

**Government of Alberta** ■

Energy

**OIL SANDS PERMIT**

**NO.**

**Term Commencement Date:**

**Permittee:**

SAMPLE

WHEREAS Her Majesty is the owner of the minerals in respect of which rights are granted under this Permit;

THEREFORE, subject to the terms and conditions of this Permit, Her Majesty grants to the Permittee, insofar as Her Majesty has the right to grant the same, the exclusive right to drill for, win, work and recover the Permitted Substances within the Location, together with the right to remove from the Location any Permitted Substances recovered, for the term of five (5) years, computed from the Term Commencement Date;

RESERVING AND PAYING to Her Majesty

- (a) in respect of each year during which this Permit remains in effect, a clear yearly rental computed at the rate prescribed by, and payable in accordance with, the *Mines and Minerals Act*, and
  - (b) the royalty on all Permitted Substances recovered pursuant to this Permit, that is now or may hereafter from time to time be prescribed by, and that is payable in accordance with, the *Mines and Minerals Act*, such royalty to be calculated free of any deductions except those that are permitted under the *Mines and Minerals Act*.
- 1(1) In this Permit, a reference to the *Mines and Minerals Act* or to any other Act of the Legislature of Alberta referred to in section 2(2)(b) of this Permit shall be construed as a reference to
- (a) that Act, as amended from time to time,
  - (b) any replacement of all or part of that Act from time to time enacted by the Legislature, as amended from time to time, and
  - (c) any regulations, orders, directives or other subordinate legislation from time to time made under any enactment referred to in clause (a) or (b), as amended from time to time.
- (2) In this Permit,
- (a) "Her Majesty" means Her Majesty in right of Alberta, as represented by the Minister of Energy of the Province of Alberta;
  - (b) "Location" means the subsurface area or areas underlying the surface area of the Tract and described in the Appendix to this Permit under the heading "Description of Location and Permitted Substances";

- (c) "Permitted Substances" means the minerals described under the heading "Description of Location and Permitted Substances" in the Appendix to this Permit;
- (d) "Term Commencement Date" means the date shown on the first page of this Permit as the Term Commencement Date;
- (e) "Tract" means the tract or tracts of land described under the heading "Description of Location and Permitted Substances" in the Appendix to this Permit;

2. This Permit is granted upon the following conditions:

- (1) The Permittee shall pay to Her Majesty the rental and royalty reserved under this Permit.
- (2) The Permittee shall comply with the provisions of
  - (a) the *Mines and Minerals Act*, and
  - (b) the *Oil Sands Conservation Act* or any other Acts of the Legislature of Alberta that prescribe, apply to or affect the rights and obligations of a permittee of oil sands rights that are the property of Her Majesty, or that relate to, apply to or affect the Permittee in the conduct of its operations or activities under this Permit.
- (3) The provisions of the Acts referred to in subsection (2) of this section are deemed to be incorporated into and to form part of this Permit.
- (4) In the event of conflict between a provision of this Permit and a provision referred to in subsection (2) of this section, the latter provision prevails.
- (5) The Permittee shall not claim or purport to exercise any rights, prerogatives, privileges or immunities that would otherwise exempt the Permittee from compliance with any of the provisions of the *Mines and Minerals Act* or of any other Act of the Legislature of Alberta referred to in subsection (2)(b) of this section.
- 6) The Permittee shall keep Her Majesty indemnified against
  - (a) all actions, claims and demands brought or made against Her Majesty by reason of anything done or omitted to be done, whether negligently or otherwise, by the Permittee or any other person in the exercise or purported exercise of the rights granted and duties imposed under this Permit, and
  - (b) all losses, damages, costs, charges and expenses that Her Majesty sustains or incurs in connection with any action, claim or demand referred to in clause (a).

- (7) In the event that any Permitted Substances obtained or produced from the Location are lost or cannot be accounted for due to or as a result of the wrongful act or omission, neglect, carelessness, wilful default or fraud of the Permittee or of any other person conducting operations or activities pursuant to or under the authority of this Permit, the Permittee shall compensate Her Majesty for the fair value as determined by Her Majesty of Her Majesty's royalty share of the quantify of the Permitted Substances so lost or unaccounted for.
- (8) This Permit is also subject to the special provisions, if any, contained in the Appendix to this Permit.

SAMPLE

APPENDIX  
TO  
OIL SANDS PERMIT NO.

TERM COMMENCEMENT DATE:

AGGREGATE AREA:

DESCRIPTION OF LOCATION AND PERMITTED SUBSTANCES:

SPECIAL PROVISIONS:

SAMPLE