



**LOUGHEED 11-12 BATTERY
WELL EFFLUENT PROCESSING AND WATER
DISPOSAL AGREEMENT**

BETWEEN

**ARC RESOURCES GENERAL PARTNERSHIP
(as Operator)**

AND

**ARC RESOURCES GENERAL PARTNERSHIP
(as Producer)**

DATED APRIL 1, 2013

LOUGHEED 11-12 BATTERY

WELL EFFLUENT PROCESSING AND WATER DISPOSAL AGREEMENT

TABLE OF CONTENTS

ARTICLE I - DEFINITIONS.....	1
ARTICLE II - EXHIBITS.....	3
ARTICLE III - DELIVERY.....	3
ARTICLE IV - OPERATOR'S RESPONSIBILITIES.....	5
ARTICLE V - PRODUCER'S RESPONSIBILITIES.....	6
ARTICLE VI - CHARGES	6
ARTICLE VII - MEASUREMENT	6
ARTICLE VIII - OWNERSHIP AND DISPOSITION OF PETROLEUM SUBSTANCES.....	8
ARTICLE IX - BILLINGS AND PAYMENT	10
ARTICLE X - FORCE MAJEURE	13
ARTICLE XI - LIABILITY AND INDEMNIFICATION.....	13
ARTICLE XII - TERM.....	14
ARTICLE XIII - DISPUTE RESOLUTION	14
ARTICLE XIV - MISCELLANEOUS PROVISIONS	15
EXHIBIT "A" - WELLS AND PRIORITIES	
EXHIBIT "B" - SPECIFICATIONS AND CONDITIONS FOR DELIVERY OF PRODUCER WELL EFFLUENT	
EXHIBIT "C" - PROCESSING CHARGE FOR WELL EFFLUENT AND WATER DISPOSAL	
EXHIBIT "D" - ADDRESSES FOR SERVICE	
EXHIBIT "E" - MODIFICATIONS TO THE PJVA MODEL WELL EFFLUENT PROCESSING AND WATER DISPOSAL AGREEMENT	

LOUGHEED 11-12 BATTERY

WELL EFFLUENT PROCESSING AND WATER DISPOSAL AGREEMENT

MEMORANDUM OF AGREEMENT made April 1, 2013

BETWEEN

ARC Resources General Partnership, a general partnership having an office in the City of Calgary, in the Province of Alberta
as operator for and on behalf of
Lougheed 11-12 Battery Owners
(hereinafter called "Operator")

- AND -

ARC Resources General Partnership, a general partnership having an office in the City of Calgary, in the Province of Alberta
(hereinafter called "Producer")

WHEREAS Producer owns a working interest in or as agent for and on behalf of the owners has the right to produce Well Effluent;

WHEREAS Producer desires to have Well Effluent processed in the Facilities for the recovery of Petroleum Substances and Produced Water; and

WHEREAS Operator has agreed to process Well Effluent in the Facilities and dispose of Produced Water in the Disposal Well on the terms and conditions as hereinafter set forth;

NOW THEREFORE, in consideration of the premises and the mutual covenants and conditions hereinafter set forth, the Parties covenant and agree as follows:

ARTICLE I - DEFINITIONS

101. Definitions

In this Agreement, including the recitals, definitions and Exhibits hereto:

- (a) "Affiliate" means, with respect to a Party, any other Person which is affiliated with such Party, and for the purposes of this Agreement:
 - (i) two (2) Persons will be considered to be affiliated with one another if one (1) of them controls the other, or if both of them are controlled by a common third Person, and
 - (ii) one (1) Person will be considered to control another Person if it has the power to direct or cause the direction of the management and policies of the other Person, whether directly or indirectly, through one (1) or more intermediaries or otherwise, and whether by virtue of the ownership of shares or other equity interest, the holding of voting rights or contractual rights, or otherwise;

- (b) "Allocation Procedure" means the procedure used at the Facilities to allocate Gas, Crude Oil and Produced Water to all Well Effluent streams being processed at the Facilities.
- (c) "Crude Oil" means crude oil and condensate separated from the Well Effluent at the Facilities which meets relevant specifications for transmission and sale;
- (d) "Day" means a period of time commencing at 08:00 local time on any calendar day and ending at 08:00 on the next calendar day or at such other time as may hereinafter be agreed upon by the Parties;
- (e) "Delivery Point" means the point or points where Well Effluent enters the Facilities;
- (f) "Disposal Well" means all real and personal property of every kind, nature and description which constitutes all water disposal facilities located at or near the Facilities and operated by Operator;
- (g) "Effective Date" means the date first above written or, in the case of an Exhibit, the date on which the Exhibit becomes effective;
- (h) "Facilities" means all real and personal property of every kind, nature and description (not including the Disposal Well) which constitutes all well effluent processing facilities of the Loughheed 11-12 Battery operated by Operator and located in LSD 11, Section 12, Township 006, Range 15, West of the 2nd Meridian;
- (i) "Gas" means all natural gas, solution gas and any other gas, together with associated substances separated from the Well Effluent at the Facilities that is gaseous under the conditions at which it is separated;
- (j) "Interest Rate" means the prime rate of interest as quoted in respect of commercial demand loans on the applicable day by the principal chartered bank in Canada used by Operator plus two percent (2%) per annum;
- (k) "Month" means a period of time beginning on the first Day of a calendar month and ending at the beginning of the first Day of the next calendar month;
- (l) "Owner" means any Person which has a working interest in the Facilities and Disposal Well;
- (m) "Party" means a Person who is bound by this Agreement;
- (n) "Person" means an individual, firm, body corporate, partnership or other legal entity, as the case may be;
- (o) "Petroleum Substances" means Gas and Crude Oil;
- (p) "Produced Water" means the water contained in Producer Well Effluent produced from the Wells or the water separated from Producer Well Effluent at the Facilities, or both;
- (q) "Producer Well Effluent" means the total of gas, liquids and associated substances produced from the Wells that is delivered to the Facilities for processing under this Agreement;
- (r) "Well Effluent" means the total of gas, liquids and associated substances delivered to the Facilities for processing;
- (s) "Wells" means the wells, facilities or lands described in Exhibit "A";

- (t) "Year" means a period of time beginning on the first Day of January of each calendar year and ending at the beginning of the first Day of the next calendar year.

ARTICLE II - EXHIBITS

201. Exhibits

The following Exhibits are attached to and incorporated in this Agreement:

- (a) Exhibit "A" sets forth:
 - (i) The Wells from which Producer Well Effluent will be processed through the Facilities under the terms of this Agreement;
 - (ii) Processing priorities; and
 - (iii) Any restrictions on maximum volumes of Producer Well Effluent, Gas, Crude Oil or Produced Water.
- (b) Exhibit "B" sets forth the specifications and conditions for delivery of Producer Well Effluent;
- (c) Exhibit "C" sets forth the processing charge for Producer Well Effluent and the disposal charge for Produced Water disposal; and
- (d) Exhibit "D" sets forth the addresses for service of the Parties.
- (e) Exhibit "E" sets forth the modifications to the body of the PJVA Model Well Effluent Processing and Water Disposal Agreement.

202. Revision of Exhibits

Operator and Producer may review Exhibit "A" from time to time and any revisions shall be mutually agreed upon. Exhibits "B" and "C" may be revised from time to time upon Operator providing thirty (30) Days prior written notice of such revision to Producer. Exhibit "D" may be revised in accordance with the provisions of Clause 1410. Exhibits that are revised shall show the Effective Date of the revision and shall be numbered consecutively. Operator shall forthwith, upon revision of any Exhibit, supply Producer with a copy thereof. If Operator becomes aware of a mistake or mechanical error in any Exhibit, Operator shall prepare a corrected Exhibit and supply Producer with a copy thereof.

203. Conflicts

If a provision of Exhibits "A" to "D" inclusive conflicts with a provision in the body of this Agreement, the latter shall prevail. If a provision of Exhibit "E" conflicts with a provision in the body of this Agreement, Exhibit "E" shall prevail.

ARTICLE III - DELIVERY

301. Delivery of Producer Well Effluent

- (a) Subject to all other terms and conditions of this Agreement, Producer shall, at its sole cost, risk and expense, deliver or cause to be delivered Producer Well Effluent to Operator at the Delivery Point. Operator shall accept delivery of and process Producer Well Effluent in the Facilities and dispose of Produced Water in the Disposal Well.
- (b) Any costs borne by Operator to perform supervisory or administrative functions or to supply labour or materials for the tie-in of Producer Well Effluent, plus 15 % of

such costs for overhead, shall be reimbursed by Producer to Operator in accordance with Article IX. Operator shall provide Producer a statement of account outlining in reasonable detail the nature of such costs. Producer shall also be responsible to Operator for the cost of any fluids lost during tie-in.

- (c) Subject to Clause 906, Operator shall not acquire title to Producer Well Effluent but shall only have possession thereof for the purposes mentioned herein.
- (d) Producer warrants that it has the authority to deliver Producer Well Effluent to the Facilities for processing as herein provided and Producer covenants and agrees to indemnify and hold Operator harmless from and against any and all actions, causes of action, claims or demands by any Person claiming an interest in Producer Well Effluent, or the Gas or Crude Oil attributable thereto.
- (e) Operator shall be entitled to commingle Producer Well Effluent and Producer's Petroleum Substances with any other Well Effluent and Petroleum Substances, respectively.

302. Commencement of Delivery

The delivery of Producer Well Effluent shall commence when:

- (a) Producer and Operator have installed or have caused to be installed all equipment necessary to effect the delivery and receipt of Producer Well Effluent at the Delivery Point;
- (b) Producer has obtained all necessary permits and approvals to produce Producer Well Effluent, and Operator has obtained all necessary permits and approvals to process Producer Well Effluent and dispose of Produced Water;
- (c) Operator has advised Producer that it will accept deliveries of Producer Well Effluent; and
- (d) the purchaser or carrier has advised Operator and Producer that it will accept deliveries of Gas and Crude Oil attributable to Producer Well Effluent or Producer has confirmed to Operator that arrangements have been made with a purchaser or carrier to accept deliveries of Gas and Crude Oil attributable to Producer Well Effluent.

303. Priority of Processing

Producer Well Effluent will be processed to the extent that capacity is available in the Facilities and Disposal Well. If the Facilities or Disposal Well are unable to process all Well Effluent available for delivery to the Facilities and Disposal Well on any one Day, acceptance of Well Effluent by Operator at the Facilities will be cut back using the following priority system:

- (a) Priority 4 Well Effluent - Priority 4 Well Effluent is the lowest priority non-Owner Well Effluent and will be cut back first. The order of cutback of Priority 4 Well Effluent will be at the Operator's sole discretion.
- (b) Priority 3 Well Effluent - Priority 3 Well Effluent will be cut back next based on the date of first delivery of Producer Well Effluent in relation to the first delivery dates of all other Priority 3 Well Effluent, with the most recent delivery date Priority 3 Well Effluent cut back first.
- (c) Priority 2 Well Effluent - Priority 2 Well Effluent will be cut back next on the basis of the proportion which the total volume of Producer's Priority 2 Well Effluent

delivered to the Facilities for that Day bears to the total volume of Priority 2 Well Effluent delivered to the Facilities for that Day.

- (d) Priority 1 Well Effluent - Priority 1 Well Effluent is the highest priority Well Effluent and will be cut back last on the basis of the proportion which the total volume of Producer's Priority 1 Well Effluent delivered to the Facilities for that Day bears to the total volume of Priority 1 Well Effluent delivered to the Facilities for that Day.

For the purposes of this Agreement, Producer Well Effluent will be processed in accordance with the priorities designated in Exhibit "A".

304. Specifications of Producer Well Effluent

Producer Well Effluent delivered to the Facilities shall meet the specifications as set forth in Exhibit "B". If any Producer Well Effluent delivered to the Facilities does not meet the specifications set forth in Exhibit "B" or, if in Operator's sole opinion Producer Well Effluent is not compatible with operation of the Facilities or Disposal Well, Operator may, at its sole discretion, discontinue taking all or part of Producer Well Effluent until such time that Producer Well Effluent to be delivered is acceptable to the Operator.

305. Temporary Capacity Limitations

Notwithstanding the provisions of this Article III, Operator, at its sole discretion, reserves the right to refuse or limit acceptance of Producer Well Effluent at the Facilities or Produced Water at the Disposal Well when the Facilities or Disposal Well are shut down for maintenance or when Facilities or Disposal Well capacities are reduced by temporary operational difficulties or operating limitations, until such time as capacity is no longer restricted.

306. Notification of Cutbacks

As soon as reasonably possible, Operator shall notify Producer if Producer Well Effluent has been curtailed pursuant to Clauses 303, 304 or 305.

307. Returns at Producer's Expense

In instances where Producer Well Effluent is delivered to the Facilities by truck and Operator is unable to accept Producer Well Effluent for any reason, Operator will instruct the carrier to return untreated Producer Well Effluent to Producer at Producer's expense.

ARTICLE IV - OPERATOR'S RESPONSIBILITIES

401. Operators Responsibilities

Operator will:

- (a) subject to clauses 303, 304, and 305, process Producer Well Effluent and dispose of Produced Water in a good and workmanlike manner, in accordance with good oil and gas field practices and in accordance with all applicable laws and regulations;
- (b) prepare and submit all required production reports on a timely basis to government bodies and forward one copy to Producer; and
- (c) comply with all rules and regulations for waste disposal as required by Alberta Energy and Utilities Board Guide G-58, as amended from time to time.

ARTICLE V - PRODUCER'S RESPONSIBILITIES

501. Producer's Responsibilities

Producer will, at its sole cost, risk and expense:

- (a) if delivery is by pipeline, make the tie-in connection(s) from the Wells to the Facilities at a point and in a manner approved by Operator;
- (b) if delivery is by truck, deliver Producer Well Effluent only at the times and conditions specified in Exhibit "B" or as otherwise approved by Operator;
- (c) if delivery is by truck, employ only such contractors for delivery of Producer Well Effluent as have been approved by Operator prior to any such deliveries;
- (d) obtain Operator's approval prior to delivering Producer Well Effluent from any new wells or other facilities;
- (e) notify Operator's personnel twenty four (24) hours prior to first deliveries of Producer Well Effluent;
- (f) provide a compositional analysis of Producer Well Effluent prior to first delivery and on an annual basis or as reasonably required by Operator;
- (g) supply samples of Produced Water as required by Operator to perform compatibility tests;
- (h) comply with all of Operator's safety, environmental and security rules;
- (i) obtain approval from Operator prior to delivery of any Producer Well Effluent containing workover fluids, spent acids or any other known contaminants;
- (j) pay all costs of any remedial action required if Operator accepts Producer Well Effluent that does not meet the specifications set forth in Exhibit "B", provided, however, that if the Facilities or Disposal Well damage cannot be attributed to a single source of Well Effluent, Producer's responsibility for remedial costs will be in proportion that the volume of Producer Well Effluent delivered to the Facilities bears to the total volume of Well Effluent delivered to the Facilities during the period in which the damage occurred.

ARTICLE VI - CHARGES

601. Processing Charge

The processing and water disposal charges applicable to the volume of Producer Well Effluent delivered shall be determined in accordance with Exhibit "C" and billed in accordance with Clause 901.

ARTICLE VII - MEASUREMENT

701. Metering Facilities

- (a) If delivery is by truck, measurement of Producer Well Effluent as evidenced by gauge tickets, truck tickets, or other industry accepted methods, shall be deemed to be conclusive and final.
- (b) If delivery is by pipeline, Producer shall, at its sole cost, risk and expense, install or cause to be installed metering facilities for the purpose of measuring volumes of Producer Well Effluent delivered to the Facilities. Such metering facilities shall be

of a standard make compatible with Operator's meters at the Facilities. Such metering facilities shall meet Operator's specifications, shall be installed in a manner which will allow proper measurement and allocation of Producer Well Effluent under the Allocation Procedure, and shall be maintained by and at the sole cost, risk and expense of Producer. Such metering facilities shall be operated by Producer.

702. Accuracy

- (a) The accuracy of Producer's and Operator's metering facilities shall be verified by the Party operating the metering facilities at a minimum frequency of that specified in provincial regulations or a minimum of once a Year or as agreed to by the Parties. The cost of such verification shall be borne by the Parties for their respective metering facilities. Either Party's metering facilities shall be open for inspection by the other Party at all reasonable times. In the event of an inspection, the Party performing the inspection will provide the other Party with at least forty-eight (48) hours' prior notice.
- (b) In case any question arises as to the accuracy of measurement, any metering facilities shall be tested upon demand of either Party and, if found to be correct or to be in error of not more than two percent (2%) with respect to gas measurement, one and one-half percent (1 1/2%) on an equilibrium liquid measurement, or one-half of one per cent (1/2%) with respect to liquid measurement (referred to herein as the "Relevant Percentage"), the expense of such testing shall be borne by the Party requesting the test. If the accuracy of measurement is found to be incorrect by more than the Relevant Percentage, the expense of such testing shall be borne by the owner of those metering facilities.
- (c) If, upon any test, metering facilities are found to be in error of not more than the Relevant Percentage, previous readings of such metering facilities shall be considered correct in computing the volumes being metered, but such metering facilities shall be adjusted properly as soon as practicable to record accurately. If, upon any test, any metering facilities are found to be in error by any amount exceeding the Relevant Percentage, then any previous readings of such metering facilities shall be corrected to zero error for any previous period which is known definitely or is agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period covering the last half of the time lapsed since the date of the last test.
- (d) In the event metering facilities are out of service or require repair, such that the volume being measured is not correctly indicated by the reading thereof, the volumes attributable to the period shall be estimated and agreed upon on the basis of the best data available, using the most appropriate of the following methods:
 - (i) by using the registration of any check metering facilities, if installed and accurately registering; or
 - (ii) by correcting the error if the percentage of error is ascertainable by calibrations, tests or mathematical calculations; or
 - (iii) by estimating on the basis of actual volumes measured during the preceding periods under similar conditions when the metering facilities were registering accurately.

703. Unit of Measurement

- (a) The unit of measurement of gas for all purposes hereunder shall be one thousand cubic metres (10^3m^3) measured to an accuracy of one (1) decimal place at an absolute pressure of one hundred one point three two five kilopascals (101.325 kPa) at a temperature of fifteen degrees Celsius (15°C).
- (b) The unit of measurement of liquids for all purposes hereunder shall be one cubic metre (1 m^3) as defined in the Weights and Measures Act of Canada and measured to an accuracy of one (1) decimal place.
- (c) The unit of measurement of solids for all purposes hereunder shall be one tonne (1 T) as defined in the Weights and Measures Act of Canada and measured to an accuracy of one (1) decimal place.

704. Determination of Volumes

- (a) Volumes of gas measured by orifice meter shall be computed in accordance with the methods prescribed in the publication entitled "Orifice Metering of Natural Gas, Standard 2530, American National Standards Institute/American Petroleum Institute", including the Appendix thereto as updated in 1985, and as amended. Volumes of gas shall be suitably corrected for deviation from Boyle's Law and the factor for correction for such deviation shall be computed in accordance with one of the methods prescribed in the Energy Resources Conservation Board Informational Letter IL-87-1, as amended.
- (b) Volumes of liquids shall be computed taking into consideration the compressibility and specific gravity if applicable, and volumes so measured shall be corrected to fifteen degrees Celsius (15°C).

705. Assumed Atmospheric Pressure

For the purposes of measurement and meter calibration, the atmospheric pressure at the point of measurement hereunder shall be assumed to be that utilized by the receiving pipeline at the delivery receipt point(s) irrespective of the actual elevation or location of any of the metering facilities above sea level or variations in the atmospheric pressure from time to time.

ARTICLE VIII - OWNERSHIP AND DISPOSITION OF PETROLEUM SUBSTANCES

801. Producer's Share of Petroleum Substances and Produced Water

- (a) The volumes of Gas, Crude Oil, and Produced Water allocated to Producer shall be determined each Month in a manner consistent with the Allocation Procedure.
- (b) Producer shall own and at its sole cost, risk and expense shall take in kind or separately dispose of the Gas and Crude Oil which are attributable to Producer Well Effluent delivered to the Delivery Point by or on behalf of Producer pursuant to Subclause 301(a).
- (c) Producer shall provide or cause to be provided to Operator, by the tenth (10th) Day of each Month, a statement of the total volume of Producer Well Effluent delivered to the Delivery Point for the preceding Month and details of any changes in ownership of Producer Well Effluent or Wells. Further, Producer acknowledges its obligation to provide or cause to be provided to Operator, on a timely basis, all production data and information as may be required for the preparation of statements pursuant to Subclause 801(d).

- (d) Operator shall, on or before the twenty-fifth (25th) Day of each Month, provide Producer with a statement showing the total volume of Producer Well Effluent delivered to the Facilities at the Delivery Point for the preceding Month and volume and heat content of Gas, the volume and density of Crude Oil and the volume of Produced Water derived therefrom.
- (e) Producer and Operator shall preserve and make available for inspection by each other all original test data, charts, the Allocation Procedure and other similar records related to this Agreement for a period of at least seven (7) Years after the Year to which the data relates. Notwithstanding the foregoing, Operator and Producer shall retain any original test data, charts, the Allocation Procedure and other similar records related to this Agreement to which a query under Clauses 904 or 905 relates until all such queries are resolved.
- (f) Producer shall, within twenty-six (26) Months following the end of the Year to which the records relate, have the right to examine at all reasonable times the records of Operator relating to Subclause 801(d).
- (g) Operator shall be entitled to deal only with Producer on all matters arising hereunder, including, without limitation, all reporting of deliveries of Producer Well Effluent and directions regarding the handling of Gas and Crude Oil.

802. Delivery of Producer's Gas and Crude Oil

Operator shall deliver Producer's share of Gas and Crude Oil to Producer or to such purchaser or carrier as Producer designates at the Facilities outlet.

803. Failure to Take in Kind

If Producer fails to take or otherwise adequately dispose of its share of Petroleum Substances, Operator may, so long as such failure continues, for the account and at the expense of Producer, sell on the open market or, if a purchaser is not available, store Producer's share of Petroleum Substances or, at Operator's option, cease to accept delivery of Producer Well Effluent. In the event of a sale by Operator of Producer's share of Petroleum Substances, Operator shall remit to Producer within a reasonable period of time the proceeds of such sale less all direct costs of the sale and less a marketing charge of \$1.00/e³m³ for Gas and \$1.00/m³ for Crude Oil. The authority of Operator to enter into contracts for the sale of Producer's share of Petroleum Substances shall be restricted to contracts that are for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but not in excess of a one (1) month period. Subject to such contracts, Producer may commence or resume taking its share of Petroleum Substances in kind at any time if it has given notice to Operator of at least thirty (30) Days prior to the expiration of the current sales contract that it intends to take its share in kind.

804. Volume Losses

- (a) Operator shall have the right at any time, in its sole discretion and acting reasonably in accordance with industry practice to flare, use or consume Producer's share of Gas free of charge. Producer Well Effluent lost as a discrete stream at the Delivery Point shall be conclusively deemed not delivered to the Facilities.
- (b) Producer shall bear a share of any losses suffered during a Month due to evaporation, flaring, fuel gas consumption or Force Majeure in accordance with the Allocation Procedure.

805. Specifications of Gas and Crude Oil

Operator shall use reasonable efforts to ensure that Gas and Crude Oil meet the specifications which are acceptable to the purchasers or carriers of Gas and Crude Oil as of the Effective Date, or such other specifications as may be subsequently agreed upon by Operator and the purchasers or carriers.

806. Measurement or Allocation Adjustments

- (a) In the event of an adjustment in measurement or allocation to Producer's share of Gas and Crude Oil, adjustments shall be made using the AECO Monthly Index Price for Gas and the actual price for Crude Oil in effect during the Month for which the adjustment is required.
- (b) If Operator determines a need for Crude Oil quality equalization, Producer shall be charged in accordance with the quality scales provided for in the "Canadian Crude Oil Quality Equalization Process Procedures Guide" in use at that time.

ARTICLE IX - BILLINGS AND PAYMENT

901. Billings

Operator shall bill Producer on or before the thirtieth (30th) Day of each Month for the charges payable by Producer attributable to processing of Producer Well Effluent and disposal of Produced Water for the preceding Month, using the basis outlined in Exhibit "C". Producer shall pay all bills which become payable pursuant to this Agreement within thirty (30) Days after receiving them. If Producer fails to pay a bill within the said thirty (30) Day period, the unpaid amount shall, at Operator's option, bear interest following such thirty (30) Day period at the Interest Rate regardless of whether or not Operator has notified Producer in advance of its intention to charge interest with respect to that unpaid amount. The obligation to pay interest with respect to a default is to apply until such default is rectified and shall not merge into a judgment for principal and interest, or either of them. In addition, Operator shall have the right at any time thereafter, such default continuing, to enforce the remedies hereinafter provided.

902. Commingling of Funds

Subject to Clause 906, funds received by Operator for the account of Producer are trust funds and are not to be used by Operator for its own purposes. Operator may commingle funds received by it under this Agreement with its own funds but such right to commingle is granted to Operator as an administrative aid in its duties hereunder and does not alter the characterization of such funds received by Operator as trust funds.

903. Books and Records

Operator will keep within the Province of Alberta true and correct books, accounts and records of the operations hereunder, and at all reasonable times extend to Producer the right to examine and inspect the same and make extracts and copies thereof, at its sole cost, risk and expense.

904. Right to Protest or Question Bills

Producer may protest or question the correctness of a bill, notwithstanding the payment of it, if such protest or question is made in writing to Operator within twenty-six (26) Months following the end of the Year in which the bill was presented; otherwise the bill shall be deemed conclusively to be correct except where the item is under dispute pursuant to Clause 905. Operator shall have ninety (90) Days following receipt of a query in which to provide documentation necessary to satisfy Producer of the correctness of the billing in question.

905. Audits

- (a) Subject to Subclause 905(b), Producer, upon reasonable notice in writing to Operator, shall have the right to audit the books, accounts and records of Operator to the extent necessary to verify the accuracy of any statement, charge or computation or demand made under or pursuant to any of the provisions of this Agreement for any Year within the twenty-four (24) Month period next following the end of such Year. Any claims of discrepancies shall be made in writing to Operator within two (2) Months of the completion of such audit. Operator shall respond to any claims of discrepancies within six (6) Months of receipt of such claims. Operator and Producer agree to act in good faith to resolve such claims. Each audit shall be conducted so as to cause a minimum of inconvenience to Operator.
- (b) Producer shall make every reasonable effort to conduct its audit at the same time as an audit conducted by the Owners. Furthermore, where two or more producers wish to conduct an audit, Producer shall make every reasonable effort to conduct its audit jointly with the other producers.

906. Remedies

Producer, in order to secure any indebtedness to Operator under this Agreement, hereby gives and grants to Operator a first lien and charge on Producer's share of Petroleum Substances, to pay any processing charge or other amount payable to Operator by Producer hereunder. In the event Producer defaults in payment of its bills hereunder and such default shall continue for five (5) Days after receipt of written demand from Operator, Operator may, without limiting Operator's other rights in this Agreement or otherwise held at law or in equity:

- (a) enforce such lien in any manner provided by the laws governing this Agreement;
- (b) discontinue processing Producer Well Effluent and disposing of Produced Water until such time as the indebtedness is paid;
- (c) set-off against the amount unpaid by Producer any sums due or accruing to Producer from Operator pursuant to this Agreement and from any other agreement between Operator and Producer, whether executed before or after the Effective Date;
- (d) maintain an action or actions for such unpaid amounts and interest thereon on a continuing basis as such amounts are payable but not paid by Producer, as if the obligation to pay such amounts and the interest thereon were liquidated demands due and payable on the relevant date such amounts were due to be paid, without any right or resort of such Producer to set-off or counter-claim;
- (e) treat the default as an immediate and automatic assignment to Operator of proceeds of the sale of such Producer's share of Petroleum Substances. Service of a copy of this Agreement upon a purchaser of such Producer's share of Petroleum Substances, together with written notice from Operator, shall constitute a written irrevocable direction by Producer to any such purchaser to pay to Operator the proceeds from any such sale up to the amount owed to Operator by Producer hereunder (including any accrued interest with respect thereto) and such purchaser is authorized by Producer to rely upon the statement of Operator as to the amount so owed to it by Producer; and
- (f) sell on the open market such quantity or quantities of Producer's share of Petroleum Substances as shall be sufficient to pay such indebtedness; provided, however, that such sale of Producer's share of Petroleum Substances shall first be

made under the terms of any existing contracts for the sale of Producer's share of Petroleum Substances previously executed by Producer and in all cases subject to the marketing fee provided for in Clause 803.

Books and records kept by Operator shall constitute proof of the existence and amount of such default, including the associated direct costs and marketing charges pursuant to Clause 803.

907. Royalty Indemnification

Producer shall pay or be responsible for the payment of and shall indemnify Operator against liability for any and all royalties, overriding royalties, product payments, and any and all other payments chargeable against Petroleum Substances.

908. Taxes

- (a) Producer shall pay all taxes, levies, assessments and like charges which may be imposed in respect of Petroleum Substances.
- (b) When Operator is required to charge Goods and Services Tax (GST), or similar value added tax, Operator's invoice shall include information prescribed by the Input Tax Credit Information Regulations under the Excise Tax Act, or any information prescribed for a similar value added tax.

909. Insolvency

If Producer:

- (a) becomes bankrupt or insolvent, or commits or suffers any act of bankruptcy or insolvency;
- (b) is placed in receivership or a receiver/manager or person filling that role is appointed with respect to its property;
- (c) makes a compromise with or an assignment for the benefit of creditors;
- (d) seeks debtor relief protection under applicable legislation including without restricting the generality of the foregoing, the *Bankruptcy and Insolvency Act (Canada)* and the *Companies' Creditors Arrangement Act of Canada*; or
- (e) is otherwise unable or unwilling to pay its debts as they fall due in the usual course of business,

Operator may, in its sole option, elect to terminate this Agreement upon five (5) Days' notice subject to Subclause 1201(b), or to demand immediate payment for all current invoiced amounts, plus estimated amounts that have accrued but have not yet been invoiced, and amounts that are estimated as likely to accrue in the remainder of the current Month and in the following Month. Producer shall pay these amounts within five (5) Days of receipt of Operator's written demand and shall continue to make prepayment for services as required by Operator prior to services being rendered.

ARTICLE X - FORCE MAJEURE

1001. Force Majeure

- (a) For the purposes of this Agreement, "Force Majeure" means an occurrence beyond the reasonable control of a Party claiming suspension of an obligation hereunder, which has not been caused by such Party's negligence and which such Party was unable to prevent or provide against by the exercise of reasonable diligence at a reasonable cost and includes, without limiting the generality of the foregoing, an act of God, war, revolution, insurrection, blockage, riot, strike, a lockout or other industrial disturbance, fire, lightning, unusually severe weather, storms, floods, explosion, accident, shortage of labour or materials, or government restraint, action, delay or inaction.
- (b) If a Party is prevented by Force Majeure from fulfilling any obligations hereunder, the obligations of that Party, insofar as its obligations are affected by the Force Majeure, shall be suspended while the Force Majeure continues to prevent the performance of such obligation and for that time thereafter as that Party may reasonably require to commence to fulfill such obligation. A Party prevented from fulfilling any obligation by the Force Majeure shall promptly give the other Party notice of the Force Majeure and the affected obligations, including reasonably full particulars in respect thereof.
- (c) The Party claiming suspension of an obligation as aforesaid shall promptly remedy the cause and effect of the applicable Force Majeure, insofar as it is reasonably able so to do, and such Party shall promptly give the other Party notice when the Force Majeure ceases to prevent the performance of the applicable obligation. However, the terms of settlement of any strike, lockout or other industrial disturbance shall be wholly at the discretion of such Party, notwithstanding Subclause 1001(a) and that Party shall not be required to accede to the demands of its opponents in any strike, lockout or industrial disturbance solely to remedy promptly the Force Majeure thereby constituted.
- (d) Notwithstanding anything contained in this Clause, lack of finances shall not be considered a Force Majeure nor shall any Force Majeure suspend any obligation for the payment of money hereunder.

ARTICLE XI - LIABILITY AND INDEMNIFICATION

1101. Liability and Indemnification

- (a) Operator, its Affiliates, directors, officers, consultants, agents, contractors and employees shall not be liable to Producer for any loss, expense, injury, death or damage to Producer, whether contractual or tortious, suffered or incurred by Producer resulting from or in any way attributable to or arising out of any act or omission, whether negligent or otherwise, of Operator, its Affiliates, directors, officers, consultants, agents, contractors or employees in the processing of Producer Well Effluent or disposal of Produced Water except when and to the extent that such loss, expense, injury, death or damage is a direct result of, or is directly attributable to the gross negligence or willful misconduct of Operator, its Affiliates, directors, officers, consultants, agents, contractors or employees. Gross negligence shall not include any act or omission, insofar as it was done or not done in accordance with the instructions or express concurrence of the Producer.

- (b) To the extent that the gross negligence or willful misconduct condition described in Subclause 1101(a) applies, Operator shall be solely liable for such loss, expense, injury, death or damage and, in addition, shall indemnify and save harmless Producer, its Affiliates, directors, officers, consultants, agents, contractors and employees from and against the same and also from and against all actions, causes of action, suits, claims and demands by any Person in respect of such loss, expense, injury, death or damage, and any costs and expenses relating thereto.
- (c) To the extent that the gross negligence or willful misconduct condition described in Subclause 1101(a) does not apply, Producer shall indemnify and save harmless Operator, its Affiliates, directors, officers, consultants, agents, contractors and employees from and against any and all actions, causes of action, suits, claims, demands, costs, losses and expenses resulting from loss, expense, injury, death or damage respecting any Person (including Producer), which may be brought against or incurred by Operator, its Affiliates, directors, officers, consultants, agents, contractors or employees or which Operator, its Affiliates, directors, officers, consultants, agents, contractors or employees may sustain, pay or incur relating to the processing of Producer Well Effluent or disposal of Produced Water under this Agreement including damage to the Facilities or Disposal Well caused by delivery of Producer Well Effluent hereunder which does not meet the specifications of Exhibit "B".
- (d) In no event shall the responsibility of either Party prescribed by this Clause 1101 extend to losses suffered by the other Party respecting the loss or delay of production, including, without restricting the generality of the foregoing, loss of profits or other consequential or indirect losses applicable to such loss or delay in production.

ARTICLE XII - TERM

1201. Term

- (a) This Agreement shall commence as of the Effective Date and shall continue until terminated by either Party giving thirty (30) Days' prior notice to the other Party.
- (b) Notwithstanding the termination of this Agreement, the provisions respecting liability and indemnification, the settlement of accounts and the Operator's remedies in respect thereof, shall remain in full force and effect to the extent of any liabilities which may have accrued prior to the termination of this Agreement.

ARTICLE XIII - DISPUTE RESOLUTION

1301. Dispute Resolution

The Parties will attempt to resolve any claim or dispute arising out of this Agreement through consultation and negotiation in good faith within the appropriate time periods as set out in the Agreement. If those attempts fail then either Party may refer the dispute for resolution through mediation, with costs of the mediation being shared equally by both Parties. If either Party refers a dispute for resolution through mediation, the other Party agrees to participate in the mediation. If the Parties cannot agree to a mediator, they shall have one appointed by the Canadian Foundation for Dispute Resolution. However, either Party may terminate the mediation at any time upon giving reasonable notice to the other Party. If mediation fails then the Parties may agree to refer the matter to arbitration pursuant to the Arbitration Act, R.S.A. 2000, C A-43

and any subsequent revisions thereto or a Party may resort to judicial proceedings to resolve the dispute.

ARTICLE XIV - MISCELLANEOUS PROVISIONS

1401. Interpretation

The captions or headings used in this Agreement are inserted solely for convenience and shall not be considered or given any effect in interpreting the Agreement or in ascertaining the intent of the Parties.

1402. Number and Gender

In this Agreement words importing the singular include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders.

1403. Laws and Regulations

Subject to Clause 1404 and 1405, this Agreement and the rights and obligations of the Parties are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction.

1404. Applicable Laws

This Agreement shall be construed in accordance with the laws of the Province of Alberta and each of the Parties submits to the jurisdiction of the courts of the Province of Alberta for the interpretation and enforcement hereof.

1405. Extension of Limitation

The two (2) year period for seeking a remedial order under section 3(1)(a) of the Limitations Act, R.S.A. 2000 c. L-12, including any amendments thereto or replacements thereof, for any claim (as defined in that Act) arising in connection with this Agreement is extended to:

(a) for claims disclosed by an audit, two (2) years after the time this Agreement permitted that audit to be performed; or

(b) for all other claims, four (4) years.

1406. Waivers

A waiver of a provision of this Agreement, whether for future or past actions, shall not be binding upon a Party unless it is in writing and signed by its duly authorized representative(s), and such a waiver shall not operate as a waiver in the future of any provision, whether of a like or different character.

1407. Suits

A Party who is sued on a cause of action allegedly arising out of operations hereunder shall forthwith notify the other Party.

1408. Further Assurances

Producer and Operator shall do all such further acts and execute and deliver all such further deeds and documents as may be reasonably required in order to fully perform and carry out the terms of this Agreement.

1409. No Implied Covenants

Producer and Operator have expressed herein their entire understanding and agreement concerning the subject matter of this Agreement and no implied covenant, condition, term or reservation shall be read into this Agreement relating to or concerning such subject matter.

1410. Notices

All notices and other communications to be given in connection with this Agreement shall be in writing and shall be sufficiently given:

- (a) if delivered by hand or by courier to a Party at its address for service, such delivery shall be deemed received by the Party when actually delivered, if such delivery is during the Party's normal business hours, on any Day other than a Saturday, a Sunday or a statutory holiday. If such notice or other communication is not delivered during the Party's normal business hours, such notice or other communication shall be deemed to have been received by the Party on the Day next following the date of delivery, other than a Saturday, Sunday or a statutory holiday;
- (b) except during any period of actual or impending postal disruption, if sent by first class mail, or by airmail if sent from outside Canada or the United States, postage prepaid, to a Party at its address for service, such mailing shall be deemed received by the Party on the fourth Day following the date of mailing (Saturday, Sundays and statutory holidays excepted). However, if postal service is interrupted or operating with unusual or imminent delay, such notice or other communication shall not be sent by such means during such interruption or period of delay; and
- (c) to a Party which has provided a direct telecommunication number as part of its address for service, if sent by telecommunication to the Party's designated telecommunication number, such transmission shall be deemed received by the Party when actually received, if such transmission is during the Party's normal business hours on any Day other than a Saturday, a Sunday or a statutory holiday. If such notice or other communication is not received during the Party's normal business hours, such notice or other communication shall be deemed to have been received by the Party on the Day next following the date of transmission, other than a Saturday, a Sunday or a statutory holiday.

For the purposes of this Clause 1410, the address for service for each Party initially shall be as set forth in Exhibit "D". A Party may change its address for service by giving written notice thereof to the other Party.

1411. Enuring Clause

This Agreement shall enure to the benefit of and be binding upon Producer and Operator and their respective successors and permitted assigns.

1412. Supersedence

As of the Effective Date, this Agreement shall govern the relationship of the Parties and supersedes all other agreements, documents, writings and verbal understandings and representations between the Parties in relation to the processing of Producer Well Effluent in the Facilities and the disposing of Produced Water in the Disposal Well.

1413. Assignment

Neither Party shall assign this Agreement without the prior written consent of the other Party which consent shall not be unreasonably withheld; **however, consent will not be required if the assignment is to an Affiliate.**


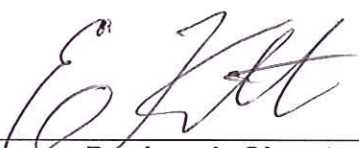
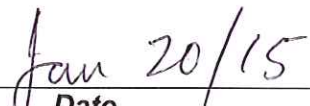
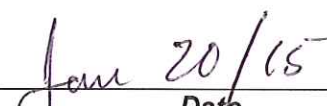
1414. Time of the Essence

Time is of the essence in this Agreement.

1415. Modifications and Prevailing Provisions

The body of this Agreement is identical to the body of the PJVA Model Well Effluent Processing and Water Disposal Agreement and has not been modified except as specifically noted in Exhibit "E". In the event that modifications are made to the PJVA Model Well Effluent Processing and Water Disposal Agreement and such modifications are not appropriately noted in Exhibit "E" then the applicable provisions in the unmodified PJVA Model Well Effluent Processing and Water Disposal Agreement are deemed to prevail.

IN WITNESS WHEREOF the Parties have executed this Agreement each as of the Effective Date.

OPERATOR	PRODUCER
ARC RESOURCES GENERAL PARTNERSHIP <i>by its managing partner</i> ARC RESOURCES LTD.	ARC RESOURCES GENERAL PARTNERSHIP
 Operator's Signature	 Producer's Signature
Emil Kothari, P. Eng Manager, Joint Venture Print Name & Title	Emil Kothari, P. Eng Manager, Joint Venture Print Name & Title
 Date	 Date

This is the Execution Page to the Well Effluent Processing and Water Disposal Agreement effective April 1, 2013, between ARC Resources General Partnership (Operator) and ARC Resources General Partnership (Producer)

EXHIBIT A

**THIS IS EXHIBIT "A"
ATTACHED TO AND MADE PART OF A
WELL EFFLUENT PROCESSING AND WATER DISPOSAL AGREEMENT
BETWEEN ARC RESOURCES GENERAL PARTNERSHIP AND
ARC RESOURCES GENERAL PARTNERSHIP
DATED APRIL 1, 2013**

WELLS AND PRIORITIES

Including, but not limited to the following well list.

Crescent Point Resources Partnership Working Interest Only:

WELL	WIO
191/02-36-005-14W2/00	28.00%
191/10-09-006-14W2/00	40.00%
192/08-16-006-14W2/00	25.00%
191/11-01-006-15W2/00	6.6666%
191/12-01-006-15W2/00	12.50%

****No Water Disposal to be charged**

Postell Energy Co. Ltd. Working Interest Only:

WELL	WIO
191/03-15-006-14W2/00	32.00%

Valleyview Petroleums Ltd. Working Interest Only:

WELL	WIO
192/08-16-006-14W2/00	25.00%

For the purposes of this Agreement:

(a) Producer Well Effluent is Priority 4 Well Effluent

All relation to Clause 303 of the Agreement

Revision No. 3

Effective: June 1, 2017

(Freehold assigned its interest in the 191/10-09-006-14W2/00 well to Crescent Point)

EXHIBIT B

**THIS IS EXHIBIT "B"
ATTACHED TO AND MADE PART OF A
WELL EFFLUENT PROCESSING AND WATER DISPOSAL AGREEMENT BETWEEN
ARC RESOURCES GENERAL PARTNERSHIP AND
ARC RESOURCES GENERAL PARTNERSHIP
DATED APRIL 1, 2013**

SPECIFICATIONS AND CONDITIONS FOR DELIVERY OF WELL EFFLUENT

- (a) All Producer Well Effluent delivered to the Delivery Point shall be of a kind, quality and composition and at a temperature and pressure so as to be within the design and operating parameters of the Facilities and Disposal Well.
- (b) All Producer Well Effluent delivered to the Delivery Point shall be free from substances in such quantities that may obstruct, damage or be detrimental to the operation of the Facilities or Disposal Well or that may result in Gas, Crude Oil or Produced Water having objectionable odors, solid matter, dust, gums and gum forming constituents which might affect their merchantability or cause injury to or interference with the proper operation of the lines, regulators, metering facilities or other appliances through which such Gas, Crude Oil, or Produced Water flows. Such substances include, but are not limited to, drilling mud, workover fluids, and spent acids.
- (c) If delivery is by pipeline, Producer Well Effluent delivered hereunder for processing at the Facilities shall be capable of entering the Facilities at a minimum pressure sufficient as to be within the current operating parameters of the Facilities.
- (d) If delivery is by truck, deliveries shall be made between the hours of 8:00 a.m. and 4:00 p.m. unless otherwise specifically approved by Operator.
- (e) Procedure for off-hours or special deliveries: NONE

EXHIBIT C

THIS IS EXHIBIT "C"
ATTACHED TO AND MADE PART OF A
WELL EFFLUENT PROCESSING AND WATER DISPOSAL AGREEMENT BETWEEN
ARC RESOURCES GENERAL PARTNERSHIP AND
ARC RESOURCES GENERAL PARTNERSHIP
DATED APRIL 1, 2013

CHARGES FOR WELL EFFLUENT PROCESSING AND WATER DISPOSAL

Fees

Well Effluent Processing Fee	\$ 3.00 / m ³ of Producer Well Effluent
Well Effluent Transportation Fee	\$ 1.00 / m ³ of Producer Well Effluent
Produced Water Disposal Fee	\$ 2.10 / m ³ of Producer Water

**FEES TO BE CHARGED ON WORKING INTEREST PARTNERS PERCENTAGE OF VOLUMES
ONLY AS PER EXHIBIT A**

EXHIBIT D

THIS IS EXHIBIT "D"
ATTACHED TO AND MADE PART OF A
WELL EFFLUENT PROCESSING AND WATER DISPOSAL AGREEMENT BETWEEN
ARC RESOURCES GENERAL PARTNERSHIP AND
ARC RESOURCES GENERAL PARTNERSHIP
DATED APRIL 1, 2013

ADDRESSES FOR SERVICE

OPERATOR	PRODUCER
SPARTAN ENERGY CORP.	SPARTAN ENERGY CORP.
500, 850 – 2nd Street SW	500, 850 – 2nd Street SW
Calgary, Alberta	Calgary, Alberta
T2P 0R8	T2P 0R8
Attention: Joint Venture Representative	Attention: Joint Venture Representative
Phone Number:	Phone Number:
Fax Number:	Fax Number:
E-mail	E-mail
Field Contact:	Field Contact:
Phone Number:	Phone Number:
Fax Number	Fax Number

EXHIBIT E

THIS IS EXHIBIT "E"
ATTACHED TO AND MADE PART OF A
WELL EFFLUENT PROCESSING AND WATER DISPOSAL AGREEMENT BETWEEN
ARC RESOURCES GENERAL PARTNERSHIP AND
ARC RESOURCES GENERAL PARTNERSHIP
DATED APRIL 1, 2013

MODIFICATIONS TO PJVA MODEL WELL EFFLUENT PROCESSING AND WATER DISPOSAL AGREEMENT

Reference	Modifications
Table of Contents	added "Exhibit E – Modifications to the PJVA Model Well Effluent Processing and Water Disposal Agreement"
clause 201	added new subclause (e)
clause 203	replaced "any of the Exhibits" with "Exhibits A to D inclusive"; and added a new sentence at the end, "If a provision of Exhibit E conflicts with a provision in the body of this Agreement, Exhibit E shall prevail."
clause 909	new "Insolvency" clause
Clause 1413	Added at the end "; however, consent will not be required if the assignment is to an Affiliate"
clause 1415	New "Modifications and Prevailing Provisions" clause
Exhibit E	new exhibit