



PEACE RIVER REGIONAL DISTRICT

fp

Office of: Field Services

April 12, 2005

Mr. Frank Vanden Elsen
Manager Engineering and Consultation
CCS Energy Services
Watermark Tower
24th Floor - 530 - 8 Avenue, S.W.
Calgary, Alberta T2P 3S8

Dear Mr. Vanden Elsen:

Re: Letter of Agreement

Further to your letter of April 7, 2005 enclosed please find one duly signed Letter of Agreement between CCS Energy Services and the Regional District for the construction of a water supply infrastructure and the supply of water at Boundary Lake.

Yours truly,

Shannon Anderson
Director of Field Services

/sg

Enclosure:

PLEASE REPLY TO:

- ☒ P.O. BOX 810, DAWSON CREEK, B.C. V1G 4H8, TELEPHONE: (250) 784-3200 or 1-800-670-7773, FAX: (250) 784-3201
☐ 9912 - 106 AVENUE, FORT ST. JOHN, B.C. V1J 2N9, TELEPHONE: (250) 785-8084, FAX: (250) 785-1125

April 6, 2005

Peace River Regional District
1981 Alaska Avenue
Dawson Creek, B.C., V1G 4H8

Attention: Shannon Anderson, Director of Field Services

Re: Letter of agreement for the supply of water at Boundary Lake

Dear Mr. Anderson,

Further to our meeting of October 1, 2004, this letter will constitute an agreement between CCS Energy Services (CCS), A Division of CCS Inc, and the Peace River Regional District (PRRD) for the construction of a water supply infrastructure (the works) and the supply of water to the CCS Boundary Lake Treatment, Recovery and Disposal (TRD) Boundary Lake facility located at 15-26-084-14-W6M.

Whereas the PRRD has entered into an agreement with Imperial Oil Limited (IOL) wherein Imperial Oil will provide fresh water from their Boundary Lake water plant, located at 16-26-084-14-W6M, to a PRRD facility, yet to be built, to be located to the west of the IOL water building, between IOL and CCS, which will supply water to local users, and

Whereas CCS will enter into an agreement with the PRRD to support this initiative and to acquire a supply of water for the operation of the CCS Boundary Lake TRD. The Boundary Lake TRD requires a fresh water supply of approximately 30,000 cubic metres (approximately 1,060,000 cubic feet) annually for its operation.

To this end, the terms of this agreement are as follows:

CCS will:

- construct the works for the site, including buildings, piping and ancillary equipment as per the Agriculture Canada, PFRA drawings supplied or equivalent,
- tie in the PRRD public tank loading facility and operate and maintain the water line from the PRRD public tank loading facility to the CCS site, and
- amend the current Licence of Occupation for the pipeline to transfer land disposition of the riser site from CCS Inc. to the PRRD.

PRRD will:

- operate and maintain the works for supply of water to the public and CCS from the IOL facility to the PRRD public tank loading facility,
- cover all maintenance and operating costs of the public water supply facility, including any costs associated with ownership of the land disposition and/or lease agreement,
- supply water to CCS with no incremental charge for the water, other than what may be incurred through taxes (local land improvements) or licencing costs, for the life of the facility,
- install signage at the facility acknowledging the joint support of PRRD, PFRA, CCS and IOL, and
- apply to acquire land disposition of the riser site under the PRRD.

Furthermore, it is understood that, in order to make this agreement between CCS and the PRRD possible, Imperial Oil and/or the PRRD will, as per their own agreement:

- construct the driveway into the works for public access,
 - prepare the site for construction,
 - install the hydro utility from the IOL building to the PRRD public tank loading facility, and
 - take care of legal requirements of land division for public access to the riser site.
- The land will be to the west of the IOL water building, between IOL and CCS.

Time is of the essence in this agreement in order to meet the requirements of CCS and IOL, and to allow the PRRD to continue the supply of water to local residents without any interruption. CCS is prepared to commence preparation for construction of the works in short order upon receipt of this signed letter of agreement.

This arrangement will remain in place until terminated by one of the parties, upon giving the other party twelve (12) months notice of its intention to do so.

This agreement will be assigned by the District only with the consent of CCS.

The undersigned are in acknowledgement of and agreement with the terms as set out herein.

Signature: [REDACTED]

Date: April 7/05

Frank Vanden Elsen,
Manager Engineering and Construction
CCS Energy Services

Signature: [REDACTED]

Date: Apr 12/05

Karen Goodings
Chair
Peace River Regional District

Handwritten: Please sign both copies

Peace River Regional District
1981 Alaska Avenue
Dawson Creek, B.C., V1G 4H8

RE: Letter of agreement for the supply water to Boundary Lake

Dear Mr. Andersen

April 7, 2005

Please sign both copies and return one to CCS.

Thank you

Kelly Markevich for



Frank Vanden Elsen
Manager Engineering and Construction