



LAND TITLE CERTIFICATE

S  
LINC                      SHORT LEGAL                      TITLE NUMBER  
0032 540 990            5;22;67;22;SW                      072 418 330 +17  
0032 541 006            5;22;67;22;SE

LEGAL DESCRIPTION

FIRST  
MERIDIAN 5    RANGE 22    TOWNSHIP 67  
SECTION 22  
QUARTER SOUTH WEST  
CONTAINING 65.2 HECTARES (161 ACRES) MORE OR LESS  
EXCEPTING THEREOUT:

	HECTARES	(ACRES)	MORE OR LESS
A) PLAN 4324JY    - ROAD	9.81	24.24	
B) PLAN 4218LZ    - ROAD	0.470	1.16	
C) PLAN 0726430   - ROAD	0.422	1.04	

EXCEPTING THEREOUT ALL MINES AND MINERALS  
AND THE RIGHT TO WORK THE SAME

SECOND  
MERIDIAN 5    RANGE 22    TOWNSHIP 67  
SECTION 22  
QUARTER SOUTH EAST  
CONTAINING 65.2 HECTARES (161 ACRES) MORE OR LESS  
EXCEPTING THEREOUT:

	HECTARES	(ACRES)	MORE OR LESS
A) PLAN 0726430   - ROAD	0.193	0.48	

EXCEPTING THEREOUT ALL MINES AND MINERALS  
AND THE RIGHT TO WORK THE SAME

ESTATE: FEE SIMPLE

MUNICIPALITY: MUNICIPAL DISTRICT OF GREENVIEW NO. 16

REFERENCE NUMBER: 98H282

-----  
REGISTERED OWNER(S)  
REGISTRATION    DATE (DMY)    DOCUMENT TYPE    VALUE    CONSIDERATION  
-----  
072 418 330    13/07/2007    ROAD PLAN

OWNERS

SMOKY RIVER RANCHING LTD.  
OF 10110-91 ST  
GRANDE PRAIRIE  
ALBERTA T8X 1G8

(DATA UPDATED BY: CHANGE OF ADDRESS 132128460)

-----  
ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
2632KR	30/05/1957	PUBLIC UTILITY COMMISSIONERS BOARD ORDER AFFECTED LAND: 5;22;67;22;SW AFFECTED PLAN: 1467KS
852 159 182	30/07/1985	UTILITY RIGHT OF WAY GRANTEE - EAST SMOKY GAS CO-OP LTD.
862 262 738	01/12/1986	MORTGAGE MORTGAGEE - THE TORONTO DOMINION BANK. 10139-100 AVENUE GRANDE PRAIRIE ALBERTA T8V6A5 ORIGINAL PRINCIPAL AMOUNT: \$101,000
912 277 927	09/10/1991	UTILITY RIGHT OF WAY GRANTEE - ALBERTA GOVERNMENT TELEPHONES. AS TO PORTION OR PLAN:9022873 TAKES PRIORITY DATE OF CAVEAT NO. 902153594 29-05-90
952 099 373	21/04/1995	CAVEAT RE : RIGHT OF WAY AGREEMENT CAVEATOR - CANADIAN NATURAL RESOURCES LIMITED. BOX 6926, STATION "D" CALGARY ALBERTA T2P2G1 AFFECTED LAND: 5;22;67;22;SW (DATA UPDATED BY: TRANSFER OF CAVEAT 972095406) (DATA UPDATED BY: CHANGE OF NAME 032258630)
992 021 545	26/01/1999	CAVEAT RE : TRANSFER OF LAND CAVEATOR - HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA AS REPRESENTED BY MINISTER OF TRANSPORTATION AND UTILITIES THE REGIONAL DIRECTOR, PEACE REGION

( CONTINUED )

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ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

# 072 418 330 +17

## REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		BAG 900,BOX 29 PEACE RIVER ALBERTA T8S1T4 AGENT - MOOSA Y JIWAJI AFFECTED LAND: 5;22;67;22;SW 5;22;67;22;SE
052 161 765	28/04/2005	CAVEAT RE : RIGHT OF WAY AGREEMENT CAVEATOR - ATCO ELECTRIC LTD. 10035-105 STREET EDMONTON ALBERTA T5J2V6 AGENT - TRACY DAVIDSON AFFECTED LAND: 5;22;67;22;SW
062 258 303	17/06/2006	CAVEAT RE : SURFACE LEASE UNDER 20 ACRES CAVEATOR - PARAMOUNT RESOURCES LTD. 4700 BANKERS HALL WEST, 888-3RD STREET SW CALGARY ALBERTA T2P5C5 AGENT - ROY NORTHERN LAND SERVICE LTD. AFFECTED LAND: 5;22;67;22;SW
072 418 328	13/07/2007	DISCHARGE OF CAVEAT 992021545 AFFECTED LAND: 5;22;67;22;SE
132 422 286	31/12/2013	CAVEAT RE : UTILITY RIGHT OF WAY CAVEATOR - ATCO ELECTRIC LTD. ATT:LAND & PROPERTIES 10035-105 STREET,EDMONTON ALBERTA T5J2V6
192 086 086	15/04/2019	UTILITY RIGHT OF WAY GRANTEE - PEMBINA PIPELINE CORPORATION. AFFECTED LAND: 5;22;67;22;SW

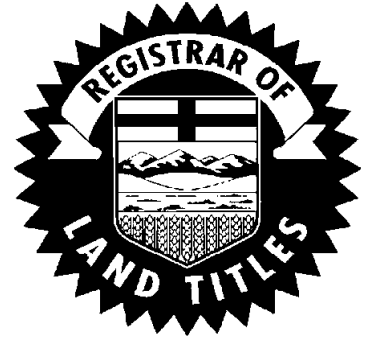
TOTAL INSTRUMENTS: 011

( CONTINUED )

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 18 DAY OF JULY,  
2023 AT 08:17 A.M.

ORDER NUMBER: 47817516

CUSTOMER FILE NUMBER: clhbid/gk



\*END OF CERTIFICATE\*

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THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED  
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,  
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM  
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,  
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS  
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING  
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

**ALBERTA GOVERNMENT SERVICES  
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

**2632KR**

**ORDER NUMBER: 47820780**

**ADVISORY**

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L. T. O.  
MAY 21 1957  
EDMONTON

3632 KR

Reg's Fee	10
Ex. Ref.	
Ass'n's Fee	
Abs.	
O.C.	
GR.	10

STAMULES OFFICE  
MAY 30 1957  
EDMONTON

N.P.  
Red 162 A164

1001/102  
City Editor and Publisher  
Times Office for the Alberta  
Registration District of  
Edmonton, Alberta  
MAY 27 1957  
L. T. O. 3632 KR, 10.00  
Registrar  
N.A.L.R.D.

1001/102  
#10010  
#1985  
Kane and Kullback

(3) The nature of the interest to be acquired by the Applicant therein shall be FULL AND FREE LIBERTY with or without horses, carts, carriages, vehicles or machinery of whatever description for all purposes connected with the use and enjoyment of the said premises, to enter upon, pass and re-pass along the said parcel of land, and also FULL RIGHT AND LIBERTY to lay under the said parcel of land pipe lines for the purpose of conveying petroleum products therein, and to take up, relay, maintain and repair such pipe lines.

(4) The name and address of the only person, firm or corporation other than the Crown having any right, title or interest in the said parcel of land is:

George William Thomlinson,  
c/o Bank of Montreal,  
Valleyview, Alberta.

(5) The amount of money payable for the taking and appropriation by the Applicant of the interest in the lands as herein described is the sum of TWO HUNDRED AND SIX DOLLARS AND FIFTY CENTS (\$206.50), made up as follows:

To The Minister of Lands and Forests for Compensation for right-of-way - - - -	\$181.50
To George William Thomlinson for Incidental Damages - - - - -	<u>25.00</u>
Total - - - - -	<u>\$206.50</u>

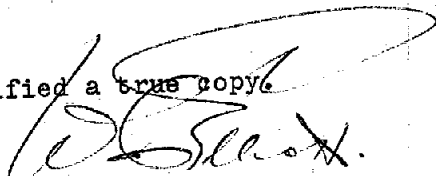
of which the said sum of Twenty-five Dollars (\$25.00) has been paid direct to George William Thomlinson.

THE BOARD OF PUBLIC UTILITY COMMISSIONERS,

(SIGNED) R. D. HENDERSON

CHAIRMAN

Certified a true copy.

  
Secretary

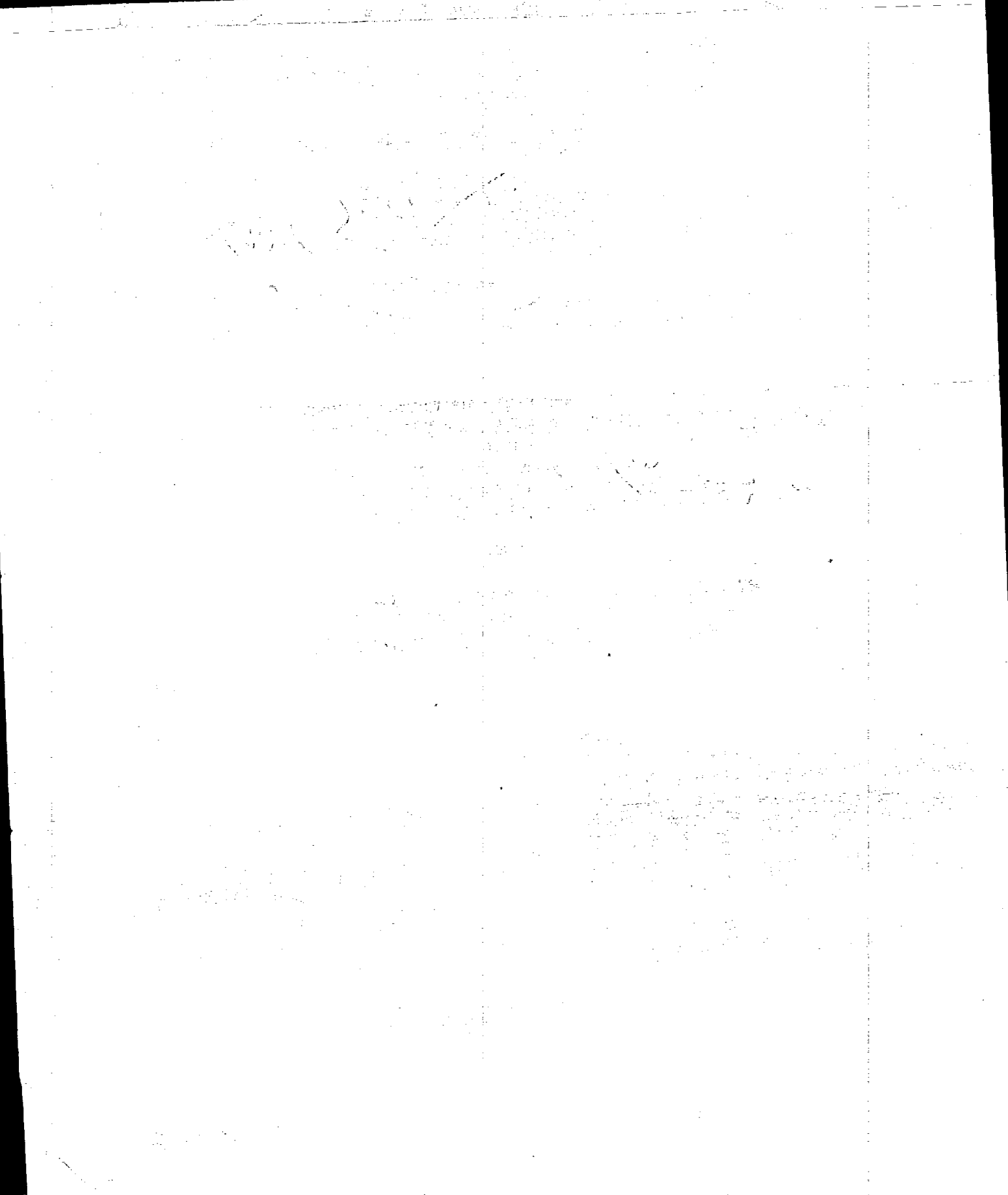
The Board of Public Utility Commissioners  
does hereby certify that the compensation as  
determined by Order No. 19619 annexed in the  
amount of ONE HUNDRED AND EIGHTY-ONE DOLLARS AND  
FIFTY CENTS (\$181.50) has been paid to the  
Department of Lands and Forests.

DATED this 16th day of May, 1957.

A handwritten signature in cursive script, appearing to read "W. C. Green", is written over a horizontal line. The signature is enclosed in a large, hand-drawn oval.

Secretary







MONDAY, - THE FIFTEENTH DAY OF APRIL, A. D. 1957

Before: : IN THE MATTER OF The Pipe  
 : Line Act, 1952":  
 The Board of Public Utility :  
 Commissioners for the :  
 Province of Alberta : AND IN THE MATTER OF an ap-  
 : plication by Peace River Oil  
 : Pipe Line Co. Ltd. for an  
 : Order setting forth the terms  
 : onwhich the Applicant may  
 : take and appropriate an interest  
 : by way of easement or right-of-  
 : way.

BETWEEN:

PEACE RIVER OIL PIPE LINE CO. LTD., a body  
 corporate with registered office at the City  
 of Calgary in the Province of Alberta

Applicant

- and -

HER MAJESTY THE QUEEN in the Right of the  
 Province of Alberta as represented by the  
 Minister of Lands and Forests

- and -

GEORGE WILLIAM THOMLINSON of Valleyview in  
 the Province of Alberta

Respondents

Upon the application of Peace River Oil Pipe Line Co.  
 Ltd. for a determination under The Pipe Line Act, 1952, of the  
 matters hereinafter referred to:

Upon hearing the said application at the office of the  
 Board on Monday, the 15th day of April, 1957, in the presence of  
 Counsel for the Applicant; upon reading the material filed, and  
 upon hearing the evidence adduced:

IT IS ORDERED AND DECLARED that:

- (1) The land which is required by the Applicant as being  
 necessary for the efficient and economical operation of its  
 rights is an area of two and forty-two hundredths (2.42) acres.
- (2) The exact location thereof is a strip of land forty (40)  
 feet in width throughout described as follows:

All that portion of the South West Quarter of Section  
 Twenty-two (22), Township Sixty-seven (67), Range  
 Twenty-two (22), West of the Fifth Meridian, in the  
 Province of Alberta, shown coloured on right-of-way plan  
 filed in the Land Titles Office for the North Alberta  
 Land Registration District as No. 1467 K.S.  
 Reserving thereout all mines and minerals.

OK

*[The page contains extremely faint, illegible text, likely bleed-through from the reverse side of the document. The text is arranged in several paragraphs and is difficult to decipher.]*

**ALBERTA GOVERNMENT SERVICES  
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

**992021545**

**ORDER NUMBER: 47820780**

**ADVISORY**

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PROVINCE OF ALBERTA, CANADA  
THE LAND TITLES ACT  
CAVEAT FORBIDDING REGISTRATION

File No. 04-MH-97A(49)

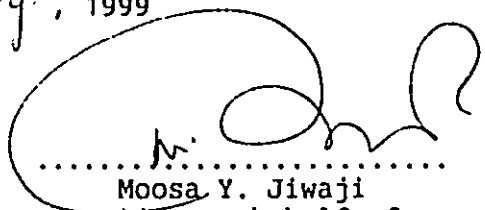
TO: THE REGISTRAR  
NORTH ALBERTA LAND REGISTRATION DISTRICT

TAKE NOTICE that HER Majesty the QUEEN in the Right of the Province of Alberta as represented by the Minister of Transportation and Utilities ("the Caveator") claims an interest in the S.W.1/4 SECTION 22-67-22-W5M and the S.E.1/4 SECTION 22-67-22-W5M (C.of T. No.98H282) under an Agreement dated 9TH day of NOVEMBER, 1998, and made between SMOKY RIVER RANCHING LTD. of BOX 17, LITTLE SMOKY, ALBERTA, and the Caveator, whereby it was agreed on certain consideration to transfer to the Caveator a portion of the aforementioned land required for the establishing of a public work (ROAD) upon the said land standing in the register in the name of SMOKY RIVER RANCHING LTD., and I forbid the registration of any person as transferee or owner of, or of any instrument affecting that estate or interest, unless the certificate of title is expressed to be subject to such claim.

I designate the following address as the place at which notices and proceedings relating hereto may be served:

The Regional Director  
Peace Region  
Alberta Transportation & Utilities  
Provincial Building  
Bag 900, Box 29  
Peace River, AB T8S 1T4

Dated this 21<sup>nd</sup> day of January, 1999

  
.....  
Moosa Y. Jiwaji  
acting on behalf of  
Minister of Transportation  
& Utilities

1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100

I, Moosa Y. Jiwaji make oath and say:

1. I am the agent for the above named Caveator.
2. I believe that the Caveator has a good and valid claim upon the said land and I say that this Caveat is not being filed for the purpose of delaying and embarrassing any person interested in or proposing to deal therewith.

Sworn before me at Edmonton in the  
Province of Alberta, this 22<sup>nd</sup> day  
of January, 1999.

*F. Dalal*  
.....  
A Commissioner for Oaths  
in and for the Province  
of Alberta

*[Signature]*  
.....

FATIMA F. DALAL  
COMMISSIONER FOR OATHS IN AND  
FOR THE PROVINCE OF ALBERTA  
MY COMMISSION EXPIRES DEC. 27, 1999

992021545 REGISTERED 1999 01 26  
CAVE - CAVEAT  
DOC 1 OF 1 DRR#: 8242783 ADR/EJASA  
LINC/S: 0014278105 0014278113

**ALBERTA GOVERNMENT SERVICES  
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

**062258303**

**ORDER NUMBER: 48071513**

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# SCHEDULE "A"

## ALBERTA SURFACE LEASE AGREEMENT

CAPL  
95  
ALBERTA

This Indenture of Lease made the 27 Day of MAY A.D. 2006.  
BETWEEN SMOKY RIVER RANCHING LTD. of Little Smoky in the Province of Alberta, (hereinafter called  
the "Lessor")

and  
PARAMOUNT RESOURCES LTD. (hereinafter called the "Lessee")

WHEREAS the Lessor is the registered owner (or entitled to become the registered owner under an agreement for sale or unregistered transfer or otherwise) of an estate in fee simple, subject, however, to the exceptions, conditions, encumbrances, liens and interests contained in or noted upon the existing Certificate of Title of and in that certain parcel of land situate, lying and being in the Province of Alberta and described as follows:

THE SOUTH WEST QUARTER OF SECTION TWENTY-TWO (22)  
TOWNSHIP SIXTY-SEVEN (67)  
RANGE TWENTY-TWO (22)  
WEST OF THE FIFTH MERIDIAN  
CONTAINING 65.2 HECTARES (161 ACRES) MORE OR LESS  
EXCEPTING THEREOUT:  
(A) 9.81 HECTARES (24.24 ACRES) MORE OR LESS AS SHOWN ON ROAD PLAN 4324JY  
(B) 0.470 HECTARES (1.16 ACRES) MORE OR LESS AS SHOWN ON ROAD PLAN 4218LZ  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AND THE RIGHT TO WORK THE SAME

AS MORE PARTICULARLY DESCRIBED AND SET FORTH IN CERTIFICATE OF TITLE NO. 98H282

(hereinafter referred to as the "said lands"); and

WHEREAS the Lessor has agreed to lease and grant a certain portion of the said lands to the Lessee for the purposes and upon the terms and conditions hereinafter set forth;

### NOW THEREFORE THIS INDENTURE WITNESSES THAT:

THE LESSOR, in consideration of one dollar (receipt of which is hereby acknowledged), HEREBY LEASES AND GRANTS to the Lessee all and singular those parts or portions of the said lands shown outlined in red on the sketch or plan attached hereto (hereinafter called the "leased premises"), to be held by the Lessee as tenant for the term of twenty (20) years from the date hereof for any and all purposes and uses as may be necessary for the exploration, development and production of oil, gas, related hydrocarbons or substances produced in association therewith, remediation and reclamation.

### YIELDING AND PAYING UNTO THE LESSOR:

#### (a) First Year Compensation

For the first year, the sum of ONE THOUSAND + NINE HUNDRED + TWENTY FIVE  
(\$ 1925.00) dollars, which comprises the following:

(i) market value of land granted	\$ <u>700.00</u>
(ii) nuisance & inconvenience	\$ <u>400.00</u>
(iii) adverse effect	\$ <u>600.00</u>
(iv) loss of use	\$ <u>225.00</u>
Total	\$ <u>1925.00</u>

The first year compensation shall be paid to the Lessor by the Lessee prior to the entry upon the leased premises for any of the purposes set forth above, other than for survey purposes.

#### (b) Annual Compensation

Annual compensation payable for each subsequent year after the first year in advance of the anniversary of the date of this Lease Agreement, in the sum of EIGHT HUNDRED + TWENTY FIVE (\$ 825.00) dollars, which payment comprises the compensation for adverse effect and loss of use set forth in subclauses (a)(iii) and (iv) above.

Any additional terms or conditions as may be agreed to by the Lessor and the Lessee shall be attached as Schedule "A" and shall form part of this Lease Agreement.

L.P.

BAC

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

The Lessor has the right to lease the lands to the Lessee. The Lessee, if not in default, has the right to occupy and use the leased premises without interruption or disturbance from either the Lessor or any other persons claiming by, through or under the Lessor.

**2. Renewal**

If the Lessee is not in default in respect of any of the covenants and conditions contained in this Lease Agreement at the date of expiration of the term of Twenty (20) years hereinbefore mentioned, then this Lease Agreement shall be renewed automatically and the term extended for a further period of Twenty (20) years at an Annual Compensation calculated from time to time as hereinafter provided for the term subsequent to the first year hereof. Such extended term shall be subject to all provisions hereof, including this provision for renewal.

**THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:****3. Indemnification**

The Lessee shall indemnify and save harmless the Lessor from and against any and all claims or demands that may result from the Lessee's use and occupation of the leased premises, other than through wilful damage or gross negligence by the Lessor.

**4. Fencing**

During the continuance of this Lease Agreement, the Lessee shall erect and put upon the boundaries of the leased premises and roadways constructed or placed by the Lessee on the leased premises a good substantial fence, if reasonably required by the Lessor or the Lessee, and replace all fences which the Lessee may have required removed for its purposes and repair all fences which it may have damaged, and if and when so reasonably required by the Lessor, to provide a proper livestock guard at any point of entry upon the said lands used by it and, upon the use thereof, to close all gates.

**5. Roadways**

The Lessee shall, if reasonably required by either party, ensure that any roadway on the leased premises is constructed to a low profile unless topography of land dictates otherwise.

**6. Culverts**

The Lessee shall construct and maintain culverts and other structures on the leased premises as reasonably required to ensure the unimpeded flow of water through natural drainage courses.

**7. Weeds**

The Lessee shall control all weeds on the leased premises but in so doing, will not use a soil sterilant without the written consent of the Lessor.

**8. Topsoil**

The Lessee shall conserve and preserve the topsoil as required from the leased premises, having regard to good soil conservation practices.

**9. Compensation for Damages**

The Lessee shall pay compensation for damage done by its servants and agents which, without restricting the generality thereof, shall include crops, machinery, livestock, fences, buildings, or other improvements of the Lessor upon the said lands other than the leased premises.

**THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:****10. Non-Exercise of Rights Granted**

If the leased premises are not entered upon except for survey purposes within 365 days of the date of this Lease Agreement, the Lessee shall pay to the Lessor the sum of ----- SIX HUNDRED----- (\$600.00) dollars for the right to survey and all other inconveniences and this Lease Agreement shall terminate.

**11. Repair, Removal or Replacement of Equipment**

The Lessee may at all times during the continuance of this Lease Agreement remove or replace any buildings, structures, fixtures, casing in wells, pipelines, material and equipment of whatsoever nature or kind which it may have placed on or in the leased premises or in any area to be surrendered.

BAC L.O.

**12. Taxes**

The Lessor and the Lessee shall each promptly pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands as a result of their respective use and occupation of the said lands.

**13. Compliance with Laws and Regulations**

The Lessor and the Lessee shall comply with all applicable laws and regulations as may be in force from time to time, and any other Act pertaining to the activities herein and the regulations passed thereunder.

**14. Review of Annual Compensation**

The Annual Compensation set forth in paragraph (b) above shall be reviewed in accordance with the applicable legislation.

**15. Reduction of Annual Compensation**

~~Upon completion of the Lessee's drilling and production operations, including final removal from the leased premises or portion thereof by the Lessee of all above ground buildings, structures, fixtures, material and equipment of any kind, the Lessee, after giving notice to the Lessor that the said lands are suitable to apply for a reclamation certificate, may reduce the Annual Compensation set forth in paragraph (b) above to the actual loss of use and adverse effect mutually agreed to, effective the next anniversary date of this Lease Agreement.~~

**16. Surrender & Reclamation**

The Lessee shall have the right at any time and from time to time by written notice to the Lessor to surrender all or any portion of the leased premises and terminate this Lease Agreement as it relates to the surrendered premises, provided however, that there shall be no refund to the Lessee of any compensation which may have been paid in advance and that all provisions for abandonment and reclamation have been complied with in accordance with applicable laws and regulations.

**17. Discharge of Encumbrances**

The Lessee may, at its option, pay or discharge all or any balance owing under any Agreement for Sale or Mortgage, or of any tax, charge, lien or encumbrance of any kind or nature whatsoever which may now or hereafter exist on or against or in any way affect the said lands, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof, and may in addition thereto, at its option, reimburse itself by applying on account the repayment of the amount so paid by it, the rates or other sum accruing to the Lessor under the terms of this Lease Agreement.

**18. Assignment**

18.1 The Lessee or the Lessor may delegate, assign or convey to other persons, corporations or agents all or any of the powers, rights and interests obtained by or conferred upon the Lessee or the Lessor herein, 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.

18.2 No delegation, assignment or conveyance by the Lessor or the Lessee is effective or binding upon the other party until the other party has received notice of the assignment, which notice shall include the name and address of the assignee.

**19. Default**

Notwithstanding anything herein contained to the contrary, the Lessee shall not be in default in the performance of any of its covenants or obligations under this Lease Agreement, including the payment of compensation unless and until the Lessor has notified the Lessee of such default and the Lessee has failed to commence action to remedy the same within thirty (30) days of the receipt of such notice. For the purpose of this clause, a letter by the Lessee of its intent to remedy a default shall constitute a commencement of action to remedy the said default.

**20. Arbitration**

In the event of any dispute or claim arising out of or relating to clauses 4 to 9 inclusive or lack of mutual agreement arising out of or relating to clause 15 of this Lease Agreement, the determination of whether there has been a breach of this Lease Agreement and the remedy for the breach, if any, or the determination of the reduced Annual Compensation shall be determined by three (3) disinterested arbitrators, one (1) to be appointed by the Lessor, one (1) by the Lessee and the third by the two (2) arbitrators so appointed, and the decision of any two (2) of the three (3) arbitrators shall be final and conclusive; PROVIDED THAT in all other aspects the provision of the arbitration legislation then in force in the Province of Alberta shall apply to each submission. In any event, the responsibility for the arbitration costs shall be determined by the appointed arbitrators.

BAC L.D.

BAC

L.D.

21. Notices

21.1 All notices to be given herein shall be in writing.

21.2 All notices to be given herein may be given personally, faxed or by letter addressed to the party to whom the notice is to be given. Any such notice shall be deemed to be given to, and received by, the addressee ten (10) days after the mailing thereof, if mailed postage prepaid, or three (3) days after the transmission, if transmitted by fax.

22. Addresses

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

LESSEE: 4700 Bankers Hall West  
888 Third Street, S.W.  
Calgary, AB T2P 5C5

LESSOR: Smoky River Ranching Ltd.  
Box 17  
Little Smoky, AB T0H 3Z0

23. Enurement

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

IN WITNESS WHEREOF the Lessor has hereunto set his hand and seal and the Lessee has duly executed this Lease Agreement the day and year first above written.

SIGNED, SEALED AND DELIVERED

By the above named Lessor in the presence of:

Bruce A. Clegg  
WITNESS  
Bruce A. Clegg

\_\_\_\_\_  
WITNESS

LESSOR SMOKY RIVER RANCHING LTD.

Terry Ogilvie (Seal)  
\_\_\_\_\_  
(Seal)  
\_\_\_\_\_  
(Seal)  
\_\_\_\_\_

LESSEE PARAMOUNT RESOURCES LTD.

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
Charles E. Morin, L.L.B.  
General Counsel and Corporate Secretary, Manager, Land

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

**CONSENT OF SPOUSE**

I, \_\_\_\_\_, being married to the above named \_\_\_\_\_ (the Grantor) do hereby give my consent to the disposition of our homestead, made in this instrument, and have executed this document for the purpose of giving up my life estate and other dower rights in the said property given to me by the Dower Act to the extent necessary to give effect to the said disposition.

\_\_\_\_\_  
Spouse of the Grantor

**CERTIFICATE OF ACKNOWLEDGMENT BY SPOUSE**

1. This document was acknowledged before me by \_\_\_\_\_ apart from her husband (or his wife).
2. \_\_\_\_\_ acknowledged to me that she (or he),
  - (a) is aware of the nature of the disposition.
  - (b) is aware that the Dower Act gives her (or him) a life estate in the homestead and the right to prevent disposition of the homestead by withholding consent.
  - (c) CONSENTS to the disposition for the purpose of giving up the life estate and other dower rights in the homestead given to her (or him) by the Dower Act to the extent necessary to give effect to the said disposition.
  - (d) is executing the document freely and voluntarily without any compulsion on the part of her husband (or his wife).

Dated at \_\_\_\_\_, in the Province of Alberta, this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20 \_\_\_\_\_

\_\_\_\_\_  
A Commissioner for Oaths in and for the Province of Alberta

**DOWER AFFIDAVIT**

I, \_\_\_\_\_, of \_\_\_\_\_ in the Province of British Columbia, make oath and say: \_\_\_\_\_  
(Occupation)

1. That I am the Grantor named in the within instrument.
2. That I am not married.

OR

That neither myself nor my spouse have resided on the within mentioned land at any time since our marriage.

SWORN before me at the \_\_\_\_\_ )  
of \_\_\_\_\_ in the Province of Alberta, )  
this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20 \_\_\_\_\_ )

\_\_\_\_\_  
A Commissioner for Oaths in and for the Province of Alberta

**AFFIDAVIT OF EXECUTION**

CANADA ) I, \_\_\_\_\_, of the \_\_\_\_\_  
PROVINCE OF ALBERTA ) of \_\_\_\_\_ in the Province of Alberta,  
TO WIT: ) \_\_\_\_\_ Landman, make oath and say:

1. That I was personally present and did see \_\_\_\_\_ of Smoky River Ranching Ltd. named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named herein.
2. That the same was executed at the \_\_\_\_\_ of \_\_\_\_\_ in the Province of British Columbia and that I am the subscribing witness thereto.
3. That I know the said \_\_\_\_\_ of Smoky River Ranching Ltd. and he is in my belief of the full age of eighteen years.

SWORN before me at the \_\_\_\_\_ Town )  
of \_\_\_\_\_ Fairview in the Province of Alberta, )  
this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20 \_\_\_\_\_ )

\_\_\_\_\_  
A Commissioner for Oaths in and for the Province of Alberta

**AFFIDAVIT OF EXECUTION**

CANADA ) I, \_\_\_\_\_, of the \_\_\_\_\_  
 PROVINCE OF ALBERTA ) of \_\_\_\_\_ in the Province of Alberta,  
 TO WIT: ) \_\_\_\_\_ Landman, make oath and say:

1. That I was personally present and did see \_\_\_\_\_ named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named herein.
2. That the same was executed at the \_\_\_\_\_ of \_\_\_\_\_ in the Province of Alberta and that I am the subscribing witness thereto.
3. That I know the said \_\_\_\_\_ and he is in my belief of the full age of eighteen years.

SWORN before me at the \_\_\_\_\_ )  
 of, \_\_\_\_\_ in the Province of Alberta, )  
 this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20 \_\_\_\_\_ )

\_\_\_\_\_  
 A Commissioner for Oaths in and for the Province of Alberta

**CONSENT BY OCCUPANT, VENDOR, MORTGAGEE OR OTHER INTERESTED PARTY:**

I, (WE) \_\_\_\_\_ of \_\_\_\_\_ in the Province of \_\_\_\_\_

having an interest in the within lands by virtue of an Agreement or Instrument dated the \_\_\_\_\_ day of \_\_\_\_\_ A.D. \_\_\_\_\_ DO HEREBY AGREE that all my (our) rights, interests and estate which are, or may be, affected by the above Alberta Surface Lease Agreement shall be fully bound by all the terms and conditions thereof both now and henceforth.

Dated at \_\_\_\_\_ in the Province of \_\_\_\_\_  
 this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20 \_\_\_\_\_

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

**AFFIDAVIT OF EXECUTION**

CANADA ) I, \_\_\_\_\_, of the Town \_\_\_\_\_  
 PROVINCE OF ALBERTA ) of Fairview in the Province of Alberta,  
 TO WIT: ) \_\_\_\_\_ Landman, make oath and say:

1. That I was personally present and did see \_\_\_\_\_ named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named herein.
2. That the same was executed at the \_\_\_\_\_ of \_\_\_\_\_ in the Province of Alberta and that I am the subscribing witness thereto.
3. That I know the said \_\_\_\_\_ and he is in my belief of the full age of eighteen years.

SWORN before me at the \_\_\_\_\_ Town \_\_\_\_\_ )  
 of, \_\_\_\_\_ Fairview \_\_\_\_\_ in the Province of Alberta, )  
 this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20 \_\_\_\_\_ )

\_\_\_\_\_  
 A Commissioner for Oaths in and for the Province of Alberta

SCHEDULE "A"

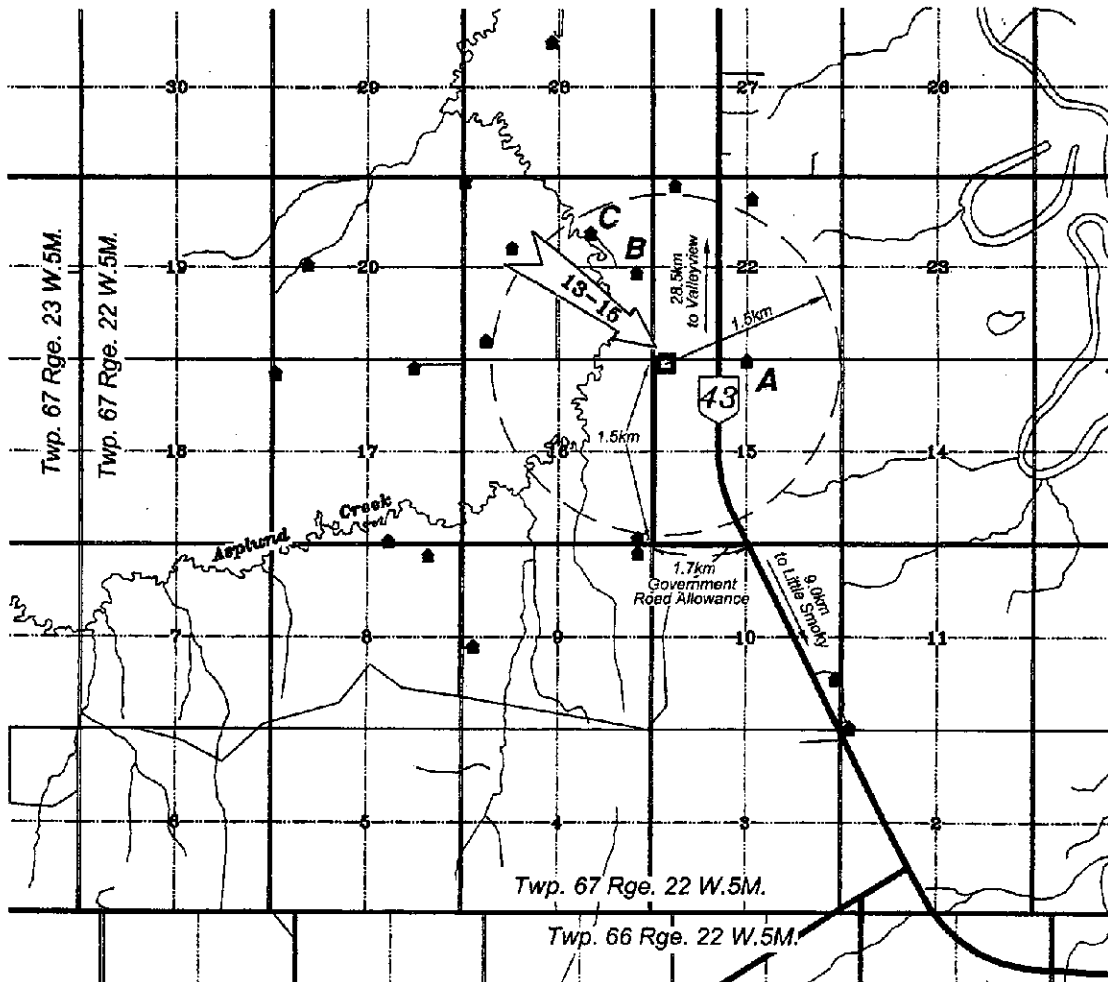
Attached to and made a part of an Alberta Surface Lease Agreement dated this 27 day of MAY, 2006 between Smoky River Ranching Ltd. as Lessor and PARAMOUNT RESOURCES LTD. as Lessee.

Additional Terms and Conditions:

In addition to the first year compensation payable in the attached Lease Agreement, the Lessee, in consideration of all the benefits granted therein, and to the mutual benefit of the Lessee and the Lessor, for the sole purpose of immediate entry onto the leased premises the Lessee hereby agrees as follows:

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

*BAC L.D.*



**RESIDENCES AND ACCESS SKETCH**  
SCALE 1 : 50 000

PERMANENT RESIDENCES SHOWN THUS : ●  
SEASONAL RESIDENCES SHOWN THUS : ▲  
(Approximate Location Only - Ground truth to 1.6km)

Distances from Well Centre to Residences

A	±695m
B	±809m
C	±1313m

Distances From Well Center to the Nearest...	Dist in kilometers
Surface Development (SW 22 67-22-W5)	± 0.7km
Permanent Residence (SW 22 67-22-W5)	± 0.7km
Urban Center (Little Smoky)	± 8.8km

**PARAMOUNT RESOURCES LTD.**

PARA ET AL LSMOKY 13-15-67-22

WELL SITE and ACCESS ROAD

L.S. 13 Sec. 15 Twp. 67 Rge. 22 W.5 M.  
Municipal District of Greenview No. 16

SCALE: 1:5000 Unless otherwise noted.



NO.	DATE	REVISION	DRN	CKD
-----	------	----------	-----	-----

**LEGEND**

Survey monuments found shown thus: ●  
Iron spikes placed shown thus: ▲  
Well centres shown thus: ○  
Calculated point shown thus: ○  
Ground Elevations shown thus: X 100.1  
Portions referred to shown thus: [ ]  
Distances are in metres and decimals.  
This plan shows ground level measured distances in meters. To compute grid distances multiply ground-level distances by Combined Factor.  
Combined Factor = 0.99949843

Grid Bearings are derived from G.P.S. observations and are referred to the Central Meridian of UTM Zone 11. (117th Meridian of West Longitude.) To convert plan bearings to local bearings referred to the Meridian through Surface Loc. 13-15-67-22, subtract 0°13'34"



**McElhanney**

Land Surveys (Alta.) Ltd.

9928 - 111th Avenue

Grande Prairie, Alberta, T8V 4C3

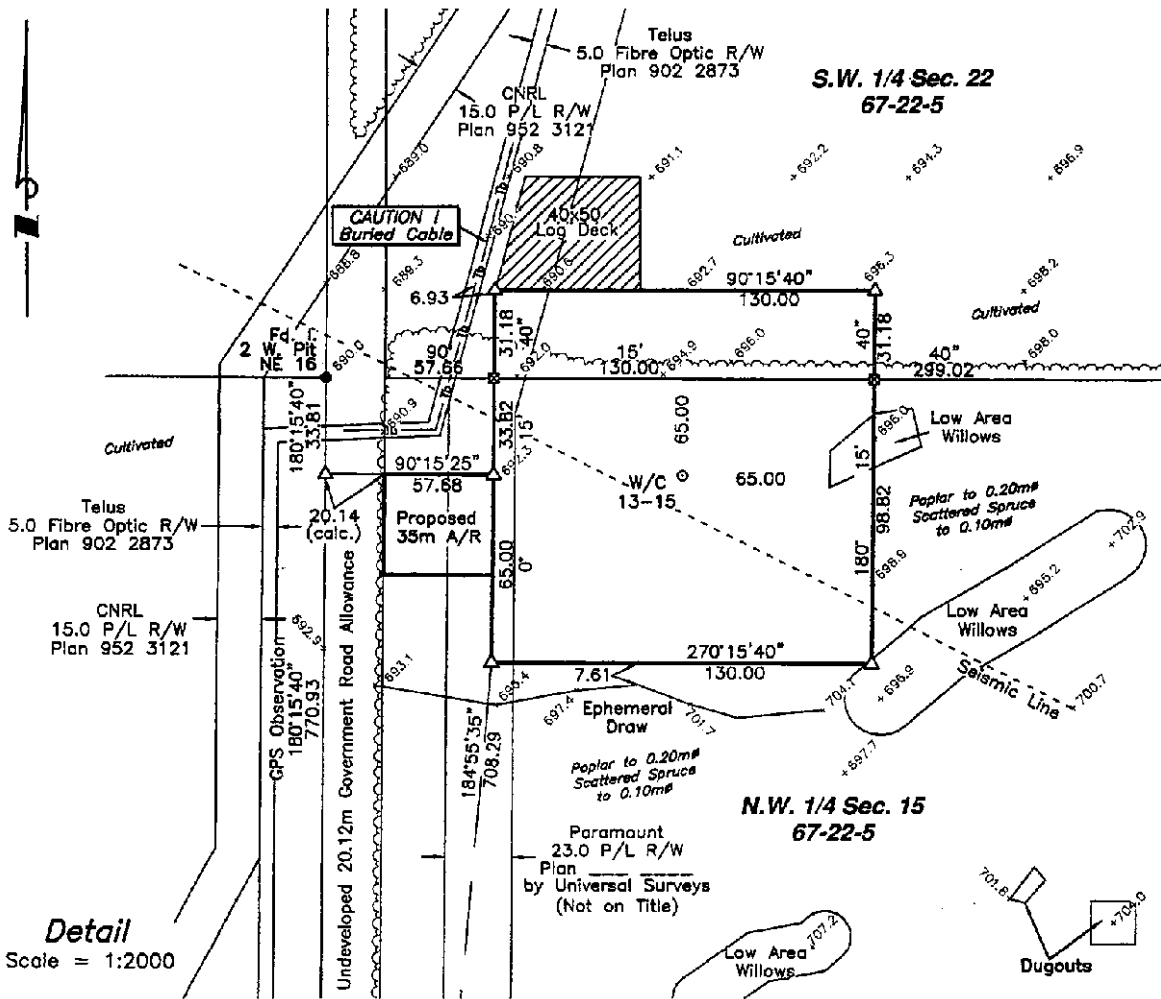
Tel.: (780) 532-0633 Fax: (780) 532-0634

JOB No. : 351105310

DWG. No. : G05310WS1 AH

Page : 1 of 3





**Detail**  
Scale = 1:2000

- The proposed well meets the land reclamation guidelines. (Freehold white zone only, as per EUB Guide #56.)  YES  NO
- The proposed well does not require the approval of the Historical Act Clearance.  YES  NO
- The proposed well is at least 100 m. from any surface improvements. (Fibre Optic R/W)  YES  NO
- The proposed well is at least 40 m. from any surveyed road.  YES  NO
- The proposed well is outside any potential Coal Development Area.  YES  NO
- The proposed well is at least 1.5 km from the corporate limits of any city, town or village.  YES  NO
- The proposed well is at least 5.0 km from any lighted aerodrome.  YES  NO
- The proposed well is at least 1.6 km from any unlighted aerodrome.  YES  NO

I, Jerry Quinlan, Alberta Land Surveyor, of the City of Grande Prairie, Alberta, certify that the survey represented by this plan is true and correct to the best of my knowledge, has been carried out in accordance with the Alberta Land Surveyor's Association Manual of Standard Practice, and was completed on the 27th. day of April, 2006.

*Jerry Quinlan*  
Alberta Land Surveyor

*Allen C. Hanes*  
Witness



**ELEVATIONS:**  
GROUND AT WELL LOCATION: 695.86  
NW. Corner: 690.24 NE. Corner: 696.41  
SW. Corner: 694.93 SE. Corner: 698.43  
**DATUM:** ASCM 444414  
Elev.: 658.576

**CO-ORDS:**  
**SURFACE LOCATION:**  
33.83 S. of N. Boundary } 15-67-22-5  
102.56 E. of W. Boundary }  
**GEODETIC:** Latitude: 54 806496' } NAD 27  
Longitude: 117.277861' }  
Latitude: 54.806508' } NAD 83  
Longitude: 117.279109' }  
Latitude: 54° 48' 23.43" }  
Longitude: 117° 16' 44.79" }

McElhannney Job No. : 351105310 Revision : 0 Page : 2 of 3  
**PARA ET AL LSMOKY 13-15-87-22**



**UTM:** Northing: 6073078.75 } NAD 27  
Easting: 482139.57 }  
Northing: 6073295.92 } NAD 83  
Easting: 482060.01 }

**AREAS:** Well Site = 1.685ha 4.16 Ac.  
Access Road = 0.131ha 0.32 Ac.  
Total = 1.816ha 4.48 Ac.

WELL COORDINATE DATA:

PROPOSED (Surface)	SURVEYED (Surface)
S. 140.00 } NW Sec. 15	S. 33.83 } NW Sec. 15
E. 160.00 }	E. 102.56 }

REASON: Draw

APPROVAL: Field Consultant

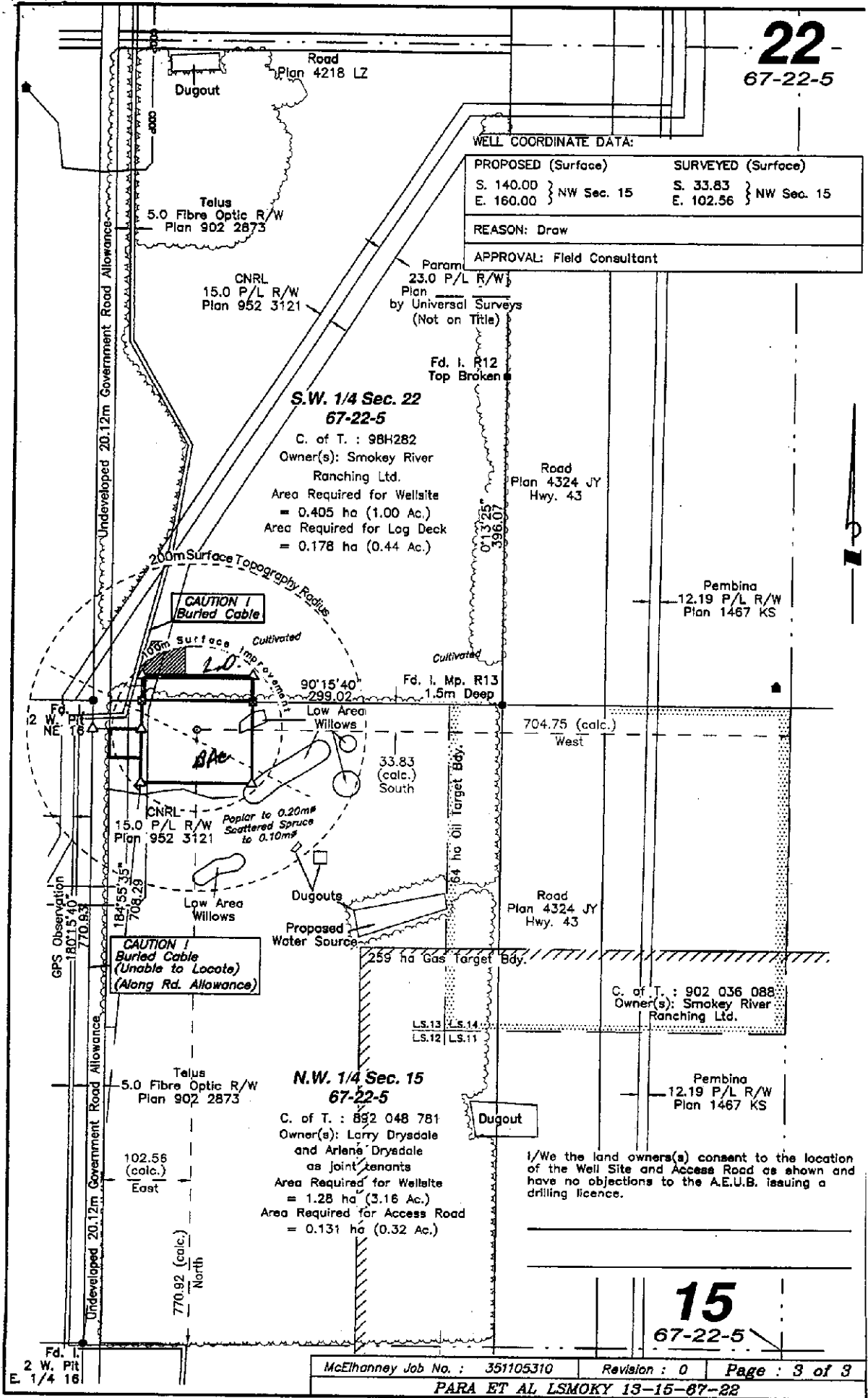
**S.W. 1/4 Sec. 22**  
**67-22-5**

C. of T. : 98H282  
Owner(s): Smokey River  
Ranching Ltd.  
Area Required for Well site  
= 0.405 ha (1.00 Ac.)  
Area Required for Log Deck  
= 0.178 ha (0.44 Ac.)

**N.W. 1/4 Sec. 15**  
**67-22-5**

C. of T. : 852 048 781  
Owner(s): Larry Drysdale  
and Arlene Drysdale  
as joint tenants  
Area Required for Well site  
= 1.28 ha (3.16 Ac.)  
Area Required for Access Road  
= 0.131 ha (0.32 Ac.)

I/we the land owners(s) consent to the location of the Well Site and Access Road as shown and have no objections to the A.E.U.B. issuing a drilling licence.



# CAVEAT FORBIDDING REGISTRATION

TO THE REGISTRAR OF THE NORTH ALBERTA LAND REGISTRATION

TAKE NOTICE that We, Paramount Resources Ltd.

of the City of Calgary in the Province of Alberta,

claim an interest by virtue of an Alberta Surface Lease Agreement, (a copy of which is attached hereto) for a wellsite, covering 1.00 acres, dated the 27<sup>th</sup> day of May A.D. 2006 between Smoky River Ranching Ltd. as the Lessor(s) and the caveator as Lessee.

in the land described as follows:

THE SOUTH WEST QUARTER OF SECTION TWENTY-TWO (22)  
TOWNSHIP SIXTY-SEVEN (67)  
RANGE TWENTY-TWO (22)  
WEST OF THE FIFTH MERIDIAN  
CONTAINING 65.2 HECTARES (161 ACRES) MORE OR LESS  
EXCEPTING THEREOUT :  
(A) 9.81 HECTARES (24.24 ACRES) MORE OR LESS AS SHOWN ON ROAD PLAN 4324JY  
(B) 0.470 HECTARES (1.16 ACRES) MORE OR LESS AS SHOWN ON ROAD PLAN 4218LZ  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AND THE RIGHT TO WORK THE SAME

being lands described in Certificate of Title Number 98H282

standing in the register in the name of Smoky River Ranching Ltd.

and I forbid the registration of any person as transferee or owner of, or of any instrument affecting that estate or interest, unless the certificate of title is expressed to be subject to my claim.

I designate the following address as the place at which notices and proceedings relating hereto may be served:

Paramount Resources Ltd.  
4700 Bankers Hall West  
888 - 3<sup>rd</sup> Street S.W.  
Calgary, AB T2P 5C5

In witness whereof I have hereunto subscribed my name this 29<sup>th</sup> day of May, 2006.


  
\_\_\_\_\_  
Roy Northern Land Service Ltd.  
As Agent of the Caveator


CANADA )  
PROVINCE OF ALBERTA ) I, Ken Woronuk  
To wit: ) of the Town of Fairview  
in the Province of Alberta

MAKE OATH AND SAY AS FOLLOWS:

1. I am the agent for the above-named Caveator.
2. I believe that the said Caveator has a good and valid claim upon the said land and I say that this Caveat is not being filed for the purpose of delaying or embarrassing any person interested in or proposing to deal therewith.

Sworn before me at the )  
Town of Fairview )  
in the Province of Alberta, )  
this 29<sup>th</sup> of May A.D. 2006. )

  
\_\_\_\_\_  
Ken Woronuk

  
\_\_\_\_\_  
A Commissioner of Oaths in and  
for the Province of Alberta  
**Gwen O. Pratt**  
Expires Sept. 22, 2007



062258303

062258303 REGISTERED 2006 06 17  
CAVE - CAVEAT  
DOC 1 OF 1 DR#: 3322438 ADR/SBUDNEY  
LINC/S: 0014278105