



GEOTHERMAL LEASE

NO.

Term Commencement Date:

Lessee:

SAMPLE

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

THEREFORE, subject to the terms and conditions of this Lease, His Majesty grants to the Lessee, insofar as His Majesty has the right to grant the same, the non-exclusive right to explore for, develop and recover the geothermal resources within the Location, together with the right to remove from the Location any geothermal resources recovered, for the term of five years computed from the Term Commencement Date and, subject to the *Mines and Minerals Act*, for so long after the expiration of that term as this Lease is permitted to continue under that Act.

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*, and
 - (b) the amounts payable to the Crown in relation to the exploration for or the development or recovery of geothermal resources recovered 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 amounts to be calculated free of any deductions except those that are permitted under the *Mines and Minerals Act*.
- 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) "His Majesty" means His Majesty in right of Alberta, as represented by the Minister of Energy of the Province of Alberta;
 - (b) "Geothermal Resource" means the natural heat from the earth that is below the base of groundwater protection.
 - (c) "Location" means the subsurface area or areas underlying the surface area described in the Appendix to this Lease under the heading "Description of Location and Geothermal Resource";

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

2. This Lease is granted upon the following conditions:

- (1) The Lessee shall pay to His Majesty the rental reserved under this Lease.
- (2) The Lessee shall comply with the provisions of
 - (a) the *Mines and Minerals Act*, and
 - (b) any other Acts of the Legislature of Alberta that prescribe, apply to or affect the rights and obligations of a lessee of geothermal resource 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 in 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, in the conduct of its operations or activities under this Lease, in any way impede the operations or activities of any agreement holder who has the right to win, work or recover a mineral.
- (6) The Lessee shall not, in the conduct of its operations or activities under this Lease use anything other than the technology specified in the application they submitted to the Minister under section 16 of the Act, for the exploration for, or the development or recovery of geothermal resources. The Minister may at any time determine, at their sole discretion, whether a technology used by the Lessee is the same technology specified by the Lessee in their lease application.
- (7) The Lessee shall take all reasonable steps to prevent the escape or release of any oil, gas, water or of any other substance that may be encountered during the conduct of any of its operations or activities pursuant to this Lease and that may cause an adverse impact.
- (8) 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.
- (9) 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, and
 - (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).

- (10) The use in this Lease of the word “Lessee”, “Lease”, “Geothermal Resource” or “rental,” or of any other word or expression,
- (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.

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