

**SCHEDULE "A"**  
**PURPOSE AND RATES**  
**R00603, Addendum #001**  
**Page 1 of 2**

Attached to and forming part of a MASTER ROAD USE AGREEMENT dated November 7, 2017 and made between **PROGRESS ENERGY CANADA LTD.**, as Grantor and **DRAGOS ENERGY CORP.**, as Grantee.

Effective Date: November 7, 2017

Expiry Date: N/A

**PURPOSE OF USE:**

- ☐ To gain access for the drilling, completion, production, abandonment, and reclamation of a well or Lease Site.
- ☐ Timber hauling
- ☐ Geophysical Seismic Access
- ☒ Other (describe) To access the 16-24 wellsite, MSL 021376

**WELL(S)/FACILITY LOCATION:**

ELMWORTH 16-24-69-6 W6M

UWI: 100/16-24-069-06-W6/00  
100/16-24-069-06-W6/02

Files	Roads	Area Used	Kms
S-01946.1	LOC 053810	Access Road	0.24
		Total	+/- 0.24

**Grantor's GST Number: 87186 0383 RT0001**

**INITIAL CONSIDERATION:** *(subject to GST / payment due prior to commencement of project)*

**NO FEE**

**MAINTENANCE:**

**Minimum maintenance fee - \$500.00/year (\$41.67/month)**

**SCHEDULE "A"**  
**PURPOSE AND RATES**  
**R00603, Addendum #001**  
**Page 2 of 2**

**ROAD CHARGE FORMULA:**

<b>INITIAL CONSIDERATION<sup>1</sup></b>	<b>ALL ROAD SYSTEMS</b>
Rig Move – 1 <sup>st</sup> Well <sup>3</sup>	\$1,200.00/km
Rig Move – subsequent wells (same rig)	\$600.00/km
Fracking Fee (horizontal/vertical) Completions – 1 <sup>st</sup> Well	\$1,000.00/km (max. \$30,000.00/well)
Fracking Fee (horizontal/vertical) Completions – subsequent wells (same rig) <sup>3</sup>	\$750.00/km (max. \$30,000.00/well)
Pipeline Construction	\$600.00/km
Pipeline Repairs, Maintenance, Integrity Dig	\$300.00/km
Bridge Crossing	\$1,000.00/Bridge/Well/Project
Facility Installation (Valve Site, Riser, Meter Station, Battery, etc.)	\$600.00/km
Compressor Move, Service Rig Move	\$600.00/km
Ground Water Monitoring Well	\$300.00/km
Campsite Construction	\$600.00/km
Reclamation	\$500.00 Flat Fee
Timber Harvesting, Logging Operations	\$1,200.00/km
Power Line, Transmission Line	\$600.00/km
Water Source, Remote Sump, Pits	\$600.00/km
Soil or Gravel Hauling	\$600.00/km
Seismic	\$600.00/Agreement
Miscellaneous	\$600.00/km
<b>ANNUAL MAINTENANCE</b>	
Producing Well - Piped	\$30.00/km/month <sup>2</sup>
Producing Well – Trucked	\$60.00/km/month <sup>2</sup>
Shut-In/Suspended, Standing, Abandoned Well	\$30.00/month
Facility (Plant Sites, Multi-well Battery, Compressor Stations, etc.)	\$60.00/km/month <sup>2</sup>
Facility (Valve Site, Riser, Meter Station, Storage Site, ESD Site, etc.)	\$30.00/km/month <sup>2</sup>
<b>ADDITIONAL FEES – NON REFUNDABLE</b>	
Administration Fee	\$250.00/Agreement (In addition to Initial Consideration)
Cancellation/Change/Replacement	\$250.00/Agreement
Rush Request (Issued within 5 business days)	\$500.00/Agreement (In addition to Initial Consideration)
Discovered activity using Progress roads without a fully executed Road Use Agreement in place	\$2,000.00/Agreement

<sup>1</sup> Initial Consideration is based on a minimum of 1 km or \$500.00, whichever is the greater amount.

<sup>2</sup> Minimum maintenance fee - \$500.00/year (\$41.67/month)

<sup>3</sup> The Grantor will charge drilling and fracking initial consideration as if all wells are the first well. It is up to the Grantee to inform the Grantor of the drilling rig name along with the approximate drill dates and order of subsequent wells to qualify for the lower/subsequent initial consideration rates.

AGREED TO AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**PROGRESS ENERGY CANADA LTD.**

**DRAGOS ENERGY CORP.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE "B"**  
**PLAN OF ROAD**  
**R00603, Addendum #001**

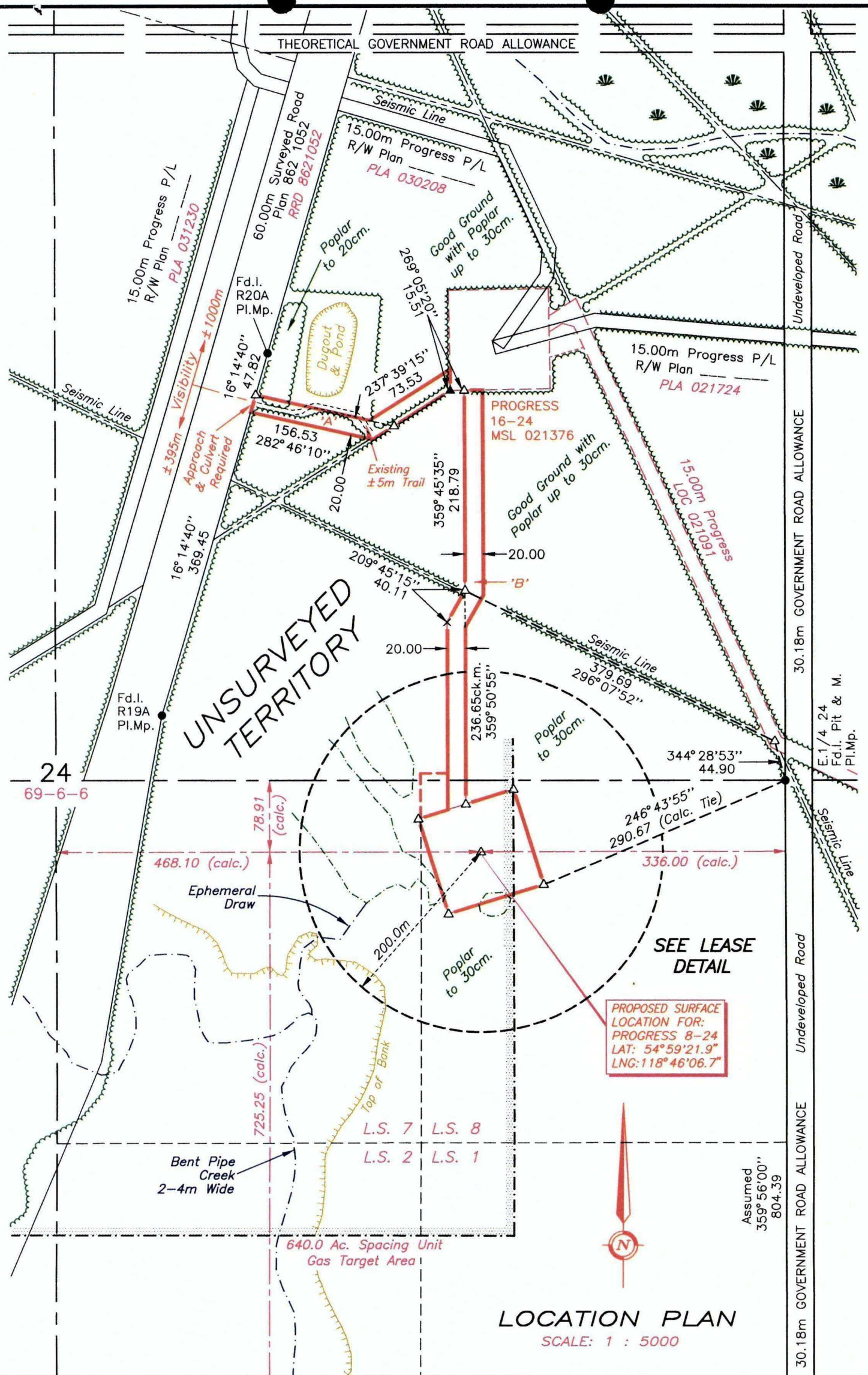
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See Attached Plan(s) – 2 Page(s)

THEORETICAL GOVERNMENT ROAD ALLOWANCE



LOCATION PLAN

SCALE: 1 : 5000

SUPPLEMENTARY SHEET 2 of 4 FOR  
PROGRESS GOLD CREEK 8-24-69-6

15.00m Anderson P/L  
R/W Plan 982 6386  
(Operator: Devon Canada)  
PLA 981526

N.E.13  
Fd.I.  
Pl.Mp.





**SCHEDULE "C"**  
**FIELD CONTACTS AND ADDITIONAL TERMS**  
**R00603, Addendum #001**  
**Page 1 of 5**

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Effective Date: November 7, 2017

Expiry Date: N/A

Grantee, its employees, agents, servants, contractors, and subcontractors shall provide Grantor at least 72 hours' notice prior to commencement of the intended activity (i.e., moving in and out on Grantor's Road for the purpose of drilling, piping, service rig move(s) and facilities). The Grantee, its employees, agents, servants, contractors, and subcontractors must have a fully executed copy of the Road Use Agreement on hand if stopped on the Road. If the Grantee fails to provide notice to the Grantor of its intended use of any and all uses authorized under this agreement and/or to have a fully executed Road Use Agreement on hand, the Grantor has the additional right to terminate the Grantee's use and occupation of the roads at issue immediately and shall have no further obligation to the Grantee.

Grantee shall comply with any reasonable conditions imposed by Grantor's field representative.

**GRANTOR'S FIELD REPRESENTATIVE ADDRESS:**

Company	<u>PROGRESS ENERGY CANADA LTD.</u>
Address	<u></u>
Contact:	<u>PAUL GLEESON, Field Foreman</u>
Cell:	<u>403-638-9696</u>
Email:	<u><a href="mailto:pgleeson@progressenergy.com">pgleeson@progressenergy.com</a></u>
Alternate:	<u>CURTIS LEIN, Lead Operator</u>
Cell:	<u>780-836-5666</u>
Email:	<u><a href="mailto:clein@progressenergy.com">clein@progressenergy.com</a></u>

**GRANTEE'S FIELD REPRESENTATIVE ADDRESS:**

Company	<u>DRAGOS ENERGY CORP.</u>
Address	<u></u>
Phone:	<u>403-269-2459</u>
Cell:	<u><a href="mailto:scott.lauinger@dragosenergy.com">scott.lauinger@dragosenergy.com</a></u>
Attention:	<u>Scott Lauinger, President &amp; CEO</u>

**ADDITIONAL TERMS:**

1. The Grantee must obtain written consent from the registered freehold landowner or the occupant on Crown Land using the Consent Form included on page 5 of this Schedule "C" (or an equivalent Consent Letter) for all road(s) described in Schedule "B" of the Agreement before the Grantee is entitled to exercise the rights granted by this Agreement.

**SCHEDULE "C"**  
**FIELD CONTACTS AND ADDITIONAL TERMS**  
**R00603, Addendum #001**  
**Page 2 of 5**

2. The Grantor shall have the right at any time and from time to time to impose restrictions and rules which the Grantor deems necessary to protect all users of its Road and their equipment or to otherwise regulate road usage.
  - a. *Dust Control*  
The Grantee, its employees, agents, servants, contractors and subcontractors, shall at its sole expense be responsible for its own dust control.
3. Grantor shall maintain all permanent roads and bridges; and the Grantee shall pay the maintenance fees provided for in Schedule "A." In the event that it is necessary to complete major repairs to the permanent roads or bridges due to weather conditions, heavy road use or reasons of a similar nature, then the Grantor shall have the right to request the Grantee to share in these costs on a reasonable basis to be determined by the Grantor. The Grantor will forward an authority for expenditure ("AFE") to the Grantee for approval
4. There shall not be any interference with or obstruction to the operations of the Grantor as conducted by its employees, agents, contractors, and subcontractors.
5. Grantee shall comply with site specific requests when traveling through the Grantor's facilities.
6. Prior to road use for drilling and service operations, the Grantor's field representative may request a cement barrier be erected around the wellhead and around any high lines for safety purposes.
7. Load limits are at the sole discretion of the Grantor having due regard for weather and road condition. No loaded trucks shall pass any moving vehicle. All loaded trucks must stop periodically along haul roads for the purpose of load checks.
8. Maximum loaded speeds for vehicles must not exceed 50km/hr or as stipulated by road signs. Maximum load widths shall not exceed 12 feet (3.66 meters).
9. If parking in line on the side of a road, park far enough apart to allow traffic to pass in both directions. No vehicle shall stop or park on any bridge or in the center of any roadway. There will be no parking of equipment on the Grantor's well site.
10. Headlights and running lights shall be on at all times when vehicles are moving. A minimum distance of 400 m shall be maintained between large moving trucks. All vehicles must carry flares or reflectors to be used as warning devices in the event of a breakdown on the roads. The discharge of firearms from vehicles or along this road or in an area where workers are engaged is prohibited.
11. There will be no activity after dark, unless approved by the Grantor's field representative.
12. Grantee must pad or ramp all pipelines within the Grantor's well site prior to proceeding through the well site.
13. There shall be no decking or skidding of any timber on any road right-of-way or within any lease site without the written permission of the Grantor.

**SCHEDULE "C"**  
**FIELD CONTACTS AND ADDITIONAL TERMS**  
**R00603, Addendum #001**  
**Page 3 of 5**

**14. Bridges**

*a. Permanent Bridges*

The Grantee, its employees, agents, servants, contractors and subcontractors shall ensure that all loads are within the maximum weight capacity of any and all bridges installed within the Road and as set by Grantor. The Grantor shall supervise any and all upgrades to the bridge required by Grantee at the Grantee's sole expense. The Grantee shall be liable to the Grantor for any deaths, injuries, damages, losses or liabilities whatsoever suffered by the Grantor, its employees, agents, servants, contractors or subcontractors as a result of the Grantee's, its employees, agents, servants, contractors or subcontractors use of any and all bridges within the Road.

*b. Winter Access Roads and/or Ice Bridges*

The Grantee (its employees, agents, contractors and subcontractors) shall be responsible to open any portion(s) of the Grantor's roads that the Grantor has no plans of opening (may vary each year). Including the construction of ice bridges where deemed necessary. **Prior to constructing an ice bridge, the Grantee must ensure that all environmental regulatory approvals are in place and that all environmental requirements are met.** The Grantee shall be liable to the Grantor for any deaths, injuries, damages, losses or liabilities whatsoever suffered by the Grantor (its employees, agents, contractors or subcontractors) as a result of the Grantee's (its employees, agents, contractors or subcontractors) construction of any ice bridge and/or winter access road opening.

**15. Installation of Temporary Access**

Any temporary access constructed off an existing Grantor road system(s) shall be built with suitable drainage. The temporary access must not hinder surface water movement or allow water to pool adjacent to the Grantor's road system(s). The Grantor requires that suitable culverts be installed regardless of the timeframe that this temporary access is to be used.

**16. Radio Frequency**

The Grantor will be monitoring its roads and expects all users of its roads to have the appropriate radios in its vehicles with the appropriate radio frequency channels preset. Please contact the Grantor's field office for the current frequency on the road. All vehicles must slow down to 50 km/hr when meeting oncoming traffic. All vehicles must slow down to 30 km/hr when meeting or passing a grader. It should be noted that heavy loads i.e. rig moves, service rigs; equipment, compress moves, etc. are restricted annually from December 1 to March 31 unless prior approval is granted from the field office.

**17. Counterpart Execution**

This Agreement and any document or instrument to be executed and delivered by the Parties hereunder or in connection herewith may be executed and delivered in separate counterparts and delivered by one party to the other by email or facsimile transmission, each of which when so executed and delivered shall be deemed an original and all such counterparts shall together constitute one and the same agreement.



**SCHEDULE "C"**  
**FIELD CONTACTS AND ADDITIONAL TERMS**  
**R00603, Addendum #001**  
**Page 4 of 5**

18. Notice to all Grantee Road Users, Spring Road Conditions

Effective March 16 to May 31 of each year (this time frame may vary depending on weather conditions); there may be road bans on the Grantor's access roads. Contact the Grantor's field representative 72 hours prior to any use of the road. If deemed necessary, a full road use ban will be put in place and enforced.

When in Spring Break-up conditions, no equipment other than one tons or pickups will be allowed on the Grantor's road from 10:00 am to 10:00 pm. All equipment entering or leaving the area will be removed under frozen ground conditions only. No vehicular traffic of any type will be permitted on the Grantor's access roads during warm weather.

The Grantor will be monitoring these roads closely with road patrols throughout this time. It is the Grantee's responsibility to notify its employees, agents, servants, contractors and subcontractors covered under this Road Use Agreement of the Grantor's Spring break-up conditions. Damages resulting from the Grantee, its employees, agents, servants, contractors and subcontractors continued use in wet or unfrozen conditions will be the responsibility of the Grantee and may result in lost road use privileges and additional charges required to repair the damages.

All logging companies must remove all temporary approaches off the Grantor's roads prior to Spring break-up or at the end of the Grantee's project, whichever comes first.

**SCHEDULE "C"**  
**FIELD CONTACTS AND ADDITIONAL TERMS**  
**R00603, Addendum #001**  
**Page 5 of 5**

**FREEHOLD OR OCCUPANT ON CROWN LAND CONSENT FORM**

**Please complete this page and have the Landowner/Crown Occupant sign their consent pursuant to "Additional Terms" Clause #1.**

I/We \_\_\_\_\_ hereby give my/our consent  
(Landowner(s)/Crown Occupant Signature)

to **DRAGOS ENERGY CORP.** (Grantee) for the purpose of:

- ☐ To gain access for the drilling, completion, production, abandonment, and reclamation of a well or Lease Site.
- ☐ Timber hauling
- ☐ Geophysical Seismic Access
- ☒ Other (describe) To access the 16-24 wellsite, MSL 021376

At **ELMWORTH 16-24-69-6 W6M** (location/UWI), using a Progress Energy Canada Ltd.'s access.

I/We hereby agree to this consent this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Landowner / Crown Occupant Signature

\_\_\_\_\_  
Landowner / Crown Occupant Signature