

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**CANADIAN NATURAL RESOURCES LIMITED
APPLICATION FOR A PIPELINE LICENCE
TEMPLETON FIELD**

**Decision 2005-137 Errata
Application No. 1388116**

An error appears in *Decision 2005-137*, issued by the Alberta Energy and Utilities Board (EUB/Board) on December 13, 2005. The error appears on page 2 in Section 4.1 of the report. This error correction is reflected in the decision that appears on the EUB Web site.

The original published decision read:

Based on the flow testing, it estimated that the flow rate would be about 300 cubic feet per day and it deemed the well to be productive.

It now reads:

Based on the flow testing, it estimated that the flow rate would be about 300 000 cubic feet per day and it deemed the well to be productive.

Dated in Calgary, Alberta, on January 4, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

G. J. Miller
Presiding Member

<original signed by>

W. G. Remmer, P.Eng.
Acting Board Member

<original signed by>

D. D. Waisman, C.E.T.
Acting Board Member



Canadian Natural Resources Limited

Application for a Pipeline Licence
Templeton Field

December 13, 2005

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2005-137: Canadian Natural Resources Limited, Application for a Pipeline Licence,
Templeton Field

December 13, 2005

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

CANADIAN NATURAL RESOURCES LIMITED APPLICATION FOR A PIPELINE LICENCE TEMPLETON FIELD

Decision 2005-137
Application No. 1388116

1 DECISION

Having carefully considered all of the evidence, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Application No. 1388116.

2 INTRODUCTION

2.1 Application No. 1388116

Canadian Natural Resources Limited (Canadian Natural) submitted an application to the EUB on February 24, 2005, which was subsequently amended on October 12, 2005, in accordance with Part 4 of the *Pipeline Act*, for approval to construct and operate a pipeline for the purpose of transporting natural gas from an existing well at Legal Subdivision (LSD) 8, Section 7, Township 1, Range 12, West of the 4th Meridian (8-7 well) to an existing tie-in point at LSD 11-8-1-12W4M. The proposed pipeline would be about 1.51 kilometres (km) in length, with a maximum outside diameter of 114.3 millimetres (mm), and would transport natural gas with a maximum hydrogen sulphide (H₂S) concentration of 0.0 moles per kilomole (0.0 per cent). The proposed pipeline would be located about 50 km southeast of Milk River.

2.2 Intervention

On March 31, 2005, Darcy Wills and Laura Wills filed an objection to Canadian Natural's application. The Willses are the surface landowners of Section 7-1-12W4M and the northwest quarter of Section 8-1-12W4M, land on which the pipeline is proposed to be located. In their initial submission, they raised concerns regarding pipeline removal and contamination at the time of abandonment.

2.3 Hearing

The Board held a public hearing in Milk River, Alberta, on October 19, 2005, before Board Member G. J. Miller (Presiding Member) and Acting Board Members W. G. Remmer, P.Eng., and D. D. Waisman, C.E.T. A site visit was conducted on October 18, 2005. Those who appeared at the hearing are listed in [Appendix 1](#).

3 ISSUES

The Board considers the issues respecting the application to be

- need and routing for the pipeline,
- impacts of the pipeline, and
- communications, negotiations, and confidentiality.

4 NEED AND ROUTING FOR THE PIPELINE

4.1 Views of the Applicant

Canadian Natural noted that the 8-7 well, which the proposed pipeline would tie into, was completed and tested in March 2005. Based on the flow testing, it estimated that the flow rate would be about 300 000 cubic feet per day and it deemed the well to be productive. Canadian Natural indicated that the 8-7 well would be producing gas from the Sunburst member and described the gas as sweet. Canadian Natural explained that the well was ready to be put on production by April 2005. Canadian Natural stated that since then it had been waiting to produce the gas and bring it to market and that the proposed pipeline was the only way to do so. It explained that the proposed pipeline would transport production from the 8-7 well to a facility on the well site at LSD 11-8-1-12W4M (11-8 facility). It further explained that production would flow from the 11-8 facility to a compressor at LSD 14-6-1-11W4M and then to the Sierra system.

Canadian Natural explained that it had the rights to other zones in the 8-7 wellbore, which would be perforated and tested before abandoning the 8-7 well. Canadian Natural further explained that these other zones would not be tested until the Sunburst member was at the end of its productive life, which it estimated to be 3.5 years. Canadian Natural stated that subject to other zones in the well being completed, the proposed pipeline could be in use for a minimum of 20 years. It also stated that the proposed pipeline would be able to accommodate production from these other zones, as the pipeline was designed for a higher flow rate. Canadian Natural explained that once production in the 8-7 well was no longer economic, the proposed pipeline would be discontinued rather than abandoned, leaving open the possibility that the pipeline could be reactivated for other wells in the area.

Canadian Natural stated that the proposed pipeline route would exit the 8-7 well site in a northeasterly direction towards the 11-8 facility. It indicated that in order to avoid farm machinery, a hay storage yard, and various topographical features, the route direction would change in several locations between the 8-7 well site and the 11-8 facility. It also stated that during further consultation with Mr. Wills, he requested that Canadian Natural alter the route so as to avoid a historic wagon trail. Canadian Natural explained that it had modified the route such that it no longer interfered with the historic wagon trail.

4.2 Views of the Interveners

Mr. Wills understood Canadian Natural's requirement to transport the reserves from the 8-7 well and did not dispute the need for a pipeline.

Mr. Wills indicated that he and Canadian Natural initially agreed upon a route that would work for both parties, but that he later expressed concern about the impact the proposed routing would have on a historic wagon trail located on his land. He confirmed that Canadian Natural had modified the route so that it would have less impact on this wagon trail.

Mr. Wills indicated that he would have preferred a different route altogether. He described a route that would run directly southeast, off his property and along the road allowance on his neighbour's land. He explained that this route exited his property by the most direct course and therefore would have less impact on his operations, but that from an environmental perspective it would have more impact. He stated that he never raised this route with Canadian Natural, and that when he spoke to the County officials about it, they explained that the County would not allow the pipeline to run along the road allowance. Mr. Wills confirmed that he had no modification to the route proposed by Canadian Natural to recommend.

4.3 Views of the Board

The Board is satisfied that Canadian Natural has a need for a pipeline, as it is the only means to transport gas production from the 8-7 well.

The Board notes that both Canadian Natural and Mr. Wills have recognized the unique topography of the area where the pipeline is to be located and that they have jointly selected a route that is appropriate, given the environmental constraints created by the numerous coulees in the area and the sites associated with Mr. Wills's farming operations. The Board notes that Canadian Natural and Mr. Wills entered into extensive discussions on the route for the pipeline and reached agreement on the pipeline's location, subject to certain terms and conditions considered necessary to mitigate impacts from the construction, operation, and abandonment of the pipeline remaining unresolved. The Board agrees that the applied-for pipeline route is appropriate. The parties' views on the impacts of the pipeline and the Board's views on necessary mitigation measures are outlined in the following section.

5 IMPACTS OF THE PIPELINE

Canadian Natural and Mr. Wills had essentially agreed to the routing of the pipeline subject to coming to agreement on several terms and conditions dealing with the construction, operation, and abandonment of the pipeline. Through their direct negotiations and use of the EUB Appropriate Dispute Resolution (ADR) program, agreement had been reached on a number of measures to mitigate the impacts of the pipeline. Respecting the confidentiality of the parties and without prejudice to them, the mitigation measures were discussed at the hearing through leading new evidence and cross examination. Impacts considered included soil conservation, topsoil storage, erosion, natural drainage, fencing, weed control, reclamation of the right-of-way (ROW), conditions for pipeline removal upon abandonment, environmental audits, liability, and compensation. Canadian Natural made a number of commitments at the hearing in relation to some of these matters, and the Board has listed several items that are beyond normal regulatory

requirements in Appendix 2 of this decision report. The list is not exhaustive, as it is up to the parties to design a complete agreement outside of this decision report to finalize commitments made by either party.

The following section deals only with those matters discussed in detail at the hearing regarding fencing, weed control, and Mr. Wills constructing a water line that would cross the ROW.

5.1 Views of the Applicant

Canadian Natural indicated that it was not normal practice to fence a pipeline ROW but that it may be necessary for reclamation purposes to keep livestock off the ROW to allow vegetation to re-establish itself. Canadian Natural stated that it tried to minimize disturbances caused by pipelines, especially to native prairie and grasslands, to the ditch line only. Canadian Natural indicated that it was concerned about getting unreasonable or unjustified requests for fencing from landowners. It did not see a present need to fence the ROW, but stated that it recognized that Mr. Wills is a true custodian of the land and that if there were a need from an agricultural perspective to fence the ROW, it would do so.

Canadian Natural stated that it would be responsible for maintaining weed control on the ROW. Canadian Natural also stated that its intention was that vehicles going onto the Wills land would be free of weeds and that it would make all reasonable efforts to ensure that intention was met. Canadian Natural stated that it would have a preconstruction meeting to ensure its personnel were aware that vehicles needed to be cleaned to remove any weeds foreign to the Wills land. Canadian Natural clarified that current legislation required it to control weeds on the ROW. Canadian Natural explained that it would always try to contact the Willises prior to applying certain chemicals, but there could be missed opportunity to control weeds on the ROW if Canadian Natural were unable to reach the Willises. Canadian Natural stated that it might be beneficial to develop a list of prohibited chemicals beforehand and that it would make reasonable attempts to contact the Willises prior to applying any other chemicals. But it added that it would have to meet its obligations under the law to deal with weeds. Canadian Natural confirmed that it would provide appropriate experts to assess damages and provide compensation in the event that Mr. Wills's farming was impacted by chemical applications on the ROW.

Canadian Natural stated that it recognized that Mr. Wills had identified a possible need to install a water line to supply water for his cattle at other areas of his land. Canadian Natural indicated that it would need to ensure the safety of its own pipeline while trying its best to accommodate Mr. Wills. Canadian Natural indicated that it was not in the business of building water lines for landowners but would accommodate landowners in every reasonable way possible to allow them to cross its pipeline, including compensating a landowner for a reasonable increase in the cost of installing a line due to the need to cross Canadian Natural's pipeline. It committed to locating its pipeline at the crossing, hydro-vacuuming to expose the pipeline in the ditch, attempting to reach a crossing agreement with Mr. Wills, and having a Canadian Natural representative on site when the crossing was conducted. In response to Mr. Wills's concerns regarding the liability clause proposed by Canadian Natural in the ROW agreement, Canadian Natural indicated that it would meet commitments and would use due diligence, but it was not prepared to assume liability that may arise from either a failure of Mr. Wills's water line in the vicinity of its pipeline or for damage to its pipeline that may occur in the course of Mr. Wills's crossing Canadian Natural's pipeline.

5.2 Views of the Interveners

Mr. Wills indicated that he was confident that vegetation would re-establish itself fairly quickly on the ROW, within several years if the pipeline were installed in a narrow trench and there were as little disturbance as possible. However, he was concerned that if there should be significant disturbance, additional measures, such as fencing, might be necessary. He stated that he might want gates and accesses in certain locations, and that any new or replacement fencing should be to the standard he was currently using on his property.

Mr. Wills indicated that it should be a reasonable practice for Canadian Natural to make sure that where equipment and vehicles were in a location where there were noxious or restricted weeds, measures were taken to ensure that the vehicles were cleaned before entering his lands. Mr. Wills clarified that he was most concerned about construction vehicles brought from locations where there were wet conditions and the tracks or wheels were plugged up with mud.

Mr. Wills indicated that any time a chemical was applied to his property, he should, at a minimum, be notified. He stated that if the chemical did not meet the needs of his operation, he should have the right to prevent its application. He stated that he was also concerned with the long-term effects associated with certain chemicals. He suggested that Canadian Natural contact him early each spring to discuss potential chemical applications, rather than rely on a list of prohibited chemicals, as suggested by Canadian Natural. In the event that Canadian Natural needed to apply a chemical, he stated that he was never away from his property for very long and in any event he could be contacted by cell phone. He therefore would expect discussions to take place to identify the type of weed and to agree on a chemical application.

Mr. Wills indicated that he was concerned about the liability associated with crossing Canadian Natural's ROW both during the installation of a new water line or in the long term, and he therefore suggested that Canadian Natural be responsible for installing the portion of his water line that crossed the Canadian Natural pipeline. He stated that both parties could probably agree as to how to cross the pipeline but that he was still concerned about the long-term potential impact. Mr. Wills explained his concerns through several scenarios for which he could potentially be held liable; for example, if his water line leaked, he would be held responsible for potentially costly excavations around the Canadian Natural pipeline.

5.3 Views of the Board

The Board notes that both Canadian Natural and Mr. Wills are in agreement that fencing would not likely be required to ensure revegetation of the ROW, and the Board agrees with that view. However, the Board expects Canadian Natural to follow up on its commitment to work with Mr. Wills to place fencing with that similar to that being used by Mr. Wills and to offer reasonable assistance to allow a safe crossing of the Canadian Natural pipeline.

The Board also notes that Canadian Natural and Mr. Wills appear to be in agreement on the need to prevent foreign or noxious weeds from being brought onto the Wills lands and that Canadian Natural is responsible for taking reasonable steps to ensure that does not happen. Canadian Natural stated that it would make all reasonable efforts to ensure that any equipment that engages or comes into contact with the earth is as free of weeds as possible and that any vehicles that are mud plugged will not be permitted on the lands. The Board expects Canadian Natural to meet its

commitments in this regard and to use weed control methods that are generally accepted by industry and agriculture.

The Board understands that Canadian Natural's concern with weed control is not with the type of chemicals that may be applied but with the potential requirement that it always get Mr. Wills's permission prior to application. Canadian Natural stated that there may be circumstances where it may not be able to contact Mr. Wills before a necessary application. Again, the Board believes Canadian Natural and Mr. Wills are essentially in agreement that contact should be made and that the parties should follow up on Mr. Wills's suggestion to discuss potential applications each spring and include procedures for emergency contact if they believe it is necessary.

The Board understands Mr. Wills's concerns over short- and long-term liability if a problem with his water line impacts the Canadian Natural pipeline. The Board expects that the commitments made by Canadian Natural regarding locating and exposing its pipeline will be met if Mr. Wills indicates that he intends to cross the Canadian Natural pipeline. The matter of liability for actions while on the ROW is not within the Board's jurisdiction and, in particular, the specific wording of agreements dealing with that liability is a matter left entirely to the parties. The Board expresses additional views on the use of the ROW agreements and addendums in communications, negotiations, and confidentiality below in Section 6.

6 COMMUNICATIONS, NEGOTIATIONS, AND CONFIDENTIALTY

6.1 Views of the Applicant

Canadian Natural acknowledged that the first contact with the Willses in regards to the proposed pipeline was made on its behalf by a contract land agent. It indicated that after several meetings with the Willses, both parties recognized that agreement with respect to the pipeline instillation was not imminent due to the discussions on conditions. Negotiations then continued between Canadian Natural staff and Mr. Wills and, subsequently, with Mr. Wills's advisor, whom he retained to assist him. After some time, Canadian Natural submitted its pipeline application to the EUB nonroutinely, at which point negotiations using the EUB facilitation process and further direct negotiations occurred in parallel with the hearing preparations.

It was Canadian Natural's position that a hearing was not the proper venue to address the exact wording of specific clauses in agreements brought forth by the Willses. Canadian Natural stated that while it did not agree to the restrictive wording or the specific language used in Mr. Wills's addendum, it generally agreed with the intent of the issues raised by most clauses. Canadian Natural indicated that it was concerned about items where permission was required, as it would not enter into agreements unless it believed it could meet all obligations. Canadian Natural was also concerned about the redundancy of some clauses in Mr. Wills's addendum, as some were similar to those in industry standard ROW agreements or were already covered by regulations.

Canadian Natural stated that it required two liability and indemnification clauses, as listed in the standard ROW agreement, because one placed the emphasis on the landowner and the other on the company. Canadian Natural stated that it was not prepared to remove or alter the clause which is intended to make the landowner aware that he had to accept responsibilities for his actions on the ROW. Canadian Natural further stated that it was always willing to accommodate

the landowner and believed it should not be an issue if Mr. Wills operated within the ROW in a safe and diligent manner.

Counsel for Canadian Natural contended that the parties entered into confidential discussions by nature of participation in ADR, starting with the facilitation meeting led by EUB staff in May 2005. Counsel further argued that the contents of ADR should not be addressed within the framework of a public hearing. The Canadian Natural witness panel did not provide specifics on confidentiality but stated that anytime it came to an agreement, it would be reflected in a written contract. In addition, the Canadian Natural panel also did not comment on the confidential nature of correspondence following the May 2005 ADR meeting, but indicated that EUB staff did participate in some of the follow-up discussions. Canadian Natural counsel expressed the concern that without the “cloak” of confidentiality in place during ADR, those potential future negotiations would be inhibited. Canadian Natural counsel also emphasized that the mechanisms that existed within a negotiation involved give and take on both parties’ behalf in an attempt to reach agreement and that it was inappropriate to ask questions at the hearing about what each party offered, altered, or tentatively accepted during ADR. Canadian Natural mentioned that not all discussions within the ADR process were within the jurisdiction of the EUB and as such would be irrelevant to the proceedings.

6.2 Views of the Interveners

Mr. Wills stated that consultations began with a contract land agent and the consultation process did not proceed smoothly due to the fact that the broker did not have sufficient authority to deal with terms and conditions. Mr. Wills indicated that, eventually, negotiations were directly with Canadian Natural.

Mr. Wills indicated that prior to entering into negotiations or retaining his advisor, he recalled sitting down with his wife to review terms and conditions from various sources, such as neighbours and other contacts. Mr. Wills stated that he selected a number of provisions that may apply to his operations as a starting point in the negotiations with Canadian Natural. Mr. Wills indicated that he felt he had the right to create an addendum specific to his operations. When asked about duplication with the Canadian Natural agreement or if the matter could be addressed by regulations, he responded by stating that he would be willing to strike such items from his addendum if he felt comfortable doing so. He indicated that some items must be present to ensure that his specific concerns regarding his operation would not be negatively impacted in the short or long term, such as if a new company took over Canadian Natural’s pipeline. He stated that the negotiations evolved over time and so did the addendum. When asked, he indicated that he was flexible on some details pertaining to the inclusion of items or the specific wording.

Mr. Wills expressed concern with respect to the issue of liability. He agreed that he should be held accountable for his own willful damage or gross negligence. However, he explained that he became nervous by the general wording of Canadian Natural’s ROW agreement, which indemnified Canadian Natural from damages caused by his use of the ROW. He believed that this weakened his rights as a landowner and stated that he did not want to be stuck with any liability.

In regard to ADR and what matters should be considered confidential, Mr. Wills and his advisor indicated that the parties agreed at the facilitation meeting that if there were something that should be restricted, it should be addressed directly at the meeting and then deemed confidential,

but stated that this never took place. Mr. Wills's advisor indicated that the parties should be allowed to discuss the process undertaken in ADR at the hearing.

6.3 Views of the Board

The Board notes that both parties were negotiating freely and that discussions were being held directly between Canadian Natural and Mr. Wills and also separately between the applicant and Mr. Wills's advisor very close to the start of the hearing. The Board also notes that the parties had agreed on the need, the route, and the measures to mitigate impacts and that the principal outstanding matter was the wording of several clauses in the standard ROW agreement and Mr. Wills's addendum. The Board understands Mr. Wills's need for an addendum and believes that it is appropriate in negotiations that the parties discuss the issue and jointly decide how to specifically word their agreement by either modifying the standard ROW agreement or using an addendum. However, it is inappropriate to use the EUB hearing process to debate the wording of surface-related agreements, as these matters are more appropriately dealt with in negotiation or under the jurisdiction of the Surface Rights Board.

The Board believes that the parties had reached a common understanding on the intent of certain clauses, but that a lack of clarity on items such as "what is reasonable" or granting of permission led to the breakdown. The Board believes that in these circumstances, additional discussions on the use of comparisons or standards and the use of a dispute resolution clause may have assisted the parties in reaching a resolution.

The matters of legal liability under contracts are clearly outside the jurisdiction of the EUB, and it is inappropriate for the Board to place conditions in this regard. However, it is the Board's opinion that the liability and indemnification clauses applied to the company and the landowner in the ROW documents submitted at the hearing are not equivalent, and the Board understands Mr. Wills's concerns regarding the wide-open nature of the clause as it appears to apply to a landowner. The Board is aware that industry associations are reviewing the standard ROW agreement and suggests that the more widely accepted the document, including input from various industry/landowner committees and the Farmer's Advocate, the greater the probability of minimizing landowner concerns regarding certain clauses and the need for lengthy addendums.

The Board is concerned that there was an apparent attempt to bring into evidence the specific terms and offers that took place during the ADR process. *EUB Informational Letter 2001-1: Appropriate Dispute Resolution (ADR) Program and Guidelines for Energy Industry Disputes* states that discussions within a Preliminary ADR Meeting or during subsequent mediation should be confidential and without prejudice, unless the parties agree otherwise. The Board notes the lack of a common understanding between the parties on what should be held confidential in this case, and it also appears that the matter of "without prejudice" was not discussed.

The Board wishes to restate the "without prejudice rule" and the rationale for it. Communications made without prejudice as part of a process of negotiation or settlement are privileged and cannot be disclosed without the consent of both the maker and the recipient of the communication. The rule does not prevent the parties from exploring in evidence the issues that constitute the matter in dispute, but the content of settlement discussions, which were characterized during the hearing as the "give and take" of negotiations, cannot be revealed outside the ADR process. To do so would discourage parties from engaging in a full and frank

discussion during that process, and thereby reduce the chances of achieving a negotiated resolution.

Dated in Calgary, Alberta, on December 13, 2005.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

G. J. Miller
Presiding Member

<original signed by>

W. G. Remmer, P.Eng.
Acting Board Member

<original signed by>

D. D. Waisman, C.E.T.
Acting Board Member

APPENDIX 1 HEARING PARTICIPANTS

**Principals and Representatives
(Abbreviations used in report)****Witnesses**

Canadian Natural Resources Limited (Canadian Natural) P. McGovern, Canadian Natural Counsel R. Palmer, R.E.T.	T. Frederickson D. Lloyd D. Sakires L. Schelske G. Kirwan
---	---

D. Wills and L. Wills
R. Strom

D. Wills

Alberta Energy and Utilities Board staff
G. Perkins, Board Counsel
E. Simpson
C. Ravensdale
T. Godfrey

APPENDIX 2 SUMMARY OF COMMITMENTS

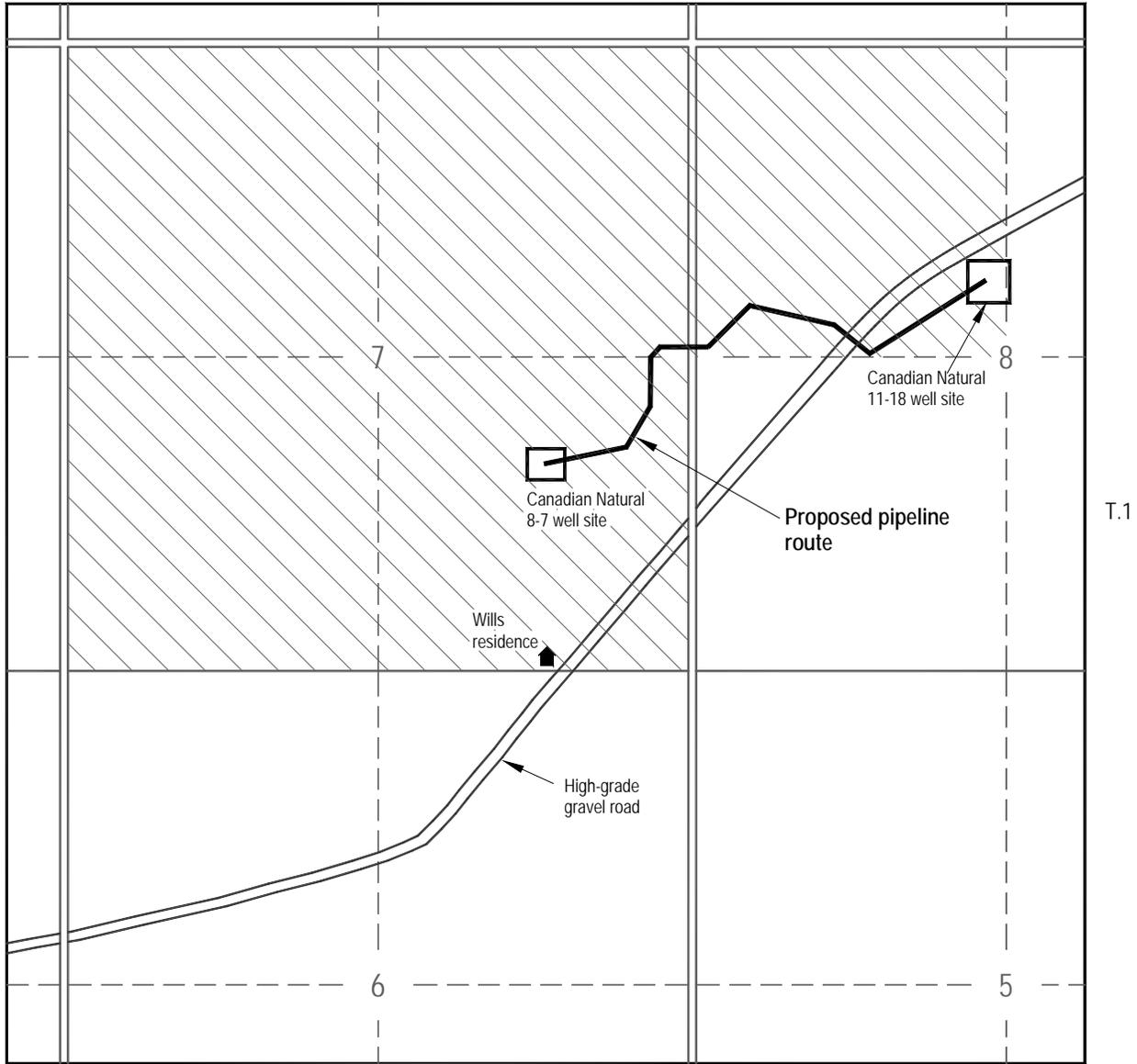
The Board notes that Canadian Natural has undertaken to conduct certain activities in connection with its operations that are not strictly required by the EUB's regulations or guidelines. These undertakings are described as commitments and are summarized below. It is the Board's view that when a company makes commitments of this nature, it has satisfied itself that these activities will benefit both the project and the public, and the Board takes these commitments into account when arriving at its decision. The Board expects the applicant, having made the commitments, to fully carry out the undertaking or advise the EUB if, for whatever reasons, it cannot fulfill a commitment. The EUB would then assess whether the circumstances regarding the failed commitment warrant a review of the original approval. The Board also notes that the affected parties also have the right to request a review of the original approval if commitments made by the applicant remain unfulfilled.

This summary is intended to be a record of the commitments that address the principal concerns raised in the proceeding; it is not intended as an all-inclusive list of Canadian Natural's commitments. The exact meaning and application of any particular commitment is a matter between the parties themselves and, unless otherwise indicated in this appendix or in the decision report, this appendix should not be taken as a decision by the Board on the existence or precise meaning of a commitment.

COMMITMENTS BY CANADIAN NATURAL

- Regarding controlling the spread of weeds on the Wills land, Canadian Natural acknowledges that it is responsible for taking reasonable steps to ensure that it does not bring foreign or noxious weeds onto the Wills land. Canadian Natural commits to make all reasonable efforts to ensure that any equipment that engages or comes into contact with the earth is as free of weeds as possible and that any vehicle that is mud plugged is not permitted on the lands. Canadian Natural will hold a prespud meeting to communicate these requirements to its personnel.
- Regarding fencing, Canadian Natural commits to install fencing on the ROW if needed to promote reclamation of the ROW or in response to a reasonable request from Mr. Wills having regard for Mr. Wills's existing or intended use of the land and the existing fencing.
- Regarding Mr. Wills's crossing Canadian Natural's pipeline, if the Willses make a request for a crossing consent, Canadian Natural will not unreasonably withhold consent. Canadian Natural will locate its pipeline, hydro-vac and expose its pipeline, provide a Canadian Natural representative to supervise the crossing, and compensate Mr. Wills for any reasonable additional costs incurred as a result of Mr. Wills having to cross Canadian Natural's pipeline.
- Regarding pipeline abandonment, in the event that the Willses have an approved development plan in place (agricultural, residential, or industrial) at the time of or after abandonment, Canadian Natural will, at the Willses' request, remove the portion or portions of the abandoned pipeline that inhibit the Willses' development plans.
- Regarding environmental assessments, should a recognized financial institution require data to clarify whether there is contamination associated with the abandoned pipeline, Canadian Natural will provide the required environmental assessments in accordance with the financial institution's request.

R.12W.4M.



Legend

- Proposed pipeline route
- Wills property

Map of area