

Clerk's Stamp:

COURT FILE NUMBER 25-2332583  
25-2332610  
25-2335351

COURT COURT OF QUEEN'S BENCH OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

PROCEEDINGS IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE  
A PROPOSAL OF MANITOK ENERGY INC.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE  
A PROPOSAL OF RAIMOUNT ENERGY CORP.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE  
A PROPOSAL OF CORINTHIAN OIL CORP.

DOCUMENT **AFFIDAVIT**

PARTY FILING THIS DOCUMENT **ORLEN UPSTREAM CANADA LTD.**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

**Burnet, Duckworth & Palmer LLP**

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File No. 62977-90

**AFFIDAVIT OF SEAN C. PADLEY**

Sworn on November 18, 2020


I, Sean C. Padley, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am Sean C. Padley, Manager, Marketing and Joint Venture of Orlen Upstream Canada Ltd. (**Orlen**) and as such have personal knowledge of the matters deposed to except where stated to be based on information and belief, in which case I verily believe the same to be true.
2. Orlen acquired properties in the Strachan area in northern Alberta on or about April 1, 2017. (the **Strachan Properties**) from Bellatrix Exploration Ltd.. Included in the acquisition of the Strachan Property were four agreements with Manitok Energy Inc.
3. The four agreements are attached to this Affidavit as Exhibits A-D as follows:
  - (a) **Exhibit A** Orlen File # STRA016 – Contract Wells/Facilities Operating Agreement, effective dated February 1, 2009;
  - (b) **Exhibit B** Orlen File # STRA017 – Cow Lake 03-16-038-07W5 Compression Facility and Gas Gathering System Gas Handling Agreement, effective dated February 1, 2009;
  - (c) **Exhibit C** Orlen File # STRA025 – Ferrier Area Gas Handling Agreement, effective dated March 1, 2012; and
  - (d) **Exhibit D** Orlen File # STRA026 – Contract Wells/Facilities Operating Agreement, effective dated March 1, 2012;
4. Pursuant to Exhibits A-D, Manitok delivered natural gas and related products from certain wells to processing facilities owned by Orlen. Manitok was responsible to pay for certain processing fees, contract administration, and administrative fees (together, the **Facility Fees**) and Orlen would then allocate to Manitok its proportional share of the outlet substances (the **Substances**).
5. The invoices for the October 2017-December 2017 processing fees were first sent to Manitok in December 2017 and are attached as **Exhibit E**. Invoices for fees were sent via an online system called Energylink that allows parties to view, accept, dispute, or comment on invoices.
6. Manitok neither accepted nor disputed the processing fees in Exhibit E. The billings sat with a "viewed" status on Energylink and no action was taken by Manitok.
7. On or about February 16, 2018, Orlen received letters asking Orlen to consent to assignment of the agreements in Exhibits A-D from Manitok to Yangarra Resources Ltd. (**Yangarra**) (the **Assignment Agreements**), which are attached as Exhibits E-H as follows:
  - (a) **Exhibit F** Assignment Agreement of Orlen File # STRA016 Contract Wells/Facilities Operating Agreement, effective dated February 1, 2009;

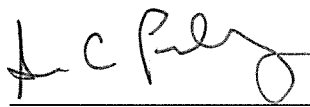
- (b) **Exhibit G** Assignment Agreement of Orlen File # STRA017 – Cow Lake 03-16-038-07W5 Compression Facility and Gas Gathering System Gas Handling Agreement, effective dated February 1, 2009;
  - (c) **Exhibit H** Assignment Agreement of Orlen File # STRA025 – Ferrier Area Gas Handling Agreement, effective dated March 1, 2012; and
  - (d) **Exhibit I** Assignment Agreement of Orlen File # STRA026 – Contract Wells/Facilities Operating Agreement, effective dated March 1, 2012.
8. The effective date of the Assignment Agreements was October 1, 2017. The Assignment Agreements contain the following clauses
- AND WHEREAS Assignee [Yangarra] has agreed to assume all of the Assignor's [Manitok's] obligations under the said Agreement.
- ...
- The Assignee hereby accepts the assignment herein provided and covenants and agrees with the Assignor that it shall at all times from and after the Effective Date be bound by, observe, and perform all of the covenants and obligations thereafter accruing on the part of the Assignor under the Agreement and shall indemnify the Assignor and its directors, officers, servants, agents, and employees and hold harmless from and against all claims, liabilities, actions, proceedings, demands, losses, costs, damages, and expenses whatsoever which may be brought against or suffered by the Assignor, its directors, officers, servants, agents, or employees, or which they may sustain, pay or incur, insofar as they relate to the interest assigned in the Agreement, arising from and after the Effective Date.
9. As seen on Exhibits F-I, Orlen consented to the assignments on or about February 28, 2018.
10. Orlen has not been paid for certain Facility Fees from October 2017-January 2018, which is a portion of the period between the effective date of the Assignment Agreements and the date the assignments were consented to by Orlen. The unpaid Facility Fees for that time period (the **Winter Processing Fees**) include:
- (a) October 2017-January 2018 processing fees
  - (b) October 2017-January 2018 operating and administrative fees
11. In March 2018, invoices for the Winter Processing Fees were sent to Yangarra. The adjustment credited Manitok for October 2017-December 2017 processing fees and October 2017-February 2017 operating and administrative fees. The credit to Manitok was set off with a charge to Yangarra. These invoices are attached as **Exhibit J**.
12. Yangarra has not paid the Winter Processing Fees.

13. The total amount currently owed to Orlen for the Winter Processing Fees, not including interest, is \$120,900.99.
14. After Orlen consented to the Assignment Agreements, it continued to invoice Yangarra for the Unpaid Fees, as well as new fees arising from February 2018 onwards on the Strachan Properties and another asset that Orlen processed for Yangarra (the **2018 Invoices**).
15. Disputes arose with the 2018 Invoices, and pursuant to relief Orlen was entitled to under the Operating Agreements, Orlen mitigated its damages and withheld Yangarra's proportionate share of Substances. It then sold those Substances to offset the Spring and Summer 2018 Invoices.
16. In November 2018, Orlen stopped processing materials for Yangarra and Orlen's understanding is that Yangarra now processes its own products at its own facility.
17. As a result, the net amount owed from Yangarra to Orlen for all unpaid fees from October 2017 to November 2018, is \$94,975.00. That amount, showing the amounts owed and offset amounts, is attached in Yangarra's payment history, as **Exhibit K**.

SWORN/AFFIRMED BEFORE ME at the City of )  
 Calgary, in the Province of Alberta, this 18<sup>th</sup> )  
 day of November, 2020. )

  
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 A Commissioner for Oaths in and for the Province  
 of Alberta.


Alison Scott  
 Barrister and Solicitor  
 A Commissioner for Oaths/Notary Public  
 in and for the Province of Alberta

  
 \_\_\_\_\_

Sean C. Padley



This is Exhibit "A", referred to in the Affidavit of **SEAN C. PADLEY**, sworn before me on the 18<sup>th</sup> day of November, 2020.



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A Commissioner for Oaths for the Province of Alberta

Alison Scott  
Barrister and Solicitor  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta



## **Contract Wells/Facilities Operating Agreement**

**between**

**PROVIDENT ENERGY LTD.**

**(Contractor)**

**And**

**TOURNAMENT EXPLORATION LTD.**

**(Owner)**

**Date: February 1, 2009**

**Contract Number: SA2907**

*SV0565*

**COW LAKE**

# Contract Wells/Facilities Operating Agreement

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## Exhibits

Exhibit “A”	Wells/Facilities
Exhibit “B”	Fees
Exhibit “C”	Contractor's Responsibilities for the Wells/Facilities
Exhibit “D”	Insurance Requirements
Exhibit “E”	Addresses of Parties

## ARTICLE I - BACKGROUND

### 101. Background

- (a) Owner is the owner or representative of the owner of the Wells/Facilities as described in Exhibit "A".
- (b) Owner is authorized to enter into this Agreement on behalf of itself and all other working interest owners of the Wells/Facilities.
- (c) Contractor will conduct the operation of the Wells/Facilities according to the terms and conditions set out in this Agreement.

## ARTICLE II - DEFINITIONS

### 201. Definitions

- (a) **"Affiliate"** means, with respect to a Party, any other Person which is affiliated with such Party, and for the purposes hereof:
  - (i) two (2) Persons will be considered to be affiliated with one another if one (1) of them controls the other, or if both of them are controlled by a common third Person, and
  - (ii) one (1) Person will be considered to control another Person if it has the power to direct or cause the direction of the management and policies of the other Person, whether directly or indirectly, through one (1) or more intermediaries or otherwise, and whether by virtue of the ownership of shares or other equity interests, the holding of voting rights or contractual rights, or otherwise;
- (b) **"Agreement"** means this Agreement including the recitals and Exhibits hereto, as may be amended from time to time;
- (c) **"Day"** means a period of time commencing at 08:00 local time on any calendar day and ending at 08:00 on the next calendar day or at such other time as may hereinafter be agreed upon by the Parties;
- (d) **"Effective Date"** means the date first above written or, in the case of an Exhibit, the date on which the Exhibit becomes effective;
- (e) **"Facilities"** means the facilities listed in Exhibit "A";
- (f) **"Force Majeure"** means an occurrence beyond the reasonable control of a Party claiming suspension of an obligation, which has not been caused by such Party's negligence and which such Party was unable to prevent or provide against by the exercise of reasonable diligence at a reasonable cost and includes, without limiting the

generality of the foregoing, an act of God, war, revolution, terrorism, insurrection, blockade, riot, strike, a lockout or other industrial disturbance, fire, lightning, unusually severe weather, storms, floods, explosion, accident, shortage of labour or materials, or government restraint, action, delay or inaction;

- (g) **"Interest Rate"** means the prime rate of interest as quoted in respect of commercial demand loans on the applicable day by the principal chartered bank in Canada used by Contractor plus two percent (2%) per annum;
- (h) **"Month"** means a period of time beginning on the first Day of a calendar month and ending on the beginning of the first Day of the next calendar month;
- (i) **"Party"** means a Person who is bound by this Agreement;
- (j) **"Person"** means an individual, firm, body corporate, partnership or other entity, as the case may be;
- (k) **"Wells"** means the well or wells listed in Exhibit "A"; and
- (l) **"Year"** means a period commencing at the beginning of the first Day of January of each calendar year and ending at the beginning of the first Day of the next calendar year.

### ARTICLE III - EXHIBITS

#### 301. Exhibits

The following Exhibits are attached to and incorporated in this Agreement:

- Exhibit "A" – Wells and Facilities;
- Exhibit "B" – Fees;
- Exhibit "C" – Contractor's Responsibilities for Wells/Facilities;
- Exhibit "D" – Insurance Requirements; and
- Exhibit "E" – Addresses for service.

#### 302. Revision of Exhibits

Contractor and Owner may review Exhibit "A", "C" and "D" from time to time and any revisions shall be mutually agreed upon. Contractor may revise Exhibit "B" upon thirty (30) Days' written notice to Owner. Exhibit "E" may be revised in accordance with the provisions of Clause 1809. Exhibits that are revised shall show the Effective Date of the revision and shall be numbered consecutively. Contractor shall, upon revision of any Exhibit, supply Owner with a copy of the revised Exhibit. If Contractor becomes aware of a mistake or mechanical error in any Exhibit, Contractor shall prepare a corrected Exhibit and supply Owner with a copy of the corrected Exhibit.

### 303. Conflicts

If a provision of an Exhibit conflicts with a provision in the body of this Agreement, the latter shall prevail.

## ARTICLE IV – CONTRACTOR’S RESPONSIBILITIES

### 401. Contractor's Responsibilities

Contractor will:

- (a) act as the on-site operator of the Wells/Facilities and perform all work and services ordinarily performed by an operator for the field management and operation of the Wells/Facilities, including the specific duties of Contractor described in Exhibit “C”;
- (b) conduct all operations for the Wells/Facilities in a safe and competent manner, in compliance with accepted industry practices and all applicable laws, rules and regulations of any governmental authority having jurisdiction, including but not limited to the following: Occupational Health and Safety, Environmental, Workers' Compensation, Transportation of Dangerous Goods, Work Place Hazardous Materials Information System and emergency response plans;
- (c) place orders with suppliers and sign for receipt of materials, subject to the prior approval of Owner if required under Exhibit “C”, and subject to Article IX;
- (d) keep the Wells/Facilities, including the lands on which they are situated, free of all liens or claims arising from the performance of Contractor's obligations under this Agreement, except for liens or claims being contested diligently;
- (e) ensure that:
  - (i) Contractor's personnel are trained and competent to perform their duties before operating the Wells/Facilities;
  - (ii) subject to Subclause 401(b), the operations comply with Owner's safety standards, work practices and accident prevention policies; and
  - (iii) Contractor's personnel receive H<sub>2</sub>S training if there is a potential to handle sour substances at the Wells/Facilities or enter onto sour gas locations.

### 402. Qualifications of Contractor

If Contractor is not qualified to perform any service required to maintain the Wells/Facilities, Contractor will either arrange to have third parties perform the service, subject to prior approval of Owner if required under Exhibit “C”, or advise Owner of the work or service required, subject to Article IX.

## ARTICLE V - OWNER'S RESPONSIBILITIES

### 501. Owner's Responsibilities

Owner will:

- (a) ensure the Wells/Facilities are fully operational and in compliance with all applicable laws, rules and regulations;
- (b) maintain all required rights of access and provide adequate access across the land of third parties to the site of the Wells/Facilities to allow Contractor and its employees and subcontractors access to the site;
- (c) provide all labour, materials and equipment for repair, maintenance, replacement and remedial work required at the Wells/Facilities that are not part of Contractor's responsibilities described in Article IV;
- (d) pay all charges incurred by Contractor on behalf of Owner for the operations carried out under this Agreement;
- (e) inform Contractor in advance of all services that Owner intends to perform or have performed at the Wells/Facilities, subject to Article IV;
- (f) make all payments attributable to production from the Wells and payments of assessments including but not limited to royalty and tax payments, regulatory agency fees and property taxes on the Wells/Facilities;
- (g) provide Contractor with Owner's safety standards, work practices and accident prevention policies;
- (h) ensure that a current emergency response plan is in place for the Wells/Facilities; and
- (i) remediate any spill, release or discharge in accordance with all applicable laws, rules and regulations. The remediation shall be at the sole risk, cost, and expense of Owner except where the spill, discharge or release was caused by the gross negligence or willful misconduct of Contractor, its agents or employees.

## ARTICLE VI - RIGHT OF ACCESS

### 601. Right of Access

Owner, its employees or subcontractors, may at any time access the Wells/Facilities and related equipment and supplies.

## **ARTICLE VII - SUSPENSION PROVISIONS**

### **701. Suspension Provisions**

Owner may suspend or permanently shut-in any of the Wells or Facilities. If a Well is to be suspended, Owner will file a suspended Well status form with the appropriate authorities. No fees will be paid for that Well or Facility, commencing the first Day of the Month following receipt of notice by Contractor from Owner.

## **ARTICLE VIII - INVOICE AND PAYMENT**

### **801. Invoice and Payment**

- (a) Contractor shall bill Owner on or before the thirtieth (30<sup>th</sup>) Day of each Month for the fees and other charges incurred for the preceding Month in accordance with Exhibit "B". Owner will pay Contractor the amount specified in the invoice within thirty (30) Days after receiving Contractor's invoice. Payment of any invoice will not prevent Owner from questioning the correctness of the invoice, up to a period of twenty-six (26) Months following the end of the Year in which an invoice is presented, otherwise the invoice will be deemed to be correct.
- (b) Any invoice not paid within thirty (30) Days after receipt of the invoice will accrue interest, at the Interest Rate, on the amount owing, compounded monthly from the date of receipt of the invoice until paid.
- (c) When Contractor is required to charge Goods and Services Tax (GST), or similar value added tax, Contractor's invoice will include information prescribed by the Input Tax Credit Information Regulations under the Excise Tax Act (Canada), or any information prescribed for a similar value added tax. Where Contractor is not, or is not required to be, registered for purposes of GST, that fact will be disclosed on Contractor's invoice.

## **ARTICLE IX - EMERGENCIES**

### **901. Emergencies**

In an emergency, Contractor will take whatever reasonable action is necessary to protect life, property and the Wells/Facilities. Contractor will promptly notify Owner of the emergency and any action taken. Owner will direct any extended period response and is responsible for any emergency response aside from those specifically assigned to the Contractor in this Article IX or Exhibit "C". Any emergency actions undertaken by the Contractor shall be at the sole risk, cost, and expense of Owner, except where otherwise specifically addressed in this Agreement.

If any provisions of this Article IX conflicts with the emergency response plan in place for the Wells/Facilities the emergency response plan shall prevail.



## **ARTICLE X - INDEPENDENT CONTRACTOR**

### **1001. Independent Contractor**

- (a) Contractor:
  - (i) is an independent contractor, whose work and services are subject to this Agreement's provisions and Owner's instructions;
  - (ii) will control the work and services of its employees and subcontractors; and
  - (iii) is accountable to Owner for completion of the work and services pursuant to the provisions of this Agreement.
- (b) In carrying out its obligations under this Agreement, the Contractor is responsible for deciding on:
  - (i) the number of Contractor's employees and subcontractors;
  - (ii) the selection of employees and subcontractors; and
  - (iii) the hours of labour and compensation for their services.
- (c) Contractor, its employees and subcontractors are not agents or employees of Owner.

## **ARTICLE XI - AUDIT PROVISION**

### **1101. Audit Provision**

- (a) Contractor will maintain complete records and accounts with respect to operations under this Agreement in accordance with generally accepted accounting principles and in the detail required to verify all records and accounts submitted to Owner.
- (b) Owner has the right to audit, at its own expense, the records and accounts:
  - (i) during reasonable business hours and on reasonable advance written notice to Contractor; and
  - (ii) for up to twenty-four (24) Months from the end of the Year to which the records and accounts relate.
- (c) Any claims of discrepancies will be made in writing to Contractor within three (3) Months of completion of the audit.
- (d) Contractor will respond in writing to all claims of discrepancies within three (3) Months of receipt of claims.

## **ARTICLE XII - INSURANCE**

### **1201. Insurance**

Contractor shall obtain and continuously maintain during the course of its operations hereunder that insurance coverage set out in Exhibit "D", at the sole cost and expense of Contractor. Contractor shall ensure that all of its subcontractors engaged in any aspect of operations hereunder or exposed to the risk of any of the operations hereunder shall obtain and maintain insurance coverage comparable to that as set out in Exhibit "D".

Neither the placement of insurance coverage by Contractor in accordance with the requirements of this Agreement nor the insolvency, bankruptcy or failure of any insurer to pay any claim arising under this Agreement, relieves or limits any of Contractor's obligations or liabilities.

## **ARTICLE XIII – WORKERS' COMPENSATION**

### **1301. Workers' Compensation**

Contractor will:

- (a) maintain, and require its sub-contractors to maintain, a Workers' Compensation Board (WCB) account as an independent contractor;
- (b) pay any assessment or contribution required under the Workers' Compensation Act, or ordinance of the province or territory where the work under this agreement is performed. Contractor will ensure that personal coverage is obtained for employees, partners, proprietors and directors involved in any aspect of the performance of the work under this agreement. If Contractor fails to do so, Owner may, in addition to any other rights available under this agreement or at law, deduct the amount of any assessment or contribution from any payment due or to become due to Contractor;
- (c) before starting work under this agreement, deliver to Owner if requested by Owner, WCB certificates which show Contractor and its sub-contractors have paid all required assessments and contributions. During the term of this agreement, Owner may require further declaration that those assessments and contributions have been made; and
- (d) be liable for and indemnify and save Owner harmless from all actions, claims, demands, losses, costs, damages and expenses brought against or suffered by Owner or that it sustains, pays or incurs as a result of injury or death to Contractor's employees, the employees of Contractor's sub-contractors, sole proprietors or any other persons engaged in connection with performance of work under this agreement, regardless of cause unless due to the gross negligence of Owner.

## ARTICLE XIV - LIABILITY AND INDEMNIFICATION

### 1401. Liability and Indemnification

- (a) Contractor shall not be liable for the failure of the Wells/Facilities or for the loss or any decrease in production therefrom, or for any losses to Owner due to underproduction from or penalties imposed on the Wells/Facilities, or for any injury or damage to the producing horizon or to the Wells/Facilities or the machinery or equipment to be used in connection therewith during any operation hereunder or resulting therefrom, except as may result from gross negligence or willful misconduct of Contractor, its agents or employees. No act or omission of the Contractor, its agents or employees, shall be considered to be gross negligence or willful misconduct if done or omitted at the instruction of, or with the concurrence of Owner.
- (b) To the extent that the gross negligence or willful misconduct condition described in Subclause 1401(a) applies, Contractor shall be solely liable for such loss, injury or damage brought against or suffered by Owner and, in addition, shall indemnify and save Owner harmless from and against the same and also from and against all actions, suits, claims and demands by any Person or Persons whomsoever in respect of such loss, injury or damage and any costs and expenses relating thereto.
- (c) To the extent that the gross negligence or willful misconduct condition described in Subclause 1401(a) does not apply, Owner shall indemnify and save Contractor harmless from and against all actions, suits, claims or demands by any Person or Persons whomsoever in respect of any loss, injury or damage brought against or suffered by Contractor as a result of or in connection with the performance, purported performance or non-performance of this Agreement.
- (d) Notwithstanding any provision to the contrary herein, in no event shall the Contractor or the Owner liability to the other for loss of profits, loss of business or any indirect or consequential damages.
- (e) Any indemnification by the Owner to Contractor, pursuant to Subclause 1401(c) hereof, shall be reduced insofar as insurance proceeds for the particular loss, injury or damage are receivable by the Contractor from the insurance carried by the Contractor.

## ARTICLE XV - FORCE MAJEURE

### 1501. Force Majeure

- (a) If a Party is prevented by Force Majeure from fulfilling any obligations, the obligations of that Party, insofar as its obligations are affected by the Force Majeure, shall be suspended while the Force Majeure continues to prevent the performance of such obligation and for that time thereafter as that Party may reasonably require to commence to fulfill such obligation. A Party prevented from fulfilling any obligation by the Force Majeure shall promptly give the other Party notice of the Force Majeure and the affected obligations, including reasonably full particulars in respect of the Force Majeure.

- (b) The Party claiming suspension of an obligation as aforesaid shall promptly remedy the cause and effect of the applicable Force Majeure, insofar as it is reasonably able so to do, and such Party shall promptly give the other Party notice when the Force Majeure ceases to prevent the performance of the applicable obligation. However, the terms of settlement of any strike, lockout or other industrial disturbance shall be wholly at the discretion of such Party, and that Party shall not be required to accede to the demands of its opponents in any strike, lockout or industrial disturbance solely to remedy promptly the Force Majeure constituted by such action.
- (c) Notwithstanding anything contained in this Clause, lack of finances shall not be considered a Force Majeure nor shall any Force Majeure suspend any obligation for the payment of money.

## ARTICLE XVI - TERM

### 1601. Term

- (a) This Agreement will be in effect as of the Effective Date until terminated by either Party giving thirty (30) Days written notice to the other Party, unless otherwise terminated in accordance with this Agreement.
- (b) Owner may immediately terminate this Agreement upon notice to Contractor if Contractor fails to perform, or performs unsatisfactorily in the opinion of Owner, the duties and obligations outlined in this Agreement.
- (c) Each Party will be responsible for any obligations it incurs prior to termination. Notwithstanding the termination of this Agreement, the provisions respecting liability and indemnity shall remain in full force and effect to the extent of any liabilities which may have accrued prior to the termination of this Agreement.

## ARTICLE XVII – DISPUTE RESOLUTION

### 1701. Dispute Resolution

The Parties will attempt to resolve any claim or dispute arising out of this Agreement through consultation and negotiation in good faith within the appropriate time periods as set out in this Agreement. If those attempts fail then either Party may refer the dispute for resolution through mediation, with costs of the mediation being shared equally by both Parties. If either Party refers a dispute for resolution through mediation, the other Party agrees to participate in the mediation. If the Parties cannot agree to a mediator, they shall have one appointed by the ADR Institute of Canada, Inc. or by a mutually acceptable substitute. However, either Party may terminate the mediation at any time upon giving reasonable notice to the other Party. If mediation fails or is terminated, then the Parties may agree to refer the matter to binding arbitration pursuant to the *Arbitration Act, R.S.A. 2000, c. A-43*, and any subsequent revisions to the Act, or a Party may resort to judicial proceedings to resolve the dispute.

## **ARTICLE XVIII – MISCELLANEOUS PROVISIONS**

### **1801. Interpretation**

The captions or headings used in this Agreement are inserted solely for convenience and shall not be considered or given any effect in interpreting the Agreement or in ascertaining the intent of the Parties.

### **1802. Number and Gender**

In this Agreement words importing the singular include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders.

### **1803. Laws and Regulations**

Subject to Clauses 1804 and 1815, this Agreement and the rights and obligations of the Parties are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

### **1804. Applicable Laws**

This Agreement shall be construed in accordance with the laws of the Province of Alberta and each of the Parties submits to the jurisdiction of the courts of the Province of Alberta for the interpretation and enforcement hereof.

### **1805. Waivers**

A waiver of a provision of this Agreement, whether for future or past actions, shall not be binding upon a Party unless it is in writing and signed by its duly authorized representative(s), and such a waiver shall not operate as a waiver in the future of any provision, whether of a like or different character.

### **1806. Suits**

A Party who is sued on a cause of action allegedly arising out of operations under this Agreement shall forthwith notify the other Party.

### **1807. Further Assurances**

Producer and Operator shall do all such further acts and execute and deliver all such further deeds and documents as may be reasonably required in order to fully perform and carry out the terms of this Agreement.

### **1808. No Implied Covenants**

Producer and Operator have expressed their entire understanding and agreement concerning the subject matter of this Agreement and no implied covenant, condition,

term or reservation shall be read into this Agreement relating to or concerning such subject matter.

#### **1809. Notices**

All notices and other communications to be given in connection with this Agreement shall be in writing and shall be sufficiently given:

- (a) if delivered by hand or by courier to a Party at its address for service, such delivery shall be deemed received by the Party when actually delivered, if such delivery is during the Party's normal business hours, on any Day other than a Saturday, a Sunday or a statutory holiday. If such notice or other communication is not delivered during the Party's normal business hours, such notice or other communication shall be deemed to have been received by the Party on the Day next following the date of delivery, other than a Saturday, Sunday or a statutory holiday;
- (b) except during any period of actual or impending postal disruption, if sent by first class mail, or by airmail if sent from outside Canada or the United States, postage prepaid, to a Party at its address for service, such mailing shall be deemed received by the Party on the fourth Day following the date of mailing (Saturday, Sundays and statutory holidays excepted). However, if postal service is interrupted or operating with unusual or imminent delay, such notice or other communication shall not be sent by such means during such interruption or period of delay; and
- (c) to a Party which has provided a direct telecommunication number as part of its address for service, if sent by telecommunication to the Party's designated telecommunication number, such transmission shall be deemed received by the Party when actually received, if such transmission is during the Party's normal business hours on any Day other than a Saturday, a Sunday or a statutory holiday. If such notice or other communication is not received during the Party's normal business hours, such notice or other communication shall be deemed to have been received by the Party on the Day next following the date of transmission, other than a Saturday, a Sunday or a statutory holiday.

For the purposes of this Clause 1809, the address for service for each Party initially shall be as set forth in Exhibit "E". A Party may change its address for service by giving written notice thereof to the other Party.

#### **1810. Enuring Clause**

This Agreement shall enure to the benefit of and be binding upon Owner and Contractor and their respective successors and permitted assigns.

#### **1811. Supersedes Prior Agreements**

As of the Effective Date, this Agreement shall govern the relationship of the Parties and supersedes all other agreements, documents, writings and verbal understandings and representations between the Parties in relation to the operation of the Wells/Facilities.

**1812. Assignment**

Neither Party shall assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding this requirement, either Party may assign this Agreement to an Affiliate without the prior consent of the other Party.

**1813. Amendment**

Subject to Clause 302 and 1809, a written agreement by both Contractor and Owner is required to amend this Agreement.

**1814. Time of the Essence**

Time is of the essence in this Agreement.

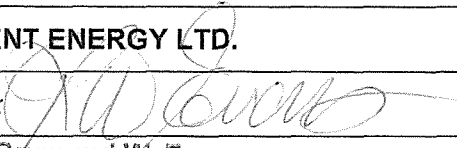
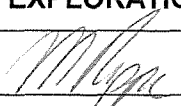
**1815. Statute of Limitations**

The two (2) year period for seeking a remedial order under section 3(1)(a) of the *Limitations Act*, R.S.A. 2000 c. L-12, including any amendments to or replacements of the Act, for any claim (as defined in that Act) arising in connection with this Agreement is extended to:

- (a) for claims disclosed by an audit, two (2) years after the time this Agreement permitted that audit to be performed; or
- (b) for all other claims, four (4) years.

# PROVIDENT FILE COPY

**IN WITNESS WHEREOF the Parties have executed this Agreement each as of the Effective Date.**

<b>Operator:</b>	<b>Producer:</b>
<b>PROVIDENT ENERGY LTD.</b>	<b>TOURNAMENT EXPLORATION LTD.</b>
Signature: 	Signature: 
Title: <b>Raymond W. Evans</b> Joint Venture Administration, Team Leader	Title: <b>Mike Rippe</b> Vice President Operations
Date: <u>Feb 5/2009</u>	Date: <u>Feb 6, 09</u>

## Joint Venture Agreement Approval

Approved for Form Name:

(print) Fady Ahmad Initials FH Date Feb 4/09

Approved for Terms Name:

(print) Ruel Santos Initials RS Date Feb 5/09

This is the execution page of the "COW LAKE CONTRACT WELLS/FACILITIES OPERATING AGREEMENT" between **PROVIDENT ENERGY LTD.** and **TOURNAMENT EXPLORATION LTD.** Dated February 1, 2009.



**EXHIBIT "A"**

This is EXHIBIT "A" attached to and made part of  
**"COW LAKE Contract Wells/Facilities Contract Operating Agreement"**  
 Between PROVIDENT ENERGY LTD. and TOURNAMENT EXPLORATION LTD.

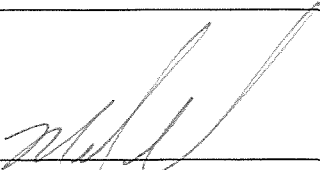

Dated February 1, 2009  
 Contract Number: **SA2907**

**Wells**

NAME	LOCATION/UWI
Tournex Ferrier 3-23-38-7	00/03-23-038-07W5/0
Tournex Ferrier 13-23-38-7	00/13-23-038-07W5/0
<b>Tournex 102 Ferrier 3-23-38-7</b>	<b>02/03-23-038-07W5/0</b>

**FACILITIES**

09-15-038-07W5 compressor

<i>*Use for revised exhibits*</i>	
 Storm Ventures International Inc. (Signature)	 Tournament Exploration Ltd. (Signature)

**Mike Rippe**  
**Vice President Operations**

Exhibit "A"

SA2907

Revision No.: 2

Revision Effective Date: May 1, 2010

## EXHIBIT "B"

This is EXHIBIT "B" attached to and made part of  
**"COW LAKE Contract Wells/Facilities Operating Agreement"**  
 Between ANGLE ENERGY INC. And TOURNAMENT EXPLORATION LTD.  
 Dated February 1, 2009 Contract Number: **SA2907**

**CONTRACT OPERATING FEE**

*The contract operating fee is intended to compensate Contractor for all expenses incurred in the performance of those operational services described in Exhibit "C" of this Agreement.*

Per Well per Month for all or any portion of a Month a Well is produced	<u>\$850.00</u>
Per Well per Month if a Well is shut-in for an entire Month	<u>\$300.00</u>
Per Facility per Month for all or any portion of a Month a Facility is operational	<u>\$2500.00</u>
Per Facility per Month if a Facility is shut-in for an entire Month	<u>NA</u>

*Well(s) completed and producing from more than one zone shall be considered separate producing Well(s) for each such zone. If any of the Well(s) are suspended indefinitely by submission of an S-4 to the Energy and Utilities Board and a copy is supplied to Contractor, then no charges shall be made for the Well(s).*

**OVERTIME**

Overtime will be charged per hour	<u>\$85.00</u>
Callouts will be charged per hour based on minimum 4 hours plus mileage at \$0.80 per km	<u>\$85.00</u>

**ADMINISTRATION FEE**

*The administration fee is intended to compensate Contractor for the cost of salaries, employee wages, benefits and expenses of all employees, other than those covered under the contract operating fee. Owner shall be responsible for all penalties imposed on Contractor by any regulatory authority resulting from Owner providing incorrect or untimely data to Contractor for production reporting purposes. \* This fee shall not apply if Owner sends Contractor a copy of the appropriate regulatory authority approved form evidencing formal suspension or abandonment of the Well in accordance with Article VII of this Agreement.*

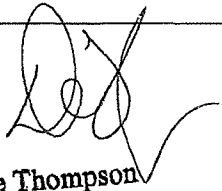
Per Well per Month for all or any portion of a Month a Well is produced	<u>\$275.00</u>
Per Well per Month if a Well is shut-in for an entire Month	<u>\$275.00</u>
Per Facility per Month for all or any portion of a Month a Facility is operational	<u>NA</u>
Per Facility per Month if a Facility is shut-in for an entire Month	<u>NA</u>

**Other Charges**

For supplies, services or materials purchased from a third party, where Owner is not invoiced directly, but invoices are paid on behalf of Owner by Contractor, Owner will pay Contractor for the actual costs plus 15% handling charge.

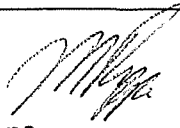
## EXHIBIT "B" Continued

\*Use for revised exhibits\*

  
**Duane Thompson**  
Manager, Production  
and Operations

---

Angle Energy Inc.  
(Signature)

  
**Mike Rippe**  
Vice President Operations

---

Tournament Exploration Ltd.  
(Signature)

PROVIDENT FILE COPY

**EXHIBIT "C"**

This is EXHIBIT "C" attached to and made part of  
**"COW LAKE Contract Wells/Facilities Contract Operating Agreement "**  
 Between PROVIDENT ENERGY LTD. and TOURNAMENT EXPLORATION LTD.

Dated February 1, 2009

Contract Number: **SA2907**

**CONTRACTOR'S RESPONSIBILITIES FOR WELLS/FACILITIES****1.0 General Responsibilities**

- (a) Comply with reasonable instructions from Owner about operation of the Wells/Facilities, including meeting gas nominations and oil well allowables;
- (b) Establish and maintain communication, if required, with operators of related facilities on changes in operating conditions, plant or battery shut-down, and other matters affecting the operation of the Wells/Facilities;
- (c) Use reasonable efforts to maintain good relations with Cow Lake residents and government representatives;
- (d) Report to Owner on general operations of the Wells/Facilities on a periodic basis as reasonably requested by Owner;
- (e) Immediately report to Owner all unsafe conditions relating to the operation of the Wells/Facilities;
- (f) Supply labour, transportation and hand tools required for operation and maintenance of the Wells/Facilities;
- (g) Immediately report to Owner any indication of security problems at the site of the Wells/Facilities; and
- (h) Obtain from Owner prior approval for any expenditure expected to exceed \$2,500.00.

**2.0 Reporting Responsibilities**

- (a) Complete routine gauge and production reports daily;
- (b) Change gas charts and record results daily or as required;
- (c) Record the number of hours of any down-time each Day and the cause of the down-time in daily production or gauge reports (or specific down-time reports);
- (d) Provide all charts and operation and production summaries to Owner as reasonably requested by Owner;
- (e) Prepare and submit production reports to the appropriate government authority on behalf of Owner and furnish copies of these to Owner by the 25<sup>th</sup> Day of the following Month; and
- (f) In the event of any spill, release or discharge of any substance, Contractor shall:
  - (i) promptly notify Owner; and
  - (ii) if required by regulation, report the spill to the appropriate governmental and regulatory authorities.

- (g) prepare and submit waste manifest reports to the appropriate government authority on behalf of Owner.

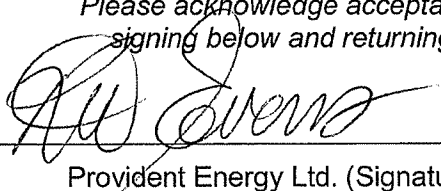
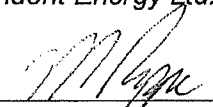
### **3.0 Operating Responsibilities**

- (a) Inspect the Wells/Facilities as required for safe and prudent operation;
- (b) Test Wells as required by Owner and report test results in daily reports;
- (c) Blow down Wells when required;
- (d) Notify Owner of any major maintenance or repairs necessary for continuous production in accordance with good operating practice and procedures;
- (e) Coordinate the hauling of fluids;
- (f) Keep accurate records of chemicals used;
- (g) Maintain water injection at specified rates keeping accurate records on volumes and pressures and reporting at intervals as directed by Owner; and
- (h) Monitor and control production from the Wells/Facilities to meet gas nominations or oil allowables as requested by Owner.

### **4.0 Routine Maintenance and Servicing Responsibilities**

- (a) Conduct or supervise general maintenance and regular housekeeping routines in accordance with good oil and gas field practice;
- (b) Make minor repairs and adjustments on Wells/Facilities equipment;
- (c) Coordinate road maintenance and snow plowing required to maintain access to the Wells/Facilities;
- (d) Arrange for periodic samples for analysis and meter calibrations of the Wells at Owner's expense;
- (e) Maintain proper liquid levels, operating temperatures and pressures in all surface equipment;
- (f) Maintain all surface pumping equipment in efficient operating condition and specifically:
  - (i) maintain stuffing boxes,
  - (ii) install fan belts and drive belts,
  - (iii) maintain and replace or repair magnetos, carburetor and starting motors,
  - (iv) maintain and repair or replace ignition wires, cables and spark plugs,
  - (v) maintain glycol, methanol and chemical pumps,
  - (vi) keep tanks and pumping units clean and free from accumulated dirt and grease,
  - (vii) arrange to keep Well locations free from debris and weeds,
  - (viii) report worn or inoperative equipment to Owner, and

- (ix) space pumps properly by raising or lowering polish rods as directed by the Owner;
- (g) Comply with all preventative maintenance programs and safety programs specified by government agencies or Owner, including the Workplace Hazardous Materials Information System program.

<i>*Use for revised exhibits*</i>	
<i>Please acknowledge acceptance of this Exhibit revision, per Clause 302, by signing below and returning one original copy to Provident Energy Ltd..</i>	
	
Provident Energy Ltd. (Signature)	Tournament Exploration Ltd. (Signature)

**Mike Rippe**  
**Vice President Operations**

**EXHIBIT "D"**

This is EXHIBIT "D" attached to and made part of  
**"COW LAKE Contract Wells/Facilities Contract Operating Agreement "**  
 Between PROVIDENT ENERGY LTD. and TOURNAMENT EXPLORATION LTD.  
 Dated February 1, 2009  
 Contract Number: SA2907

**INSURANCE REQUIREMENTS****1. Employees****(a) Contractor will:**

- (i) maintain, and require its subcontractors to maintain, a Workers' Compensation Board (WCB) account as an independent contractor;
- (ii) pay any assessment or contribution required under the Workers' Compensation Act (Alberta), or ordinance of the province or territory where the work under this Agreement is performed. Contractor will ensure that personal coverage is obtained for employers, partners, proprietors and directors involved in any aspect of the performance of the work under this Agreement. If Contractor fails to do so, Owner may, in addition to any other rights available under this Agreement or at law, deduct the amount of any assessment or contribution from any payment due or to become due to Contractor; and
- (iii) before starting work under this Agreement deliver to Owner, if requested by Owner, WCB certificates which show Contractor and its subcontractors have paid all required assessments and contributions. During the term of this Agreement, Owner may require further declaration that those assessments and contributions have been made.

- (b) If any of the Contractor's employees or subcontractors engaged in work under this Agreement, is not required, or fails to qualify for Workers' Compensation coverage for the work, Contractor will obtain and maintain employer's liability insurance covering each employee engaged in the work with limits of not less than \$2,000,000 per employee per occurrence of injury, death or disease.

**2. Comprehensive General Liability****(a) Contractor will obtain and maintain a comprehensive general liability insurance policy containing the following:**

- (i) provision for a combined single limit of not less than \$2,000,000 for each occurrence or accident;
- (ii) provision for coverage for bodily injury (including death at any time resulting from the injury) and personal injury sustained by any Person or

Persons and for injury to or destruction of property (including loss of use or occupancy) arising out of any work under this Agreement;

- (iii) provision for coverage for pollution liability, contractual liability, tortious liability, personal injury, contractor's protective liability, completed operations liability and occurrence basis property damage; and
- (iv) if aircraft or watercraft are to be used in the operation, aircraft and watercraft liability insurance, covering all aircraft and watercraft, owned or non-owned, operated and licensed by Contractor, with a bodily injury, death (and passenger liability) and property damage limit of \$5,000,000 inclusive or \$1,000,000 per passenger seat, whichever is greater.

### 3. Automobile

When not otherwise covered by Contractor's comprehensive general liability policy, Contractor will obtain and maintain automobile liability insurance covering all motor vehicles, owned or non-owned, operated, used and leased or hired by Contractor in connection with the work under this Agreement with an inclusive bodily injury, death and property damage limit per occurrence of not less than \$2,000,000.

### 4. Supplies and Equipment

Contractor will, where not otherwise covered by Contractor's comprehensive general liability policy, obtain and maintain "all risks" insurance covering all supplies, machinery, tools and equipment owned, hired or leased by Contractor in connection with the work under this Agreement with minimum policy limits of not less than the replacement value of those items. The insurance may be waived for items below \$10,000 in collective value.

### 5. Deductible

All deductibles are for the account of the Party responsible for them in accordance with the liability and indemnity provisions of this Agreement.

### 6. Waiver of Subrogation

Any insurance carried for this Agreement shall contain a waiver of the respective insurers of their rights of subrogation in favor of Owner, its directors, officers, employees, agents and subcontractors.

*\*Use for revised exhibits\**

*Please acknowledge acceptance of this Exhibit revision, per Clause 302, by signing below and returning one original copy to Provident Energy Ltd..*

Provident Energy Ltd. (Signature)

Tournament Exploration Ltd.  
(Signature)



**EXHIBIT E**

*to a Contract Wells/Facilities Operating Agreement effective February 1, 2009  
between Provident Energy Ltd. as Contractor and Tournament Exploration Ltd. as Owner*

**ADDRESS OF PARTIES**

<b>CONTRACTOR</b>	
ORLEN UPSTREAM CANADA LTD.	
Suite 400, 850 - 2 <sup>nd</sup> Street S.W.	
Calgary, Alberta	
T2P 0R8	
Attention:	Joint Venture
Phone Number:	403-265-4115
Fax Number:	403-232-8463
Email Address:	donna.jackman@orlenupstream.ca
Field Contact:	Chad Beauliua
Email Address:	chad.beauliua@orlenupstream.ca
Phone Number:	403-312-9064
Fax Number:	
GST Number:	87038 3759 RT0001

<b>OWNER</b>	
YANGARRA RESOURCES LTD.	
Suite 1530, 715 – 5 <sup>th</sup> Avenue S.W.	
Calgary, Alberta	
T2P 2X6	
Attention:	Joint Venture
Phone Number:	403-262-9558
Fax Number:	403-262-8281
Email Address:	
Field Contact:	
Email Address:	
Phone Number:	
Fax Number:	
GST Number:	

JV STRA016

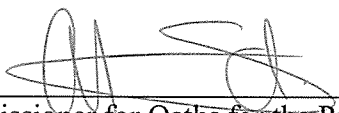
(Prev. Bellatrix JS00565 / Angle SV0565 / Provident SA2907)

Revision No.: 4

Effective: October 1, 2017

(Assigned to Yangarra from Manikot)

This is Exhibit "**B**", referred to in the  
Affidavit of **SEAN C. PADLEY**, sworn  
before me on the 18<sup>th</sup> day of November, 2020.

A handwritten signature in dark ink, appearing to read 'AS', is written over a horizontal line.

A Commissioner for Oaths for the Province of  
Alberta

Alison Scott  
Barrister and Solicitor  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta



**COW LAKE 03-16-38-7W5 COMPRESSION FACILITY  
AND GAS GATHERING SYSTEM**

**GAS HANDLING AGREEMENT**

**BETWEEN**

*Amended*  
**PROVIDENT ENERGY LTD.**

**AND**

**TOURNAMENT EXPLORATION LTD.**

**EFFECTIVE THE 1<sup>ST</sup> DAY OF FEBRUARY 2009**

**Contract No. SA2908**

*540567*

# COW LAKE 03-16-38-7W5 COMPRESSION FACILITY AND GAS GATHERING SYSTEM

## GAS HANDLING AGREEMENT

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EXHIBIT “A” – DESCRIPTION OF FACILITIES, SOURCES, PRIORITIES AND MAP

EXHIBIT “B” - SPECIFICATIONS FOR PRODUCER INLET SUBSTANCES

EXHIBIT “C” - HANDLING CHARGES FOR PRODUCER INLET SUBSTANCES

EXHIBIT “D” - ADDRESSES FOR SERVICE

**COW LAKE 03-16-38-7W5 COMPRESSION FACILITY AND GAS GATHERING SYSTEM  
GAS HANDLING AGREEMENT**

MEMORANDUM OF AGREEMENT made this 1<sup>st</sup> day of February 2009

**BETWEEN**

**PROVIDENT ENERGY LTD.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta, as operator of the facility ("Operator")

AND

**TOURNAMENT EXPLORATION LTD.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta, for and on behalf of the Source owners ("Producer")

(the "Agreement")

The purpose of this Agreement is to transport and compress Inlet Substances in the Cow Lake 03-16-38-7W5 Compression Facility and Gas Gathering System.

In consideration of the mutual covenants and conditions in this Agreement, the Parties agree as follows:

**ARTICLE I – DEFINITIONS**

101. Definitions

In this Agreement, including the recitals, definitions and Exhibits:

- (a) **"Affiliate"** means, with respect to a Party, any other Person which is affiliated with such Party, and for the purposes hereof:
  - (i) two (2) Persons will be considered to be affiliated with one another if one (1) of them controls the other, or if both of them are controlled by a common third Person, and
  - (ii) one (1) Person will be considered to control another Person if it has the power to direct or cause the direction of the management and policies of the other Person, whether directly or indirectly, through one (1) or more intermediaries or otherwise, and whether by virtue of the ownership of shares or other equity interests, the holding of voting rights or contractual rights, or otherwise;
- (b) **"Agreement"** means this Agreement including the recitals and Exhibits hereto, as may be amended from time to time;

- (c) "**Allocation Procedure**" means the procedure used at the Facility to allocate Outlet Substances to all Inlet Substances being handled at the Facility, as may be amended from time to time by the Facility owners;
- (d) "**Day**" means a period of time commencing at 08:00 local time on any calendar day and ending at 08:00 on the next calendar day or at such other time as may be agreed upon by the Parties;
- (e) "**Effective Date**" means the date first above written or, in the case of an Exhibit, the date on which the Exhibit becomes effective;
- (f) "**Facility**" means all real and personal property of every kind, nature and description which constitutes all facilities owned or controlled by the Operator as further described in Exhibit "A";
- (g) "**Facility Inlet**" means the point or points set forth in Exhibit "A" where Producer Inlet Substances first enter the Facility;
- (h) "**Facility Outlet**" means the point or points of delivery set forth in Exhibit "A", or as determined by the Operator in its sole discretion, where Outlet Substances exit the Facility;
- (i) "**Force Majeure**" means an occurrence beyond the reasonable control of a Party claiming suspension of an obligation, which has not been caused by such Party's negligence and which such Party was unable to prevent or provide against by the exercise of reasonable diligence at a reasonable cost and includes, without limiting the generality of the foregoing, an act of God, war, revolution, terrorism, insurrection, blockade, riot, strike, a lockout or other industrial disturbance, fire, lightning, unusually severe weather, storms, floods, explosion, accident, shortage of labour or materials, or government restraint, action, delay or inaction;
- (j) "**Gas**" means all natural gas, solution gas and any other gas, together with associated substances delivered to the Facility, and which may include but is not limited to sulphur and all fluid hydrocarbons not defined as crude oil under the provisions of the *Oil and Gas Conservation Act* and regulations and amendments or substitutions to the Act;
- (k) "**Inlet Substances**" means Gas and all associated substances delivered to the Facility for handling;
- (l) "**Interest Rate**" means the prime rate of interest as quoted in respect of commercial demand loans on the applicable day by the principal chartered bank in Canada used by Operator plus two percent (2%) per annum;
- (m) "**Losses and Liabilities**" means all claims, liabilities, actions, proceedings, demands, losses, costs, penalties, fines, death, injury or damages, whether contractual or tortious, and expenses, including reasonable legal fees and disbursements on a solicitor and its own client basis;

- (n) "**Month**" means a period of time commencing at the beginning of the first Day of a calendar month and ending at the beginning of the first Day of the next calendar month;
- (o) "**Outlet Substances**" means all substances which are recovered from Inlet Substances and are available for delivery at the Facility Outlet, but excluding such substances as are lost or consumed pursuant to Clause 604;
- (p) "**Owner Inlet Substances**" means Inlet Substances owned by a Facility owner;
- (q) "**Party**" means a Person who is bound by this Agreement;
- (r) "**Person**" means an individual, firm, body corporate, partnership or other entity, as the case may be;
- (s) "**Producer Inlet Substances**" means Inlet Substances owned or controlled by Producer and produced from the Sources but excludes Owner Inlet Substances from those Sources;
- (t) "**Producer Outlet Substances**" means Outlet Substances that are for the account of Producer in accordance with the Allocation Procedure;
- (u) "**Related Persons**" means a Party's Affiliates and the directors, officers, agents, contract staff, and employees of that Party or that Party's Affiliates;
- (v) "**Sources**" means the wells, facilities or lands described in Exhibit "A"; and
- (w) "**Year**" means a period commencing at the beginning of the first Day of January of each calendar year and ending at the beginning of the first Day of the next calendar year.

## ARTICLE II – EXHIBITS

### 201. Exhibits

The following Exhibits are attached to and incorporated in this Agreement:

- (a) Exhibit "A" sets forth the Sources from which Producer Inlet Substances will be handled in the Facility under the terms of this Agreement, the Facility, the Facility Inlet, the Facility Outlet, handling priorities, any restrictions on maximum volumes of Producer Inlet Substances, the Party responsible for operating the metering facilities, and a map illustrating the Facility and Sources;
- (b) Exhibit "B" sets forth the specifications for Producer Inlet Substances;
- (c) Exhibit "C" sets forth the charges for handling Producer Inlet Substances; and
- (d) Exhibit "D" sets forth the addresses for service of the Parties.

202. Revision of Exhibits

Operator and Producer may review Exhibit "A" from time to time and any revisions shall be mutually agreed upon. Operator may revise Exhibits "B" and "C" upon thirty (30) Days' written notice to Producer. Exhibit "D" may be revised in accordance with the provisions of Clause 1209. Exhibits that are revised shall show the Effective Date of the revision and shall be numbered consecutively. Operator shall, upon revision of any Exhibit, supply Producer with a copy of the revised Exhibit. If Operator becomes aware of a mistake or mechanical error in any Exhibit, Operator shall prepare a corrected Exhibit and supply Producer with a copy of the corrected Exhibit.

203. Conflicts

If a provision of an Exhibit conflicts with a provision in the body of this Agreement, the latter shall prevail.

### **ARTICLE III – ACCEPTANCE AND DELIVERY**

301. Acceptance and Delivery of Producer Inlet Substances

- (a) Subject to all other terms and conditions of this Agreement, Producer shall, at its sole cost, risk and expense, deliver, or cause to be delivered, Producer Inlet Substances to Operator at the Facility Inlet, and the Operator shall accept and handle Producer Inlet Substances and deliver Producer Outlet Substances to the Facility Outlet.
- (b) Any costs borne by Operator for tie-in of Producer Inlet Substances, including, without limitation, performing supervisory or administrative functions or supplying labour or materials for tie-in of Producer Inlet Substances, plus 15% of such costs, shall be reimbursed by Producer to Operator in accordance with Article VII following receipt by Producer of a statement of account outlining in reasonable detail the nature of such costs. Producer shall indemnify Operator for the cost of any fluids lost during tie-in.
- (c) Subject to Clause 706, Operator shall not acquire title to Producer Inlet Substances but shall only have possession of Producer Inlet Substances for the purposes mentioned in this Agreement.
- (d) Producer warrants that it has the authority to deliver Producer Inlet Substances to the Facility for handling as provided in this Agreement, and Producer covenants and agrees to indemnify and hold Operator and its Related Persons harmless from and against any and all Losses and Liabilities arising from any Person claiming an interest in the Producer Inlet Substances or the Producer Outlet Substances.
- (e) Operator warrants that it has the authority to accept Producer Inlet Substances at the Facility for handling as provided in this Agreement, and Operator covenants and agrees to indemnify and hold Producer and its Related Persons harmless from and against any and all Losses and Liabilities arising from any Person having an interest in the Facility claiming that the Operator is not duly authorized to perform its duties under this Agreement.



- (f) Operator shall be entitled to commingle Producer Inlet Substances with any other Inlet Substances.

302. Commencement of Handling

The handling of Producer Inlet Substances shall commence when:

- (a) Producer and Operator have installed, or have caused to be installed, all equipment necessary to effect the acceptance of Producer Inlet Substances at the Facility Inlet;
- (b) Producer and Operator have obtained, or have caused to be obtained, all necessary permits and approvals to produce, accept and handle Producer Inlet Substances and deliver Producer Outlet Substances;
- (c) Operator has advised Producer that it will accept deliveries of Producer Inlet Substances;
- (d) Producer has confirmed to Operator that all arrangements for the reporting and disposition of Producer Outlet Substances beyond the Facility Outlet have been made; and
- (e) Producer has complied with Operator's data requirements for all Sources.

303. Priority of Handling

Producer Inlet Substances will be handled to the extent that capacity is available in the Facility. If the Facility is unable to handle all Inlet Substances available for handling at the Facility on any one Day, acceptance of Inlet Substances by Operator at the Facility will be cut back using the priority system set out in Exhibit "A".

304. Specifications of Producer Inlet Substances

Producer Inlet Substances accepted at the Facility shall meet the specifications as set forth in Exhibit "B". If any Producer Inlet Substances delivered for acceptance at the Facility do not meet the specifications set forth in Exhibit "B", Operator may, at its sole discretion, acting reasonably, discontinue taking all or part of Producer Inlet Substances until such time that Producer Inlet Substances to be delivered for acceptance meet the specifications as set forth in Exhibit "B".

305. Temporary Capacity Limitations

Notwithstanding the provisions of this Article III, Operator, at its sole discretion, acting reasonably and without incurring any liability to Producer, reserves the right to refuse or limit acceptance of Producer Inlet Substances at the Facility Inlet when the Facility is shut down for maintenance or when Facility capacity is reduced by temporary operational difficulties or operating limitations, until such time as capacity is no longer restricted.

306. Notification of Cutbacks

Operator shall notify Producer as soon as reasonably possible if Producer Inlet Substances have been curtailed pursuant to Clauses 303, 304 or 305.

## ARTICLE IV – CHARGES

### 401. Handling Charges

The handling charges applicable to the total volume of Producer Inlet Substances shall be determined in accordance with Exhibit “C” and billed in accordance with Clause 701.

## ARTICLE V – MEASUREMENT

### 501. Metering Facilities

Producer shall, at its sole cost, risk and expense, install, or cause to be installed, metering facilities for the purpose of measuring volumes of Producer Inlet Substances accepted at the Facility Inlet. Such metering facilities shall meet Operator's specifications, shall be installed in a manner and at the location approved by Operator which will allow proper measurement and allocation of Producer Inlet Substances under the Allocation Procedure, and shall be maintained by and at the sole cost, risk and expense of Producer. Such metering facilities shall be physically operated by the Party designated in Exhibit “A”.

### 502. Accuracy

- (a) The accuracy of metering facilities shall be verified by the Party operating the metering facilities at the frequency specified in provincial regulations, or as reasonably required by the Operator for the Allocation Procedure, whichever is more frequent. The cost of such verification shall be borne by the Parties for their respective metering facilities. Metering facilities shall be open for witnessing of calibration or inspection by the other Party at all reasonable times. The Party performing the calibration or inspection will provide the other Party with at least forty-eight (48) hours' prior notice.
- (b) In case any question arises as to the accuracy of measurement, any metering facilities shall be tested upon demand of either Party and, if found to be correct or to be in error of not more than two percent (2%) with respect to Gas measurement, one and one-half percent (1 1/2%) with respect to equilibrium liquid measurement, or one-half of one per cent (1/2%) with respect to liquid measurement (referred to as the “Relevant Percentage”), the expense of such testing shall be borne by the Party requesting the test. If the accuracy of measurement is found to be incorrect by more than the Relevant Percentage, the expense of such testing shall be borne by the owner of those metering facilities.
- (c) If, upon any test, metering facilities are found to be in error of not more than the Relevant Percentage, previous readings of such metering facilities shall be considered correct in computing the volumes being metered, but such metering facilities shall be adjusted properly as soon as practicable to record accurately. If, upon any test, any metering facilities are found to be in error by any amount exceeding the Relevant Percentage, then any previous readings of such metering facilities shall be corrected to zero error for any previous period which is known definitely or is agreed upon, but in case the period is not known definitely or not agreed upon, such correction shall be for a period covering the last half of the time lapsed since the date of the last test.

- (d) In the event metering facilities are out of service or require repair, such that the volume being measured is not correctly indicated by the reading of the metering facilities, the volumes attributable to the period shall be estimated and agreed upon on the basis of the best data available, using the most appropriate of the following methods:
- (i) by using the registration of any check metering facilities, if installed and accurately registering; or
  - (ii) by correcting the error if the percentage of error is ascertainable by calibrations, tests or mathematical calculations; or
  - (iii) by estimating on the basis of actual volumes measured during the preceding periods under similar conditions when the metering facilities were registering accurately.

503. Units of Volume and Weight

The standards of measurements shall be governed by the following:

- (a) the unit of volume of gas for purposes of measurement shall be one thousand cubic metres ( $10^3\text{m}^3$ ) at a temperature of fifteen degrees Celsius ( $15^\circ\text{C}$ ) and an absolute pressure of one hundred one point three two five kilopascals (101.325 kPa);
- (b) the unit of volume of liquids for purposes of measurement shall be one cubic metre ( $1\text{m}^3$ ) as defined in the *Weights and Measures Act*, R.S.C. 1985 c. W-6, as amended; and
- (c) the unit of weight of solids for purposes of measurement shall be one tonne (1t) being one thousand kilograms (1000 kg).

504. Determination of Volumes

Volumes shall be determined in accordance with prevailing regulatory requirements relating to the measurement of upstream petroleum industry fluids.

505. Assumed Atmospheric Pressure

For the purposes of measurement and meter calibration, the atmospheric pressure at the point of measurement shall be assumed to be constant considering the actual elevation or location of any of the metering facilities above sea level and irrespective of variations in the atmospheric pressure from time to time.

506. Analysis of Producer Inlet Substances

- (a) Producer shall provide, or cause to be provided, to Operator samples of Producer Inlet Substances at the Facility Inlet or other points at startup or as soon thereafter as possible and at such intervals as Operator may reasonably require, depending upon the magnitude of the compositional variances. Gas and liquid samples shall be analyzed by gas-liquid chromatography or any other method consistent with normal industry practice. The samples so taken shall be analyzed as reasonably required by Operator for use in the Allocation Procedure.

- (b) If it cannot be determined to the satisfaction of Producer and Operator that the Producer Inlet Substances can be sampled in a single phase, the liquid and gaseous portions shall be separated before sampling. Analysis of each sample shall be made and the analysis recombined in proportion to the liquid and gas flow rates to give a recombined analysis. The recombined analysis shall indicate the molecular percentage of the stream in a manner consistent with the Allocation Procedure. Volumes of gaseous and liquid production shall be measured as per the provisions of this Article V.
- (c) Operator shall have the right to have a representative present at the time that samples of Producer Inlet Substances are taken. Producer shall provide Operator with forty-eight (48) hours' prior notice of the sampling. Should Operator not have a representative present, the results of the sampling shall nevertheless be considered accurate until the next test.
- (d) If an error in analysis becomes evident, either as a result of sampling or analysis technique or for any other reason, so that the components being measured are not correctly reported, the previously used analysis shall be again used until such time as a consistent trend is evident.
- (e) The cost of sampling and analysis shall be paid by Producer.

## **ARTICLE VI – OWNERSHIP AND DISPOSITION OF OUTLET SUBSTANCES**

### **601. Producer's Share of Outlet Substances**

- (a) The volumes of Outlet Substances allocated to Producer shall be determined each Month in a manner consistent with the Allocation Procedure.
- (b) Producer shall own and at its sole cost, risk and expense shall take in kind or separately dispose of the Producer Outlet Substances.
- (c) Producer shall provide, or cause to be provided, to Operator, by the tenth (10th) Day of each Month, or as may be required by governing regulations, a statement of the total volume of Producer Inlet Substances accepted at the Facility Inlet for the preceding Month and details of any changes in ownership of Producer Inlet Substances or Sources. Further, Producer acknowledges its obligation to provide or cause to be provided to Operator, on a timely basis, all production data and information as may be required for the preparation of statements pursuant to Subclause 601(e).
- (d) (i) If Producer fails to provide, or cause to be provided, Operator with sufficient information to perform allocations of Outlet Substances as specified under the Allocation Procedure, then Operator will use its reasonable judgment regarding the allocations. Producer shall be liable for, and indemnify Operator against, any penalties, costs or damages levied against the Operator as a result of allocation.

- (ii) Any costs incurred by Operator resulting from Producer's failure to provide production data and information under this Agreement, including but not limited to administrative costs for revising allocations, shall be paid by the Producer.
- (e) Operator shall, on or before the twenty-fifth (25th) Day of each Month, provide Producer with a statement showing the total volume of Producer Inlet Substances accepted at the Facility Inlet for the preceding Month and volume and heat content or composition of Outlet Substances derived from Producer Inlet Substances.
- (f) Producer and Operator shall preserve all original test data, charts, the Allocation Procedure and other similar records related to this Agreement for a period of at least seven (7) Years after the Year to which the data relates. Notwithstanding the foregoing, Operator and Producer shall retain any original test data, charts, the Allocation Procedure and other similar records related to this Agreement to which a query under Clauses 704 or 705 relates until all such queries are resolved.
- (g) Producer shall, within twenty-six (26) Months following the end of the Year to which the records relate, have the right to examine at all reasonable times the records of Operator relating to Clause 601.
- (h) Operator shall be entitled to deal only with Producer on all matters arising under this Agreement, including, without limitation, all reporting of deliveries and directions regarding the handling of Outlet Substances.

602. Delivery of Producer Outlet Substances

Operator shall deliver Producer Outlet Substances to Producer or to such Person as Producer designates at the Facility Outlet.

603. Failure to Take in Kind

- (a) If Producer fails to take or otherwise adequately dispose of Producer Outlet Substances, Operator may, at its sole option, so long as such failure continues, for the account and at the expense of Producer, sell on the open market or, if a purchaser is not available, store Producer Outlet Substances or cease to accept Producer Inlet Substances.
- (b) In the event of a failure to take in kind and a subsequent sale by Operator of Producer Outlet Substances, Operator shall remit to Producer within a reasonable period of time the proceeds of such sale less all direct costs of the sale and less a charge as specified in Exhibit "C".
- (c) The authority of Operator to enter into contracts for the sale of Producer Outlet Substances shall be restricted to contracts that are for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but not in excess of a one Month period. Subject to such contracts, Producer may commence or resume taking Producer Outlet Substances in kind at any time if it has given notice to Operator of at least thirty

(30) Days prior to the expiration of the current sales contract that it intends to take its share in kind.

**604. Volume Losses**

- (a) Operator shall have the right at any time, in its sole discretion and acting reasonably in accordance with industry practice, to flare, use or consume Producer Inlet Substances free of charge. Producer Inlet Substances flared as a discrete stream at the Facility Inlet shall be conclusively deemed not accepted at the Facility.
- (b) Producer shall bear its share of any losses suffered during a Month due to evaporation, flaring, fuel gas consumption or Force Majeure in accordance with the Allocation Procedure.
- (c) If and when it cannot be determined to whom a loss should be allocated, any such loss shall be borne by Producer in the proportion that the volume of Producer Inlet Substances handled through the Facility during the previous Day bears to the total volume of Inlet Substances handled through the Facility during the previous Day.

**605. Specifications of Outlet Substances**

Operator shall use reasonable efforts to ensure that Outlet Substances meet the specifications which are acceptable to the purchasers or carriers of Outlet Substances as of the Effective Date, or such other specifications as may be subsequently agreed upon by Operator and the purchasers or carriers.

**606. Measurement or Allocation Adjustments**

In the event of an adjustment in measurement or allocation to Producer Outlet Substances, adjustments shall be made using;

- (a) for gas, the arithmetic average price for the Month for which the adjustment is required as listed in the table "Daily Spot Gas Price at AECO C & NOVA Inventory Transfer" in the Canadian Gas Price Reporter less the NOVA tolls (3 year toll) at the NOVA meter station and less NOVA fuel; and
- (b) for liquids, the average of the Edmonton Posted Prices for the Month for which the adjustment is required, adjusted for transportation and fractionation based on the pipeline tariff for transportation and the Ethane Plus Systems Trading Agreement, April 1, 1985 ("EPSTA") fractionation rate in effect during that Month.

**ARTICLE VII – BILLINGS AND PAYMENT**

**701. Billings**

Operator shall bill Producer on or before the thirtieth (30th) Day of each Month for the charges payable by Producer attributable to the handling of Producer Inlet Substances for the preceding Month, determined in accordance with Exhibit "C". Producer shall pay all bills which become payable pursuant to this Agreement within thirty (30) Days after receiving them. If Producer fails to pay a bill within the said thirty (30) Day period, the unpaid amount shall, at Operator's option, bear interest following such thirty (30) Day

period at the Interest Rate regardless of whether or not Operator has notified Producer in advance of its intention to charge interest with respect to that unpaid amount. The obligation to pay interest with respect to a default is to apply until such default is rectified and shall not merge into a judgment for principal and interest, or either of them. In addition, Operator shall have the right at any time thereafter, such default continuing, to enforce the remedies provided for in this Agreement.

702. Commingling of Funds

Subject to Clauses 603 and 706, funds received by Operator for the account of Producer which are in excess of the amounts payable under this Agreement are trust funds and are not to be used by Operator for its own purposes. Operator may commingle funds received by it under this Agreement with its own funds but such right to commingle is granted to Operator as an administrative aid in its duties under this Agreement and does not alter the characterization of such funds received by Operator as trust funds.

703. Books and Records

Operator will keep within Alberta true and correct books, accounts and records of the operations conducted at the Facility.

704. Correctness of Billings

Producer may protest or question the correctness of a bill, notwithstanding the payment of it, if such protest or question is made in writing to Operator, accompanied by reasonable supporting detail, within twenty-six (26) Months following the end of the Year in which the bill was presented; otherwise the bill shall be deemed conclusively to be correct except where the item is under dispute pursuant to Clause 705. Operator shall have ninety (90) Days following receipt of a query in which to provide documentation necessary to satisfy Producer of the correctness of the billing in question.

705. Audits

- (a) Subject to Subclause 705(b), Producer, upon reasonable notice in writing to Operator, shall have the right to audit the books, accounts and records of Operator to the extent necessary to verify the accuracy of any statement, charge or computation or demand made under or pursuant to any of the provisions of this Agreement for any Year within the twenty-four (24) Month period next following the end of such Year. Any claims of discrepancies shall be made in writing to Operator within two (2) Months of the completion of such audit. Operator shall respond to any claims of discrepancies within six (6) Months of receipt of such claims unless Operator requests and Producer agrees to an extension. Operator and Producer agree to act in good faith to resolve such claims. Each audit shall be conducted so as to cause a minimum of inconvenience to Operator.
- (b) Producer shall make every reasonable effort to conduct its audit at the same time as an audit conducted by the Facility owners. Furthermore, where two or more producers wish to conduct an audit, Producer shall make every reasonable effort to conduct its audit jointly with the other producers.

706. Remedies

Producer, in order to secure any indebtedness to Operator under this Agreement, hereby gives and grants to Operator a first lien and charge on Producer Inlet Substances and Producer Outlet Substances, to secure payment of any handling charge or other amount payable to Operator by Producer. In the event Producer defaults in payment of its bills and such default shall continue for five (5) Days after receipt of written demand from Operator, Operator may, without limiting Operator's other rights in this Agreement or otherwise held at law or in equity:

- (a) enforce such lien in any manner provided by the laws governing this Agreement;
- (b) discontinue handling of Producer Inlet Substances until such time as the indebtedness is paid;
- (c) set-off against the amount unpaid by Producer any sums due or accruing to Producer from Operator pursuant to this Agreement and from any other agreement between Operator and Producer, whether executed before or after the Effective Date;
- (d) maintain an action or actions for such unpaid amounts and interest thereon on a continuing basis as such amounts are payable but not paid by Producer, as if the obligation to pay such amounts and the interest thereon were liquidated demands due and payable on the relevant date such amounts were due to be paid, without any right or resort of such Producer to set-off or counter-claim;
- (e) treat the default as an immediate and automatic assignment to Operator of proceeds of the sale of such Producer Outlet Substances. Service of a copy of this Agreement upon a purchaser of such Producer Outlet Substances, together with written notice from Operator, shall constitute a written irrevocable direction by Producer to any such purchaser to pay to Operator the entire proceeds from any such sale and such purchaser is authorized by Producer to rely upon the statement of Operator as to the amount so owed to it by Producer. Operator shall apply all sums so collected against the unpaid amount (including any interest accrued thereon and any fee provided for in Clause 603(b) payable to Operator), and all sums so applied shall be considered as received from Producer, and any excess of such proceeds shall be paid by the Operator to the Producer within a reasonable period of time of receipt of proceeds; and
- (f) sell on the open market such quantity or quantities of Producer Outlet Substances as shall be sufficient to pay such indebtedness; provided, however, that such sale of Producer Outlet Substances shall first be made under the terms of any existing contracts for the sale of Producer Outlet Substances previously executed by Producer and in all cases subject to the charge pursuant to Subclause 603(b).

Should default occur, Producer shall be liable to the Operator for all reasonable expenses incurred by Operator to remedy such default, including legal costs on a solicitor and his own client basis, and other expenses in connection with obtaining satisfaction of the obligations of Producer. Such expenses shall bear interest calculated and payable in accordance with Clause 701 of this Agreement.



Books and records kept by Operator shall constitute proof of the existence and amount of such default, including the associated direct costs and charges pursuant to Clause 603.

707. Royalty Indemnification

Producer shall pay, or be responsible for the payment of, and shall indemnify Operator against liability for any and all royalties, overriding royalties, product payments, and any and all other payments chargeable against Producer Inlet Substances or Producer Outlet Substances.

708. Taxes

- (a) Producer shall pay all taxes, levies, assessments and like charges which may be imposed in respect of Producer Inlet Substances.
- (b) When Operator is required to charge Goods and Services Tax (GST), or similar value added tax, Operator's invoice shall include information prescribed by the Input Tax Credit Information Regulations under the *Excise Tax Act (Canada)*, or any information prescribed for a similar value added tax.

709. Insolvency

If Producer:

- (a) becomes bankrupt or insolvent, or commits or suffers any act of bankruptcy or insolvency;
- (b) is placed in receivership or a receiver/manager or person filling that role is appointed with respect to its property;
- (c) makes a compromise with or an assignment for the benefit of creditors;
- (d) seeks debtor relief protection under applicable legislation including without restricting the generality of the foregoing, the *Bankruptcy and Insolvency Act (Canada)* and the *Companies' Creditors Arrangement Act (Canada)*; or
- (e) is otherwise unable or unwilling to pay its debts as they fall due in the usual course of business,

Operator may, in its sole option, elect to terminate this Agreement upon five (5) Days' notice subject to Subclause 1001(b), or to demand immediate payment for all current invoiced amounts, plus estimated amounts that have accrued but have not yet been invoiced, and amounts that are estimated as likely to accrue in the remainder of the current Month and in the following Month. Producer shall pay these amounts within five (5) Days of receipt of Operator's written demand and shall continue to make prepayment for services as required by Operator prior to services being rendered.

## ARTICLE VIII – FORCE MAJEURE

801. Force Majeure

- (a) If a Party is prevented by Force Majeure from fulfilling any obligations, the obligations of that Party, insofar as its obligations are affected by the Force Majeure, shall be suspended while the Force Majeure continues to prevent the

performance of such obligation and for that time thereafter as that Party may reasonably require to commence to fulfill such obligation. A Party prevented from fulfilling any obligation by the Force Majeure shall promptly give the other Party notice of the Force Majeure and the affected obligations, including reasonably full particulars in respect of the Force Majeure.

- (b) The Party claiming suspension of an obligation as aforesaid shall promptly remedy the cause and effect of the applicable Force Majeure, insofar as it is reasonably able so to do, and such Party shall promptly give the other Party notice when the Force Majeure ceases to prevent the performance of the applicable obligation. However, the terms of settlement of any strike, lockout or other industrial disturbance shall be wholly at the discretion of such Party, and that Party shall not be required to accede to the demands of its opponents in any strike, lockout or industrial disturbance solely to remedy promptly the Force Majeure constituted by such action.
- (c) Notwithstanding anything contained in this Clause, lack of finances shall not be considered a Force Majeure nor shall any Force Majeure suspend any obligation for the payment of money.

## ARTICLE IX – LIABILITY AND INDEMNIFICATION

### 901. Liability and Indemnification

- (a) Operator and its Related Persons shall not be liable to Producer or its Related Persons for any Losses or Liabilities suffered or incurred by Producer resulting from or in any way attributable to or arising out of any act or omission, whether negligent or otherwise, of Operator or its Related Persons in the handling of Producer Inlet Substances except when and to the extent that such Losses and Liabilities are a direct result of, or are directly attributable to, the gross negligence or wilful misconduct of Operator or its Related Persons. Gross negligence shall not include any act or omission, insofar as it was done or not done in accordance with the written instructions or express concurrence of the Producer.
- (b) To the extent that the gross negligence or wilful misconduct condition described in Subclause 901(a) applies, Operator shall be solely liable for such Losses and Liabilities and, in addition, shall indemnify and save harmless Producer and its Related Persons from and against such Losses and Liabilities.
- (c) To the extent that the gross negligence or wilful misconduct condition described in Subclause 901(a) does not apply, Producer shall be solely liable for and indemnify and save harmless Operator and its Related Persons from and against any and all Losses and Liabilities relating to the handling of Producer Inlet Substances under this Agreement, including damage to the Facility caused by acceptance of Producer Inlet Substances which do not meet the specifications of Exhibit "B".
- (d) In no event shall the responsibility of either Party prescribed by this Clause 901 extend to losses suffered by the other Party respecting the loss or delay of production, including, without restricting the generality of the foregoing, loss of

profits or other consequential or indirect losses applicable to such loss or delay in production.

## **ARTICLE X – TERM**

### **1001. Term**

- (a) This Agreement shall commence as of the Effective Date and shall continue until terminated by either Party giving thirty (30) Days' prior notice to the other Party.
- (b) Notwithstanding the termination of this Agreement, the provisions respecting liability and indemnification, the settlement of accounts and the Operator's remedies, shall remain in full force and effect to the extent of any liabilities which may have accrued prior to the termination of this Agreement.

## **ARTICLE XI – DISPUTE RESOLUTION**

### **1101. Dispute Resolution**

The Parties will attempt to resolve any claim or dispute arising out of this Agreement through consultation and negotiation in good faith within the appropriate time periods as set out in this Agreement. If those attempts fail then either Party may refer the dispute for resolution through mediation, with costs of the mediation being shared equally by both Parties. If either Party refers a dispute for resolution through mediation, the other Party agrees to participate in the mediation. If the Parties cannot agree to a mediator, they shall have one appointed by the ADR Institute of Canada, Inc. or by a mutually acceptable substitute. However, either Party may terminate the mediation at any time upon giving reasonable notice to the other Party. If mediation fails or is terminated, then the Parties may agree to refer the matter to binding arbitration pursuant to the *Arbitration Act, R.S.A. 2000, c. A-43*, and any subsequent revisions to the Act, or a Party may resort to judicial proceedings to resolve the dispute.

## **ARTICLE XII – MISCELLANEOUS PROVISIONS**

### **1201. Interpretation**

The captions or headings used in this Agreement are inserted solely for convenience and shall not be considered or given any effect in interpreting the Agreement or in ascertaining the intent of the Parties.

### **1202. Number and Gender**

In this Agreement words importing the singular include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders.

### **1203. Laws and Regulations**

Subject to Clauses 1204 and 1214, this Agreement and the rights and obligations of the Parties are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

1204. Applicable Laws

This Agreement shall be construed in accordance with the laws of the Province of Alberta and each of the Parties submits to the jurisdiction of the courts of the Province of Alberta for the interpretation and enforcement hereof.

1205. Waivers

A waiver of a provision of this Agreement, whether for future or past actions, shall not be binding upon a Party unless it is in writing and signed by its duly authorized representative(s), and such a waiver shall not operate as a waiver in the future of any provision, whether of a like or different character.

1206. Suits

A Party who is sued on a cause of action allegedly arising out of operations under this Agreement shall forthwith notify the other Party.

1207. Further Assurances

Producer and Operator shall do all such further acts and execute and deliver all such further deeds and documents as may be reasonably required in order to fully perform and carry out the terms of this Agreement.

1208. No Implied Covenants

Producer and Operator have expressed their entire understanding and agreement concerning the subject matter of this Agreement and no implied covenant, condition, term or reservation shall be read into this Agreement relating to or concerning such subject matter.

1209. Notices

All notices and other communications to be given in connection with this Agreement shall be in writing and shall be sufficiently given:

- (a) if delivered by hand or by courier to a Party at its address for service, such delivery shall be deemed received by the Party when actually delivered if such delivery is during the Party's normal business hours on any Day other than a Saturday, a Sunday or a statutory holiday. If such notice or other communication is not delivered during the Party's normal business hours, such notice or other communication shall be deemed to have been received by the Party on the Day next following the date of delivery, other than a Saturday, Sunday or a statutory holiday;
- (b) except during any period of actual or impending postal disruption, if sent by first class mail or by airmail if sent from outside Canada or the United States, postage prepaid, to a Party at its address for service, such mailing shall be deemed received by the Party on the fourth Day following the date of mailing (Saturday, Sundays and statutory holidays excepted). However, if postal service is interrupted or operating with unusual or imminent delay, such notice or other communication shall not be sent by such means during such interruption or period of delay; and

- (c) to a Party which has provided a direct telecommunication number as part of its address for service, if sent by telecommunication to the Party's designated telecommunication number such transmission shall be deemed received by the Party when actually received if such transmission is during the Party's normal business hours on any Day other than a Saturday, a Sunday or a statutory holiday. If such notice or other communication is not received during the Party's normal business hours, such notice or other communication shall be deemed to have been received by the Party on the Day next following the date of transmission, other than a Saturday, a Sunday or a statutory holiday.

For the purposes of this Clause 1209, the address for service for each Party initially shall be as set forth in Exhibit "D". A Party may change its address for service by giving written notice to the other Party.

1210. Enuring Clause

This Agreement shall enure to the benefit of and be binding upon Producer and Operator and their respective successors and permitted assigns.

1211. Supersedes Prior Agreements

As of the Effective Date, this Agreement shall govern the relationship of the Parties and supersedes all other agreements, documents, writings and verbal understandings and representations between the Parties in relation to the handling of Producer Inlet Substances in the Facility.

1212. Assignment

Neither Party shall assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding this requirement, either Party may assign this Agreement to an Affiliate without the prior consent of the other Party.

1213. Time of the Essence

Time is of the essence in this Agreement.

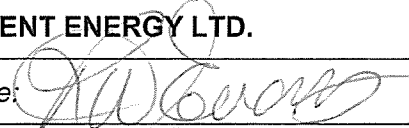
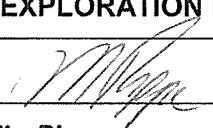
1214. Statute of Limitations

The two (2) year period for seeking a remedial order under section 3(1)(a) of the *Limitations Act*, R.S.A. 2000 c. L-12, including any amendments to or replacements of the Act, for any claim (as defined in that Act) arising in connection with this Agreement is extended to:

- (a) for claims disclosed by an audit, two (2) years after the time this Agreement permitted that audit to be performed; or
- (b) for all other claims, four (4) years.

PROVIDENT FILE COPY

IN WITNESS WHEREOF the Parties have executed this Agreement each as of the Effective Date.

<b>Operator:</b>	<b>Producer:</b>
<b>PROVIDENT ENERGY LTD.</b>	<b>TOURNAMENT EXPLORATION LTD.</b>
Signature: 	Signature: 
Title: <b>Raymond W. Evans</b> Joint Venture Administration, Team Leader	Title: <b>Mike Rippe</b> Vice President Operations
Date: <i>Feb 5/2009</i>	Date: <i>Feb 6, 09</i>

#### Joint Venture Agreement Approval

Approved for Form Name:

(print) *Emily Alford* Initials *EA* Date *Feb 4/09*

Approved for Terms Name:

(print) *Rue/Switzer* Initials *RS* Date *Feb 5/09*

This is the execution page of the Agreement entitled Cow Lake 03-16-38-7W5 Compression Facility and Gas Gathering System Gas Handling Agreement between Provident Energy Ltd. and Tournament Exploration Ltd. dated as of and effective the 1<sup>st</sup> day of February 2009.

# EXHIBIT A

THIS IS EXHIBIT "A"  
ATTACHED TO AND MADE PART OF A  
GAS HANDLING AGREEMENT BETWEEN  
PROVIDENT ENERGY LTD. AND TOURNAMENT EXPLORATION LTD.  
DATED AND EFFECTIVE THE 1<sup>ST</sup> DAY OF FEBRUARY, 2009

## DESCRIPTION OF FACILITIES, SOURCES AND PRIORITIES

### 1. Facility Description

FACILITY NAME AND DESCRIPTION	FACILITY INLET (legal location)	FACILITY OUTLET (legal location)
<b>Strachan Gathering Line</b> Lic. No. 32373 Line 1	15-09-038-07 W5M	03-16-038-07 W5M
<b>Cow Lake Compressor</b> ABCS0006745	03-16-038-07 W5M	03-16-038-07 W5M
<b>Strachan Sales Gas Line</b> Lic. No. 31573 Line 3	03-16-038-07 W5M	06-30-037-07 W5M
<b>Strachan Sales Condensate Line</b> Lic. No. 31574 Line 3	03-16-038-07 W5M	06-30-037-07 W5M

### 2. Operation of Metering Facilities

The metering facilities referred to in clause 501 shall be operated by Operator.

### 3. Sources

SOURCE U.W.I.	SURFACE LOCATION	FACILITY INLET	OWNERSHIP
100/03-23-038-07W5/00	03-23-038-07W5	15-09-038-07 W5M	100%
102/03-23-038-07W5/00	03-23-038-07W5	15-09-038-07 W5M	100%

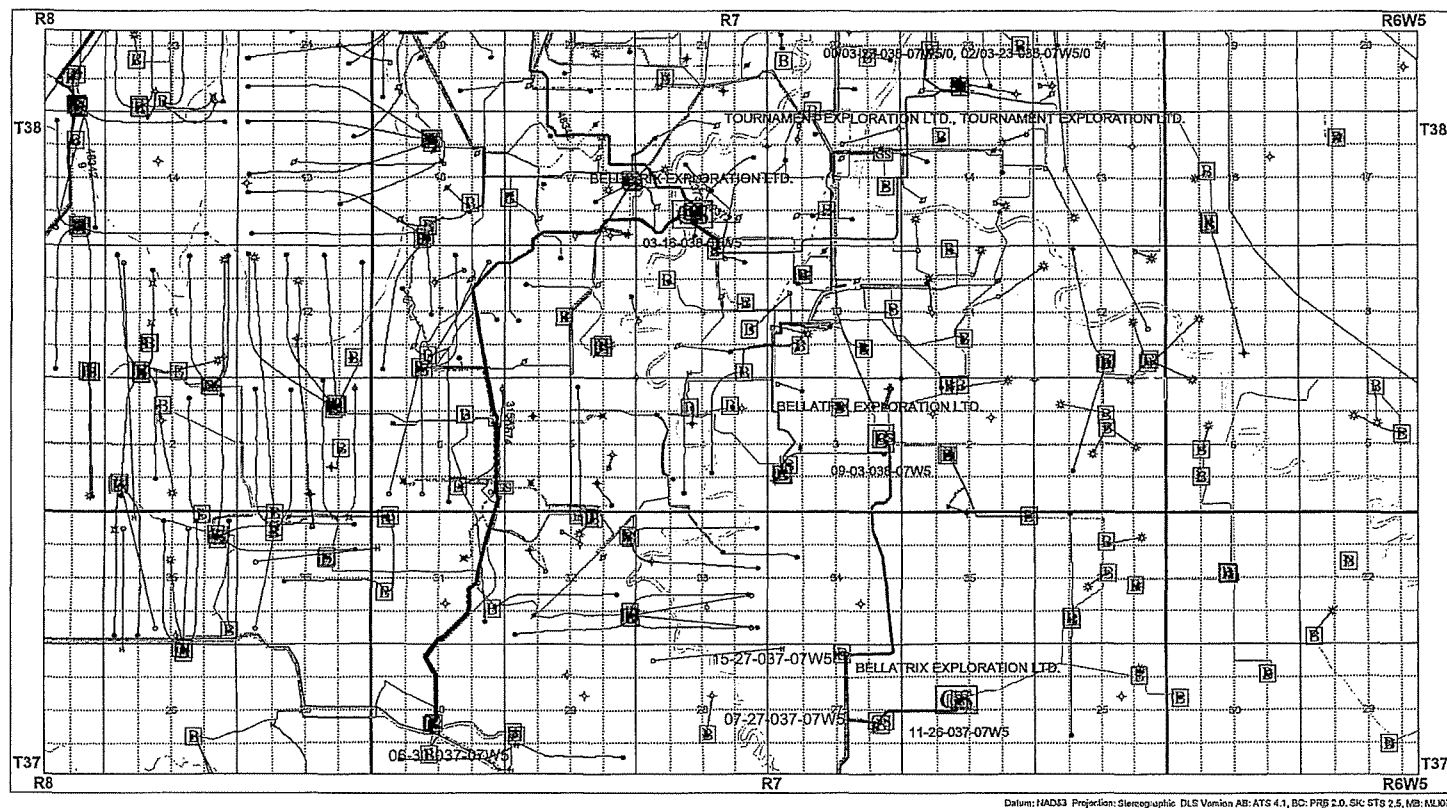
### 4. Handling Priority

Producer Inlet Substances will be handled on a reasonable efforts basis to the extent that capacity is available in the Facility. If the Facility is unable to handle all Inlet Substances available for delivery to the Facility on any one Day, acceptance of Inlet Substances by Operator at the Facility will be cut back at Operator's discretion.

### 5. Restrictions on Producer Inlet Substances

None

## 6. Map





## EXHIBIT B

**THIS IS EXHIBIT "B"**  
**ATTACHED TO AND MADE PART OF A**  
**GAS HANDLING AGREEMENT BETWEEN**  
**PROVIDENT ENERGY LTD. AND TOURNAMENT EXPLORATION LTD.**  
**DATED AND EFFECTIVE THE 1<sup>ST</sup> DAY OF FEBRUARY 2009**

### **SPECIFICATIONS FOR PRODUCER INLET SUBSTANCES**

All Producer Inlet Substances delivered to the Facility Inlet shall:

- (a) be of a kind, quality and composition and at a temperature and pressure so as to be within the design and operating parameters of the Facility.
- (b) be free from substances in such quantities that may obstruct, damage or be detrimental to the operation of the Facility. Producer Inlet Substances shall be also free of substances that may result in Outlet Substances having objectionable odors, solid matter, dust, gums and gum-forming constituents which might affect the marketability or cause injury to or interference with the proper operation on the lines, regulators, meters or other appliances through which such Outlet Substances flow.

*\*Use for revised exhibits\**

*Please acknowledge receipt of this Exhibit revision, per Clause 202, by signing below and returning one original copy to Provident Energy Ltd..*

\_\_\_\_\_  
 Provident Energy Ltd. (Signature)

\_\_\_\_\_  
 Tournament Exploration Ltd. (Signature)

## EXHIBIT C

THIS IS EXHIBIT "C"  
ATTACHED TO AND MADE PART OF A  
GAS HANDLING AGREEMENT BETWEEN  
ANGLE ENERGY INC. AND TOURNAMENT EXPLORATION LTD.  
DATED AND EFFECTIVE THE 1<sup>ST</sup> DAY OF FEBRUARY 2009

### HANDLING CHARGES FOR PRODUCER INLET SUBSTANCES

#### 1. Transportation Charge

The charge for transportation of each  $10^3\text{m}^3$  (or  $\text{m}^3$ ) of Producer Inlet Substances shall be

<u>Source</u>	<u>Gas Gathering</u> 15-09-038-07W5 to 03-16-038-07W5	<u>Gas Transmission</u> 03-16-038-07W5 to 06-30-037-07W5	<u>Condensate Transmission</u> 03-16-038-07W5 to 06-30-037-07W5
100/03-23-038-07W5/00	\$1.77/ $\text{e}^3\text{m}^3$	\$3.93/ $\text{e}^3\text{m}^3$	\$8.30/ $\text{m}^3$
102/03-23-038-07W5/00	\$1.77/ $\text{e}^3\text{m}^3$	\$3.93/ $\text{e}^3\text{m}^3$	\$8.30/ $\text{m}^3$

plus applicable federal and provincial value added taxes.

#### 2. Gas Handling Charge

The charge for handling of each  $10^3\text{m}^3$  of Producer Inlet Substances shall be

<u>Source</u>	<u>Dehydration</u> at 03-16-038-07W5	<u>Compression*</u> at 03-16-038-07W5
100/03-23-038-07W5/00	\$2.56/ $\text{e}^3\text{m}^3$	\$20.15/ $\text{e}^3\text{m}^3$
102/03-23-038-07W5/00	\$2.56/ $\text{e}^3\text{m}^3$	\$20.15/ $\text{e}^3\text{m}^3$

plus applicable federal and provincial value added taxes.

**\* NOTE: Compression fees are including fees for dehydration and only charged on a temporary basis when the Tournament Exploration Ltd. operated Compressor at 09-15-38-07W5 (ABGS0133895) is not in service.**

#### 3. Fuel Gas Charge

Producer will share in the fuel gas usage in the Facility in proportion to the volume of Inlet Substances delivered to the Facility.

4. **Other Charges**

Pursuant to Clause 603 of the Agreement, Producer shall be responsible for the following fees, as applicable, plus applicable federal and provincial value added taxes:

- (i) for Outlet Substances which are gas, the greater of 3% of the market netback price or \$500.00 per Month; and/or
- (ii) for Outlet Substances comprised of ethane, propane or butane, the greater of \$5.00/m<sup>3</sup> or \$500.00 per Month; and/or
- (iii) for Outlet Substances which are plant condensate, C<sub>5</sub> or C<sub>5</sub><sup>+</sup>, 2.5% of the market netback price; and/or
- (iv) for Outlet Substances which are sulphur, \$20.00/tonne to be subtracted from the market netback price (which market netback price may be positive or negative).

**EXHIBIT D**

*Attached to and made part of a Gas Handling Agreement effective February 1, 2009  
between Provident Energy Ltd..as Operator and Tournament Exploration Ltd.as Producer*

**ADDRESS OF PARTIES**

<b>OPERATOR</b>	
ORLEN UPSTREAM CANADA LTD. Suite 400, 850 - 2 <sup>nd</sup> Street S.W. Calgary, Alberta T2P 0R8	
Attention:	Joint Venture
Phone Number:	403-265-4115
Fax Number:	403-232-8463
Email Address:	donna.jackman@orlenupstream.ca
Field Contact:	Chad Beauliua
Email Address:	chad.beauliua@orlenupstream.ca
Phone Number:	403-312-9064
Fax Number:	
GST Number:	87038 3759 RT0001

<b>PRODUCER</b>	
YANGARRA RESOURCES LTD. Suite 1530, 715 – 5 <sup>th</sup> Avenue S.W. Calgary, Alberta T2P 2X6	
Attention:	Joint Venture
Phone Number:	403-262-9558
Fax Number:	403-262-8281
Email Address:	
Field Contact:	
Email Address:	
Phone Number:	
Fax Number:	
GST Number:	

JV STRA017  
(Prev. Bellatrix JS00567 / Angle SV0567 / Provident SA2908)  
Revision No.: 4  
Effective: October 1, 2017  
(Assinged to Yangarra from Manitok)

This is Exhibit "C", referred to in the Affidavit  
of **SEAN C. PADLEY**, sworn before  
me on the 18<sup>th</sup> day of November, 2020.

A handwritten signature in dark ink, appearing to read 'Alison Scott', written over a horizontal line.

A Commissioner for Oaths for the Province of  
Alberta

**Alison Scott**  
Barrister and Solicitor  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta

**FERRIER AREA**

**GAS HANDLING AGREEMENT**

**BETWEEN**

**ANGLE ENERGY INC.**

**AND**

**TOURNAMENT EXPLORATION LTD.**

**EFFECTIVE MARCH 1, 2012**

**Contract No. SV0644**

**FERRIER**  
**GAS HANDLING AGREEMENT**

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**EXHIBIT "A" – DESCRIPTION OF FACILITIES, SOURCES AND PRIORITIES**

**EXHIBIT "B" - SPECIFICATIONS FOR PRODUCER INLET SUBSTANCES**

**EXHIBIT "C" - HANDLING CHARGES FOR PRODUCER INLET SUBSTANCES**

**EXHIBIT "D" - ADDRESSES FOR SERVICE**

**FERRIER**  
**GAS HANDLING AGREEMENT**

MEMORANDUM OF AGREEMENT made as of March 1, 2012

**BETWEEN**

**ANGLE ENERGY INC.**, a body corporate having an office in the City of Calgary, in the Province of Alberta, for and on behalf of the Facility owners ("Operator")

**AND**

**TOURNAMENT EXPLORATION LTD.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta, for and on behalf of the Source owners ("Producer")

(the "Agreement")

The purpose of this Agreement is to document the terms and conditions under which Inlet Substances produced from Sources owned or controlled by Producer will be handled in the Facility.

In consideration of the mutual covenants and conditions in this Agreement, the Parties agree as follows:

**ARTICLE I**

**DEFINITIONS**

101. Definitions

In this Agreement, including the recitals, definitions and Exhibits:

- (a) **"Affiliate"** means, with respect to a Party, any other Person which is affiliated with such Party, and for the purposes hereof:
  - (i) two (2) Persons will be considered to be affiliated with one another if one (1) of them controls the other, or if both of them are controlled by a common third Person, and



- (ii) one (1) Person will be considered to control another Person if it has the power to direct or cause the direction of the management and policies of the other Person, whether directly or indirectly, through one (1) or more intermediaries or otherwise, and whether by virtue of the ownership of shares or other equity interests, the holding of voting rights or contractual rights, or otherwise.
- (b) **"Allocation Procedure"** means the procedure used at the Facility to allocate Outlet Substances to all Inlet Substances being handled at the Facility, as may be amended from time to time by the Facility owners;
- (c) **"Day"** means a period of time commencing at 08:00 local time on any calendar day and ending at 08:00 on the next calendar day or at such other time as may be agreed upon by the Parties;
- (d) **"Effective Date"** means the Date first above written or, in the case of an Exhibit, the Date on which the Exhibit becomes effective;
- (e) **"Facility"** means all real and personal property of every kind, nature and description which constitutes all facilities owned or controlled by the Operator as further described in Exhibit "A";
- (f) **"Facility Inlet"** means the point or points set forth in Exhibit "A" where Producer Inlet Substances first enter the Facility;
- (g) **"Facility Outlet"** means the point or points of delivery set forth in Exhibit "A", or as determined by the Operator in its sole discretion, where Outlet Substances exit the Facility;
- (h) **"Force Majeure"** means an occurrence beyond the reasonable control of a Party claiming suspension of an obligation, which has not been caused by such Party's negligence and which such Party was unable to prevent or provide against by the exercise of reasonable diligence at a reasonable cost and includes, without limiting the generality of the foregoing, an act of God, war, revolution, insurrection, blockade, riot, strike, a lockout or other industrial disturbance, fire, lightning, unusually severe weather, storms, floods, explosion, accident, shortage of labour or materials, or government restraint, action, delay or inaction;
- (i) **"Gas"** means all natural gas, solution gas and any other gas, together with associated substances delivered to the Facility, and which may include but is not limited to sulphur and all fluid hydrocarbons not defined as crude oil under the provisions of the *Oil and Gas Conservation Act* and regulations and amendments or substitutions to the Act;
- (j) **"Inlet Substances"** means Gas and all associated substances delivered to the Facility for handling;
- (k) **"Interest Rate"** means the prime rate of interest as quoted in respect of commercial demand loans on the applicable day by the principal chartered bank in Canada used by Operator plus two percent (2%) per annum;
- (l) **"Losses and Liabilities"** means all claims, liabilities, actions, proceedings, demands, losses, costs, penalties, fines, death, injury or damages, whether

contractual or tortious, and expenses, including reasonable legal fees and disbursements on a solicitor and its own client basis;

- (m) **"Month"** means a period of time commencing at the beginning of the first Day of a calendar month and ending at the beginning of the first Day of the next calendar month;
- (n) **"Outlet Substances"** means all substances which are recovered from Inlet Substances and are available for delivery at the Facility Outlet, but excluding such substances as are lost or consumed pursuant to Clause 604;
- (o) **"Owner Inlet Substances"** means Inlet Substances owned by a Facility owner;
- (p) **"Party"** means a Person who is bound by this Agreement;
- (q) **"Person"** means an individual, firm, body corporate or other legal entity, or partnership, as the case may be;
- (r) **"Producer Inlet Substances"** means Inlet Substances owned or controlled by Producer and produced from the Sources but excludes Owner Inlet Substances from those Sources;
- (s) **"Producer Outlet Substances"** means Outlet Substances that are for the account of Producer in accordance with the Allocation Procedure;
- (t) **"Related Persons"** means a Party's Affiliates and the directors, officers, agents, contract staff, and employees of that Party or that Party's Affiliates;
- (u) **"Sources"** means the wells, facilities or lands described in Exhibit "A"; and
- (v) **"Year"** means a period commencing at the beginning of the first Day of January of each calendar year and ending at the beginning of the first Day of the next calendar year.

## ARTICLE II

### EXHIBITS

#### 201. Exhibits

The following Exhibits are attached to and incorporated in this Agreement:

- (a) **Exhibit "A"** sets forth the Sources from which Producer Inlet Substances will be handled in the Facility under the terms of this Agreement, the Facility, the Facility Inlet, the Facility Outlet, handling priorities, any restrictions on maximum volumes of Producer Inlet Substances and the Party responsible for operating the metering facilities;
- (b) **Exhibit "B"** sets forth the specifications for Producer Inlet Substances;
- (c) **Exhibit "C"** sets forth the charges for handling Producer Inlet Substances; and
- (d) **Exhibit "D"** sets forth the addresses for service of the Parties.

202. Revision of Exhibits

Operator and Producer may review Exhibit "A" from time to time and any revisions shall be mutually agreed upon. Operator may revise Exhibits "B" and "C" upon thirty (30) Days' written notice to Producer. Exhibit "D" may be revised in accordance with the provisions of Clause 1209. Exhibits that are revised shall show the Effective Date of the revision and shall be numbered consecutively. Operator shall, upon revision of any Exhibit, supply Producer with a copy of the revised Exhibit. If Operator becomes aware of a mistake or mechanical error in any Exhibit, Operator shall prepare a corrected Exhibit and supply Producer with a copy of the corrected Exhibit.

203. Conflicts

If a provision of an Exhibit conflicts with a provision in the body of this Agreement, the latter shall prevail.

### **ARTICLE III**

#### **ACCEPTANCE AND DELIVERY**

301. Acceptance and Delivery of Producer Inlet Substances

- (a) Subject to all other terms and conditions of this Agreement, Producer shall, at its sole cost, risk and expense, deliver, or cause to be delivered, Producer Inlet Substances to Operator at the Facility Inlet, and the Operator shall accept and handle Producer Inlet Substances and deliver Producer Outlet Substances to the Facility Outlet.
- (b) Any costs borne by Operator for tie-in of Producer Inlet Substances, including, without limitation, performing supervisory or administrative functions or supplying labour or materials for tie-in of Producer Inlet Substances, plus 15% of such costs, shall be reimbursed by Producer to Operator in accordance with Article VII following receipt by Producer of a statement of account outlining in reasonable detail the nature of such costs. Producer shall indemnify Operator for the cost of any fluids lost during tie-in.
- (c) Subject to Clause 706, Operator shall not acquire title to Producer Inlet Substances but shall only have possession of Producer Inlet Substances for the purposes mentioned in this Agreement.
- (d) Producer warrants that it has the authority to deliver Producer Inlet Substances to the Facility for handling as provided in this Agreement, and Producer covenants and agrees to indemnify and hold Operator and its Related Persons harmless from and against any and all Losses and Liabilities arising from any Person claiming an interest in the Producer Inlet Substances or the Producer Outlet Substances.
- (e) Operator warrants that it has the authority to accept Producer Inlet Substances at the Facility for handling as provided in this Agreement, and Operator covenants and agrees to indemnify and hold Producer and its Related Persons harmless from and against any and all Losses and Liabilities arising from any

Person having an interest in the Facility claiming that the Operator is not duly authorized to perform its duties under this Agreement.

- (f) Operator shall be entitled to commingle Producer Inlet Substances with any other Inlet Substances.

### 302. Commencement of Handling

The handling of Producer Inlet Substances shall commence when:

- (a) Producer and Operator have installed, or have caused to be installed, all equipment necessary to effect the acceptance of Producer Inlet Substances at the Facility Inlet;
- (b) Producer and Operator have obtained, or have caused to be obtained, all necessary permits and approvals to produce, accept and handle Producer Inlet Substances and deliver Producer Outlet Substances;
- (c) Operator has advised Producer that it will accept deliveries of Producer Inlet Substances;
- (d) Producer has confirmed to Operator that all arrangements for the reporting and disposition of Producer Outlet Substances beyond the Facility Outlet have been made; and
- (e) Producer has complied with Operator's data requirements for all Sources.

### 303. Priority of Handling

Producer Inlet Substances will be handled to the extent that capacity is available in the Facility. If the Facility is unable to handle all Inlet Substances available for handling at the Facility on any one Day, acceptance of Inlet Substances by Operator at the Facility will be cut back using the priority set out in Exhibit "A".

### 304. Specifications of Producer Inlet Substances

Producer Inlet Substances accepted at the Facility shall meet the specifications as set forth in Exhibit "B". If any Producer Inlet Substances delivered for acceptance at the Facility do not meet the specifications set forth in Exhibit "B", Operator may, at its sole discretion, acting reasonably, discontinue taking all or part of Producer Inlet Substances until such time that Producer Inlet Substances to be delivered for acceptance meet the specifications as set forth in Exhibit "B".

### 305. Temporary Capacity Limitations

Notwithstanding the provisions of this Article III, Operator, at its sole discretion, acting reasonably and without incurring any liability to Producer, reserves the right to refuse or limit acceptance of Producer Inlet Substances at the Facility Inlet when the Facility is shut down for maintenance or when Facility capacity is reduced by temporary operational difficulties or operating limitations, until such time as capacity is no longer restricted.

306. Notification of Cutbacks

Operator shall notify Producer as soon as reasonably possible if Producer Inlet Substances have been curtailed pursuant to Clauses 303, 304 or 305.

## **ARTICLE IV**

### **CHARGES**

401. Handling Charges

The handling charges applicable to the total volume of Producer Inlet Substances shall be determined in accordance with Exhibit "C" and billed in accordance with Clause 701.

## **ARTICLE V**

### **MEASUREMENT**

501. Metering Facilities

Producer shall, at its sole cost, risk and expense, install, or cause to be installed, metering facilities for the purpose of measuring volumes of Producer Inlet Substances accepted at the Facility Inlet. Such metering facilities shall meet Operator's specifications, shall be installed in a manner and at the location approved by Operator which will allow proper measurement and allocation of Producer Inlet Substances under the Allocation Procedure, and shall be maintained by and at the sole cost, risk and expense of Producer. Such metering facilities shall be physically operated by the Party designated in Exhibit "A".

502. Accuracy

- (a) The accuracy of metering facilities shall be verified by the Party operating the metering facilities at the frequency specified in provincial regulations, or as reasonably required by the Operator for the Allocation Procedure, whichever is more frequent. The cost of such verification shall be borne by the Parties for their respective metering facilities. Metering facilities shall be open for witnessing of calibration or inspection by the other Party at all reasonable times. The Party performing the calibration or inspection will provide the other Party with at least forty-eight (48) hours' prior notice.
- (b) In case any question arises as to the accuracy of measurement, any metering facilities shall be tested upon demand of either Party and, if found to be correct or to be in error of not more than two percent (2%) with respect to Gas measurement, one and one-half percent (1 1/2%) with respect to equilibrium liquid measurement, or one-half of one per cent (1/2%) with respect to liquid measurement (referred to as the "Relevant Percentage"), the expense of such testing shall be borne by the Party requesting the test. If the accuracy of measurement is found to be incorrect by more than the Relevant Percentage, the expense of such testing shall be borne by the owner of those metering facilities.

- (c) If, upon any test, metering facilities are found to be in error of not more than the Relevant Percentage, previous readings of such metering facilities shall be considered correct in computing the volumes being metered, but such metering facilities shall be adjusted properly as soon as practicable to record accurately. If, upon any test, any metering facilities are found to be in error by any amount exceeding the Relevant Percentage, then any previous readings of such metering facilities shall be corrected to zero error for any previous period which is known definitely or is agreed upon, but in case the period is not known definitely or not agreed upon, such correction shall be for a period covering the last half of the time lapsed since the Date of the last test.
- (d) In the event metering facilities are out of service or require repair, such that the volume being measured is not correctly indicated by the reading of the metering facilities, the volumes attributable to the period shall be estimated and agreed upon on the basis of the best data available, using the most appropriate of the following methods:
  - (i) by using the registration of any check metering facilities, if installed and accurately registering; or
  - (ii) by correcting the error if the percentage of error is ascertainable by calibrations, tests or mathematical calculations; or
  - (iii) by estimating on the basis of actual volumes measured during the preceding periods under similar conditions when the metering facilities were registering accurately.

503. Units of Volume and Weight

The standards of measurements shall be governed by the following:

- (a) the unit of volume of gas for purposes of measurement shall be one thousand cubic metres ( $10^3\text{m}^3$ ) at a temperature of fifteen degrees Celsius ( $15^\circ\text{C}$ ) and an absolute pressure of one hundred one point three two five kilopascals (101.325 kPa);
- (b) the unit of volume of liquids for purposes of measurement shall be one cubic metre ( $1\text{m}^3$ ) as defined in the *Weights and Measures Act*, R.S.C. 1985 c. W-6, as amended; and
- (c) the unit of weight of solids for purposes of measurement shall be one tonne (1t) being one thousand kilograms (1000 kg).

504. Determination of Volumes

Volumes shall be determined in accordance with prevailing regulatory requirements relating to the measurement of upstream petroleum industry fluids.

505. Assumed Atmospheric Pressure

For the purposes of measurement and meter calibration, the atmospheric pressure at the point of measurement shall be assumed to be constant considering the actual elevation or

location of any of the metering facilities above sea level and irrespective of variations in the atmospheric pressure from time to time.

**506. Analysis of Producer Inlet Substances**

- (a) Producer shall provide, or cause to be provided, to Operator samples of Producer Inlet Substances at the Facility Inlet or other points at startup or as soon thereafter as possible and at such intervals as Operator may reasonably require, depending upon the magnitude of the compositional variances. Gas and liquid samples shall be analyzed by gas-liquid chromatography or any other method consistent with normal industry practice. The samples so taken shall be analyzed as reasonably required by Operator for use in the Allocation Procedure.
- (b) If it cannot be determined to the satisfaction of Producer and Operator that the Producer Inlet Substances can be sampled in a single phase, the liquid and gaseous portions shall be separated before sampling. Analysis of each sample shall be made and the analysis recombined in proportion to the liquid and gas flow rates to give a recombined analysis. The recombined analysis shall indicate the molecular percentage of the stream in a manner consistent with the Allocation Procedure. Volumes of gaseous and liquid production shall be measured as per the provisions of this Article V.
- (c) Operator shall have the right to have a representative present at the time that samples of Producer Inlet Substances are taken. Producer shall provide Operator with forty-eight (48) hours' prior notice of the sampling. Should Operator not have a representative present, the results of the sampling shall nevertheless be considered accurate until the next test.
- (d) If an error in analysis becomes evident, either as a result of sampling or analysis technique or for any other reason, so that the components being measured are not correctly reported, the previously used analysis shall be again used until such time as a consistent trend is evident.
- (e) The cost of sampling and analysis shall be paid by Producer.

**ARTICLE VI**

**OWNERSHIP AND DISPOSITION OF OUTLET SUBSTANCES**

**601. Producer's Share of Outlet Substances**

- (a) The volumes of Outlet Substances allocated to Producer shall be determined each Month in a manner consistent with the Allocation Procedure.
- (b) Producer shall own and at its sole cost, risk and expense shall take in kind or separately dispose of the Producer Outlet Substances.
- (c) Producer shall provide, or cause to be provided, to Operator, by the tenth (10th) Day of each Month, or as may be required by governing regulations, a statement of the total volume of Producer Inlet Substances accepted at the Facility Inlet for the preceding Month and details of any changes in ownership of Producer Inlet

Substances or Sources. Further, Producer acknowledges its obligation to provide or cause to be provided to Operator, on a timely basis, all production data and information as may be required for the preparation of statements pursuant to Subclause 601(e).

- (d) (i) If Producer fails to provide, or cause to be provided, Operator with sufficient information to perform allocations of Outlet Substances as specified under the Allocation Procedure, then the Operator will use its reasonable judgment regarding the allocations. Producer shall be liable for, and indemnify Operator against, any penalties, costs or damages levied against the Operator as a result of allocation.
- (ii) Any costs incurred by Operator resulting from Producer's failure to provide production data and information under this Agreement, including but not limited to administrative costs for revising allocations, shall be paid by the Producer.
- (e) Operator shall, on or before the twenty-fifth (25th) Day of each Month, provide Producer with a statement showing the total volume of Producer Inlet Substances accepted at the Facility Inlet for the preceding Month and volume and heat content or composition of Outlet Substances derived from Producer Inlet Substances.
- (f) Producer and Operator shall preserve all original test data, charts, the Allocation Procedure and other similar records related to this Agreement for a period of at least seven (7) Years after the Year to which the data relates. Notwithstanding the foregoing, Operator and Producer shall retain any original test data, charts, the Allocation Procedure and other similar records related to this Agreement to which a query under Clauses 704 or 705 relates until all such queries are resolved.
- (g) Producer shall, within twenty-six (26) Months following the end of the Year to which the records relate, have the right to examine at all reasonable times the records of Operator relating to Clause 601.
- (h) Operator shall be entitled to deal only with Producer on all matters arising under this Agreement, including, without limitation, all reporting of deliveries and directions regarding the handling of Outlet Substances.

#### 602. Delivery of Outlet Substances

Operator shall deliver Producer Outlet Substances to Producer or to such Person as Producer designates at the Facility Outlet.

#### 603. Failure to Take in Kind

- (a) If Producer fails to take or otherwise adequately dispose of Producer Outlet Substances, Operator may, at its sole option, so long as such failure continues, for the account and at the expense of Producer, sell on the open market or, if a purchaser is not available, store Producer Outlet Substances or cease to accept Producer Inlet Substances.



- (b) In the event of a failure to take in kind and a subsequent sale by Operator of Producer Outlet Substances, Operator shall remit to Producer within a reasonable period of time the proceeds of such sale less all direct costs of the sale and less a charge as specified in Exhibit "C".
- (c) The authority of Operator to enter into contracts for the sale of Producer Outlet Substances shall be restricted to contracts that are for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but not in excess of a one Month period. Subject to such contracts, Producer may commence or resume Producer Outlet Substances in kind at any time if it has given notice to Operator of at least thirty (30) Days prior to the expiration of the current sales contract that it intends to take its share in kind.

604. Volume Losses

- (a) Operator shall have the right at any time, in its sole discretion and acting reasonably in accordance with industry practice, to flare, use or consume Producer Inlet Substances free of charge. Producer Inlet Substances flared as a discrete stream at the Facility Inlet shall be conclusively deemed not accepted at the Facility.
- (b) Producer shall bear its share of any losses suffered during a Month due to evaporation, flaring, fuel gas consumption or Force Majeure in accordance with the Allocation Procedure.
- (c) If and when it cannot be determined to whom a loss should be allocated, any such loss shall be borne by Producer in the proportion that the volume of Producer Inlet Substances handled through the Facility during the previous Day bears to the total volume of Inlet Substances handled through the Facility during the previous Day.

605. Specifications of Outlet Substances

Operator shall use reasonable efforts to ensure that Outlet Substances meet the specifications which are acceptable to the purchasers or carriers of Outlet Substances as of the Effective Date, or such other specifications as may be subsequently agreed upon by Operator and the purchasers or carriers.

606. Measurement or Allocation Adjustments

In the event of an adjustment in measurement or allocation to Producer Outlet Substances, adjustments shall be made using;

- (a) for gas, the arithmetic average price for the Month for which the adjustment is required as listed in the table "Daily Spot Gas Price at AECO C & NOVA Inventory Transfer" in the Canadian Gas Price Reporter less the NOVA tolls (3 year toll) at the Nova meter station and less Nova fuel; and
- (b) for liquids, the average of the Edmonton Posted Prices for the Month for which the adjustment is required, adjusted for transportation and fractionation based on the pipeline tariff for transportation and the Ethane Plus Systems Trading

Agreement, April 1, 1985 ("EPSTA") fractionation rate in effect during that Month.

## **BILLINGS AND PAYMENT**

### **701. Billings**

Operator shall bill Producer on or before the thirtieth (30th) Day of each Month for the charges payable by Producer attributable to the handling of Producer Inlet Substances for the preceding Month, determined in accordance with Exhibit "C". Producer shall pay all bills which become payable pursuant to this Agreement within thirty (30) Days after receiving them. If Producer fails to pay a bill within the said thirty (30) Day period, the unpaid amount shall, at Operator's option, bear interest following such thirty (30) Day period at the Interest Rate regardless of whether or not Operator has notified Producer in advance of its intention to charge interest with respect to that unpaid amount. The obligation to pay interest with respect to a default is to apply until such default is rectified and shall not merge into a judgment for principal and interest, or either of them. In addition, Operator shall have the right at any time thereafter, such default continuing, to enforce the remedies provided for in this Agreement.

### **702. Commingling of Funds**

Subject to Clauses 603 and 706, funds received by Operator for the account of Producer which are in excess of the amounts payable under this Agreement are trust funds and are not to be used by Operator for its own purposes. Operator may commingle funds received by it under this Agreement with its own funds but such right to commingle is granted to Operator as an administrative aid in its duties under this Agreement and does not alter the characterization of such funds received by Operator as trust funds.

### **703. Books and Records**

Operator will keep within Alberta true and correct books, accounts and records of the operations conducted at the Facility.

### **704. Correctness of Billings**

Producer may protest or question the correctness of a bill, notwithstanding the payment of it, if such protest or question is made in writing to Operator, accompanied by reasonable supporting detail, within twenty-six (26) Months following the end of the Year in which the bill was presented; otherwise the bill shall be deemed conclusively to be correct except where the item is under dispute pursuant to Clause 705. Operator shall have ninety (90) Days following receipt of a query in which to provide documentation necessary to satisfy Producer of the correctness of the billing in question.

### **705. Audits**

(a) Subject to Subclause 705(b), Producer, upon reasonable notice in writing to Operator, shall have the right to audit the books, accounts and records of Operator to the extent necessary to verify the accuracy of any statement, charge or computation or demand

made under or pursuant to any of the provisions of this Agreement for any Year within the twenty-four (24) Month period next following the end of such Year. Any claims of discrepancies shall be made in writing to Operator within two (2) Months of the completion of such audit. Operator shall respond to any claims of discrepancies within six (6) Months of receipt of such claims unless Operator requests and Producer agrees to an extension.

Operator and Producer agree to act in good faith to resolve such claims. Each audit shall be conducted so as to cause a minimum of inconvenience to Operator.

(b) Producer shall make every reasonable effort to conduct its audit at the same time as an audit conducted by the Facility Owners. Furthermore, where two or more producers wish to conduct an audit, Producer shall make every reasonable effort to conduct its audit jointly with the other producers.

#### 706. Remedies

Producer, in order to secure any indebtedness to Operator under this Agreement, hereby gives and grants to Operator a first lien and charge on Producer Inlet Substances and Producer Outlet Substances, to secure payment of any handling charge or other amount payable to Operator by Producer. In the event Producer defaults in payment of its bills and such default shall continue for five (5) Days after receipt of written demand from Operator, Operator may, without limiting Operator's other rights in this Agreement or otherwise held at law or in equity:

- (a) enforce such lien in any manner provided by the laws governing this Agreement;
- (b) discontinue handling of Producer Inlet Substances until such time as the indebtedness is paid;
- (c) set-off against the amount unpaid by Producer any sums due or accruing to Producer from Operator pursuant to this Agreement and from any other agreement between Operator and Producer, whether executed before or after the Effective Date;
- (d) maintain an action or actions for such unpaid amounts and interest thereon on a continuing basis as such amounts are payable but not paid by Producer, as if the obligation to pay such amounts and the interest thereon were liquidated demands due and payable on the relevant Date such amounts were due to be paid, without any right or resort of such Producer to set-off or counter-claim;
- (e) treat the default as an immediate and automatic assignment to Operator of proceeds of the sale of such Producer Outlet Substances. Service of a copy of this Agreement upon a purchaser of such Producer Outlet Substances, together with written notice from Operator, shall constitute a written irrevocable direction by Producer to any such purchaser to pay to Operator the entire proceeds from any such sale and such purchaser is authorized by Producer to rely upon the statement of Operator as to the amount so owed to it by Producer. Operator shall apply all sums so collected against the unpaid amount (including any interest accrued thereon and any fee provided for in Clause 603(b) payable to Operator), and all sums so applied shall be considered as received from

Producer, and any excess of such proceeds shall be paid by the Operator to the Producer within a reasonable period of time of receipt of proceeds; and

- (f) sell on the open market such quantity or quantities of Producer Outlet Substances as shall be sufficient to pay such indebtedness; provided, however, that such sale of Producer Outlet Substances shall first be made under the terms of any existing contracts for the sale of Producer Outlet Substances previously executed by Producer and in all cases subject to the charge pursuant to Subclause Clause 603(b).

Should default occur, Producer shall be liable to the Operator for all reasonable expenses incurred by Operator to remedy such default, including legal costs on a solicitor and his own client basis, and other expenses in connection with obtaining satisfaction of the obligations of Producer. Such expenses shall bear interest calculated and payable in accordance with Clause 701 of this Agreement.

Books and records kept by Operator shall constitute proof of the existence and amount of such default, including the associated direct costs and charges pursuant to Clause 603.

#### 707. Royalty Indemnification

Producer shall pay, or be responsible for the payment of, and shall indemnify Operator against liability for any and all royalties, overriding royalties, product payments, and any and all other payments chargeable against Producer Inlet Substances or Producer Outlet Substances.

#### 708. Taxes

- (a) Producer shall pay all taxes, levies, assessments and like charges which may be imposed in respect of Producer Inlet Substances.
- (b) When Operator is required to charge Goods and Services Tax (GST), or similar value added tax, Operator's invoice shall include information prescribed by the Input Tax Credit Information Regulations under the *Excise Tax Act*, or any information prescribed for a similar value added tax.

#### 709. Insolvency

If Producer:

- (a) becomes bankrupt or insolvent, or commits or suffers any act of bankruptcy or insolvency;
- (b) is placed in receivership or a receiver/manager or person filling that role is appointed with respect to its property;
- (c) makes a compromise with or an assignment for the benefit of creditors;
- (d) seeks debtor relief protection under applicable legislation including without restricting the generality of the foregoing, the *Bankruptcy and Insolvency Act of Canada* and the *Companies' Creditors Arrangement Act of Canada*; or
- (e) is otherwise unable or unwilling to pay its debts as they fall due in the usual course of business,

Operator may, in its sole option, elect to terminate this Agreement upon five (5) Days' notice subject to Subclause 1001(b), or to demand immediate payment for all current invoiced amounts, plus estimated amounts that have accrued but have not yet been invoiced, and amounts that are estimated as likely to accrue in the remainder of the current Month and in the following Month. Producer shall pay these amounts within five (5) Days of receipt of Operator's written demand and shall continue to make prepayment for services as required by Operator prior to services being rendered.

## **ARTICLE VIII**

### **FORCE MAJEURE**

#### **801. Force Majeure**

- (a) If a Party is prevented by Force Majeure from fulfilling any obligations, the obligations of that Party, insofar as its obligations are affected by the Force Majeure, shall be suspended while the Force Majeure continues to prevent the performance of such obligation and for that time thereafter as that Party may reasonably require to commence to fulfill such obligation. A Party prevented from fulfilling any obligation by the Force Majeure shall promptly give the other Party notice of the Force Majeure and the affected obligations, including reasonably full particulars in respect of the Force Majeure.
- (b) The Party claiming suspension of an obligation as aforesaid shall promptly remedy the cause and effect of the applicable Force Majeure, insofar as it is reasonably able so to do, and such Party shall promptly give the other Party notice when the Force Majeure ceases to prevent the performance of the applicable obligation. However, the terms of settlement of any strike, lockout or other industrial disturbance shall be wholly at the discretion of such Party, and that Party shall not be required to accede to the demands of its opponents in any strike, lockout or industrial disturbance solely to remedy promptly the Force Majeure constituted by such action.
- (c) Notwithstanding anything contained in this Clause, lack of finances shall not be considered a Force Majeure nor shall any Force Majeure suspend any obligation for the payment of money.

## **ARTICLE IX**

### **LIABILITY AND INDEMNIFICATION**

#### **901. Liability and Indemnification**

- (a) Operator and its Related Persons shall not be liable to Producer or its Related Persons for any Losses or Liabilities suffered or incurred by Producer resulting from or in any way attributable to or arising out of any act or omission, whether negligent or otherwise, of Operator or its Related Persons in the handling of

Producer Inlet Substances except when and to the extent that such Losses and Liabilities are a direct result of, or are directly attributable to, the gross negligence or wilful misconduct of Operator or its Related Persons. Gross negligence shall not include any act or omission, insofar as it was done or not done in accordance with the written instructions or express written consent of the Producer.

- (b) To the extent that the gross negligence or wilful misconduct condition described in Subclause 901(a) applies, Operator shall be solely liable for such Losses and Liabilities and, in addition, shall indemnify and save harmless Producer and its Related Persons from and against such Losses and Liabilities.
- (c) To the extent that the gross negligence or wilful misconduct condition described in Subclause 901(a) does not apply, Producer shall be solely liable for and indemnify and save harmless Operator and its Related Persons from and against any and all Losses and Liabilities relating to the handling of Producer Inlet Substances under this Agreement, including damage to the Facility caused by acceptance of Producer Inlet Substances which do not meet the specifications of Exhibit "B".
- (d) In no event shall the responsibility of either Party prescribed by this Clause 901 extend to losses suffered by the other Party respecting the loss or delay of production, including, without restricting the generality of the foregoing, loss of profits or other consequential or indirect losses applicable to such loss or delay in production.

## **ARTICLE X**

### **TERM**

#### **1001. Term**

- (a) This Agreement shall commence as of the Effective Date and shall continue until terminated by either Party giving thirty (30) Days' prior notice to the other Party.
- (b) Notwithstanding the termination of this Agreement, the provisions respecting liability and indemnification, the settlement of accounts and the Operator's remedies, shall remain in full force and effect to the extent of any liabilities which may have accrued prior to the termination of this Agreement.

## **ARTICLE XI**

### **DISPUTE RESOLUTION**

#### **1101. Dispute Resolution**

The Parties will attempt to resolve any claim or dispute arising out of this Agreement through consultation and negotiation in good faith within the appropriate time periods as set out in this Agreement. If those attempts fail then either Party may refer the dispute for resolution through mediation, with costs of the mediation being shared equally by both Parties. If either Party refers a dispute for resolution through mediation, the other Party agrees to participate in

the mediation. If the Parties cannot agree to a mediator, they shall have one appointed by the Canadian Foundation for Dispute Resolution or successor. However, either Party may terminate the mediation at any time upon giving reasonable notice to the other Party. If mediation fails or is terminated, then the Parties may agree to refer the matter to binding arbitration pursuant to the *Arbitration Act*, and any subsequent revisions to the Act, or a Party may resort to judicial proceedings to resolve the dispute.

## ARTICLE XII

### **MISCELLANEOUS PROVISIONS**

#### 1201. Interpretation

The captions or headings used in this Agreement are inserted solely for convenience and shall not be considered or given any effect in interpreting the Agreement or in ascertaining the intent of the Parties.

#### 1202. Number and Gender

In this Agreement words importing the singular include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders.

#### 1203. Laws and Regulations

Subject to Clauses 1204 and 1214, this Agreement and the rights and obligations of the Parties are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

#### 1204. Applicable Laws

This Agreement shall be construed in accordance with the laws of the Province of Alberta and each of the Parties submits to the jurisdiction of the courts of the Province of Alberta for the interpretation and enforcement hereof.

#### 1205. Waivers

A waiver of a provision of this Agreement, whether for future or past actions, shall not be binding upon a Party unless it is in writing and signed by its duly authorized representative(s), and such a waiver shall not operate as a waiver in the future of any provision, whether of a like or different character.

#### 1206. Suits

A Party who is sued on a cause of action allegedly arising out of operations under this Agreement shall forthwith notify the other Party.

#### 1207. Further Assurances

Producer and Operator shall do all such further acts and execute and deliver all such further deeds and documents as may be reasonably required in order to fully perform and carry out the terms of this Agreement.

1208. No Implied Covenants

Producer and Operator have expressed their entire understanding and agreement concerning the subject matter of this Agreement and no implied covenant, condition, term or reservation shall be read into this Agreement relating to or concerning such subject matter.

1209. Notices

All notices and other communications to be given in connection with this Agreement shall be in writing and shall be sufficiently given:

- (a) if delivered by hand or by courier to a Party at its address for service, such delivery shall be deemed received by the Party when actually delivered if such delivery is during the Party's normal business hours on any Day other than a Saturday, a Sunday or a statutory holiday. If such notice or other communication is not delivered during the Party's normal business hours, such notice or other communication shall be deemed to have been received by the Party on the Day next following the Date of delivery, other than a Saturday, Sunday or a statutory holiday;
- (b) except during any period of actual or impending postal disruption, if sent by first class mail or by airmail if sent from outside Canada or the United States, postage prepaid, to a Party at its address for service, such mailing shall be deemed received by the Party on the fourth Day following the date of mailing (Saturday, Sundays and statutory holidays excepted). However, if postal service is interrupted or operating with unusual or imminent delay, such notice or other communication shall not be sent by such means during such interruption or period of delay; and
- (c) to a Party which has provided a direct telecommunication number as part of its address for service, if sent by telecommunication to the Party's designated telecommunication number such transmission shall be deemed received by the Party when actually received if such transmission is during the Party's normal business hours on any Day other than a Saturday, a Sunday or a statutory holiday. If such notice or other communication is not received during the Party's normal business hours, such notice or other communication shall be deemed to have been received by the Party on the Day next following the date of transmission, other than a Saturday, a Sunday or a statutory holiday.

For the purposes of this Clause 1209, the address for service for each Party initially shall be as set forth in Exhibit "D". A Party may change its address for service by giving written notice to the other Party.

1210. Enuring Clause

This Agreement shall enure to the benefit of and be binding upon Producer and Operator and their respective successors and permitted assigns.

1211. Supersedes Prior Agreements

As of the Effective Date, this Agreement shall govern the relationship of the Parties and supersedes all other agreements, documents, writings and verbal understandings and



representations between the Parties in relation to the handling of Producer Inlet Substances in the Facility.

1212. Assignment

Neither Party shall assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

1213. Time of the Essence

Time is of the essence in this Agreement.

1214. Statute of Limitations

The two (2) year period for seeking a remedial order under section 3(1)(a) of the *Limitations Act*, R.S.A. 2000 c. L-12, including any amendments to or replacements of the Act, for any claim (as defined in that Act) arising in connection with this Agreement is extended to:

- (a) for claims disclosed by an audit, two (2) years after the time this Agreement permitted that audit to be performed; or
- (b) for all other claims, four (4) years.

IN WITNESS WHEREOF the Parties have executed this Agreement each as of the Effective Date.


Operator:

  
\_\_\_\_\_  
**ANGLE ENERGY INC.**

Ruth Onyett  
Joint Venture Representative

Producer:

\_\_\_\_\_  
**TOURNAMENT EXPLORATION LTD.**

  
\_\_\_\_\_  
VP, Engineering  
March 1, 2012

This is the execution page of the Agreement entitled  
“Area Gas Handling Agreement”

Between

ANGLE ENERGY INC.

and

TOURNAMENT EXPLORATION LTD.

Dated as of March 1, 2012 and effective March 1, 2012.

# EXHIBIT A

THIS IS EXHIBIT "A"  
ATTACHED TO AND MADE PART OF A  
GAS HANDLING AGREEMENT BETWEEN  
ANGLE ENERGY INC. AND TOURNAMENT EXPLORATION LTD.  
DATED AND EFFECTIVE MARCH 1, 2012

## DESCRIPTION OF FACILITIES, SOURCES AND PRIORITIES

### 1. Facility Description

FACILITY NAME AND DESCRIPTION	FACILITY INLET (legal location)	FACILITY OUTLET (legal location)	COST CENTRE
Compressor/Dehydrator and Gas Sales Line	9-3-38-7W5M	9-3-38-7W5M	10610
Transportation Segment 1	6-10-38-7W5M	9-3-38-7W5M	10610
Transportation Segment 2	9-3-38-7W5M	15-27-37-7W5M	10610
Transportation Segment 3	15-27-37-7W5M	4-22-37-7W5M	10621

### 2. Operation of Metering Facilities

The metering facilities referred to in Clause 501 shall be operated by Operator.

### 3. Sources

SOURCE NAME	U.W.I.	FACILITY INLET	OWNERSHIP (* indicates well operator)
Tournex HZ Ferrier 8-3-38-7	100/08-03-038-07W5M	9-3-38-7W5M	*60%
Tournex HZ Ferrier 7-4-38-7	100/07-04-038-07W5M	6-10-38-7W5M	*60%

### 4. Handling Priority

Producer Inlet Substances will be handled on a commercially reasonable efforts basis to the extent that capacity is available in the Facility. If the Facility is unable to handle all Inlet Substances available for delivery to the Facility on any one Day, acceptance of Inlet Substances by Operator at the Facility will be cut back at Operator's discretion.

### 5. Restrictions on Producer Inlet Substances


None

JS00644 (formerly SV0644)  
Gas Handling Agreement - Ferrier  
Revision Effective Date: March 1, 2012

Exhibit Revision No.: 0 Correction

Revision Approval Operator \_\_\_\_\_

Producer

  
June 07, 2014

## **EXHIBIT B**

**THIS IS EXHIBIT "B"  
ATTACHED TO AND MADE PART OF A  
GAS HANDLING AGREEMENT BETWEEN  
ANGLE ENERGY INC. AND TOURNAMENT EXPLORATION LTD.  
DATED AND EFFECTIVE MARCH 1, 2012**

### **SPECIFICATIONS FOR PRODUCER INLET SUBSTANCES**

- a) All Producer Inlet Substances accepted at the Facility Inlet shall be of a kind, quality and composition and at a temperature and pressure so as to be within the design and operating parameters of the Facility;
- b) All Producer Inlet Substances accepted at the Facility Inlet shall be free from substances in such quantities that may obstruct, damage or be detrimental to the operation of the Facility or that may result in Outlet Substances having objectionable odors, solid matter, dust, gums or gum forming constituents which might affect their merchantability or cause injury to or interference with the proper operation of the lines, regulators, metering Facility or other appliances through which such Outlet Substances flow;
- c) All Producer Inlet Substances delivered hereunder for handling shall be accepted at the Facility Inlet at a pressure sufficient to enable its entry into the Facility;
- d) Producer Inlet Substances shall not contain free liquids in excess of such quantity which, at the sole discretion of Operator, may cause excessive slugging.

## EXHIBIT C

THIS IS EXHIBIT "C"  
ATTACHED TO AND MADE PART OF A  
GAS HANDLING AGREEMENT BETWEEN  
ANGLE ENERGY INC. AND TOURNAMENT EXPLORATION LTD.  
DATED AND EFFECTIVE MARCH 1, 2012

### HANDLING CHARGES FOR PRODUCER INLET SUBSTANCES

1. **Transportation Charge**

The charge for transportation of each  $10^3\text{m}^3$  of Producer Inlet Substances from Facility Inlet to 15-27-037-07W5 shall be **\$1.42** plus applicable federal and provincial value added taxes

The charge for transportation of each  $10^3\text{m}^3$  of Producer Inlet Substances from 15-27-037-07W5 to 04-22-037-07W5 shall be **\$1.92** plus applicable federal and provincial value added taxes

2. **Compression/Dehydration**

The charge for compression/dehydration and gas sales line of each  $10^3\text{m}^3$  of Producer Inlet Substances shall be \$21.10 plus applicable federal and provincial value added taxes. Fee is based on 2008 actual costs and volumes.

3. **Other Charges**

Pursuant to Clause 603 of the Agreement, Producer shall be responsible for the following fees, as applicable, plus applicable federal and provincial value added taxes:

- (i) for Outlet Substances which are gas, the greater of 3% of the market netback price or \$500.00 per Month; and/or
- (ii) for Outlet Substances comprised of ethane, propane or butane, the greater of \$5.00/ $\text{m}^3$  or \$500.00 per Month; and/or
- (iii) for Outlet Substances which are plant condensate,  $\text{C}_5$  or  $\text{C}_5^+$ , 2.5% of the market netback price;
- (iv) and/or for Outlet Substances which are sulphur, \$20.00/tonne to be subtracted from the market netback price (which market netback price may be positive or negative).

**EXHIBIT D**

*Attached to and made part of a Gas Handling Agreement effective March 1, 2012  
between Angle Energy Inc. as Operator and Tournament Exploration Ltd.*

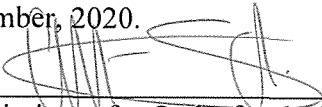
**ADDRESS OF PARTIES**

<b>OPERATOR</b>	
ORLEN UPSTREAM CANADA LTD.	
Suite 400, 850 - 2 <sup>nd</sup> Street S.W.	
Calgary, Alberta	
T2P 0R8	
Attention:	Joint Venture
Phone Number:	403-265-4115
Fax Number:	403-232-8463
Email Address:	donna.jackman@orlenupstream.ca
Field Contact:	Chad Beauliua
Email Address:	chad.beauliua@orlenupstream.ca
Phone Number:	403-312-9064
Fax Number:	
GST Number:	87038 3759 RT0001

<b>PRODUCER</b>	
YANGARRA RESOURCES LTD.	
Suite 1530, 715 – 5 <sup>th</sup> Avenue S.W.	
Calgary, Alberta	
T2P 2X6	
Attention:	Joint Venture
Phone Number:	403-262-9558
Fax Number:	403-262-8281
Email Address:	
Field Contact:	
Email Address:	
Phone Number:	
Fax Number:	
GST Number:	

JV STRA025  
(Prev. Bellatrix JS00644 / Angle SV0644)  
Revision No.: 2  
Effective: October 1, 2017  
(Assigned to Yangarra from Manitok)

This is Exhibit "D", referred to in  
the Affidavit of **SEAN C.  
PADLEY**, sworn before me on the 18<sup>th</sup> day  
of November, 2020.



---

A Commissioner for Oaths for the Province of  
Alberta

Alison Scott  
Barrister and Solicitor  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta

**Contract Wells/Facilities  
Operating Agreement**

between

**ANGLE ENERGY INC.**

(Contractor)

and

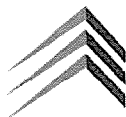
**TOURNAMENT EXPLORATION LTD.**

(Owner)

**FERRIER AREA**

**EFFECTIVE MARCH 1, 2012**

**CONTRACT SV0645**



**ANGLEENERGYINC**



# Contract Wells/Facilities Operating Agreement

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## Contract Well/Facilities Operating Agreement

Between

**ANGLE ENERGY INC.**

(Contractor)

and

**TOURNAMENT EXPLORATION LTD.**

(Owner)

### ARTICLE I – BACKGROUND

#### 101. **Background**

- (a) Owner is the owner or representative of the owner of the Wells/Facilities as described in Exhibit A.
- (b) Owner is authorized to enter into this Agreement on behalf of itself and all other working interest owners of the Wells/Facilities.
- (c) Contractor will conduct the operation of the Wells/Facilities according to the terms and conditions set out in this Agreement.

### ARTICLE II - DEFINITIONS

#### 201. **Definitions**

- (a) “**Day**” means a period of time commencing at 08:00 local time on any calendar day and ending at 08:00 on the next calendar day or at such other time as may hereinafter be agreed upon by the Parties;
- (b) “**Effective Date**” means DATE;
- (c) “**Facilities**” means the facilities listed in Exhibit A;
- (d) “**Interest Rate**” means the prime rate of interest as quoted in respect of commercial demand loans on the applicable day by the principal chartered bank in Canada used by Contractor plus two percent (2%) per annum;
- (e) “**Month**” means a period of time beginning on the first Day of a calendar month and ending on the beginning of the first Day of the next calendar month;

- (f) **"Party"** means an individual, firm, body corporate, partnership or other legal entity, as the case may be, who is bound by this Agreement;
- (g) **"Wells"** means the wells listed in Exhibit A; and
- (h) **"Year"** means a period of time beginning on the first Day of January of each calendar year and ending at the beginning of the first Day of the next calendar year.

### **ARTICLE III – CONTRACTOR'S RESPONSIBILITIES**

#### **301. Contractor's Responsibilities**

Contractor will:

- (a) act as the on-site operator of the Wells/Facilities and perform all work and services ordinarily performed by an operator for the field management and operation of the Wells/Facilities, including the specific duties of Contractor described in Exhibit C;
- (b) conduct all operations for the Wells/Facilities in a safe and competent manner, in compliance with accepted industry practices and all applicable laws, rules and regulations of any governmental authority having jurisdiction, including but not limited to the following: Occupational Health and Safety, Environmental, Workers' Compensation, Transportation of Dangerous Goods, Work Place Hazardous Materials Information System and emergency response plans;
- (c) place orders with suppliers and sign for receipt of materials, subject to the prior approval of Owner if required under Exhibit C, and subject to Article IX;
- (d) keep the Wells/Facilities, including the lands on which they are situated, free of all liens or claims arising from the performance of Contractor's obligations under this Agreement, except for liens or claims being contested diligently;
- (e) ensure that:
  - (i) Contractor's personnel are trained and competent to perform their duties before operating the Wells/Facilities;
  - (ii) subject to SubClause 301(b) and unless otherwise agreed, the operations meet or exceed Owner's health, safety, and environmental policies, standards, work practices and accident prevention regulations; and
  - (iii) Contractor's personnel receive H<sub>2</sub>S training if there is a potential to handle sour substances at the Wells/Facilities or enter onto sour gas locations.

### **302. Qualifications of Contractor**

If Contractor is not qualified to perform any service required to maintain the Wells/Facilities, Contractor will either arrange to have third parties perform the service, subject to prior approval of Owner if required under Exhibit C, or advise Owner of the work or service required, subject to Article IX.

### **303. Unsafe Conditions**

Notwithstanding any other provision in this Agreement, Contractor shall not perform any duties hereunder where the Owner, in Contractor's opinion, is not in compliance with SubClause 401(j).

## **ARTICLE IV - OWNER'S RESPONSIBILITIES**

### **401. Owner's Responsibilities**

Owner will:

- (a) and does represent and warrant that the Wells, Facilities and property of Owner encompassed by this Agreement are fully operational and in compliance with all applicable laws, rules and regulations and Owner hereby undertakes to maintain such compliance so long as this agreement remains in effect, and to immediately notify Contractor in the event Owner is not in compliance as set out herein;
- (b) maintain all required rights of access and provide adequate access across the land of third parties to the site of the Wells/Facilities to allow Contractor and its employees and sub-contractors access to the site;
- (c) provide all labour, materials and equipment for repair, maintenance, replacement and remedial work required at the Wells/Facilities that are not part of Contractor's responsibilities described in Article III;
- (d) pay all charges incurred by Contractor on behalf of Owner for the operations carried out under this Agreement;
- (e) inform Contractor in advance of all services that Owner intends to perform or have performed at the Wells/Facilities, subject to Article IX;
- (f) make all payments attributable to production from the Wells and payments of assessments including but not limited to royalty and tax payments, regulatory agency fees and property taxes on the Wells/Facilities;
- (g) provide Contractor with Owner's health, safety, and environmental policies, standards, work practices and accident prevention policies;
- (h) ensure that a current emergency response plan is in place for the Wells/Facilities;

- (i) remediate any spill, release or discharge in accordance with applicable law. The remediation shall be at the sole risk, cost, and expense of Owner except where the spill, discharge or release was caused by the gross negligence or willful misconduct of Contractor;
- (j) promptly provide to Contractor, upon the request of Contractor, such documentation as Contractor may require to satisfy itself that Owner is in compliance with SubClause 401(a); and
- (k) be solely responsible for the mechanical integrity of all Wells, Facilities and physical property of the Owner encompassed by the Agreement.

## **ARTICLE V - RIGHT OF ACCESS**

### **501. Right of Access**

Owner, its employees or sub-contractors, may at any time, upon reasonable notice to Contractor, access the Wells/Facilities and related equipment and supplies.

## **ARTICLE VI - SUSPENSION PROVISIONS**

### **601. Suspension Provisions**

Owner may suspend or permanently shut-in any of the Wells or Facilities.

## **ARTICLE VII - INVOICE AND PAYMENT**

### **701. Invoice and Payment**

- (a) Contractor will invoice Owner as soon as possible for the fees and other charges incurred for a Month in accordance with Exhibit B. Owner will pay Contractor the amount specified in the invoice within thirty (30) Days after receiving Contractor's invoice. Payment of any invoice will not prevent Owner from questioning the correctness of the invoice, up to a period of twenty-six (26) Months following the end of the calendar year in which an invoice is presented, otherwise the invoice will be deemed to be correct.
- (b) Any invoice not paid within thirty (30) Days after receipt of the invoice will accrue interest, at the Interest Rate, on the amount owing, compounded monthly from the date of receipt of the invoice until paid.

- (c) When Contractor is required to charge Goods and Services Tax (GST), or similar value added tax, Contractor's invoice will include information prescribed by the Input Tax Credit Information Regulations under the Excise Tax Act, or any information prescribed for a similar value added tax. Where Contractor is not, or is not required to be, registered for purposes of the GST, that fact will be disclosed on Contractor's invoice.

## **ARTICLE VIII - REVISION OF EXHIBITS**

### **801. Revision of Exhibits**

Contractor and Owner may review the Exhibits and make any revisions agreed to. The revised Exhibits will show the effective date of the revision, and will be numbered consecutively.

## **ARTICLE IX - EMERGENCIES**

### **901. Emergencies**

In an emergency, Contractor will take whatever action is necessary to protect life, property and the Wells/Facilities. Contractor will promptly notify Owner of the emergency and any action taken. Owner will direct any extended period response and is responsible for any emergency response aside from those specifically assigned to the Contractor in this Article IX or Exhibit C.

## **ARTICLE X - INDEPENDENT CONTRACTOR**

### **1001. Independent Contractor**

- (a) Contractor:
- (i) is an independent contractor, whose work and services are subject to this Agreement's provisions and Owner's instructions;
  - (ii) will control the work and services of its employees and sub-contractors; and
  - (iii) is accountable to Owner for completion of the work and services pursuant to the provisions of this Agreement.
- (b) Contractor is responsible for deciding on:
- (i) the number of Contractor's employees and sub-contractors;
  - (ii) the selection of employees and sub-contractors; and
  - (iii) the hours of labour and compensation for their services.

- (c) Contractor, its employees and sub-contractors are not agents or employees of Owner.

## **ARTICLE XI - AUDIT PROVISION**

### **1101. Audit Provision**

- (a) Contractor will maintain complete records and accounts with respect to operations under this Agreement in accordance with generally accepted accounting principles and in the detail required to verify all records and accounts submitted to Owner.
- (b) Owner has the right to audit, at its own expense, the records and accounts:
  - (i) during reasonable business hours and on advance written notice to Contractor; and
  - (ii) for up to twenty-four (24) Months from the end of the calendar year to which the records and accounts relate.
- (c) Any claims of discrepancies will be made in writing to Contractor within three (3) Months of completion of the audit.
- (d) Contractor will respond in writing to all claims of discrepancies within three (3) Months of receipt of claims.

## **ARTICLE XII - INSURANCE**

### **1201. Insurance**

Contractor shall obtain and continuously maintain during the course of its operations hereunder that insurance coverage set out in Exhibit "D", at the sole cost and expense of Contractor. Contractor shall ensure that all of its subcontractors engaged in any aspect of operations hereunder or exposed to the risk of any of the operations hereunder shall obtain and maintain insurance coverage comparable to that as set out in Exhibit "D".

Neither the placement of insurance coverage by Contractor in accordance with the requirements of this Agreement nor the insolvency, bankruptcy or failure of any insurer to pay any claim arising under this Agreement, relieves or limits any of Contractor's obligations or liabilities.

## **ARTICLE XIII - LIABILITY AND INDEMNIFICATION**

### **1301. Liability and Indemnification**

- (a) Contractor shall not be liable for the failure of the Wells/Facilities or for the loss or any



decrease in production therefrom, or for any losses to Owner due to underproduction from or penalties imposed on the Well and Facilities, or for any injury or damage to the producing horizon or to the Well and Facilities or the machinery or equipment to be used in connection therewith during any operation hereunder or resulting therefrom, except as may result from gross negligence or willful misconduct of Contractor, its agents or employees. No act or omission of the Contractor, its agents or employees, shall be considered to be gross negligence or willful misconduct if done or omitted at the instruction of, or with the concurrence of Owner.

- (b) Contractor shall indemnify and save Owner harmless from and against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury or damage brought against or suffered by Owner by reason of gross negligence or willful misconduct on the part of Contractor, its agents, or employees arising out of or connected with operations carried on by Contractor pursuant to this Agreement.
- (c) Owner shall indemnify and save Contractor harmless from and against all actions, suits, claims or demands by any person or persons whomsoever in respect of any loss, injury or damage brought against or suffered by Contractor as a result of or in connection with the performance, purported performance or non-performance of this Agreement, but excluding actions, suits, claims or demands incurred by reason of or attributable to the gross negligence or wilful misconduct of Contractor, its agents or employees.
- (d) Neither the Contractor nor the Owner shall bear any liability to the other for loss of profits, loss of business or any other indirect or consequential damage.
- (e) References to "Owner" and "Contractor" in this clause shall be deemed to include the affiliates of that Party and their respective directors, officers, consultants, agents, contractors and employees.

## ARTICLE XIV - FORCE MAJEURE

### 1401. Force Majeure

- (a) For the purposes of this Clause, "force majeure" means an occurrence beyond the reasonable control of the Party claiming suspension of an obligation hereunder, which has not been caused by such Party's negligence and which such Party was unable to prevent or provide against by the exercise of reasonable diligence at a reasonable cost and includes, without limiting the generality of the foregoing, an act of God, war, revolution, insurrection, blockage, riot, strike, a lockout or other industrial disturbance, fire, lightning, unusually severe weather, storms, floods, explosion, accident, shortage of labour or materials, or government restraint, action, delay or inaction.
- (b) If a Party is prevented by force majeure from fulfilling any obligations hereunder, the obligations of that Party, insofar as its obligations are affected by the force majeure, shall be suspended while the force majeure continues to prevent the performance of such obligation and for that time thereafter as that Party may reasonably require to commence to fulfill such obligation. A Party prevented from fulfilling any obligation by the force majeure shall promptly give the other Party notice of the force majeure and the affected obligations, including reasonably full particulars in respect thereof.

- (c) The Party claiming suspension of an obligation as aforesaid shall promptly remedy the cause and effect of the applicable force majeure, insofar as it is reasonably able to do so, and such Party shall promptly give the other Party notice when the force majeure ceases to prevent the performance of the applicable obligation. However, the terms of settlement of any strike, lockout or other industrial disturbance shall be wholly in the discretion of such Party, notwithstanding SubClause 1401(a) and that Party shall not be required to accede to the demands of its opponents in any strike, lockout or industrial disturbance solely to remedy promptly the force majeure thereby constituted.
- (d) Notwithstanding anything contained in this Clause, lack of finances shall not be considered a force majeure, nor shall any force majeure suspend any obligation for the payment of money hereunder.

## **ARTICLE XV - TERM**

### **1501. Term**

- (a) This Agreement will be in effect as of the Effective Date until terminated by either Party giving thirty (30) Days written notice to the other Party, unless otherwise terminated in accordance with this Agreement.
- (b) Owner may immediately terminate this Agreement upon notice to Contractor if Contractor fails to perform, or performs unsatisfactorily in the opinion of Owner, the duties and obligations outlined in this Agreement.
- (c) Each Party will be responsible for any obligations it incurs prior to termination.

## **ARTICLE XVI - NOTICES**

### **1601. Notices**

All notices and other communications to be given in connection with this Agreement shall be in writing and shall be sufficiently given:

- (a) if delivered by hand or by courier to a Party at its address for service, such delivery shall be deemed received by the Party when actually delivered, if such delivery is during the Party's normal business hours, on any Day other than a Saturday, a Sunday or a statutory holiday. If such notice or other communication is not delivered during the Party's normal business hours, such notice or other communication shall be deemed to have been received by the Party on the Day next following the date of delivery, other than a Saturday, Sunday or a statutory holiday;
- (b) except during any period of actual or impending postal disruption, if sent by first class mail, or by airmail if sent from outside Canada or the United States, postage prepaid, to

a Party at its address for service, such mailing shall be deemed received by the Party on the fourth Day following the date of mailing (Saturday, Sundays and statutory holidays excepted). However, if postal service is interrupted or operating with unusual or imminent delay, such notice or other communication shall not be sent by such means during such interruption or period of delay; and

- (c) to a Party which has provided a direct telecommunication number as part of its address for service, if sent by telecommunication to the Party's designated telecommunication number, such transmission shall be deemed received by the Party when actually received, if such transmission is during the Party's normal business hours on any Day other than a Saturday, a Sunday or a statutory holiday. If such notice or other communication is not received during the Party's normal business hours, such notice or other communication shall be deemed to have been received by the Party on the Day next following the date of transmission, other than a Saturday, a Sunday or a statutory holiday.

For the purposes of this Clause 1601, the address for service for each Party initially shall be as set forth in Exhibit D. A Party may change its address for service by giving written notice thereof to the other Party.

## **ARTICLE XVII - ASSIGNMENT**

### **1701. Assignment**

A Party may only assign this Agreement with the prior written consent of the other Party.

## **ARTICLE XVIII - AMENDMENT**

### **1801. Amendment**

Subject to Clause 801, a written agreement by both Contractor and Owner is required to amend this Agreement.

## **ARTICLE XIX - ENTIRE AGREEMENT**

### **1901. Entire Agreement**

This Agreement, including all Exhibits, is the entire agreement between Contractor and Owner. It supersedes and replaces all previous agreements relating to the operation of the Wells/Facilities, whether written or oral, between Contractor and Owner. If there is a conflict between the body of this Agreement and any of the Exhibits, the body of this Agreement shall prevail.

## **ARTICLE XX - JURISDICTION**

### **2001. Jurisdiction**

This Agreement shall be interpreted and enforced in accordance with the laws in force in Alberta. Each of the Parties submits to the jurisdiction of the courts of Alberta.

## **ARTICLE XXI - SUCCESSORS AND ASSIGNS**

### **2101. Successors and Assigns**

This Agreement is binding on the successors and permitted assigns of Contractor and Owner.

## **ARTICLE XXII- STATUTE OF LIMITATIONS**

### **2201. Statute of Limitations**

The two (2) year period for seeking a remedial order under section 3(1)(a) of the Limitations Act, R.S.A. 2000 c. L-12, including any amendments thereto or replacements thereof, for any claim (as defined in that Act) arising in connection with this Agreement is extended to:

- (a) for claims disclosed by an audit, two (2) years after the time this Agreement permitted that audit to be performed; or
- (b) for all other claims, four (4) years.

## **ARTICLE XXIII – WAIVER**

### **2301. Waiver**

A waiver by either Party of any term or condition herein contained shall extend only to the particular matter so waived and shall not operate as a waiver of any future matter, whether of a like or different character.

**EXHIBIT A**

**to the Contract Wells/Facilities Operating Agreement,  
effective DATE, between  
ANGLE ENERGY INC. (Contractor)  
and  
TOURNAMENT EXPLORATION LTD.(Owner)**

NAME	WELLS	LOCATION
Tournex HZ Ferrier 8-3-38-7		100/08-03-038-07W5M
Tournex HZ Ferrier 7-4-38-7		100/07-04-038-07W5M

NOTE: A Well completed and producing from more than one formation, zone or event shall be considered a separate producing Well for each formation, zone or event.

**EXHIBIT B**

**to the Contract Wells/Facilities Operating Agreement,  
effective DATE, between  
ANGLE ENERGY INC. (Contractor)  
and  
TOURNAMENT EXPLORATION LTD. (Owner)**

**Contract Operating Fee**

*The contract operating fee is intended to compensate Contractor for all expenses incurred in the performance of those operational services described in Exhibit C of this Agreement.*

Per Well per Month for all or any portion of a Month a Well is produced	<u>\$ 850.00</u>
Per Well per Month if a Well is shut-in for an entire Month	<u>\$ 250.00</u>
Per Well per Month if a Well is Suspended for an entire month	<u>\$ no charge</u>

**Overtime**

Overtime will be charged per hour	<u>\$ 100.00 /hour</u>
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**Administration Fee**

*The administration fee is intended to compensate Contractor for the cost of salaries, employee wages, benefits and expenses of all employees, other than those covered under the contract operating fee.*

Per Well per Month for all or any portion of a Month a Well is produced	<u>\$ 250.00</u>
Per Well per Month if a Well is shut-in for an entire Month	<u>\$ 250.00</u>
Per Well per Month if a well is suspended for an entire Month	<u>\$ no charge</u>

**Other Charges**

For supplies, services or materials purchased from a third party, where Owner is not invoiced directly, but invoices are paid on behalf of Owner by Contractor, Owner will pay Contractor for the actual costs plus a 15 % handling charge.

## EXHIBIT C

### to the Contract Wells/Facilities Operating Agreement, effective DATE, between ANGLE ENERGY INC. (Contractor) and TOURNAMENT EXPLORATION LTD. (Owner)

#### CONTRACTOR'S RESPONSIBILITIES FOR WELLS/FACILITIES

##### 1.0 General Responsibilities

- a) Comply with reasonable instructions from Owner's representative about operation of the Wells/Facilities, including meeting gas nominations and oil well allowables;
- b) Establish and maintain communication, if required, with operators of related facilities on changes in operating conditions, plant or battery shut-down, and other matters affecting the operation of the Wells/Facilities;
- c) Use reasonable efforts to maintain good relations with area residents and government representatives;
- d) Report to Owner on general operations of the Wells/Facilities on a periodic basis as reasonably requested by Owner;
- e) Immediately report to Owner's representative all unsafe conditions relating to the operation of the Wells/Facilities;
- f) Supply labour, transportation and hand tools required for operation and maintenance of the Wells/Facilities;
- g) Immediately report to Owner any indication of security problems at the site of the Wells/Facilities; and
- h) Obtain from Owner prior approval for any expenditure expected to exceed \$2,500.00.

##### 2.0 Reporting Responsibilities

- a) Complete routine production reports daily;
- b) Change gas charts and record results daily or as required;
- c) Record the number of hours of any down-time each Day and the cause of the down-time in daily production or gauge reports (or specific down-time reports);
- d) Provide all charts and operation and production summaries to Owner as reasonably requested by Owner that are not available on a public database;
- e) Prepare and submit production reports to the appropriate government authority on behalf of Owner and furnish copies of these to Owner by the 25<sup>th</sup> Day of the following Month; and

- f) In the event of any spill, release or discharge of any substance, Contractor shall:
  - i. promptly notify Owner and provide Owner with a completed copy of either Party's internal spill report form; and
  - ii. if required by regulation, report the spill to the appropriate governmental and regulatory authorities.

### **3.0 Operating Responsibilities**

- a) Inspect the Wells/Facilities as required if operating or once a Month if shut in;
- b) Test Wells as required by Owner and report test results in daily reports;
- c) Blow down Wells when required provided properly designed equipment is in place;
- d) Notify Owner of any major maintenance or repairs necessary for continuous production in accordance with good operating practice and procedures;
- e) Coordinate the hauling of fluids;
- f) Keep accurate records of chemicals used;
- g) Maintain water injection at specified rates keeping accurate records on volumes and pressures and reporting at intervals as directed by Owner; and
- h) Monitor and control production from the Wells/Facilities to meet gas nominations or oil allowables as requested by Owner's representative.

### **4.0 Routine Maintenance and Servicing Responsibilities**

- a) Conduct or supervise general maintenance and regular housekeeping routines in accordance with good oil and gas field practice;
- b) Make minor repairs and adjustments on Wells/Facilities equipment;
- c) Coordinate road maintenance and snow plowing required to maintain access to the Wells/Facilities;
- d) Arrange for periodic samples for analysis and meter calibrations of the Wells at Owner's expense;
- e) Maintain proper liquid levels, operating temperatures and pressures in all surface equipment;
- f) Maintain all surface pumping equipment in efficient operating condition; and



- g) Subject to SubClause 401(j), comply with all preventative maintenance programs and health, safety and environmental policies and programs specified by government agencies or Owner, including the Workplace Hazardous Materials Information System program.

## **5.0 Emergency Response**

- a) Information from the emergency response plan provided by the Owner pursuant to SubClause 401(h) shall be incorporated into the Contractor's Emergency Response Plan ("ERP").
- b) Any transfer of command from Contractor's initial response to Owner's extended response will be formally documented pursuant to Article 16 of this Agreement.
- c) Contractor will provide first response to emergency incidents in accordance with the Contractor's ERP.

## EXHIBIT D

### to the Contract Wells/Facilities Operating Agreement, effective MARCH 1, 2012, between ANGLE ENERGY INC. (Contractor) and TOURNAMENT EXPLORATION LTD. (Owner)

#### Insurance Requirements

#### 1. Employees

Contractor will:

- (i) maintain, and require its sub-contractors to maintain, a Workers' Compensation Board (WCB) account as an independent contractor;
- (ii) pay any assessment or contribution required under the Workers' Compensation Act, or ordinance of the province or territory where the work under this Agreement is performed. Contractor will ensure that personal coverage is obtained for employers, partners, proprietors and directors involved in any aspect of the performance of the work under this Agreement. If Contractor fails to do so, Owner may, in addition to any other rights available under this Agreement or at law, deduct the amount of any assessment or contribution from any payment due or to become due to Contractor; and
- (iii) before starting work under this Agreement deliver to Owner, if requested by Owner, WCB certificates which show Contractor and its sub-contractors have paid all required assessments and contributions. During the term of this Agreement, Owner may require further declaration that those assessments and contributions have been made.

#### 2. Automobile

Contractor will obtain and maintain automobile liability insurance covering all motor vehicles, owned or non-owned, operated, used and leased or hired by Contractor in connection with the work under this Agreement with an inclusive bodily injury, death and property damage limit per occurrence of not less than \$1,000,000.

**EXHIBIT E**

*to a Contract Wells/Facilities Operating Agreement effective March 1, 2012  
between Angle Energy Ltd. as Contractor and Tournament Exploration Ltd. as Owner*


**ADDRESS OF PARTIES**

<b>CONTRACTOR</b>	
ORLEN UPSTREAM CANADA LTD.	
Suite 400, 850 - 2 <sup>nd</sup> Street S.W.	
Calgary, Alberta	
T2P 0R8	
Attention:	Joint Venture
Phone Number:	403-265-4115
Fax Number:	403-232-8463
Email Address:	donna.jackman@orlenupstream.ca
Field Contact:	Chad Beauliua
Email Address:	chad.beauliua@orlenupstream.ca
Phone Number:	403-312-9064
Fax Number:	
GST Number:	87038 3759 RT0001

<b>OWNER</b>	
YANGARRA RESOURCES LTD.	
Suite 1530, 715 – 5 <sup>th</sup> Avenue S.W.	
Calgary, Alberta	
T2P 2X6	
Attention:	Joint Venture
Phone Number:	403-262-9558
Fax Number:	403-262-8281
Email Address:	
Field Contact:	
Email Address:	
Phone Number:	
Fax Number:	
GST Number:	

JV STRA026  
(Prev. Bellatrix JS00645 / Angle SV0645)  
Revision No.: 3  
Effective: October 1, 2017  
(Assigned from Manitoak to Yangarra)

This is Exhibit "E", referred to in the Affidavit  
of **SEAN C. PADLEY**, sworn before  
me on the 18<sup>th</sup> day of November, 2020.



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A Commissioner for Oaths for the Province of  
Alberta

Alison Scott  
Barrister and Solicitor  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta

Operator Invoice - JIB

Partner	Operator	Invoice
MANITOK MANITOK ENERGY INC 700, 444 - 7TH AVENUE SW CALGARY, AB	ORLEN UPSTREAM CANADA LTD. 400, 850 - 2ND STREET SW CALGARY, AB T2P 0R8 264-4115 GST: 870383759RT0001	Op Accounting Month March 2018 Invoice Number 1803027 Invoice Date 28-Mar-2018 Invoiced (95,396.48) Disputed (95,396.48) Accepted

Cost Centre	AFE	Description	Amount	GST	Cash Call	Invoiced	Disputed	Accepted
003230380750		STRACHAN 100/03-23-038-07 W5/00	(36,929.36)			(36,929.36)	(36,929.36)	
007040380750		STRACHAN 100/07-04-038-07 W5/00	(13,306.18)			(13,306.18)	(13,306.18)	
008030380750		STRACHAN 100/08-03-038-07 W5	(21,052.94)			(21,052.94)	(21,052.94)	
203230380750		STRACHAN 102-03-23-038-07 W5/00	(24,108.00)			(24,108.00)	(24,108.00)	
Total Operations			(95,396.48)			(95,396.48)	(95,396.48)	
Report Total			(95,396.48)			(95,396.48)	(95,396.48)	

## Operations Statement

## Partner

MANITOK  
MANITOK ENERGY INC  
700, 444 - 7TH AVENUE SW  
CALGARY, AB

## Operator

ORLEN UPSTREAM CANADA LTD.  
400, 850 - 2ND STREET SW  
CALGARY, AB T2P 0R8  
264-4115 GST: 870383759RT0001

## Invoice

Invoice Number	1803027
Op Accounting Month	March 2018
Invoiced	(36,929.36)
Disputed	(36,929.36)
Accepted	

## Operator

CC

003230380750

STRACHAN 100/03-23-038-07 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
LABOUR EXPENSES										
9908.703	CONTRACT OPERATOR	100.00000000	Oct 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Nov 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Dec 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Jan 18	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Feb 18	(850.00)	(850.00)		(850.00)		0.00	0.00
			Total LABOUR EXPENSES	(4,250.00)	(4,250.00)		(4,250.00)		0.00	0.00
CHEMICALS										
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Oct 17	(2,533.98)	(2,533.98)		(2,533.98)		0.00	0.00
			Total CHEMICALS	(2,533.98)	(2,533.98)		(2,533.98)		0.00	0.00
OVERHEAD & ADJUSTMENTS										
9913.773	PARTNER GST	100.00000000	Oct 17	(475.92)	(475.92)		(475.92)		0.00	0.00
9913.773	PARTNER GST	100.00000000	Nov 17	(452.03)	(452.03)		(452.03)		0.00	0.00
9913.773	PARTNER GST	100.00000000	Dec 17	(442.08)	(442.08)		(442.08)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Oct 17	(275.00)	(275.00)		(275.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Nov 17	(275.00)	(275.00)		(275.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Dec 17	(275.00)	(275.00)		(275.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Jan 18	(275.00)	(275.00)		(275.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Feb 18	(275.00)	(275.00)		(275.00)		0.00	0.00
			Total OVERHEAD & ADJUSTMENTS	(2,745.03)	(2,745.03)		(2,745.03)		0.00	0.00
PRODUCTION TRUCKING & PROCESSING EXPENSE										
9914.745	GATHERING FEES	100.00000000	Oct 17	(1,878.72)	(1,878.72)		(1,878.72)		(659.20)	(659.20)
9914.745	GATHERING FEES	100.00000000	Nov 17	(1,790.37)	(1,790.37)		(1,790.37)		(628.20)	(628.20)
9914.745	GATHERING FEES	100.00000000	Dec 17	(1,745.91)	(1,745.91)		(1,745.91)		(612.60)	(612.60)
9914.758	COMPRESSION FEES	100.00000000	Oct 17	(6,641.44)	(6,641.44)		(6,641.44)		(329.60)	(329.60)
9914.758	COMPRESSION FEES	100.00000000	Nov 17	(6,329.11)	(6,329.11)		(6,329.11)		(314.10)	(314.10)
9914.758	COMPRESSION FEES	100.00000000	Dec 17	(6,171.94)	(6,171.94)		(6,171.94)		(314.10)	(314.10)
9914.759	NGL PROCESSING FEES	100.00000000	Oct 17	(998.16)	(998.16)		(998.16)		(348.20)	(348.20)
9914.759	NGL PROCESSING FEES	100.00000000	Nov 17	(921.13)	(921.13)		(921.13)		(328.20)	(328.20)

Invoice Number 1803027

Partner MANITOK MANITOK ENERGY INC

Operator ORLEN UPSTREAM CANADA LTD.


**Operator**

CC

003230380750

STRACHAN 100/03-23-038-07 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
9914.759	NGL PROCESSING FEES	100.00000000	Dec 17	(923.57)	(923.57)		(923.57)		(323.10)	(323.10)
	<b>Total PRODUCTION TRUCKING &amp; PROCESSING EXPENSE</b>			<b>(27,400.35)</b>	<b>(27,400.35)</b>		<b>(27,400.35)</b>		<b>(3,857.30)</b>	<b>(3,857.30)</b>
	<b>Total Expense</b>			<b>(36,929.36)</b>	<b>(36,929.36)</b>		<b>(36,929.36)</b>		<b>(3,857.30)</b>	<b>(3,857.30)</b>
	<b>Total Statement</b>			<b>(36,929.36)</b>	<b>(36,929.36)</b>		<b>(36,929.36)</b>		<b>(3,857.30)</b>	<b>(3,857.30)</b>

**Property Dispute**  2018-04-17 3:24:51 PM - From MANITOK ENERGY INC. (Laura Zingle) to ORLEN UPSTREAM CANADA LTD.  
Reversed

## Operations Statement

Partner	Operator	Invoice
MANITOK MANITOK ENERGY INC 700, 444 - 7TH AVENUE SW CALGARY, AB	ORLEN UPSTREAM CANADA LTD. 400, 850 - 2ND STREET SW CALGARY, AB T2P 0R8 264-4115 GST: 870383759RT0001	<div>Invoice Number</div> <div>Op Accounting Month</div> <div>Invoiced</div> <div>Disputed</div> <div>Accepted</div> <div>1803027</div> <div>March 2018</div> <div>(13,306.18)</div> <div>(13,306.18)</div>

## Operator

CC 007040380750 STRACHAN 100/07-04-038-07 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
GROSS REVENUE - OIL										
9510.600	CRUDE OIL SALES	100.00000000	Dec 17	(60.95)	(60.95)		(60.95)		(0.20)	(0.20)
		Total GROSS REVENUE - OIL		(60.95)	(60.95)		(60.95)		(0.20)	(0.20)
		Total Revenue		(60.95)	(60.95)		(60.95)		(0.20)	(0.20)
LABOUR EXPENSES										
9908.703	CONTRACT OPERATOR	100.00000000	Oct 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Nov 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Dec 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Jan 18	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Feb 18	(850.00)	(850.00)		(850.00)		0.00	0.00
		Total LABOUR EXPENSES		(4,250.00)	(4,250.00)		(4,250.00)		0.00	0.00
HSER & OPERATIONS EXPENSES										
9909.718	COMMUNICATIONS	100.00000000	Oct 17	(9.22)	(9.22)		(9.22)		0.00	0.00
9909.718	COMMUNICATIONS	100.00000000	Dec 17	(9.27)	(9.27)		(9.27)		0.00	0.00
		Total HSER & OPERATIONS EXPENSES		(18.49)	(18.49)		(18.49)		0.00	0.00
CHEMICALS										
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Oct 17	(282.87)	(282.87)		(282.87)		0.00	0.00
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Jan 18	(37.02)	(37.02)		(37.02)		0.00	0.00
		Total CHEMICALS		(319.89)	(319.89)		(319.89)		0.00	0.00
OVERHEAD & ADJUSTMENTS										
9913.773	PARTNER GST	100.00000000	Oct 17	(114.39)	(114.39)		(114.39)		0.00	0.00
9913.773	PARTNER GST	100.00000000	Nov 17	(90.91)	(90.91)		(90.91)		0.00	0.00
9913.773	PARTNER GST	100.00000000	Dec 17	(113.64)	(113.64)		(113.64)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Oct 17	(250.00)	(250.00)		(250.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Nov 17	(250.00)	(250.00)		(250.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Dec 17	(250.00)	(250.00)		(250.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Jan 18	(250.00)	(250.00)		(250.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Feb 18	(250.00)	(250.00)		(250.00)		0.00	0.00
		Total OVERHEAD & ADJUSTMENTS		(1,568.94)	(1,568.94)		(1,568.94)		0.00	0.00



Invoice Number 1803027

Partner MANITOK MANITOK ENERGY INC

Operator ORLEN UPSTREAM CANADA LTD.

## Operator

CC

007040380750

STRACHAN 100/07-04-038-07 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
PRODUCTION TRUCKING & PROCESSING EXPENSE										
9914.745	GATHERING FEES	100.00000000	Oct 17	(312.62)	(312.62)		(312.62)		0.00	0.00
9914.745	GATHERING FEES	100.00000000	Nov 17	(248.50)	(248.50)		(248.50)		(148.80)	(148.80)
9914.745	GATHERING FEES	100.00000000	Dec 17	(310.62)	(310.62)		(310.62)		(186.00)	(186.00)
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Oct 17	(51.78)	(51.78)		(51.78)		0.00	0.00
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Nov 17	(55.80)	(55.80)		(55.80)		0.00	0.00
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Dec 17	(68.38)	(68.38)		(68.38)		0.00	0.00
9914.749	TRUCKING - EMULSION & PRODUCED WATER	100.00000000	Oct 17	(102.26)	(102.26)		(102.26)		0.00	0.00
9914.749	TRUCKING - EMULSION & PRODUCED WATER	100.00000000	Nov 17	(171.36)	(171.36)		(171.36)		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Oct 17	(59.18)	(59.18)		(59.18)		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Nov 17	(56.24)	(56.24)		(56.24)		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Dec 17	(98.07)	(98.07)		(98.07)		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Jan 18	(46.00)	(46.00)		(46.00)		0.00	0.00
9914.758	COMPRESSION FEES	100.00000000	Oct 17	(1,974.96)	(1,974.96)		(1,974.96)		(93.60)	(93.60)
9914.758	COMPRESSION FEES	100.00000000	Nov 17	(1,569.84)	(1,569.84)		(1,569.84)		(74.40)	(74.40)
9914.758	COMPRESSION FEES	100.00000000	Dec 17	(1,962.30)	(1,962.30)		(1,962.30)		(93.00)	(93.00)
Total PRODUCTION TRUCKING & PROCESSING EXPENSE				(7,087.91)	(7,087.91)		(7,087.91)		(595.80)	(595.80)
Total Expense				(13,245.23)	(13,245.23)		(13,245.23)		(595.80)	(595.80)
Total Statement				(13,306.18)	(13,306.18)		(13,306.18)		(596.00)	(596.00)

Property Dispute 2018-04-18 1:12:18 PM - From MANITOK ENERGY INC. (Laura Zingle) to ORLEN UPSTREAM CANADA LTD.  
Reversed

## Operations Statement

Partner	Operator	Invoice
MANITOK MANITOK ENERGY INC 700, 444 - 7TH AVENUE SW CALGARY, AB	ORLEN UPSTREAM CANADA LTD. 400, 850 - 2ND STREET SW CALGARY, AB T2P 0R8 264-4115 GST: 870383759RT0001	<div>Invoice Number</div> <div>Op Accounting Month</div> <div>Invoiced</div> <div>Disputed</div> <div>Accepted</div> <div>1803027</div> <div>March 2018</div> <div>(21,052.94)</div> <div>(21,052.94)</div>

## Operator

CC 008030380750 STRACHAN 100/08-03-038-07 W5

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
GROSS REVENUE - OIL										
9510.600	CRUDE OIL SALES	100.00000000	Dec 17	(213.33)	(213.33)		(213.33)		(0.70)	(0.70)
9510.600	CRUDE OIL SALES	100.00000000	Jan 18	(32.78)	(32.78)		(32.78)		(0.10)	(0.10)
Total GROSS REVENUE - OIL				(246.11)	(246.11)		(246.11)		(0.80)	(0.80)
Total Revenue				(246.11)	(246.11)		(246.11)		(0.80)	(0.80)
LABOUR EXPENSES										
9908.703	CONTRACT OPERATOR	100.00000000	Oct 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Nov 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Dec 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Jan 18	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Feb 18	(850.00)	(850.00)		(850.00)		0.00	0.00
Total LABOUR EXPENSES				(4,250.00)	(4,250.00)		(4,250.00)		0.00	0.00
HSER & OPERATIONS EXPENSES										
9909.715	TRUCKING - EQUIPMENT, CONSUMABLES & SUPP	100.00000000	Dec 17	(97.20)	(97.20)		(97.20)		0.00	0.00
9909.718	COMMUNICATIONS	100.00000000	Oct 17	(9.22)	(9.22)		(9.22)		0.00	0.00
9909.718	COMMUNICATIONS	100.00000000	Dec 17	(9.27)	(9.27)		(9.27)		0.00	0.00
Total HSER & OPERATIONS EXPENSES				(115.69)	(115.69)		(115.69)		0.00	0.00
CHEMICALS										
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Oct 17	(137.22)	(137.22)		(137.22)		0.00	0.00
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Jan 18	(38.02)	(38.02)		(38.02)		0.00	0.00
Total CHEMICALS				(175.24)	(175.24)		(175.24)		0.00	0.00
OVERHEAD & ADJUSTMENTS										
9913.773	PARTNER GST	100.00000000	Oct 17	(294.50)	(294.50)		(294.50)		0.00	0.00
9913.773	PARTNER GST	100.00000000	Nov 17	(132.71)	(132.71)		(132.71)		0.00	0.00
9913.773	PARTNER GST	100.00000000	Dec 17	(322.13)	(322.13)		(322.13)		0.00	0.00
Total OVERHEAD & ADJUSTMENTS				(749.34)	(749.34)		(749.34)		0.00	0.00
PRODUCTION TRUCKING & PROCESSING EXPENSE										
9914.745	GATHERING FEES	100.00000000	Oct 17	(804.94)	(804.94)		(804.94)		0.00	0.00
9914.745	GATHERING FEES	100.00000000	Nov 17	(362.72)	(362.72)		(362.72)		(217.20)	(217.20)

Invoice Number 1803027

Partner MANITOK MANITOK ENERGY INC

Operator ORLEN UPSTREAM CANADA LTD.

## Operator

CC

008030380750

STRACHAN 100/08-03-038-07 W5

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
9914.745	GATHERING FEES	100.00000000	Dec 17	(880.42)	(880.42)		(880.42)		(527.20)	(527.20)
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Oct 17	(25.12)	(25.12)		(25.12)		0.00	0.00
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Nov 17	(60.20)	(60.20)		(60.20)		0.00	0.00
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Dec 17	(30.21)	(30.21)		(30.21)		0.00	0.00
9914.749	TRUCKING - EMULSION & PRODUCED WATER	100.00000000	Oct 17	(49.60)	(49.60)		(49.60)		0.00	0.00
9914.749	TRUCKING - EMULSION & PRODUCED WATER	100.00000000	Nov 17	(184.88)	(184.88)		(184.88)		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Oct 17	(28.71)	(28.71)		(28.71)		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Nov 17	(60.68)	(60.68)		(60.68)		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Dec 17	(43.32)	(43.32)		(43.32)		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Jan 18	(47.24)	(47.24)		(47.24)		0.00	0.00
9914.758	COMPRESSION FEES	100.00000000	Oct 17	(5,085.10)	(5,085.10)		(5,085.10)		(241.00)	(241.00)
9914.758	COMPRESSION FEES	100.00000000	Nov 17	(2,291.46)	(2,291.46)		(2,291.46)		(108.60)	(108.60)
9914.758	COMPRESSION FEES	100.00000000	Dec 17	(5,561.96)	(5,561.96)		(5,561.96)		(263.60)	(263.60)
<b>Total PRODUCTION TRUCKING &amp; PROCESSING EXPENSE</b>				<b>(15,516.56)</b>	<b>(15,516.56)</b>		<b>(15,516.56)</b>		<b>(1,357.60)</b>	<b>(1,357.60)</b>
<b>Total Expense</b>				<b>(20,806.83)</b>	<b>(20,806.83)</b>		<b>(20,806.83)</b>		<b>(1,357.60)</b>	<b>(1,357.60)</b>
<b>Total Statement</b>				<b>(21,052.94)</b>	<b>(21,052.94)</b>		<b>(21,052.94)</b>		<b>(1,358.40)</b>	<b>(1,358.40)</b>

Property Dispute 2018-04-18 1:13:16 PM - From MANITOK ENERGY INC. (Laura Zingle) to ORLEN UPSTREAM CANADA LTD.  
Reversed

## Operations Statement

## Partner

MANITOK  
MANITOK ENERGY INC  
700, 444 - 7TH AVENUE SW  
CALGARY, AB

## Operator

ORLEN UPSTREAM CANADA LTD.  
400, 850 - 2ND STREET SW  
CALGARY, AB T2P 0R8  
264-4115 GST: 870383759RT0001

## Invoice

Invoice Number	1803027
Op Accounting Month	March 2018
Invoiced	(24,108.00)
Disputed	(24,108.00)
Accepted	

## Operator

CC

203230380750

STRACHAN 102-03-23-038-07 W5/00


OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
LABOUR EXPENSES										
9908.703	CONTRACT OPERATOR	100.00000000	Oct 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Nov 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Dec 17	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Jan 18	(850.00)	(850.00)		(850.00)		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Feb 18	(850.00)	(850.00)		(850.00)		0.00	0.00
			Total LABOUR EXPENSES	(4,250.00)	(4,250.00)		(4,250.00)		0.00	0.00
HSER & OPERATIONS EXPENSES										
9909.719	CONTRACT SERVICES (CREWS, CONSULTING, SU	100.00000000	Dec 17	(315.95)	(315.95)		(315.95)		0.00	0.00
			Total HSER & OPERATIONS EXPENSES	(315.95)	(315.95)		(315.95)		0.00	0.00
CHEMICALS										
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Oct 17	(584.77)	(584.77)		(584.77)		0.00	0.00
			Total CHEMICALS	(584.77)	(584.77)		(584.77)		0.00	0.00
OVERHEAD & ADJUSTMENTS										
9913.773	PARTNER GST	100.00000000	Oct 17	(311.18)	(311.18)		(311.18)		0.00	0.00
9913.773	PARTNER GST	100.00000000	Nov 17	(284.81)	(284.81)		(284.81)		0.00	0.00
9913.773	PARTNER GST	100.00000000	Dec 17	(241.28)	(241.28)		(241.28)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Oct 17	(275.00)	(275.00)		(275.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Nov 17	(275.00)	(275.00)		(275.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Dec 17	(275.00)	(275.00)		(275.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Jan 18	(275.00)	(275.00)		(275.00)		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Feb 18	(275.00)	(275.00)		(275.00)		0.00	0.00
			Total OVERHEAD & ADJUSTMENTS	(2,212.27)	(2,212.27)		(2,212.27)		0.00	0.00
PRODUCTION TRUCKING & PROCESSING EXPENSE										
9914.745	GATHERING FEES	100.00000000	Oct 17	(1,221.51)	(1,221.51)		(1,221.51)		(428.60)	(428.60)
9914.745	GATHERING FEES	100.00000000	Nov 17	(1,114.36)	(1,114.36)		(1,114.36)		(391.00)	(391.00)
9914.745	GATHERING FEES	100.00000000	Dec 17	(948.48)	(948.48)		(948.48)		(332.80)	(332.80)
9914.758	COMPRESSION FEES	100.00000000	Oct 17	(4,318.15)	(4,318.15)		(4,318.15)		(214.30)	(214.30)
9914.758	COMPRESSION FEES	100.00000000	Nov 17	(3,939.32)	(3,939.32)		(3,939.32)		(195.50)	(195.50)

Invoice Number	1803027	Partner	MANITOK MANITOK ENERGY INC	Operator	ORLEN UPSTREAM CANADA LTD.
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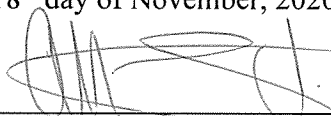
**Operator**

CC 203230380750 STRACHAN 102-03-23-038-07 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
9914.758	COMPRESSION FEES	100.00000000	Dec 17	(3,352.96)	(3,352.96)		(3,352.96)		(195.50)	(195.50)
9914.759	NGL PROCESSING FEES	100.00000000	Oct 17	(683.90)	(683.90)		(683.90)		(230.60)	(230.60)
9914.759	NGL PROCESSING FEES	100.00000000	Nov 17	(642.41)	(642.41)		(642.41)		(212.60)	(212.60)
9914.759	NGL PROCESSING FEES	100.00000000	Dec 17	(523.92)	(523.92)		(523.92)		(178.20)	(178.20)
<b>Total PRODUCTION TRUCKING &amp; PROCESSING EXPENSE</b>				<b>(16,745.01)</b>	<b>(16,745.01)</b>		<b>(16,745.01)</b>		<b>(2,379.10)</b>	<b>(2,379.10)</b>
<b>Total Expense</b>				<b>(24,108.00)</b>	<b>(24,108.00)</b>		<b>(24,108.00)</b>		<b>(2,379.10)</b>	<b>(2,379.10)</b>
<b>Total Statement</b>				<b>(24,108.00)</b>	<b>(24,108.00)</b>		<b>(24,108.00)</b>		<b>(2,379.10)</b>	<b>(2,379.10)</b>

**Property Dispute**  2018-04-17 2:11:23 PM - From MANITOK ENERGY INC. (Laura Zingle) to ORLEN UPSTREAM CANADA LTD.  
Reversed

This is Exhibit "**F**", referred to in the Affidavit  
of **SEAN C. PADLEY**, sworn before  
me on the 18<sup>th</sup> day of November, 2020.



---

A Commissioner for Oaths for the Province of  
Alberta

**Alison Scott**  
Barrister and Solicitor  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta



Suite 700, 444 – 7th Avenue. SW  
 Calgary, Alberta T2P 0X8  
 Phone 403.984.1750  
 Fax 403.984.1749

February 16, 2018

Orlen Upstream Canada Ltd.  
 400, 850 – 2nd Street SW  
 Calgary, AB T2P 0R8

Attention: Joint Venture Manager

**Re: Contract Wells/Facilities Operating Agreement between Provident Energy Ltd. and Tournament Exploration Ltd. Ferrier Area effective February 1, 2009. (the "Agreement")**

**Assignment Agreement dated October 1, 2017 between Manitok Energy Inc. and Yangarra Resources Ltd.**

**Our File: SA00266, Orlen File: JV STRA016**

Pursuant to a Purchase and Sale Agreement effective October 1, 2017, Manitok Energy Inc. has assigned its entire interest in the captioned Agreement to Yangarra Resources Ltd. Enclosed is an Assignment Agreement to evidence this transaction.

Pursuant to clause 1812 of the Agreement, please indicate your consent to this assignment by signing and returning a copy of this letter to:

Yangarra Resources Ltd.  
 1530, 705 – 5th Avenue SW  
 Calgary, Alberta T2P 3X6  
 Attention: Randall Faminow, VP Land

No response will be deemed to have consented to this assignment.

Kindly address any comments or concerns relating to the enclosed documentation to the undersigned at [nkassianoff@manitok.com](mailto:nkassianoff@manitok.com).

Yours truly,

**MANITOK ENERGY INC.**

Nadia Kassianoff  
 Joint Interest Analyst (Consultant)

cc: Yangarra Resources Ltd. Attn: Randall Faminow

Orlen Upstream Canada Ltd. hereby consents to the Assignment Agreement.

This 16<sup>th</sup> day of February, 2018

Per: Sean C. Padley

Name: Sean C. Padley

Manager, Marketing & Joint Venture

Title: \_\_\_\_\_

## ASSIGNMENT AGREEMENT

**THIS AGREEMENT** dated the 1<sup>st</sup> day of October, 2017.

**BETWEEN:**

**Manitok Energy Inc.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter called "Assignor")

- and -

**Yangarra Resources Ltd.**, having an office in the City of Calgary, in the Province of Alberta (hereinafter called "Assignee")

**WHEREAS** Assignor is a party or bound by the agreement described in Schedule "A" attached hereto and made a part hereof (such agreement, including all amendments thereto, if any, hereinafter referred to as the "said Agreement");

**AND WHEREAS**, Assignor has agreed to assign to Assignee all of Assignor's interest in and under the said Agreement;

**AND WHEREAS** Assignee has agreed to assume all of Assignor's obligations under the said Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the sum of the premises and the mutual covenants and agreements hereinafter set forth, the parties hereto covenant and agree with one another as follows:

1. The Assignor hereby assigns, transfers, conveys and sets over unto Assignee all of the Assignor's right, title, estate and interest in, to and under the Agreement **TO HAVE AND TO HOLD** the same unto the Assignee for its sole use and benefit absolutely from and after October 1, 2017 (the "Effective Date").
2. The Assignee hereby accepts the assignment herein provided and covenants and agrees with the Assignor that it shall at all times from and after the Effective Date be bound by, observe and perform all of the covenants and obligations thereafter accruing on the part of the Assignor under the Agreement and shall indemnify the Assignor and its directors, officers, servants, agents and employees and hold harmless from and against all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Assignor, its directors, officers, servants, agents or employees, or which they may sustain, pay or incur, insofar as they relate to the interest assigned in the Agreement, arising from and after the Effective Date.
3. The Assignee hereby acknowledges that, as between the Assignor and the Assignee, the Assignor shall be deemed to have been acting as the trustee and agent of the Assignee in all matters occurring in respect of the Agreement between the Effective Date and the delivery of a copy of this agreement and the Assignee hereby ratifies, adopts and confirms all acts and omissions of the Assignor in its capacity as such trustee and agent to the end that all such acts and omissions shall be deemed to have been effected by the Assignee.



4. Assignee's address for notices and other communications under the said Agreement shall be:
- 1530, 705 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 2X6
- Attention: Randall Faminow, VP Land  
Fax Number: (403) 262-8281
5. Each of Assignor and Assignee shall from time to time and at all times hereafter, without further consideration, do and perform all such further acts and execute and deliver all such further assignments, notices, release and other documents and instruments as may reasonably be required to more fully effect and assure the assignment as provided herein.
6. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
7. This Agreement may be executed in counterpart and when each party has executed a counterpart; all counterparts taken together shall constitute one agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this agreement as of the day and year first above written.

**Manitok Energy Inc.**

Per: 

**Rodger Perry – VP Land**

**Yangarra Resources Ltd.**

Per: 

**Randall Faminow – VP Land**

This is the executed page to an Assignment Agreement dated the 1<sup>st</sup> day of October, 2017, between Manitok Energy Inc., as Assignor and Yangarra Resources Ltd. as Assignee.

**SCHEDULE "A"**

Attached to and forming part of an Assignment Agreement made October 1, 2017 between, Manito Energy Inc. as Assignor and Yangarra Resources Ltd. as Assignee

---

**said Agreement**

Contract Wells/Facilities Operating Agreement between Provident Energy Ltd. and Tournament Exploration Ltd. Cow Lake Area effective February 1, 2009.

**Assigned Interest**

entire

**"Lands/Wells (for reference only)"**

100/03-23-038-07WS  
102/03-23-038-07W5/00  
100/13-23-038-07WS  
09-15-038-07WS Compressor

(Manitok File: SA00266)

**EXHIBIT "A"**

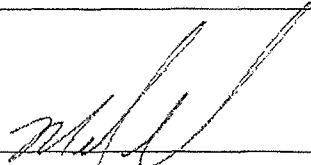

This is EXHIBIT "A" attached to and made part of  
**"COW LAKE Contract Wells/Facilities Contract Operating Agreement"**  
Between PROVIDENT ENERGY LTD. and TOURNAMENT EXPLORATION LTD.  
Dated February 1, 2009  
Contract Number: **SA2907**

**Wells**

NAME	LOCATION/UWI
Tournex Ferrier 3-23-38-7	00/03-23-038-07W5/0
Tournex Ferrier 13-23-38-7	00/13-23-038-07W5/0
<b>Tournex 102 Ferrier 3-23-38-7</b>	<b>02/03-23-038-07W5/0</b>

**FACILITIES**

09-15-038-07W5 compressor

<i>*Use for revised exhibits*</i>	
	
Storm Ventures International Inc. (Signature)	Tournament Exploration Ltd. (Signature)

SA2907

Revision No.: 2

Revision Effective Date: May 1, 2010

**Mike Rippe**  
Vice President Operations

Exhibit "A"

## EXHIBIT "B"

This is EXHIBIT "B" attached to and made part of  
**"COW LAKE Contract Wells/Facilities Operating Agreement"**  
 Between ANGLE ENERGY INC. And TOURNAMENT EXPLORATION LTD.  
 Dated February 1, 2009 Contract Number: SA2907

**CONTRACT OPERATING FEE**

*The contract operating fee is intended to compensate Contractor for all expenses incurred in the performance of those operational services described in Exhibit "C" of this Agreement.*

Per Well per Month for all or any portion of a Month a Well is produced	<u>\$850.00</u>
Per Well per Month if a Well is shut-in for an entire Month	<u>\$300.00</u>
Per Facility per Month for all or any portion of a Month a Facility is operational	<u>\$2500.00</u>
Per Facility per Month if a Facility is shut-in for an entire Month	<u>NA</u>

*Well(s) completed and producing from more than one zone shall be considered separate producing Well(s) for each such zone. If any of the Well(s) are suspended indefinitely by submission of an S-4 to the Energy and Utilities Board and a copy is supplied to Contractor, then no charges shall be made for the Well(s).*

**OVERTIME**

Overtime will be charged per hour	<u>\$85.00</u>
Callouts will be charged per hour based on minimum 4 hours plus mileage at \$0.80 per km	<u>\$85.00</u>

**ADMINISTRATION FEE**

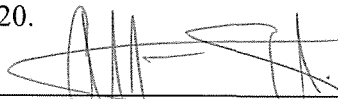
*The administration fee is intended to compensate Contractor for the cost of salaries, employee wages, benefits and expenses of all employees, other than those covered under the contract operating fee. Owner shall be responsible for all penalties imposed on Contractor by any regulatory authority resulting from Owner providing incorrect or untimely data to Contractor for production reporting purposes. \* This fee shall not apply if Owner sends Contractor a copy of the appropriate regulatory authority approved form evidencing formal suspension or abandonment of the Well in accordance with Article VII of this Agreement.*

Per Well per Month for all or any portion of a Month a Well is produced	<u>\$275.00</u>
Per Well per Month if a Well is shut-in for an entire Month	<u>\$275.00</u>
Per Facility per Month for all or any portion of a Month a Facility is operational	<u>NA</u>
Per Facility per Month if a Facility is shut-in for an entire Month	<u>NA</u>

**Other Charges**

For supplies, services or materials purchased from a third party, where Owner is not invoiced directly, but invoices are paid on behalf of Owner by Contractor, Owner will pay Contractor for the actual costs plus 15% handling charge.

This is Exhibit "G", referred to in the Affidavit of **SEAN C. PADLEY**, sworn before me on the 18<sup>th</sup> day of November, 2020.



---

A Commissioner for Oaths for the Province of Alberta

Alison Scott  
Barrister and Solicitor  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta



Suite 700, 444 – 7th Avenue, SW  
 Calgary, Alberta T2P 0X8  
 Phone 403.984.1750  
 Fax 403.984.1749

February 16, 2018

Orlen Upstream Canada Ltd.  
 400, 850 – 2nd Street SW  
 Calgary, AB T2P 0R8

Attention: Joint Venture Manager

**Re: Cow Lake 03-16-038-07W5M Compression Facility and Gas Gathering System Gas Handling Agreement between Provident Energy Ltd. and Tournament Exploration Ltd. effective February 1, 2009 (the "Agreement")**

**Assignment Agreement dated October 1, 2017 between Manitok Energy Inc. and Yangarra Resources Ltd.**

**Our File: SA00278, Orlen File: JV STRA017**

Pursuant to a Purchase and Sale Agreement effective October 1, 2017, Manitok Energy Inc. has assigned its entire interest in the captioned Agreement to Yangarra Resources Ltd. Enclosed is a Assignment Agreement to evidence this transaction.

Pursuant to clause 1212 of the Agreement, please indicate your consent to this assignment by signing and returning a copy of this letter to:

Yangarra Resources Ltd.  
 1530, 705 – 5th Avenue SW  
 Calgary, Alberta T2P 3X6  
 Attention: Randall Faminow, VP Land

No response will be deemed to have consented to this assignment.

Kindly address any comments or concerns relating to the enclosed documentation to the undersigned at [nkassianoff@manitok.com](mailto:nkassianoff@manitok.com).

Yours truly,

**MANITOK ENERGY INC.**

Nadia Kassianoff  
 Joint Interest Analyst (Consultant)

cc: Yangarra Resources Ltd. Attn: Randall Faminow

Orlen Upstream Canada Ltd. hereby consents to the Assignment Agreement.

This 26<sup>th</sup> day of February, 2018

Per:

Name: Sean C. Padley

Manager, Marketing & Joint Venture

Title: \_\_\_\_\_

## ASSIGNMENT AGREEMENT

**THIS AGREEMENT** dated the 1<sup>st</sup> day of October, 2017.

**BETWEEN:**

**Manitok Energy Inc.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter called "Assignor")

- and -

**Yangarra Resources Ltd.**, having an office in the City of Calgary, in the Province of Alberta (hereinafter called "Assignee")

**WHEREAS** Assignor is a party or bound by the agreement described in Schedule "A" attached hereto and made a part hereof (such agreement, including all amendments thereto, if any, hereinafter referred to as the "said Agreement");

**AND WHEREAS**, Assignor has agreed to assign to Assignee all of Assignor's interest in and under the said Agreement;

**AND WHEREAS** Assignee has agreed to assume all of Assignor's obligations under the said Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the sum of the premises and the mutual covenants and agreements hereinafter set forth, the parties hereto covenant and agree with one another as follows:

1. The Assignor hereby assigns, transfers, conveys and sets over unto Assignee all of the Assignor's right, title, estate and interest in, to and under the Agreement TO HAVE AND TO HOLD the same unto the Assignee for its sole use and benefit absolutely from and after October 1, 2017 (the "Effective Date").
2. The Assignee hereby accepts the assignment herein provided and covenants and agrees with the Assignor that it shall at all times from and after the Effective Date be bound by, observe and perform all of the covenants and obligations thereafter accruing on the part of the Assignor under the Agreement and shall indemnify the Assignor and its directors, officers, servants, agents and employees and hold harmless from and against all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Assignor, its directors, officers, servants, agents or employees, or which they may sustain, pay or incur, insofar as they relate to the interest assigned in the Agreement, arising from and after the Effective Date.
3. The Assignee hereby acknowledges that, as between the Assignor and the Assignee, the Assignor shall be deemed to have been acting as the trustee and agent of the Assignee in all matters occurring in respect of the Agreement between the Effective Date and the delivery of a copy of this agreement and the Assignee hereby ratifies, adopts and confirms all acts and omissions of the Assignor in its capacity as such trustee and agent to the end that all such acts and omissions shall be deemed to have been effected by the Assignee.

4. Assignee's address for notices and other communications under the said Agreement shall be:  
1530, 705 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 2X6  
  
Attention: Randall Faminow, VP Land  
Fax Number: (403) 262-8281
5. Each of Assignor and Assignee shall from time to time and at all times hereafter, without further consideration, do and perform all such further acts and execute and deliver all such further assignments, notices, release and other documents and instruments as may reasonably be required to more fully effect and assure the assignment as provided herein.
6. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
7. This Agreement may be executed in counterpart and when each party has executed a counterpart; all counterparts taken together shall constitute one agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this agreement as of the day and year first above written.

**Manitok Energy Inc.**

Per: 

Rodger Perry – VP Land

**Yangarra Resources Ltd.**

Per: 

Randall Faminow – VP Land

This is the executed page to an Assignment Agreement dated the 1<sup>st</sup> day of October, 2017, between Manitok Energy Inc., as Assignor and Yangarra Resources Ltd. as Assignee.



**SCHEDULE "A"**

Attached to and forming part of an Assignment Agreement made October 1, 2017 between, Manito Energy Inc. as Assignor and Yangarra Resources Ltd. as Assignee

---

**said Agreement**

Cow Lake 03-16-038-07W5M Compression Facility and Gas Gathering System Gas Handling Agreement between Provident Energy Ltd. and Tournament Exploration Ltd. effective February 1, 2009

**Assigned Interest**

entire

**"Lands/Wells (for reference only)"**

100/03-23-038-07W5/00

102/03-23-038-07W5/00

(Manitok File: SA00278)

OUC FILE  
JV STRA017**EXHIBIT A**

THIS IS EXHIBIT "A"  
ATTACHED TO AND MADE PART OF A  
GAS HANDLING AGREEMENT BETWEEN  
PROVIDENT ENERGY LTD. AND TOURNAMENT EXPLORATION LTD.  
DATED AND EFFECTIVE THE 1<sup>ST</sup> DAY OF FEBRUARY, 2009

**DESCRIPTION OF FACILITIES, SOURCES AND PRIORITIES****1. Facility Description**

FACILITY NAME AND DESCRIPTION	FACILITY INLET (legal location)	FACILITY OUTLET (legal location)
Strachan Gathering Line Lic. No. 32373 Line 1	15-09-038-07 W5M	03-16-038-07 W5M
Cow Lake Compressor ABCS0006745	03-16-038-07 W5M	03-16-038-07 W5M
Strachan Sales Gas Line Lic. No. 31573 Line 3	03-16-038-07 W5M	06-30-037-07 W5M
Strachan Sales Condensate Line Lic. No. 31574 Line 3	03-16-038-07 W5M	06-30-037-07 W5M

**2. Operation of Metering Facilities**

The metering facilities referred to in clause 501 shall be operated by Operator.

**3. Sources**

SOURCE U.W.I.	SURFACE LOCATION	FACILITY INLET	OWNERSHIP
100/03-23-038-07W5/00	03-23-038-07W5	15-09-038-07 W5M	100%
102/03-23-038-07W5/00	03-23-038-07W5	15-09-038-07 W5M	100%

**4. Handling Priority**

Producer Inlet Substances will be handled on a reasonable efforts basis to the extent that capacity is available in the Facility. If the Facility is unable to handle all Inlet Substances available for delivery to the Facility on any one Day, acceptance of Inlet Substances by Operator at the Facility will be cut back at Operator's discretion.

**5. Restrictions on Producer Inlet Substances**

None

File No.: JS00567  
Cow Lake 03-16-38-7W5 Compression Facility and  
Gas Gathering System Gas Handling Agreement  
Revision No.: 3  
Revision Effective Date: October 1, 2013  
NOTE: Removal of suspended well 100/13-23-038-07W5/00

1 | Page

Exhibit "A"

## EXHIBIT C

THIS IS EXHIBIT "C"  
ATTACHED TO AND MADE PART OF A  
GAS HANDLING AGREEMENT BETWEEN  
ANGLE ENERGY INC. AND TOURNAMENT EXPLORATION LTD.  
DATED AND EFFECTIVE THE 1<sup>ST</sup> DAY OF FEBRUARY 2009

### HANDLING CHARGES FOR PRODUCER INLET SUBSTANCES

1. **Transportation Charge**

The charge for transportation of each  $10^3\text{m}^3$  (or  $\text{m}^3$ ) of Producer Inlet Substances shall be

<u>Source</u>	<u>Gas Gathering</u> 15-09-038-07W5 to 03-16-038-07W5	<u>Gas Transmission</u> 03-16-038-07W5 to 06-30-037-07W5	<u>Condensate Transmission</u> 03-16-038-07W5 to 06-30-037-07W5
100/03-23-038-07W5/00	\$1.77/ $\text{e}^3\text{m}^3$	\$3.93/ $\text{e}^3\text{m}^3$	\$8.30/ $\text{m}^3$
102/03-23-038-07W5/00	\$1.77/ $\text{e}^3\text{m}^3$	\$3.93/ $\text{e}^3\text{m}^3$	\$8.30/ $\text{m}^3$

plus applicable federal and provincial value added taxes.

2. **Gas Handling Charge**

The charge for handling of each  $10^3\text{m}^3$  of Producer Inlet Substances shall be

<u>Source</u>	<u>Dehydration</u> at 03-16-038-07W5	<u>Compression*</u> at 03-16-038-07W5
100/03-23-038-07W5/00	\$2.56/ $\text{e}^3\text{m}^3$	\$20.15/ $\text{e}^3\text{m}^3$
102/03-23-038-07W5/00	\$2.56/ $\text{e}^3\text{m}^3$	\$20.15/ $\text{e}^3\text{m}^3$

plus applicable federal and provincial value added taxes.

\* NOTE: Compression fees are including fees for dehydration and only charged on a temporary basis when the Tournament Exploration Ltd. operated Compressor at 09-15-38-07W5 (ABGS0133895) is not in service.

3. **Fuel Gas Charge**

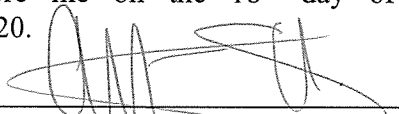
Producer will share in the fuel gas usage in the Facility in proportion to the volume of Inlet Substances delivered to the Facility.

4. **Other Charges**

Pursuant to Clause 603 of the Agreement, Producer shall be responsible for the following fees, as applicable, plus applicable federal and provincial value added taxes:

- (i) for Outlet Substances which are gas, the greater of 3% of the market netback price or \$500.00 per Month; and/or
- (ii) for Outlet Substances comprised of ethane, propane or butane, the greater of \$5.00/m<sup>3</sup> or \$500.00 per Month; and/or
- (iii) for Outlet Substances which are plant condensate, C<sub>5</sub> or C<sub>5</sub><sup>+</sup>, 2.5% of the market netback price; and/or
- (iv) for Outlet Substances which are sulphur, \$20.00/tonne to be subtracted from the market netback price (which market netback price may be positive or negative).

This is Exhibit "**H**", referred to in the Affidavit of **SEAN C. PADLEY**, sworn before me on the 18<sup>th</sup> day of November, 2020.



---

A Commissioner for Oaths for the Province of Alberta

Alison Scott  
Barrister and Solicitor  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta



Suite 700, 444 – 7th Avenue. SW  
 Calgary, Alberta T2P 0X8  
 Phone 403.984.1750  
 Fax 403.984.1749

February 16, 2018

Orlen Upstream Canada Ltd.  
 400, 850 – 2<sup>nd</sup> Street SW  
 Calgary, AB T2P 0R8

Attention: Joint Venture Manager

**Re: Ferrier Area Gas Handling Agreement between Angle Energy Inc. and Tournament Exploration Ltd. effective March 1, 2012 (the "Agreement")**

**Assignment Agreement dated October 1, 2017 between Manitok Energy Inc. and Yangarra Resources Ltd.**

**Our File: SA00281, Orlen File: JV STRA025**

Pursuant to a Purchase and Sale Agreement effective October 1, 2017, Manitok Energy Inc. has assigned its entire interest in the captioned Agreement to Yangarra Resources Ltd. Enclosed is an Assignment Agreement to evidence this transaction.

Pursuant to clause 1212 of the Agreement, please indicate your consent to this assignment by signing and returning a copy of this letter to:

Yangarra Resources Ltd.  
 1530, 705 – 5<sup>th</sup> Avenue SW  
 Calgary, Alberta T2P 3X6  
 Attention: Randall Faminow, VP Land

No response will be deemed to have consented to this assignment.

Kindly address any comments or concerns relating to the enclosed documentation to the undersigned at [nkassianoff@manitok.com](mailto:nkassianoff@manitok.com).

Yours truly,

**MANITOK ENERGY INC.**

A handwritten signature in dark ink, appearing to read "N. Kassianoff", written over a horizontal line.

Nadia Kassianoff  
 Joint Interest Analyst (Consultant)

cc: Yangarra Resources Ltd. Attn: Randall Faminow

Orlen Upstream Canada Ltd. hereby consents to the Assignment Agreement.

This 25<sup>th</sup> day of February, 2018

Per: [Signature]

Name: Sean C. Padley  
 Manager, Marketing & Joint Venture

Title: \_\_\_\_\_

## **ASSIGNMENT AGREEMENT**

**THIS AGREEMENT** dated the 1<sup>st</sup> day of October, 2017.

**BETWEEN:**

**Manitok Energy Inc.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter called "Assignor")

- and -

**Yangarra Resources Ltd.**, having an office in the City of Calgary, in the Province of Alberta (hereinafter called "Assignee")

**WHEREAS** Assignor is a party or bound by the agreement described in Schedule "A" attached hereto and made a part hereof (such agreement, including all amendments thereto, if any, hereinafter referred to as the "said Agreement");

**AND WHEREAS**, Assignor has agreed to assign to Assignee all of Assignor's interest in and under the said Agreement;

**AND WHEREAS** Assignee has agreed to assume all of Assignor's obligations under the said Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the sum of the premises and the mutual covenants and agreements hereinafter set forth, the parties hereto covenant and agree with one another as follows:

1. The Assignor hereby assigns, transfers, conveys and sets over unto Assignee all of the Assignor's right, title, estate and interest in, to and under the Agreement **TO HAVE AND TO HOLD** the same unto the Assignee for its sole use and benefit absolutely from and after October 1, 2017 (the "Effective Date").
2. The Assignee hereby accepts the assignment herein provided and covenants and agrees with the Assignor that it shall at all times from and after the Effective Date be bound by, observe and perform all of the covenants and obligations thereafter accruing on the part of the Assignor under the Agreement and shall indemnify the Assignor and its directors, officers, servants, agents and employees and hold harmless from and against all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Assignor, its directors, officers, servants, agents or employees, or which they may sustain, pay or incur, insofar as they relate to the interest assigned in the Agreement, arising from and after the Effective Date.
3. The Assignee hereby acknowledges that, as between the Assignor and the Assignee, the Assignor shall be deemed to have been acting as the trustee and agent of the Assignee in all matters occurring in respect of the Agreement between the Effective Date and the delivery of a copy of this agreement and the Assignee hereby ratifies, adopts and confirms all acts and omissions of the Assignor in its capacity as such trustee and agent to the end that all such acts and omissions shall be deemed to have been effected by the Assignee.

4. Assignee's address for notices and other communications under the said Agreement shall be:  
1530, 705 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 2X6  
  
Attention: Randall Faminow, VP Land  
Fax Number: (403) 262-8281
5. Each of Assignor and Assignee shall from time to time and at all times hereafter, without further consideration, do and perform all such further acts and execute and deliver all such further assignments, notices, release and other documents and instruments as may reasonably be required to more fully effect and assure the assignment as provided herein.
6. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
7. This Agreement may be executed in counterpart and when each party has executed a counterpart; all counterparts taken together shall constitute one agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this agreement as of the day and year first above written.

**Manitok Energy Inc.**

Per: 

**Rodger Perry – VP Land**

**Yangarra Resources Ltd.**

Per: 

**Randall Faminow – VP Land.**

This is the executed page to an Assignment Agreement dated the 1<sup>st</sup> day of October, 2017, between Manitok Energy Inc., as Assignor and Yangarra Resources Ltd. as Assignee.



**SCHEDULE "A"**

Attached to and forming part of an Assignment Agreement made October 1, 2017 between, Manito Energy Inc. as Assignor and Yangarra Resources Ltd. as Assignee

---

**said Agreement**

Ferrier Area Gas Handling Agreement between Angle Energy Inc. and Tournament Exploration Ltd. effective March 1, 2012

**Assigned Interest**

entire

**"Lands/Wells (for reference only)"**

100/07-04-038-07W5  
100/08-03-038-07W5/00

(Manitok File: SA00281)

**EXHIBIT A**

**THIS IS EXHIBIT "A"**  
**ATTACHED TO AND MADE PART OF A**  
**GAS HANDLING AGREEMENT BETWEEN**  
**ANGLE ENERGY INC. AND TOURNAMENT EXPLORATION LTD.**  
**DATED AND EFFECTIVE MARCH 1, 2012**

**DESCRIPTION OF FACILITIES, SOURCES AND PRIORITIES****1. Facility Description**

<b>FACILITY NAME AND DESCRIPTION</b>	<b>FACILITY INLET (legal location)</b>	<b>FACILITY OUTLET (legal location)</b>	<b>COST CENTRE</b>
Compressor/Dehydrator and Gas Sales Line	9-3-38-7W5M	9-3-38-7W5M	10610
Transportation Segment 1	6-10-38-7W5M	9-3-38-7W5M	10610
Transportation Segment 2	9-3-38-7W5M	15-27-37-7W5M	10610
Transportation Segment 3	15-27-37-7W5M	4-22-37-7W5M	10621

**2. Operation of Metering Facilities**

The metering facilities referred to in Clause 501 shall be operated by Operator.

**3. Sources**

<b>SOURCE NAME</b>	<b>U.W.I.</b>	<b>FACILITY INLET</b>	<b>OWNERSHIP</b> (* indicates well operator)
Tournex HZ Ferrier 8-3-38-7	100/08-03-038-07W5M	9-3-38-7W5M	*60%
Tournex HZ Ferrier 7-4-38-7	100/07-04-038-07W5M	6-10-38-7W5M	*60%

**4. Handling Priority**

Producer Inlet Substances will be handled on a commercially reasonable efforts basis to the extent that capacity is available in the Facility. If the Facility is unable to handle all Inlet Substances available for delivery to the Facility on any one Day, acceptance of Inlet Substances by Operator at the Facility will be cut back at Operator's discretion.

**5. Restrictions on Producer Inlet Substances**

None

JS00544 (formerly SV0644)  
 Gas Handling Agreement -- Ferrier  
 Revision Effective Date: March 1, 2012

Exhibit Revision No.: 0 Correction

Revision Approval Operator \_\_\_\_\_

Producer

June 07, 2014

## EXHIBIT C

THIS IS EXHIBIT "C"  
ATTACHED TO AND MADE PART OF A  
GAS HANDLING AGREEMENT BETWEEN  
ANGLE ENERGY INC. AND TOURNAMENT EXPLORATION LTD.  
DATED AND EFFECTIVE MARCH 1, 2012

### HANDLING CHARGES FOR PRODUCER INLET SUBSTANCES

1. Transportation Charge

The charge for transportation of each  $10^3\text{m}^3$  of Producer Inlet Substances from Facility Inlet to 15-27-037-07W5 shall be **\$1.42** plus applicable federal and provincial value added taxes

The charge for transportation of each  $10^3\text{m}^3$  of Producer Inlet Substances from 15-27-037-07W5 to 04-22-037-07W5 shall be **\$1.92** plus applicable federal and provincial value added taxes

2. Compression/Dehydration

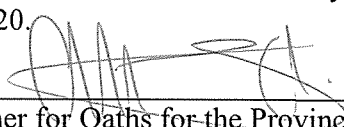
The charge for compression/dehydration and gas sales line of each  $10^3\text{m}^3$  of Producer Inlet Substances shall be \$21.10 plus applicable federal and provincial value added taxes. Fee is based on 2008 actual costs and volumes.

3. Other Charges

Pursuant to Clause 603 of the Agreement, Producer shall be responsible for the following fees, as applicable, plus applicable federal and provincial value added taxes:

- (i) for Outlet Substances which are gas, the greater of 3% of the market netback price or \$500.00 per Month; and/or
- (ii) for Outlet Substances comprised of ethane, propane or butane, the greater of \$5.00/ $\text{m}^3$  or \$500.00 per Month; and/or
- (iii) for Outlet Substances which are plant condensate,  $\text{C}_5$  or  $\text{C}_5^+$ , 2.5% of the market netback price;
- (iv) and/or for Outlet Substances which are sulphur, \$20.00/tonne to be subtracted from the market netback price (which market netback price may be positive or negative).

This is Exhibit "I", referred to in the Affidavit of **SEAN C. PADLEY**, sworn before me on the 18<sup>th</sup> day of November, 2020.



---

A Commissioner for Oaths for the Province of Alberta

Alison Scott  
Barrister and Solicitor  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta



Suite 700, 444 – 7th Avenue. SW  
 Calgary, Alberta T2P 0X8  
 Phone 403.984.1750  
 Fax 403.984.1749

February 16, 2018

Orlen Upstream Canada Ltd.  
 400, 850 – 2nd Street SW  
 Calgary, AB T2P 0R8

Attention: Joint Venture Manager

**Re: Contract Wells/Facilities Operating Agreement between Angle Energy Inc. and Tournament Exploration Ltd. Ferrier Area effective March 1, 2012. (the "Agreement")**

**Assignment Agreement dated October 1, 2017 between Manitok Energy Inc. and Yangarra Resources Ltd.**

**Our File: SA00263, Orlen File: JV STRA026**

Pursuant to a Purchase and Sale Agreement effective October 1, 2017, Manitok Energy Inc. has assigned its entire interest in the captioned Agreement to Yangarra Resources Ltd. Enclosed is an Assignment Agreement to evidence this transaction.

Pursuant to clause 1701 of the Agreement, please indicate your consent to this assignment by signing and returning a copy of this letter to:

Yangarra Resources Ltd.  
 1530, 705 – 5th Avenue SW  
 Calgary, Alberta T2P 3X6  
 Attention: Randall Faminow, VP Land

No response will be deemed to have consented to this assignment.

Kindly address any comments or concerns relating to the enclosed documentation to the undersigned at [nkassianoff@manitok.com](mailto:nkassianoff@manitok.com).

Yours truly,

**MANITOK ENERGY INC.**

Nadia Kassianoff  
 Joint Interest Analyst (Consultant)

cc: Yangarra Resources Ltd. Attn: Randall Faminow

Orlen Upstream Canada Ltd. hereby consents to the Assignment Agreement.

This 28 day of February, 2018

Per: [Signature]

Name: Sean C. Padley  
 Manager, Marketing & Joint Venture

Title: \_\_\_\_\_

## ASSIGNMENT AGREEMENT

**THIS AGREEMENT** dated the 1<sup>st</sup> day of October, 2017

**BETWEEN:**

**Manitok Energy Inc.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter called "Assignor")

- and -

**Yangarra Resources Ltd.**, having an office in the City of Calgary, in the Province of Alberta (hereinafter called "Assignee")

**WHEREAS** Assignor is a party or bound by the agreement described in Schedule "A" attached hereto and made a part hereof (such agreement, including all amendments thereto, if any, hereinafter referred to as the "said Agreement");

**AND WHEREAS**, Assignor has agreed to assign to Assignee all of Assignor's interest in and under the said Agreement;

**AND WHEREAS** Assignee has agreed to assume all of Assignor's obligations under the said Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the sum of the premises and the mutual covenants and agreements hereinafter set forth, the parties hereto covenant and agree with one another as follows:

1. The Assignor hereby assigns, transfers, conveys and sets over unto Assignee all of the Assignor's right, title, estate and interest in, to and under the Agreement **TO HAVE AND TO HOLD** the same unto the Assignee for its sole use and benefit absolutely from and after October 1, 2017 (the "Effective Date").
2. The Assignee hereby accepts the assignment herein provided and covenants and agrees with the Assignor that it shall at all times from and after the Effective Date be bound by, observe and perform all of the covenants and obligations thereafter accruing on the part of the Assignor under the Agreement and shall indemnify the Assignor and its directors, officers, servants, agents and employees and hold harmless from and against all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Assignor, its directors, officers, servants, agents or employees, or which they may sustain, pay or incur, insofar as they relate to the interest assigned in the Agreement, arising from and after the Effective Date.
3. The Assignee hereby acknowledges that, as between the Assignor and the Assignee, the Assignor shall be deemed to have been acting as the trustee and agent of the Assignee in all matters occurring in respect of the Agreement between the Effective Date and the delivery of a copy of this agreement and the Assignee hereby ratifies, adopts and confirms all acts and omissions of the Assignor in its capacity as such trustee and agent to the end that all such acts and omissions shall be deemed to have been effected by the Assignee.

4. Assignee's address for notices and other communications under the said Agreement shall be:
- 1530, 705 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 2X6
- Attention: Randall Faminow, VP Land  
Fax Number: (403) 262-8281
5. Each of Assignor and Assignee shall from time to time and at all times hereafter, without further consideration, do and perform all such further acts and execute and deliver all such further assignments, notices, release and other documents and instruments as may reasonably be required to more fully effect and assure the assignment as provided herein.
6. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
7. This Agreement may be executed in counterpart and when each party has executed a counterpart; all counterparts taken together shall constitute one agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this agreement as of the day and year first above written.

**Manitok Energy Inc.**

Per: 

**Rodger Perry – VP Land**

**Yangarra Resources Ltd.**

Per: 

**Randall Faminow – VP Land**

This is the executed page to an Assignment Agreement dated the 1<sup>st</sup> day of October, 2017 between Manitok Energy Inc., as Assignor and Yangarra Resources Ltd. as Assignee.

**SCHEDULE "A"**

Attached to and forming part of an Assignment Agreement made October 1, 2017 between, Manitok Energy Inc. as Assignor and Yangarra Resources Ltd. as Assignee

---

**said Agreement**

Contract Wells/Facilities Operating Agreement between Angle Energy Inc. and Tournament Exploration Ltd. Ferrier Area effective March 1, 2012.

**Assigned Interest**

entire

**"Lands/Wells (for reference only)"**

100/07-04-038-07W5/00

100/08-03-038-07W5/00

(Manitok File: SA00263)



# **EXHIBIT A**

**to the Contract Wells/Facilities Operating Agreement,  
effective DATE, between  
ANGLE ENERGY INC. (Contractor)  
and  
TOURNAMENT EXPLORATION LTD.(Owner)**

NAME	WELLS	LOCATION
Tournex HZ Ferrier 8-3-38-7		100/08-03-038-07W5M
Tournex HZ Ferrier 7-4-38-7		100/07-04-038-07W5M

NOTE: A Well completed and producing from more than one formation, zone or event shall be considered a separate producing Well for each formation, zone or event.

**EXHIBIT B**

**to the Contract Wells/Facilities Operating Agreement,  
effective DATE, between  
ANGLE ENERGY INC. (Contractor)  
and  
TOURNAMENT EXPLORATION LTD. (Owner)**

**Contract Operating Fee**

*The contract operating fee is intended to compensate Contractor for all expenses incurred in the performance of those operational services described in Exhibit C of this Agreement.*

Per Well per Month for all or any portion of a Month a Well is produced	<u>\$ 850.00</u>
Per Well per Month if a Well is shut-in for an entire Month	<u>\$ 250.00</u>
Per Well per Month if a Well is Suspended for an entire month	<u>\$ no charge</u>

**Overtime**

Overtime will be charged per hour	<u>\$ 100.00 /hour</u>
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**Administration Fee**

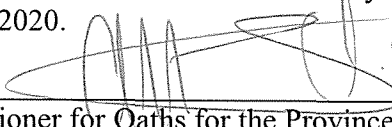
*The administration fee is intended to compensate Contractor for the cost of salaries, employee wages, benefits and expenses of all employees, other than those covered under the contract operating fee.*

Per Well per Month for all or any portion of a Month a Well is produced	<u>\$ 250.00</u>
Per Well per Month if a Well is shut-in for an entire Month	<u>\$ 250.00</u>
Per Well per Month if a well is suspended for an entire Month	<u>\$ no charge</u>

**Other Charges**

For supplies, services or materials purchased from a third party, where Owner is not invoiced directly, but invoices are paid on behalf of Owner by Contractor, Owner will pay Contractor for the actual costs plus a 15 % handling charge.

This is Exhibit "J", referred to in the Affidavit of **SEAN C. PADLEY**, sworn before me on the 18<sup>th</sup> day of November, 2020.



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A Commissioner for Oaths for the Province of Alberta

Alison Scott  
Barrister and Solicitor  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta

# Operator Invoice - JIB

**Partner**

YANGARRA  
YANGARRA RESOURCES LTD.  
1530, 715 - 5TH AVENUE SW  
CALGARY, AB T2P 2X6

**Operator**

ORLEN UPSTREAM CANADA LTD.  
400, 850 - 2ND STREET SW  
CALGARY, AB T2P 0R8  
264-4115 GST: 870383759RT0001

**Invoice**

Op Accounting Month	March 2018
Invoice Number	1803063
Invoice Date	28-Mar-2018
Invoiced	127,778.28
Disputed	116,700.99
Accepted	11,077.29

Cost Centre	A/E	Description	Amount	GST	Cash Call	Invoiced	Disputed	Accepted
003230380750		STRACHAN 100/03-23-038-07 W5/00	46,443.62			46,443.62	45,318.62	1,125.00
007040380750		STRACHAN 100/07-04-038-07 W5/00	16,062.04			16,062.04	14,962.04	1,100.00
008030380750		STRACHAN 100/08-03-038-07 W5	28,026.60			28,026.60	27,176.60	850.00
014190380650		STRACHAN 100/14-19-038-06 W5/00	6,877.29			6,877.29		6,877.29
203230380750		STRACHAN 102-03-23-038-07 W5/00	30,368.73			30,368.73	29,243.73	1,125.00
<b>Total Operations</b>			<b>127,778.28</b>			<b>127,778.28</b>	<b>116,700.99</b>	<b>11,077.29</b>
<b>Report Total</b>			<b>127,778.28</b>			<b>127,778.28</b>	<b>116,700.99</b>	<b>11,077.29</b>

## Operations Statement

## Partner

YANGARRA  
YANGARRA RESOURCES LTD.  
1530, 715 - 5TH AVENUE SW  
CALGARY, AB T2P 2X6

## Operator

ORLEN UPSTREAM CANADA LTD.  
400, 850 - 2ND STREET SW  
CALGARY, AB T2P 0R8  
264-4115 GST: 870383759RT0001

## Invoice

Invoice Number	1803063
Op Accounting Month	March 2018
Invoiced	46,443.62
Disputed	45,318.62
Accepted	1,125.00

## Operator

CC

003230380750

STRACHAN 100/03-23-038-07 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
LABOUR EXPENSES										
9908.703	CONTRACT OPERATOR	100.00000000	Oct 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Nov 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Dec 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Jan 18	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Feb 18	850.00	850.00			850.00	0.00	0.00
Total LABOUR EXPENSES				4,250.00	4,250.00		3,400.00	850.00	0.00	0.00
CHEMICALS										
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Oct 17	2,533.98	2,533.98		2,533.98		0.00	0.00
Total CHEMICALS				2,533.98	2,533.98		2,533.98		0.00	0.00
OVERHEAD & ADJUSTMENTS										
9913.773	PARTNER GST	100.00000000	Oct 17	475.92	475.92		475.92		0.00	0.00
9913.773	PARTNER GST	100.00000000	Nov 17	452.03	452.03		452.03		0.00	0.00
9913.773	PARTNER GST	100.00000000	Dec 17	442.08	442.08		442.08		0.00	0.00
9913.773	PARTNER GST	100.00000000	Jan 18	453.06	453.06		453.06		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Oct 17	275.00	275.00		275.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Nov 17	275.00	275.00		275.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Dec 17	275.00	275.00		275.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Jan 18	275.00	275.00		275.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Feb 18	275.00	275.00			275.00	0.00	0.00
Total OVERHEAD & ADJUSTMENTS				3,198.09	3,198.09		2,923.09	275.00	0.00	0.00
PRODUCTION TRUCKING & PROCESSING EXPENSE										
9914.745	GATHERING FEES	100.00000000	Oct 17	1,878.72	1,878.72		1,878.72		659.20	659.20
9914.745	GATHERING FEES	100.00000000	Nov 17	1,790.37	1,790.37		1,790.37		628.20	628.20
9914.745	GATHERING FEES	100.00000000	Dec 17	1,745.91	1,745.91		1,745.91		612.60	612.60
9914.745	GATHERING FEES	100.00000000	Jan 18	1,795.50	1,795.50		1,795.50		630.00	630.00
9914.758	COMPRESSION FEES	100.00000000	Oct 17	6,641.44	6,641.44		6,641.44		329.60	329.60
9914.758	COMPRESSION FEES	100.00000000	Nov 17	6,329.11	6,329.11		6,329.11		314.10	314.10
9914.758	COMPRESSION FEES	100.00000000	Dec 17	6,171.94	6,171.94		6,171.94		314.10	314.10

Invoice Number	1803063	Partner	YANGARRA YANGARRA RESOURCES LTD.	Operator	ORLEN UPSTREAM CANADA LTD.
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## Operator

CC

003230380750

STRACHAN 100/03-23-038-07 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
9914.758	COMPRESSION FEES	100.00000000	Jan 18	6,347.25	6,347.25		6,347.25		314.10	314.10
9914.759	NGL PROCESSING FEES	100.00000000	Oct 17	998.16	998.16		998.16		348.20	348.20
9914.759	NGL PROCESSING FEES	100.00000000	Nov 17	921.13	921.13		921.13		328.20	328.20
9914.759	NGL PROCESSING FEES	100.00000000	Dec 17	923.57	923.57		923.57		323.10	323.10
9914.759	NGL PROCESSING FEES	100.00000000	Jan 18	918.45	918.45		918.45		328.50	328.50
<b>Total PRODUCTION TRUCKING &amp; PROCESSING EXPENSE</b>				<b>36,461.55</b>	<b>36,461.55</b>		<b>36,461.55</b>		<b>5,129.90</b>	<b>5,129.90</b>
<b>Total Expense</b>				<b>46,443.62</b>	<b>46,443.62</b>		<b>45,318.62</b>	<b>1,125.00</b>	<b>5,129.90</b>	<b>5,129.90</b>
<b>Total Statement</b>				<b>46,443.62</b>	<b>46,443.62</b>		<b>45,318.62</b>	<b>1,125.00</b>	<b>5,129.90</b>	<b>5,129.90</b>

## Property Dispute

2018-06-01 1:16:42 PM - From ORLEN UPSTREAM CANADA LTD. (Heather Madden) to YANGARRA RESOURCES LTD (Christina Fiumano)  
Hi Christina, unpark these charges please, this is my third request, or we will have to resort to holding your production in order to recover this owed debt.

2018-05-04 10:22:41 AM - From ORLEN UPSTREAM CANADA LTD. (Heather Madden) to YANGARRA RESOURCES LTD (Christina Fiumano)  
Hi Cristina, this is my second request to unpark all of these charges. I'm happy to show you proof that Manitoq disputed all of the costs with us if that's what you require. Yangarra purchased the well effective October 1 2017, so these costs are yours to pay.

Unpark them ASAP or your Manager of Joint Ventures will be notified of the non payment, and you will not be allowed to route your gas through our facility.

2018-04-24 1:57:26 PM - From ORLEN UPSTREAM CANADA LTD. (Heather Madden) to YANGARRA RESOURCES LTD (Christina Fiumano)  
Hi Christina, These charges are for Yanagarra to pay, if you review your ISOA from Manitoq you should see that none of these charges were on it. We have billed you from the effective date of the sale, and we are allowed to recognize the new owner right away, the binding date is only a date by which all parties are forced to recognize the new owner.

Orlen is expecting payment from Yanarra on these, unpark and pay them.

2018-04-23 11:45:57 AM - From YANGARRA RESOURCES LTD (Christina Fiumano) to ORLEN UPSTREAM CANADA LTD.  
Binding date of Yangarra's purchase of this well is March 1st - all prior period charges should be directed to Manitoq

## Operations Statement

Partner	Operator	Invoice										
YANGARRA YANGARRA RESOURCES LTD. 1530, 715 - 5TH AVENUE SW CALGARY, AB T2P 2X6	ORLEN UPSTREAM CANADA LTD. 400, 850 - 2ND STREET SW CALGARY, AB T2P 0R8 264-4115 GST: 870383759RT0001	<table><tr><td>Invoice Number</td><td>1803063</td></tr><tr><td>Op Accounting Month</td><td>March 2018</td></tr><tr><td>Invoiced</td><td>16,062.04</td></tr><tr><td>Disputed</td><td>14,962.04</td></tr><tr><td>Accepted</td><td>1,100.00</td></tr></table>	Invoice Number	1803063	Op Accounting Month	March 2018	Invoiced	16,062.04	Disputed	14,962.04	Accepted	1,100.00
Invoice Number	1803063											
Op Accounting Month	March 2018											
Invoiced	16,062.04											
Disputed	14,962.04											
Accepted	1,100.00											

Operator

CC

007040380750

STRACHAN 100/07-04-038-07 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
LABOUR EXPENSES										
9908.703	CONTRACT OPERATOR	100.00000000	Oct 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Nov 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Dec 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Jan 18	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Feb 18	850.00	850.00			850.00	0.00	0.00
Total LABOUR EXPENSES				4,250.00	4,250.00		3,400.00	850.00	0.00	0.00
HSER & OPERATIONS EXPENSES										
9909.718	COMMUNICATIONS	100.00000000	Oct 17	9.22	9.22		9.22		0.00	0.00
9909.718	COMMUNICATIONS	100.00000000	Nov 17	9.06	9.06		9.06		0.00	0.00
9909.718	COMMUNICATIONS	100.00000000	Dec 17	9.27	9.27		9.27		0.00	0.00
Total HSER & OPERATIONS EXPENSES				27.55	27.55		27.55		0.00	0.00
CHEMICALS										
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Oct 17	282.87	282.87		282.87		0.00	0.00
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Jan 18	37.02	37.02		37.02		0.00	0.00
Total CHEMICALS				319.89	319.89		319.89		0.00	0.00
OVERHEAD & ADJUSTMENTS										
9913.773	PARTNER GST	100.00000000	Oct 17	114.39	114.39		114.39		0.00	0.00
9913.773	PARTNER GST	100.00000000	Nov 17	90.91	90.91		90.91		0.00	0.00
9913.773	PARTNER GST	100.00000000	Dec 17	113.64	113.64		113.64		0.00	0.00
9913.773	PARTNER GST	100.00000000	Jan 18	122.93	122.93		122.93		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Oct 17	250.00	250.00		250.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Nov 17	250.00	250.00		250.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Dec 17	250.00	250.00		250.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Jan 18	250.00	250.00		250.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Feb 18	250.00	250.00			250.00	0.00	0.00
Total OVERHEAD & ADJUSTMENTS				1,691.87	1,691.87		1,441.87	250.00	0.00	0.00
PRODUCTION TRUCKING & PROCESSING EXPENSE										
9914.745	GATHERING FEES	100.00000000	Oct 17	312.62	312.62		312.62		0.00	0.00

Invoice Number 1803063

Partner YANGARRA YANGARRA RESOURCES LTD.

Operator ORLEN UPSTREAM CANADA LTD.

## Operator

CC

007040380750

STRACHAN 100/07-04-038-07 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
9914.745	GATHERING FEES	100.00000000	Nov 17	248.50	248.50		248.50		148.80	148.80
9914.745	GATHERING FEES	100.00000000	Dec 17	310.62	310.62		310.62		186.00	186.00
9914.745	GATHERING FEES	100.00000000	Jan 18	336.00	336.00		336.00		201.20	201.20
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Oct 17	51.78	51.78		51.78		0.00	0.00
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Nov 17	55.80	55.80		55.80		0.00	0.00
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Dec 17	193.91	193.91		193.91		0.00	0.00
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Jan 18	43.35	43.35		43.35		0.00	0.00
9914.749	TRUCKING - EMULSION & PRODUCED WATER	100.00000000	Oct 17	102.26	102.26		102.26		0.00	0.00
9914.749	TRUCKING - EMULSION & PRODUCED WATER	100.00000000	Nov 17	171.36	171.36		171.36		0.00	0.00
9914.749	TRUCKING - EMULSION & PRODUCED WATER	100.00000000	Jan 18	57.28	57.28		57.28		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Oct 17	59.18	59.18		59.18		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Nov 17	56.24	56.24		56.24		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Dec 17	98.07	98.07		98.07		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Jan 18	46.00	46.00		46.00		0.00	0.00
9914.758	COMPRESSION FEES	100.00000000	Oct 17	1,974.96	1,974.96		1,974.96		93.60	93.60
9914.758	COMPRESSION FEES	100.00000000	Nov 17	1,569.84	1,569.84		1,569.84		74.40	74.40
9914.758	COMPRESSION FEES	100.00000000	Dec 17	1,962.30	1,962.30		1,962.30		93.00	93.00
9914.758	COMPRESSION FEES	100.00000000	Jan 18	2,122.66	2,122.66		2,122.66		100.60	100.60
<b>Total PRODUCTION TRUCKING &amp; PROCESSING EXPENSE</b>				<b>9,772.73</b>	<b>9,772.73</b>		<b>9,772.73</b>		<b>897.60</b>	<b>897.60</b>
<b>Total Expense</b>				<b>16,062.04</b>	<b>16,062.04</b>		<b>14,962.04</b>	<b>1,100.00</b>	<b>897.60</b>	<b>897.60</b>
<b>Total Statement</b>				<b>16,062.04</b>	<b>16,062.04</b>		<b>14,962.04</b>	<b>1,100.00</b>	<b>897.60</b>	<b>897.60</b>

**Property Dispute** 2018-06-20 12:13:28 PM - From YANGARRA RESOURCES LTD (Christina Fiumano) to ORLEN UPSTREAM CANADA LTD.  
Charges prior to Feb 2018 are under Manito's receivership process - rejected

**Property Dispute** 2018-04-24 1:57:52 PM - From ORLEN UPSTREAM CANADA LTD. (Heather Madden) to YANGARRA RESOURCES LTD (Christina Fiumano)  
Hi Christina, These charges are for Yanagarra to pay, if you review your ISOA from Manito you should see that none of these charges were on it. We have billed you from the effective date of the sale, and we are allowed to recognize the new owner right away, the binding date is only a date by which all parties are forced to recognize the new owner.

Orlen is expecting payment from Yangarra on these, unperk and pay them.

2018-04-23 11:46:24 AM - From YANGARRA RESOURCES LTD (Christina Fiumano) to ORLEN UPSTREAM CANADA LTD.  
Binding date of Yangarra's purchase of this well is March 1st - all prior period charges should be directed to Manito



## Operations Statement

## Partner

YANGARRA  
YANGARRA RESOURCES LTD.  
1530, 715 - 5TH AVENUE SW  
CALGARY, AB T2P 2X6

## Operator

ORLEN UPSTREAM CANADA LTD.  
400, 850 - 2ND STREET SW  
CALGARY, AB T2P 0R8  
264-4115 GST: 870383759RT0001

## Invoice

Invoice Number	1803063
Op Accounting Month	March 2018
Invoiced	28,026.60
Disputed	27,176.60
Accepted	850.00

## Operator

CC

008030380750

STRACHAN 100/08-03-038-07 W5

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
LABOUR EXPENSES										
9908.703	CONTRACT OPERATOR	100.00000000	Oct 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Nov 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Dec 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Jan 18	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Feb 18	850.00	850.00			850.00	0.00	0.00
Total LABOUR EXPENSES				4,250.00	4,250.00		3,400.00	850.00	0.00	0.00
HSER & OPERATIONS EXPENSES										
9909.715	TRUCKING - EQUIPMENT, CONSUMABLES & SUPP	100.00000000	Dec 17	97.20	97.20		97.20		0.00	0.00
9909.718	COMMUNICATIONS	100.00000000	Oct 17	9.22	9.22		9.22		0.00	0.00
9909.718	COMMUNICATIONS	100.00000000	Nov 17	9.06	9.06		9.06		0.00	0.00
9909.718	COMMUNICATIONS	100.00000000	Dec 17	9.27	9.27		9.27		0.00	0.00
Total HSER & OPERATIONS EXPENSES				124.75	124.75		124.75		0.00	0.00
CHEMICALS										
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Oct 17	137.22	137.22		137.22		0.00	0.00
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Jan 18	38.02	38.02		38.02		0.00	0.00
Total CHEMICALS				175.24	175.24		175.24		0.00	0.00
OVERHEAD & ADJUSTMENTS										
9913.773	PARTNER GST	100.00000000	Oct 17	294.50	294.50		294.50		0.00	0.00
9913.773	PARTNER GST	100.00000000	Nov 17	132.71	132.71		132.71		0.00	0.00
9913.773	PARTNER GST	100.00000000	Dec 17	322.13	322.13		322.13		0.00	0.00
9913.773	PARTNER GST	100.00000000	Jan 18	335.80	335.80		335.80		0.00	0.00
Total OVERHEAD & ADJUSTMENTS				1,085.14	1,085.14		1,085.14		0.00	0.00
PRODUCTION TRUCKING & PROCESSING EXPENSE										
9914.745	GATHERING FEES	100.00000000	Oct 17	804.94	804.94		804.94		0.00	0.00
9914.745	GATHERING FEES	100.00000000	Nov 17	362.72	362.72		362.72		217.20	217.20
9914.745	GATHERING FEES	100.00000000	Dec 17	880.42	880.42		880.42		527.20	527.20
9914.745	GATHERING FEES	100.00000000	Jan 18	917.84	917.84		917.84		549.60	549.60
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Oct 17	25.12	25.12		25.12		0.00	0.00

Invoice Number 1803063

Partner YANGARRA YANGARRA RESOURCES LTD.

Operator ORLEN UPSTREAM CANADA LTD.

## Operator

CC

008030380750

STRACHAN 100/08-03-038-07 W5

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Nov 17	60.20	60.20		60.20		0.00	0.00
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Dec 17	85.66	85.66		85.66		0.00	0.00
9914.747	OIL & EMULSION TREATING - OPERATING PORT	100.00000000	Jan 18	44.52	44.52		44.52		0.00	0.00
9914.749	TRUCKING - EMULSION & PRODUCED WATER	100.00000000	Oct 17	49.60	49.60		49.60		0.00	0.00
9914.749	TRUCKING - EMULSION & PRODUCED WATER	100.00000000	Nov 17	184.88	184.88		184.88		0.00	0.00
9914.749	TRUCKING - EMULSION & PRODUCED WATER	100.00000000	Jan 18	58.82	58.82		58.82		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Oct 17	28.71	28.71		28.71		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Nov 17	60.68	60.68		60.68		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Dec 17	43.32	43.32		43.32		0.00	0.00
9914.751	TRUCKING - CLEAN CRUDE OIL & CONDENSATE	100.00000000	Jan 18	47.24	47.24		47.24		0.00	0.00
9914.758	COMPRESSION FEES	100.00000000	Oct 17	5,085.10	5,085.10		5,085.10		241.00	241.00
9914.758	COMPRESSION FEES	100.00000000	Nov 17	2,291.46	2,291.46		2,291.46		108.60	108.60
9914.758	COMPRESSION FEES	100.00000000	Dec 17	5,561.96	5,561.96		5,561.96		263.60	263.60
9914.758	COMPRESSION FEES	100.00000000	Jan 18	5,798.28	5,798.28		5,798.28		274.80	274.80
Total PRODUCTION TRUCKING & PROCESSING EXPENSE				22,391.47	22,391.47		22,391.47		2,182.00	2,182.00
Total Expense				28,026.60	28,026.60		27,176.60	850.00	2,182.00	2,182.00
Total Statement				28,026.60	28,026.60		27,176.60	850.00	2,182.00	2,182.00

## Property Dispute

2018-04-24 1:58:07 PM - From ORLEN UPSTREAM CANADA LTD. (Heather Madden) to YANGARRA RESOURCES LTD (Christina Fiumano)

Hi Christina, These charges are for Yangarra to pay, if you review your ISOA from Manitox you should see that none of these charges were on it. We have billed you from the effective date of the sale, and we are allowed to recognize the new owner right away, the binding date is only a date by which all parties are forced to recognize the new owner.

Orlen is expecting payment from Yangarra on these, unperk and pay them.

2018-04-23 11:46:43 AM - From YANGARRA RESOURCES LTD (Christina Fiumano) to ORLEN UPSTREAM CANADA LTD.

Binding date of Yangarra's purchase of this well is March 1st - all prior period charges should be directed to Manitox

# Operations Statement

**Partner**

YANGARRA  
YANGARRA RESOURCES LTD.  
1530, 715 - 5TH AVENUE SW  
CALGARY, AB T2P 2X6

**Operator**

ORLEN UPSTREAM CANADA LTD.  
400, 850 - 2ND STREET SW  
CALGARY, AB T2P 0R8  
264-4115 GST: 870383759RT0001

**Invoice**

Invoice Number	1803063
Op Accounting Month	March 2018
Invoiced	6,877.29
Disputed	
Accepted	6,877.29

**Operator**

CC

014190380650

STRACHAN 100/14-19-038-06 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
OVERHEAD & ADJUSTMENTS										
9913.773	PARTNER GST	100.00000000	Jan 18	327.49	327.49			327.49	0.00	0.00
Total OVERHEAD & ADJUSTMENTS				327.49	327.49			327.49	0.00	0.00
PRODUCTION TRUCKING & PROCESSING EXPENSE										
9914.745	GATHERING FEES	100.00000000	Jan 18	590.08	590.08			590.08	574.40	574.40
9914.758	COMPRESSION FEES	100.00000000	Jan 18	5,787.08	5,787.08			5,787.08	287.20	287.20
9914.759	NGL PROCESSING FEES	100.00000000	Jan 18	172.64	172.64			172.64	20.80	20.80
Total PRODUCTION TRUCKING & PROCESSING EXPENSE				6,549.80	6,549.80			6,549.80	882.40	882.40
Total Expense				6,877.29	6,877.29			6,877.29	882.40	882.40
Total Statement				6,877.29	6,877.29			6,877.29	882.40	882.40

## Operations Statement

Partner	Operator	Invoice
YANGARRA YANGARRA RESOURCES LTD. 1530, 715 - 5TH AVENUE SW CALGARY, AB T2P 2X6	ORLEN UPSTREAM CANADA LTD. 400, 850 - 2ND STREET SW CALGARY, AB T2P 0R8 264-4115 GST: 870383759RT0001	Invoice Number 1803063 Op Accounting Month March 2018 Invoiced 30,368.73 Disputed 29,243.73 Accepted 1,125.00

Operator

CC

203230380750

STRACHAN 102-03-23-038-07 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
LABOUR EXPENSES										
9908.703	CONTRACT OPERATOR	100.00000000	Oct 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Nov 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Dec 17	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Jan 18	850.00	850.00		850.00		0.00	0.00
9908.703	CONTRACT OPERATOR	100.00000000	Feb 18	850.00	850.00			850.00	0.00	0.00
Total LABOUR EXPENSES				4,250.00	4,250.00		3,400.00	850.00	0.00	0.00
HSER & OPERATIONS EXPENSES										
9909.719	CONTRACT SERVICES (CREWS, CONSULTING, SU	100.00000000	Dec 17	315.95	315.95		315.95		0.00	0.00
Total HSER & OPERATIONS EXPENSES				315.95	315.95		315.95		0.00	0.00
CHEMICALS										
9911.725	CHEMICALS - GLYCOL, METHANOL, DEWAX, LUB	100.00000000	Oct 17	584.77	584.77		584.77		0.00	0.00
Total CHEMICALS				584.77	584.77		584.77		0.00	0.00
OVERHEAD & ADJUSTMENTS										
9913.773	PARTNER GST	100.00000000	Oct 17	311.18	311.18		311.18		0.00	0.00
9913.773	PARTNER GST	100.00000000	Nov 17	284.81	284.81		284.81		0.00	0.00
9913.773	PARTNER GST	100.00000000	Dec 17	241.28	241.28		241.28		0.00	0.00
9913.773	PARTNER GST	100.00000000	Jan 18	298.14	298.14		298.14		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Oct 17	275.00	275.00		275.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Nov 17	275.00	275.00		275.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Dec 17	275.00	275.00		275.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Jan 18	275.00	275.00		275.00		0.00	0.00
9913.783	ADMIN FEES	100.00000000	Feb 18	275.00	275.00			275.00	0.00	0.00
Total OVERHEAD & ADJUSTMENTS				2,510.41	2,510.41		2,235.41	275.00	0.00	0.00
PRODUCTION TRUCKING & PROCESSING EXPENSE										
9914.745	GATHERING FEES	100.00000000	Oct 17	1,221.51	1,221.51		1,221.51		428.60	428.60
9914.745	GATHERING FEES	100.00000000	Nov 17	1,114.36	1,114.36		1,114.36		391.00	391.00
9914.745	GATHERING FEES	100.00000000	Dec 17	948.48	948.48		948.48		332.80	332.80
9914.745	GATHERING FEES	100.00000000	Jan 18	1,176.48	1,176.48		1,176.48		412.80	412.80

Invoice Number 1803063

Partner YANGARRA YANGARRA RESOURCES LTD.

Operator ORLEN UPSTREAM CANADA LTD.

## Operator

CC

203230380750

STRACHAN 102-03-23-038-07 W5/00

OP Account	Minor Account Description	Partner Percent	Activity Month	Amounts					Volumes	
				Gross	Partner	GST	Disputed	Accepted	Gross	Partner
9914.758	COMPRESSION FEES	100.00000000	Oct 17	4,318.15	4,318.15		4,318.15		214.30	214.30
9914.758	COMPRESSION FEES	100.00000000	Nov 17	3,939.32	3,939.32		3,939.32		195.50	195.50
9914.758	COMPRESSION FEES	100.00000000	Dec 17	3,352.96	3,352.96		3,352.96		195.50	195.50
9914.758	COMPRESSION FEES	100.00000000	Jan 18	4,158.96	4,158.96		4,158.96		195.50	195.50
9914.759	NGL PROCESSING FEES	100.00000000	Oct 17	683.90	683.90		683.90		230.60	230.60
9914.759	NGL PROCESSING FEES	100.00000000	Nov 17	642.41	642.41		642.41		212.60	212.60
9914.759	NGL PROCESSING FEES	100.00000000	Dec 17	523.92	523.92		523.92		178.20	178.20
9914.759	NGL PROCESSING FEES	100.00000000	Jan 18	627.15	627.15		627.15		218.30	218.30
Total PRODUCTION TRUCKING & PROCESSING EXPENSE				22,707.60	22,707.60		22,707.60		3,205.70	3,205.70
Total Expense				30,368.73	30,368.73		29,243.73	1,125.00	3,205.70	3,205.70
Total Statement				30,368.73	30,368.73		29,243.73	1,125.00	3,205.70	3,205.70

## Property Dispute



2018-04-24 1:58:30 PM - From ORLEN UPSTREAM CANADA LTD. (Heather Madden) to YANGARRA RESOURCES LTD (Christina Fiumano)

Hi Christina, These charges are for Yangarra to pay, if you review your ISOA from Manitoq you should see that none of these charges were on it. We have billed you from the effective date of the sale, and we are allowed to recognize the new owner right away, the binding date is only a date by which all parties are forced to recognize the new owner.

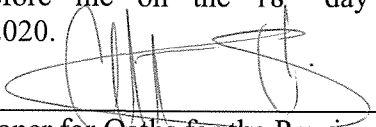
Orlen is expecting payment from Yangarra on these, unpark and pay them.



2018-04-23 11:49:27 AM - From YANGARRA RESOURCES LTD (Christina Fiumano) to ORLEN UPSTREAM CANADA LTD.

Yangarra's purchased well Feb, binding March 1st - all prior period charges should be directed to Manitoq

This is Exhibit "K", referred to in the Affidavit of **SEAN C. PADLEY**, sworn before me on the 18<sup>th</sup> day of November, 2020.



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A Commissioner for Oaths for the Province of Alberta

Alison Scott  
Barrister and Solicitor  
A Commissioner for Oaths/Notary Public  
in and for the Province of Alberta

Vendor Invoice Cross-reference  
Company: YANGARRA to YANGARRA Periods: 2017-01 to 2018-11  
Account List: Sort by Invoice

Company	Description	Invoice	Amount	Dated	Payment	Issued	Status	Acct	yyyy-mm	Vchr	Line
YANGARRA -- YANGARRA RESOURCES LTD.											
	JV COMBINED BILLING for 2018/Jan	1801066	2,000.00	2018-01-31				1220	2018-01	jvr001	BN0001
	DEPOSIT - MARCH 8, 2018	1801066	-2,000.00	2018-01-31				1220	2018-03	10001	A0029
	JV COMBINED BILLING for 2018/Feb	1802064	2,613.20	2018-02-28				1220	2018-02	jvr001	BL0001
	DEPOSIT - MAY 7, 2018	1802064	-2,613.20	2018-02-28				1220	2018-05	10001	A0001
	JV COMBINED BILLING for 2018/Mar	1803063	127,778.28	2018-03-31				1220	2018-03	jvr001	BK0005
	→ DEPOSIT - MAY 7, 2018	1803063	-6,877.29	2018-03-31				1220	2018-05	10001	A0002
	→ DEPOSIT - JULY 12, 2018	1803063	-4,200.00	2018-03-31				1220	2018-07	10002	A0003
	JV COMBINED BILLING for 2018/Apr	1804060	37,119.86	2018-04-30				1220	2018-04	jvr001	BH0005
	→ DEPOSIT - JULY 12, 2018	1804060	-37,119.86	2018-04-30				1220	2018-07	10002	A0004
	JV COMBINED BILLING for 2018/May	1805071	34,309.74	2018-05-31				1220	2018-05	jvr001	BS0005
	→ DEPOSIT - AUGUST 8, 2018	1805071	-34,983.84	2018-05-31				1220	2018-08	10001	A0001
	JV COMBINED BILLING for 2018/Jun	1806063	40,718.36	2018-06-30				1220	2018-06	jvr001	BK0005
	→ DEPOSIT - AUGUST 14, 2018	1806063	-40,718.36	2018-06-30				1220	2018-08	10002	A0009
	JV COMBINED BILLING for 2018/Jul	1807070	33,410.27	2018-07-31				1220	2018-07	jvr001	BR0005
	JV COMBINED BILLING for 2018/Aug	1808061	30,793.05	2018-08-31				1220	2018-08	jvr001	BI0005
	JV COMBINED BILLING for 2018/Sep	1809063	-41,786.34	2018-09-30				3220	2018-09	jvr001	BK0005
	JV COMBINED BILLING for 2018/Oct	1810064	-5,558.05	2018-10-31				3220	2018-10	jvr001	BL0006
	JV COMBINED BILLING for 2018/Nov	1811056	-37,910.82	2018-11-30				3220	2018-11	jvr001	BD0006
Company YANGARRA:			94,975.00								

\* Contract states payment in 30 days