Acquisition of Petroleum and Natural Gas Rights in Alberta

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PNG Mineral Ownership

- 81% Alberta Crown

- 19% Freehold and Federal Crown
  - Homesteader’s descendants
  - Corporations (such as railways)
  - Federal Crown Land (parks, Indian Reserves)
The agreement grants the exclusive right to drill for, win, work and recover any leased substance within the location.

**LICENCE**
- Initial Term: 2 years (Plains)
- 4 Years (Northern)
- 5 Years (Foothills)
- Intermediate Term: 5 years

**LEASE**
- Primary Term: 5 Years
The undisposed rights are available for sale

PNG rights can be leased as:

– all rights from surface to basement
– from the surface to a specified zone
– from a specified zone to basement
– including exceptions for leased rights within
Rights are posted and agreements purchased at a land sale. The highest bidder wins.

Continual monitoring of agreements

Review of productive PNG rights upon expiry of agreements.

Continuation of productive PNG rights and cancellation of non-productive PNG rights.

Lessee explores and develops lands and rights.