

FILE 11 (1)
73

March 11, 2013.

I am Asking for a Revision of the
Decision dated Feb. 21st, 2013

RECEIVED
AK 3/13

MAR 13 2013

ONTARIO ENERGY BOARD

To the Ontario Energy Board: Re - EB # 2012 - 0314

As I requested in my original Application for Compensation the to right to make a final comment(s), I now take this opportunity to do so. I now also take the liberty to put forward my reasons to request a Revision.

I have been taken aback somewhat (not that this would mean anything to the Board / Union Gas) by this Decision and the reasons stated for not paying me to 0 psia.

Firstly, under normal circumstances, if a party is unclear about an issue a request for clarification would be the logical approach and I am certain that Union (the Industry) would be given the opportunity to clarify either in writing / by phone / lunch etc.

My Comments / Reasons;

1a. Where there is no definite pressure mentioned as in Reg. 263/02 / the Report the assumption would be ALL the residual gas down to 0 psia. To assume otherwise would be in my opinion is just "reaching for a straw". To illustrate you will find my PNG Lease # 253850 registered in the County of Lambton, compensation for gas production is based on production, pressure is not mentioned anywhere, both parties to the contract would assume it is ALL the gas - would they not?

1b. All the gas in my portion of my land was granted to me via a Crown Grant and being expropriated makes me an exception to the rule just like Edys Mills & OilSprings Pools. I have not been fully compensated for the expropriation a fact the Board and Union have a tendency to "over look". Historical practices practices are not the law they are comfort zones for the Industry to get the use of something for nothing.

1c. By the Union's own words Union admits residual gas has value in the report to the MNR (and the Board must agree this is the case) by stating "The excerpt defines the concept of residual gas and describes approaches to residual gas compensation and related compensation concerns. The excerpt outlines several approaches to residual gas compensation revenue to be collected by the Crown." I also read in the Report that some Party is in fact receiving compensation via rental for cushion gas in Dow - Moore Pool (see Attachment). Is this not correct?

ORIGINAL

1d, A question for the Board - Whose storage rights are they? Some landowner rights are Designated (Assigned) and others are Expropriated (Taken). The Board now controls all aspects of the storage operation does it not. After all the Board approved the "designation" and bear the ultimate responsibility to make things right contract / not. It has been stated by the Board in a recent Decision contracts don't matter to the Board after Designation.

This is rather a sad circumstance as "the contract" is the "cement" binding most civilized, democratic states and should be the ultimate authority - should it not?

1e. How can the Board having this admission now state otherwise? Is the Board now stating Union's report is false or what? I am in the same position as the Crown (just another landowner), the gas doesn't have to be produced, I want compensation for its use.

1f. The fact my residual gas is being used as part of Union's integrated storage operation and therefore it has no value is false. There is absolutely no reason not to produce it but for what reason since it is a requirement in the storage operation, its value to the Operator is two fold, one he doesn't have to produce and two he has the use of my gas for nothing.

2. All my submissions were to show that 50 to 0 psia. in this day and age are viable including Jacob Pool which WAS being produced below 50 psia. For what purpose did the Board envision these submissions, was not the focus of the Application to determine value of natural gas in the present - albeit as has been aptly demonstrated in the Decision the Board & Union & the Industry is more "comfortable" in the past.

3a. Mr. Crozier wrote his report FOR the industry almost 50 years ago, is long outdated and in my opinion a biased report written for the industry many changes have occurred in the industry since. For 50 years Union with the Board's blessing has been using "as a cushion" at the very least in most cases 12.5% of a landowner's asset for absolutely nothing. Begs the question - what would Mr. Crozier have to write about 50 to 0 psia. today?

3b. The Crozier report on compensation is a trend carbon copy which originated in the USA. See copies enclosed of pages 1 through 8 of the Crozier Report. This report is not a law and therefore should be discarded outright in this instance.

3c.. Of course Union in their evidence would go into the past, ignore my evidence and bundle me in with the rest of the landowners by pretending I have a contract. Not so. That's just par for the course for Union and it seems the Board agrees.

3d. In the 1982 Bentpath Decision compensation for storage rights and residual gas was denied because of law and practice in Michigan USA not the law of expropriation in this country / province - WHY?

3e. All the arguments (including the outdated Crozier Report) went out the window when the MNR asked Union et al. for an update on the industry. Union submitted a document on which Ont. 263/02 was formulated - stating production / residual gas (ALL of it) could / would produce a revenue stream for the province by "rental". All arguments to the contrary are now moot / did Union et al. misrepresent the facts to the Ministry. The Ministry must have "clued in" on just how outdated the Crozier Report was and is and wanted something up to date to formulate Reg. # 263/02.

4a. "Industry practice" is not a law / regulation, it is just an opinion and in my opinion has no place in this issue, a "cop out" which in simple terms means hiding in the past with the blessing of the Board. The only reason that my portion of my 50 to 0 psia. in this day and age is not being produced is Union's presence (sitting on it) with the blessing of the Board. This may be said of all similar situations within Board jurisdiction contract / not.

4b. "Site specific" in this instance means only one thing, if Union / Board were not present beyond ALL doubt my asset would be harvested and sold. Again I wish to point out that the industry is in fact fracking rocks to get at this valuable commodity. "Site specific" would fall in the same category as "co-mingled" (it is all natural gas is it not?). The difference between gathering and transmission lines eludes most landowners, both do the same thing - transmit. I'm sure there are other catch words. The change occurs at the storage area boundaries - what a crock again this use of words (however convoluted) is accepted - WHY?

5. How the Board under these circumstances concluded that production of even a minute gas pressure differential (as in fracking) is not viable just boggles the mind. My evidence shows beyond doubt that "in this day and age" , even minute amounts of natural gas have value one way / another (royalties / used a necessary cushion in a storage operation).

6. What the Board decided in 1982 - 31 years ago in Bentpath may well have been the accepted "industry practice" at the time, the bottom line is most landowners are contract bound to 50 psia. Being without a contract I am not bound by either time / specific limits / the payment of damages as circumstances may change / dictate.

7a. Does not the Expropriations Act super-cede the OEB Act when it comes to a situation such as this? Is not the affected expropriated party "to be paid in full" for the taking? My portion of 50 to 0 psia always had value, as now shown by the report to the Ministry, it just took almost 50 years for the industry to admit this fact Crozier Report / not. Also the Crozier Report is not law / a Regulation but a opinion (however studied) that has become the Bible on gas storage - why no doubt given the opportunity a learned scholar could rebut anything Mr. Crozier alluded too. It would not surprise me at all such a rebuttal exists but is / was locked away (by the Industry).

7b. In fact such a report does exist written by a Mr, Brittain for the OEB referencing EBO 64(1) - Bentpath. On page 8, second paragraph Mr. Brittain states. "I consider the use of an arbitrary cutoff pressure to be unfair. Gas below such a pressure is just as necessarily a portion of the base cushion gas as that above such a pressure and the owner should be paid for it." Obviously Mr. Brittain, being a man with morals, did not meet the biased criteria of the industry, Board included, and his Report was swept under the table. Also see Page # 11 , Part D, Sentences # 3 & 4 for further in-sight. †

See Attachment - Brittain Report † PAGE 8 O.K.

&c. Is it not a Regulators / Tribunals main mandate the protection of the weak from being steamrolled by the strong? Would not the Landowner be in the same position as a rate payer. It seems the rate payer gains a Huge amount of value (in cost savings) thanks to storage - doesn't seem like an even playing field to me contract / not.

8. I believe the Report to the Ministry is an up to date assessment of the Industry which no doubt to the Industry's chagrin we the Landowners obtained, but "what is good for the gander is good for the goose".

10a. A \$1000.00 "honorarium" in this instance is puzzling and a more appropriate term for such could be inserted - which I choose not to utter at this time. Could the Board kindly explain the justification and purpose of this "honorarium". Whether I file a claim for "disbursements" / whether I will accept the \$1000 (once the preceding questions are answered) about the "honorarium" will be my decision. I don't think the Board is a position to order disclosure of any confidential information.

10b. I further request the cost award & honorarium be postponed until such time as this matter is full resolved.

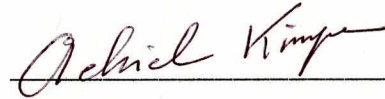
11. With all due respect to the Board, the Board has not taken seriously my letter dated May 31st, 2012 regarding R.P. #2000-0005. All though I supported LCSEA my position was that of an observer I gave no specific permission to any party to negotiate any compensation on my behalf, this would include residual gas. Can Union provide any evidence to the contrary? I am willing to swear an affidavit to this if the Board deems it necessary.

Notwithstanding anything prior, should my attempt at resolution fail, I will file a claim for damages as it relates to my share of the residual gas in the future and its use. I am, due to the fact I have no contract, not part of part of any industry (standard), I own my portion of 50 to 0 psia. will therefore establish the compensation I want as rental.

I am fully aware that once having exhausted my efforts at the Board and if, having failed at recovering my damages, Court is an option.

I would hope that the Board, knowing all the facts, make a serious effort on this matter as all I have stated has merit.

With All Due Respect

A handwritten signature in cursive script, reading "Achiel Kimpe", is written above a solid horizontal line.

Achiel Kimpe

Many of the reservoir parameter used in the 1964 report have been revised by the operating companies, particularly the productive acreage, in addition I have used total original gas in place, down to atmospheric pressure, rather than the artificial and unfair cut off pressure of 50 psig.

I consider the use of an arbitrary cutoff pressure to be unfair. Gas below such pressure is just as necessarily a portion of the base or cushion gas, as that above such pressure and the owner should be paid for it.

So the numbers in table II are different from those used in the 1964 report, but the principle involved is the same. So we have a comparison of the various designated fields, in 1964, based on an artificial and arbitrary valuation of .30¢/MMCF/acre arrived at by the Board in 1964.

To provide evaluation of the gas storage pools, but in 1979 dollars, I would apply the increase in the Consumer Price Index provided by Statistics, Canada, from July 1964 to July 1979. The factor is 2.43, the valuations in 1979 dollars as shown in the right column of table II. These revised figures will no doubt be vigorously rejected by Union, but would probably be accepted by Tecumseh. Tecumseh has already matched Union's top figure and are paying it across the board, thus eliminating arguments about relative values.

My totals show there are about 20,400 designated acres in the 16 pools listed. If we assume all were in use, and that the weighted average rental was \$12.00/acre, present storage rate compensation would be about \$245,000. If rentals were adjusted to 1979 dollars, I believe the weighted average increase per acre would be about \$12.00 or another \$245,000 in total. But when this increment is applied to the consumers in Ontario, it would increase the average residential annual gas bill by only 5-1/2¢, an insignificant amount. As one of those consumers, I would only too happy to pay much more than that for an assured supply during the peak load season, and I would feel that the lessors are getting better treatment.

OUT OF "BRITAIN" REPORT

REF EBO 6461

411

PART D

Exhibits and Conclusions

At time of writing, it is not clear as to what exhibits will be required for the hearing. Tables I & II and some sort of attempt to tabulate this compensation may or may not be required. In any event, I will await further specific instructions from Mr. McLean before proceeding. When the Board's wishes are known, the exhibits can be quickly prepared.....

While my conclusions have been required, and may not even be welcomed, nevertheless I feel obliged to state certain truths, with respect to compensation for gas storage rights.

1. Delay rentals and production leases within designated areas should be increased to modern levels where necessary, since designation inhibits exploration above and below the storage reservoir.
2. Designation, in addition to specifying an area, should also specify the formation so as to inhibit as little as possible exploration of other strata. It should be noted that this is practice in other jurisdictions. (see appendixes)
3. Royalty ^{on} residual gas should be paid down to atmospheric pressure. Base gas below some arbitrary quote 56 psi pressure is just as essential as the rest of the base gas.
4. Royalty ^{on} residual gas, and indeed on all production gas, should be at the same percentage as that as oil. Failure to pay proper fair and equitable gas royalty is the most glaring example of unfair practices that has existed in the industry of Ontario. Lessors have been defrauded of many millions of dollars.
5. Lessors in designated areas should be compensated annually for all surface encumbrances, not just well, but also for roads, pipelines, powerlines, batteries, plants, etc., since they are no longer governed by their terms of their production leases.

May 31st th, 2012.
Corruna, Ontario.

Union Gas Ltd.,
Box # 2001,
50 Kiel Drive,
Chatham, Ontario, N7M - 5M1.

my copy
copy

Attn; Tom Edwards - Sr. Lands Agent

Dear Sir:

This is in reply to your letter dated May 14, 2012.

Mr. Wachsmuth is mistaken when he contends the OEB had any consideration in the Compensation Hearing (RP 2000-0005) initiated by the Lambton County Storage Association (LCSA). Mr. Wachsmuth cannot show me my signature agreeing to any compensation for residual gas in the Bentpath Pool from 50 to 0 psi.

No one has or had any authorization to act on my behalf regarding this issue.

Are "slap dash" dealings again on the move?

The fact that this residual gas (50 to 0 psi) has value was aptly pointed out in my letter dated Nov. 1, 2011 in which was a list of Pools where the landowners have been compensated down to 0 psi and I want to be compensated as well.

My claim for compensation is further supported by the following statement as it relates to Court Cases challenging English Crown Grants. To Quote the Court "The permission or command of the State can give no power to convey private rights even for a public service without payment of compensation" (Muhler vs. N.Y. & R. Co. 197 U.S. 544. Birrell vs. N.Y. & R. Co. 198 U.S. 390. Siegel vs. N.Y. & R. Co. U.S. 615.)

Further the OEB in a letter dated April 12, 2012 encouraged me to have the Board determine just and equitable compensation regarding residual gas 50 to 0 psi.

This would lead me to believe the Board must have a good reason to give this advice.

I Sir am doing my utmost best and I ask again to hopefully bring this matter to an amicable conclusion.

Trusting I will receive a response within 15 days.

Respectfully,



Achiel Kimpe

copy
=

CC;

Zora Crnojacki - Ontario Energy Board

Elaine Harris - Secretary LCSEA

Page 2 of 2

I received a copy of the document from the Ontario Energy Board. The document is a copy of the LCSEA report on the subject of the Ontario Energy Board. The document is a copy of the LCSEA report on the subject of the Ontario Energy Board.

2. I have no storage contract, I do however have a Production Lease. Having no Storage Agreement I am therefore not bound, as others may be, to give any party the free use of my natural gas from 50 to 0 psi in a storage operation. Claims that gas from 50 to 0 psi has no value, I would suggest is absurd to say the least, in light of the fact others have been compensated outright / paid a rental use of this gas.

3. Having no storage agreement I submit that I have been expropriated, Board staff has confirmed this as fact.

4. Further Board staff also confirms that 50 to 0 psi as it relates to an expropriated Landowner has not been addressed by the Board.

5. 50 to 0 psi has / had value in several other pools as stated in a letter to the Board, including the payment of a rental (which would be my preference). To reiterate those pools are;

Zurich is at 0 psi	- not yet designated
Zone	- not yet 0 psi but close?
Jakob	- below 50 psi (46?)
Edys Mills	- payed to 0 including solution gas
Dow - Moore	- the residual (cushion) gas is rented

6. Union has refused to negotiate but indicated it has & will comply with any order of the Board.

7. As the expropriation agency the Board has not only a statutory obligation but also the authority to insure a Landowner is fully compensated for any expropriated assets and equality where pertinent. as in this case is any expropriated Landowner in the same circumstance as I.

8. I respectfully request that in determining compensation for my portion of residual gas 50 to 0 psi the Board be mindful of the fact that Union has had the use of my asset (natural gas) for some 30 years solely due to the fact Union was never ordered to pay below 50 psi.

9. The expropriation issue was fully circumvented by the Board (at the time) by treating me the same as other Landowners - this position by the Board was & is in error. The Board at the time side stepped the expropriation issue / bought into the "no value" argument presented by Union. Granted that in many / most instances Landowners signed a Storage Agreement with compensation only to 50 psi.

OUT OF LETTER

July 9 2012

IN THE MATTER OF The Ontario
Energy Board Act (R.S.O. 1960,
Chapter 271) and particularly
clause (j) of Section 28
thereof.

PAGE 1-44

REPORT TO THE LIEUTENANT GOVERNOR IN COUNCIL

INTRODUCTION

Pursuant to clause (j) of Section 28 of The Ontario Energy Board Act, Your Honour was pleased to pass Order-in-Council OC-1354/62 on the 17th day of April, 1962, requiring this Board to adjudicate on and examine and report on the following questions respecting energy:

1. Payments with respect to storage of gas in designated gas storage areas.
2. Terms and conditions of gas and oil leases.
3. The Gas and Oil Leases Act.

Since April, 1962, the Board has held a number of hearings in the field with landowners and has held ten separate meetings with the gas and oil industry, including gas utilities and pipe line companies, and with the Federation of Agriculture. In the course of this study and investigation the Board received seventeen briefs from interested persons, corporations and organizations. To supplement information obtained from sources in Ontario, the Board visited a number of states in the United States and ascertained the latest gas storage developments and methods of dealing with storage payments and other related matters. A list of the hearings, meetings, briefs and visits is included with this report as Appendix 1.

The Board also had recourse to such appropriate information as has come into its possession in connection with its activities from day to day and to legislation and regulations in effect in other jurisdictions.

Because it was possible to complete consideration of Item 3 of

the terms of reference before final conclusions could be reached on the other two items, and because there was indicated an immediate need for a revision of The Gas and Oil Leases Act, the Board submitted its report and recommendations on this item on February 25th, 1963. For convenience, a copy of this earlier report is included with the present report as Appendix 2.

Investigation and study of the subject matter of Items 1 and 2 has now been concluded, and the Board presents herein its review of the evidence received, with its findings and recommendations on, ~~the~~ payments with respect to storage of gas in designated gas storage areas, and, ~~second~~, terms and conditions of gas and oil leases.

GAS STORAGE - GENERAL REVIEW

It is appropriate to begin with a general review of the introduction, growth, present extent and future position of underground gas storage in Ontario, with brief reference to the trends and extent of similar operations in the United States.

Natural gas was first stored underground in Welland County in 1915 by the Provincial Gas Company. This project was short-lived, being primarily an experiment in the transfer of gas from high pressure to low pressure wells. The first use in the United States was in 1916, in the Zoar field near Buffalo, and this storage pool is still in use. The Bow Island gas field near Calgary has been in continuous operation as a storage facility since 1930. Ontario's Lambton County storage facilities have been used continuously since 1942, at which time "still" or refinery gas was first injected, to be supplanted entirely by natural gas from 1953 onward.

The rapid growth of gas storage operations in the United States

dates from the years following the Second World War and coincides with the build-up of the network of long-distance gas transmission lines from the southern states in a northerly and north-easterly direction to serve the large consumer markets. This growth still continues, as is evidenced by the fact that gross underground gas storage capacity in the United States, including projects under development, has increased during the last eight years from 1.6 to 3.76 trillion cubic feet, of which 1.92 trillion cubic feet is working capacity. The balance, namely 1.84 trillion cubic feet, is the volume of cushion gas*, which, together with working storage, makes up the "gross" figure.

The growth in the actual use of storage capacity in Ontario is illustrated in Appendix 3, which shows annual injections and withdrawals in the Union Gas Company's storage system, this being to date the sole storage operating agency. It will be noted from this table that a moderate rate of growth up to 1955 has been followed by a marked increase in rate with the introduction of Alberta gas and the completion of transmission facilities (in 1957) between Trans-Canada Pipelines' service at Lisgar near Toronto and the storage area in Lambton County. (See Map at end of report.) Data relating to the storage pools in Lambton, Kent and Welland Counties are summarized in Appendix 4.

As to the future in Ontario, it is significant to note that the American states bordering on the Great Lakes, show a more rapid rate of increase in storage capacity than the national average for the United States. It is in this part of the United States that conditions as to climate, concentrations of population and distance from main sources of supply most closely resemble those which apply in this province.

* Cushion gas is gas held in the reservoir to maintain minimum operating pressure for storage purposes.

Various estimates have been made of the amount of working storage capacity that will be required to meet Ontario's needs in future years. Only actual experience will indicate the validity of such forecasts. It is clear, however, that a conservative approach suggests that within twenty years normal expansion will use up all of the facilities that have now been developed to the point of actual use or designation, with a capacity of approximately 105 billion cubic feet of working storage. Over and above normal growth within the province, some provision must be made for emergency supply.

In Ontario, storage reservoirs now in use or in prospect have been identified solely with depleted or partially depleted gas fields. Possible alternatives are depleted oil pools, aquifers, salt cavities, abandoned mines and specially prepared pits for liquefied natural gas.

Aquifers, or water-bearing formations in which oil or gas is not present in significant quantities, are useful for peak shaving or basic storage, and in some midwestern states are supplementing depleted gas fields.

Caverns created by removal of salt deposits, in solution, are in use or under development for gas storage in Michigan and Saskatchewan. This type of storage is new for natural gas, although it has been in common use for some years for liquid petroleum gas (propane). In the Michigan case there is an established gross capacity of close to 400 million cubic feet. In Saskatchewan the planned gross capacities of the two reservoirs are 2 billion (Regina) and 300 million (Melville) cubic feet respectively.

An old coal mine is used for natural gas storage near Denver, Colorado. Last season it provided a maximum 24-hour withdrawal of 104

million cubic feet.

For meeting high peaks on a limited number of days, ~~the first~~ storage pit for liquefied natural gas (frozen-hole storage) in the United States is to be started this year in New Jersey. This project is designed to deliver 200 million cubic feet of gas per day for five peak days. A similar project is being undertaken in Le Havre, France, capable of receiving the equivalent of 50 million cubic feet of gas per day. The New Jersey facility will receive its natural gas by pipeline, whereas the one in France will be supplied with gas in liquefied form via tanker from Algiers.

Those engaged in the gas industry in Ontario are constantly studying all these alternatives while at the same time taking note of additional possibilities for storage arising from the depletion of present productive gas fields.

In its search for information as to payments being made at present with respect to storage of gas, the Board has made a comprehensive study of practice in the United States. The main impression gained from this scrutiny is that there is wide variation both in basis of compensation and in the amounts paid. Occasionally what looks like a firm formula appears, but frequently this is varied to suit purely local circumstances in an effort by the operators to improve goodwill. Some examples are given in Appendix 5, and of these 2 call for a single payment, 1 is based on output, 1 on input, 3 on acreage (with well rental) and 1 on output for gas pools or on single payment for aquifers. This indicates the wide differences in the approach to the question of compensation. The validity of the sample is attested by the fact that it covers approximately one-third of the storage reservoirs in the United States and embraces practically every type of payment actually in use.

The only point on which there is complete agreement in the United States cases is the acceptance of the principle that the owners of land and mineral rights upon which a storage company enters or in which it stores gas are entitled to compensation in payment for such rights. In most other respects they differ, not only one from the other, but also from the principles and practices which have been developed in Ontario over the past twenty years.

The annual acreage payments mentioned in Appendix 5, however appropriate to thin storage formations extending over large areas, cannot be recognized as adequate when applied to Ontario's established pools, most of which are of the pinnacle reef type with maximum reservoir thickness measured in hundreds of feet. Also the single lump sum of the order quoted in Appendix 5 would unquestionably be less attractive to landowners than the annual payments received by landowners in this province.

With regard to the use of the volume of gas injected or withdrawn as a basis for storage rentals, two examples will suffice to show that this method of dealing with compensation is not practicable. From the operating point of view, any storage reservoir is only part of a storage system and must be susceptible of flexibility in its use. It is often necessary to transfer stored gas from one reservoir to another, resulting in simultaneous input and output with respect to two or more pools. Under certain emergency conditions, there is a requirement for transfer from one storage system to another, which could quite conceivably be paid for in kind by a reciprocal transfer of an equal amount of gas between two entirely separate companies. Consequently it is difficult to find grounds for assuming that a toll on such movements is any way reasonable.

Compensation based on input and output has an equally serious implication for landowners. Efficient management of a storage system might

well involve the dedication of a particular reservoir to the holding of emergency reserves. These could be needed to provide security of service in the event of a major failure of transmission lines or of an abnormally long cold winter. Such reserves might lie dormant for several years, providing no storage rental for the landowner during that period. Yet, to the operator, the reservoir or reservoirs in question are just as important a part of his system as those which are in constant cyclic use.

In view of all the circumstances, the Board finds that the only fair and reasonable basis of payment for the storage of gas is one which is related to the capacity of the reservoir in terms of areal extent, volume and quality. This gives a true measure of the privilege granted by virtue of agreements made with owners of storage rights. Furthermore, such a basis is consistent with the trend in Ontario, as will be seen by examining the various agreements that have been reached by negotiations since 1942.

As part of the task of developing a formula or yardstick to be recommended as a basis for determining storage rentals, the Board has carefully examined the various submissions. There appears to be general acceptance of the principle that the major element to be considered in establishing storage payments should be reservoir capacity, which is related to the volume of the actual storage formation modified by appropriate factors for porosity and permeability. In the case of existing designated gas storage areas, the measurement of the reservoir capacity can readily be determined from calculations already made of the original reserves accumulated in the same place by natural processes. A reduction in this figure is normally made to allow for the fact that economical production does not completely remove the native gas. The reservoir capacity is therefore calculated as being equal to the original reserves down to a

reservoir pressure below which further production would be uneconomic

The storage reservoir, however, underlies only a portion of the total designated area, being surrounded by a non-productive protective barrier (often referred to as the "walls of the warehouse") which is essential to the operation of the reservoir. In the presently designated areas in Lambton County, this protective zone accounts for some 64% of the total designated acreage. The practice among both operators and landowners is to recognize the protective acreage as of equal value to the productive or "participating" acreage for storage purposes. This is entirely reasonable having regard to the value of the ensured closure around the stored gas and the prevention of damage to the reservoir by the control of drilling which is effected over the whole designated area.

The formula to be established must therefore represent the usefulness of the storage reservoir in terms of the capacity to hold gas in the formation and at the same time must be applied on an equal basis to all the acres in the designated area. To meet these requirements, the Board has calculated the capacity of each designated pool to abandonment pressure and has divided this figure by the number of productive acres in the pool, to arrive at the capacity per acre of participating area. This establishes relative values of all pools for storage purposes. The Board considers that, subject to modification related to the performance characteristics of the particular pool, the application of a value in cents to each million cubic feet of capacity per participating acre is a reasonable and logical method of arriving at an annual rental per acre of the designated area. It then remains to determine an appropriate value in cents to be applied to the capacity having regard to the trend in prices as evidenced by actual agreements executed from time to time and by submissions received pursuant to the Order-in-Council calling for this report.

AS

18917

LEASE AND GRANT

Agreement of Lease made this 3rd day of April 1968

BETWEEN Laurie Deighton also known as Laurie S. Deighton
Donna Deighton also known as Donna L. Deighton

of the Town of Dresden in the County of Kent
Province of Ontario, (hereinafter called "the Lessor")
OF THE FIRST PART

— AND —

IMPERIAL OIL ENTERPRISES LTD., a body corporate having its head office at the City of Toronto, in the County of York, Province of Ontario, (hereinafter called "the Lessee")
OF THE SECOND PART.

WITNESSETH that the Lessor, being the owner or entitled to become the owner subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within upon or under those certain lands in the Township of Dawn in the County

of Lambton, Province of Ontario, containing 75 acres, more or less and described as follows:

- FIRSTLY: The Southeast quarter of Lot Thirty-two (32), Concession Four (4).
- SECONDLY: The East half of the Southwest quarter of Lot Thirty-two (32), Concession Four (4).

IN CONSIDERATION of the sum of Five Dollars (\$5.00) paid to the Lessor by the Lessee (the receipt whereof is hereby acknowledged by the Lessor) and subject to the rents hereinafter reserved and the royalties hereinafter excepted from this grant and the covenants of the Lessee hereinafter contained, **DOTH HEREBY GRANT AND LEASE** unto the Lessee the leased substances as herein defined within, upon or under the said lands as herein defined, together with the exclusive right and privilege insofar as the Lessor has the right to grant the same, to explore, drill for, win, take, remove, store and dispose of the leased substances and for the said purposes to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipe lines and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary.

Five (5)

TO HAVE AND TO ENJOY the same for a term of ~~TEN (10)~~ years from and including the date hereof and so long thereafter as the leased substances or any of them are produced from the said lands, subject to the other provisions herein contained;

PROVIDED that if operations for the drilling of a well are not commenced on the said lands within ONE (1) year from the date hereof, this Lease shall terminate and be at an end on the first anniversary date, unless the Lessee shall have paid or tendered to the Lessor on or before the said anniversary date the sum of

-----Seventy-five----- (\$ 75.00)

Dollars, (hereinafter called the "delay rental"), which payment or tender shall confer the privilege of deferring the commencement of drilling operations for a period of ONE (1) year from the said anniversary date, and that, in like manner and upon like payments or tenders, the commencement of drilling operations and the termination of this Lease shall be further deferred for like periods successively;

Five (5)

PROVIDED FURTHER that if at any time during the said ~~TEN (10)~~ year term and prior to the discovery of production on the said lands, the Lessee shall drill a dry well or wells thereon, or if at any time during such term production on the said lands or such production shall cease and the well or wells from which such production was taken shall be abandoned, then this Lease shall terminate at the next ensuing anniversary date hereof unless operations for the drilling of a further well on the said lands shall have been commenced or unless production or production operations shall have been resumed or unless the Lessee shall have paid or tendered the delay rental; in which latter event the immediately preceding proviso hereof governing the payment of the delay rental and the effect thereof, shall be applicable thereto;

Five (5)

AND FURTHER ALWAYS PROVIDED that if at the end of the said ~~TEN (10)~~ year term the leased substances are not being produced from the said lands and the Lessee is then engaged in drilling or production operations thereon, or if at any time and from time to time after the expiration of the said ~~TEN (10)~~ year term production of the leased substances shall cease and the Lessee shall commence further drilling or production operations within Ninety (90) days after the cessation of the said production, then this Lease shall remain in force so long as any drilling or production operations are prosecuted with no cessation of more than Ninety (90) consecutive days, and, if they result in the production of the leased substances or any of them, so long thereafter as the leased substances or any of them are produced from the said lands.

INHERITED KIMPE LEASE

Handwritten initials and marks: "L O", "L O", "F P D", "L O", "L O", "F P D", "L O".

If at any time and from time to time drilling or production operations are interrupted or suspended, or any well on the said lands or on any spacing unit as herein defined of which the said lands or any portion thereof form a part, is shut-in, suspended or otherwise not produced for any cause whatsoever beyond the Lessee's reasonable control including, without limitation, the lack of or an intermittent market, the time of such interruption or suspension or non-production shall not be counted against the Lessee, anything hereinbefore contained or implied to the contrary notwithstanding.

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

1. Interpretation:-

In this Lease, unless there is something in the subject or context inconsistent therewith, the expressions following shall have the following meaning, namely:

- (a) "leased substances" shall mean and include:-
 - (i) all petroleum, natural gas and related hydrocarbons; and
 - (ii) all minerals, substances and other gas produced in association with the foregoing or found in any water contained in an oil or gas reservoir, but shall not mean and include coal and valuable stone.
- (b) "said lands" shall mean all the lands hereinbefore described or such portion or portions thereof as shall not have been surrendered.
- (c) "spacing unit" shall mean and include the area allocated to a well for the purpose of drilling for and/or producing the leased substances or any of them by or under any law of the Province of Ontario now or hereafter in effect governing the spacing of petroleum and/or natural gas wells.

2. Royalties:-

(a) CRUDE OIL

In respect of all crude oil produced, saved and marketed from the said lands there is hereby excepted and reserved unto the Lessor a gross royalty of twelve and one-half per cent (12½%) of the current market value of such crude oil at the point or points of measurement, namely, the production tanks of the Lessee to which the well or wells on the said lands are connected. Such royalty shall be payable to the Lessor on the 25th day of the month following the month in which any well drilled on the said lands shall be brought into production of crude oil and thereafter on the 25th day of each succeeding month for so long as crude oil shall be produced, saved and marketed from the said lands.

The Lessee shall make available to the Lessor during normal business hours at the Lessee's office at Chatham, Ontario, or elsewhere in Ontario as the Lessee may notify the Lessor, the Lessee's records of the quantity of crude oil produced, saved and marketed from the said lands and as ascertained at the point or points of measurement.

Provided always that the Lessor shall have the option upon THIRTY (30) days' written notice to the Lessee, to take in kind twelve and one-half per cent (12½%) of all the crude oil produced and saved from the said lands in lieu of the royalty payment aforesaid, and may on like notice revoke such option. The Lessor may not exercise this option more often than once in any TWELVE (12) months' period. If the Lessor elects to receive such royalty in kind, the Lessee will provide, free of cost, storage in its production tanks for not more than TEN (10) days' accumulation of the Lessor's royalty oil and will deliver the same to the Lessor at such tank outlets in accordance with usual and customary pipeline and shipping practices.

(b) GAS WELLS

There is hereby excepted and reserved unto the Lessor a royalty in respect of each gas well completed on the said lands and which is capable of producing gas in paying quantities, computed as follows:

WHEN A WELL IS CAPABLE OF PRODUCING AN AMOUNT EQUAL TO OR IN EXCESS OF:

	BUT LESS THAN	AMOUNT
10 cubic feet per day	500,000 cubic feet per day\$100
500,000 cubic feet per day	" " " 1,000,000 cubic feet per day\$150
1,000,000 cubic feet per day	" " " 2,500,000 cubic feet per day\$250
2,500,000 cubic feet per day	" " " 5,000,000 cubic feet per day\$350
5,000,000 cubic feet per day\$500

The aforesaid royalty shall be computed in advance each year from the time each such gas well shall have been completed. The first payment for each gas well shall be based on its open flow measurement at the time of completion, and said payment for the period between the time of completion and the 30th day of September next ensuing shall be calculated at the rates above set forth and shall be paid as soon as may be practicable. Subsequent payments for each such well shall be paid in advance on or before the 25th day of October in each year and shall be based on the last open flow measurement of such well taken by the Lessee. While the said royalty is so paid it shall be deemed that each such well is a producing well hereunder and that the leased substances are being produced from the said lands.

3. Lesser Interest:-

If the leased substances and/or the said lands be held by the Lessor in undivided ownership with another person or persons, then the Lessor shall be entitled to receive only a percentage of the rentals and royalties herein reserved, computed in accordance with the Lessor's percentage interest in the leased substances and/or the said lands.

4. Compensation and Restoration of Surface:-

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

5. Taxes Payable by the Lessor:-

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

6. Taxes Payable by the Lessee:-

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

7. Correction of Land Description:-

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

8. Clearance of Prior Leases:-

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

L. D.

FA

9. Use of Leased Substances by Lessee:-

The Lessee shall have the right to the free use of the leased substances or any of them and water produced from the said lands, except water from the Lessor's wells, for all operations hereunder.

10. Pooling:-

The Lessee is hereby given the right and power at any time and from time to time to pool or combine the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, with any other lands or any zone or formation underlying the same, but so that the lands so pooled and combined (herein referred to as a "unit") shall not exceed One (1) spacing unit as herein defined. In the event of such pooling or combining, the Lessor shall receive on production of the leased substances from the unit, in lieu of the royalties herein specified, only such portion of such royalties as the surface area of that portion of the said lands placed in the unit bears to the total surface area of all the land in the unit. Drilling operations on, or production of the leased substances from, or the presence of a shut-in or suspended well on, any land included in the unit shall have the same effect in continuing this Lease in force and effect as to the whole of the said lands, as if such drilling operations or production of the leased substances were upon or from the said lands, or some portion thereof, or as if such shut-in or suspended well were located on the said lands, or some portion thereof.

11. Operations:-

- (a) The Lessee shall conduct all its operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Lease such provisions of law shall prevail;
- (b) The Lessee covenants not to drill a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor will bury pipe lines below ordinary plough depth.

12. Discharge of Encumbrances:-

The Lessee may at its option pay or discharge the whole or any portion of any tax, mortgage, balance of purchase money, lien or encumbrance of any kind or nature whatsoever upon the said lands or the leased substances which has priority to this Lease, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and may in addition thereto at the Lessee's option, reimburse itself by applying on the amount so paid by the Lessee, the rentals, royalties, or other sums accruing to the Lessor under the terms of this Lease.

13. Surrender:-

- (a) Notwithstanding anything herein contained, the Lessee may at any time or from time to time determine or surrender this Lease and the term hereby granted as to the whole or any part or parts of the leased substances and/or the said lands, upon giving the Lessor prior written notice to that effect, whereupon this Lease and the said term shall terminate as to the whole or any part or parts thereof so surrendered and the obligations of the Lessee shall be extinguished or correspondingly reduced as the case may be. Any reduction in the delay rental under the terms of this clause will be in the same proportion as the amount of acreage surrendered bears to the total acres under lease. The Lessee shall not be entitled to a refund of any rental or royalty theretofore paid.
- (b) If this Lease has been registered in the Registry Office for the Registry Division in which the said lands are situated, the Lessee upon surrendering all or any part of its interest in the said lands to the Lessor, shall, at its own expense register such surrender in such Registry Office.

14. Removal of Equipment:-

The Lessee shall at all times during the currency of this Lease and for a period of SIX (6) months after the termination hereof, have the right to remove all or any of its machinery, equipment, structures, pipe lines, casing and materials from the said lands.

15. Default:-

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

16. Quiet Enjoyment:-

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

17. Further Assurances:-

The Lessor and the Lessee hereby agree that they will each do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances as may be necessary to give effect to this Lease.

18. Assignment:-

The parties hereto and each or either of them may at any time and from time to time delegate, assign, sub-let or convey to any other person or persons, corporation or corporations, all or any of the property, powers, rights and interest obtained by or conferred upon them respectively hereunder and as the same relate to all or any part of the said lands, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause; provided that no assignment of royalties, rentals or other monies payable hereunder and no change or division in the ownership of the said lands or any part thereof, by the Lessor, however accomplished shall operate to enlarge the obligations or diminish the rights of the Lessee nor shall any such assignment be binding upon the Lessee unless and except the same is for the entire interest of the Lessee. In all such sums remaining to be paid or to accrue hereunder and provided further that the Lessor shall give the Lessee THIRTY (30) days' notice in writing in a form satisfactory to the Lessee of any such delegation, assignment, sub-letting or conveyance by the Lessor; provided further that in the event that the Lessee shall assign this Lease as to any part or parts of the said lands, then the delay rental shall be apportioned amongst the several leaseholders rateably according to the surface area of each and the several leaseholders shall be individually responsible for the payment of their portion of the delay rental and for the payment of royalties hereby reserved unto the Lessor in respect of any production from wells drilled on their respective parts of the said lands. Should the Assignee or Assignees of any such part or parts fail to pay the proportionate part of the delay rental or the royalty payable by him or them, such failure to pay shall not operate to terminate or affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its Assignees shall make due payment of rental and royalty.

19. Manner of Payments:-

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

L.D. 

The Lessor does hereby appoint of

..... as his agent as aforesaid and

Canadian Imperial Bank of Commerce,

(Bank or Trust Company).

at **Dresden, Ontario** and its successors, as his depository as aforesaid.

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

20. Entire Agreement:-

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

21. Notices:-

All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, and addressed to

the lessors

at **939 Chandler St., Dresden, Ontario**

and to Imperial Oil Enterprises Ltd. at Post Office Box 880, Chatham, Ontario, Canada, or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee FORTY-EIGHT (48) hours after such mailing.

22. Enuring Clause:-

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

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

SIGNED, SEALED AND DELIVERED
In the Presence of:

D. M. King

Laurie Deighton

Dorcas Deighton

IMPERIAL OIL ENTERPRISES LTD.

By its Attorneys

Ray Mills

H. A. [Signature]



★ Power of Attorney registered on
the 2nd day of Aug. A. D. 1966
in the Registry Office for the
County of Lambton as Number 227801

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

Affidavit as to Legal Age and Marital Status

PROVINCE OF ONTARIO } I, Laurie Deighton
 To Wit: } of the Town of Dresden
 } in the County of Kent

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

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

2. And that Donna Deighton

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

3. I was legally married to Donna Deighton named therein;

~~4. I was unmarried/divorced/widow~~ W. J. M.

SWORN before me at the Town
 of Dresden
 in the County of Kent
 this 3rd day of April
 A.D. 19 68
 A Commissioner for taking Affidavits, etc.

Laurie Deighton

Donald F. McKenzie
 DONALD F. MCKENZIE,
 a Commissioner etc., Province of Ontario
 EXPIRE 3 MAY, 1968

AFFIDAVIT UNDER SECTION 53(2) OF THE REGISTRY ACT

CANADA
PROVINCE OF ONTARIO } I, **FREDERICK RUSSELL DUFTON** of the City of Chatham,
TO WIT: } in the county of Kent, employee of Imperial Oil Enterprises Ltd., make oath and say:

- 1. THAT I am an attorney appointed for the purpose of executing the annexed assurance on behalf of Imperial Oil Enterprises Ltd. under a power of attorney registered in accordance with the provisions of the Registry Act.
- 2. THAT the annexed assurance is not made contrary to Section 2 of the Mortmain and Charitable Uses Act.

SWORN before me at the city of Chatham, in the County of Kent, this 22nd day of April 1968.

Douglas William Thomas
A Commissioner, etc.

F. Russell Dufton

DOUGLAS WILLIAM THOMAS

"Appointed to administer oaths and take affidavits within the Province of Ontario while in the employ of Imperial Oil Limited and for work of such Company only." My Commission expires on 3rd October, 1968

AFFIDAVIT OF EXECUTION BY ATTORNEYS

CANADA
PROVINCE OF ONTARIO } I, **KAYE MILLS** of the City of
TO WIT: } Chatham, in the County of Kent, Province of Ontario, Secretary,
make oath and say:

- 1. That I was personally present and did see the within lease and duplicate duly signed, sealed and executed by Imperial Oil Enterprises Ltd., by its attorney:

FREDERICK RUSSELL DUFTON

- 2. THAT the said lease and duplicate were executed by the said attorney at the City of Chatham.
- 3. THAT I know the said attorney for Imperial Oil Enterprises Ltd.
- 4. THAT I am a subscribing witness to the said lease and duplicate.

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

this 22nd day of April 1968.

Douglas William Thomas
A Commissioner, etc.

Kaye Mills

DOUGLAS WILLIAM THOMAS

"Appointed to administer oaths and take affidavits within the Province of Ontario while in the employ of Imperial Oil Limited and for work of such Company only." My Commission expires on 3rd October, 1968

AFFIDAVIT OF EXECUTION BY LESSOR

CANADA
PROVINCE OF ONTARIO } I, **Donald F. McKenzie** of the City of **Sarnia**
TO WIT: } in the County of **Lambton**, Province of Ontario, **Leasing Agent**
make oath and say:

- 1. That I was personally present and did see the within lease and duplicate duly signed, sealed and executed by **Laurie Deighton & Donna Deighton** two of the parties thereto.

- 2. That the said lease and duplicate were executed by the said parties at the **Town of Dresden**

- 3. THAT I know the said parties.
- 4. THAT I am a subscribing witness to the said lease and duplicate.

SWORN before me at the City of Sarnia in the County of Lambton

this 22nd day of April 1968.

Douglas William Thomas
A Commissioner, etc.

D. F. McKenzie

DOUGLAS WILLIAM THOMAS

"Appointed to administer oaths and take affidavits within the Province of Ontario while in the employ of Imperial Oil Limited and for work of such Company only." My Commission expires on 3rd October, 1968

LEASE NO. E-23800

DATED April 3, 19 68

253850

I certify that the within Instrument registered in the Registry Office for the Registry Division of the County of Lambton.

at 9:30 o'clock A.M. of the 2nd day of May A.D., 19 68

J. Hamilton
REGISTRAR

Laurie Deighton

Donna Deighton

— and —

IMPERIAL OIL ENTERPRISES LTD.

POST OFFICE BOX 880
CHATHAM, ONTARIO

LEASE AND GRANT

County: Lambton

Township: Dawn

Lot Number: 32

Con. Number: 4

IMPERIAL OIL ENTERPRISES LTD.

PRODUCING DEPARTMENT
EASTERN DIVISION
CHATHAM, ONTARIO



632