

OPTION FOR SALT WATER DISPOSAL AGREEMENT

THIS AGREEMENT made this ____ day of _____, _____.

BETWEEN:

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

- and -

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

The Optionor, being registered as owner, or entitled to become registered as owner, of all the petroleum, natural gas and related hydrocarbons, all other gases and all minerals and substances (whether fluid or solid and whether hydrocarbons or not) produced in association with any of the foregoing or found in any water contained in an oil or gas reservoir (all hereinafter referred to as "the leased substances") within, upon or under the following described lands:

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 (hereinafter referred to as "the said lands") in consideration of the sum of Ten (\$10.00) Dollars paid to the Optionor by the Optionee.

DOES HEREBY grant to the Optionee the option, irrevocable at any time during the term of any one or more of the following Petroleum and Natural Gas Leases:

1. Petroleum and Natural Gas Lease dated _____ made between *(Optionor)*, as Lessor, and *(Optionee)*, as Lessee, covering *(land description)*.
- 2.
- 3.

to acquire a Salt Water Disposal Agreement ("the SWD Agreement") to establish and operate one salt water disposal well within, upon or under the said lands upon substantially the same terms as the SWD Agreement annexed hereto and marked as Schedule "A" to this Option which SWD Agreement has been executed by the Optionor for the purposes as herein contained with the date thereof and the description of the well and zone left blank for completion as hereinafter provided.

The Option may be exercised by the Optionee delivering to the Optionor, or mailing postage prepaid and addressed to the Optionor, at *(address)*, written notice of its exercise of this Option together with one fully executed copy of the SWD Agreement with all particulars and terms completed.

THIS IS A 2-PAGE FORM.