

ROAD ALLOWANCE SCENARIOS UNDER IL 2011-09

The following illustrations outline common scenarios of when Crown authorization is automatically granted under the IL or when Crown authorization is required. Refer to the IL for details and conditions of authorizations.

Crown (CR), Freehold (FH), Undisposed Crown (UC)

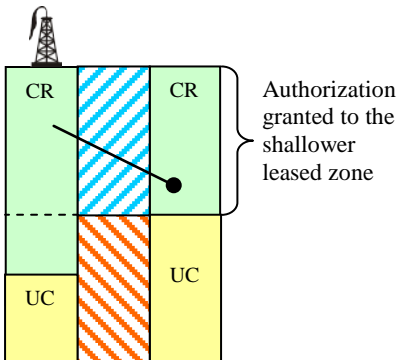
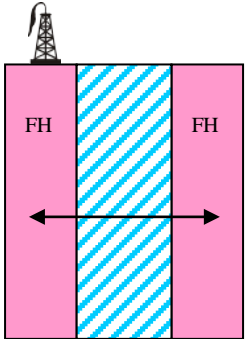


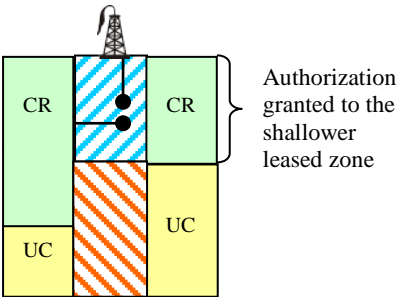
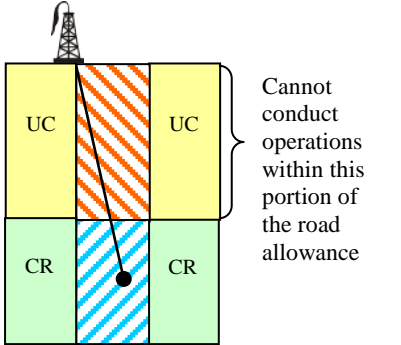
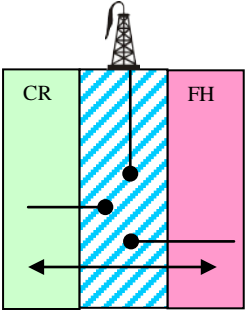
Access allowed

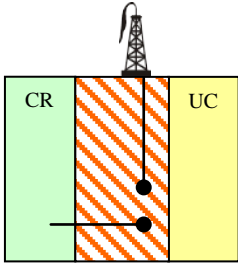
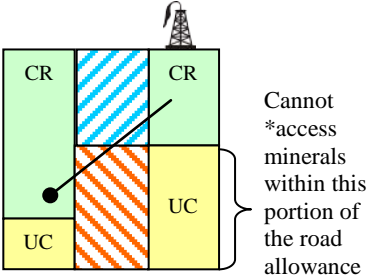
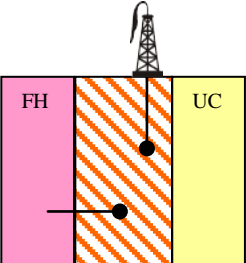


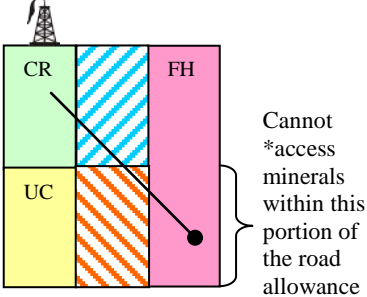
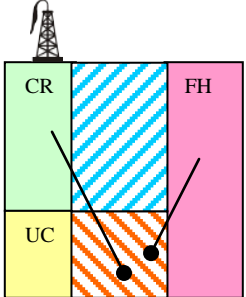
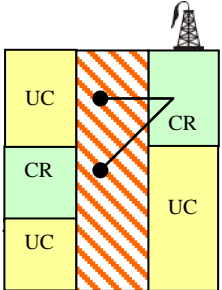
Access not allowed

*Accessing minerals means a) to drill in and through a road allowance and b) to terminate, test, log, core, inject or produce from a road allowance.

Scenarios	Comments	Apply for Crown Authorization	Authorization Granted under IL
<p>Well drilling through a road allowance between two Crown sections</p>		<p>Authorization granted under IL to *access minerals within a road allowance providing the adjoining agreements contain the corresponding mineral rights for the well being drilled.</p>	<p>✓</p>
<p>Well drilling through a road allowance between two freehold sections</p>		<p>Authorization granted under IL and the road allowance will be treated as if it were Freehold rights for royalty purposes</p>	<p>✓</p>

Scenarios		Comments	Apply for Crown Authorization	Authorization Granted under IL
<p>*Accessing minerals solely from the road allowance between two Crown sections.</p>	 <p>Authorization granted to the shallower leased zone</p>  <p>Cannot conduct operations within this portion of the road allowance</p>	<p>Authorization granted under IL to *access minerals within a road allowance providing the adjoining agreements contain the corresponding mineral rights for the well being drilled.</p>		<p>✓</p> <p>✓</p>
<p>*Accessing minerals in the road allowance between a Crown and freehold section.</p>		<p>Authorization will be granted for *accessing mineral rights, but a Production Allocation Unit Agreement must be entered into prior to placing the well on production.</p>	<p>✓</p>	

Scenarios	Comments	Apply for Crown Authorization	Authorization Granted under IL		
<p>*Accessing minerals in a road allowance:</p> <p>between a Crown disposed and a Crown undisposed section</p>		<p>Not Allowed</p>			
<p>between two Crown sections but adjoining section is partly undisposed</p>	 <p>Cannot *access minerals within this portion of the road allowance</p>			<p>Not Allowed</p>	
<p>between a freehold and a Crown undisposed section</p>				<p>Not Allowed</p>	

Scenarios	Comments	Apply for Crown Authorization	Authorization Granted under IL
<p>*Accessing minerals in a road allowance: between a Crown and freehold section</p>	 <p>Cannot *access minerals within this portion of the road allowance</p>	<p>Not Allowed</p>	
<p>between a Crown undisposed and a freehold section</p>			
<p>*Accessing minerals in a road allowance between Crown and undisposed Crown sections</p>		<p>Not Allowed</p>	