

PIPELINE RIGHT-OF-WAY DISCUSSION AGREEMENT

Effective this _____ day of _____, 200 _____

Between _____ (Landowner)

and

_____ (Agent or Company)

WHEREAS:

_____ as a representative of
(name of individual legally representing company)

_____, is seeking to acquire a pipeline
(registered name of corporation)

right-of-way on the property known as _____ . In
(legal land description)

Undertaking the following discussions I recognize the value of the landowner's or landowners' time and costs. Therefore on behalf of the Company agree to the following conditions before any further discussion can proceed.

NOW THEREFORE this Agreement witnesses that in exchange for the premises herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

Date and time of first contact: _____

1. For the purpose of this agreement _____ including joint and several agents, land men, contractors, subcontractors, operators, consultants, surveyors, employees, personnel, shall be referred to as the Company. The landowner or landowners and those individuals and/or companies acting on their behalf, shall be known as the Landowner.
2. **The Company shall pay:**
 - a. all legal, consulting and/or professional secretary service fees and costs incurred by the Landowner, pertaining to the negotiation of this right-of-way regardless of whether or not an agreement is completed.
 - b. all other costs incurred by the Landowner, pertaining to the negotiation of the right-of-way agreement. Other costs mean postage, stationery, long distance phone charges, cell phone charges, photocopying, all out of pocket expenses, etc.
 - c. for the Landowner's time in respect to matters concerning the negotiations, associated research and preparations thereof, related to this proposed right-of-way shall be valued at one hundred (\$100.00)

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dollars per hour or one hundred and fifty (\$150.00) dollars per hour during the months of May, August, September, or October. This hourly rate shall also be applied to the Landowner's time spent in discussions with adjoining landowners, occupants, nearby residents and other affected parties regarding the proposed right-of-way.

- d. for the Landowner's mileage on the Landowner's vehicles, in respect to matters concerning the negotiation of this right-of-way shall be valued at one (\$1.00) dollar per kilometre.
3. The Company shall pay the aforementioned regardless of whether or not a right-of-way agreement is completed.
4. The Company shall pay all aforementioned fees, costs, expenses, time, mileage, and other costs pertaining to this negotiation, incurred by the Landowner during the time period beginning with the first contact with the Landowner by the Company and ending when a right-of-way agreement is signed by both parties, witnessed, marked with the corporate seal of the Company, and a copy returned to the Landowner, or when the request is withdrawn by the Company in writing.
5. The Company shall pay all fees, costs, expenses, time, mileage, and other costs within Thirty (30) days of invoicing. An interest rate of Three (3%) percent per month (36% per year) will be levied against any amount outstanding.
6. The Company shall not enter this property by vehicle or motorized machine until right-of-way negotiations have been completed and the right-of-way agreement and addendum signed by both the Company and the Landowner and bears the corporate seal, and have been returned to the Landowner. Such an entry by vehicle or motorized machine, by the Company prior to this signing, sealing and returning of the surface lease shall be considered trespass and the Company shall pay to the Landowner a minimum fee of Two Thousand (\$2,000.00) Dollars per each vehicle or motorized machine per entry plus all damages, and Five thousand (\$5,000.00) Dollars for each subsequent entry plus damages, whether such an entry occurs before or after the signing of this agreement.
7. The Landowner shall grant entry on foot to the Company with the signing of this agreement' providing reasonable care as defined by the Landowner is taken. The Landowner reserves the right to require those entering on foot to sign a Biological Security Agreement before entry into the demised premises will be granted. The requirements of this Biological Security Agreement must be adhered to or the penalties outlined within are enforced whether the violation occurred before or after this Discussion agreement is signed.
8. Should the Company require snow ploughing prior to the signing of a pipeline right-of-way agreement for the purpose of facilitating surveying and/or soil testing; the signing of this agreement shall conditionally grant this under the following conditions:
 - i. the Landowner reserves the right to require those entering on foot or by motorized machine or vehicle to sign a Biological Security Agreement before entry into the demised premises will be granted. The requirements of this Biological Security Agreement must be adhered to or the penalties outlined within are enforced whether the violation occurred before or after this Discussion Agreement is signed.
 - ii. the Company shall pay a snow ploughing fee of One Thousand Five Hundred (\$1,500.00) Dollars per single entry, prior to snow ploughing and shall pay for and accepts all responsibility for all damages.
 - iii. the signing of this agreement shall grant the Company's entry of additional vehicles or motorized machinery for the purpose of soil testing only, for the prior payment of Two Hundred (\$200.00) Dollars per vehicle or motorized machine per single entry and the Company shall pay for and be responsible for all damages. Failure to pay this fee prior to entry shall be considered trespass and shall

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be subject to condition #6. The condition of trespass shall apply to any and all vehicles or motorized machine used for any other purposes other than snow ploughing and/or soil testing regardless of the payment of the prior fees for snow ploughing and/or soil testing, these prior paid fee shall be forfeit to the landowner and there shall be no further entries onto the demised premises by the Company until a pipeline right-of-way agreement is signed.

9. The Landowner shall have final say on the location of any proposed pipeline right-of-way.
10. The Landowner and the Company do agree that the "Millar Decision" regard annual pipeline rent does not apply to any Right-of-Way Agreement that results from this Discussion Agreement.
11. The detailed chemical analysis of any and all substances to be transported through the purposed pipeline resulting from this agreement must be supplied to the Landowner by the Company prior to the signing of the pipeline right-of-way agreement.
12. This document is not complete until it bears the corporate seal of the Company.

(company name)

Per: _____
c/s

print name.

Landowner

Signature

print name.

witness

Place Corporate Seal Above Here