

PORE SPACE LEASE NO.

Term Commencement Date:

Lessee:

100.0000%

WHEREAS His Majesty is the owner of the pore space in respect of which rights are granted under this Lease;

THEREFORE, subject to the terms and conditions contained in this Lease, His Majesty grants to the Lessee, insofar as His Majesty has the right to grant the same, the exclusive right to utilize the pore space to sequester Injected Substances within the Location, subject to the *Mines and Minerals Act*, for so long after the Commencement Date as the [NAME OF AGREEMENT] Pore Space Unit, of which the Lessee is the Authorized Representative, remains in existence;

RESERVING AND PAYING to His Majesty,

(a) in respect of each year during which this Lease remains in effect, a clear yearly rental computed at the rate prescribed by, and payable in accordance with, the *Mines and Minerals Act*,

(b) the Crown compensation payable in respect of the use of Crown pore space, or upon all Injected Substances sequestered pursuant to this Lease, 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 compensation to be calculated free of any deductions except those that are permitted under the *Mines and Minerals Act*, specifically including but not limited to required payments into the Post-Closure Stewardship Fund, any and all liability management fees, levies, charges or payments.

1(1) In this Lease, 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 Lease 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 Lease,

(a) "Commencement Date" means the date shown on the first page of this Lease as the Commencement Date;

(b) "His Majesty" means His Majesty in right of Alberta, as represented by the Minister of Energy and Minerals of the Province of Alberta;

(c) "Injected Substances" means any substances which the Regulator may authorize the Lessee to inject

(d) "Location" means the subsurface area or areas underlying the surface area of the Tract and described in the Appendix to this Lease under the heading "Description of Location and Injected Substances";

(e) "Regulator" means the Alberta Energy Regulator (AER), or such other body as may be delegated to replace or assume the AER's responsibilities under the MMA and the *Oil and Gas Conservation Act*,

(f) "Tract" means the tract or tracts of land described under the heading "Description of Location and Injected Substances" in the Appendix to this Lease;

2. This Lease is granted upon the following conditions:

(1) The Lessee shall pay to His Majesty the rental and any Crown compensation payable under this Lease.

(2) The Lessee shall comply with the provisions of

(a) the *Mines and Minerals Act* (excluding Section 117), and

(b) the *Oil and Gas Conservation Act* or any other Acts of the Legislature of Alberta that prescribe, apply to, or affect the rights and obligations of a lessee of rights that are the property of His Majesty, or that relate to, apply to, or affect the Lessee in the conduct of its operations or activities under this Lease.

(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 Lease.

(4) In the event of conflict between a provision of this Lease and a provision referred to in subsection (2) of this section, the latter provision prevails.

(5) The Lessee shall not claim or purport to exercise any rights, prerogatives, privileges, or immunities that would otherwise exempt the Lessee 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 Lessee shall keep His Majesty indemnified against

(a) all actions, claims and demands brought or made against His Majesty by reason of anything done or omitted to be done, whether negligently or otherwise, by the Lessee or any other person in the exercise or purported exercise of the rights granted and duties imposed under this Lease,

(b) all losses, damages, costs, charges, and expenses that His Majesty sustains or incurs in connection with any action, claim or demand referred to in clause (a).

(7) The use in this Lease of the words "Lessee", "Lease", "Injected Substances" or "rental," or of any other words or expressions,

(a) does not create any implied covenant or implied liability on the part of His Majesty, and

(b) does not create the relationship of landlord and tenant between His Majesty and the Lessee for any purpose.

(8) This Lease is also subject to the special provisions, if any, contained in the Appendix to this Lease.

APPENDIX TO PORE SPACE LEASE NO.

COMMENCEMENT DATE:

AGGREGATE AREA:

_____ HECTARES

DESCRIPTION OF LOCATION AND INJECTED SUBSTANCES:

X

SPECIAL PROVISIONS:

NIL