

ROAD USE AGREEMENT

THIS AGREEMENT made as of the ____ day of _____, _____.

BETWEEN:

LICENSOR, a body corporate having an office in the City of _____, in the Province of Alberta (hereinafter called the "Licensor")

- and -

LICENSEE, a body corporate having an office in the City of _____, in the Province of Alberta (hereinafter called the "Licensee")

WHEREAS Licensor has for its own use and operations a certain road, as outlined in Schedule "A" attached; and

WHEREAS Licensee desires to use a certain portion of the road as indicated in Schedule "A" (hereinafter called the "Road") for Licensee's purposes as described in Schedule "B" attached, and Licensor is willing to allow such use.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained, the parties agree as follows:

1. **LICENCE OF USE**

- a. Licensor hereby grants to Licensee, its employees, agents, contractors and subcontractors, a non-exclusive, interruptible licence to use the Road, at its sole risk, only for Licensee's purposes as described in Schedule "B" attached.
- b. Licensor shall have the right to impose road bans and other restrictions which, in its sole discretion, it deems necessary for any purpose including, without limitation, to prevent damage to the Road, or to protect the users of the Road and their equipment or to otherwise regulate Road usage, and Licensor shall not be liable for any costs, expenses and damage incurred by Licensee, its employees, agents, contractors or subcontractors as a result of such road bans or other restrictions imposed by Licensor.
- c. The Licensee agrees that if any unreasonable damage or destruction of any portion of the Road results from its use of the Road, it will, forthwith upon demand, restore the Road so damaged or destroyed to its previous condition or, upon its failure to do so within a reasonable time after demand by the Licensor, reimburse the Licensor to the full extent of any cost to which the Licensor is put by reason of repairs which the Licensor deems necessary to restore the Road to its previous condition.

2. **NO WARRANTY**

- a. It is understood and agreed that notwithstanding anything herein contained, Licensor does not make any representation or warranty as to the suitability or fitness of the Road for Licensee's intended use nor does the Licensor give any undertaking to maintain the Road in usable condition.
- b. Licensee shall not make any claim for compensation for loss or damage which may result from use of the Road.

3. **REPORTING OBLIGATIONS**

- a. Licensee shall promptly notify Licensor in writing of its intention to use the Road giving, as applicable, the following information in respect of wells named in Schedule "B":
 - i. the date upon which a rig will be moved on the Road for the purpose of drilling or working over a well;
 - ii. the rig release date;
 - iii. any change in any of the aforementioned dates;
 - iv. the eventual status of the well; and
 - v. the date upon which Licensee's Road use ceases.

4. **FEES AND CHARGES**

- a. As consideration for the use of the Road, Licensee shall pay, upon execution of this Agreement:
 - i. an initial fee at the rate set forth in Schedule "B" attached;
 - ii. **[an annual]** fee for maintenance of the Road as set forth in Schedule "B" attached;
 - iii. any increase in maintenance costs, as determined by Licensor, based upon actual records thereof, resulting from extraordinary wear and tear to the Road which, in the sole reasonable opinion of Licensor, are attributable to Licensee, its employees, agents, contractors, or subcontractors;
 - iv. in addition to i., ii. and iii. above, Licensee shall pay all duties, excise, licence, occupation, sales, goods and services, value added, consumption and other taxes which may be or become payable to any authority as a result of this Agreement.

THIS IS A 9-PAGE CONTRACT.