

METALORE RESOURCES LIMITED

PHONE: (519) 428-2464

info@metalorerresources.com

EXECUTIVE OFFICE

P.O. BOX 422

SIMCOE, ONTARIO

N3Y 4L5

June 3, 2019

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Metalore Resources Limited
Application for Certificate of Public Convenience and Necessity in Norfolk County
Ontario Energy Board File No. EB-2019-0089**

METALORE RESOURCES LIMITED RESPONSE TO ONTARIO ENERGY BOARD AND ENBRIDGE GAS INC. INTERROGATORIES

In accordance with Procedural Order No. 1, Metalore Resources Limited hereby submits its responses to the interrogatories provide by the Ontario Energy Board and Enbridge Gas Inc. on May 23, 2019.

Sincerely,



Mr. Armen Chilian
President and CEO
Metalore Resources Limited
+1 (519) 427-4289
armen.chilian@gmail.com

cc: Peter Budd, pbudd.bei@rogers.com
Stephen Sangiuliano, ssangiu@rogers.com
Patrick McMahon, patrick.mcmahon@enbridge.com
Ritchie Murray, ritchie.murray@oeb.ca
Scott Lewis, slewis@onenergy.ca

ONTARIO ENERGY BOARD (“OEB”) STAFF:

OEB Staff-1

Ref.: Application, pages 3 & 8

Preamble:

Metalore Resources Limited (Metalore) seeks a certificate of public convenience and necessity (certificate) under section 8(1) of the *Municipal Franchises Act* to construct works to supply gas to the proposed expansion of the New Leaf facility located on the south half of Lot 16, Concession 5, Norfolk County (geographic Township of Charlotteville) with a municipal address of 1195 Charlotteville Road 5, Simcoe, Ontario N3Y 4K1.

Metalore states that Leaf is expanding its cannabis cultivation, extraction, analytics and production facility from the current 4,000 square feet facility to a 31,000 square foot facility. Metalore states that New Leaf will require between 75,000 – 90,000 GJ per year of natural gas. The first phase of this expansion is expected to be completed by October 1, 2019.

Questions & Draft Responses:

OEB 1a: Please confirm whether or not the existing New Leaf facility is served with natural gas. If so, who provides that service?

Response: The current New Leaf Canada Inc. (“NLC”) Walsh Facility is not served with natural gas.

OEB 1b:

Please confirm whether it is the first phase alone of NLC’s expanded facilities that will require 75,000 – 90,000 GJ per year of natural gas, or whether this is the total gas demand once all phases are complete.

Response: The current expansion of the Walsh Facility will require 75,000-95,000 GJ per year of natural gas. No other future expansion phases of the facility are planned as of this date.

OEB 1c: If the 75,000 – 90,000 GJ per year is only for the first phase of expansion, please provide New Leaf’s total estimated demand once all phases of its expansion are complete.

Response: There are no other future expansion phases planned for the New Leaf Walsh Facility as of this date.

OEB 1d: What would New Leaf do to meet its energy needs at its expanded facility in the event that gas supply from Metalore was interrupted for an extended period of time?

Response: NLC has and plans to have an adequate supply of propane available for back-up energy on site, which can be used in the case of a disruption in natural gas supply for a short or an extended period of time.

OEB Staff-2

Ref.: Application, page 3

Preamble:

Metalore states that Enbridge Gas informed New Leaf that [a capital contribution of] \$260,000 would be required in order for Enbridge Gas to provide service to the expanded New Leaf facility.

Questions & Draft Responses:

OEB 2a: In the time since Metalore filed its application, is Metalore aware of any additional information exchanges between New Leaf and Enbridge Gas regarding Enbridge Gas' ability to provide service to New Leaf? Please elaborate.

Response: Yes, NLC engaged in additional information exchanges regarding the potential for receiving gas service from Enbridge Gas ("EGI").

On March 22, 2019, Metalore Resources Limited ("MRL") approached Enbridge Gas Inc. ("EGI") via email with the possibility of adding NLC as a Field Line Customer ("FLC").

On March 26, 2019, and then on April 8, 2019, EGI replied that a Certificate of Public Convenience and Necessity ("CPCN") would have to be in place for the NLC Walsh Facility address at 1195 Charlotteville Road 5 before they would discuss adding NLC as a FLC.

However, on April 15, 2019, EGI stated that not only would a CPCN be required for the NLC Walsh Facility address at 1195 Charlotteville Road 5, but for the entire gas gathering system. Particularly, (i) a CPCN, (ii) a Technical Standards & Safety Authority ("TSSA") license, and (iii) a Franchise Agreement with Norfolk County, would all be required to distribute gas.

EGI's communications to MRL regarding the above came as a surprise to MRL. There had been fifteen (15) applications submitted by local residents requesting gas service connection. MRL contacted each of the resident applicants stating not to expect gas hook-up as EGI had added new conditions for MRL, which had never been previously requested, demanded, or otherwise mentioned as Union Gas Limited ("UGL", now EGI) added FLC's since the signing of the FLC Agreement between UGL and MRL on April 1, 1991 through to 2018.

OEB 2b: To the best of Metalore's knowledge, where is the location of the nearest Enbridge Gas distribution pipeline to the New Leaf facility?

Response: To the best of MRL's knowledge, the location of the nearest EGI distribution pipeline to the NLC Walsh Facility is approximately 2.58 km westward to 1198 Turkey Point Road or northeastward 3.10 km, south of 1133 Charlotteville East Quarterline Rd. Please see aerial images below.



OEB Staff-3

Ref.: Application, pages 3 and 5

Preamble:

Metalore states that in respect of servicing the New Leaf facility, it intends to construct a new pipeline and a tie-in station located at the New Leaf facility (Project).

Metalore states that the new pipeline from the existing Metalore pipeline system to the tie-in station located at the New Leaf facility will transport raw, un-odorized natural gas and is classed as a gathering line (rather than transmission or distribution line).

Metalore states that New Leaf has agreed to pay for all construction of the proposed pipeline and tie-in station, and that Metalore will operate and maintain the pipeline and tie-in station once the facilities are operational.

Questions & Draft Responses:

OEB 3a: If there was no need to move gas from Metalore's existing gathering lines to the New Leaf facility, would Metalore construct the new pipeline? If so, please explain why.

Response: No. MRL would only construct a pipeline if it connected its gas wells to allow for the efficient flow of gas to meter sites. MRL does not have a CPCN to connect a gas line to an end user as a distributor of gas.

OEB 3b: Please confirm whether Metalore or New Leaf will own the new pipeline.

Response: MRL will own the new pipeline.

OEB 3c: Please confirm whether Metalore or New Leaf will own the tie-in station.

Response: MRL will own the tie-in station.

OEB 3d: Please confirm that the tie-in station provides dehydration, odourization, pressure regulation and volumetric measurement. Does it perform any additional functions? Please explain.

Response: The tie-in station will provide inlet separation, gas dehydration, odourization, pressure regulation and volumetric measurement. It will not perform any additional functions.

OEB 3e: As the pipeline will be distributing gas to a consumer (New Leaf), why does Metalore believe it should be classified as a gathering line as opposed to a distribution line?

Response: The gas upstream of the processing facilities at the NLC Walsh Facility does not meet the definition of “natural gas” as defined by UGL (now EGI) in their standard contracts, as the gas contained in the pipeline is saturated with water vapour and may contain free water and other “objectionable matter”. Under UGL (now EGI) definitions, this gas material would not be acceptable within their distribution system destined for a distribution line. The pipeline systems upstream of the NLC Walsh Facility do, however, meet the industry definition of “gathering line” as detailed in CSA Z662-15: Oil and Gas Pipeline Systems.

Regardless of gas requirements of NLC, if its application is approved, MRL intends to connect the pipeline to its gas wells south of Concession 5 to allow more of its natural pressure to fill these gathering lines in the case of more volume requirements from either historic FLCs or NLC. Since gas flows to the area of least resistance, it makes the gas flows more efficient.

OEB Staff-4

Ref.: Application, page 4, 6 and 12

Preamble:

Metalore states that Enbridge Gas currently utilizes Metalore’s gas lines to supply natural gas to 150 homes and farms within Charlotteville Township that are known as Field Line Customers (FLCs).

Metalore states that the production from its natural gas wells is currently sold into three Enbridge Gas meter stations and to these 150 FLCs.

Metalore states that the existing FLCs consume 10-50% of Metalore’s production.

Metalore states that its service to New Leaf will not affect Enbridge Gas’ current or future rate payers.

Questions & Draft Answers:

OEB 4a: Assuming New Leaf begins consuming Metalore's locally produced gas, what percentage of Metalore's annual production would be supplied to New Leaf?

Response: MRL anticipates that NLC's Walsh Facility will use up to 50% of all of MRL's annual production to supply the NLC Walsh Facility.

OEB 4b: Has Metalore commissioned a study to determine whether or not the addition of the New Leaf load would impact service to the FLCs in terms of such things as a) delivery pressures and b) how long the FLCs can expect to continue being served by Metalore's locally produced gas (Impact Study)? If so, please file the Impact Study into evidence.

Response: MRL and its petroleum engineer have reviewed FLC sales and UGL meter sales for the past five years, reviewed the available reserves for several years forward, and decided that an Impact Study is not necessary at this time. A historical analysis of recorded pressure/flow data through the MRL system confirms that there is sufficient capacity to service all existing FLC's as well as NLC for many years into the future.

OEB 4c: If Metalore has not commissioned an Impact Study, in Metalore's opinion, would the addition of the New Leaf load reduce the number of years of remaining service to the existing FLCs? Please explain

Response: Yes, without drilling more wells and adding additional reserve volumes onto the MRL system, the addition of the NLC Walsh Facility load would reduce the number of remaining service years to the existing FLCs.

However, based on MRL's annual reserve report, the company has a remaining reserve life of 23.6 years at the existing (actual 2018) sales rate. The addition of NLC as a load off the MRL system will not actually increase MRL's sales; the addition of NLC will effectively reallocate traditional sales from delivery to one of the three UGL meter sites, to delivery to NLC.

MRL's system has 115-130psi natural pressure and does not use compression to move gas to FLCs or meter sites. If and when more gas is required, NLC will pay for the drilling and treatment stimulation of additional gas wells to sustain the system requirements.

OEB 4d: If Metalore provides service to New Leaf, will there be a reduction in gas supplied into Enbridge Gas' meter stations?

Response: Yes, if MRL provides service to the NLC Walsh Facility, there will likely be a reduction in gas supplied into EGI's three meter stations, although this could change if and when MRL decides to drill-up more reserves. For MRL to sell gas through the EGI meter sites, its natural pressures must be higher than the pressure of the gas that is already in the EGI line (back pressure is typically 115-130psi). With minimum back pressure in the MRL system, which is intended to service the NLC Walsh Facility, gas, which flows to the area of least resistance, will simply be more readily consumed as the MRL reserves are reduced over time.

OEB 4e: Did Metalore explore the option of providing service to New Leaf as a FLC in collaboration with Enbridge Gas? If not, why not? If so, please fully explain why this option was not pursued

Response: Yes.

On March 22, 2019, MRL approached EGI via email with the possibility of adding NLC as a FLC. On March 26, 2019, and then on April 8, 2019, EGI replied that a CPCN would have to be in place for the NLC Walsh Facility address at 1195 Charlotteville Road 5 before EGI would discuss adding NLC as a FLC.

However, on April 15, 2019, EGI stated that not only would a CPCN be required for the NLC Walsh Facility address at 1195 Charlotteville Road 5, but for the entire gas gathering system. Particularly, (i) a CPCN, (ii) a TSSA license, and (iii) a Franchise Agreement with Norfolk County would be required to distribute gas.

EGI's communications to MRL regarding the above came as a surprise to MRL. There had been fifteen (15) applications submitted by local residents requesting gas connection and service since February 2018. MRL contacted each of the resident applicants stating not to expect gas hook-up as EGI had added new conditions for MRL, which had never been previously requested, demanded, or otherwise mentioned as UGL (now EGI) added FLCs since the signing of the FLC Agreement between UGL (now EGI) and MRL on April 1, 1991 through to 2018.

The provision of gas services to the NLC Walsh Facility as an MRL FLC in collaboration with EGI, was not a possibility for NLC, due to the uneconomical nature of the current MRL-UGL gas supply contract, particularly given the excessive capital costs for service connection (aid to construct), which EGI provided through quotes.

In November 2018, EGI provided a quote for gas supply hook-up for the NLC Walsh Facility at a cost of \$260,000, which NLC had budgeted for and thus decided to continue with the Walsh Facility construction.

In April 2019, EGI subsequently provided a quote for \$2,314,700 for the same gas supply service connection work. This approximately ten-fold order-of-magnitude cost increase left NLC with no choice but to work with MRL to obtain a direct Gas Purchase Agreement ("GPA") from MRL's supply. If NLC were aware of the ~\$2.3 million cost from the start, rather than the \$260,000 that was provided by EGI initially in November 2018, NLC would not have decided to proceed with the construction of the Walsh Facility. If somehow EGI were to be the supplier, NLC would face a very challenging and potentially devastating increase of almost 25 percent on the total project development cost.

EGI has refused to allow additional farms/houses to be added to the MRL system as FLCs (see attached copy of Enbridge response to requests), even though there is sufficient additional produced gas available, and UGL/EGI have been supplying existing FLCs through the existing MRL system for many years [The UGL/MRL FLC agreement lists over 50 metered customers, perhaps 37 of which had already been served from MRL's gas. According to a spreadsheet

obtained from UGL, the earliest FLC was hooked up in 1968]. EGI is now requiring that Metalore certify their entire gathering system with a CPCN from the OEB as a natural gas distributor before EGI is prepared to add any additional FLCs off of the MRL system.

The MRL system is not a natural gas distribution system, only the short connections from the MRL system to each FLC, with that short distribution system owned by EGI. The only way EGI was prepared to provide service to the NLC Walsh Facility was by constructing a dedicated line from outside of the MRL system to the NLC Walsh Facility at a considerably higher cost.

OEB 4f: To the best of Metalore's knowledge, if for any reason it were required, could the flow through the three Enbridge Gas meter stations be reversed such that gas flowed from Enbridge Gas' system to the existing FLCs?

Response: To the best of MRL's knowledge, if for any reason it were required, the gas flow through the three (3) EGI meter stations could be reversed such that gas flowed from EGI's system to the existing FLCs.

OEB Staff-5

Ref.: Application, pages 4 and 9

Preamble:

Metalore states that if its application is approved, local landowners will receive increased royalties paid on locally produced gas from their farms.

Metalore states that it will install approximately 1700 metres of new 3" high density polyethylene pipeline along boundaries of four private properties. Metalore states that it currently pays annual royalties to all four of these land owners.

Questions & Draft Answers:

OEB 5a: Please explain the nature of the existing royalty agreements between Metalore and landowners in general; specifically, please explain on what basis landowners are currently compensated.

Response: Landowners within Charlotteville Township, who have active MRL gas wells within the area of drainage (spacing order as designated within each lot of each concession), are paid a 6.5% royalty annually from the production from the respective gas well(s).

OEB 5b: Please estimate in dollars the total increase in royalty payments as a result of the Project.

Response: Using a natural gas price of \$6/GJ, and 2018 volume sales of MRL, if the NLC Walsh Facility consumes 50% of all natural gas produced, an anticipated approximate value of \$25,000 more in royalty payments to landowners can reasonably be expected.

OEB 5c: Are the four landowners mentioned in the preamble the only landowners who will see an increase in royalty payments? If not, please explain.

Response: Any of the ~180 landowners (subject to change following 2019 review) whose gas well production is consumed by NLC could see an increase in royalty payments. The closer a gas well is to the NLC Walsh Facility, the higher the probability its landowners will receive increased royalty payments.

OEB 5d: How and when did Metalore make the four landowners aware of Metalore's plans to construct a pipeline on their properties?

Response: On January 2, 2019, Mr. Armen Chilian met with Mr. John Cooper at Mr. Cooper's property (where Well #9 is located) and together they toured by pick-up truck to discuss where a proposed pipeline would be installed. On January 6, 2019, Mr. Chilian met with Mr. Mark DeVos and rode in a quad to discuss where a gas line would be installed across his property. Mr. DeVos owns property on which Well #10 exists and is a professional installation contractor for pipelines.

On January 8, 2019, Mr. Chilian met with Jorden Hughes, Director of Maintenance and Agriculture for Scotlynn Commodities Inc., who have gas Wells #6 and #14 on their property. Mr. Chilian showed Jorden the area where MRL would be installing a 3" pipeline across the property. Also on January 8, 2019, Mr. Chilian met with Mr. Larry Benz, who owns property to the west. Mr. Chilian drove in a pick-up truck with Mr. Benz and outlined where a pipeline would be installed. All four landowners are current royalty recipients.

OEB 5e: Did any of the four landowners object to Metalore's plans to construct a pipeline? If so, please describe the nature of the objections. Have the objections been resolved? Please explain.

Response: No landowners have objected to MRL's plans to build a new pipeline. MRL has gas leases for each of the four properties, all of which give MRL the right to drill for gas and service its works as necessary. Further, MRL has requested letters of support from the four landowners on May 31, 2019. One support letter has been received to date, signed by Mr. Mark DeVos of Earthworks Contractors (appended herein) with the other three landowners stating that they will follow up with their letters of support in due time. MRL will file these letters as evidence as soon as they are signed by the appropriate landowners.

OEB 5f: Did Metalore receive any letters of support for the Project from the four landowners? If so, please file the letters into evidence.

Response: No letters of support for the project were requested by MRL from landowners. All four landowner have been notified about the project by Mr. Chilian and none of them has objected. (From May 29 to June 1, Mr. Armen Chilian again met individually with Larry Benz, Jorden Hughes, Mark DeVos and John Cooper, and was given verbal assurance that each would provide a letter of consent allowing construction of pipeline across their respective properties).

OEB Staff-6

Ref.: Application, pages 8 and 9

Preamble:

Metalore states that its existing pipeline system operates at a maximum of 135 psi.

Metalore states that the new pipeline will be nominal pipe size 3-inch and 1700 meters in length.

Questions & Draft Answers:

OEB 6a: Please confirm the length, diameter, and operating pressure of the new pipeline.

Response: The new pipeline will be constructed from 3" DR9 High Density Polyethylene (HDPE) material. The HDPE material is rated at design pressures up to 250 psi (1725 kPa) in dry gas gathering service (as per CSA Z662-15 Clause 13.3), and therefore the design pressure exceeds the maximum operating pressure, which is expected to be 100-120psi. The pipeline will extend 2,500 meters from the NLC Walsh Facility to Turkey Point Road.

OEB 6b: Please provide the estimated capital cost of the new pipeline.

Response: In March, 2019, Sandale provided a quote for piping supply of \$3.19/ft x 8,500 ft = \$27,115. In January, 2019, Darroll Konings of Weber Contracting provided a quote for installation for \$68,816, but added he had a six month wait time due to heavy demand. In February 2019, Mr. Mark DeVos provided a quote for installation for \$92,600, but stated that he could install within a week's notice. Given the above, it is reasonable to estimate that the new pipeline could cost ~\$120,000.

OEB Staff-7

Ref.: Application, page 10

Preamble:

Metalore states that the expanded New Leaf facility will have a need for natural gas in mid-2019, and that Metalore would need to construct the new pipeline and tie-in station in June and July 2019 to meet this requirement.

Questions & Draft Answers:

OEB 7: Please provide an update on the timing of New Leaf's gas needs and Metalore's construction schedule.

Response: NLC has stated that it will require gas connection for August 31, 2019, and plans to complete construction of the NLC Walsh Facility for October 31, 2019.

OEB Staff-8

Ref.: Application, page 11

Preamble:

Metalore provides a list of activities related to the operation of the proposed tie-in station.

Questions & Draft Answers:

OEB 8: Please confirm that odourant handling and storage as well as gas odourization should be part of this list. If so, please provide an updated list that includes these activities.

Response: Odourization facilities will be a part of the NLC Walsh Facility as indicated in the P&ID supplied with the application. A King Tool Model 2B Bypass Odourizer will be installed downstream of the dehydration facilities. The odourant will be added on a regular basis, whenever the odourant supplier is in SW Ontario to top-up other odourant facilities in the area.

OEB Staff-9

Ref.: Application, pages 11 and 12

Preamble:

Metalore states that its employees who will be responsible for the new pipeline and tie-in station will be the same employees who currently service Metalore's existing infrastructure.

Metalore states that the Project will create numerous jobs and other economic benefits to the local community.

Questions & Draft Answers:

OEB 9: If Metalore's existing staff will service the new pipeline and tie-in station, what types and numbers of new jobs will be created by the Project?

Response: NLC anticipates that the expansion of the first phase of the Walsh Facility will create ~20 jobs: 15 Plant Specialists, 1 Head Grower, 2 administrative staff, and 2 maintenance staff

OEB Staff-11

Ref.: Application, page 13

Preamble:

Metalore has applied for a certificate to enable it to construct works to supply gas to the proposed expansion of the New Leaf facility. The OEB Act permits the OEB, when making an order, to “impose such conditions as it considers proper.”¹

Questions & Draft Answers:

OEB 11: OEB staff has prepared the following draft Conditions of Approval. If Metalore does not agree to any of the draft conditions of approval noted below, please identify the specific conditions that Metalore disagrees with and explain why. For conditions in respect of which Metalore would like to recommend changes, please provide the proposed changes and an explanation of the changes.

**Metalore Resources Limited
Application for Certificate of Public Convenience and Necessity
DRAFT CONDITIONS OF APPROVAL**

- 1) Metalore shall give the OEB notice in writing of the:
 - a) Commencement of construction, at least ten days prior to the date construction commences;
 - b) Planned in-service date, at least ten days prior to the date the facilities go into service;
 - c) Date on which construction was completed, no later than 10 days following the completion of construction; and
 - d) In-service date, no later than 10 days after the facilities go into service.
- 2) Metalore shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions. Metalore shall provide the employee’s name and contact information to the OEB, the four landowners, and clearly post the information at the tie-in station site. The project manager will be responsible for the fulfilment of the conditions of approval on the site.
- 3) The OEB’s designated representative for the purpose of these Conditions of Approval shall be the OEB’s Manager of Supply and Infrastructure Applications.

Response: MRL is in agreement with all of the OEB Draft Conditions of Approval for MRL’s application for the CPCN in question.

ENBRIDGE GAS INC. (“EGI”):
Patrick McMahon, Specialist, Regulatory Research & Records:

1. Reference: Metalore Application, page 3

“To this end, Metalore seeks a geographically limited Certificate of Public Convenience and Necessity (“Certificate”) under section 8(1) of the Municipal Franchises Act to construct works to supply gas to the proposed New Leaf facility located on the south half of Lot 16, Concession 5, Norfolk County (geographic Township of Charlotteville), with a municipal address of 1195 Charlotteville Road 5, Simcoe, Ontario N3Y 4K1

Question & Draft Answer:

EGI 1: Please confirm whether this will be the only service location to which Metalore intends to provide service. If other service locations are contemplated, please identify the other municipal addresses being considered and when gas service would be provided at these locations.

Response: The municipal address of 1195 Charlotteville Road 5 is the only location to which MRL plans to provide gas service directly to an end user at this time.

2. Reference: Metalore Application, page 3

“The granting of a Certificate is in the public interest favored by the economics, complete absence of environmental impacts, no outstanding landowner issues since Metalore already pays royalties on the gas leases in the area, no adverse impact on other ratepayers, and Metalore is a competent builder and operator of the proposed gas supply works.”

Questions & Draft Answer:

EGI 2a: Please describe the criteria used to determine that granting of the requested CPCN is in the public interest and how this criteria compares to the criteria typically used by the OEB to determine public interest.

Response: MRL believes that the granting of a limited CPCN from the OEB to MRL to provide gas supply services to the NLC Walsh Facility is in the public interest, and in line with criteria typically used by the OEB to determine as such, as it is in the public interest to have gas available (i) at an affordable price, (ii) in a timely manner, and (iii) from local suppliers.

NLC approached MRL on November 12, 2018 saying that they were not happy with such poor communication in their pursuit of gas connection with UGL and were open to alternatives.

The NLC Walsh Facility is being built, and will be operational with or without natural gas fuel service (alternative is to fuel with propane). If the MRL gas feed is not approved, NLC would

either require regular delivery of propane by heavy trucks, causing longer term damage to township roads, or much more extensive on-road-allowance pipeline construction would be required for EGI to build required pipeline capacity to the NLC Walsh Facility.

If EGI were to supply gas to NLC from their pipeline system at Walsh along Turkey Point Road, the new pipeline would be installed along a road which already contains an MRL pipeline. This added on-road-allowance pipeline construction is not in the public interest, especially along a major road like Turkey Point Road, when there is a cheaper and more efficient alternative.

Further, EGI provided a quote for gas supply hook-up for the NLC Walsh Facility at a cost of \$260,000 in November 2018, which NLC had budgeted for and thus decided to continue construction. EGI subsequently provided a quote in April 2019 of \$2,314,700 for the same gas supply service. This approximately ten-fold order-of-magnitude cost increase left NLC with no choice but to work with MRL to obtain a direct GPA from MRL's supply.

If NLC were aware of the >\$2.3 million cost from the start, rather than the \$260,000 that was provided by EGI initially in November 2018, NLC would not have decided to go forward with the construction of the Walsh Facility. Were only an EGI connection to be the alternative, NLC would be facing a very challenging and potentially devastating increase of almost 25 percent on its total project cost of this development.

EGI 2b: Please provide details of any environmental screenings and reviews that have been undertaken related to the proposed project that indicate that there will be no environmental impacts.

Response: Natural gas produced from local (within 5 km radius) gas wells will be consumed by the NLC Walsh Facility located at 1195 Charlotteville Road 5. The Walsh Facility and nearby piping will be manufactured and installed in 2019. The majority of the construction outside of the NLC Walsh Facility will be pipelines ploughed in farmers' fields, and will be very similar to standard drainage tile installation, where there is no significant mixing of subsoil and topsoil. No surface drainage or creek systems will be crossed, so there will be no impacts on local aquatic life. The facility is operated on private property on an agricultural field and not close to any public gatherings, municipal roadways, power lines or waterways.

3. Reference: Metalore Application, page 3

"Union Gas Limited ("Union") has no infrastructure in the immediate area. When asked by New Leaf to supply a pipeline and works to its property, Union gave a written quote for \$260,000."

Questions & Draft Answer:

EGI 3: Please provide details of any cost estimates provided to New Leaf by Enbridge Gas (Union Gas) regarding the provision of natural gas service to the new greenhouse facility.

Response: The following two cost estimates were provided by EGI:

1) The November 22 2018 cost estimate:

Thursday, November 22, 2018 10:39 AM

The cost to have a natural gas main in front of your home is **\$260,000.00**.

The cost of the installation changes based on the number of customers that connect in the first year of the project and the cost would be shared equally between the homeowners. The end of mains closest to you are at 1072 Charlotteville E QL Rd and 1195 Turkey Point Rd. Both are near equal in distance and have the same number of properties that could be interested. The estimated amount is based from your property to either location. To include the distance from one to the other assume double the cost at \$540 000.

2) The April 1 2019 cost estimate:

The feasibility estimate to complete the work above is:

Customer Station and Service at Site	
- Pressure cut station from High Pressure flow to Intermediate Pressure flow.	
- Pressure cut station from Intermediate flow to 70 kPa at customer site.	\$ 33,651.00
Transmission Reinforcement	
- 525 meters of 8" steel transmission reinforcement at the Simcoe North Distribution Station.	\$ 1,035,870.00
Distribution Main	
- 2,743 meters of 2" steel distribution main to reach the customer site.	\$ 1,245,180.00
Total	\$ 2,314,700.00

In November 2018, NLC received written correspondence from EGI after many phone messages and emails were ignored, stating that NLC's capital cost to complete the pipeline required to receive natural gas supply from EGI to NLC's Walsh Facility would be \$260,000. NLC determined that the cost of this installation was in line with its budget and decided that, based on this confirmation and the cost of the Ontario hydro installation of \$284,712, NLC would begin the construction of the 32,000 sq ft medical marijuana Walsh Facility.

Many months later, after a considerable amount of money and time were spent on site development, EGI provided NLC with a revised quote via email of exactly \$2,314,700 (April 1, 2019) to complete the same work (provide 200 m3/hour of firm natural gas service for New Leaf Canada Inc.), distinct from the works that EGI quoted previously for \$260,000. Based on this considerable order-of-magnitude price increase, and without any assistance from EGI to try and negotiate this figure, NLC was left with no choice but to work with MRL to obtain a direct GPA from MRL's supply.

If NLC were aware of the ~\$2.3 million cost from the start, rather than the \$260,000 that was provided by EGI initially in November 2018, NLC would not have decided to proceed with the construction of the Walsh Facility. NLC would be facing a very challenging and potentially devastating increase of almost 25 percent on its total project development cost were the EGI gas supply alternative the only option.

4. Reference: Metalore Application, page 4

“The contract rates offered by Union for Metalore’s gas have not allowed Metalore to grow reserves...Metalore will charge less than Union to supply gas to New Leaf on a long term basis.”

Questions & Draft Answer:

EGI 4a: Please explain how charging New Leaf less for gas supply will allow Metalore to grow its reserves.

Response: MRL currently sells its gas only to EGI through three (3) meter stations and 150 FLCs. It is uneconomical for Metalore to explore for additional reserves from what little it generates by selling its gas to EGI under the GPA. The expenses of producing gas by MRL have been estimated to be approximately \$4/GJ. MRL would have to generate \$5.50-\$6/GJ to be willing to risk the uncertainties associated with exploration and well stimulation.

EGI currently pays MRL for gas production based on a Dawn reference price, less deemed transportation from Norfolk to Dawn. Under this phantom pricing arrangement, as a local Ontario gas producer, MRL receives less than the Dawn wholesale gas price for all gas delivered to one of the three EGI meter sites. The reality of the gas movement is that MRL gas molecules are never transported to Dawn, but are, in fact, transported a short distance through the EGI system before being consumed nearby locally, with the gas end-users billed significantly more than the Dawn wholesale price.

MRL will be invoicing NLC for gas volumes consumed based on the EGI M2 rate schedule, which include the Dawn wholesale price, storage, delivery through the EGI system, and a fixed monthly charge. To be competitive, MRL will invoice NLC at less than the EGI M2 all-in rates and MRL will receive more value than what it currently receives for Ontario-produced gas. This increased gas revenue will allow MRL to generate free cash flow to be used to expand gas supply i.e. drilling, tie-in incremental reserves, creating jobs and economic activity.

EGI 4b: Please provide a comparison of the annual charges that would apply to NLC if supplied by EGI and the annual charges proposed by MRL.

Assuming NLC consumes 90,000GJ/year, EGI would be invoicing NLC at an average burner-tip gas rate of 6.32 103m³/D (223 Mcfd) with an annual all-in gas bill of \$514,140, or \$6.31/Mcf as a Rate M2 customer. MRL would invoice New Leaf an annual all-in gas bill of \$503,700, or \$6.18/Mcf.

When comparing complete capital costs, EGI’s offering to NLC becomes much more expensive than MRL’s for the same gas supply services. NLC is attempting to process cannabis and gain market share as quickly as possible. To this end MRL has chosen contractors who can fully construct all gas works in approximately 10 weeks for less than \$200,000. In contrast, as of April 1, 2019, EGI expects NLC to be burdened by ~\$2.3M for a gas main to its property (which does not even include ultimate metering and hook-up). EGI did not provide a timeline for completion of construction.

5.Reference: Metalore Application, page 4

“Union currently utilizes Metalore’s gas lines to supply natural gas to 150 homes and farms (Field Line Customers (FLC’s)) within Charlotteville Township.”

Questions & Draft Answers:

EGI 5a: Please provide a copy of the current Field Line Customer Agreement between Metalore Resources and Enbridge Gas Inc. (formerly Union Gas Limited).

Response: Please see MRL’s FLC Agreement with UGL dated April 1, 1991, appended

EGI 5b: Please confirm that Metalore built and/or owns and operates the pipeline system that supplies gas to the meters owned by Enbridge at each of the referenced customer service locations

Response: As documented in clause 6.02 of the FLC Agreement, Seller (MRL) is the sole owner of the gas gathering pipeline system upstream of the individual FLC meter sites. MRL is a natural gas producer with gathering lines connecting the wells, most of which were constructed prior to 1986. Prior to 1991, MRL sold gas to UGL through three main meter stations. During 1991, MRL and UGL signed an agreement that allowed UGL to tap into MRL’s already constructed pipeline infrastructure which enabled UGL to sell gas to more customers. For its part, MRL would be allowed a premium because UGL had no need to build a line to transport gas, but had use of MRL’s gathering lines. Each FLC paid for the tap-in and piping to UGL’s residential/commercial meter

EGI 5c: Please provide a copy of any Certificate of Public Convenience and Necessity granted by the OEB to Metalore for its existing pipeline system

Response: The MRL pipeline system transports raw natural gas from individual gas wells to the FLC’s or one of the three EGI meter sites as a gas gathering system. MRL constructed and operates this pipeline system under the Oil, Gas, and Salt Resources Act (the Act) administered by the Ministry of Natural Resources and Forestry (“MNR”). Under the Act, MRL is required to construct and operate the pipeline system under the guidance of CSA Z662: *Oil and Gas Pipeline Systems* and is not required to obtain a CPCN from the OEB.

A line by line review of the April 1, 1991 agreement makes no mention for MRL to require any CPCN from the OEB because UGL already had been granted a CPCN for the area. At no time has MRL ever received a request by UGL to have such a Certificate (from 1991 through to 2018 while UGL continued to tap into MRL’s gas gathering infrastructure, adding FLC’s). On April 15, 2019, EGI informed MRL that unless it obtained a CPCN, it would not add any further FLC’s.

EGI 5d: Please provide a copy of any franchise agreement that Metalore has in place with Norfolk County which grants to Metalore the right to construct and operate works for the supply of natural gas and the right to extend and add to the works in Norfolk County

Response: MRL is not required to obtain a franchise agreement with local townships or counties prior to constructing facilities to produce and market crude oil or natural gas (see Clause 18 (2) of the Oil, Gas, and Salt Resources Act). Metalore receives approval from Norfolk County prior to constructing any pipelines on township/county road allowances.

6. Reference: Metalore Application, page 5

“The existing pipeline infrastructure including the proposed new pipeline from the Metalore system to the gas treatment facilities located at the New Leaf facility transport raw, un-odorized natural gas and are classed as gathering lines (rather than transmission or distribution lines). Gathering lines are regulated by the Ministry of Natural Resources and Forestry Petroleum Operations Section under the Oil, Gas, and Salt Resources Act.”

Reference: EB-2017-0289 Decision and Order dated June 14, 2018, pages 3-4

“The OEB does not accept that the Pipeline is a “gathering system” and finds instead that it will be providing distribution services. OMLP has clearly indicated that both the Pipeline and the tie-in system are required to serve the Greenhouse Facility. There is no mention of new wells being integrated into the system with this new Pipeline. The sole purpose of the Pipeline appears to be to distribute gas to the Greenhouse Facility. The OEB therefore finds that the new Pipeline provides a distribution function.

Section 8 of the Municipal Franchises Act provides that a certificate of public convenience and necessity is required prior to the construction of any works to supply natural gas in a municipality. The Pipeline will serve a distribution function and will be supplying natural gas to the Greenhouse Facility, and it will therefore require a certificate.”

Question & Draft Answer:

EGI 6: Please explain how Metalore’s existing and proposed pipeline systems are different from the OMLP pipeline used to provide distribution services to a greenhouse facility in Norfolk County.

Response: Similar to the ON Energy pipeline system, the MRL pipeline system is an existing gas gathering pipeline system constructed to allow MRL to transport raw natural gas from its gas wells and deliver that gas to custody transfer sites either into one of three EGI meter stations, or to one of the FLCs, each of which has a custody transfer site at the individual meters. To service the NLC Walsh Facility, MRL requires new pipeline segments from its existing gathering system network to the NLC Walsh Facility, with gas dehydration and odorant facilities installed at the custody transfer point at the facilities. In the OMLP case referenced, only the new pipeline construction required a Certificate of Public Convenience and Necessity by the OEB.

7. Reference: Metalore Application, page 5

“Once a certificate of public convenience and necessity has been granted, Metalore will further seek approvals to construct the project and facilitate the sale of gas directly from Metalore to New Leaf. Approvals may include those required from the Ministry of Natural Resources and Forestry (MNR), Technical Standards and Safety Authority (TSSA), Measurement Canada Weights and Measures, and Norfolk County.”

Questions & Draft Answers:

EGI 7a: What approvals and permits has Metalore secured for Phase 1 of the New Leaf Canada development? What specific approvals/permits are outstanding and when (month/year) are they expected to be approved?

Response: MRL has obtained approvals from both landowners (for piping to be installed on their properties) and Norfolk County (permit for boring a line under the Turkey Point Road). MRL only requires a CPCN from the OEB prior to commencing construction of the pipeline facilities. Once constructed, MRL will submit a Class 5 Independent Examiner form under the *Oil, Gas, and Salt Resources Act* to inform the Ontario Ministry of Natural Resources & Forestry (“MNR”) of the location and size of the new pipeline system and to confirm that it was constructed as per CSA Z662: Oil and Gas Pipeline Systems requirements.

The separator, dehydrator, odorizer, and metering skid, and the pipeline from the skid to the entrance to the NLC Walsh Facility will require approval from the TSSA prior to gas delivery. The custody transfer meter that will be installed on the gas treatment skid will be a Measurement Canada certified meter, with documentation supplied by the manufacturer.

EGI 7b: Does Metalore intend to submit a Leave to Construct application to the Ontario Energy Board?

Response: Since the total capital cost to construct the pipeline and gas treating facilities is so small, a Leave to Construct application to the OEB requesting approval is not required. The project costs total less than \$2 million.

8. Reference: Metalore Application, page 9

“The total capital cost of the Tie-in System to allow suitable quantities of gas to be delivered to the New Leaf Walsh Facility, is estimated to be \$150,000.

The Tie-in System will require a meter site on New Leaf’s Property, for which Metalore is seeking the Certificate of Public Convenience and Necessity, which will include the following:

- *Installation of a separator/dehydrator to remove excess moisture from the gas*
- *Installation of a gas odorizer*

- *Installation of a gas meter to measure the volume of gas being delivered to the production facility*
- *Piping, valves and regulators at the meter site*

Upgrades to the existing pipeline system will include the installation of approximately 1700 metres of new 3" high density polyethylene pipeline along boundaries of four private properties. Metalore currently pays annual royalties to all four land owners who each have instructed Metalore where to install the pipeline on their respective properties."

Reference: Metalore Application, page 11

"New Leaf has agreed to pay for all the costs, from planning to construction, of all piping and metering facilities from Metalore's 3" gas line along Turkey Point Road, 2500 metres eastward, to the New Leaf facility."

Questions & Draft Answers:

EGI 8a: Is the cost of the 1700 metres of 3" pipeline upgrades included in the \$150,000 Tie-In System cost? If not, what is the estimated cost for this pipeline?

Response: Yes, the cost of the 1700 metres of 3" pipeline upgrades is included in the \$150,000 Tie-In System cost.

EGI 8b: Is the cost of the 2500 meters of 3" pipeline along Turkey Point Road included in the \$150,000 Tie-In System cost? If not, what is the estimated cost for this pipeline?

Response: The 2500 meters of 3" pipeline along Turkey Point Road is already in place, having been installed in 1968, and therefore there are no incremental costs associated with construction of this pipeline.

EGI 8c: What other capital costs of providing service to New Leaf are not included in the \$150,000 Tie-In System cost?

Response: The cost of the Tie-in facility skid with all apparatus (dehydrators, meters, etc.) as quoted by Fulcrum Mechanical Inc. is \$43,500. Related labor costs to connect the system to MRL's gas line and NLC's Walsh Facility will be @ \$80/hr.

9. Reference: Metalore Application, page 10

"Construction of the New Leaf Walsh Facility has commenced with survey and site preparation, with the following construction schedule:

- *Phase 1 Operational September 1, 2019*

The expanded New Leaf Walsh Facility has a need for the natural gas produced by Metalore in mid-2019. As such it would be preferable for the upgrades to the existing pipeline system and the

Tie-in System described to be completed by August 1, 2019 at the latest to meet this requirement. Upgrades to the existing pipeline system are planned to run from July 15, 2019 to July 30, 2019. The proposed Tie-In System construction of works to supply gas to the New Leaf Walsh Facility is scheduled to commence in July 15 and be completed by July 30 2019.”

Questions & Draft Answers:

EGI 9a: Has Metalore initiated any construction to supply gas service to the New Leaf facility? If so, what has been completed and/or is in progress?

Response: MRL has not commenced any construction of gas works associated with the NLC Walsh Facility.

EGI 9b: Has New Leaf received all approvals required to begin construction at the site? If not, when are all approvals expected?

Response: Not only has NLC obtained all approvals to begin construction at the Walsh Facility site, NLC has established the concrete foundation, with construction in progress.

EGI 9c: Will there be other phases of development – other than Phase 1 – at this New Leaf location? If yes, what are the expected load requirements for the other phases? Please express the load requirements as Peak Day GJ per hour, GJ per day and annual gas consumption in GJs.

Response: There are no other future expansion phases planned for the New Leaf Walsh Facility as of this date.

EGI 9d: What is the estimated life of the existing reserves that currently serve the 150 customers, which will be serving the expected load for the 31,000 sq. ft. New Leaf facility?

Response: Based on MRL’s annual reserve report, the company has a remaining reserve life of 23.6 years at the existing (actual 2018) sales rate.

EGI 9e: Please identify when these subsequent phases will become operational and whether Metalore will be capable of providing the required supply.

Response: It is unknown at this time if and when any subsequent phases of the NLC Walsh Facility may proceed.

10. Reference: Metalore Application, page 12

“The Metalore-New Leaf relationship will have several very positive and long-standing benefits to the local economy and to Ontarian: Firstly, as discussed under Section 1 in more detail, the Metalore-New Leaf relationship will result in more environmentally responsible natural gas. Local Ontario gas will be used at the New Leaf Facility which does not require high volume hydraulic fracturing nor does this locally produced gas require transportation over long

distances. This Ontario gas production also directly enriches the local economy through land lease payments and production royalties paid to landowners.

...

The Metalore-New Leaf service connection will not affect Union's current or future rate payers."

Questions & Draft Answers:

EGI 10a: Please provide details of the evidence that shows that the proposed operations will have no negative impacts on other Ontario ratepayers.

Response: NLC is not currently served by EGI or any other distributor in Ontario, therefore any gas supplied by MRL to the NLC Walsh Facility is new and incremental and is not reducing existing revenues from other ratepayers. The proposed operations will not have any influence on EGI's existing ratepayers in their Norfolk County service territory or anywhere in Ontario.

EGI 10b: Please provide details of the evidence relied upon that proves that the proposed venture results in more environmentally responsible natural gas and the evidence that gas purchased through Enbridge Gas would not have the same benefits.

Response: The majority of the natural gas handled by the EGI system originates from outside the EGI franchise area. This ex-Ontario sourced gas requires long haul and short haul transportation through extensive pipeline systems to reach this area of southern Ontario, with significant compression required during transport. This compression requires ongoing fuel gas consumption, which results in carbon emissions from fuel gas combustion. Much of the natural gas entering the EGI franchise area was produced from shale gas reservoirs, with significant carbon emissions produced during the completion processes. The high volume fracturing processes necessary to complete these shale gas wells uses significant fresh water and other chemicals, all of which result in more stress on the environment than volumes produced by MRL.

The natural gas produced by MRL is from local gas wells (no compression, so no carbon emissions from fuel gas), with the majority of the MRL gas wells completed many years ago using conventional low volume fracture treatments. The MRL gas wells have demonstrated very minimal production rate declines, so the company will be able to supply both the NLC Walsh Facility and the FLCs for many years to come without needing significant new natural gas wells to be drilled.



Enbridge Gas Inc.
50 Keil Dr. N.
Chatham, ON N7M 5M1

April 29, 2019

Brittany Wilkinson
958 Charlotteville Road #7
Simcoe, ON N3Y 4K5

RE: Request for Natural Gas Service

Dear Brittany,

This letter is in regard to your expressed interest in obtaining natural gas service at 958 Charlotteville Road #7 Simcoe, Ontario via a Field Line Customer Agreement between Enbridge Gas Inc. ("Enbridge") and Metalore Resources Limited ("Metalore").

Please be advised that Enbridge continues to be willing to evaluate connecting your property to natural gas service, but, pending Metalore's demonstration of compliance to applicable laws, orders and government rules and regulations that have been in place for many years with respect to gas distribution, your request will be on hold and the connection will not be possible.

Thank you for your patience in this matter. If you have any question, please contact the undersigned.

Sincerely,

Karen Vince
Senior Buyer Gas Supply
Enbridge Gas Inc.
50 Keil Dr. N.
Chatham, ON N7M 5M1
519-436-5413
karen.vince@enbridge.com

Chris Mayo
Buyer Gas Supply
Enbridge Gas Inc.
50 Keil Dr. N.
Chatham, ON N7M 5M1
519-436-5412
chris.mayo@enbridge.com



May 31, 2019

To whom it may concern,

Please accept this letter as formal confirmation of my support for Metalore Resources Limited to construct a pipeline on my property, located within LOT 14, CONCESSION V, Charlotteville Township, Norfolk County at 1094 St. John's Road West for the purpose to supply gas to the New Leaf Canada Inc. Walsh Facility, located on the south half of Lot 16, Concession 5, Norfolk County with a municipal address of 1195 Charlotteville Road 5, Simcoe, Ontario N3Y 4K1.

Although Armen Chilian, President and Chief Executive Officer of Metalore Resources Limited, has discussed the potential of the New Leaf Walsh Facility Project with me on January 6 2019, I have previously been involved with many initial aspects of foundational construction of the facility and had many discussions with New Leaf management in 2018. I have no objections to, and am in full support of, the New Leaf Walsh Facility Project, and the construction of a pipeline on my property for the purposes of supplying natural gas thereto.

Sincerely,

A handwritten signature in blue ink, appearing to be "Mark DeVos", written in a cursive style.

Mark DeVos
Earthworks Contractors
519-420-7975
sparkdrilling1@gmail.com

ONTARIO PRODUCTION GAS PURCHASE AGREEMENT

DATED: APRIL 1, 1991

BETWEEN

METALORE RESOURCES LIMITED

AND

UNION GAS LIMITED

ONTARIO PRODUCTION GAS PURCHASE AGREEMENT

TABLE OF CONTENTS

Page No.

General Terms and Conditions

Article I	- Definition of Terms	2
Article II	- Volumes	6
Article III	- Price	7
Article IV	- Payments	9
Article V	- Term of Agreement	11
Article VI	- Delivery Pressure	11
Article VII	- Installation of Equipment/Delivery Location	12
Article VIII	- Title and Risk Transfer	15
Article IX	- Measurement	16
Article X	- Quality	18
Article XI	- Force Majeure	21
Article XII	- Good Title	23
Article XIII	- Use of Compressor	23
Article XIV	- Planned Shut-Down/Start-Up	24
Article XV	- Access to Seller's Wells	24
Article XVI	- Breach of Contract	25
Article XVII	- Miscellaneous	26

**THIS ONTARIO PRODUCTION GAS PURCHASE AGREEMENT made as
of this 1st day of April, 1991**

BETWEEN:

**METALORE RESOURCES LIMITED a body corporate,
incorporated under the laws of the Province of
Ontario, having its registered office in the Town
of Simcoe, Province of Ontario,**

(hereinafter called "Seller")

OF THE FIRST PART

- and -

**UNION GAS LIMITED, a body corporate, having
its registered office at the City of Chatham,
in the County of Kent, Province of Ontario,
(hereinafter called "Buyer")**

OF THE SECOND PART

**WHEREAS Buyer is engaged in purchasing, transporting
and distributing natural gas in the Province of Ontario;**

**AND WHEREAS Seller is a producer of natural gas within
the Province of Ontario;**

AND WHEREAS Seller has agreed to sell and deliver natural gas to Buyer, and Buyer has agreed to receive and purchase natural gas from Seller as hereinafter provided;

AND WHEREAS Seller and Buyer have established or have agreed to establish natural gas Delivery Locations, as hereinafter defined, through which natural gas produced from Seller's wells shall be sold by Seller to Buyer.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements hereinafter provided, the Parties hereto each covenant and agree with the other as follows:

GENERAL TERMS AND CONDITIONS

Article I - Definition of Terms

The following words and expressions where used in this Agreement mean and are respectively defined as follows: In the event that a term is used but not defined herein, it is agreed that said term shall have the meaning generally accepted by the natural gas industry.

- 1.01 "Agreement" shall mean this agreement and all schedules as amended from time to time.
- 1.02 "Alberta Border Price" shall mean the volume weighted average price, expressed in dollars per 10^3m^3 , paid by Buyer, under Buyer's Firm Western Canadian Gas Purchase Agreements referenced at the inlet to TransCanada. To the extent Buyer received any credit, discount or subsidy that is not specific to a specific customer (the "Discount"), then the Discount shall be applied to the volume weighted average price accordingly.

Furthermore when calculating the Alberta Border Price, any general sales tax or similar tax or levy applied to the purchase of Buyer's Firm Western Canadian Gas Purchase Agreements shall be excluded from such calculation. In the event that a subsequent adjustment occurs to the price paid under Buyer's Firm Western Canadian Gas Purchase Agreements then such adjustment shall be taken into account when calculating the current delivery Months' Alberta Border Price.

- 1.03 "Buyer's Firm Western Canadian Gas Purchase Agreements" shall mean those agreements of Buyer, having current obligations to deliver Gas each day throughout the term thereof, for the purchase of Gas originating from the province of Saskatchewan, Alberta or British Columbia, having a term of one (1) year or greater (including Gas purchased for transportation on a Firm Service or Firm Service Tendered basis).
- 1.04 "Contract Year" shall mean that period of time from any April 1 at 0800 hours to that time just before 0800 hours on the next following April 1, however: the first Contract Year shall be that period of time effective from the date of this Agreement to the following April 1 just before 0800 hours; and the last Contract Year shall be that period of time effective from the then latest April 1 at 0800 hours to the Expiry Date as hereinafter defined or that earlier date upon which this Agreement is terminated, whichever is earlier.
- 1.05 "Cubic Metre" or its symbol m^3 shall mean the volume of Gas which occupies one cubic metre when such Gas is at a temperature of fifteen (15) degrees Celsius, and at a pressure of one hundred and one decimal three two five (101.325) kilopascals absolute.

- 1.06 "Day" shall mean any day, within the term or extended term of this Agreement, with a period of twenty-four (24) consecutive hours beginning at 0800 hours. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence.
- 1.07 "Delivery Location" shall mean each of the properties, as specified in Schedule "A", Clause One (1), on which a meter station is constructed by Buyer for the purpose of receiving and measuring the volumes of Gas received from Seller hereunder.
- 1.08 "Gas" shall mean natural gas as defined in the Ontario Energy Board Act, R.S.O. 1980, c.332.
- 1.09 "Gross Heating Value" expressed in megajoules per Cubic Metre or "MJ/m³", shall mean the total energy produced by the complete combustion at a constant pressure of one Cubic Metre of Gas with air, with the Gas free of water vapour and the temperature of the Gas, air and products of combustion at standard temperature and all water formed by combustion reaction condensed to the liquid state.
- 1.10 "Joule" and its symbol "J" shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "Megajoule", and its symbol "MJ", shall mean one million (1,000,000) joules.
- 1.11 "Market Demand" shall mean the varying demand for the supply of Gas, as determined by Buyer, carried in Buyer's pipeline system for users of Gas who are supplied or delivered Gas by Buyer's pipeline system.

- 1.12 "Maximum Daily Volume" shall mean that volume of Gas for each Delivery Location as set out in Schedule "A", Clause Two (2).
- 1.13 "Month" shall mean the period of time beginning at 0800 hours EST on the first Day of a calendar month and ending just before 0800 hours EST on the first Day of the next succeeding calendar month, however, the first Month shall commence on the date of this Agreement, and the last Month shall terminate on the Day of the Month on which this Agreement expires or is terminated.
- 1.14 "Pascal" (Pa) shall mean the pressure produced when a force of one newton is applied to an area of one square metre. The term "kilopascal", or its symbol "kPa" shall mean one thousand (1,000) Pascal.
- 1.15 "Point of Delivery" for all Gas delivered hereunder shall mean the point at the inlet side of Buyer's custody transfer meter which is located on each Delivery Location.
- 1.16 "System Capacity" shall mean the volumetric capacity that exists from time to time within Buyer's pipeline system which determines Buyer's ability to accept volumes of Gas into Buyer's pipeline system hereunder. System Capacity shall be determined by Buyer and such determination, in addition to the physical characteristics of Buyer's pipeline system, shall also include consideration of Buyer's local Market Demand, Buyer's total system Market Demand, availability of Buyer's Gas storage capacity, other Gas being purchased and delivered into Buyer's pipeline system and Buyer's overall Gas supply under contract.
- 1.17 "TransCanada" shall mean TransCanada Pipelines Limited.

- 1.18 "10³m³" shall mean one thousand (1,000) Cubic Metres of Gas.
- 1.19 "Prime Rate" shall mean the rate of interest expressed as a percentage per annum charged to Buyer by its principal banker from time to time and used as a reference rate for determining interest rates on Canadian dollar demand loans.

Article II - Volumes

- 2.01 Seller shall tender for sale to Buyer, at the Point of Delivery, on a reasonable efforts basis, Gas produced from Seller's wells, excepting such volumes of Gas as required by Seller to operate Seller's Gas wells.
- 2.02 Buyer shall receive and purchase, on a reasonable efforts basis, Gas tendered by Seller provided that:
- i) Buyer has sufficient System Capacity to receive and sell the Gas offered for sale by Seller;
 - ii) the quality of such Gas meets the Terms and Conditions of this Agreement, and in particular Article X; and,
 - iii) the volume of Gas tendered at each Point of Delivery does not exceed the corresponding Maximum Daily Volumes as stated in Schedule "A", Clause Two (2) unless mutually agreed upon in writing by both Parties.
- 2.03 Buyer shall have the right, at all times, to reconstruct or modify Buyer's pipeline and the pressure carried therein, notwithstanding that such reconstruction or modification may reduce Buyer's

system capacity available to receive Seller's gas or Seller's ability to deliver gas to Buyer. Should Buyer expect any such reconstruction or modification to reduce the delivery or receipt of gas by either Party, Buyer shall provide Seller with six (6) months notice or as much notice as is reasonably practical of such undertakings.

Article III - Price

3.01(a) The "Price" per 10^3m^3 to be paid by Buyer to Seller for all Gas received by Buyer under this Agreement, in a calendar Month (the "Delivery Month") shall be determined by Buyer, and shall be equal to the sum of:

- (i) the Alberta Border Price for the calendar Month prior to the Delivery Month; and,
- (ii) the TransCanada toll in effect for the Month prior to the Delivery Month for Firm Service Tendered ("FST") transportation service; and,
- (iii) the price paid by Buyer for Fuel gas used to transport the volumes to be purchased to TransCanada Pipelines Eastern Zone under FST service, multiplied by the applicable fuel ratio for FST service.

3.01(b) The Price payable each month for Gas delivered by Seller hereunder in a Delivery Month shall be the product of (i) the Price, and (ii) the volume of Gas received by Buyer.

3.02 Pursuant to the calculation of the Price, Buyer shall, at the completion of each contract year, provide to Seller an independent audit report conducted by Buyer's independent auditors which will verify the accuracy of

Buyer's relevant price calculation contained in the Gas Purchase Agreement.

- 3.03 The Price paid shall be subject to any orders, rules and regulations of any body having jurisdiction over such Price, or the calculation of such Price, now or hereafter in effect during the term of this Agreement.
- 3.04 With respect to the Buyers' cost of service allowed by the Ontario Energy Board ("OEB"), in the event that the OEB disallows from Buyers' cost of service all or any part of the Price as set out herein, Buyer shall be obligated to pay only such Price as allowed in the Buyer's cost of service by the OEB.
- 3.05 If an event occurs or circumstances arise of any nature whatsoever (including but not limited to governmental or regulatory action), which relates to the purchase price of Gas hereunder which is not within the control of either Party and which is not specifically provided for herein, and the effect of which is to render a Party's further performance under this Gas Purchase Agreement unduly onerous, such an event or circumstance (herein referred to as "Hardship") shall cause the Parties to take all reasonable steps to amend the pricing provision. In the event that the Parties cannot agree as to the necessitated amendments created by such event or circumstance this Agreement shall terminate upon sixty (60) days written notice being provided by either Party one to the other.
- 3.06 If at any time during the term of this Agreement the Price payable hereunder is established, prescribed or otherwise set by acts of the Federal or Provincial Parliaments or their Boards, Agencies or Commissions or other governmental authority having jurisdiction whether under present or future acts, rules or orders

(hereinafter referred to as "Re-regulation"), the Parties hereto shall immediately determine the terms and conditions in this Agreement that are affected by such Re-regulation and shall take steps to amend such terms and conditions accordingly. In the event that the Parties cannot agree as to the required amendments this Agreement shall terminate upon sixty (60) days written notice being provided by either Party one to the other.

Article IV - Payments

- 4.01 Buyer shall pay to Seller, the amount of money as calculated in Article III herein for each 10³m³ of Gas received in any Month, on or before the twentieth (20th) Day of each Month (the "Payment Day") following the Delivery Month.
- 4.02 Buyer shall deduct from the monies owed by Buyer to Seller for Gas purchases each Month, a fee for Buyer to recover operating and maintenance expenses of purchasing Gas hereunder, (the "Operating Fee"), for each Delivery Location. The Parties agree that the Operating Fee for each Delivery Location during the first Contract Year of this Agreement shall be the amount expressed in Schedule "A", Clause Three (3). The Parties agree that Buyer shall have the right, at the commencement of each Contract Year thereafter, to average the monthly Operating Fee based upon Buyer's actual aggregate cost for the previous Contract Year, including but not limited to, the operation and maintenance of the pipelines, metering and Gas control equipment, which is constructed on the Delivery Locations, which will serve all Ontario Producers during the Contract Year preceding the year of adjustment. The adjustment, if any, in any one

Contract Year shall not exceed ten percent (10%) of the previous Contract Year's actual operating fee.

4.03

In the event that Buyer, prior to making any payments herein provided for, receives notice in writing of any adverse claim to the title of the Gas or any properly constituted court order or of the filing of any construction lien which might affect the rights of the Parties hereunder, Buyer shall have the right to withhold, in trust, the payment then becoming due and such other future payments as the Buyer, acting reasonably, estimates to be a sufficient reserve against such adverse claim or lien, in an interest bearing account, until the controversy has been settled and all adverse claims have been withdrawn with notice in writing or have been decided by a Court of competent jurisdiction in Ontario, or until Seller has supplied Buyer with a Letter of Credit in an amount and on conditions satisfactory to Buyer with respect to such claim or lien.

4.04

The Parties hereby agree that any error discovered by either Party within eighteen (18) months of the date of the error, regarding billings, invoices or measurement of Gas shall be corrected on the Payment Day immediately following the date on which the value of the error has been determined, unless otherwise mutually agreed upon by both Parties. In the event that Buyer has underpaid Seller, then within thirty (30) days after the discovery of the error, Buyer shall pay the amount of under payment together with interest thereon at the rate of the Prime Rate calculated from the date when such error occurred and compounded monthly. No interest shall be paid by Seller for any adjustments caused by said errors. Neither Party shall have any claim to an error discovered beyond eighteen (18) months from the date of such error.

Article V - Term of Agreement

- 5.01 This Agreement shall be effective as of the date hereof and shall remain in full force and effect (subject to prior termination as herein provided) until 0800 hours, on the Expiry Date as set out in Schedule "A", Clause Seven (7), provided that this Agreement will automatically be renewed on a Month to Month basis thereafter until terminated on or after the Expiry Date at any time by either Party upon sixty (60) days written notice one to the other.
- 5.02 Notwithstanding Clause 5.01, Seller shall have the right to terminate this Agreement at any time after the date hereof provided that Seller shall give Buyer six (6) months written notice prior to such termination.

Article VI - Delivery Pressure

- 6.01 The pressure of the Gas delivered by Seller to Buyer at each Delivery Location shall not exceed the corresponding Maximum Allowable Operating Pressure ("MAOP") of Buyer's pipeline distribution system as specified in Schedule "A", Clause Eight (8), which Buyer may change from time to time. Buyer shall provide to Seller six (6) months notice of such change according to clause 2.03. In any event the MAOP of Buyer's pipeline shall not exceed 6895 kPa gauge.

Article VII-Installation of Equipment/Delivery Location

- 7.01 Buyer shall provide, at the Delivery Location, according to the terms hereunder, the meter station required to receive and measure the Maximum Daily Volume of Gas received by Buyer from Seller. Seller agrees, if requested by Buyer, to provide Buyer with detailed information regarding Seller's Gas reserves,

open flow characteristics and expected daily delivery volumes, in order to aid Buyer in Buyer's design of the meter station.

7.02 Pursuant to Clause 7.01, Buyer shall purchase, install and maintain, on the Delivery Location:

- a) a meter and any associated recording gauges as are necessary, in accordance with Clause 9.01 herein, and;
- b) a suitable Gas odourizing injection facility where Buyer deems such facility to be necessary;

7.03 All equipment installed by Buyer at the Delivery Location shall remain the property of Buyer. Buyer shall be entitled to remove said equipment at any time within a period of sixty (60) days from any termination or expiry of this Agreement. Seller shall take all necessary steps to ensure Buyer may enter onto the Delivery Location to remove such equipment for a period of sixty (60) days after termination or expiry of the Gas Purchase Agreement.

7.04 Upon Buyer's request Seller shall, at Seller's own cost and expense:

- a) obtain a registered lease or freehold ownership of each Delivery Location sufficient to provide the Buyer with free uninterrupted access to, from, under and above the Delivery Location, for a term (and extended terms) identical to this Agreement, plus sixty (60) days, and shall provide Buyer with a bona fide copy of such lease agreement prior to Buyer commencing the construction of the Gas purchase meter station.

- b) deliver Gas to Buyer on a reasonable efforts basis, at each Delivery Location according to the terms set out herein;
- c) furnish, install and set, suitable pressure and volume control equipment and such additional equipment as required on Sellers' delivery system, to protect against the overpressuring of Buyer's facilities, as set out in Clause 6.01, and to limit the daily flow of Gas to the corresponding Maximum Daily Volumes as set out in Clause Two (2) of Schedule "A" herein;
- d) supply, install and maintain a gravel or cut stone covering on each Delivery Location and shall maintain such Delivery Location in a safe and workmanlike manner.
- e) install and maintain a fence satisfactory to Buyer around the perimeter of each Delivery Location which will adequately secure and protect Buyer's equipment therein.

7.05(i) In the event that a Gas purchase meter station must be constructed and/or installed in order to give effect to this Gas Purchase Agreement, Seller agrees to pay Buyer for a portion of Buyer's actual cost, as hereinafter defined, for constructing and installing such station. Seller also agrees to pay the actual costs to connect such station to Buyer's pipeline. Seller's financial contribution for the actual costs related to the construction, installation and connecting of such station, shall be herein referred to as an Aid to Construction. Buyer shall advise Seller as to the need for a Gas purchase meter station and shall provide Seller with an estimate of the Aid to Construction. Such Aid to Construction shall include the costs of all

pipe, fittings and materials, third party labour costs and Buyer's direct labour, labour saving devices, vehicles and mobile equipment, but shall exclude the purchase costs of Gas pressure control equipment and Gas meters installed by Buyer and all material costs associated with a Gas odorant tank should one be required.

7.05(ii) Seller shall pay to Buyer a five thousand dollar (\$5,000.00) partial payment towards the Aid to Construction at the time of the execution of this Agreement and shall pay the difference between the Aid to Construction and the five thousand dollar (\$5,000.00) partial payment as setout under this Clause 7.05(ii), within thirty (30) days of the delivery of an invoice from Buyer on which the actual costs for construction and installation of facilities are stated. In the event Seller terminates this Agreement prior to the Buyer incurring any costs related to the construction, installation or connection of the meter station, Seller's partial payment of five thousand dollars (\$5,000.00) shall be returned to Seller, without interest, within fifteen (15) days notice to Buyer of such termination by Seller. In the event Buyer has incurred costs, as setout herein, relative to the construction, installation or connection of the Gas metering station prior to being notified by Seller of Seller's intention to terminate the Agreement, Buyer shall deduct such actual costs from Buyer's return of Seller's initial payment.

7.06 Seller shall within thirty (30) days of the delivery of an invoice by Buyer, reimburse Buyer for any actual costs incurred by Buyer: for any repair, replacement, relocation, or upgrading of any meter station requested by Seller or as required by law, duly constituted regulatory body, or through good engineering practice.

Article VIII - Title and Risk Transfer

- 8.01 Title, possession, custody and control of all Gas shall pass from Seller to Buyer at the Point of Delivery. Buyer shall have no responsibility with respect to any Gas deliverable hereunder until it is delivered to Buyer at the Point of Delivery and subject to Clause 8.02, Seller shall have no responsibility with respect to such Gas after its delivery to Buyer at the Point of Delivery provided it meets the terms of this Agreement.
- 8.02 Seller shall be liable for any and all damages suffered by Buyer and shall protect and indemnify and save Buyer harmless from and against any and all loss, claims and damages including claims against Buyer for personal injuries and damages to property, caused by or arising out of delivery of Gas the quality or condition of which does not conform to the specifications herein contained or by the delivery of Gas in a manner not in accordance with the terms of this Agreement or any other breach of this Agreement by the Seller except for any damages resulting from or in any way attributable to Buyer's negligence or failure to act reasonably. Buyer agrees to use reasonable efforts to mitigate all damages, expenses and costs.

Article IX - Measurement

- 9.01 All Gas received and purchased from Seller by Buyer hereunder, shall be measured by a positive displacement, turbine or orifice type meter in accordance with Electricity and Gas Inspection Regulations effective January 25, 1986, pursuant to the Electricity and Gas Inspection Act (1982) and any modifications and amendments thereof, and such meter shall be installed and operated in accordance with the aforementioned Regulations.

9.02

For the purpose of determining volume hereunder, the unit of volume shall be one (1) Cubic Metre of Gas at a temperature of fifteen degrees Celsius and at an absolute pressure of one hundred and one decimal three two five (101.325) kPa. The average absolute atmospheric pressure, for the purpose of measurement, shall be assumed to be a constant pressure of ninety-nine decimal two eight five (99.285) kPa, or shall be determined according to methods laid down in the Electricity and Gas Inspection Regulations. The uncorrected volume determined from the metering equipment shall be corrected according to Charles Law, Boyle's Law and deviation from Boyle's Law. The factor for correction for deviation from Boyle's Law shall be determined and applied in accordance either with the method laid down in the American Gas Association's "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published 1962 or with methods laid down in the American Gas Association's "Transmission Measurement Committee Report No. 8" at the discretion of Buyer. Buyer shall notify Seller of the specific method to be used. When the Gas is measured by means other than an orifice meter, the factor for correction for deviation from Boyle's Law shall be the square of the factor determined by following one of the methods above.

9.03

Buyer's meter shall be equipped with a temperature compensating or integrating device, or the temperature of such Gas shall be determined by the continuous use of a recording thermometer so installed that it may properly record the temperature of the flowing Gas through the Buyer's meter.

9.04

Buyer shall at all times, maintain and keep in proper working order all Buyer's metering and associated measurement equipment. Buyer's recording gauges will

be calibrated at least once each Contract Year by Buyer, and if found to be registering inaccurately in any percentage, shall be adjusted at once to read as accurately as possible.

- 9.05 In the event either Party to this Agreement shall notify the other that it desires extra tests of any of Buyer's measuring equipment, in addition to the annual test completed by Buyer, the Parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such test, if requested by the Seller, shall be borne by Seller where less than two percent (2%) error is found in the volume measured by the measuring equipment being tested.
- 9.06 If the test conducted in accordance with Clause 9.05 shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Electricity and Gas Inspection Act (1982) and regulations thereunder, as may be amended from time to time and in accordance with any successor statutes and regulations.
- 9.07 Buyer shall obtain meter readings and where required, change any chart thereon, and Seller may, if it so wishes, have a representative present at such readings.
- 9.08 The records from the measuring equipment of both Buyer and Seller shall remain the property of the owner of such equipment and each Party, upon reasonable request, will submit to the other, copies of its records, together with any calculations therefrom and make the records available for review.
- 9.09 Each party shall preserve for a period of at least two (2) years all test data, charts and other similar records.

Article X - Quality

- 10.01 All Gas delivered hereunder shall have a Gross Heating Value of at least thirty-six (36.0) MJ/m³ and not more than forty decimal two (40.2) MJ/m³.
- 10.02 The Gas shall be merchantable and commercially free from sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the Gas or any other objectionable substance present in sufficient quantity so as to render the Gas toxic, unmerchantable or cause injury to or interference with the Gas pipelines, regulators, meters or other appliances through which it flows, or their operation.
- 10.03 The Gas shall not contain more than seven (7) milligrams of hydrogen sulphide (H₂S) and not more than one hundred (100) milligrams of total sulphur (S) per Cubic Metre.
- 10.04 Subject to the terms of Schedule "A", Clause Nine (9) herein, the Gas shall not contain more water vapour than an amount equivalent to eighty (80) milligrams of water per Cubic Metre (m³) of Gas and water shall not be present in liquid phase.
- 10.05 The Gas shall not contain more than five milligrams per cubic metre (5 mg/m³) of mercaptan sulphurs.
- 10.06 The Gas shall not contain liquid hydrocarbons or hydrocarbons liquifiable at temperatures warmer than minus ten degrees Celsius (-10°C) and a pressure of five thousand five hundred Kilopascals (5500 kPa) absolute.

- 10.07 The Gas shall not contain carbon dioxide (CO_2) in excess of two mole percent (2%) and shall be as free from oxygen (O_2) as possible, but shall not in any event contain more than four-tenths of one mole percent (0.4%) by volume of oxygen.
- 10.08 The temperature of the Gas shall not exceed forty-three degrees Celsius (43°C).
- 10.09 The Gas shall contain less than five tenths of one mole percent (0.5%) by volume of carbon monoxide (CO).
- 10.10 The Gas shall not contain more than 4 mole percent (4.0%) of hydrogen (H_2).
- 10.11 The Gas shall be interchangeable with Buyer's pipeline Gas with which it co-mingles. Yellow tipping, flashback and lifting factors of appliances using Seller's Gas shall be in the range permitted for Gas according to AGA Research Bulletin No. 36.
- 10.12 The Gas shall not be odourized by Seller.
- 10.13 Seller shall subject any Gas delivered hereunder to compression, cooling, cleaning or other processes to such an extent as may be required to obtain the necessary quality and for transmission to the Delivery Point, provided the quality of the Gas continues to comply with the specifications set out in this Agreement.
- 10.14 Seller may extract hydrocarbon and non-hydrocarbon constituents, other than methane except as required in the processing or compression of the Gas, prior to delivery hereunder, and shall have the right to remove such methane as is removed by necessity from the Gas in removing other constituents, provided that Seller in

such processing shall not reduce the Gross Heating Value below that which is stated in Clause 10.01 herein and provided that such extraction will not cause a breach of the quality specifications set forth in this Article X.

- 10.15 In the event that the quality of the Gas does not conform or if Buyer, acting reasonably, suspects the quality of the Gas may not conform to the specifications herein, then Seller shall, if so directed by Buyer acting reasonably, forthwith carry out, at Seller's cost, whatever field testing of the Gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Buyer with a certified copy of such tests. If Seller does not carry out such tests forthwith, Buyer may conduct such test and Seller shall reimburse Buyer for all costs incurred by Buyer for such testing.
- 10.16 If the Seller's Gas fails at any time to conform to the requirements of this Article X, Buyer, in addition to its other remedies, may refuse to accept delivery of Gas hereunder until such deficiency has been remedied by Seller. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.

Article XI - Force Majeure

- 11.01 Notwithstanding anything herein contained, it is agreed that neither Party shall be deemed to be in default in respect of any of the Terms and Conditions of this Agreement if and so long as such default is occasioned by force majeure, which term as used herein shall mean, acts of God, or of the Queen's enemies; strikes, lockouts, labour troubles, earthquakes, fire, revolution, wars, riots, epidemics, insurrections,

explosions, breakage or accidents to machinery or pipelines, the necessity for making repairs to or alterations of machinery or lines of pipe, inability to obtain materials, interference of any civil or military authority of any government, state or municipality whatsoever, or any other cause whether of the kind herein enumerated or otherwise not within the reasonable control of the Party claiming relief hereunder and which by the exercise of due diligence such Party is unable to prevent or overcome. Such causes or circumstances affecting the performance of this Agreement by either Party, however, shall not relieve it of liability in the event of its negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause or circumstances in an adequate manner and with all reasonable dispatch. Such causes or circumstances affecting the performance of this Agreement shall not relieve either Party from its obligations to make payments of amounts then due hereunder.

11.02 Neither Party shall be entitled to the benefit of the provisions of Clause 11.01 under any or all of the following circumstances:

- a) to the extent that the failure was caused by the contributory negligence of the Party claiming suspension;
- b) to the extent that the failure was caused by the Party claiming suspension having failed to remedy the condition and remove the cause or circumstances in an adequate manner, and to resume the performance of such covenants or obligations, with all reasonable dispatch;

- c) if the failure was caused by lack of money or was related to the payment of any amount or amounts then due hereunder; or,
- d) unless as soon as possible after the happening of the occurrence relied upon or as soon as possible after determining that the occurrence was in the nature of force majeure and would affect the claiming Party's ability to observe or perform any of its covenants or obligations under this Agreement; the Party claiming suspension shall have given to the other Party notice to the effect that such Party is unable by reason of force majeure (the nature whereof shall be therein specified) to perform the particular covenants or obligations.

11.03 The Party claiming suspension shall give notice to the other Party as soon as possible after the force majeure condition has been remedied, to the effect that the same has been remedied and that such Party has resumed, or is then in a position to resume, the performance of the suspended covenants or obligations under this Agreement.

11.04 It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the Party whose labour force is on strike, and that the above requirement, that any force majeure shall be remedied with all reasonable dispatch, shall not require the settlement of strikes or lockouts by acceding to the demands of any opposing person when such course is inadvisable in the discretion of the Party whose labour force is on strike.

Article XII - Good Title

- 12.01 Seller warrants that it will at the time of delivery of the Gas to Buyer, (a) possess a licence to produce Gas in the Province of Ontario, (b) have good and valid title to all Gas delivered by it under this Agreement, free and clear of all liens, encumbrances and claims whatsoever, and (c) have complete rights to sell Seller's Gas as aforesaid. Seller will indemnify Buyer and save Buyer harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said Gas or to royalties, taxes, licence fees or any charges thereon, which are applicable before the title to the Gas passes to Buyer.
- 12.02 Subject to Seller's rights to terminate this Agreement according to Clause 5.02 herein Seller agrees to use reasonable efforts and due diligence to maintain, in good standing, each lease it has to the extent that such lease relates to this Agreement. Subject to Clause 12.01, the Seller shall have the right to encumber such lease and its production facilities for the purpose of financing Seller's operations on said lease.

Article XIII - Use of Compressor

- 13.01 In the event that mechanical equipment is used to compress Gas in order to aid in its delivery, Seller agrees that at no time during the term hereof shall the suction pressure at the intake of said mechanical equipment be less than thirteen decimal eight (13.8) kPa gauge. Seller further agrees that the location of said mechanical equipment shall be such that, in Buyer's opinion, measurement at the meter station shall not be adversely affected.

Article XIV - Planned Shut-Down/Start-Up

- 14.01 Excepting instances of emergency, Seller and Buyer agree to give at least twenty-four (24) hours verbal notice before a planned curtailment of receipt or delivery, shut-down or start-up.

Article XV - Access to Seller's Wells

- 15.01 Seller shall provide to Buyer a plan showing Seller's gas production facilities, including gas wells and pipelines, on which all emergency shut off valves have been clearly indicated as well as the names and telephone numbers of those persons whom Buyer may contact in the event of an emergency situation arising with Seller's facilities.
- 15.02 In the event that Buyer is notified by a third party or if Buyer becomes aware of an emergency situation in which Seller's Gas well, pipeline or associated equipment is involved, Buyer shall immediately notify Seller or Seller's representative of such emergency condition. In the event Buyer cannot immediately notify Seller or Seller's representative of such emergency situation Seller agrees that Buyer shall have unlimited access to Seller's well, pipeline or equipment in order to rectify such emergency condition. Buyer shall expeditiously notify Seller or Seller's representative of such action taken. Seller further agrees, upon presentation of an itemized account by Buyer, to pay Buyer for all reasonable costs incurred by Buyer in rectifying such emergency.

Article XVI - Breach of Contract

- 16.01 Excepting circumstances of force majeure, in the event that either Party is in breach of any material term or

condition of this Agreement, the other Party may give written notice to the Party in breach requiring it to remedy such breach. If the Party in breach fails to remedy the breach within thirty (30) days of receipt of such notice, the other Party may, at its sole option, upon seven (7) days written notice to the Party in breach, terminate this Agreement. Termination pursuant to this Clause 16.01 shall not affect any liabilities accrued to the date of termination or thereafter and the right of termination shall be in addition to any other right or remedy available at law.

- 16.02 No waiver by or on behalf of either Party hereto of any breach of any covenant, proviso, condition, restriction or stipulation herein contained, negative or positive in form, shall take effect or be binding upon such Party, unless the same be expressed in writing by such Party or its duly authorized agent on its behalf, and any waiver so expressed shall not limit or affect such Party's rights with respect to any other or similar future breach.

Article XVII - Miscellaneous

- 17.01 All operations hereunder of both Parties to this Agreement shall be subject to any applicable laws, taxes, orders, rules and regulations of any governmental authority having jurisdiction therein, now or hereafter in effect during the term of this Agreement.
- 17.02 The terms and conditions of this Agreement express and constitute 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. No modification of the terms and conditions of this Agreement or any of them

shall be made except by contract in writing executed by the Parties hereto.

- 17.03 All written notices required to be given hereunder may be delivered by hand, registered mail, by overnight courier or electronically delivered by telecopier, addressed to Seller at the address specified in Schedule "A", Clause Five (5), and to Buyer at:

Union Gas Limited
50 Keil Drive North
P. O. Box 2001
Chatham, Ontario N7M 5M1

Attention: Gas Purchasing Department,

or to such other address as Seller or Buyer may from time to time designate by notice in writing one to the other. Notice shall be deemed to be received when the records of the mode of communication verifies the receipt of such notice.

- 17.04 All monies payable by Buyer for Gas delivered hereunder shall be made to the address so stated under Schedule "A", Clause Four (4) of this Agreement or to such other address as may be authorized in writing from time to time by notice from the Seller to the Buyer. Buyer shall pay only one payee unless a division thereof is consented to by Buyer.

- 17.05 This Agreement shall extend to and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns, provided that this Agreement shall not be assigned by Seller, without the express consent of Buyer, which shall not be unreasonably withheld, provided that the Seller shall have the right to include its interest in this Agreement in any mortgage,

charge or hypothec for the purpose of financing its Gas producing operations on the Seller's lands.

- 17.06 In this Agreement, where ever the singular or neuter is used, it shall be construed as if the plural or the masculine or the feminine, as the case may be, had been used, where the context of the Party or Parties hereto so require, and the rest of the sentence shall be construed as if the grammatical or terminological changes thereby rendered necessary had been made.
- 17.07 The Parties hereto agree that this Agreement is made in the Province of Ontario and the courts of Ontario shall have exclusive jurisdiction in all matters contained herein. The Parties further agree that this Agreement shall be construed exclusively in accordance with the laws of the Province of Ontario.
- 17.08 If the standard of measurement, applicable to the transaction contemplated herein, is changed by law to another system, all measurements provided for herein shall be interpreted as referring to the applicable equivalent measurement.
- 17.09 The Parties hereto agree that this Agreement shall supersede and replace all prior Gas Purchase Agreements and amendments thereof between the Parties and that all prior Gas Purchase Agreements between the Parties and all amendments thereto have been cancelled.
- 17.10 Each of the Parties shall perform all further acts reasonably required in order to fulfill and carry out the terms of this Agreement.

SCHEDULE "A" - SPECIAL TERMS AND CONDITIONS

To the Gas Purchase Agreement dated the 1st day of April, 1991 , between Metalore Resources Limited and Union Gas Limited.

1. Delivery Location

As provided for in Clause 8.01, of the Gas Purchase Agreement (GPA) Seller shall convey the gas to be purchased to a point on Buyer's pipeline facilities (hereinafter referred to as "Delivery Location") as follows:

Delivery Location #1:

The Metalore Resources Limited gas wells metered by Buyer's delivery meter located at Lot 4, Concession VI, Delhi Township, Regional Municipality of Haldimand-Norfolk, Station No. 11T-601 [Jericho]

Delivery Location #2:

The Metalore Resources Limited gas wells metered by Buyer's delivery meter located at Lot 20, Concession III, Delhi Township, (Road Allowance) Regional Municipality of Haldimand-Norfolk, Station No. 11U-602 [Vittoria]

Delivery Location #3:

The Metalore Resources Limited gas wells metered by Buyer's delivery meter located at Lot 18, Concession VIII, Delhi Township, Regional Municipality of Haldimand-Norfolk, Station No. 11U-102 [Stover]

2. Maximum Daily Volume

Seller agrees to limit the volume of Gas delivered in any one Day at the Delivery Location as hereinafter stated:

Delivery Location #1 shall have a Maximum Daily Delivery of 16.3 10³m³ of Gas.

Delivery Location #2 shall have a Maximum Daily Delivery of 20.0 10³m³ of Gas.

Delivery Location #3 shall have a Maximum Daily Delivery of 11.0 10³m³ of Gas.

3. Operating Fee

During the first contract year of this Agreement, Seller shall pay to Buyer a monthly operating fee in the amount of \$100.00 per Delivery Location. Such operating fee shall be subject to change according to Clause 4.02 of the GPA.

4. Payments

Payments to Seller for Gas received by Buyer, as provided for in Article IV - Payments, and Clause 17.04 of the GPA shall be made by cheque payable to:

Metalore Resources Limited

Box 422

Simcoe, Ontario

N3Y 4L5

Attention: Mr. George W. Chilian, President

5. Agreement Notices

Notices to Seller with respect to this Agreement, as provided for in Clause 17.03 of the GPA shall be addressed to Seller at:

Metalore Resources Limited
Box 422
Simcoe, Ontario
N3Y 4L5
Attention: Mr. George W. Chilian, President

6. Seller's Resident Operator

The name, address and telephone number of Seller's resident operator for each of Seller's Delivery Location(s) is:

- (1) Mr. Richard Goodlet
R.R. #3
Simcoe, Ontario
N3Y 4L2
Telephone: (519) 428-1548

Seller shall notify Buyer of any changes to Seller's resident operator within forty-eight (48) hours of any such change taking place.

7. Term of the Agreement

This Agreement shall be in force and effective from the 1st day of April, 1991, at 0800 hours local Ontario time to the 1st day of April, 1995, at 0800 local Ontario time or as otherwise provided in Clause 5.02 of the GPA.

8. Maximum Allowable Operating Pressure (MAOP)

Seller's MAOP at each Delivery Location shall be as follows:

- At Delivery Location #1 MAOP is 860 kPa.
At Delivery Location #2 MAOP is 1,030 kPa.
At Delivery Location #3 MAOP is 1,030 kPa.

9. Modified Water Vapour Requirement

Subject to the terms herein, Buyer will accept, at each Delivery Location, natural gas from Seller which contains a maximum water vapour content of 230 MG per m³ (14 Lbs./MMCF) provided that Buyer's pipeline system into which Seller's Gas is delivered has a maximum operating pressure of 1896 kPa (275 psig) or less. In the event Seller's Gas is delivered into Buyer's pipeline system at a pressure of 1896 kPa or greater, the conditions of Article X, clause 10.04 will apply. Both Parties agree (that should Buyer at any time experience malfunctioning of or deterioration of the measurement equipment, gas control equipment, or other appertenance, in Buyer's pipeline system or should Buyer's customers experience problems with the combustion or usage of natural gas, ^{v (sic) in} their natural gas burning equipment due to excessive moisture content, ^{and expense} Buyer at its sole discretion may reduce the maximum water vapour requirement for Gas delivered under this Agreement, to that which is specified in Clause 10.04, Article X, Quality of the GPA. In the event Buyer reduces the maximum water vapour requirement to that which is specified in Clause 10.04, Buyer shall continue to purchase Seller's Gas at 230 MG per m³ (14 lbs/MMCF) for ninety (90) days after such notice. Upon the termination of such ninety (90) days Seller's Gas must meet Clause 10.04 requirements. *enforce*

10. Field Line Customer Agreement

Buyer and Seller agree that there is in existence a Field Line Customer Agreement of even date that applies to Buyer's customers which are connected to Seller's pipelines.

FIELD LINE CUSTOMER AGREEMENT

THIS AGREEMENT made this 1st day of April, 1991:

BETWEEN:

METALORE RESOURCES LIMITED, a body corporate,
incorporated under the laws of the Province of Ontario,
having its registered office in the Town of Simcoe, in
the Province of Ontario,

hereinafter called "Seller"

OF THE FIRST PART

- and -

UNION GAS LIMITED, a body corporate, incorporated under
the laws of the Province of Ontario, having its
registered office at the City of Chatham, County of
Kent, Province of Ontario.

hereinafter called "Buyer"

OF THE SECOND PART

WHEREAS by a Gas Purchase Agreement covering the Delivery Location #1, 2, 3, dated April 1, 1991 between Metalore Resources Limited and Union Gas Limited as amended to date, ("Gas Purchase Agreement"), Seller agreed to sell and deliver to Buyer and Buyer agreed to purchase and receive from Seller, Gas produced by Seller;

AND WHEREAS a portion of the Gas purchased under the Gas Purchase Agreement is delivered to Buyer for immediate resale to certain customers ("Field Line Customers") which are connected to Seller's pipeline;

AND WHEREAS Seller and Buyer desire to make provision for the orderly supply of Gas from Seller's system to Buyer's Field Line Customers;

AND WHEREAS Seller and Buyer mutually agree that the constant supply of natural gas is necessary to Buyer's Field Line Customers;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements hereinafter provided, the Parties hereto each covenant and agree with the other as follows;

ARTICLE I - DEFINITIONS

- 1.01 "Field Line Delivery Points" means the inlet valve immediately upstream of each of the meters installed by Buyer at the locations specified in Schedule 1 attached hereto;
- 1.02 "Gas" means natural gas of the quality specified in Article X of the Gas Purchase Agreement;
- 1.03 "Said Wells" means the wells now completed and any other producing wells hereafter completed on the Seller's lands.

ARTICLE II - SALE OF GAS

- 2.01 Seller agrees to sell and deliver to Buyer and Buyer agrees to purchase and receive from Seller through the meters installed by Buyer at the Field Line Delivery Points specified in Schedule 1 attached hereto, as amended by Buyer from time to time, upon 10 Days notice to Seller, Gas produced by Seller from the Said Wells for immediate resale to Field Line Customers.
- 2.02 Seller agrees to continue to supply Gas to Field Line Customers as long as there is sufficient Gas in Seller's Gas supply pool to meet the Gas Supply needs of Field Line Customers or until such time as Seller and Buyer mutually agree in writing that Seller shall discontinue the supply of Gas to these customers.

- Price*
- 2.03 Seller agrees that if of the Gas Purchase Agreement referred to herein is terminated Seller shall continue to deliver and sell Gas to Buyer for the use of Buyer's Field Line Customers.
- 2.04 Seller hereby agrees to indemnify Buyer against all actions, proceedings, claims, demands, losses, costs, damages and expenses, whatsoever which may be brought against or suffered by Buyer or which it may sustain, pay or incur, including but not limited to those which are ordered by the Ontario Energy Board, as a result of Seller breaking the terms of this Agreement.

ARTICLE III - VOLUMES TO BE PURCHASED

- 3.01 The volume of Gas, delivered and purchased hereunder at each of the Field Line Delivery Points shall be equal to the specific requirements of Field Line Customers.

ARTICLE IV - PRICE

- 4.01 The Price paid by Buyer to Seller for volumes purchased under this Field Line Customer Agreement shall be governed by Article III - Price, of the Gas Purchase Agreement to which the Field Line Customer Agreement is appended. In the event that the Gas Purchase Agreement is no longer in effect, the Price paid by Buyer hereunder, shall be equal to the average Price which Buyer is paying for gas purchases from Ontario Producers under contract.
- 4.02 The Price paid shall be subject to any orders, rules and regulations of any body having jurisdiction over such Price, or the calculation of such Price, now or hereafter in effect during the term of this Agreement.

- 4.03 With respect to the Buyer's cost of service allowed by the Ontario Energy Board ("OEB"), in the event that the OEB disallows from Buyers' cost of service all or any part of the Price as set out herein, Buyer shall be obligated to pay only such Price as allowed in the Buyer's cost of service by the OEB.

ARTICLE V - QUALITY

- 5.01 Seller shall ensure that the quality of the Gas delivered to each Field Line Delivery Point shall meet the quality of the Gas delivered by Seller to Buyer in Article X of the Gas Purchase Agreement,
- 5.02 Buyer shall not be responsible for any claims or actions brought by Field Line Customers resulting from Gas that does not meet the quality standards set out herein. Seller agrees to indemnify, and save harmless, Buyer from and against all claims, demands, costs, suits, actions, loss, damage, expense or injury, including death, of any nature or kind whatsoever, resulting from, caused by or in any manner connected with the quality of Gas sold by Seller for delivery to the Field Line Customers.
- 5.03 Buyer may from time to time and at the request of Seller, or Field Line Customer, provide assistance to Seller in maintaining Gas quality at the Field Line Delivery Points. In the event that Buyer provides such assistance Seller hereby agrees to reimburse Buyer for all costs incurred by Buyer. Seller shall be liable for any and all damages suffered by Buyer and shall protect, and indemnify, and save Buyer harmless from and against any and all losses, claims and damages, including claims against Buyer for personal injuries and damages to property, caused by or arising out of Buyer's assistance to Seller.

ARTICLE VI - GAS DISTRIBUTION SYSTEM

- 6.01 Seller and Buyer agree that Buyer in its sole discretion shall determine the location of Seller's Field Line Delivery Points.
- 6.02 Seller shall supply at Seller's cost all of the material required and shall construct, operate and maintain the pipeline(s) required to carry the natural gas from the Said Wells to the Field Line Delivery Points.
- 6.03 Buyer shall supply at its cost all of the material required and shall construct, operate and maintain the metering and regulating equipment required downstream from the Field Line Delivery Points.

ARTICLE VII - ODOURIZING

- 7.01 Seller shall furnish Buyer with the location of the Said Wells as will enable Buyer to determine the appropriate location or locations on Seller's system for the installation of odourizing equipment required to fulfill Buyer's obligations under Section 7.02 hereof. Seller will notify Buyer forthwith of any anticipated additions/deletions in the number of Said Wells.
- 7.02 Where necessary, Buyer shall furnish, install and operate, suitable odourizing equipment to satisfy the requirements of its Field Line Customers and of the current applicable government code.
- 7.03 Buyer shall have the right to install odourizing equipment on Seller's system delivery points or locations selected by Buyer from time to time after consultation with Seller. Seller shall provide a suitable site for the installation by Buyer of the required odourization equipment.

ARTICLE VIII - FIELD LINE CUSTOMERS

- 8.01 Except in the case of an emergency, Seller shall not interrupt the supply of Gas to Field Line Customers. Seller shall notify Buyer immediately of any interruption or anticipated interruptions of supply to Field Line Customers.
- 8.02 Buyer and Seller agree that no additional Field Line Customers will be added to Seller's field lines. Seller further agrees after the date hereof not to enforce any terms of any such existing contracts providing for discontinuance of service to Field Line Customers, except in the event of an emergency, without the prior consent of Buyer, but expressly reserves all other rights which it may have under such contracts.
- 8.03 Buyer and Seller agree that when the Gas meter(s) at a Field Line Delivery Point becomes inactive for a period of twelve (12) continuous months, such inactive Field Line Delivery Point shall, at Buyer's option, be terminated by Buyer and dismantled by Buyer and Seller shall subsequently deactivate all service lines serving the Field Line Customers. In this event Buyer shall amend the Field Line Delivery Points accordingly.

ARTICLE IX - TERM

- 9.01 Subject to Article II herein, this Agreement shall be effective as of the date hereof and shall remain in full force and effect until terminated by Buyer on ninety (90) days written notice to Seller.

ARTICLE X - MISCELLANEOUS

- 10.01 The parties hereto agree that all of the terms and conditions

of the Gas Purchase Agreement specified herein that are required to give meaning and effect to the Field Line Customer Agreement shall apply and shall continue to apply to this Field Line Customer Agreement, even if the Gas Purchase Agreement specified herein is terminated. When interpreting the Field Line Customer Agreement, in the event of conflict between the terms and conditions of the Field Line Customer Agreement and the Gas Purchase Agreement, the terms and conditions of the Field Line Customer Agreement shall apply.

10.02 Nothing herein contained shall be construed as creating a partnership of any kind, joint venture or association or imposing upon any party hereto any partnership duty, obligation or liability to any other party hereto.

10.03 The parties hereto agree that this Agreement is made in the Province of Ontario and that the Courts of the Province of Ontario shall have exclusive jurisdiction in all matters contained herein. The parties further agree that this Agreement shall be construed exclusively in accordance with the laws of the Province of Ontario.

10.04 This Agreement shall be binding upon, and shall enure to the benefit of the parties hereto and their respective successors and lawful assigns.

10.05 This Agreement shall be subject to any applicable laws, taxes, orders, rules and regulations of any governmental authority having jurisdiction therein, now or hereafter in effect during the term of this Agreement.

10.06 This Agreement shall embody the entire Agreement of the Parties hereto with regard to the matters dealt with herein, and no understandings or agreements, verbal or otherwise, shall exist between the Parties except as herein expressly set out.

IN WITNESS WHEREOF the Parties hereto have hereunto affixed their corporate seals, as attested by the hands of their proper officials duly authorized in that behalf, as of the day and year first above written.

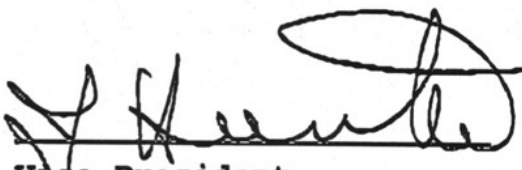
SIGNED, SEALED AND DELIVERED
in the presence of

) UNION GAS LIMITED

)

)

)

) 
Vice-President

)

)

)

) 
Assistant Secretary

)

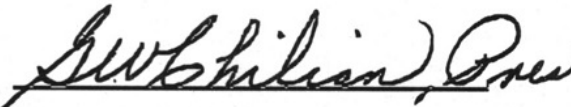
)

) METALORE RESOURCES LIMITED

)

)

)

) 
G.W. Chilson, Pres.

)

)

)

FIELD LINE DELIVERY POINTS

To the Field Line Customer Agreement dated the 1st day of April, 1991 between Metalore Resources Limited and Union Gas Limited

SELLER'S FIELD LINE DELIVERY POINTS IN THE TOWNSHIP OF DELHI, REGIONAL MUNICIPALITY OF HALDIMAND-NORFOLK (FORMERLY THE TOWNSHIP OF CHARLOTTEVILLE, COUNTY OF NORFOLK)

<u>CUSTOMER NAME</u>	<u>FIELD LINE DELIVERY POINT</u>	<u>LOAD POINT</u>
Atkinson, Carl 0608-2095-1941	Lt. 14, Conc. IV no meter (inactive)	92D03429
Atwood Investments Ltd. 0608-2095-2170	Lt. 9, Conc. VIII Co. #976627	92D03431
Boughner, Keith 0608-2031-0201	Lt. 13, Conc. V Co. #233754 (30 days required)	92D03430
Bouw, Marius 0608-2095-2180	Lt. 7, Conc. VIII Co. #902546	92D03431
Bouw, Peter 06908-2095-2490	Lt. 14, Conc. III Co. #974484	92D03429
Chwastiak, Mike 0608-2095-2430	Lt. 8, Conc. I Co. #837335	92D034293
Cowan, John 0608-2095-8030	Lt. 17, Conc. II Co. #519460	92D03429
DeCarolus, Chester 0608-2095-2340	Lt. 9, Conc. III Co. #837730	92D03429
DeCarolus Farms Ltd. 0608-2095-2270	Lt. 12, Conc. V Co. #519530	92D03430
DeCarolus Farms Ltd. 0608-2095-2280	Lt. 10, Conc. V Co. #872189	92D03430
DeCarolus Farms Ltd. 0608-2095-2320	Lt. 11, Conc. IV Co. #913532	92D03429
DeCarolus, Emilio Jr. 0608-2095-2310	Lt. 11, Conc. IV Co. #902623	92D03429
DeCarolus Farms Ltd. 0608-2095-2451	Lt. 9, Conc. A Co. #838348	92D03429

<u>CUSTOMER NAME</u>	<u>FIELD LINE DELIVERY POINT</u>	<u>LOAD POINT</u>
DeCarolís, Enrico 0608-2095-2580	Lt. 15, Conc. IV Co. #838219	92D03429
DeCarolís, Enrico 0608-2095-2291	Lt. 10, Conc. V Co. #788564	92D03430
DeLeebeeck, F-C Farms Ltd. 0608-2095-8000	Lt. 10, Conc. A Co. #924182	92D03429
DeLeebeeck, J.S. Ltd. 0608-2095-8010	Lt. 10, Conc. A Co. #913127	92D03429
DePastel, Eric 0608-2095-8040	Lt. 17, Conc. III Co. #747325	92D03429
Dertinger, Steve 0608-2031-1840	Lt. 13, Conc. VI Co. #952029	92D03430
Dobias, Steve 0608-2095-2350	Lt. 9, Conc. IV Co. #838231	92D03429
Duwyn, Camiel 0608-1800-1471	Lt. 8, Conc. VII No Meter (Inactive)	92D03430
Figueiredo, A. 0608-2095-2510	Lt. 13, Conc. II Co. #872305	92D03429
Hanson, Edwin 0608-2031-0150	Lt. 9, Conc. V Co. #1183740	92D03430
Haselmayer, Boniface 0608-2095-2550	Lt. 15, Conc. IV Co. #872328	92D03429
Haselmayer, Boniface 0608-2095-2620	Lt. 17, Conc. III Co. #904499	92D03429
Haskett, Tom 0608-2095-2532	Lt. 17, Conc. IV Co. #872043	92D03429
Jacobs, Alois 0608-2095-2502	Lt. 13, Conc. III No Meter (Inactive)	92D03429
Jacobs Farms Ltd. 0608-2095-2130	Lt. 16, Conc. IV Co. #837735	92D03429
Jacobs Farms Ltd. 0608-2095-2480	Lt. 15, Conc. III Co. #1037133	92D03429
Jansen, Alphonse 0608-2095-2460	Lt. 10, Conc. A Co. #519918	92D03429

<u>CUSTOMER NAME</u>	<u>FIELD LINE DELIVERY POINT</u>	<u>LOAD POINT</u>
Jones, Melanie 0608-2031-1882	Lt. 12, Conc. V Co. #777341	92D03430
Kernal Peanuts Ltd. 0608-2095-1651	Lt. 19, Conc. III Co. #836814	92D03429
Keursten, Louis 0608-2095-1920	Lt. 12, Conc. VII Co. #901225	92D03431
Langdon, Mary Ann 0608-2095-1930	Lt. 13, Conc. V Co. #974488	92D03430
Masschaele, Paul 0608-2095-2420	Lt. 12, Conc. II Co. #838221 (Seasonal)	92D03429
Partridge, Vern 0608-2095-1900	Lt. 10, Conc. IX Co. #747327	92D03431
Penich, John & Bonnie 0608-2095-8020	Lt. 11, Conc. IV Co. #924173	92D03430
Pieters, Ron 0608-2095-2231	Lt. 12, Conc. VI Co. #1089731 (Seasonal)	92D03430
Pleli, Anthony 0608-2095-2410	Lt. 9, Conc. II Co. #870609	92D03429
Raytrowsky, Ted 0608-2095-2390	Lt. 10, Conc. III Co. #974494	92D03429
Salens, Serge Farm 0608-2095-2190	Lt. 7 & 8, Conc. VIII Co. #904753	92D03431
Sherman, Earl 0608-2031-0172	Lt. 11, Conc. III No Meter (Inactive)	92D03429 92D03429
Smith, Bruce & Roy 0608-2095-2240	Lt. 12, Conc. VI Co. #517194	92D03430
Stickl Farms Ltd. 0608-2095-2400	Lt. 8, Conc. II Co. #1089563	92D03429
Swart, John 0608-2031-1900	Lt. 6, Conc. IV Co. #1023297	92D03429
VanLoon, George 0608-2031-0181	Lt. 13, Conc. A No meter (Inactive)	92D03429
VanMaele, Andre 0608-2095-2200	Lt. 12, Conc. VII Co. #838271	92D03431
Vansevenant, Michael 0608-2095-2300	Lt. 8, Conc. V Co. #838576	92D03430

<u>CUSTOMER NAME</u>	<u>FIELD LINE DELIVERY POINT</u>	<u>LOAD POINT</u>
Voegtler, Doug 0608-2095-2441	Lt. 9, Conc. A Co. #976629	92D03429
Zorad, Vincent 0608-2095-2360	Lt. 8, Conc. IV Co. #517290	92D03429
Zorad, Vincent 0608-2095-2330	Lt. 10, Conc. IV Co. #836793	92D03429
Zorad, Vincent 0608-2095-2373	Lt. 7, Conc. IV Co. #901740	92D03429