

SCHEDULE C
(Section 12)

Form of Lease

Manitoba
Department of Economic Development, Investment and Trade
Petroleum Branch

(_____ (address) _____)

OIL AND GAS LEASE

Effective date: _____

Expiry date: _____

This agreement is made in duplicate, this _____ day of _____, 20 ____.

BETWEEN:

His Majesty the King, in the right of the Province of Manitoba, represented by the Minister of Economic Development, Investment and Trade, referred to in this agreement as "the minister";

and

_____ (name) _____ referred to in this agreement as "the holder".

Definitions

1 In this agreement,

"**Act**" means *The Oil and Gas Act*, and includes any amendment to the Act; (« *Loi* »)

"**lease area**" means the lease area described in section 5; (« *périmètre d'exploitation du bail* »)

"**regulation**" means a regulation made under the Act, and includes any amendment to the regulation.
(« *règlement* »)

Meaning of "Crown"

2 For the purpose of this agreement, "**Crown**" means His Majesty the King in right of the province, and includes any person appointed by the Crown to perform the duties imposed and exercise the powers conferred by this agreement, the Act and regulations.

Agreement is subject to Act and regulations

3 This agreement is subject to the Act and regulations.

Headings

4 The headings used in this agreement are for convenience only and shall not be considered in its interpretation.

Grant of rights to holder

5 Subject to this agreement, the Act and regulations, and in consideration of the rent paid by the holder and the royalties reserved to the Crown under section 188 of the Act, the minister hereby grants to the holder the exclusive right to drill for oil and gas within the following lease area and to remove and dispose of any oil and gas produced from the lease area:

_____ (legal description) _____

Five year term

6 The term of this agreement is five years, commencing on the effective date of this agreement, and is renewable in accordance with the Act and regulations.

Royalty

7 The holder acknowledges that this agreement is subject to Part 16 (royalty reserved to Crown) of the Act.

No surface rights conveyed

8 This agreement does not convey to the holder any right or interest in the surface of the lease area.

Holder to comply with law in operations

9 The holder shall comply with the Act and regulations, and any other law applicable to the holder's operations under this agreement.

Amendments to legislation apply

10 The holder acknowledges and agrees that the rights, interests, duties and obligations under this agreement may be varied in accordance with any amendment or substitution of the Act or regulations, including any such amendment or substitution made after the execution of this agreement or issuance of the lease, or any renewal, continuation or substitution of the lease.

Minister may cancel agreement

11(1) The holder acknowledges that the minister may cancel this agreement in accordance with section 61 of the Act if the holder fails to comply with this agreement, the Act or regulations.

Rights of the Crown

11(2) Any right of the Crown against the holder in respect of a failure to comply with the Act, regulations and this agreement shall not be prejudiced, lost or merged by the cancellation of this agreement, and the Crown shall have the same remedies for the recovery of any rent, payment or damages due or accruing due at the time of cancellation as if this agreement remained in full force and effect.

Service of document

12 A document relating to this agreement may be served in accordance with section 209 of the Act

(a) in the case of the Crown, upon the Petroleum Registrar at the following address:

_____ (address) _____

(b) in the case of the holder, at the address provided to the Petroleum Registrar under section 208 of the Act.

Agreement is binding

13 This agreement is binding upon the parties to it, and to the holder's heirs, executors, administrators, successors and assigns.

Related documents

14 This agreement is subject to the following documents:

_____ (list each document)

In witness of this agreement, the minister and the holder have executed this agreement.

SIGNED, SEALED AND DELIVERED

His Majesty the King in right of Manitoba

The Director of Petroleum
for The Minister of Economic Development, Investment
and Trade
under the *Crown Disposition Regulation*

(signature of witness, or seal)

(signature of holder)