

SALT WATER DISPOSAL AGREEMENT

THIS AGREEMENT made this ____ day of _____, _____.

BETWEEN:

_____, of *(city)*, *(province)*, (hereinafter referred to as the "Grantor")

- and -

_____, a body corporate, having an office at _____, Alberta (hereinafter referred to as the "Grantee")

WHEREAS the Grantor is the owner of the mines and minerals within, upon or under the following lands, namely:

all mines and minerals within, upon or under
the *(quarter(s))*
of Section ____ Township ____ Range ____
West of the ____ Meridian, *(province)*
as more particularly described as set forth in Certificate(s) of Title No(s). _____
and _____ on record in the Land Titles Office for the *(city)* Land
Registration District

AND WHEREAS the Grantor has agreed to grant unto the Grantee the exclusive right and privilege to drill one input well on the said lands, or convert into input service one well heretofore or hereinafter drilled upon the said lands for the purpose of discovering or producing oil or gas or both (hereinafter called "the said well"), together with the exclusive right and privilege to inject water, brine, fluids and gases or any of them, or any combination of them, into the subsurface strata under the said lands, called the _____ Zone between _____ metres and _____ metres subsurface (hereinafter referred to as the "zone") through the said well in such quantities and from such sources as the Grantee or its nominees may choose, on the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and of the sum of Ten (\$10.00) Dollars now paid by the Grantee to the Grantor (receipt whereof is hereby acknowledged) the Grantor does hereby grant unto the Grantee the exclusive right and privilege to drill one input well on the said lands, or convert into input service one well heretofore or hereinafter drilled upon the said lands for the purpose of discovering or producing oil or gas or both, together with the exclusive right and privilege to complete and operate the input well so drilled or converted and to inject water, brine, fluids and gases, or any of them, or any combination of them, into the subsurface strata under the said lands through the input well drilled thereon or so converted, in such quantities and from such sources as the Grantee may choose.

TO HOLD AND ENJOY the same unto the Grantee for the term of ten (10) years from the date hereof.

THE GRANTOR HEREBY COVENANTS AND AGREES TO AND WITH THE GRANTEE:

1. That upon the expiration of this Agreement or upon its termination for any reason whatsoever, the Grantee shall have the right to remove within six (6) months' time all property of whatsoever nature which was placed upon the said lands in connection with the operation of the input well.
2. That the Grantee, upon observing and performing the covenants and conditions on the Grantee's part herein contained, shall and may peaceably possess and enjoy the said lands during the said term and any extension thereof without any interruption or disturbance from or by the Grantor or any other person whomsoever.

THE GRANTEE HEREBY COVENANTS AND AGREES TO AND WITH THE GRANTOR:

1. That the Grantee will keep the Grantor indemnified against all claims and demands that may be made against the Grantor by reason of the injection of salt water or of the negligence of the Grantee, its servants, workmen, agents, and licensees in the exercise or purported exercise of the rights, powers, privileges, and liberties hereby granted.
2. That it will conduct all operations carried on by it pursuant to the rights hereby granted in a careful and prudent manner and in accordance with all laws, governmental orders, rules and regulations pertaining thereto and in accordance with good oilfield practices, and the Grantee shall pay and be responsible for actual damages caused by its operations to the surface of, and growing crops and improvements on, the said lands.
3. That the Grantee will pay to the Grantor an annual rental of _____ (\$_____) Dollars for the privilege to dispose of fluids as aforesaid. For the first year of the term hereof, such payment of _____ (\$_____) Dollars shall be made prior to, and is a condition precedent to, this Agreement becoming effective. For each subsequent year in the term hereof, such annual rental in the amount of _____ (\$_____) Dollars shall be paid in advance on or before the anniversary of the date of this Agreement.

THIS IS A 5-PAGE DOCUMENT.