

THIS AGREEMENT is dated as of the 10th day of March, 2020.

BETWEEN:

THE GOVERNMENT OF THE NORTHWEST TERRITORIES

**as represented by the OFFICE OF THE REGULATOR OF OIL AND GAS
OPERATIONS ("OROGO")**

AND:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

as represented by the CANADA ENERGY REGULATOR (CER)

HEREINAFTER REFERRED TO AS THE "PARTIES" (plural) or "PARTY" (singular)

PREAMBLE

WHEREAS paragraph 32(1)(c) and section 84 of the *Canadian Energy Regulator Act*, S.C., 2019, c. 28, s. 10 ("CER Act"), as amended from time to time, authorizes the CER to perform services for OROGO and provide advice to OROGO with respect to energy matters and sources of energy;

WHEREAS the Northwest Territories Regulator ("Regulator" as defined below) has responsibility for regulating the exploration and drilling for and the production, conservation, processing and transportation of oil and gas in most onshore areas of the Northwest Territories pursuant to the *Oil and Gas Operations Act* S.N.W.T. 2014 c. 14 ("OGOA") and the *Petroleum Resources Act* S.N.W.T. 2014 c.15 ("PRA");

WHEREAS OROGO has been established to support the Regulator in fulfilling its responsibilities under the OGOA and the PRA;

WHEREAS the CER has custody of records it has collected pursuant to the *Canada Oil and Gas Operations Act* R.S.C., 1985, c. O-7 ("COGOA") and the *Canada Petroleum Resources Act* R.S.C., 1985, c. 36 (2nd Supplement) ("CPRA") and analysis and records related thereto, and OROGO may require such records and analysis to perform its responsibilities under the OGOA and the PRA;

WHEREAS OROGO may receive applications that are subject to the OGOA and the PRA, and regulations, and may request services to be provided by the CER;

And WHEREAS the CER has the requisite expertise to provide services to OROGO, either directly through its own employees or through third party contractors;

IN CONSIDERATION of promises and agreements set out herein, the Parties hereby establish principles and procedures in this agreement (the "Agreement") for the provision of technical advice by the CER to OROGO, and the recovery of the associated costs by the CER from OROGO.

ARTICLE 1 - THE AGREEMENT

The Agreement

The Parties agree that this Agreement, together with the attached schedules and any other annexes to be attached hereto, shall be read together and collectively constitute the whole agreement between the Parties.

ARTICLE 2 - DEFINITIONS

Definitions

In this Agreement

"Administrative fee" is a supplemental cost of 40% that is levied on top of rates of pay to cover the costs of accommodation and employee benefits of federal employees. It also includes cost of services incurred by the CER to support its operating activities. Support services include, but are not limited to, the cost of providing financial, contracting and procurement, business technology, information management, information and document services, and human resources.

"Calgary Allowance" is an allowance paid to all CER employees of Calgary, AB, pursuant to the PIPSC-NEB Collective Agreement and Excluded Employees Terms and Conditions, the value of which is 4.95% of the employee's annual salary.

"CER" means the Canada Energy Regulator as established by the CER Act S.C., 2019, c. 28, s. 10.

"Chief Conservation Officer" and "CCO" means the OROGO Chief Conservation Officer as defined in and established in and appointed by the Regulator in accordance with the OGOA.

"Chief Safety Officer" and "CSO" means the OROGO Chief Safety Officer as defined in and established in and appointed by the Regulator in accordance with the OGOA.

"Decision" includes a permit, licence, registration, authorization, approval, disposition, certificate, allocation, declaration or other instrument or form of approval, consent or relief, an order, direction or notice of administrative penalty that is or may be made by the Regulator, CCO or CSO pursuant to the OGOA and PRA.

"Decision Documents" mean written Decisions.

"Disbursements" mean incidental expenses incurred by employees or contractors of the CER in the course of providing services to OROGO to the extent that such expenses are payable to compensate employees or contractors according to the CER's rules respecting such payments.

"Fiscal Year" means a period of 12 months starting April 1 and ending on March 31.

"ISR" has the same meaning as Inuvialuit Settlement Region in the Devolution Agreement.

"Market Allowance" is an allowance paid under the PIPSC-NEB Collective Agreement and Excluded Employees Terms and Conditions to employees in operational job families from NEB level 08 to NEB level 12. Operational job families are: Economic & Financial Analysts; Environmental, Socio-Economic, and Lands; Market Analysts, Safety & Engineering; Supply Analysts; and Directors in operational positions.

"NEB" means that Board established pursuant to the *National Energy Board Act* R.S.C. 1985 c.N-7 as amended.

"Overtime Hours" are employee hours worked over-and-above the regular hours. The rates for calculation purposes will be drawn from the appropriate clauses of the PIPSC-NEB Collective Agreement and Excluded Employees Terms and Conditions.

"Party" means either OROGO or the CER, as the case may be, and "Parties" means both of them.

"Records" mean any records and work product and includes books, documents, maps, drawings, photographs, letters, vouchers, notes, papers, correspondence, memorandum, plan, diagram, pictorial or graphic work, film, microfilm, sound recording, videotape, machine readable record, and any other documentary material, regardless of form or characteristics, and any copy thereof. This includes Records produced in performance of duties under this Agreement, as well as any historic records which may have arisen from other joint cooperation arrangements between the Parties.

“Regular Hours” are routine hours of work performed by employees during normal business days, Monday through Friday. At the CER a normal business day contains 7.5 hours; a regular work week contains 37.5 hours.

"Regulator" means the Regulator as defined in section 1 of the OGOA in respect of the onshore Northwest Territories, other than the ISR (definition (b)), and designated by the Commissioner in Executive Council under section 121 of that Act.

"Services" mean those services provided for in the attached Schedule 'A' to this Agreement, or as otherwise agreed to by the Parties in accordance with Article 6.4.

ARTICLE 3 - INTERPRETATION

Independent Contractor

- 3.1 The CER is an independent contractor under this Agreement. Nothing in this Agreement is to be construed as creating an agency, partnership or joint venture relationship between OROGO and the CER or an employer/employee or master/servant relationship between OROGO and any CER employees, or the CER and any OROGO employees.
- 3.2 Nothing in this Agreement will derogate from or otherwise fetter decision making by the Regulator, the CCO and the CSO.
- 3.3 Nothing in this Agreement will derogate from or otherwise fetter the ability of the CER to regulate, administer, manage or otherwise deal with oil and gas, and related matters, under applicable legislation.
- 3.4 Nothing in this Agreement will derogate from or otherwise fetter the ability of OROGO to regulate, administer, manage or otherwise deal with oil and gas and related matters under applicable territorial legislation.

No Conflicting Interest

- 3.5 Both the CER and OROGO warrant that they have no conflict of interest in carrying out the Services contemplated under this Agreement. Should such a conflict arise during the term of this Agreement, the conflicted Party shall disclose it immediately to the other, and the Parties shall discuss such conflict with a view to achieving a mutually satisfactory arrangement.

ARTICLE 4 - SERVICES

Mechanisms

- 4.1 The CER will provide Services to OROGO, upon request by OROGO, subject to resource (financial and staffing) constraints or safety concerns and in accordance with this Agreement. In determining whether it has sufficient resources to provide Services under this Agreement, the CER will determine the priority of work requested by OROGO under this Agreement in the same manner as it determines the priority of its own internal work commitments.
- 4.2 In cases where the CER determines it does not have sufficient resources to adequately perform requested Services under this Agreement, the CER will notify OROGO. The CER may engage third party contractors to perform the Services and will provide to OROGO the estimated costs of such Services before entering into any agreements for the provision of such Services. OROGO will then confirm whether it consents to the CER incurring the costs of such Services.
- 4.3 The provision of the Services by the CER will be subject to instructions provided from time to time by the Regulator, the CCO and the CSO or their designates.
- 4.4 OROGO will pay for Services rendered under this Agreement based on the calculations in Article 5 - Cost Recovery, using one of the following cost recovery mechanisms:
 - 4.4.1 Fee for the Services of CER Employees - Annual or Hourly Rate (Schedule 'B').
 - 4.4.2 Fee for Third Party (Contracted) Services.

Service Standards

- 4.5 In the course of providing the Services under this Agreement, the CER will ensure that every employee and third party contractor of the CER carrying out Services under this Agreement will act in an efficient and professional manner.

Applicable Laws

- 4.6 Services provided by the CER pursuant to this Agreement will be provided in accordance with the OGOA, PRA, and any other laws of general application. This Agreement does not create any new legal powers or duties, or fetter in any way the jurisdiction, powers and duties of the Parties.

ARTICLE 5 - COST RECOVERY

Calculation of Payments

- 5.1 OROGO will pay the CER for the Services according to the following calculations:

Fee for Services Provided by CER Employees - Annual or Hourly Rate

- 5.1.1 The annual salary for a CER employee providing Service(s), determined in accordance with attached Schedule 'B' to this Agreement.

Fees for Third Party (Contracted) Services

- 5.1.2 Actual costs of contracted services performed by CER contractors.
- 5.1.3 OROGO will reimburse the CER for payment of penalties if third party service contracts are unspent or cancelled at the request of OROGO.

Rental Vehicles

- 5.1.4 The Parties agree that in the performance of Services, CER employees or contractors will not use their own personal vehicles but will only use rental vehicles and will obtain full insurance coverage.

Travel, Hospitality, Equipment, Rentals, General Expenses and Incidentals

- 5.1.5 The CER will invoice OROGO quarterly, or at other times mutually agreed to by the Parties, for Disbursements, paid or payable to CER employees and contractors.
- 5.1.6 CER employees' travel and related costs will be billed to OROGO using the most current Treasury Board of Canada Secretariat travel rates and allowances.
- 5.5 Should OROGO wish to terminate the Service early, the CER shall be reimbursed for all deployment costs until such time as the deployed employee returns to their regular place of work.

Invoices

- 5.6 Both Parties agree that the invoicing will be conducted using a Fiscal Year period that runs from April 1 through to the following March 31. Invoices are to be submitted on a quarterly basis, or at other times mutually agreed to by the Parties, within 30 days of the end of that quarter or mutually agreed period. The

invoices shall be submitted to the contact identified in ARTICLE 5 – COST RECOVERY, 5.8.

5.7 OROGO will make full payment within 30 days of receiving the invoice.

5.8 Invoices will be rendered to the attention of:

Executive Director
Office of the Regulator of Oil and Gas Operations
Department of Justice
Government of the Northwest Territories
Mail: P.O. Box 1320, Yellowknife, NT X1A 2L9
Courier: 4th floor, Northwest Tower, 5201 – 50th Ave., Yellowknife, NT X1A 3S9
Facsimile: 867-920-0798

5.9 Payment pursuant to this Agreement is subject to the condition contained in section 46 of the *Financial Administration Act*, R.S.N.W.T. 1988, as amended, which reads as follows:

It is a condition of every contract made by or on behalf of the Government requiring an expenditure that an expenditure pursuant to the contract will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the contract.

Invoice Information

5.10 Invoices provided by the CER will indicate, or be accompanied by documentation sufficient to indicate:

5.10.1 The level of each CER employee providing the Services billed for;

5.10.2 The number of Regular and Overtime hours of Services provided by that employee in the billing period;

5.10.3 The Regular and Overtime hourly or annual rate applicable to that employee;

5.10.4 If the hourly rate is used, the number of hours of Services provided by the employee in the billing period and the month in which the services were performed; and,

5.10.5 The nature of the Services provided by that employee.

5.10.6 All disbursements and other normal business expenses incurred during the billing period; in an itemized format including geographical information where necessary, e.g. location and name of hotel.

5.10.7 All travel, transportation, and equipment costs, including rental vehicle and insurance policy costs.

5.10.8 Cost of replacement value for lost or damaged Personal Protective Equipment.

5.11 Where Services are performed by contracted third parties, the invoice will indicate, or be accompanied by documentation sufficient to indicate:

5.11.1 The company and contractor name(s);

5.11.2 The nature of the Services provided; and

5.11.3 The cost of Services performed, including a breakdown of the hours spent and the hourly rates, if applicable.

Invoice or Cost Matters

5.12 Either Party may refer matters relating to invoicing or payment for dispute resolution in accordance with Article 12 - Dispute Resolution.

ARTICLE 6 - SERVICE PARAMETERS

Spending Limits

6.1 The aggregate amount for which OROGO may be made responsible under this Agreement in respect of any fiscal year will not exceed the amount included in OROGO's budget for that fiscal year for the purpose of paying amounts invoiced to OROGO by the CER under this Agreement, subject to the following:

6.1.1 Before each subsequent fiscal year, OROGO shall notify the CER in writing of the amount so included in OROGO's budget for that fiscal year.

6.1.2 OROGO agrees that the CER may stop providing Services in a fiscal year once the CER's charges hereunder equal OROGO's budget for that fiscal year as revised from time to time.

Priority Services

6.2 When OROGO is making more than one Service request at a time, it shall prioritize the requests based on its own needs. If the CER is unable to perform the Service request based on the priority ranking provided, it shall discuss with OROGO to come to an agreement of the order of the Service requests.

- 6.3 OROGO may request the CER to perform services of a particular kind in a particular instance on a priority basis and in such a case the CER will use reasonable efforts to accommodate the request on terms that are mutually agreeable.

Other Services

- 6.4 Subject to Article 6.5 below, the CER agrees to perform other services not provided for in Schedule 'A' as requested from time to time by OROGO, and recover costs using the methods, formulae, and rates contained in this Agreement.
- 6.5 The CER will perform the other services referred to in Article 6.4 above only if the terms and conditions of those other services are mutually agreed to in writing by OROGO and the CER prior to the provision of those services.

Time Limits

- 6.6 The CER agrees to submit invoicing on time whenever possible. When delays are anticipated, the CER shall notify OROGO by phone and in writing no later than the original delivery date.

ARTICLE 7 - TRAINING OF OROGO STAFF

- 7.1 The Parties acknowledge that OROGO seeks opportunities for its staff to be trained to provide some or all of the Services. To further that objective, the CER will:
- 7.1.1 Invite OROGO staff to attend training seminars, field demonstrations, third party presentations or other events undertaken to train CER staff;
 - 7.1.2 Make reasonable efforts to permit OROGO staff, at OROGO's expense, to shadow CER staff in the performance of duties identified in Schedule 'A'; and
 - 7.1.3 Use reasonable efforts to make CER staff resident in or visiting the Northwest Territories available for consultation with OROGO staff where practical.
- 7.2 OROGO will be responsible for its own costs to participate in, or observe, training, exercises, field investigations, and inspections opportunities for learning purposes.

ARTICLE 8 - REPORTING

Annual Reporting

- 8.1 Each year of the term, the Vice President – Energy Adjudication, or designate, of the CER will submit to the Executive Director of OROGO an annual report identifying for the previous year the amount provided of each Service identified in Schedule 'A' and the costs the CER has incurred in providing the Services pursuant to this Agreement.

ARTICLE 9 - INDEMNIFICATION

- 9.1 Subject to Article 9.3 and 9.4 OROGO will hold harmless the CER and its employees, agents, and officers from any and all third party claims, demands and actions for which OROGO is legally responsible, including those arising out of negligence or willful acts of the OROGO, its employees, agents or officers.
- 9.2 The CER will not hold harmless the OROGO and its employees or agents from any and all third party claims, demands, and actions arising out of negligence or willful acts of the CER, its employees agents or officers.
- 9.3 In no event will a Party be liable to the other for any claim for special, punitive, incidental, indirect or consequential loss or damage (including loss of profits, data, business or goodwill), arising from all causes of action of any kind, including contract, tort, or otherwise, even if advised of the likelihood of such damages occurring.
- 9.4 To the fullest extent permitted by applicable law, the total aggregate liability to OROGO by the CER under this Agreement, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose or otherwise, will be limited to the fees paid by OROGO to the date such liability was incurred, and in any event, to no more in the aggregate than the spending limit determined pursuant to Article 6.1.
- 9.5 Each Party agrees to consult with the other Party prior to negotiating, settling or compromising any claims under this Article.

ARTICLE 10 –TECHNICAL SERVICES FOR APPEAL

- 10.1 The CER may also provide technical services to support OROGO through any reconsideration, review or appeal processes.

ARTICLE 11 - INFORMATION MANAGEMENT AND DOCUMENT CONTROL

Security Clearance

- 11.1 OROGO and the CER will each ensure that their employees and/or contractors obtain the security clearance required for viewing and/or working with documents and other sources of information, written and oral.

Records

- 11.2 The Parties will maintain adequate records and systems of internal control for the performance of all of their respective obligations under this Agreement.
- 11.3 All Records created by employees or contractors of the CER in the course of providing Services under this Agreement become and remain in the custody of OROGO.
- 11.4 If the Records described in Article 11.3 have joint value, a copy will be provided to the CER and may be retained by the CER for its own records purposes.
- 11.5 The Records referred to in Articles 11.3 and 11.4 will not be disclosed by the CER without the written consent of OROGO.
- 11.6 The CER acknowledges that it has custody of Records it has collected or created which pertain to lands governed under the OGOA and PRA, including analysis and records related thereto, and that OROGO may require, from time to time, such Records relating to lands outside the ISR to enable or assist the Regulator, the CCO or the CSO to perform their duties under the OGOA and PRA.
- 11.7 The CER will deliver copies of the Records referred to in Article 11.6 except where prohibited by law, to OROGO as soon as reasonably practicable after this Agreement takes effect.
- 11.8 With respect to the Records described in Article 11.6, the CER will, upon any reasonable request by OROGO, provide a true copy of any original of a Record in its possession, and will also, upon any reasonable request of OROGO, make reasonable efforts to provide OROGO with the original of any such Record, except where prohibited by law.

11.9 Where one Party becomes aware of an access to information request, under its legislation, related to services rendered under this Service Agreement, it shall notify the other Party of this request.

Continuing Obligation

11.10 The obligations of the CER and CER employees under Articles 11.1, 11.2, 11.3, 11.5, 11.7, and 11.8 survive the expiration or termination of this Agreement.

ARTICLE 12 - DISPUTE RESOLUTION

12.1 Any dispute relating to this Agreement and the Services performed or to be performed pursuant to it will be referred to the CER, Vice President - Energy Adjudication; and to the Executive Director, OROGO for joint consideration and resolution.

12.2 If a dispute referred to in Article 12.1 cannot be resolved by the representatives of the Parties described in that article, it shall be brought to the Executive Vice President - Regulatory, CER and the Executive Director, OROGO, or their respective designates.

12.3 Failing resolution of a dispute pursuant to Articles 12.1 and 12.2, the Parties may pursue whatever remedies are available to them pursuant to this Agreement, or available at law.

12.4 The provision of Services as contemplated under this Agreement will continue while the dispute resolution processes contemplated under this article are ongoing.

ARTICLE 13 - GENERAL

No Adverse Presumption in Case of Ambiguity

13.1 There shall be no presumption that any ambiguity in this Agreement be resolved in favour of either of the Parties. For greater certainty, the *contra proferentem* rule shall not be applied in an interpretation of this Agreement.

No Implied Obligations

13.2 No implied terms or obligations of any kind by or on behalf of either of the Parties shall arise from anything in this Agreement. The express covenants and agreements contained in this Agreement and made by the Parties are the only covenants and agreements upon which any rights against either of the Parties may be founded.

Interpretation

13.3 The division of this Agreement into articles, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only.

Entry into Force

13.5 This Agreement will take effect upon the date specified on page one of this Agreement.

Amendments and Waivers

13.6 This Agreement may be amended at any time by the written consent of the Parties as executed by their duly authorized representatives.

13.7 A waiver, forgiveness or forbearance by either Party of the strict performance by the other Party of any covenant or other provision of this Agreement shall be in writing, and will not of itself constitute a waiver of any subsequent breach of that covenant or provision or any other covenant or provision thereof. The failure of a Party to require the fulfillment of any obligation by the other Party or to exercise any rights herein will not constitute a waiver or acquiescence or surrender of those obligations or rights.

Term

13.8 This Agreement will terminate in five (5) years from the date of execution unless the Parties agree, in writing, to renew the Agreement.

13.9 In the event of a name change of a Party(s) prior to the termination of the signed Services Agreement, the Services Agreement will remain valid until the termination date.

Languages

13.10 The finalized Agreement shall be produced in English and French.

Termination

13.11 This Agreement may be terminated by either Party on its giving at least six months' notice in writing to the other Party.

Notices

13.12 Any notice or communication required to be given under this Agreement will be made in writing and will be delivered personally, sent by fax, electronic communication or by first class prepaid mail to the addresses listed below.

If to the OROGO:

Executive Director
Office of the Regulator of Oil and Gas Operations
Department of Justice
Government of the Northwest Territories
Mail: P.O. Box 1320, Yellowknife, NT X1A 2L9
Courier: 4th floor, Northwest Tower, 5201 – 50th Ave., Yellowknife, NT X1A 3S9
Phone: (867) 767-9097
Facsimile: (867) 920-0798

If to the CER:

Vice President, Energy Adjudication
Canada Energy Regulator
517 Tenth Avenue SW
Calgary, Alberta, T2R 0A8
Phone: (403) 292 4800
Fax: (403) 292-5503

Receipt of Notice

13.13 The date of receipt of any notice shall be deemed to be:

13.13.1 If personally delivered or sent by courier, the date of delivery;

13.13.2 If sent by certified or ordinary mail, seven business days after mailing; and

13.13.3 If sent by electronic communications or fax, 24 hours after the time of transmission, excluding from the calculation, weekends and public holidays.

Counterparts

13.14 This Agreement may be executed in counterparts, each of which will be deemed as an original and all of which constitute one and the same document.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed as of the date first written above.

**GOVERNMENT OF THE NORTHWEST TERRITORIES as represented by the
OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS**

By: _____
Pauline de Jong
Executive Director

CANADA ENERGY REGULATOR

By: _____
Sandy Lapointe
Acting Chief Executive Officer

SCHEDULE A
LIST OF SERVICES PERFORMED BY THE CER

The following services may be provided by CER employees or third party contractors retained by the CER. The CER may perform or contract for other services not described in Schedule A, as required from time to time by OROGO, that are mutually agreeable by the Parties.

CATEGORY #1: Geophysical/Geological Operations

DESCRIPTION:

- Application Review and Advice
- Preapproval Inspections and Reporting
- Operational Inspections and Reporting
- Monitoring Programs Review and Advice
- Data Management and Follow Up
- Provision of Technical advice¹

CATEGORY #2: Drilling Operations

DESCRIPTION:

- Application Review and Advice
- Preapproval Inspections and Reporting
- Start Up Monitoring and Reporting
- Operational Inspections and Reporting
- Monitoring Programs Review and Reporting
- Data Management and Follow Up
- Provision of Technical advice

CATEGORY #3: Well, Pipeline and Facility Operations

DESCRIPTION:

- Review Program
- Inspections and Audits

¹ Technical advice includes advice pertaining to conservation of resources, drilling and production, engineering, environment, financial, geoscience, safety, and security matters.

- Review of reporting including that required under OGOA or the Terms of an Operations Authorization or Well Approval
- Data Management and Follow Up
- Provision of technical advice

CATEGORY #4: Well, Pipeline and Facility Applications

DESCRIPTION:

- Application Review and Advice
- Construction Monitoring and Inspections, and Reporting
- Start Up Monitoring and Reporting
- Review of reporting including that required under OGOA or the Terms of an Operations Authorization or Well Approval
- Data Management and Follow Up
- Provision of Technical advice

CATEGORY #5: Applications for Well, Pipeline and Facility Modifications and Schemes

DESCRIPTION:

- Application Review and Advice
- Construction Monitoring and Inspections, and Reporting
- Start Up Monitoring and Reporting
- Review of reporting including that required under OGOA or the Terms of an Operations Authorization or Well Approval
- Data Management and Follow Up
- Provision of Technical advice

CATEGORY #6: Designation and Regulation of Production

DESCRIPTION:

- Fields, Pools and Zones
- Prorating of Production
- Pooling and Unitization
- Provision of Technical advice
- Data Management and Follow Up

CATEGORY #7: Emergency Response and Accident Investigation

DESCRIPTION:

- Inspection & Enforcement
- Review of Reporting including that required under OGOA or the Terms of an Operations Authorization
- Data Management and Follow Up
- Provision of Technical advice

CATEGORY #8: Geological Assessments

DESCRIPTION:

- Reservoir Studies
- Geological Studies
- Petrophysical Studies
- Provision of Technical advice
- Data Management and Follow Up

CATEGORY #9: Economic Evaluations

DESCRIPTION:

- Performance Monitoring
- Economic Development Proposals
- Resource Development Economic Studies
- Provision of Technical advice related to proof of financial responsibility
- Data Management and Follow Up

CATEGORY #10: Information Flow

DESCRIPTION:

- Records Receipt
- Records Storage and Retrieval
- Records Transfer
- Provision of Technical advice

CATEGORY #11: Frontier Information Office

- Data Management and Follow Up

CATEGORY #12: Significant Discoveries/Commercial Discoveries

- Application Review and Advice

SCHEDULE B

CALCULATION OF THE ANNUAL AND HOURLY RATES

1. The "Annual Rate" is calculated on the basis of the current:

- annual salary of the CER employee;
- 4.95% Calgary Allowance;
- the total maximum payout under all other allowances (e.g., Market Allowance) and Performance Pay; and
- Administrative fee.

2. The "Hourly Rate" is calculated on the basis of the current rates below:

Classification	Estimated Annual Salary \$	Annual Calgary Allowance \$	Anticipated Performance Pay \$	Annual Market Allowance \$	Estimated Full Annual Amount \$	Estimated Hourly Rate \$	Hourly Rate With 40% Administrative Mark-up
NEB-04	50,430	2,496	1,540		54,466	27.84	38.97
NEB-05	56,808	2,812	1,730		61,349	31.36	43.90
NEB-06	64,057	3,171	1,940		69,167	35.35	49.49
NEB-07	72,294	3,579	2,190		78,063	39.90	55.86
NEB-08	81,514	4,035	2,480	5,000	93,029	47.55	66.56
NEB-09	95,586	4,732	3,930	5,000	109,248	55.84	78.17
NEB-10	107,772	5,335	6,040	8,000	127,146	64.98	90.98
NEB-11	118,008	5,841	8,400	12,000	144,249	73.72	103.21
NEB-12	129,220	6,396	10,620	17,000	163,236	83.43	116.80
NEB-13	136,500		16,380	17,000	169,880	86.82	121.55
NEB-14	153,550		21,839	17,000	192,389	98.33	137.66
NEB-15	170,440		21,839	17,000	209,239	106.94	149.72

This table could have some small rounding errors.

The "Hourly Rate" is calculated on the basis of the Annual Rate (above), based on the average salary per NEB-level and including maximum payouts for current CER allowances and performance pay, divided by:

- 260.88 working days; and
- 7.5 hours per day.

This Schedule will be amended by the CER from time to time to reflect salary increases and other changes in effect at the CER, such as those that may result from collective bargaining or classification renewal.

OROGO agrees to pay the amounts set out in amended Schedules upon receipt of notification of the amendment.