

**CALL FOR BIDS  
No. NL18-CFB03  
(Jeanne d'Arc)**

**Production Licence  
(Terra Nova K-08 Commercial Discovery Area)**

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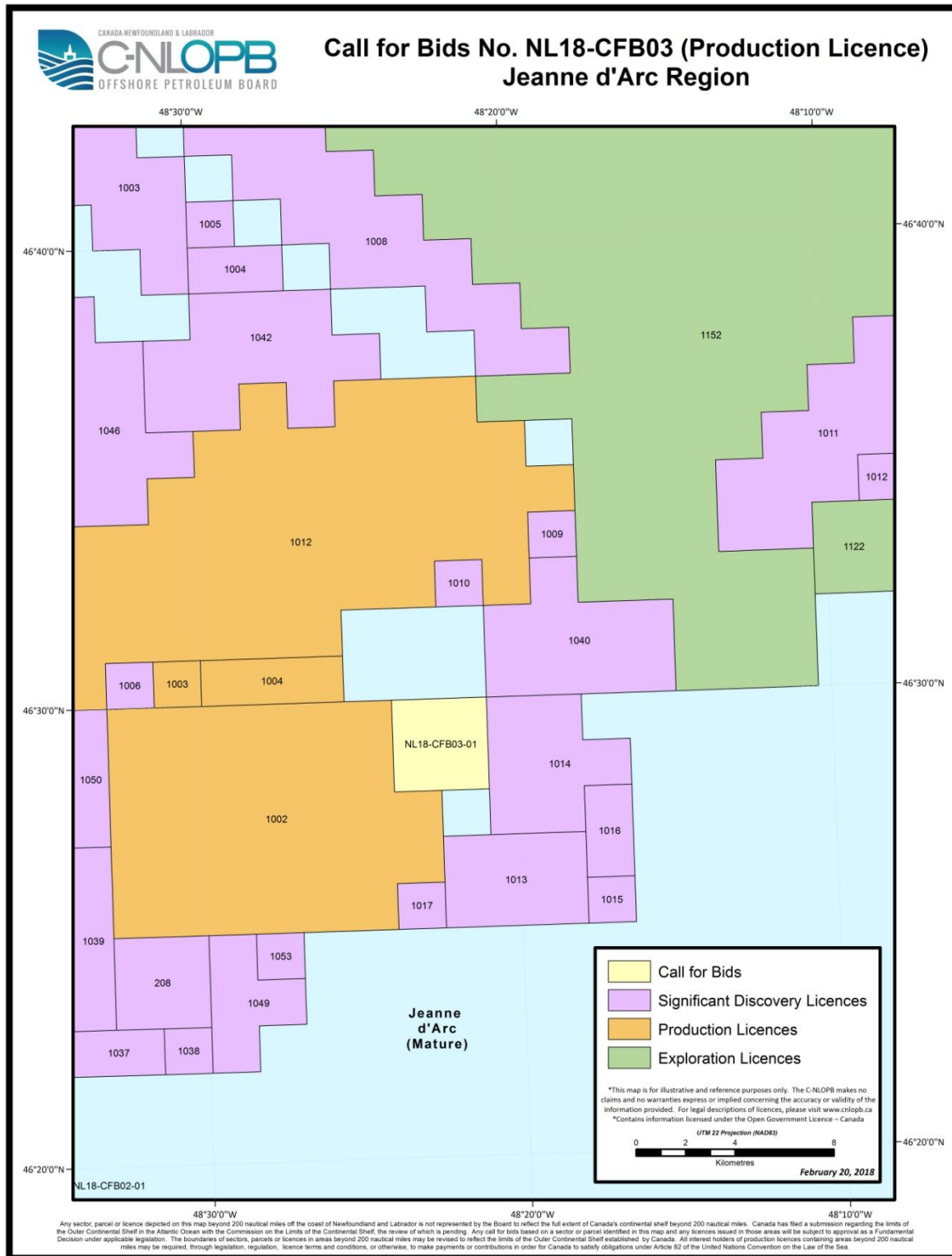
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## **1.0 Canada-Newfoundland and Labrador Offshore Petroleum Board - Profile**

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB or the Board) is responsible, on behalf of the Government of Canada and the Government of Newfoundland and Labrador, for the regulation of petroleum-related activity in the Canada-Newfoundland and Labrador Offshore Area.

The Board's authority is derived from the legislation implementing the February 11, 1985 Atlantic Accord between the two governments. The *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act* and the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act* (“the Accord Acts”) provide for joint management of the offshore area.

## 2.0 Call for Bids No. NL18-CFB03 - Land Plat – Parcel No. 1



### **3.0 Call for Bids No. NL18-CFB03**

#### **3.1 Call for Bids**

The C-NLOPB hereby makes a call for the submission of bids in respect of one (1) parcel to be issued as a production licence in that portion of the Canada-Newfoundland and Labrador Offshore Area known as the Terra Nova K-08 Commercial Discovery Area as described in Section 2.0 and Schedule I.

This call for bids is made pursuant and subject to the *Accord Acts*.

Any submission of a bid in response to this call for bids shall be made with the understanding that the person(s) submitting the bid accepts and agrees to the terms and conditions in this call for bids. Any bid submitted that does not conform to the terms and conditions provided in this call for bids will not be considered by the Board. Unless otherwise provided herein, all terms used in this call for bids will have the same meaning as provided under the *Accord Acts*.

#### **3.2 Submission of Bids**

- a) This call for bids will close at **12:00** p.m. Newfoundland Standard time, on **November 7, 2018** (the "Closing Date"). Bids must be received at the Board's address in 3.2(c) below prior to the Closing Date. Bids received after the Closing Date will not be considered.
- b) The manner of submitting bids shall be through the submission of Bid Packages. Each Bid Package shall be comprised of the following:
  - one Bid Response Form
  - a Bid Deposit cheque
  - a Parcel Issuance Fee cheque
  - cheques to be denominated in Canadian dollars

Each Bid Package shall be in a separate sealed envelope clearly marked as follows:

**Call for Bids No. NL18-CFB03**  
**Canada-Newfoundland and Labrador Offshore Area**

- c) Bid Packages must be sent to the Board at the following address:
- Canada-Newfoundland and Labrador Offshore Petroleum Board  
Suite 101, TD Place  
140 Water Street  
St. John's, NL A1C 6H6  
ATTENTION: The Chair
- d) No submission received in response to this call for bids will be returned.
- f) Each Bid Response Form shall be in the form provided at Schedule II and shall contain only the information required in the appropriate Bid Response Form.
- g) This call for bids may be amended at any time up until 10 days prior to the Closing Date specified in paragraph 3.2(a). Any amendment made to this call for bids shall be published on the Board's website ([www.cnlopb.ca](http://www.cnlopb.ca)) under the heading "What's New!".
- h) With respect to any future work or activity on the parcel, in addition to the environmental assessment requirements to be addressed in accordance with the issuance of an authorization for a work or activity, it should be noted that the area covered by this call for bids was included within the scope of the C-NLOPB's 2014 *Eastern Newfoundland Strategic Environmental Assessment* (SEA). The SEA included scientific assessment and meaningful public consultation to ensure the public's interest is served in advance of new lands being offered for bid in the region. The SEA examined the environmental effects that may be associated with a plan, program or policy proposal and allows for the incorporation of environmental considerations at the earliest stages of program planning.

### **3.3 Bid Selection Criterion**

a) **Sole Criterion**

For the purpose of assessing and selecting a bid, the sole criterion to be used for the parcel will be the highest total amount of money to be deposited as a drilling deposit in accordance with subparagraph 3(c)(i) ("Drilling Deposit").

The Drilling Deposit will be refunded if a well is drilled to a valid geological target within 5 years from the effective date of the production licence. Otherwise, the entire Drilling Deposit will be forfeited.

b) **Minimum Bid**

A bid of at least **\$25 million** for the Drilling Deposit will be required for this parcel offered in this Call for Bids NL18-CFB03.

c) **Drilling Deposit**

(i) For the parcel, the successful bidder will be required to provide, within fifteen (15) days of notification of being the successful bidder either:

- (a) a promissory note, accompanied by a bank acceptance letter; or
- (b) irrevocable standby letter of credit

in the amount of value of the Drilling Deposit.

(ii) The Board will allow bidders submitting a joint bid to submit separate promissory notes, accompanied by separate bank acceptance letters or irrevocable standby letters of credit, representing their proportionate shares of the required Drilling Deposit. A bidder's designated representative will be responsible for collecting and submitting promissory notes and bank acceptance letters or irrevocable standby letters of credit of the joint bidders. A default in submitting the Drilling Deposit will result in forfeiture of the Bid Deposit, disqualification of the bid, and notification to the second place bidder, if one exists, that they are the successful bidder.

(iii) The promissory notes and bank acceptance letters or irrevocable standby letters of credit are to be submitted in a form attached hereto as Schedule III.

(iv) The Interest Owner is not obligated to perform work under this Licence. However, if the Interest Owner does not drill a Validation Well, the Drilling Deposit will be forfeited to the Receiver General for Canada upon the expiry of 5 years from the effective date of this Licence.

d) **Bid Deposit**

(i) Each bid must be accompanied by a bank draft or certified cheque in the amount of \$10,000.00 CAD made payable to the Receiver General for Canada ("Bid Deposit"). Electronic Fund Transfers will not be accepted.

(ii) The successful bidder will receive a refund, without interest, of the Bid Deposit when the Drilling Deposit is posted and accepted for filing within the time specified.

(iii) Failure to post the Drilling Deposit within the specified time will result in forfeiture of the Bid Deposit and disqualification of the bid.

- (iv) Upon announcement of the bid result, the Bid Deposits of unsuccessful bidders will be returned, without interest, as soon as possible.
- (v) Bid Deposits will be returned by courier service.

### **3.4 *Parcel Issuance Fee***

A cheque in payment of the issuance fee is required pursuant to the *Canada-Newfoundland and Labrador Offshore Area Registration Regulations* and made payable to the Receiver General for Canada. It must be submitted with each Bid Response Package in the respective amount indicated below:

**Parcel No. 1    \$250.00**

Cheques for issuance fees will be returned to unsuccessful bidders.

### **3.5 *Terms and Conditions***

The Terms and Conditions for the resulting production licence issued as a result of this Call for Bids No. NL18-CFB03 can be found in the Sample Production Licence attached hereto as Schedule IV.

### **3.6 *Identity of Bidder***

All bids must identify the parties making the bid and their participating shares. The Board will accept bids from land brokers acting on behalf of bidders, provided the Board is notified of the identities of the bidders represented by the broker and their participating shares if the bid is successful.

The Board will disclose the identity of the successful bidder at the time of the public notice setting out the terms and conditions of the successful bid. The Board will also disclose the identity of unsuccessful bidders on a confidential basis to Ministers, if requested by a Minister, pursuant to section 18 of the *Accord Acts*.

### **3.7 *Notification to Bidders***

The Board will advise bidders of the outcome of their bids as soon as possible after the Closing Date of this call for bids.

### **3.8 *Canada-Newfoundland and Labrador Benefits Plan***

With respect to any future work or activity on the parcel, a benefits plan may be required by the Board for approval in accordance with section 45 of the *Accord Acts*.



### **3.9 Environmental Studies Research Fund (ESRF)**

- (a) The successful bidder must pay Environmental Studies Research Fund (ESRF) levies under Part VII of the *Canada Petroleum Resources Act*, R.S.C. 1985, c. 36 (2<sup>nd</sup> Supp.), for the year in which the production licence is issued and retroactive levies for the two preceding years. Thereafter, ESRF levies as fixed from time to time by the federal Minister of Natural Resources will be payable unless the Interest Owner surrenders the production licence prior to the payment due date.
- (b) ESRF matters are not administered by the Board and are the responsibility of the federal Minister of Natural Resources. ESRF levies are determined by multiplying the number of hectares of land included in the production licence by the ESRF levy rate for the applicable region. Rates are provided on the ESRF website: [www.esrfunds.org](http://www.esrfunds.org).

Production Licence	Hectares Region 10
1	1 423

- (c) ESRF levies must be submitted to the ESRF Secretariat within 15 days of notification of being the successful bidder.

### **3.10 Acceptance and Rejection**

The Board is not obliged to accept any bid nor is the Board required to issue a production licence as a result of this call for bids.

### **3.11 Tied Bids**

In the event of two or more bids being tied, each bidder involved will be notified of the tie and will have the opportunity to submit a new bid in its proper form, within a time frame specified by the Board, which will not be more than 24 hours after being notified.

### **3.12 Issuance of Production Licence**

The production licence that may be issued with respect to the lands described in Schedule I shall be in the form and contain the terms and conditions of the Sample Production Licence, annexed hereto as Schedule IV, and forming part of this call for bids, subject to such changes or additions as may be necessary to be consistent with the *Accord Acts* or the regulations and the terms and conditions provided therein.

### **3.13 *Surrender of Interest***

An interest may be surrendered, at any time, in accordance with the *Accord Acts* or regulations promulgated thereunder.

### **3.14 *Non-Compliance***

Failure to comply with any term or condition of the production licence may result in cancellation of that licence.

**SCHEDULE I - LAND DESCRIPTION**  
**CALL FOR BIDS NO. NL18-CFB03**

	<u>Latitude*</u>	<u>Longitude*</u>	<u>Sections</u>	<u>Hectares</u>
Parcel No. 1	46°30'N	48°15'W	49, 50, 59, 60	1 423
			<b>Hectares</b>	<b>1 423</b>

\*North American Datum 1927

**SCHEDULE II - BID RESPONSE FORM  
CALL FOR BIDS NO. NL18-CFB03**

A. SINGLE PARCEL BID

- |    |                                    |   |                 |
|----|------------------------------------|---|-----------------|
| 1. | Drilling Deposit Bid               | - |                 |
| 2. | Bid Deposit                        | - | \$10,000.00 CAD |
| 3. | Issuance Fee                       | - |                 |
| 4. | Bidders, with Participating Shares | - |                 |
| 5. | Designated Representative          | - |                 |

Signatures:

\_\_\_\_\_  
Designated Representative

\_\_\_\_\_  
Bidder 1

\_\_\_\_\_  
Bidder 2

\_\_\_\_\_  
Bidder 3

etc.

**SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK  
LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT  
CALL FOR BIDS NO. NL18-CFB03**

**PART A - INFORMATION BANK LETTER OF GUARANTEE**

A bank letter of guarantee must:

- be dated;
- be issued by one of the Schedule I banks as defined in the *Bank Act*, unless otherwise approved by the Board;
- be on the Bank's letterhead;
- be executed by an identified signing officer of the bank;
- be addressed to the Board;
- refer to the note being a guarantee of the note provided by the company;
- be explicit in agreeing to pay on demand to the Receiver General for Canada the sum named in the note;
- refer to the Call for Bids and/or parcel NL18-CFB03-01, or other conditions, as appropriate, which give rise to the requirement to post the Drilling Deposit;
- be either without an expiry date, or if stated, must not expire earlier than 30 days following expiry of five years from the effective date of the production licence;
- be explicit as to address of the branch where the note may be presented in St. John's;
- contain conditions:
  - requiring the note to be signed by the company;
  - stating the words required in the note to indicate the bank's "Approved for Issue", including the names of persons authorized to sign.



**SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK  
LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT  
CALL FOR BIDS NO. NL18-CFB03  
(Continued)**

**PART C - INFORMATION PROMISSORY NOTE**

A Promissory Note must:

- be identified as a non-interest bearing demand promissory note;
- be accompanied by a bank letter of guarantee;
- be executed by identified signing officers of the company;
- be dated;
- be payable on demand to the Receiver General for Canada;
- be payable at a clearly addressed branch of the bank in St. John's;
- refer to the Call for Bids and/or parcel NL18-CFB03-01, or other conditions, as appropriate, which give rise to the requirement to post the Drilling Deposit;
- be without an expiry date;
- be explicit as to the amount;
- be countersigned as "Approved for Issue" by an identified signing officer of the bank;
- be on corporate letterhead;
- be addressed to the Board.

**SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK  
LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT CALL FOR BIDS NO.  
NL18-CFB03  
(Continued)**

**PART D - SAMPLE PROMISSORY NOTE**

Company Letterhead  
(Address)

NON-INTEREST BEARING DEMAND PROMISSORY NOTE  
(NUMBER, FILE, ETC.)  
AMOUNT

(Date)

\_\_\_\_\_(CORPORATE NAME)\_\_\_\_\_undertakes to pay, on demand, to the Receiver General for Canada the sum of \_\_\_\_\_dollars (\$\_\_\_\_\_) (CAD) if this note is presented at the BANK NAME & FULL ADDRESS FOR SERVICE - ST. JOHN'S BRANCH.

This demand promissory note is issued in accordance with para. 3.3(c) of the Call for Bids No. NL18-CFB03, Parcel No. NL18-CFB03-01.

CORPORATE NAME

SIGNING OFFICER & TITLE

SIGNING OFFICER & TITLE

APPROVED FOR ISSUE

SIGNING OFFICER & TITLE  
(BANK BRANCH)



**SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK  
LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT CALL FOR BIDS NO.  
NL18-CFB03  
(Continued)**

**PART E — INFORMATION IRREVOCABLE STANDBY LETTER OF CREDIT**

A irrevocable standby letter of credit must:

- be dated;
- be issued by one of the Schedule I banks as defined in the *Bank Act*, unless otherwise approved by the Board;
- be on the Bank's letterhead;
- be issued in accordance with the International Chamber of Commerce (ICC) International Standby Practices - ISP98;
- state the country of expiration is Canada;
- be executed by an authorized signing officer of the bank;
- have the beneficiary named as the Board;
- be explicit in agreeing to pay on demand the sum named in the letter;
- be explicit as to the address of the branch where the irrevocable standby letter(s) of credit may be presented (in St. John's, Newfoundland and Labrador, or elsewhere as required by the issuing Bank)
- refer to the Call for Bids and/or parcel NL18-CFB03-01, or other conditions, as appropriate, which give rise to the requirement to post the Drilling Deposit;
- be deemed to be automatically renewed without amendment for one year, unless at least 120 days prior to such date, the beneficiary is notified;
- not have a final expiry that is less than 30 days following expiry of effective date of the production licence; and
- not impose restrictions on the manner of endorsement by persons or agencies who may present them for payment on behalf of the Receiver General for Canada.

**SCHEDULE III - FORMS FOR PROMISSORY NOTES AND BANK  
LETTERS OF GUARANTEE OR IRREVOCABLE STANDBY LETTERS OF CREDIT CALL FOR BIDS NO.  
NL18-CFB03  
(Continued)**

**PART F — SAMPLE IRREVOCABLE STANDBY LETTER OF CREDIT**

**NOTE: The Letter of Credit must be issued by a bank found in Schedule I of the Bank Act (S.C. 1991, c. 46).**

(DATE OF ISSUE)

**IRREVOCABLE STANDBY LETTER OF CREDIT NO. (L/C NO.) FOR (\$ AMOUNT CAD.)**

**BENEFICIARY**

THE CANADA-NEWFOUNDLAND AND LABRADOR OFFSHORE PETROLEUM BOARD  
140 WATER STREET  
Suite 101, TD PLACE  
ST. JOHN'S, NL A1C 6H6  
ON BEHALF OF THE RECEIVER GENERAL FOR CANADA

**APPLICANT**

(Name & Address)

**AMOUNT** \$\_\_\_\_\_ CAD.

(amount in words)---00/100 Canadian Dollars

**EXPIRY DATE**

[1 year from date of issue] and auto renewal clause included in text below

**PLACE OF EXPIRY**

Canada

At the request of and for the account of our customer (**Applicant - Name and Address**) the "Customer", we hereby establish in the Beneficiary's favour our Irrevocable Standby Letter of Credit **number (L/C NO.)** for a sum not exceeding in the aggregate amount of **(Amount in Words)--00/100 Canadian Dollars (\$\_\_\_\_\_ CAD.)**.

This Irrevocable Standby Letter of Credit is given in accordance with paragraph 3.3(c) of Call for Bids No. NL18-CFB03 (Parcel No.1), made by the Canada-Newfoundland and Labrador Offshore Petroleum Board and relates to the terms and conditions in the resulting Production Licence, equal in the amount to the sum of this Credit.

Our obligation to pay the Beneficiary under this Irrevocable Standby Letter of Credit is irrevocable, absolute and unconditional and, in furtherance and support thereof and without limiting the irrevocable, absolute and unconditional nature of our obligations to the Beneficiary hereunder, any demand by the Beneficiary shall be honoured without any inquiry as to the Beneficiary's rights to make such demand, without regard to or recognition of any contractual rights, claims or defences (legal or equitable) of the Customer against the Beneficiary and without regard to any other defence to the Beneficiary's demand for payment, arising as a result of any dispute between the Beneficiary and the Customer or between the Customer and ourselves.

Payment under this Irrevocable Standby Letter of Credit shall be available to the Beneficiary on sight against presentation by the Beneficiary to (issuing Bank, name and address) of a written demand for payment, purportedly signed by a duly authorized representative of the Beneficiary, which demand we shall honour without inquiring whether the Beneficiary has a right as between the Beneficiary and the Customer to make such a demand, without recognizing any claims of the Customer and without raising any defence arising as between the Customer and ourselves, accompanied by a certification purportedly signed by the Beneficiary or a duly authorized representative of the Beneficiary that the Customer is in default under the terms of the Production Licence.

Partial drawings are permitted.

We irrevocably and unconditionally agree to pay you at sight, without protest or notification, or without inquiry into further proof or conditions and without consideration for any objections or protest made by the Customer.

It is understood that the Bank is obligated under this Irrevocable Standby Letter of Credit to the payment of monies only and not the performance of the Production Licence.

It is a condition of this Irrevocable Standby Letter of Credit that it **shall be deemed to be automatically renewed** without amendment, for one year from the present or any future expiration date hereof, **unless at least one hundred and twenty (120) days** prior to any such date, we shall notify the Beneficiary in writing at the address noted above, by courier that we elect not to consider this Irrevocable Standby Letter of Credit renewed for any such additional period. Upon receipt by you of such notice, you may draw by means of your written demand.

Notwithstanding the auto-renewal clause mentioned herein above it is a condition of this Irrevocable Standby Letter of Credit that it shall not be auto-renewed beyond thirty (300) days after the effective date of the Production Licence (the "Final Expiry Date") and shall expire on the Final Expiry Date.

The rights of all parties and any disputes with respect to this Irrevocable Standby Letter of Credit, shall be governed by the laws of the Province of Newfoundland and Labrador and shall be dealt with by the courts within that jurisdiction.

This Irrevocable Standby Letter of Credit is issued subject to the International Standby Practices 1998 (ISP98) (International Chamber of Commerce Publication No. 590).

Payments under this Irrevocable Standby Letter of Credit are to be made payable to the Receiver General for Canada.

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(Authorized Signature)

Countersigned:

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(Authorized Signature)

**SCHEDULE IV - SAMPLE PRODUCTION LICENCE  
CALL FOR BIDS NO. NL18-CFB03**

**PRODUCTION LICENCE NO. x (Terra Nova)**

**THIS LICENCE** is effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**ISSUED BY**

The Canada-Newfoundland and Labrador Offshore  
Petroleum Board

**TO THE INTEREST OWNER,**  
(Individually, the “Interest Holders”)

**DRILLING DEPOSIT BID: \$XXXXXX (CAD)**

**WHEREAS** the Board is empowered pursuant to the *Act* to issue a Production Licence (hereinafter called the "Licence") relating to the Lands described in Schedules I and II;

**AND WHEREAS** the Board has selected the bid submitted by \_\_\_\_\_, as the winning bid in respect of the Call for Bids No. NL18-CFB03, Parcel No. 1;

**AND WHEREAS** \_\_\_\_\_, in submitting such a bid has agreed to the terms and conditions of this Licence;

**NOW THEREFORE** this Licence is issued upon the following **terms and conditions**:

**1. INTERPRETATION**

In this Licence, including all Schedules annexed hereto, unless the context requires otherwise:

- (1) "**Act**" means the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act* and the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act* and regulations thereto and any *Acts* or regulations made in substitution therefor; and
- (2) Any words or phrases defined in the *Act* shall have the same meanings in this Licence unless the context otherwise requires.

**2. RIGHTS**

This Licence confers the rights attaching to a production licence pursuant to the *Act* with respect to those Lands described in Schedules I and II, but subject to terms and conditions contained herein.

**3. AGREEMENT**

The submission of a bid by the Interest Owner in response to the Call for Bids No. NL18-CFB03 and its selection by the Board as the winning bid constitutes an agreement between the Interest Owner and the Board as to the terms and conditions contained herein.

**4. DRILLING COMMITMENT**

The Interest Owner has successfully bid and committed to posting a drilling deposit in the amount of \_\_\_\_\_ CAD (the "Drilling Deposit") to drill a well within five years from the effective date herein or forfeit the Drilling Deposit.

**5. TERM**

- (1) The effective date to commence the term of this Licence is **XXXX, 201X**.
- (2) This Licence shall have a term of 25 years, subject to the terms and conditions contained herein.
- (3) The drilling of a well must be commenced within 5 years of the effective date of this Licence and diligently pursued to termination in accordance with good oilfield practice (a "Validation Well"). Failure to fulfil this drilling commitment will result in the forfeiture of the Drilling Deposit.
- (4) The Validation Well must adequately test a valid geological target to be declared to the Board by the Interest Owner prior to the commencement of the well.
- (5) In accordance with section 87 of the *Act*, where, on the expiration of the term of the Licence, petroleum is being produced commercially, the term will be extended for such period thereafter during which commercial production of petroleum continues.

**6. DRILLING DEPOSIT**

- (1) As a condition of the issuance of this Licence, the Interest Owner has posted a Drilling Deposit with the Board in the amount of \$\_\_\_\_\_ CAD. No interest will be paid on the Drilling Deposit.
- (2) A Drilling Deposit posted in accordance with this section will be refunded in full if a well is drilled on this Licence in accordance with section 5.
- (3) The Interest Owner is not obligated to perform work under this Licence. However, if the Interest Owner does not drill a Validation Well, the Drilling Deposit will be forfeited to the Receiver General for Canada upon the expiry of 5 years from the effective date of this Licence.

**7. ENVIRONMENTAL STUDIES RESEARCH FUND (ESRF)**

The Interest Owner of this Licence is liable for the payment of ESRF levies in accordance with s. 101 of the *Act*.

## **8. JOINT OPERATING AGREEMENT**

In any instance where the Interest Owner is comprised of more than one Interest Holder, the Interest Owner must acknowledge in writing within six months of the effective date of this Licence that all Interest Holders have entered into an agreement in the nature of a joint operating agreement addressing voting procedures and a procedure to allow less than all participants to proceed with a program which is not approved pursuant to the voting procedures with provisions for maintenance of participant ownership and sharing of results within non-participant Interest Holders where a program proceeds and is successful.

## **9. LIABILITY**

An Interest Holder shall be liable under the provisions of this Licence, the *Act*, and the Regulations for all claims, demands, losses, costs, damages, actions, suits or other proceedings, in respect of any work or activity conducted, or caused to be conducted, by, through, or under, or with the consent of such Interest Holder. Any transfer, assignment, or other disposition of the interest, or of a share therein, shall not have the effect of discontinuing such liability in respect of such work or activity, related to the interest, or share therein, so disposed, that was conducted before that transfer, assignment, or other disposition was registered pursuant to the *Act* and Regulations. For greater certainty, liability, as aforesaid, does not attach to an Interest Holder for any work or activity conducted after such party ceases to be an Interest Holder in this Licence.

## **10. INDEMNITY**

- (1) It is a condition of this Licence that the Interest Holders shall, in respect of that portion of the Lands to which each such Interest Holder's share relates, at all times, jointly and severally, indemnify and save harmless the Board as well as Her Majesty the Queen in right of Canada or in right of the Province of Newfoundland and Labrador from and against all claims, demands, losses, costs, damages, actions, suits or other proceedings by whomsoever made, sustained, brought or prosecuted, in any manner based upon, occasioned by, or attributable to, anything done or omitted to be done by, through, or under, or with the consent of the Interest Owner, or an Interest Holder, notwithstanding any agreement or arrangement entered into by an Interest Owner or Interest Holder which does or may result in the transfer, assignment or other disposition of the interest or share therein, in the fulfilment of the terms and conditions made herein or in the exercise of the rights or obligations contained herein.
- (2) For greater certainty, Interest Holders in this Licence who do not hold shares with respect to that portion of the Lands in relation to which a claim, demand,



loss, cost, damage, action, suit or other proceeding arises are not liable to indemnify the Board, Her Majesty the Queen in right of Canada or in right of the Province of Newfoundland and Labrador under subsection 10(1) above.

- (3) For the purposes of subsections 10(1) and 10(2), "Her Majesty the Queen in right of Canada or in right of the Province of Newfoundland and Labrador" shall not include a Crown corporation.

**11. SUCCESSORS AND ASSIGNS**

The Licence enures to the benefit of and is binding on the Board and the Interest Owner and their respective heirs, administrators, successors and assigns.

**12. NOTICE**

Any notice, communication or statement required under the Act shall be served on the Board or the Interest Owner's representative, as the case may be, by personal delivery, facsimile or e-mail at that address specified in Schedule III hereof, or such other addresses as may be designated from time to time by the Board or the Interest Owner's representative, as the case may be.

**13. REPRESENTATIVE**

The Interest Owner shall appoint a representative who shall be more particularly described in Schedule III. The representative may be changed from time to time during the term of the Licence.

**ISSUED** at St. John's, Newfoundland and Labrador this \_\_\_\_\_ day  
of \_\_\_\_\_, 201X.

**CHAIR**  
**THE CANADA-NEWFOUNDLAND AND LABRADOR**  
**OFFSHORE PETROLEUM BOARD**

**SCHEDULE I - LANDS**

<b><u>Latitude*</u></b>	<b><u>Longitude*</u></b>	<b><u>Sections</u></b>	<b><u>Hectares</u></b>
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**Total Hectares**

\*North American Datum 1927

**SCHEDULE II - OWNERSHIP**

**INTEREST HOLDER**

**% SHARE**

**SCHEDULE III - REPRESENTATIVE(S) AND ADDRESSES FOR SERVICE**

**Representative:**

**Address:**

Canada-Newfoundland and Labrador Offshore Petroleum Board  
1<sup>st</sup> Floor, TD Place  
140 Water Street  
St. John's, NL  
A1C 6H6

Attention: The Chair