

Note and disclaimer: This is a form of agreement in the public domain that is used by many companies, however, it is posted here for educational purposes only and it may have errors and omissions. Arriba and the author take no responsibility for any claims that may arise from referral or use of this form. Forms often have mistakes. It should not be copied or reprinted.

(typical) SURFACE LEASE (Form)

Lease made the _____ 1st _____ day of _____ April _____, 2004.

Between _____ THE CATTLE CO. _____ of _____ Somewhere _____, in the Province of Alberta,
(hereinafter called "the Lessor")

- and -

THE OIL COMPANY
(hereinafter called "the Lessee")

WHEREAS:

The Lessor is the registered owner of an estate in fee simple, subject, however, to the exceptions, conditions, encumbrances, liens, and interests contained in or noted upon the existing Certificate(s) of Title of and in that certain parcel of land situate, lying and being in the Province of Alberta and described as follows:

**MERIDIAN 1 RANGE 1 TOWNSHIP 1
SECTION 1
QUARTER NORTH EAST
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS
AS DESCRIBED AND CONTAINED IN TITLE NUMBER 000 000 000**
(hereinafter referred to as the "said lands")

The Lessor has consented and agreed to lease and grant a certain portion of the said lands to the Lessee for the purpose and upon the terms and conditions herein.

NOW THEREFORE:

The Lessor, in consideration of the sum of \$10.00 (receipt of which is hereby acknowledged) paid to the Lessor by the Lessee, and in consideration of the terms and conditions herein, hereby leases and grants to the Lessee those parts or portions of the said lands shown outlined in red on the sketch(es) or plan(s) attached hereto (hereinafter called the "demised premises") to be held by the Lessee for the term of 25 years from the date hereof for any and all purposes and uses as may be necessary or useful in connection with all its operations, whether on the said lands alone, or thereon in conjunction with other lands.

The Lessor and the Lessee hereby covenant and agree to the following terms and conditions:

1. Additional Payments

(a) First Year

Prior to commencing any construction on the demised premises, the Lessee shall pay an additional sum in the amount of _____ (\$ _____) (Dollars) payable as compensation and otherwise for the first year of the term hereof, together with, if applicable, any subsequent annual payment due as set out in 1(b).

(b) Annual

Subsequent to the first year of the term hereof, the Lessee shall pay to the Lessor in advance of the anniversary date of the term hereof the sum of _____ (\$ _____) (dollars) payable as compensation and otherwise.

2. Option Period:

If the demised premises covered by this Surface Lease are not entered upon, except for survey purposes, within 90 days of the date of this Lease, the Lessee shall pay to the Lessor the sum of \$250.00 for the right to survey and all other inconveniences and the said Lease shall terminate. However, should the Lessee make payment of the full initial consideration in the amount of \$ _____ as previously set out, within the 90 day period, then the Lessee shall have full rights on the demised premises pursuant to the terms of this Surface Lease.

3. Registration of Lease: Discharge of Encumbrances

The Lessee shall have the right, at its option, to register this Lease on the said Certificate(s) of Title at the appropriate Land Titles Office and to pay any balance owing under any agreement for sale or mortgage or under any charge, tax, lien or encumbrance of any kind or nature whatsoever and which in any way affects the said lands, and which, whether registered or not, is deemed by the Lessee in his sole discretion to have priority to the execution and/or registration of this Lease at the appropriate Land Titles Office; the Lessee may obtain a discharge or an assignment thereof, in the event of which the Lessee shall be subrogated to the rights of the holder(s) thereof and shall be entitled to exercise and enforce the rights so obtained, and may at its option apply and credit any amount so paid by it, against any additional payments payable herein to the Lessor.

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4. Payment of Taxes

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, equipment, structures and works placed by the Lessee in, on, or under the said lands during the continuance of this Lease. The Lessee shall reimburse the Lessor for any such taxes that may be levied against the Lessor as a result of the Lessee's occupation of or operations on the demised premises.

5. Quiet Enjoyment

The Lessor has good right and full power to grant and lease the said lands on the terms and conditions herein, and the Lessee, upon observing the terms and conditions herein, shall and may peaceably possess and enjoy the demised premises and the rights and privileges hereby granted and leased during the term hereof and any extension thereto without any interruption or disturbance from or by the Lessor or any other persons claiming by, through, or under the Lessor.

6. Lessor's Use of Demised Premises

The Lessor shall not, without the prior consent of the Lessee, use and enjoy the demised premises.

7. Fencing

The Lessee shall, if it receives a reasonable request to do so from the Lessor, erect a good and substantial fence around any installations and provide a proper livestock guard at any point of entry to the demised premises used by it, and the Lessee shall replace or repair any fences which it may have removed or damaged.

8. Compensation for Damages

The Lessee shall compensate either the Lessor or occupier of the said lands for damage done by it or by those acting on its behalf to any crops, machinery, fences, buildings or livestock on the said lands other than the demised premises.

9. Indemnification

The Lessee shall indemnify and save harmless the Lessor from and against any and all claims and demands brought against the Lessor by other persons resulting from the Lessee's negligent use and occupation of the demised premises.

10. Review of Annual Payment

The Lessor and the Lessee agree to review the annual payment in accordance with the provisions of the Alberta Surface Rights Act.

11. Removal of Equipment, etc.

Notwithstanding any rule of law or equity, all buildings, structures, fixtures, casing in wells, pipelines, material and equipment of whatsoever nature or kind which the Lessee may have placed on the demised premises shall at all times remain the property of the Lessee notwithstanding that the same may be annexed or affixed to the demised premises and they may at any time, and from time to time, be removed in whole or in part by the Lessee, PROVIDED HOWEVER, that the Lessee may, with the consent of the Lessor, which consent will not be unreasonably withheld, subject to any regulations, leave and abandon them in place.

12. Surrender

Subject to clause 12, the Lessee may, upon written notice to the Lessor, surrender the whole or any part of the rights herein granted.

13. Reclamation

The Lessee shall, upon the termination of the use and occupation of the whole or any portion of the demised premises and the surrender of the whole or any part of the rights herein granted, reclaim and deliver up to the Lessor the demised premises or any portion thereof in accordance with applicable laws and regulations; PROVIDED THAT where the demised premises or any portion thereof was treed prior to entry or was otherwise in a natural state, the Lessee may, at its option return the demised premises or such portion thereof to the Lessor in a state equivalent to newly broken land or better.

14. Termination of Annual Payment

The Lessee, upon reclaiming and delivering up to the Lessor the demised premises pursuant to clause 12, but pending the issuance of a Reclamation or Chairman's certificate, may at its option, terminate in whole or in part the next annual payment payable and all further annual payments.

15. Default

Neither party shall be considered in default in the performance of its obligations under this Lease to the extent that the performance of such obligations or any of them is delayed in circumstances, existing or future, which are beyond the control of the Lessor or the Lessee; FURTHER, the Lessee shall not be considered in default in the performance of any of its obligations under this Lease until the Lessor has by written notice notified the Lessee of such default and the Lessee has either denied such fault or, if fault is admitted, has failed to commence timely action to remedy same upon receipt of such notice.

16. Assignment by Lessee

The Lessee may, at its option, delegate, assign or convey to other persons or corporations, all of the powers, rights and interest obtained by or conferred upon the Lessee herein. The Lessee shall

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provide in writing to the Lessor, within sixty (60) days of the assignment, the name and address of the assignee.

17. Assignment by Lessor

The Lessor may assign or convey to other persons or corporations all of the powers, rights and interests obtained by or conferred upon the Lessor herein; PROVIDED THAT no assignment or conveyance is effective as against the Lessee until the assigning Lessor has given the Lessee written notice of the assignment, including the name and address of the assignee. The Lessee, upon receiving notice of any assignment or conveyance or upon receiving notice that the Lessor has ceased to be registered owner of the said lands, may, at its option, terminate any and all further payments herein to the Lessor.

18. Arbitration

In the event of any dispute or claim arising out of this Lease or a breach thereof, the matter at issue may be determined by 3 disinterested arbitrators, 1 to be appointed by the Lessor, 1 by the Lessee and the third by the 2 arbitrators so appointed, and the decision of any 2 of the 3 arbitrators shall be final and conclusive; PROVIDED THAT in all other aspects the provisions of the arbitration legislation then in force in the Province of Alberta shall apply to each submission. In any event, the responsibility for the arbitration costs shall be determined by the appointed arbitrators.

19. Notices

All notices to be given hereunder may be given personally or by registered letter addressed to the party to whom the notice is to be given and, when mailed, any such notice shall be deemed to be given to, and received by, the addressee ten (10) days after the mailing thereof, postage prepaid.

20. Addresses

Unless changed by written notice the addresses of the parties hereto shall be:

Lessee: Postal Address, S.W., Calgary, AB TOP 0P0
Lessor: Box 000, Somewhere, Alberta TOR 1O8

21. Enurement

These presents and everything herein contained shall enure to the benefit of and be binding upon the Lessor, his heirs, executors, administrators, successors and assigns and upon the Lessee, its successors and assigns.

22. Singular, Plural

Wherever the singular or masculine is used herein, the same shall be construed as meaning the plural or feminine or a body corporate, where the context or the parties hereto so require, and where a party is more than one person, all covenants shall be deemed to be joint and several.

23. Time

Time is the essence of this Lease.

24. Extension of Term

The Lessor hereby grants to the Lessee the right, exercisable as herein provided, to extend the term of this Lease for a further term of 25 years commencing on the day following the expiration of the first 25 year term hereof at the annual rental as provided for on the last date of the first 25 year term hereof and subject to all of the terms and conditions contained in this Lease except this provision for extending the term hereof. The right provided for herein may be exercised by the Lessee by giving notice in writing to the Lessor at any time prior to the expiry of the first 25 year term hereof.

25. Additional Terms

This Lease contains the whole of the agreement between the Lessor and the Lessee, and no other terms, express or implied, shall be of force or effect or in any way valid, unless made in writing and agreed to by the Lessor and the Lessee.

IN WITNESS WHEREOF the parties hereto have set there respective hands and seals (or have caused their respective corporate seals to be affixed and attested by the hands of their proper officers duly authorized).

SIGNED, SEALED AND DELIVERED
by the Lessor in the presence of:

LANDMAN (WITNESS)

THE CATTLE CO.

PER: _____ seal

THE OIL COMPANY.

PER: _____

PER: _____

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DOWER CONSENT OF SPOUSE

I, _____ being married to the within named _____ do hereby give my consent to the disposition of our homestead, made in this instrument, and I have executed this document for the purpose of giving up my life estate and other dower rights in the said property given to me by the Dower Act, 1970, to the extent necessary to give effect to the said disposition.

CERTIFICATE OF ACKNOWLEDGEMENT BY SPOUSE

1. This document was acknowledged before me by _____, apart from her husband/his wife.
2. _____ acknowledged to me that she/he:
 - (a) Is aware of the nature of the disposition;
 - (b) Is aware that the Dower Act, 1970, gives her/him a life estate in the homestead and the right to _____ prevent disposition of the homestead by withholding consent;
 - (c) Consent to the disposition for the purpose of giving up the life estate and other dower rights in the homestead given to her/him by the Dower Act, 1970, to the extent necessary to give effect to the said disposition.
 - (d) Is executing the document freely and voluntarily without any compulsion on the part of her husband/his wife.

DATED at _____, in the Province of _____ this day of _____, A.D. 19__.

A Commissioner for Oaths, a Notary Public,
in and for the Province of Alberta.

**CANADA
PROVINCE OF ALBERTA DOWER AFFIDAVIT
TO WIT:**

I, No it's in a company of _____ in the Province of Alberta,
_____, make oath and say:

(occupation)
THAT I am the Lessor named in the written instrument.
THAT I am not married.

OR

THAT neither myself nor my spouse have resided on the within mentioned land at any time since our marriage.

SWORN before me at _____
in the Province of Alberta, this
day of _____ A.D. 2004.

A Commissioner for Oaths, a Notary Public
in and for the Province of Alberta.

My Commission expires: _____

AFFIDAVIT OF ATTESTATION OF AN INSTRUMENT

I, _____ of _____, in the Province of Alberta,
_____ make oath and say:

1. I was personally present and did see _____ of _____ who is/are known to me to be the person(s) named in the within (or annexed) instrument, duly sign the instrument;
2. The instrument was signed at/near _____ in the Province of Alberta, and I am the subscribing witness thereto;
3. I believe the person(s) whose signature I witnessed are at least eighteen (18) years of age.

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SWORN BEFORE ME at the _____ of _____

in the Province of Alberta
this ___ day of _____, 2004.

A Commissioner for Oaths in
and for the Province of Alberta.

My commission expires: April 1, 2005

CONSENT OF OCCUPANT

I, (We) IF THERE IS AN OCCUPANT

of the TOWN of Somewhere, in the Province of Alberta having an interest in the within lands by virtue of an Agreement or Instrument dated the _____ day of _____, 2004, DO HEREBY AGREE that all my (our) rights, interests and estate which are, or may be, affected by the annexed instrument shall be fully bound by all the terms and conditions thereof both now and henceforth.

DATED at the ___ of _____, in the Province of Alberta this ___ day of _____, 2004.

Witness as to both signatures

I MIGHT BE AN OCCUPANT

I MIGHT BE ONE TOO

Cautionary Note and Disclaimer: I have amended this agreement for this page. This is one of the agreements that I have used for many years, in one form or another, and I have found mistakes in many of them. Particularly since oil companies and land companies have gotten away from using printer-purchased originals and filling leases out with a typewriter. Caution must be exercised in using any digital form of document. This form is for educational purposes only and should not be copied or reprinted.

Jim Stapleton

Pictures of Oil and Gas Operations: Links

http://www.landandminerals.com/oil_wellsite.html

Back to Home Page:

<http://www.landandminerals.com/index.html>

Reference Website: "**Negotiating Surface Rights**" by the Government of Alberta: not linked
[http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agdex1126?opendocument](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex1126?opendocument)