

GRAZING LEASE AGREEMENT

GRAZING LEASE NO: GRL 34913
EFFECTIVE DATE: December 1, 2015
TERM: 10 Years
EXPIRY DATE: November 30, 2025

THIS INDENTURE made in duplicate on **April 24, 2015**,

BETWEEN: **HER MAJESTY THE QUEEN**, in the right of the Province of Alberta, as represented herein by the Department of Environment and Sustainable Resource Development, by the "director" duly designated under the *Public Lands Act*, (hereinafter called the "director", **OF THE FIRST PART**

AND: **Ray A Murphy** of Bonnyville in the Province of Alberta, hereinafter called the "Lessee", **OF THE SECOND PART**

WHEREAS the lands hereinafter described are "Public Lands" within the meaning of the *Public Lands Act*, and

WHEREAS the lessee has made application for a lease of the lands hereby demised and the director has granted such application.

NOW THEREFORE THIS INDENTURE WITNESSETH, that in consideration of the rents, covenants and agreements hereinafter reserved and contained and on the part of the lessee to be paid, kept, observed and performed, Her Majesty by these presents doth demise and lease unto the lessee as tenant, all that certain parcel or tract of land situated in the Province of Alberta, and being more particularly described on the attached Appendix "A" (hereinafter called the "said lands").

EXCEPTING AND RESERVING unto Her Majesty any and all reservations and exceptions required to be made pursuant to the *Public Lands Act*.

TO HAVE AND TO HOLD the said lands unto the lessee, subject to the rents hereby reserved and the agreements, conditions, covenants, exceptions, stipulations, and reservations herein contained for the said term.

RENEWABLE for a further term as provided for in the *Public Lands Act*; **YIELDING AND PAYING** therefore yearly and every year during the said term unto Her Majesty the clear yearly rent of lawful money of Canada as determined in accordance with the *Public Lands Act*, such yearly rent to be paid to the Department at Edmonton, or to such person and at such place as the Department may authorize in writing to receive the same on the following days and times, that is to say in advance of the first day of April in each year, the first annual payment to be made on or before the execution and delivery of these presents.

AND the Lessee doth hereby covenant and agree with Her Majesty as follows, namely:

1. That the lessee will at all times during the subsistence of the term hereby created, perform, observe and comply with all the provisions, obligations and requirements which the lessee is required to perform, observe and comply with by the *Public Lands Act*, or by any act hereafter enacted for the amendment thereof or in substitution thereof or by any regulations made under the authority of any such *Act* as aforesaid, and the terms, conditions and provisions of all such *Acts* and regulations shall be deemed to form part of this lease, which shall be read and construed as if the same had been set out and incorporated herein.
2. That the lessee shall and will, well and truly yield and pay or cause to be yielded and paid to the Department at Edmonton, or other person duly authorized by the Department in that behalf, the rent hereby reserved in manner aforesaid.

AND IT IS HEREBY AGREED by and between Her Majesty and the lessee as follows:

1. That if the lessee shall at any time make default in the due payment of any sum or sums of money whatsoever which may be payable to Her Majesty or for which the lessee may be liable pursuant to any of the provisions of this lease, and whether on account of rent, interest, penalty or otherwise, at any of the days or times fixed or appointed for the payment thereof, Her Majesty may, by any person duly authorized by the Department in writing, enter and distrain therefore upon the premises described herein or any part thereof and by distress levied upon any goods and chattels which may be found upon the said premises or any part thereof, recover any such sum or sums of money as last aforesaid, together with all costs and expenses of and incidental to any such distress.
2. That if and whenever the rent hereby reserved or any part thereof, is in arrears and unpaid for a period of more than thirty days, or if default is made by the lessee in the performance or observance of any of the covenants on the part of the lessee herein contained, which the lessee ought to comply with pursuant to these presents or to the *Public Lands Act*, or to both, for a period of thirty days from and after the date of the sending by mail of a notice by or on behalf of the Department to the lessee of such default, then and in every such case and as often as the same may happen and notwithstanding any previous waiver, the director may by writing, declare this lease to be terminated, and thereupon this lease shall become and be terminated, and be null and void for all purposes other than and except as to any liability of the lessee under the same incurred before and subsisting at the day when the said lease is declared to be terminated as aforesaid.



3. That if the term hereby granted or the lessee's goods and chattels on the said lands which are liable to distress shall be at any time seized or taken in execution, or in attachment by any creditor of the lessee, or if the lessee shall make any assignment for the benefit of creditors or becoming bankrupt or insolvent, shall take the benefit of any act that may be in force for bankrupt or insolvent debtors, the then current year's rent shall immediately become due and payable and the said term shall immediately become forfeited and void.
4. That no waiver on behalf of Her Majesty of any breach of any or either of the provisos, conditions, restrictions and stipulations herein contained, whether negative or positive in form, shall take effect or be binding upon Her unless the same be expressed in writing under the authority of the director, and any waiver so expressed shall not limit or affect Her Majesty's rights with respect to any other or future breach.
5. That where the context permits, the expression "lessee" herein means and includes any person, male or female, who is named herein as a lessee and the next of kin, executors and administrators of any such person and his and their assigns respectively, the expression "Her Majesty" includes the Successors and Assigns of Her Majesty and the expression "director" means the director duly designated under the *Public Lands Act*.
6. That this lease shall be so construed as to enure to the benefit of the lessee and such of his heirs, executors and administrators and his and their assigns as are entitled or permitted to benefit thereunder pursuant to the *Public Lands Act*, and to no other persons.
7. That the lessee shall pay and discharge all rates, assessments and taxes which are a proper charge on the lands.
8. That the lessee must utilize the land in accordance with the established grazing capacity of the disposition and with proper range management and conservation practices.
9. That the holders of any exploration approval under the *Public Lands Act* and *Mines and Minerals Act* are to be allowed access for the purpose of conducting an exploration program in accordance with the approval granted by the department.
10. That all clay, silt, sand, gravel, topsoil and peat (surface materials) on the said land are expressly excepted from this disposition.
11. That the Crown in right of Alberta, its employees, agents and contractors shall have the right to enter upon the said lands with departmental approval, without compensation to the lessee, to explore for surface materials on the said lands.
12. That the lessee must have prior written approval to conduct any activity not specifically authorized in the terms of the disposition including but not limited to, erecting any structures or carry out any improvements or modifications to the land related to this disposition.
13. That when requested to do so by the director in writing, the lessee will provide, in a form satisfactory to the director:
 - accurate reports of yearly livestock utilization on the land under disposition (i.e. annual stock return forms);
 - proof by declaration or otherwise that the lessee has complied with the provisions of the disposition; and/or
 - a plan and statement showing the purpose for which the land is being used and the manner in which that use or development is to be achieved.
14. That the lessee shall not assign, transfer or sublet the lands contained in the disposition, or any part hereof, without the consent of the director in writing.
15. That the lessee must complete perimeter fencing suitable to confine livestock within two years of the effective date of disposition issuance unless otherwise authorized in writing by the Departmental Officer.
16. That the lessee is responsible for determining the legal location of boundaries and survey pins prior to erecting perimeter fences.
17. That the lessee must complete perimeter fencing prior to livestock entry on the disposition.
18. That the lessee shall maintain fences in a condition suitable to confine livestock to the disposition area.
19. That the lessee shall manage the land under disposition in accordance with any approved range improvement, management plan, signed agreement or other written direction by the Department.
20. That the disposition will be subject to the Public Lands Administration Regulation, and must be grazed by livestock solely belonging to the lessee. Livestock, as defined in the *Public Lands Act*, may be grazed on the leased land. Bison may not be stocked on public land north of the 57th parallel.
21. That the acquisition of a disposition on these public lands does not convey the right to graze bison. In order to graze bison on these public lands, additional written authorization from the department is required. The lessee must abide by the conditions contained therein.

- 22. That the lessee shall comply with any statute, regulation, order or bylaw in force from time to time for the prevention, control or eradication of any contagious animal disease, as defined by applicable federal and provincial statutes. Failure to comply may result in the director taking any action he considers necessary to enforce compliance with the said statute, regulation, order or bylaw, and the lessee may be liable to the department for the costs of any such action.
- 23. That the lessee shall cut, keep down or destroy all such weeds as identified under the *Weed Control Act*.
- 24. That the lessee shall comply with all relevant provisions designated as Schedule "A" hereto attached.

IN WITNESS WHEREOF the said parties have hereunto set their respective hands the day and year hereafter written.

SIGNED, in the presence of:



Witness as to Signature of
the director, *Public Lands Act*



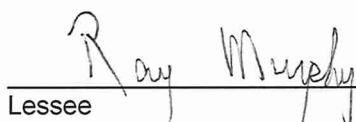
The director, *Public Lands Act*

Date: April 24, 2015

SIGNED, in the presence of:



Witness as to Signature of Lessee



Lessee

Date: June 17, 2015

Appendix A
Legal Description
for
GRL 34913

Affected Lands (Meridian-Range-Township-Section-1/4Section-Legal Subdivision-Quadrant-Quarter-Quadrant)

LAND	HECTARES	ACRES	DETAILS
W4-04-061-11-NE	64.333	158.97	

AREA SUMMARY

The total lands herein described contain 64.333 HA (158.97 ACRES) more or less.

SUBJECT TO

The authorizations and dispositions listed on the attached "Schedule B", if any, have been issued on the quarter sections of land on which your disposition has been issued and may be prior and subsisting authorizations and dispositions to your disposition and may relate to and affect your disposition and the land on which your disposition has been issued.

Supplementary Information

(LTO) - Land Titles Office
(AE) - Alberta Environment/Land Administration Division
(ATS) - Alberta Township System
(HA) - Hectares
1 Hectare = 2.471054 Acres

2015/03/26 11:48:24 AM

Submitted by: JBUDNICK

DISCLAIMER

THIS STANDING REPORT IS PROVIDED SUBJECT TO THE CONDITION THAT HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ALBERTA AND HER EMPLOYEES:

(1) HEREBY DISCLAIM AND ARE RELEASED FROM ANY AND ALL RESPONSIBILITY FOR THE INFORMATION IN, AND ANY OMISSION OF THE INFORMATION FROM, THIS REPORT;
(2) SHALL NOT BEAR ANY RESPONSIBILITY FOR ANY LOSS OR DAMAGE OF ANY KIND ARISING FROM OR IN RESPECT OF ANY ABSENCE OF INFORMATION OR ANY ERRORS OR OMISSIONS (WHETHER THE AFORESAID OCCASIONED BY NEGLIGENCE OR OTHERWISE) IN OR AFFECTING THIS REPORT OR THE INFORMATION THEREIN.

THIS REPORT DOES NOT SHOW CAVEATS, BUILDERS' LIENS, OR OTHER INSTRUMENTS, IF ANY, REGISTERED AT LAND TITLES OFFICE IN RESPECT OF ANY LANDS OR INTERESTS THEREIN. PERSONS ARE ADVISED TO ALSO EXAMINE RECORDS AT LAND TITLES OFFICE TO ASCERTAIN WHETHER OTHER INSTRUMENTS THAT MAY CONCERN THE LANDS OR INTERESTS THEREIN HAVE BEEN REGISTERED.

SCHEDULE "A"

1. 014 **IN THIS DOCUMENT**, unless the context indicates otherwise:

"approval (of a departmental officer)" whenever required, must be in writing.

"authority" means: this document or the right to occupy public land granted by this document.

"department" means: Environment and Sustainable Resource Development
Petroleum Plaza, South Tower
9915 - 108 Street
Edmonton, Alberta T5K 2G8
Telephone: 780-427-3570

"departmental officer" means: an employee of Environment and Sustainable Resource Development, responsible for the management of surface activity on the land.

"holder" means: the recipient of the right to occupy public land granted by this document.

"land(s)" means: the specific land which the holder is authorized to occupy by this document.

"director" means: the "director" duly designated under the *Public Lands Act*.

"minister" means: the Minister of Environment and Sustainable Resource Development.

payments required by this document are to be made payable to the **"Government of Alberta"** and may be delivered to the nearest departmental field office, or mailed to:

Environment and Sustainable Resource Development
Main Floor, Petroleum Plaza, South Tower
9915 - 108 Street
Edmonton, Alberta T5K 2G8

- a) The holder shall comply with all relevant laws in the Province of Alberta.
- b) Schedule "B", attached, lists any prior and subsisting authorizations and dispositions (prior rights) issued on the quarter sections included in this authority. The holder shall not conduct any activity on the land where prior rights have been issued without the consent of the holder of these prior rights.

Surface rights plot sheets showing active dispositions, and individual activity plans can be purchased from IHS, Main Floor, Petroleum Plaza, South Tower, 9915-108 Street, Edmonton, Alberta, T5K 2G8, Telephone: (780) 413-3380, Fax: 780) 413-3383 or Website: <http://www.petrosurveys.ca>

- c) If a trapping area (TPA) is listed in Schedule "B", the holder shall contact the registered trapper at least TEN DAYS PRIOR TO COMMENCING ANY ACTIVITY. This must be done by registered mail and we recommend personal communication follow-up. The trapper's name and address may be obtained from Alberta Energy, Crown Land Data Support (Telephone: 780-422-1395). For other information concerning registered traplines, contact the Client and Licensing Service, Alberta Environment and Sustainable Resource Development, Edmonton, Alberta (Telephone: 780-427-5185) upon receipt of this approval. The holder may be responsible for any damage to traps, snares or other improvements.
- d) The holder is responsible for obtaining any necessary federal, municipal and other permits and approvals with respect to this activity.
- e) The holder agrees to hold harmless the Department from any and all third party claims, demands, or actions for which the holder is legally responsible, including those arising out of negligence or willful acts by the holder or the holder's employees or agents. This hold harmless shall survive this Agreement.
- f) The holder shall indemnify and save harmless the Department from any and all claims, actions, suits, or similar proceedings commenced by any competent regulatory body against the holder or the Department in connection with the activity or holder's use of the land, including without limitation the local municipality, any other department or agency of the Government of Alberta or the Government of Canada.
- g) The holder shall, at its own expense and without limiting its liabilities herein, insure its operations under a contract of General Liability Insurance, in accordance with the *Alberta Insurance Act*, insuring against bodily injury, personal injury and property damage including loss of use thereof. The holder shall provide the Department with a certified true copy of the policy, upon request.
- h) This authorization is granted subject to further amendment by the Department of Environment and Sustainable Resource Development in its sole discretion.

2. 098 The holder shall contact and advise the departmental officer of its intentions:
- prior to entry upon the lands for a stated purpose,
 - prior to any additional construction during the term of this authority,
 - at the completion of operations, and
 - upon abandonment of this activity.
- District Agrologist in Bonnyville, Alberta, Telephone: (780) 826-4297.
3. 222 The director may, in his sole discretion, require the disposition holder to enter into a Grazing Timber Agreement with the holder of any applicable timber dispositions upon such terms and in a form that are satisfactory to the director; and the director may, in his sole discretion, rely upon and enforce the Grazing Timber Agreement as though its terms formed an integral part of this disposition.

All licences, authorizations and approvals issued under the *Alberta Environmental Protection and Enhancement Act*, *Water Act* or *Public Lands Act* should not be taken to mean the proponent (applicant) has complied with federal legislation. Proponents should contact Habitat Management, Prairies Area, Fisheries and Oceans, at the appropriate local office as listed below, in relation to the application of federal laws relating to the *Fisheries Act* (Canada).

- Southern Alberta District - Calgary (403) 292-5160
- Northern Alberta District - Edmonton (780) 495-4220
- Southern Alberta District - Lethbridge (403) 394-2920
- Northern Alberta District - Peace River (780) 618-3220

Proponents should also contact the Navigation Protection Program, Canadian Coast Guard, 4253-97 Street, Edmonton, Alberta, T6E 5Y7, Telephone: 780-495-4220, relating to the *Navigable Waters Protection Act*.

WB/jb

Selection Criteria

Grouping/Rollup

Group By: Activity

Rollup: Y

Selected Sections

Geo-Administrative Area: Y

Requested Lands: Y

Title Information: NA

Activity Details: Y

Subdivisions: NA

Client List: N

Selected Activities

Surface Dispositions Y Status: All
Types: All

Geophysical N Status: None
Types: None

Reservations Y Status: All
Types: All

Encumbrances Y Status: All
Types: All

Land Postings N Status: None
Types: None

Activity Numbers

GRL 34913

Requested Land

Requested Land	Ownership Status	Administered By	Titled Status	Survey Status	Area in Hectares		Area in Acres		Water
					Land	Title	Land	Title	
W4-04-061-11-NE	Crown	FLW	Untitled	Surveyed	64.750	0.000	160.00	0.00	No Water Coverage
TOTAL					64.750	0.000	160.00	0.00	

Geo Administrative Areas

ALBERTA ENERGY REGULATOR	EAST CENTRAL REGION	Code: AER-EC
W4-04-061-11-NE		
COAL DEVELOPMENT REGION	SETTLED	Code: CDR-1
W4-04-061		
ENVIRONMENT CORPORATE REGION	NORTHERN	Code: ENV-3
W4-04-061		
ENVIRONMENT CONS. & RECL. DISTRICT	NO. 7	Code: ERD-007
W4-04-061		
FOREST MANAGEMENT UNIT	NORTHEAST	LO1 LAC LA BICHE Code: FMU-L-51
W4-04-061		
FISH & WILDLIFE ADMIN REGION	NORTHEAST REGION	ST. PAUL Code: FWA-4-02
W4-04-061		
FISH AND WILDLIFE DISTRICT	NORTHEAST REGION	BONNYVILLE Code: FWD-5-03
W4-04-061		
GENERAL LANDS CLASSIFICATION	WHITE	Code: GLC-W
W4-04-061		
GRAZING ZONE	C	Code: GRZ-C
W4-04-061		
INTEGRATED RESOURCE PLAN	COLD LAKE	Code: IRP-C3
W4-04-061		
LAND USE AREA	NORTHEAST 1	BONNYVILLE Code: LUA-NE1-2
W4-04-061		

MUNICIPAL DISTRICT W4-04-061	BONNYVILLE NO.87		Code: MD-087
OPERATIONAL APPROVAL DISTRICTS W4-04-061	Lower Athabasca Region	Lower Athabasca Region - South District	Code: OPD-6-1
RANGELAND DISTRICT W4-04-061	NORTHEAST	BONNYVILLE	Code: RLD-NE-1

End of Geo Administrative Areas

Activities and Titles

Activity Land	Status/Type	Date	Expiry	Client Metes and Bounds Remarks	Total Area	
					Acres	Hectares
GRL 34913	Active/Disposed	1956/04/01	2015/11/30	RAY A MURPHY	158.97	64.333

ACTIVITY DETAIL INFORMATION

OPTION TO PURCHASE (Y/N): N WITHIN 100M OF WATERBODY (Y/N): PURPOSE:
 DIMENSION: CLIENT FILE NO:
 PLAN NO LTO PLAN NO ITEM VERSION DATE(S)
 6203 SK 1956/04/01

W4-04-061-11-NE (158.97) (64.333)

MSL 045063	Letter of Authority for Amendment	2007/06/29	2029/12/08		5.05	2.042
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CANADIAN NATURAL RESOURCES LIMITED

ACTIVITY DETAIL INFORMATION

OPTION TO PURCHASE (Y/N): WITHIN 100M OF WATERBODY (Y/N): PURPOSE: WELLSITE
 DIMENSION: IRREGULAR CLIENT FILE NO: W-1056
 PLAN NO LTO PLAN NO ITEM VERSION DATE(S)
 98653 MS 2007/06/15

W4-04-061-11-NE (5.05) (2.042)

RDS 090053	Active/Disposed	2010/04/06	2020/04/05	TRANSPORTATION	0.15	0.060
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ACTIVITY DETAIL INFORMATION

OPTION TO PURCHASE (Y/N): WITHIN 100M OF WATERBODY (Y/N): N PURPOSE: ACCESS ROADS - MUNICIPALITIES
 DIMENSION: CLIENT FILE NO:
 PLAN NO LTO PLAN NO ITEM VERSION DATE(S)
 6802 RN 2009/12/04

W4-04-061-11-NE (0.15) (0.060)

Activities and Titles

Activity Land	Status/Type	Date	Expiry	Client Metes and Bounds	Remarks	Acres	Total Area Hectares
RIA 812155	Active/Disposed	1984/08/31	2999/12/31	RAY A MURPHY		0.00	0.000
ACTIVITY DETAIL INFORMATION							
OPTION TO PURCHASE (Y/N):		WITHIN 100M OF WATERBODY (Y/N):		PURPOSE:			
DIMENSION:		CLIENT FILE NO:		NO PLANS			
W4-04-061-11-NE						(0.00)	(0.000)
RRD 815TR	Active/Disposed	1972/07/17	2999/12/31	BONNYVILLE 87, M. D. OF		2.06	0.834
ACTIVITY DETAIL INFORMATION							
OPTION TO PURCHASE (Y/N):		WITHIN 100M OF WATERBODY (Y/N):		PURPOSE:			
DIMENSION:		CLIENT FILE NO:					
PLAN NO	LTO PLAN NO	ITEM	VERSION DATE(S)				
5839 RD	815TR		1858/11/17				
W4-04-061-11-NE						(1.03)	(0.417)

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*** END OF REPORT ***

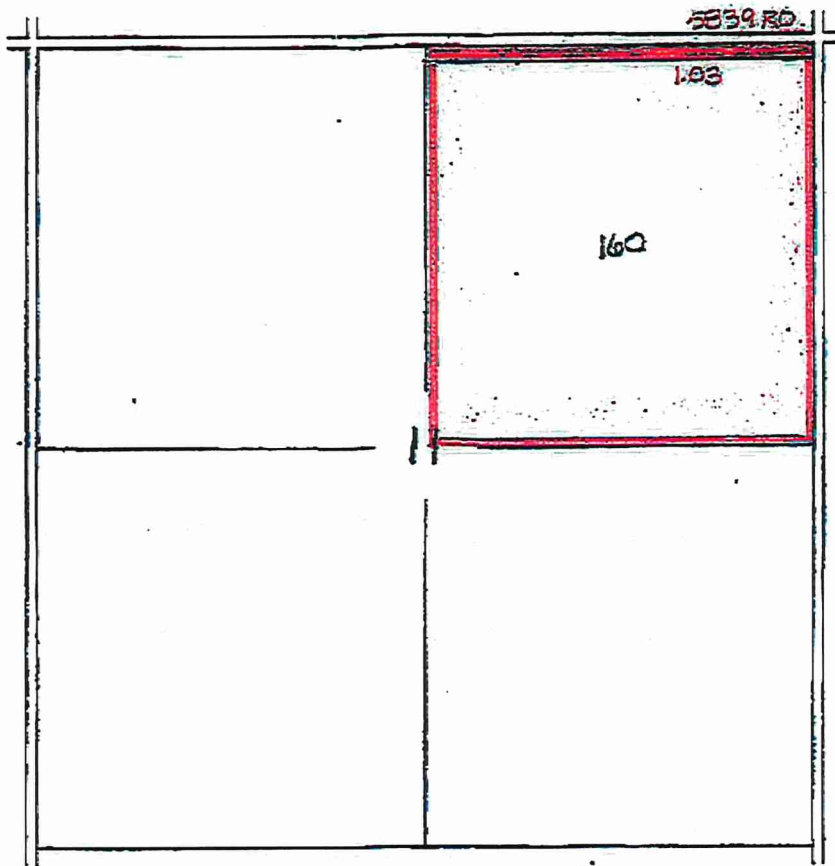
Plan #: <u>6203 SK</u>		
Version: <u>1956-04-01</u>		
File: <u>GRL 34913</u>		
TECHNICAL SERVICES	SKT	PA

Form LB-2

SKETCH OF SECTION 11

TOWNSHIP No. 61 RANGE 4 WEST OF 4 MERIDIAN

SCALE: 20 CHAINS TO AN INCH



RENEWAL AREA

158.97 Acs.

RECEIVED
 JUN 12 1956
 FEDERAL BUREAU OF SURVEYING
 WASHINGTON, D. C.

DOCUMENTATION SECTION
 FEDERAL BUREAU OF SURVEYING
 GRL 034913