases, as set out in Schedule "A" attached, wherein the Lessors leased their interest of which Notice is registered in respect of the said lands of which the registered owners are set out in Schedule "A". The evidence in support of this application consists of an Assignment of Leases.

Continued on Schedule

(9) This Document relates to instrument number(s)  
See Schedule "A" attached hereto

(10) Party(ies) (Set out Status or Interest)  
Name(s) Signature(s) Date of Signature  
Y M D

CLEARBEACH RESOURCES INC. Per: [Signature] 2007 05 10  
Name: Jane E. Lowrie  
Title: President  
We have authority to bind the Corporation.

Per: [Signature] 2007 05 10  
Name: Donald V. Crich  
Title: Secretary-Treasurer

(11) Address for Service  
309 Commissioners Road West, Unit E, London, Ontario, N6J 1Y4

(12) Party(ies) (Set out Status or Interest)  
Name(s) Signature(s) Date of Signature  
Y M D

TRIBUTE RESOURCES INC. Per: [Signature] 2007 05 10  
Name: Jane E. Lowrie  
Title: President  
We have authority to bind the Corporation.

Per: [Signature] 2007 05 10  
Name: Jack Schwenmakers  
Title: Director

(13) Address for Service  
309 Commissioners Road West, Unit E, London, Ontario, N6J 1Y4

(14) Municipal Address of Property  
Multiple

(15) Document Prepared by:  
Christopher A. Lewis  
Giffen & Partners  
465 Waterloo Street  
London, Ontario  
N6B 2P4

Fees and Tax	
Registration Fee	70
Total	70

(3) Property Identifiers (Continued)

<u>Block</u>	<u>Property</u>
41452	0159
41452	0160
41452	0091
41453	0060
41452	0088
41452	0089
41452	0155
41209	0003
41208	0060
41208	0058
41208	0038

## ASSIGNMENT OF LEASES

**THIS INDENTURE** made this 10<sup>th</sup> day of May, 2007.

**B E T W E E N:**

**CLEARBEACH RESOURCES INC.**, a corporation duly incorporated under the laws of the Province of Ontario, having its registered office at 309 Commissioners Road West, Unit "E", London, ON N6J 1Y4

(hereinafter referred to as an "Assignor")

OF THE FIRST PART

AND

**TRIBUTE RESOURCES INC.**, a corporation duly incorporated under the laws of the Province of Alberta, having a business office at 309 Commissioners Road West, Unit "E", London, ON N6J 1Y4

(hereinafter referred to as an "Assignee")

OF THE SECOND PART

**WHEREAS** by certain leases, agreements and/or grants (which are collectively hereinafter referred to as the "said leases") particulars of which are set forth in Schedule "A" hereunto annexed and made a part hereof, the party or parties described in the said Schedule (or their predecessors in title) did grant, demise and lease unto the Assignor (or its predecessors in title) for the term or terms and for the purposes set forth therein, those certain lands (hereinafter referred to as the "said lands") in the County of Huron, in the Province of Ontario, described in the said leases, together with any exclusive right and privilege to explore, drill for, win, take, remove, store and dispose of all oil and gas and related hydrocarbons within, upon or under the said lands, and other rights and privileges, all as set forth in the said leases.

**AND WHEREAS** the Assignor holds an undivided Fifty (50.0%) Percent interest in the said leases and the said lands.

**AND WHEREAS** the Assignor has agreed to grant, assign, and set over unto the Assignee the Assignor's an undivided Fifty (50.0%) Percent right, title and interest in the said leases, the unexpired residue of the terms thereof, the said lands and all the rights, interests and privileges granted to the Assignor in and by the same and all benefits and advantages to be derived therefrom.

**WITNESSETH** that in consideration of other valuable consideration and the sum of Two Dollars (\$2.00) paid by the Assignees to the Assignor (the receipt of which is hereby acknowledged) the Assignor doth hereby grant, assign and set over unto

is hereby acknowledged) the Assignor doth hereby grant, assign and set over unto Assignee, the Assignor's entire right, title and interest in and to the said leases, the unexpired residue of the terms thereof, the rights and privileges granted thereby, the said lands together with any exclusive right and privilege to explore, drill for, win, take, remove, store and dispose of all oil and gas and related hydrocarbons within, upon or under the said lands, and other rights and privileges, all as set forth in the said leases; **TO HAVE AND TO HOLD** the same unto the Assignees for the unexpired residue of the terms of the said leases, subject to the payment of the rentals and royalties and the performance and observance of the covenants, conditions and stipulations reserved and contained in the said leases and henceforth on the lessee's part to be paid, performed and observed.

**AND** the Assignor hereby covenants and agrees with the Assignees that the Assignor has good right, full and absolute power and authority to assign all the Assignor's interest in the said leases as shown in Schedule "A" attached, the unexpired residue of the terms thereof, the rights and privileges granted thereby, the said lands and all oil and gas and related hydrocarbons within, upon or under the said lands, according to the true intent and meaning of these presents, and that subject to the payment of the rentals therein prescribed and to the performance of the lessee's covenants and conditions contained in the said leases, the Assignees may enter into and upon and hold and enjoy the said lands for the unexpired residue of the terms respectively granted by the said leases for their own use and benefit without any interruption of or by the Assignor or any other person whomsoever claiming by, through or under the Assignor.

**AND** the Assignor shall and will from time to time and at all times hereafter at the request of the Assignees, do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances of the said lands as the Assignees shall reasonably require.

**AND** it is hereby declared and agreed that the said Schedule "A" hereunto annexed truly and correctly sets forth the said leases and the said lands and that the said Schedule "A" shall form part of this Assignment.

**AND** the Assignor and the Assignees expressly agree that this Assignment of the said leases shall be without any warranty of title, either express or implied.

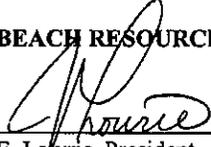
**AND** it is further declared and agreed that these presents and everything herein contained shall enure to the benefit of and be binding upon the Assignor and Assignees, their successors and assigns, respectively.

**IN WITNESS WHEREOF** the Assignor and the Assignees have executed this

Assignment as duly attested to by the hands of their proper officers.

ASSIGNOR:

CLEARBEACH RESOURCES INC.

Per:   
Jane E. Lowrie, President

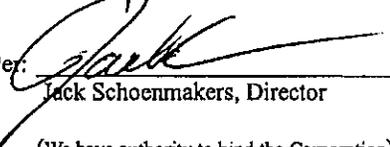
Per:   
Donald V. Crich, Secretary-Treasurer

(We have authority to bind the Corporation)

ASSIGNEE:

TRIBUTE RESOURCES INC.

Per:   
Jane E. Lowrie, President

Per:   
Jack Schoenmakers, Director

(We have authority to bind the Corporation)

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Clearbeach Resources Inc. to Tribute Resources Inc.

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.	
34593	GS Mar 27, 1979 Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	200938 210621 332966 LT15621 LT21811	PORTER, William Gordon PORTER, Nancy Charlene	EILERS, Stephen	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
					THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34570	PNG Mar 22, 1996 UOA Mar 22, 1996 Assignment Assignment Amendment Assignment	Oct 25, 1996 Dec 18, 1996 Apr 1, 1999 Apr 25, 2002 Sep 18, 2002 Jan. 9, 2003	312832 314210 332966 LT15621 LT19333 LT21811	PORTER, William Gordon PORTER, Nancy Charlene	EILERS, Stephen	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
					THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34700	Surface Lease Jun 20, 1999 Assignment Assignment	Nov 9, 1999 Apr 25, 2002 Jan. 9, 2003	337957 LT15621 LT21811	PORTER, Gordon PORTER, Nancy Charlene	EILERS, Stephen	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
					THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34700 Cond't	Surface Lease June 20, 2004	Nov 25, 2004	HC15841	THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34703	GS Nov 18, 1989 Assignment Assignment Assignment	Aug 24, 1990 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	263924 332966 LT15621 LT21811	GRAINGER, Murray	HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165; NOW MUNICIPALITY OF BLUEWATER	41452-0091
					GAC CORPORATION	LT 9 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097; NOW MUNICIPALITY OF BLUEWATER	41453-0060

Lease Type—PNG—Petroleum and Natural Gas Lease  
 AA-SCH A—NRK TO TLM—HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Clearbeach Resources Inc. to Tribute Resources Inc.

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.	
34597	GS Mar 9, 1990 Assignment Assignment Assignment	Jul 19, 1990 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	263034 332966 LT15621 LT21811	HILL & HILL FARMS LIMITED	HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165	41452-0091
34642	GS Jun 8, 2002 Assignment	Jan 9, 2003 Jan 9, 2003	LT21809 LT21811	GAC CORPORATION	GAC CORPORATION	LT 9 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097	41453-0060
34596	GS Mar 27, 1974 Assignment Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	127060 210621 332966 LT15621 LT21811	PECK, Arthur PECK, Alma	EILERS, Gerhard Johann EILERS, Tanja Engeborg	PT LT 6 BAYFIELD ROAD NORTH CON STANLEY AS IN R193393	41452-0088
					SILVERMAN, Sandra Louise SILVERMAN, Michael Terrence	PT LT 6 BAYFIELD ROAD NORTH CON STANLEY AS IN R285403	41452-0089
34583	PNG Jun 16, 1994 UOA Aug 28, 1996 Assignment	Apr 25, 2002 Sep 18, 2002 Jan. 9, 2003	LT15630 LT19341 LT21811	VAN AAKEN, Harold Mario VAN AAKEN, Marnita Lorrain	JAAVA Farms INC.	PT LT 7 BAYFIELD ROAD SOUTH CON STANLEY; PT LT 8 BAYFIELD ROAD SOUTH CON STANLEY AS IN R285767; SAVE & EXCEPT PART 19 ON HWP 2218, S/T R64418, MUNICIPALITY OF BLUEWATER	41452-0155
34592	GS Mar 27, 1974 Assignment Assignment Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	127057 210621 332966 LT15621 LT21811	VAN AAKEN, Gerardus Cornelius VAN AAKEN, Catherina M.	JAAVA FARMS INC.	PT LT 7 BAYFIELD ROAD SOUTH CON STANLEY; PT LT 8 BAYFIELD ROAD SOUTH CON STANLEY AS IN R285767; SAVE & EXCEPT PART 19 ON HWP 2218, S/T R64418, MUNICIPALITY OF BLUEWATER	41452-0155

Lease Type—PNG—Petroleum and Natural Gas Lease  
 AA SCHA—NRK TO TLM. HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

7  
162

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 in the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Clearbeach Resources Inc. to Tribute Resources Inc.

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.	
34594	GS Mar 27, 1974 Assignment Assignment Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	127055 210621 332966 LT15621 LT21811	MCBRIDE, Wesley Irvin MCBRIDE, Marjorie	WES McBRIDE FARMS LTD.	LT 9 BAYFIELD ROAD SOUTH CON STANLEY EXCEPT R99176, R102431, & HWP2218; S/T R64419	41209-0003
34638	PNG Mar 19, 2002 Assignment	Apr 25, 2002 Jan. 9, 2003	LT15629 LT21811	MCBRIDE, Wesley Irvin MCBRIDE, Marjorie	WES McBRIDE FARMS LTD.	LT 9 BAYFIELD ROAD SOUTH CON STANLEY EXCEPT R99176, R102431, & HWP2218; S/T R64419	41209-0003
34638 Cond't	PNG Mar. 19, 2007	Apr. 3, 2007	HC37420	WES McBRIDE FARMS LTD.	WES McBRIDE FARMS LTD.	LT 9 BAYFIELD ROAD SOUTH CON STANLEY EXCEPT R99176, R102431, & HWP2218; S/T R64419	41209-0003
34595	GS Mar 27, 1979 Assignment Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	200939 210621 332966 LT15621 LT21811	PORTER, William Gordon PORTER, Nancy Charlene	PORTER, William Gordon	PT LT 23 CON 11 STANLEY AS IN R292701 EXCEPT HWP2218	41208-0060
34702	GS Oct 12, 1979 Assignment Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	200940 210621 332966 LT15621 LT21811	TALBOT, Milton E. TALBOT, Emma Jane Flossie	VAN AAKEN, Robert John VAN AAKEN, Leigh Ann	PT LT 23 CON 11 STANLEY AS IN R307345	41208-0058
34701	GS Oct 18, 1979 Assignment Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	200941 210621 332966 LT15621 LT21811	ARMSTRONG, James R.	ARMSTRONG, James R.	PT LT 24 CON 12 STANLEY AS IN R172700; S/T SYA10424	41208-0038

Lease Type-PNG—Petroleum and Natural Gas Lease  
 AA-SCHA -NRK TO TLM- HCRON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

8  
163

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Clearbeach Resources Inc. to Tribute Resources Inc.

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.	
34572	PNG Aug 28, 1996	Dec 18, 1996	314206	GRAINGER, George Murray- Estate by its beneficiaries: JOHNSON, Peggy RYAN, Nancy GRAINGER, Bob YOUNGBERG, Barb ERB, Mary E. HORNER, Helen M. RAMER, Joyce E. BAIN, Joyce KEILLOR, Marilyn HAMILTON, Neil GRAINGER, James R. GRAINGER, Steven FAWCETT, Cathryn HAYTER, Betty DEICHERT, Elaine E.	GAC CORPORATION	LT 9 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097	41453-0060
	UOA Aug 28, 1996 Assignment Assignment Assignment	Dec 18, 1996 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	314207 332966 LT15621 LT21811		HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165; S/T RESERVATION IN R48977	41452-0091

Lease Type—PNG—Petroleum and Natural Gas Lease  
 AA-SCH A—NRK TO TLM— HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

1691 6



Ministry of Finance  
Motor Fuels and  
Tobacco Tax Branch  
PO Box 625  
33 King St West  
Oshawa ON L1H 9H9

Property Identifier(s) No.

10  
**Land Transfer Tax Affidavit**  
Land Transfer Tax Act

165

Refer to 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, various Lots and Concessions

BY (print names of all transferors in full) CLEARBEACH RESOURCES INC.

TO (print names of all transferees in full) TRIBUTE RESOURCES INC.

I JANE E. LOWRIE

have personal knowledge of the facts herein deposed to and Make Oath and Say that:

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

- (a) the transferee named in the above-described conveyance;
- (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
- (c) the President, Vice-President, Secretary, Treasurer, Director or Manager authorized to act for TRIBUTE RESOURCES INC. (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 or an officer authorized to act on behalf of the transferor company 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>2.00</u>	} All blanks must be filled in. Insert "Nil" where applicable.
(b) Mortgages (i) Assumed (principal and interest)	\$	<u>Nil</u>	
(ii) Given back to vendor	\$	<u>Nil</u>	
(c) Property transferred in exchange (detail below in para. 5)	\$	<u>Nil</u>	
(d) Other consideration subject to tax (detail below)	\$	<u>Nil</u>	
(e) Fair market value of the lands (see instruction 2)	\$	<u>Nil</u>	
(f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax (Total of (a) to (e))	\$	<u>2.00</u>	\$ <u>2.00</u>
(g) Value of all chattels - items of tangible personal property which are taxable under the provisions of the Retail Sales Tax Act	\$		\$ <u>Nil</u>
(h) Other consideration for transaction not included in (f) or (g) above	\$		\$ <u>Nil</u>
(i) Total Consideration	\$		\$ <u>2.00</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; or
  - 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 per cent upon the value of the 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 consideration is nominal, is the land subject to any encumbrance?  Yes  No

5. Other remarks and explanations, if necessary. The attached Assignment of Leases 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 and/or the attached Leases are 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.

Sworn/affirmed before me in the City of London  
County of Middlesex

this 15 day of May, 2007

Jane E. Lowrie  
Signature(s)

A Commissioner for Taking Affidavits, etc.

Property Information Record

A. Describe nature of instrument: Notice of Assignment of Leases

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: Giffen & Partners  
465 Waterloo Street, London, Ontario, N6B 2P4

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?                 | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) Do all individual transferees have French Language Education Rights?  | <input type="checkbox"/> | <input type="checkbox"/> |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | <input type="checkbox"/> | <input type="checkbox"/> |

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

**TAB 22**



Document General  
Form 4 - Land Registration Reform Act

Do Process Software Ltd. • (416) 322-6111  
1162-7036

D

166

**FOR OFFICE USE ONLY**

NUMBER **HC 39050**  
**CERTIFICATE OF RECEIPT**  
**MAY 31, 2007 11:44 AM**  
**L. Swanson**  
**Land Registrar**

HURON  
 NO. 22  
 GODERICH

New Property Identifiers Additional: See Schedule

Executions Additional: See Schedule

(1) Registry  Land Titles  (2) Page 1 of 10 pages

(3) Property Identifier(s) Block 41452 - Property 0159  
 41452 - 0160 Additional: See Schedule

(4) Nature of Document  
**NOTICE OF ASSIGNMENT OF LEASES**  
 (Subsection 111(6) of the Land Titles Act)

(5) Consideration  
**TWO** Dollars \$ 2.00

(6) Description  
 In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, various Lots and Concessions as more particularly described in Schedule "A" attached hereto.

(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:**

**TRIBUTE RESOURCES INC.** hereby applies for the entry of a Notice of Assignment of Leases, as set out in Schedule "A" attached, wherein the Lessors leased their interest of which Notice is registered in respect of the said lands of which the registered owners are set out in Schedule "A". The evidence in support of this application consists of an Assignment of Leases.

Continued on Schedule

(9) This Document relates to instrument number(s)  
**See Schedule "A" attached hereto**

(10) Party(ies) (Set out Status or Interest)  
 Name(s) Signature(s) Date of Signature  
 Y M D  
**AVENUE ENERGY LIMITED PARTNERSHIP** Per: *[Signature]* 2007 05 10  
**BY ITS GENERAL PARTNER, AVENUE ENERGY TRUST, BY ITS TRUSTEE, JACK GAS INC.** Name: Jack Schoenmakers  
**I have authority to bind the Partnership.** Title: President

(11) Address for Service  
**309 Commissioners Road West, Unit E, London, Ontario, N6J 1Y4**

(12) Party(ies) (Set out Status or Interest)  
 Name(s) Signature(s) Date of Signature  
 Y M D  
**TRIBUTE RESOURCES INC.** Per: *[Signature]* 2007 05 10  
**We have authority to bind the Corporation.** Name: Jane E. Lowrie  
 Title: President  
 Per: *[Signature]* 2007 05 10  
 Name: Jack Schoenmakers  
 Title: Director

(13) Address for Service  
**309 Commissioners Road West, Unit E, London, Ontario, N6J 1Y4**

(14) Municipal Address of Property  
**Multiple**

(15) Document Prepared by:  
**Christopher A. Lewis**  
**Giffen & Partners**  
**465 Waterloo Street**  
**London, Ontario**  
**N6B 2P4**

**FOR OFFICE USE ONLY**

Fees and Tax	
Registration Fee	70
Total	70

(3) Property Identifiers (Continued)

<u>Block</u>	<u>Property</u>
41452	0159
41452	0160
41452	0091
41453	0060
41452	0088
41452	0089
41452	0155
41209	0003
41208	0060
41208	0058
41208	0038

## ASSIGNMENT OF LEASES

**THIS INDENTURE** made this 10<sup>th</sup> day of May, 2007.

## B E T W E E N:

**AVENUE ENERGY LIMITED PARTNERSHIP**, a limited partnership formed under the *Limited Partnerships Act* of Ontario, having a business office in Kitchener, Ontario

(hereinafter referred to as an "Assignor")

OF THE FIRST PART

AND

**TRIBUTE RESOURCES INC.**, a corporation duly incorporated under the laws of the Province of Alberta, having a business office at 309 Commissioners Road West, Unit "E", London, ON N6J 1Y4

(hereinafter referred to as an "Assignee")

OF THE SECOND PART

**WHEREAS** by certain leases, agreements and/or grants (which are collectively hereinafter referred to as the "said leases") particulars of which are set forth in Schedule "A" hereunto annexed and made a part hereof, the party or parties described in the said Schedule (or their predecessors in title) did grant, demise and lease unto the Assignor (or its predecessors in title) for the term or terms and for the purposes set forth therein, those certain lands (hereinafter referred to as the "said lands") in the County of Huron, in the Province of Ontario, described in the said leases, together with any exclusive right and privilege to explore, drill for, win, take, remove, store and dispose of all oil and gas and related hydrocarbons within, upon or under the said lands, and other rights and privileges, all as set forth in the said leases.

**AND WHEREAS** the Assignor holds an undivided Fifty (50.0%) Percent interest in the said leases and the said lands.

**AND WHEREAS** the Assignor has agreed to grant, assign, and set over unto the Assignee the Assignor's an undivided Fifty (50.0%) Percent right, title and interest in the said leases, the unexpired residue of the terms thereof, the said lands and all the rights, interests and privileges granted to the Assignor in and by the same and all benefits and advantages to be derived therefrom.

**WITNESSETH** that in consideration of other valuable consideration and the sum of Two Dollars (\$2.00) paid by the Assignees to the Assignor (the receipt of which is hereby acknowledged) the Assignor doth hereby grant, assign and set over unto Assignee, the Assignor's entire right, title and interest in and to the said leases, the unexpired residue of the terms thereof, the rights and privileges granted thereby, the said lands together with any exclusive right and privilege to explore, drill for, win, take, remove, store and dispose of all oil and gas and related hydrocarbons within, upon or under the said lands, and other rights and privileges, all as set forth in the said leases; **TO HAVE AND TO HOLD** the same unto the Assignees for the unexpired residue of the terms of the said leases, subject to the payment of the rentals and royalties and the performance and observance of the covenants, conditions and stipulations reserved and contained in the said leases and henceforth on the lessee's part to be paid, performed and observed.

**AND** the Assignor hereby covenants and agrees with the Assignees that the Assignor has good right, full and absolute power and authority to assign all the Assignor's interest in the said leases as shown in Schedule "A" attached, the unexpired residue of the terms thereof, the rights and privileges granted thereby, the said lands and all oil and gas and related hydrocarbons within, upon or under the said lands, according to the true intent and meaning of these presents, and that subject to the payment of the rentals therein prescribed and to the performance of the lessee's covenants and conditions contained in the said leases, the Assignees may enter into and upon and hold and enjoy the said lands for the unexpired residue of the terms respectively granted by the said leases for their own use and benefit without any interruption of or by the Assignor or any other person whomsoever claiming by, through or under the Assignor.

**AND** the Assignor shall and will from time to time and at all times hereafter at the request of the Assignees, do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances of the said lands as the Assignees shall reasonably require.

**AND** it is hereby declared and agreed that the said Schedule "A" hereunto annexed truly and correctly sets forth the said leases and the said lands and that the said Schedule "A" shall form part of this Assignment.

**AND** the Assignor and the Assignees expressly agree that this Assignment of the said leases shall be without any warranty of title, either express or implied.

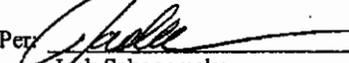
**AND** it is further declared and agreed that these presents and everything herein contained shall enure to the benefit of and be binding upon the Assignor and Assignees, their successors and assigns, respectively.

**IN WITNESS WHEREOF** the Assignor and the Assignees have executed this

Assignment as duly attested to by the hands of their proper officers.

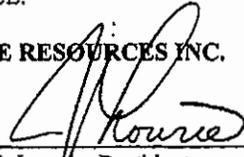
ASSIGNOR:

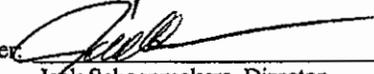
**AVENUE ENERGY LIMITED  
PARTNERSHIP BY ITS GENERAL  
PARTNER, AVENUE ENERGY TRUST,  
BY ITS TRUSTEE, JACK GAS INC.**

Per:   
Jack Schoenmakers  
(I have authority to bind the Limited Partnership)

ASSIGNEE:

**TRIBUTE RESOURCES INC.**

Per:   
Jane E. Lowme, President

Per:   
Jack Schoenmakers, Director  
(We have authority to bind the Corporation)

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Avenue Energy Limited Partnership to Tribute Resources Inc.

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.	
34593	GS Mar 27, 1979 Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	200938 210621 332966 LT15621 LT21811	PORTER, William Gordon	EILERS, Stephen	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
				PORTER, Nancy Charlene	THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34570	PNG Mar 22, 1996 UOA Mar 22, 1996 Assignment Assignment Amendment Assignment	Oct 25, 1996 Dec 18, 1996 Apr 1, 1999 Apr 25, 2002 Sep 18, 2002 Jan. 9, 2003	312832 314210 332966 LT15621 LT19333 LT21811	PORTER, William Gordon	EILERS, Stephen	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
				PORTER, Nancy Charlene	THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
34700	Surface Lease Jun 20, 1999 Assignment Assignment	Nov 9, 1999 Apr 25, 2002 Jan. 9, 2003	337957 LT15621 LT21811	PORTER, Gordon	EILERS, Stephen	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER BEING PTS 2 & 3 22R4570; S/T INTEREST IN R338076	41452-0159
				PORTER, Nancy Charlene	THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER	PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T 212930	41452-0160
<del>34700</del>	<del>Surface Lease June 20, 2004</del>	<del>Nov 25, 2004</del>	<del>HC15041</del>	<del>THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER</del>	<del>THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER</del>	<del>PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 &amp; 3 22R4570; S/T INTEREST IN R338076; S/T 212930</del>	<del>41452-0160</del>
34703	GS Nov 18, 1989 Assignment Assignment Assignment	Aug 24, 1990 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	263924 332966 LT15621 LT21811	GRAINGER, Murray	HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165; NOW MUNICIPALITY OF BLUEWATER	41452-0091
					GAC CORPORATION	LT 9 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097; NOW MUNICIPALITY OF BLUEWATER	41453-0060

Lease Type—PNG—Petroleum and Natural Gas Lease  
 AA-SCH A—NRK TO TLM- HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

6  
171

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Avenue Energy Limited Partnership to Tribute Resources Inc.

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.	
34597	GS Mar 9, 1990 Assignment Assignment Assignment	Jul 19, 1990 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	263034 332966 LT15621 LT21811	HILL & HILL FARMS LIMITED	HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165	41452-0091
34642	GS Jun 8, 2002 Assignment	Jan 9, 2003 Jan 9, 2003	LT21809 LT21811	GAC CORPORATION	GAC CORPORATION	LT 9 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097	41453-0060
34596	GS Mar 27, 1974 Assignment Assignment Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	127060 210621 332966 LT15621 LT21811	PECK, Arthur PECK, Alma	EILERS, Gerhard Johann EILERS, Tanja Engeborg	PT LT 6 BAYFIELD ROAD NORTH CON STANLEY AS IN R193393	41452-0088
					SILVERMAN, Sandra Louise SILVERMAN, Michael Terrence	PT LT 6 BAYFIELD ROAD NORTH CON STANLEY AS IN R285403	41452-0089
34583	PNG Jun 16, 1994 UOA Aug 28, 1996 Assignment	Apr 25, 2002 Sep 18, 2002 Jan. 9, 2003	LT15630 LT19341 LT21811	VAN AAKEN, Harold Mario VAN AAKEN, Mamita Lorrain	JAAVA Farms INC.	PT LT 7 BAYFIELD ROAD SOUTH CON STANLEY; PT LT 8 BAYFIELD ROAD SOUTH CON STANLEY AS IN R285767; SAVE & EXCEPT PART 19 ON HWP 2218, S/T R64418, MUNICIPALITY OF BLUEWATER	41452-0155
34592	GS Mar 27, 1974 Assignment Assignment Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	127057 210621 332966 LT15621 LT21811	VAN AAKEN, Gerardus Cornelius VAN AAKEN, Catherina M.	JAAVA FARMS INC.	PT LT 7 BAYFIELD ROAD SOUTH CON STANLEY; PT LT 8 BAYFIELD ROAD SOUTH CON STANLEY AS IN R285767; SAVE & EXCEPT PART 19 ON HWP 2218, S/T R64418, MUNICIPALITY OF BLUEWATER	41452-0155

Lease Type—PNG—Petroleum and Natural Gas Lease  
 AA-SCH A—NRK TO TLM—HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

7  
172

Schedule "A"  
 Attached to a **Notice of Assignment of Leases**  
 In the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Avenue Energy Limited Partnership to Tribute Resources Inc.

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER		ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.
34594	GS Mar 27, 1974 Assignment Assignment Assignment Assignment	Apr 30, 1974 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	127055 210621 332966 LT15621 LT21811	MCBRIDE, Wesley Irvin MCBRIDE, Marjorie	WES McBRIDE FARMS LTD.	LT 9 BAYFIELD ROAD SOUTH CON STANLEY EXCEPT R99176, R102431, & HWP2218; S/T R64419	41209-0003
34638	PNG Mar 19, 2002 Assignment	Apr 25, 2002 Jan. 9, 2003	LT15629 LT21811	MCBRIDE, Wesley Irvin MCBRIDE, Marjorie	WES McBRIDE FARMS LTD.	LT 9 BAYFIELD ROAD SOUTH CON STANLEY EXCEPT R99176, R102431, & HWP2218; S/T R64419	41209-0003
<del>34638</del>	<del>PNG Cond'l Mar. 19, 2007</del>	<del>Apr. 3, 2007</del>	<del>HC37420</del>	<del>WES McBRIDE FARMS LTD.</del>	<del>WES McBRIDE FARMS LTD.</del>	<del>LT 9 BAYFIELD ROAD SOUTH CON STANLEY EXCEPT R99176, R102431, &amp; HWP2218, S/T R64419</del>	<del>41209-0003</del>
34595	GS Mar 27, 1979 Assignment Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	200939 210621 332966 LT15621 LT21811	PORTER, William Gordon PORTER, Nancy Charlene	PORTER, William Gordon	PT LT 23 CON 11 STANLEY AS IN R292701 EXCEPT HWP2218	41208-0060
34702	GS Oct 12, 1979 Assignment Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	200940 210621 332966 LT15621 LT21811	TALBOT, Milton E. TALBOT, Emma Jane Flossie	VAN AAKEN, Robert John VAN AAKEN, Leigh Ann	PT LT 23 CON 11 STANLEY AS IN R307345	41208-0058
34701	GS Oct 18, 1979 Assignment Assignment Assignment Assignment	Dec 8, 1982 Apr 27, 1984 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	200941 210621 332966 LT15621 LT21811	ARMSTRONG, James R.	ARMSTRONG, James R.	PT LT 24 CON 12 STANLEY AS IN R172700; S/T SYA10424	41208-0038

Lease Type—PNG—Petroleum and Natural Gas Lease  
 AA-SCH A—NRE TO TLM- HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

8  
173

Schedule "A"  
 Attached to a Notice of Assignment of Leases  
 in the Geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron  
 by Avenue Energy Limited Partnership to Tribute Resources Inc.

LEASE NUMBER	LEASE TYPE & DATE	REGISTRATION DATE & NUMBER	ORIGINAL LESSOR	CURRENT REGISTERED OWNER	DESCRIPTION OF LANDS	P.I.N. No.	
34572	PNG Aug 28, 1996 UOA Aug 28, 1996 Assignment Assignment Assignment	Dec 18, 1996 Dec 18, 1996 Apr 1, 1999 Apr 25, 2002 Jan. 9, 2003	314206 314207 332966 LT15621 LT21811	GRAINGER, George Murray- Estate by its beneficiaries:	GAC CORPORATION	LT 9 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R100207; S/T RESERVATION OF MINES & MINERALS IN R99097	41453-0060
				JOHNSON, Peggy RYAN, Nancy GRAINGER, Bob YOUNGBERG, Barb ERB, Mary E. HORNER, Helen M. RAMER, Joyce E. BAIN, Joyce KEILLOR, Marilyn HAMILTON, Neil GRAINGER, James R. GRAINGER, Steven FAWCETT, Cathryn HAYTER, Betty DEICHERT, Elaine E.	HILL & HILL FARMS LIMITED	LT 8 BAYFIELD ROAD NORTH CON STANLEY EXCEPT R99165; S/T RESERVATION IN R48977	41452-0091

Lease Type-PNG—Petroleum and Natural Gas Lease  
 AA-SCH A—NRK TO TLM- HURON

GS—Gas Storage Lease

UOA—Unit Operation Agreement

621 b  
174



Ministry of Finance  
Motor Fuels and  
Tobacco Tax Branch  
PO Box 625  
33 King St West  
Oshawa ON L1H 8H9

Property Identifier(s) No.

Land Transfer Tax Affidavit  
Land Transfer Tax Act

10

175

Refer to 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, various Lots and Concessions

BY (print names of all transferors in full) AVENUE ENERGY LIMITED PARTNERSHIP

TO (print names of all transferees in full) TRIBUTE RESOURCES INC.

I, JANE E. LOWRIE

have personal knowledge of the facts herein deposed to and Make Oath and Say that:

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

- (a) the transferee named in the above-described conveyance;
- (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
- (c) the President, Vice-President, Secretary, Treasurer, Director or Manager authorized to act for TRIBUTE RESOURCES INC. (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 or an officer authorized to act on behalf of the transferor company 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>2.00</u>	
(b) Mortgages (i) Assumed (principal and interest)	\$	<u>Nil</u>	} All blanks must be filled in. Insert "Nil" where appropriate.
(ii) Given back to vendor	\$	<u>Nil</u>	
(c) Property transferred in exchange (detail below in para. 3)	\$	<u>Nil</u>	
(d) Other consideration subject to tax (detail below)	\$	<u>Nil</u>	
(e) Fair market value of the lands (see instruction 2)	\$	<u>Nil</u>	
(f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax (Total of (a) to (e))	\$	<u>2.00</u>	\$ <u>2.00</u>
(g) Value of all chattels - items of tangible personal property which are taxable under the provisions of the Retail Sales Tax Act	\$		<u>Nil</u>
(h) Other consideration for transaction not included in (f) or (g) above	\$		<u>Nil</u>
(i) Total Consideration	\$		<u>2.00</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; or
  - 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 per cent upon the value of the 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 consideration is nominal, is the land subject to any encumbrance?  Yes  No

5. Other remarks and explanations, if necessary. The attached Assignment of Leases 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 and/or the attached Leases are 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.

Sworn/affirmed before me in the City of London  
County of Middlesex

this 15 day of May, 2007

Jane E. Lowrie  
Signature(s)

A Commissioner for taking Affidavits, etc.

Property Information Record

- A. Describe nature of instrument: Notice of Assignment of Leases
- 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: Giffen & Partners  
465 Waterloo Street, London, Ontario, N6B 2P4

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?  | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters?                 | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) Do all individual transferees have French Language Education Rights?  | <input type="checkbox"/> | <input type="checkbox"/> |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | <input type="checkbox"/> | <input type="checkbox"/> |

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

**TAB 23**

The applicant(s) hereby applies to the Land Registrar.

176

**Properties**

**PIN** 41452 - 0160 LT  
**Description** PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T R212930  
**Address** BAYFIELD

**Consideration**

**Consideration** \$2.00

**Applicant(s)**

The notice is based on or affects a valid and existing estate, right, interest or equity in land

**Name** PORTER, WILLIAM GORDON  
**Address for Service** RR#1  
 Bayfield, ON N0M 1G0

This document is not authorized under Power of Attorney by this party.

**Party To(s)****Capacity****Share**

**Name** TRIBUTE RESOURCES INC.  
**Address for Service** 309 Commissioners Road West, Unit D  
 London, ON N6J 1Y4

I, Jane Lowrie, President, have the authority to bind the corporation  
 This document is not authorized under Power of Attorney by this party.

**Statements**

This notice is pursuant to Section 71 of the Land Titles Act.  
 This notice is for an indeterminate period  
 Schedule: See Schedules  
 This document relates to registration no.(s)R200938, R313832 and R314210

**Signed By**

Christopher Allan Lewis 465 Waterloo St. acting for Signed 2011 01 13  
 London Applicant(s)  
 N6B 2P4

**Tel** 5196794700  
**Fax** 5194328003

I have the authority to sign and register the document on behalf of the Applicant(s).

**Submitted By**

GIFFEN & PARTNERS 465 Waterloo St. 2011 01 27  
 London  
 N6B 2P4

**Tel** 5196794700  
**Fax** 5194328003

**Fees/Taxes/Payment**

**Statutory Registration Fee** \$60.00  
**Provincial Land Transfer Tax** \$0.00  
**Total Paid** \$60.00

The applicant(s) hereby applies to the Land Registrar.

**File Number**

Party To Client File Number :

2491-7025

**LAND TRANSFER TAX STATEMENTS**

In the matter of the conveyance of: 41452 - 0160 PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T R212930

BY: PORTER, WILLIAM GORDON  
TO: TRIBUTE RESOURCES INC.

**1. JANE LOWRIE, PRESIDENT**

I am

- (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 \_\_\_\_\_ described in paragraph(s) ( ) above.
- (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for TRIBUTE RESOURCES INC. described in paragraph(s) (c) above.
- (f) A transferee described in paragraph( ) and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my spouse described in paragraph( ) and as such, I have personal knowledge of the facts herein deposed to.

**3. The total consideration for this transaction is allocated as follows:**

(a) Monies paid or to be paid in cash	2.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	2.00
(h) VALUE OF ALL CHATTELS -items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	2.00

**4.**

Explanation for nominal considerations:

s) other: This conveyance is of mineral rights only or is the transfer of a surface rights option and is therefore not subject to tax pursuant to Regulation 703 RRO 1990.

**5. The land is not subject to an encumbrance**

**PROPERTY Information Record**

A. Nature of Instrument: Notice  
LRO 22 Registration No. HC72653 Date: 2011/01/27

B. Property(s): PIN 41452 - 0160 Address BAYFIELD Assessment -  
Roll No

C. Address for Service: 309 Commissioners Road West, Unit D  
London, ON N6J 1Y4

D. (i) Last Conveyance(s): PIN 41452 - 0160 Registration No. R338076  
(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes  No  Not known

E. Tax Statements Prepared By: Christopher Allan Lewis  
465 Waterloo St.  
London N6B 2P4

AMENDING AGREEMENT

This Agreement made as of this ...16... day of .....September, 20.....09

BETWEEN:

**WILLIAM GORDON PORTER,**  
of the Town of Goderich, in the Municipality of Central Huron, in  
the County of Huron, Province of Ontario,  
  
(hereinafter called the "Lessor(s)")  
OF THE FIRST PART

- and -

**TRIBUTE RESOURCES INC.,**  
a body corporate, with its corporate office at the City of London,  
in the County of Middlesex, in the Province of Ontario,  
  
(hereinafter called the "Lessee")  
OF THE SECOND PART

WHEREAS the Lessor(s) is 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, in the Province of Ontario, as described in Schedule "A" attached hereto (hereinafter called the "Lands");

AND WHEREAS the Lessee have included all or part of the Lands within the boundary of the proposed Bayfield Pool Designated Storage Area (hereinafter called the "DSA") that is part of an application to the Ontario Energy Board (hereinafter called the "OEB");

AND WHEREAS under a Petroleum and Natural Gas Lease (PNG) as amended by a Unit Operation Agreement (UOA) and a Gas Storage Lease Agreement (GSL), each registered in the Registry office for the County of Huron, (hereinafter collectively called the "said Instruments"), the Lessor(s), or his predecessors in title, granted, leased and demised unto the Lessee, or its predecessors in title, the exclusive oil and gas rights and gas storage rights in the said Lands, as set out in Schedule "A" attached hereto.

AND WHEREAS the Lessor(s) and the Lessee, agree that all payments under the said Instruments shall be amended as herein provided.

NOW THEREFORE THIS AGREEMENT WITNESSETH as follows:

In consideration of the covenants and agreements set forth below (and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Lessor(s) and the Lessee) the Lessor(s) and the Lessee hereby agree that the rights in the said Instruments shall be amended as follows:

**1. Residual Gas Compensation**

WHEREAS part of the proposed Bayfield Pool Storage Area contains lands known as the Old Bayfield Pool unitized area (hereinafter called the "Old Bayfield Pool Unit Area") and both are shown on Schedule "B" attached hereto;

(a) "Gas in Place", also referred to as "Residual Gas", means the volume of natural gas down to a reservoir pressure of 50 psia bottom hole located within the participating area.

(b) As there is no residual gas above 50 psia remaining in the DSA lands or in the participating area of the Old Bayfield Pool, the parties agree that the Lessee is under no obligation to pay the Lessor any residual gas compensation at any time now or in the future.

**2. Gas Storage Rights Annual Compensation Inside DSA**

The Gas Storage lease acreage rental for each acre of the Lands lying within the DSA shall be at a rate of \$89.63 per acre per annum such amount being for the lease of storage rights.

**3. Petroleum and Natural Gas Annual Compensation Inside DSA**

The Petroleum and Natural Gas lease acreage rental for each acre of the Lands lying within the DSA shall be at a rate of \$24.90 per acre per annum such amount being for the lease for petroleum and natural gas rights.

**4. Gas Storage Rights Annual Compensation Outside DSA**

The Gas Storage lease acreage rental for each acre of the Lands lying outside the DSA shall be at a rate of \$9.49 per acre per annum such amount being for the lease of storage rights.

**5. Petroleum and Natural Gas Annual Compensation Outside DSA**

The Petroleum and Natural Gas lease acreage rental for each acre of the Lands lying outside the DSA shall be at a rate of \$24.90 per acre per annum such amount being for the lease for petroleum and natural gas rights.

**6. Gas Storage Wells Annual Compensation**

All existing and future wellheads located on the Lands shall be paid at the rate of \$1,300.37 per well per annum such amount being for the lease of the land for facilities and in respect of all damages, including disturbance, loss of opportunity, and crop loss.

**7. Surface Rights and Annual Compensation**

Permanent all weather access roads to well sites located on the Lands and all other surface structures located on the Lands shall be paid at the rate of \$1,021.72 per acre (or part thereof, rounded up to the next whole acre) per annum such amount being for the lease of land for facilities and in respect of all damages, including disturbance, loss of opportunity, and crop loss.

**8. Timing, Unpaid Portion and Pro-Rata of Compensation Payments**

(a) All payments referred to in clause 1 hereof shall be made not less than thirty (30) days prior to the date of Lessee first inject gas into the DSA.

(b) The amounts of the payments referred to in clauses 2, 3, 4 and 5 hereof (the "Pre-Injection Payments") shall be paid annually, in advance, by no later than the 31<sup>st</sup> day of January of each year (until terminated as provided for below) commencing on January 31<sup>st</sup> next following the date on which the Ontario Energy Board ("OEB") makes an order (the "Order") under Section 38(1) of the Ontario Energy Board Act, 1998 authorizing the Lessee to inject gas into, store gas in and remove gas from the DSA and to enter into and upon the DSA and use the DSA for that purpose, and shall be pro-rated for the remainder of the calendar year following the date of the Order, such pro-rated payments to be made within thirty (30) days of the date of the Order. The Pre-Injection Payments shall terminate on the date the Lessee first inject gas into the DSA and any prepaid portion thereof for that portion of the calendar year following the date the Lessee first inject gas into the DSA shall be credited to the Lessee in respect of the payment obligation set forth in paragraph 8(d) below.

(c) The payments referred to in clauses 6 and 7 hereof shall be paid annually, in advance, by not later than the 31<sup>st</sup> day of January of each year commencing on January 31<sup>st</sup> next following the date of the Order; and shall be pro-rated for the remainder of the calendar year following the date of the Order, such pro-rated payments to be made within thirty (30) days of the date of the Order.

(d) The payments referred to clauses 2, 3, 4 and 5 hereof shall be paid annually, in advance, by not later than the 31<sup>st</sup> day of January each year commencing on January 31<sup>st</sup> next following the date on which the Lessee first inject gas into the DSA and shall be pro-rated for the remainder of the calendar year following the date of which the Lessee first inject gas into the DSA, such pro-rated payments to be made within thirty (30) days of the date the Lessee first inject gas into the DSA.

(e) All payments referred to in clauses 8(b), (c) and (d) hereof are expressed in 2009 dollars and shall be adjusted each calendar year following 2009.

(f) Any payments provided for under this Amending Agreement that are not paid on time shall bear interest at the rate of ten (10%) per cent per annum from the due date until payment or judgment, whichever is sooner.

**9. Adjustments to Rates of Compensation**

The Lessee agrees to adjust annually the compensation payable under this Amending Agreement to the Lessor to equal the compensation paid by Union Gas Limited ("Union") to any group of the Lambton Landowners Association ("LLA"), such adjustment to be payable on the 30<sup>th</sup> day after the Union - LLA adjustment takes effect. The Lessor(s) and the Lessee covenant and agree with one another to advise the other in writing of any changes in the LLA Compensation forthwith upon becoming aware of the same. It is further understood that if any party wishes to apply to the appropriate regulatory body to amend the compensation paid pursuant to this agreement or the interest rate set out in paragraph 8(f) above, that the general guiding principle shall be as set out in the first sentence of this paragraph.

**10. Taxes**

Any applicable taxes (excluding, for greater certainty, any income taxes of the Lessor(s)) pertaining to the making of the payments provided for in this Amending Agreement by the Lessee shall be paid by the Lessee in addition to the payments referred to in clauses 1, 2, 3, 4, 5, 6 and 7 thereof.

[Remainder of page left blank]

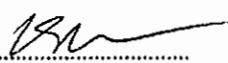
**11. Amending Agreement to Prevail**

From and after the dates described in clauses 8(a), (b), (c), and (d) hereof the payments therein described shall replace the like payments and compensation provisions set forth in the said Instruments. The Lessor(s) hereby ratify and confirm the terms of the said Instruments, which as hereby amended are in full force and effect, as provided in Schedule "A" attached hereto.

AND it is further declared and agreed that these presents and everything herein contained shall ensure to the benefit of and be binding upon the Lessor(s) and Lessee, their successors and assigns respectively.

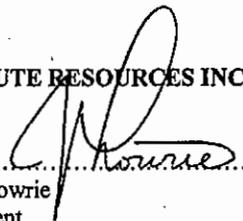
IN WITNESS WHEREOF the parties hereto have executed and delivered these presents, the day and year first above written.

SIGNED, SEALED AND DELIVERED )  
In the presence of )

.....  .....

)  .....  
) Name: William Gordon PORTER  
) Lessor(s)  
)

**TRIBUTE RESOURCES INC.**

.....  .....  
Jane Lowrie  
President  
I have authority to bind the Corporation.  
Lessee

SCHEDULE "A"  
Proposed Bayfield Pool Gas Storage Area  
Lands

Landowner: The Corporation of the Municipality of Bluewater

Description: Lands in the geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, Province of Ontario, and being Part of Lot 7, Bayfield Road North Concession, Designated as Part 1 on Reference Plan 22R-4570 S/T Reservation in R338076.

PIN: 41452-0160 (LT)

Reservation Owner: William Gordon Porter

*Reservation in Instrument Number R338076:*

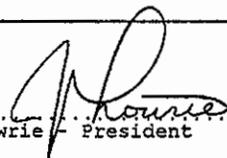
*The Transferors hereby reserve all right, title, and interest in, under, and to any mineral, oil, gas, and gas storage rights (the "Rights") relating to the Property together with all revenues, rents, or other payments of any kind which may be payable from time to time relating to the Rights under any lease or other agreement by which the Transferors shall grant or assign all or any portion of the Rights to any person.*

Related Documents:

Type of Document	Registered Instrument No.	Date of Registration	Date of Agreement	Original Owner
Gas Storage Lease	R200938	Dec 8, 1982	Mar 27, 1979	William Gordon Porter Nancy Charlene Porter
Oil and Gas Lease	R313832	Oct 25, 1996	Mar 22, 1996	William Gordon Porter Nancy Charlene Porter
Unit Operation Agreement	R314210	Dec 18, 1996	Mar 22, 1996	William Gordon Porter Nancy Charlene Porter



**TAB 24**

FOR OFFICE USE ONLY	(1) Registry <input type="checkbox"/>	Land Titles <input checked="" type="checkbox"/>	(2) Page 1 of _____ pages	
	(3) Property Identifier(s) Block: 41452 - Property: 0160		Additional: See Schedule <input type="checkbox"/>	
	(4) Nature of Document Notice of Lease (Surface Lease Agreement) under Subsection 111(1) of the Land Titles Act.			
	(5) Consideration Two Thousand Five Hundred--- Dollars \$ 2,500.00--			
	(6) Description PT LT 7 BAYFIELD RD NORTH CON STANLEY; MUNICIPALITY OF BLUEWATER AS IN R338076 EXCEPT PTS 2 & 3 22R4570; S/T INTEREST IN R338076; S/T R212930; COUNTY OF HURON, PROVINCE OF ONTARIO.  Being part of the PIN.			
	New Property Identifiers		Additional: See Schedule <input type="checkbox"/>	
	Executions		Additional: See Schedule <input type="checkbox"/>	
(7) This Document Contains:		(a) Redescription New Easement Plan/Sketch <input type="checkbox"/>	(b) Schedule for: Description <input checked="" type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input checked="" type="checkbox"/>	
(8) This Document provides as follows:  To: The Land Registrar for the Land Titles Division of Huron (No. 22) TRIBUTE RESOURCES INC., hereby applies for entry of a Notice of Lease (Surface Lease Agreement) produced herewith in respect of the lands described in Box 6 of which  THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER  are the registered owner(s)  <div style="text-align: right;">Continued on Schedule <input type="checkbox"/></div>				
(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		
... THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER, ... as Lessor				
(11) Address for Service: 14 Mill Street, Zurich, Ontario, NOM 1T0				
(12) Party(ies) (Set out Status or Interest)				
Name(s)	Signature(s)	Date of Signature Y M D		
... TRIBUTE RESOURCES INC., ... as Lessee	 Jane Lowrie - President	2009 04 28		
I have authority to bind the Corporation.				
(13) Address for Service: 309 Commissioners Road West, Unit E, London, Ontario, N6J 1Y4				
(14) Municipal Address of Property		(15) Document Prepared by:		
R.R. #1 Bayfield, Ontario NOM 1G0		HOWDAN INC. P.O. Box 176, Lambeth Station London, Ontario N6P 1P9		
		FOR OFFICE USE ONLY		
		Fees and Tax		
		Registration Fee		
		Total		

Additional Property Identifier(s) and/or Other Information

(6) Description

Lands in the geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, Province of Ontario:

Those parts of Lot 7, Bayfield Road North Concession, designated as Parts 1 and 2 on Reference Plan 22R-1760.

Being part of the lands described in Instrument Number 338076 of PIN 41452-0160.

THIS INDENTURE made effective as of the 20th day of June, 2009

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT

BETWEEN:

**THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER,**

hereinafter called the "Lessor"  
**OF THE FIRST PART**

AND

**TRIBUTE RESOURCES INC.**

a body corporate with its Head Office at the City of London, in the Province of Ontario,  
incorporated under the laws of the Province of Alberta,

hereinafter called the "Lessee"  
**OF THE SECOND PART**

WHEREAS the Lessor is the registered owner subject to any registered encumbrances, of certain lands in the geographic Township of Stanley, in the Municipality of Bluewater, in the County of Huron, Province of Ontario, and being comprised of:

Lot 7, Bayfield Road North Concession, save and except Parts 2 and 3 on Reference Plan 22R-4570,

hereinafter referred to as "the Lessor's lands"

WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee, the Lessor doth demise and lease unto the Lessee, its successors and assigns a portion of the Lessor's lands being:

those parts of Lot 7, Bayfield Road North Concession, designated as Parts 1 and 2 on a Reference Plan 22R-1760,

hereinafter referred to as "the said lands"

TO HAVE AND TO HOLD the said lands for and during the term of FIVE (5) years to be computed from the 20th day of June, 2009 and from thenceforth next ensuing and fully to be complete and ended;

AND THE LESSOR doth also hereby give and grant unto the Lessee the right, liberty, and privilege in, upon, under or across the said lands to lay down, construct, maintain, inspect, remove, replace, reconstruct and repair pipes or pipe lines and all structures and equipment necessary or incidental thereto for use in connection with all the operations whatsoever of the Lessee;

YIELDING AND PAYING therefor in full settlement for the said term unto the Lessor, or the Lessor's heirs, executors, administrators or assigns, the sum of **TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00)** paid prior to the sealing of this indenture, the receipt whereof is hereby acknowledged;

**1. THE LESSOR HEREBY COVENANTS AND AGREES TO AND WITH THE LESSEE:**

- (a) **Taxes Paid by Lessor:**  
To promptly pay and satisfy all taxes, rates and assessments that may be assessed against the said lands during the continuance of this Lease.
- (b) **Quiet Enjoyment:**  
That the Lessor has good title to the said lands as hereinbefore set forth, has good right and, full power to grant and lease the said lands, rights and privileges in manner aforesaid, and that the Lessee, upon observing and performing the covenants and conditions on the Lessee's part herein contained, shall and may peacefully possess and enjoy the demised premises and the rights and privileges hereby granted during the said term and any extension thereof without any interruption or disturbance from or by the Lessor or any other person whomsoever.

## 2. THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

- (a) **Payment of Rental:**  
To pay the rentals hereinbefore reserved.
- (b) **Fencing:**  
During the continuance of this Lease, to erect and out upon the boundaries of the sites and roadways constructed or placed by the Lessee on the said lands a good and substantial fence if so requested by the Lessor, and to replace all fences which it may have damaged, and if and when so requested by the Lessor, to provide a proper livestock guard at any point of entry upon the said lands used by it, and, upon the use thereof, to close all gates.
- (c) **Taxes Payable by Lessee:**  
To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, equipment, structures and works placed by the Lessee in, on, over or under the said lands.
- (d) **Abandonment and Restoration:**  
Upon the discontinuance of the use of any portion or portions of the said lands, to restore such portion or portions to the same condition so far as it may be practicable so to do as that existing immediately prior to the entry thereon and the use thereof by the Lessee.
- (e) **Compensation for Damage:**  
To pay compensation for damage done by it to growing crops, fences and buildings or other improvements of the Lessor upon the said lands.
- (f) **Burial of Pipe Line:**  
To bury pipe lines laid by it crossing any cultivated area of the said lands to a depth of not less than eighteen (18) inches from the surface of the ground, backfill any excavations made and level the same.

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

- (a) **Surrender:**  
The Lessee shall have the right at any time on written notice to that effect to the Lessor, to cease the use and occupation of the demised premises, and in the event of the Lessee so doing this Lease shall be terminated, but there shall be no refund to the Lessee of any rental which may have been paid in advance.
- (b) **Removal of Equipment:**  
The Lessee shall at all times during the continuance of this Lease and for a period of six (6) months following the termination hereof, have the right to remove or cause to be removed from the said lands all buildings, structures, fixtures, casing in wells, pipe lines, material and equipment of, whatsoever nature or kind, which it may have placed on or in the said lands.
- (c) **Discharge of Encumbrances:**  
The Lessee may at its option pay or discharge all or part of any balance owing under any Agreement for Sale or Mortgage, or of any tax, charge, lien or encumbrance of any kind or nature whatsoever which may now or hereafter exist on or against or in any way affect the said lands, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof, and may in addition thereto, at its option, reimburse itself by applying on account of repayment of the amount so paid by it the rentals or other sums accruing to the Lessor under the terms of this Lease.

- 3. (d) **Assignment by Lessee:**  
The Lessee may delegate, assign or convey to other persons or corporations, all or any of the powers, rights and interests obtained by or conferred upon the Lessee hereunder, and may enter into all agreements, contracts, and writings and do all necessary acts and things to give effect to the provisions of this clause.
- (e) **Notices:**  
All Notices to be given hereunder may be given by registered letter addressed to the party to whom the notice is to be given, and any such notice shall be deemed to be given to, and received by, the addressee seven (7) days after the mailing thereof, postage prepaid.
- (f) **Addresses:**  
Unless changed by notice the addresses of the parties hereto shall be:

Lessor: 14 Mill Street, P.O. Box 250, Zurich, Ontario, N0M 1T0

Lessee: 309 Commissioners Road West, Unit E, London, Ontario, N6J 1Y4

The Lessor does hereby consent to the transaction evidenced by this instrument and the registration of the same on title to the lands herein described.

THESE PRESENTS and everything herein contained shall enure to the benefit of and be binding upon the Lessor, his heirs, executors, administrators and assigns and upon the Lessee, its successors and assigns.

The above mentioned Lessee, doth hereby accept this Lease of the above described land, to be held by it as tenant and subject to the conditions, restrictions and covenants above set forth.

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

SIGNED, SEALED AND DELIVERED  
in the Presence of:

**THE CORPORATION OF THE  
MUNICIPALITY OF BLUEWATER**

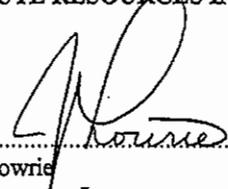
.....

.....

.....

Lessor

**TRIBUTE RESOURCES INC.**



Jane Lowrie

Lessee

President

I have authority to bind the Corporation.

**TAB 25**

This Agreement made in quadruplicate this \_\_\_\_ day of \_\_\_\_\_, 2012

**BETWEEN:**

**THE CORPORATION OF THE MUNICIPALITY OF BLUEWATER**  
(hereinafter referred to as the "Municipality")

OF THE FIRST PART

- and -

**BAYFIELD PIPELINE CORP.**  
a company incorporated pursuant to the laws  
the Province of Ontario

(hereinafter referred to as the "Company")

OF THE SECOND PART

**WHEREAS** the Municipality is the owner of or otherwise exercises jurisdiction over Municipality Roads within the Municipality of Bluewater (hereinafter referred to as the "Road Allowance" or "Road Allowances");

**AND WHEREAS** the Company has applied to the Municipality for permission to install, construct, maintain, and operate natural gas pipelines and related equipment and facilities within such Road Allowances;

**AND WHEREAS** the Municipality has agreed to grant permission to the Company to install, construct, maintain, and operate such natural gas pipelines and related equipment and facilities over, along, across or under the Road Allowances, subject to the terms and conditions set forth below;

**NOW THEREFORE**, in consideration of the terms, covenants and provisions of this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. This Agreement shall be for a term of twenty (20) years from the date hereof, subject to early termination as contemplated in this Agreement (the "Term"). The parties hereto agree that at least one (1) year prior to the expiration of the Term, if the Company is not and has not been in default of the terms, covenants, provisions and conditions in this Agreement and if the Company has provided the Municipality with written notice, the Company and the Municipality shall use reasonable commercial efforts to negotiate a further term of this Agreement. Nothing in this provision shall oblige either the Municipality or the Company to extend the Term.
2. During the Term, the Municipality hereby grants to the Company from the date hereof permission to place, replace, construct, re-construct, maintain, operate, and repair natural gas pipelines and related connections, attachments, and apparatus required for the transportation of natural gas (hereinafter referred to as "natural gas pipelines and related equipment and facilities") over, along, across, or under the Road Allowances as identified on Schedule "A" hereto (the "Easement Rights").
3. In consideration for the Easement Rights, the Company shall pay to the Municipality,
  - (a) An initial payment of *[insert initial payment amount]* on or before the date of execution of this Agreement; and
  - (b) Subject to the annual adjustments set out below, an annual fee of *[insert annual fee]*, per kilometer of pipeline to be paid to the Municipality on or before the 1<sup>st</sup> day of \_\_\_\_\_ of each year of the term of this Agreement, commencing \_\_\_\_\_ 1<sup>st</sup>, 200X.
  - (c) Work permit fees as established by the Municipality from time to time.

The parties hereby acknowledge that the annual fee in Section 3(b) shall be increased annually by an amount that shall be equal to the annual increase in the cost of living as determined by the Consumer Price Index. If the Consumer Price Index decreases in any

year, the said annual fee shall not be adjusted.

4. The Company shall deposit with the Municipality a security deposit or a Letter of Credit which shall be held by the Municipality during the Term for the purpose of securing the Company's compliance with the terms, covenants and provisions of this Agreement. The amount of the security deposit or Letter of Credit shall be determined by the Municipality at the beginning of each year of the Term. Upon the commencement of the Term, the Company shall deposit with the Municipality either a security deposit in the amount of One Hundred Thousand (\$100,000.00) Dollars or a Letter of Credit in the amount of One Hundred Thousand (\$100,000.00) Dollars. At the beginning of each year of the Term, the Company shall make arrangements to provide any additional security required within ten (10) days of receiving notice of the security required by the Municipality. Failure by the Company to provide the required security within the time frame set out in this Section 4 shall constitute default under this Agreement.
5. The Company agrees that, prior to the commencement of any work undertaken pursuant to the Easement Rights granted hereunder, it shall apply for a Work Permit and provide plans, and specifications satisfactory to the Municipal Engineer. The said plans shall be drawn to scale and shall have sufficient detail to be satisfactory to the Municipal Engineer. The Company agrees to undertake any and all such works to which the Municipality has consented in strict accordance with such plans and specifications and the Work Permit issued by the Municipality. The location of the work as shown on the said plans must meet all the reasonable requirements of the Municipal Engineer and the timing, terms and conditions relating to the installation of such works must meet the Technical Standards and Safety Authority's and the Engineer's requirements. The Company acknowledges that following the issuance of the Work Permit, the decision of the Municipality as to the permitted location of any such natural gas pipeline and related equipment and facilities, if granted, shall be final and without appeal, recourse, or remedy by the Company.
6. Without limiting the requirements of the above, the Company agrees to install the gas main and appurtenances within 0.15 metre of the location specified in the Work Permit and plans. The Company further agrees that it will not deviate from the approved location for any part of the gas system unless prior written approval of the Municipal Engineer to do so is received.
7. The Company further agrees that, within thirty (30) days of completion of any work undertaken pursuant to the Easement Rights granted hereunder, it shall deposit with the Municipality constructed plans detailing the location and specifications of any natural gas pipelines and related equipment and facilities placed, constructed, or installed pursuant to the Easement Rights granted hereunder.
8. The Company agrees that any work to be undertaken pursuant to the Easement Rights granted hereunder and for which a permit is required shall be undertaken and completed at such reasonable time or times as the Municipality may specify in such permit and, without limiting the generality of the foregoing or any other term hereof, all such work shall be undertaken and completed in such manner so as not to cause unnecessary nuisance or damage to the Municipality or its property or to any ratepayers or users of such Road Allowance.
9. The Company hereby acknowledges that it installs, reinstalls, constructs, reconstructs, places, replaces, maintains, operates, and repairs its natural gas pipelines and related equipment and facilities in accordance with the Easement Rights granted hereunder entirely at its own risk and the Municipality shall in no way and in no circumstances be responsible or liable to the Company, its contractors, agents, or customers for any damage or losses in consequence thereof, regardless of how such damage or loss was suffered.
10. The Company acknowledges and agrees that the Easement Rights granted hereunder and the placement, construction, installation, location, and operation of any natural gas pipelines and related equipment and facilities are subject to the following:
  - (a) The right of free use of the Road Allowance by all persons or parties otherwise entitled to such use;
  - (b) The rights of the owners of the property adjoining any relevant Road Allowance to full access to and egress from their property and an adjacent right-of-way, highway, street, or walkway and the consequential right of such persons or parties to construct crossings and approaches from their property to any such right-of-way, highway, street, or walkway; and

- (c) The rights and privileges that the Municipality may have previously granted to any other person or party to such Road Allowance or lands.
11. In the event that the Company wishes to relocate a natural gas pipeline or related equipment and facilities as have been previously installed, placed, or constructed in accordance with the Easement Rights granted hereunder, the Company shall apply for a Work Permit from the Municipality and such permit will thereafter be considered and administered by the Municipality as if it were an application for a new installation, construction, or placement of a natural gas pipeline and related equipment and facilities within the Road Allowance or other public lands hereunder.
  12. If in the course of constructing, reconstructing, changing, altering, maintaining or improving any highway or any municipal works, the Municipality deems it necessary to take up, remove, or change the location of any part of the gas pipelines of 1.0 kilometres or less and/or appurtenances, the Company shall, within 90 days of being directed to do so and entirely at its own cost, remove and/or replace the gas pipeline and/or appurtenances to a location approved by the Municipal Engineer. In the event of the section of pipeline referred to above is in excess of a 1.0 kilometre replacement, the Company will be allowed 180 days for the removal and/or replacement.
  13. No excavation, opening or work which shall disturb or interfere with the surface of the traveled portion of the highway shall be made or done unless a Work Permit has first been obtained from the Municipal Engineer authorizing such work and all works shall be completed to his/her satisfaction. The Company also agrees that it shall thereafter maintain that portion of the said Road Allowance, or other lands to the satisfaction of the Municipality and at the sole expense of the Company by repairing any settling thereof to the satisfaction of the Municipality, acting reasonably. In the event that the Company shall fail to repair, maintain, and reinstate the said Road Allowance, or other lands of the Municipality, then in such case the Municipality may undertake the same and charge the costs thereof to the Company and the Municipality shall not be liable for any damage of any nature or kind howsoever caused by reason of such work undertaken by the Municipality as aforesaid and the Company hereby agrees to indemnify and save harmless the Municipality and all other concerned parties from any claims or damages of any party howsoever caused.
  14. The Company agrees that, in placing, replacing, constructing, reconstructing, maintaining, operating, and/or repairing natural gas pipelines or related equipment and facilities or in the event the Company undertakes any other work under and/or in conjunction with the Easement Rights hereunder, it shall use all due care and diligence to ensure there is minimal interference with the traveled portion of any Road Allowance or any pedestrian, vehicular, or other traffic thereon, or any use or operation of any ditch or drain adjacent to such public right-of-way, highway, street, or walkway.
  15. The Easement Rights hereby granted are also subject to the Company: (i) maintaining the surface and restoring the surface, to the extent possible, to the same condition as prior to the commencement of any work or the exercise of any Easement Rights contemplated herein; (ii) ensuring that the Easement Rights are exercised and carried out in a good, safe and workmanlike manner; (iii) being responsible for any damage caused at any time by the negligence by the Company or its agents, employees or contractors and for removing all debris from the work area following the undertaking of any of the Easement Rights contemplated herein; (iv) taking all steps necessary to protect the integrity and security of all existing equipment, installations, utilities, and other facilities within the Road Allowance or which might otherwise be located in, on, or under the Road Allowances or any adjacent lands; and (v) shall not cut, trim or otherwise interfere with any trees, brush, plants or other vegetation in exercising the Easement Rights granted hereunder without the Municipality's prior written consent.
  16. The Company further agrees that, prior to commencement of any work pursuant to the Easement Rights granted hereunder, it shall obtain the approval of any federal, provincial, or municipal government or agency having an interest in such work and, furthermore, the Company shall notify any other person or body operating any equipment or facilities within such Road Allowance or in the vicinity of such Road Allowance of the details of the anticipated work so as to ensure the absence of interference with or damage to such existing equipment and facilities by the said work.
  17. Notwithstanding and without limiting any other term hereof, the Company agrees and undertakes that it will place, replace, construct, reconstruct, maintain, operate, and repair its natural gas pipelines and related equipment and facilities in accordance with and

compliance with good engineering practices and, more specifically, all federal, provincial, and municipal laws and by-laws and in strict compliance with the reasonable directions and permissions as issued by the Municipality.

18. The Company agrees that, within fifteen (15) days of the date of execution of this Agreement, it shall arrange for and maintain liability insurance satisfactory to the Municipality, insuring, for the joint benefit of the Company and the Municipality as named insured, against all claims, liabilities, losses, costs, damages or other expenses of every kind that the Company and the Municipality may incur or suffer as a consequence of personal injury, including death, and property damages arising out of or in any way incurred or suffered in connection with the placing, maintenance, operation, or repair of the natural gas pipelines and related equipment and facilities and any other exercise of the Company's Easement Rights as contemplated by this Agreement, which insurance shall provide coverage with limits of liability not less than FIVE MILLION DOLLARS (\$5,000,000.00) per incident at the commencement of the Term hereof or such greater amount as may be specified hereafter by the Municipality having regard for inflation and the amount of damages which might reasonably be expected to be awarded from time to time by Courts of competent jurisdiction; the said insurance policy shall also confirm that it shall not be canceled or materially amended without providing the Municipality with thirty (30) days notice of such proposed amendment or cancellation; and the Company shall satisfy the Municipality, from time to time, that the premiums of such insurance have been paid and that such insurance remains in full force and effect; and the Company further agrees that, within seven (7) days of the effective date thereof, it shall deliver to the Municipality evidence of any changes to such policy of insurance as initiated by the involved insurer.
19. Notwithstanding any other provision in this Agreement, in the event that the Company is in default, which default continues for at least fifteen (15) days after written notification of such default is provided to the Company by the Municipality, then the Municipality shall have the absolute right to terminate this Agreement upon a further thirty (30) days written notice, which right shall be exercisable without recourse by or remedy to the Company. For purposes of this Section 19 and Section 20, "default" shall include,
  - (a) Cessation of use of any natural gas pipeline and related equipment and facilities installed, constructed, or maintained within the Road Allowance pursuant to permission granted hereunder for a period of not less than one hundred and eighty (180) days;
  - (b) Abandonment of any natural gas pipeline and related equipment and facilities as previously installed, constructed, or maintained within the Road Allowance pursuant to permission granted hereunder;
  - (c) Any assignment of rights and obligations hereunder without the prior written consent and permission of the Municipality not to be unreasonably withheld;
  - (d) The Company becoming insolvent, bankrupt, or making an authorized assignment or compromise with its creditors; or
  - (e) The Company's failure to comply with any term, covenant or provision of this Agreement or any other obligation created herein.
20. In the event of default by the Company and without such default being rectified within the time period referred to in Section 19 hereof, the Municipality shall have the right to terminate this Agreement and may also require the Company to remove all or any portion of the Company's natural gas pipeline and related equipment and facilities from within any Road Allowance within one hundred eighty (180) days of delivery of written demand for such removal, which removal shall be completed by the Company at its full expense and without recourse against the Municipality for such removal costs or any and all damage or damages associated therewith.
21. In the event the Company fails to remove all or any portion of a natural gas pipeline and/or related equipment and facilities within one hundred and eighty (180) days of receipt of written demand from the Municipality to do so, the Municipality shall have the right but not the obligation to remove and/or relocate such pipeline and related equipment and facilities, following completion of which work the Municipality shall deliver an invoice to the Company detailing the costs and expenses associated with same and the Company shall pay the amount of such invoice in accordance with the terms thereof. In the event the Company fails to remit payment of such invoice, the Municipality shall have the right to collect the full amount of such invoice in like manner as municipal taxes. The Municipality shall have the right to rely on the provisions of the Municipal Act (Ontario) in connection with its efforts to

collect such amounts. If the Municipality is required to remove a natural gas pipeline and related equipment and facilities as described above and without limiting the obligation of the Company to pay the costs thereof, the Company further agrees to,

- (a) Release the Municipality from any claims to damage to such pipeline and related equipment and facilities and/or other damages flowing from such removal and/or relocation;
  - (b) Save harmless and indemnify the Municipality of and from any and all claims or damages by any party as against the Municipality in respect of such work; and/or
  - (c) Restore and reinstate the Road Allowance or the municipal lands affected by such removal and/or relocation to as nearly the same condition that existed prior to the original installation.
22. In the event that the Company fails to undertake any work or take such actions as may be required under any work permit or pursuant to any term, covenant or provision of this Agreement, the Municipality shall have the right but not the obligation to take such actions or undertake such work as may be required for the purpose of remedying the default of the Company under this Agreement. In such circumstances, the Municipality shall deliver an invoice to the Company detailing the costs and expenses associated with same and the Company shall pay the amount of such invoice in accordance with the terms hereof. In the event the Company fails to remit payment of such invoice, the Municipality shall have the right to collect the full amount of such invoice in like manner as municipal taxes. The Municipality shall have the right to rely on the provisions of the *Municipal Act* (Ontario) in connection with its efforts to collect such amounts.
23. Notwithstanding the requirement of prior notice to the Municipality for the permission to commence any work hereunder, including notice of repair work to existing natural gas pipelines and related equipment and facilities, the parties agree that, in the event of an emergency in which the Company requires immediate access to such pipeline or related equipment and facilities and after reasonable and unsuccessful efforts to communicate with the Municipality, the Company may enter upon the subject Road Allowance and/or municipal lands without prior notice to the Municipality in order to gain access to such pipeline and/or related equipment and facilities in order to effect such works as are required to address such emergency and, in so doing, shall undertake any works to the standards and as are otherwise required by the terms of this Agreement and to thereafter provide written notification and details and specification of such repair works to the Municipality on the next municipal business day and to thereafter file amended plans and drawings detailing such repairs as is otherwise required by this Agreement. For the purposes of this provision, "emergency" shall mean a sudden unexpected occasion or combination of events necessitating immediate action. All work completed under this paragraph shall maintain the same location of the natural gas pipelines and related equipment as previously approved by the Municipality.
24. The Company hereby indemnifies and saves harmless the Municipality from and against all claims, suits, demands, liabilities, losses, costs (including but not limited to legal costs as between a solicitor and his own client), damages, and other expenses of every kind that the Municipality may incur or suffer as a direct or indirect consequence of the exercise of the Easement Rights granted hereunder or as a direct or indirect consequence of the Municipality entering into this Agreement.
25. The parties hereto agree as follows:

(a) Any written notice provided for and contemplated by this Agreement will be delivered to the parties by hand or registered mail at the following addresses:

To Municipality:       The Corporation of the Municipality of Bluewater  
14 Mill Avenue  
P.O. Box 250  
Zurich, ON N0M 1G0  
Attn: Clerk

To Company:            Bayfield Pipeline Corp.  
309 Commissioners Road West, Unit D  
London, ON N6J 1Y4  
Attn: Jane Lowrie

Every such notice shall be deemed to have been received if personally delivered at the time of such delivery and if sent by prepaid registered mail, at the end of five (5) business days after the mailing thereof.

- (b) All overdue payments payable by the Company to the Municipality under the terms of this Agreement shall bear interest at the rate of ten (10%) per cent per annum.
- (c) The Company is prohibited from assignment of its rights and obligations hereunder without the written consent and permission of the Municipality, which consent and permission may be unreasonably withheld.
- (d) Each obligation of the parties hereto contained in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.
- (e) Each covenant in this Agreement is a separate and independent covenant and a breach of covenant by either party will not relieve the other party from its obligation to perform each of its covenants, except as otherwise provided herein.
- (f) No supplement, modification, amendment, or waiver of this Agreement shall be binding unless executed in writing by the parties.
- (g) This Agreement is binding upon and enures to the benefit of the parties hereto and their respective successors, and permitted assigns.

IN WITNESS WHEREOF the parties hereto affix their hands and seal or corporate seals, attested to by the hand of their authorized officers, as the case may be, at \_\_\_\_\_, Ontario, this \_\_\_\_ day of \_\_\_\_\_, 200\_.

SIGNED, SEALED AND DELIVERED  
In the presence of

**THE CORPORATION OF THE  
MUNICIPALITY OF BLUEWATER**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

(We have authority to bind the Corporation.)

**BAYFIELD PIPELINE CORP.**

\_\_\_\_\_  
Jane Lowrie, President

(I have authority to bind the Corporation.)

SCHEDULE "A"

2151629.1