

Memorandum of Agreement

The Province of Alberta, as represented by the Department of Municipal Affairs, the Department of Transportation, the Department of Sustainable Resource Development and the Department of Energy (the Province) endorses this Memorandum of Agreement between:

Saddle Hills County

and

Oil Company Name and address

This Memorandum of Agreement signifies the intent of the parties to work together in the spirit of collaboration and cooperation.

Purpose

The purpose of this Memorandum of Agreement is to avoid damage to the County's roads and appurtenances caused by the movement of oil and gas industry vehicles and equipment.

Saddle Hills County and Oil Company name agree to;

1.0 Notification

- (a) notify each other regarding the use of roads and appurtenances within the County for the purpose of moving vehicles and equipment (excluding seismic) associated with oil and gas industry activities
- (b) provide written notification to one another and
- (c) respond to such notification within two business days

2.0 Inspection and Monitoring

- (a) monitor the use of roads by the oil and gas industry and
- (b) inspect the condition of roads used by the oil and gas industry on an as needed basis

3.0 Damages

- (a) hold accountable those oil and gas companies that have caused damage to the County's roads and appurtenances and
- (b) ensure that if such damages occur they are repaired within five working days of notification

4.0 Restrictions

- (a) impose restrictions on the movement of oil and gas industry vehicles and equipment when road conditions warrant and
- (b) relax such restrictions, when appropriate, subject to the payment of security to the County

5.0 Security

- (a) require the posting of security when restrictions are relaxed at the request of the oil and gas company and
- (b) refund such security if no damages to County roads or appurtenances result from the movement of the oil and gas company's vehicles and equipment or
- (c) refund such security once damages are repaired by the oil and gas company

6.0 Emergencies

- (a) take immediate and all action necessary to ensure public safety or preserve the environment

7.0 Dust Control

- (a) *when conditions merit, a method of dust control must be implemented for two hundred meters in front of each residence and at all intersections.*
- (b) *Water or calcium are the dust control methods to be used.*

- (c) The County shall decide if dust control is necessary.*
- (d) The penalty for non-compliance shall be one thousand dollars (\$1000.00) for each residence and each intersection not dust controlled.*

8.0 Legal Agreement

- (a) embody the spirit and intent of this Memorandum of Agreement when the County and an oil and gas company enter into an actual legal agreement regarding the use of County roads and appurtenances

The undersigned duly authorized representatives of Saddle Hills County and the Oil Company name respectively have agreed to participate in partnership in accordance with this Memorandum of Agreement:

Kevin Miner, CAO
Saddle Hills County

DATE

DATE

AGREEMENT #

SCHEDULE "A"

(To be completed by the Company or Company's Designated Contractor)

NOTIFICATION FORM

(This Notification when completed and duly signed is made pursuant to, and is governed by, the *Road Notification and Repair Agreement* between the Municipality and the Company dated_____)

Municipality: _____

Company: _____

Wellsite: _____

Company Contact: _____

Phone: _____

Designated Contractor Contact: _____

Phone: _____

Cell: _____

Fax: _____

Details of Roads to be used (attach sketch or map)

Estimate of Loads to be transported and relevant dates

(e.g. estimate of the maximum number of loads and estimate of maximum weights and dimensions of the loads, and dates on which loads will be moved)

Provincial Permit# _____ (copy attached)

Axle Weight Allowance: _____ 100% _____

Dated: _____

Signed: _____

Authorized Company Representative or Designated Contractor Representative

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SCHEDULE "B"
(To be completed by the Municipality)

RESTRICTIONS AND RELAXATIONS NOTICE

(This Notice when completed and duly signed is made pursuant to, and is governed by, the *Road Notification and Repair Agreement* executed between the Municipality and the Company and dated _____)

The provisions under this Schedule "B" shall not override Provincial regulations. The exceeding of legal load limits is not permitted by the Municipality.

Municipality: _____

Company: _____

Wellsite: _____

Company Contact: _____

Phone: _____

Designated Contractor Contact: _____

Phone: _____ **Cell:** _____ **Fax:** _____

Details of Roads to be used (attach sketch or map)

Estimate of Loads to be transported and relevant dates
(e.g. estimate of the maximum number of loads and estimate of maximum weights and dimensions of the loads, and dates on which loads will be moved)

Provincial Permit# _____

Axle Weight Allowance: _____ 100% _____

SCHEDULE "B" (continued)

A. Details of prohibitions, limitations, conditions or restrictions, i.e.

Roads to be used	Centre of road surface travel?
Dust Control - type	Dimensions – length and width
Other?	Times of day
Maximum percent of axle weight?	Escort car required?
Travel Speed?	

(Note: the above are some examples of prohibitions, limitations, conditions or restrictions that may be imposed by the municipality – this space will be blank on the actual schedule and will be completed by the Municipality)

B. Details of Relaxations

Roads to be used	Time of day	Dimensions – height and width
Maximum % of axle weight	Maximum travel speed	Dust Control - type

(Note: these are some examples of relaxations that may be approved by the Municipality, this space will be blank on the actual schedule and will be completed by the Municipality)

C. Security Required: \$ _____

Dated: _____

Signed: _____
Authorized Municipal Representative

ACCEPTED AND AGREED TO this _____ day of _____, _____

Company: _____

Signed: _____
Authorized Company Representative

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SCHEDULE "C"

(To be completed by the Municipality and signed by authorized representatives of the Municipality and the Company or its Designated Contractor)

INSPECTION DOCUMENT

DATE: _____

MUNICIPALITY: _____ AUTHORIZED REPRESENTATIVE: _____

COMPANY: _____ AUTHORIZED REPRESENTATIVE: _____

AGREEMENT NO: _____

SECURITY: IN PLACE: _____ REQUIRED: _____ AMOUNT: \$ _____

INSPECTION: PRE: _____ POST: _____ INTERIM: _____ NUMBER: _____

ROAD BANS: NO: _____ YES: _____ % AXLE: _____

WEATHER (At Time Of Inspection): _____

CURRENT LOCAL CONDITIONS(i.e. Wet/Frozen): _____

INSPECTION DETAILS:

A) ROAD SURFACE TYPE: _____

ROADS TO BE USED: _____

	GOOD	BAD	N/A
LOCATION/COMMENTS			

B) ROAD SURFACE CONDITIONS: _____

C) SIGNS: _____

D) CULVERTS: _____

E) APPROACHES: _____

F) DUST CONTROL: NOT REQUIRED: _____ REQUIRED: _____ TYPE: _____

G) OTHER REQUIREMENTS:(i.e. Grading, Gravel, Signage, Time Restrictions)

H) REMEDIAL WORK REQUIRED (If Interim or Post)

PICTURES TAKEN: YES: _____ NO: _____

COMMENTS:
COMPANY: _____

MUNICIPALITY: _____

INITIALS: COMPANY _____ MUNICIPALITY _____

Copy provided to Company YES: _____ NO: _____

(NOTE: In the event that the Company elects not to participate in an Inspection, this form, once signed by the authorized representative of the Municipality, will be considered a valid "Inspection Form" for the purposes of this Agreement.)

AGREEMENT #

SCHEDULE "D"

SECURITY DRAW DOWN PROVISIONS

The Municipality may draw upon all or part of any Security required by this Agreement to complete repairs and to recover all costs (including legal) incurred by the Municipality in the event of any one of the following:

1. The Company fails to complete required repairs within 5 business days of being notified by the Municipality of the need for such repairs.
2. *The Company fails to provide dust control when requested by the County. The payment for non-compliance shall be one thousand dollars (\$1000.00) per infraction. Each residence and intersection must be adhered to.*
3. The Company fails to complete repairs to the satisfaction of the Municipality within 2 business days of being notified by the Municipality of deficiencies in repairs previously required by the Municipality under 1 above.
4. Damage attributable to the Company has been rectified by the Municipality in accordance with the provisions of this Agreement and the Company has failed to pay the costs of such rectification within 15 business days after receipt of an invoice for the work from the Municipality.
5. Emergency repair work has been completed by the Municipality to rectify damage attributable to the Company in accordance with the provisions of this Agreement and the Company has failed to pay the cost of such emergency repairs within 15 business days after receipt of an invoice for the work from the Municipality.
6. The Security to be provided by the Company pursuant to this Agreement is due to expire within a period of 30 days and the Company is still operating in the Municipality under the terms of this Agreement, has not provided notification of cancellation of this Agreement and has not deposited a renewal or replacement of such Security in terms and form acceptable to the Municipality.

Invoking these draw down provisions shall be authorized by the Chief Administrative Officer of the Municipality who shall make a reasonable attempt to notify the Company prior to, or concurrent with, taking such action. The Municipality may make demands as payee and beneficiary under the Security. The Municipality may hold the proceeds as security for the performance of the obligations of the Company under this Agreement and the Municipality may use the proceeds to discharge any of the obligations of the Company under this Agreement. After the discharge of all of the obligations of the Company pursuant to this Agreement, any remaining balance shall be returned to the Company within 15 business days. The Municipality shall not charge any administrative fee relating to the holding or draw down of security nor shall it pay interest on the funds held.

SCHEDULE “E”

Definition of Terms used in this Agreement

“Appurtenance” means:

a sidewalk, ditch, or any type of wall, fence, guardrail, curb, pavement marking, traffic control device, illumination device, mailbox or barrier adjacent to or in, along or on a road, or any construction, obstruction, erection or any situation, arrangement or disposition of any earth, rock, tree or other material or thing adjacent to or in, along or on a road that is not on the travelled portion of the road

“Business Days” means:

Monday to Friday, during normal business hours, excluding statutory holidays

“Company” means:

In the body of this Agreement:

The holder of a license or approval issued by the Alberta Energy and Utilities Board.

For the purposes of Schedules “A” “C” and “D” to this Agreement, the word “Company” may be taken to include a “designated contractor”.

“Continuous haul” means:

regular, ongoing use of Roads over a defined route and time period by a specified Company, which use is likely to be the major cause of road maintenance requirements or damage relative to other users of the Roads involved

“Designated Contractor” means:

A company or someone hired by a “Company” (as defined herein) to perform work for or on behalf of the Company

“Legal load” means:

- (i) the maximum gross weight that may be borne by a tire, an axle or an axle group of any of them; or
- (ii) the maximum gross weight that may be borne by a public vehicle or combination of public vehicles

on a highway, secondary road, rural road or street and as set out from time to time under the Motor Transport Act and regulations or orders made there under

“Municipality” means:

- (i) a city, town, village, summer village, municipal district or specialized municipality
- (ii) a town under the parks Town Act, or
- (iii) a municipality formed by special Act

“Pipeline” as defined in the Oil and Gas Conservation Act means:

“any pipe or any system or arrangement of pipes wholly within Alberta and whereby oil, gas or synthetic crude oil or water incidental to the drilling for or production of oil, gas or synthetic crude oil is conveyed, and

- (i) includes all property of any kind used for the purpose of, or in connection with, or incidental to, the operation of a pipeline in the gathering, transporting, handling and delivery of oil, gas, synthetic crude oil or water, but
- (ii) does not include any pipe or any system or arrangement of pipes that constitutes a distribution system for the distribution within a community of gas to ultimate consumers.”

“Pipeline” as defined in the Pipeline Act means:

“a pipe used to convey a substance or combination of substances, including installations associated with the pipe, but does not include

- (i) a pipe used to convey water other than water used in connection with a facility, scheme or other matter authorized under the Oil and Gas Conservation Act or the Oil Sands Conservation Act;
- (ii) a pipe used to convey gas, if the pipe is operated at a maximum pressure of 700 kilopascals or less, and is not used to convey gas in connection with a facility, scheme or other matter authorized under the Oil and Gas Conservation Act or the Oil Sands Conservation Act; or
- (iii) a pipe used to convey sewage”.

“Road” means:

a road under the direction , control and management of a municipality, including

- (h) a developed road on which improvements such as grading or surfacing have been made for the purpose of public access and includes any appurtenances, and includes a bridge forming part of a public road and any structure incidental to a public road;
- (ii) an undeveloped surveyed road allowance

“Well drilling” means:

any activity to bore into the earth for the purpose of creating a well. A “well” means an orifice in the ground completed or being drilled

- (i) for the production of oil or gas;
- (ii) for injection to an underground formation;
- (iii) as an evaluation well or test hole; or
- (iv) to or at a depth of more than 150 metres, for any purpose, but does not include one to discover or evaluate a solid inorganic mineral and that does not or will not penetrate a stratum capable of containing a pool or oil sands deposit