

## FACTSHEET

### OIL AND GAS DEVELOPMENT STRATEGY FOR THE HEARTLANDS

#### DEEP DISCOVERY WELL ROYALTY PROGRAM

Deep Discovery Wells would qualify for the lesser of either a 3-year royalty holiday or 283,000,000 m<sup>3</sup> of royalty free gas.

Where the following terms are defined:

**"Deep Discovery Well"** means a discovery well that has a pay the top of which has a True Vertical Depth deeper than 4000m and has a rig release date after November 30, 2003 and its surface location is at least 20 kilometres away from the surface location of any well in a recognized pool of the same formation;

**"True Vertical Depth"** means, for any point on the wellbore of a well, the distance between the wellbore point and the point, directly above the wellbore point, that is the same elevation as the Kelly bushing used in drilling that well.