



CANADIAN ASSOCIATION
OF PETROLEUM PRODUCERS

AGREEMENT

Facility Crossing – Part 2

November 1993

(reissued December 2001)

This Facility Crossing Agreement is currently undergoing a full review by the Canadian Association of Petroleum Landmen. If you have changes to suggest or questions about the agreement, please contact Ray MacEachern at mailto:ray_maceachern@nexeninc.com or (403) 699-5657.

October 2002

The Canadian Association of Petroleum Producers (CAPP) represents 150 companies that explore for, develop and produce natural gas, natural gas liquids, crude oil, synthetic crude oil, bitumen and elemental sulphur throughout Canada. CAPP member companies produce approximately 97 per cent of Canada's natural gas and crude oil. CAPP also has 120 associate members who provide a wide range of services that support the upstream crude oil and natural gas industry. Together, these members and associate members are an important part of a \$52-billion-a-year national industry that affects the livelihoods of more than half a million Canadians.

Review by July 2004
Docs # 30642 (word)
Docs # 26939 (pdf)

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Contents

1993-0017 (Part 1) – Master Crossing Agreement

Contains:

- Agreement
- Schedule B (location Plan and Profile)
- Schedule C (specific Terms and Conditions)

This word document should be used to develop corporate-specific master crossing agreement.

1993-0017 (Part 2) – Terms and Conditions

This pdf document is an original CAPP file and may not be modified other than to add the company name of each party and the date. Please print out this file and hand-write or type the necessary components.

NOTE: see instructions sheet following for more details.

Instructions

This universal Facility Crossing Agreement was developed to help streamline the process of federal and provincial crossing agreements.

Components of this agreement are as follows:

- Agreement – Facility Crossing Agreement (see instructions below)
- Schedule A – Mutually Agreed to Terms and Conditions (CAPP original letterhead – do not modify)
- Schedule B – Location Plan and Profile (your corporate letterhead)
- Schedule C – Specific Terms and Conditions (your corporate letterhead)

The Agreement can be used as follows:

- print and complete by filling in the blanks;
- develop your corporate-specific version of pages 1 and 2 of the Agreement as a **Master**
- **Crossing Agreement** (recommended for CAPP members). The intent of the **Master Crossing Agreement** format is to streamline procedural requirements to ensure crossing administration efficiency within the industry.

NOTE: To be valid, Schedule “A”, *Terms and Conditions*, must not be altered.

Master Crossing Agreement

To use the attached as a **Master Crossing Agreement**,

- develop two Agreements, one to be executed by grantor and one by grantee; complete page 1 of Schedule A;
- provide each party with a copy of Master Crossing Agreement and Schedule A.
- exchange Schedules B and C only when specific crossing approvals are required between the two parties involved.

Schedule A

Mutually Agreed to Terms and Conditions

Schedule A forms part of the Facility Crossing Agreement.

Between _____ (Grantor)

and _____ (Grantee)

and dated the _____ day of _____, 20____

1. Interpretation

1.01 In this Agreement, including the recitals, the words and terms used shall have the following meanings:

- (a) “Crossing Area” means the area of intersection of Grantor’s and Grantee’s rights-of-way and/or Facilities as outlined in red on Schedule “B”;
- (b) “Grantee’s Facility” means the facility or facilities to be constructed by Grantee and to be located within, across, along, upon, over or under the Crossing Area;
- (c) “Grantor’s Facility” means the facility or facilities of Grantor located within, across, along, upon, over or under the Crossing Area;
- (d) “Facility” means:
 - i) any structure that is constructed or placed on or in the right-of-way within the Crossing Area (concrete slab, concrete conduit, retaining wall, special fences such as chain link, etc.); and
 - ii) any highway, public or private road, railway, irrigation ditch, drain, drainage system, sewer, dike, cable line, telecommunication line, telephone line or line for the transmission of hydrocarbons, power or any other substance that is or is to be carried across, along, upon, over or under the Crossing Area;
- (e) “said lands” means the lands described in Schedule “B”;

- (f) “the Body of this Agreement” means the Agreement to which this Schedule is attached and which has been executed by the parties;
- (g) “this Agreement” means the Body of this Agreement and the Schedules attached to it; and
- (h) “Work” means, with respect to a Facility, the carrying, laying, installing, constructing, maintaining, operating, repairing, inspecting, replacing, altering, removing, abandoning and such other operations as may be required from time to time.

1.02 Unless a term or provision contained in the Body of this Agreement, if acted upon, would result in violation of any code, statute, law, regulation, permit, license, or governmental order, the following shall apply:

- (a) If any term or provision conflicts with a term or provision contained in any Schedule, the term or provision in the Schedule shall prevail.
- (b) If any terms or provisions of the Schedules conflict, the following shall apply: Schedule “C”, if present, shall prevail over Schedules “A” and “B”, Schedule “B” shall prevail over Schedule “A”.

2. Consent

Grantor hereby agrees, insofar as it has the right to do so, that the Grantee may perform the Work on Grantee’s Facility in the Crossing Area in accordance with the terms and conditions of this Agreement.

3. Compliance with Statutes and Regulations

Grantee shall at all times comply with any and all applicable codes, statutes, laws, regulations, permits, licenses, orders and directions of any governmental authority from time to time in force. The minimum applicable technical standards therein shall apply to both parties unless more stringent standards are provided for in this Agreement. If compliance with any provision of this Agreement would result in violation of any applicable codes, statutes, laws, regulations, permits, licenses, orders and directions of any governmental authority, such code, statute, law, regulation, permit, license, order and direction of any governmental authority shall prevail and this Agreement shall be deemed to be amended accordingly.

4. Position of Facility

Unless otherwise indicated in any of the Schedules, or ordered by governmental authority or regulations:

- (a) Grantor's Facility shall be entitled to the upper position in the Crossing Area except for above grade facilities;
- (b) A minimum distance of 30 centimeters shall be maintained between the external surfaces of the underground Facilities; and
- (c) Grantee's Facility shall be maintained at the same depth with no side bends for the entire width of the Crossing Area.

5. Conditions

When Grantee performs work on Grantee's Facility in the Crossing Area, the following terms and conditions shall apply:

- (a) Grantee's Field Representative shall contact Grantor's Field Representative directly, either in person or by telephone, a minimum of 72 hours (excluding Saturdays, Sundays and Statutory Holidays) before commencement of Grantee's Work within 30 metres of the Crossing Area and, if unable to contact that person, Grantee shall serve a minimum of 72 hours written notice pursuant to Clause 8 hereof before commencement of Grantee's Work.
- (b) Grantor has the right to have a representative present to inspect the Work of Grantee in the Crossing Area.
- (c) During installation pursuant to this Agreement, Grantee shall have available at the Crossing Area a copy of this Agreement.
- (d) Before proceeding to excavate within 5 metres of the Crossing Area, Grantee shall fully expose Grantor's Facility by hand digging. Grantee shall not use or permit the use of an excavating machine within 1.5 metres of either side of any existing Grantor's Facility unless otherwise agreed to in Schedule 'C'.
- (e) Grantee shall, where applicable, install and maintain during performance of the Work suitable markers indicating the location of Grantor's Facility in the Crossing Area.
- (f) Grantee shall lay down and construct its Facility in accordance with the Schedules to this Agreement.

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- (g) Grantee shall carry out all Work in the Crossing Area in a proper and diligent manner and in accordance with good engineering and construction practices.
 - (h) The party performing the Work shall ensure no damage occurs to existing Facilities while the Work is being performed in the Crossing Area including damage which may result from the use of heavy work equipment outside the Crossing Area while performing the Work in the Crossing Area.
 - (i) Where necessary, Grantee shall support Grantor's Facility as required, or as directed by Grantor, while any Work is being carried out hereunder.
 - (j) In the event that Grantor's Facility suffers contact damage or other damage as a result of Grantee's Work, Grantor shall be notified forthwith and its repair shall be carried out as directed by Grantor at Grantee's cost.
 - (k) Where cathodic protection is required by Grantor as a result of Grantee's installation, Grantee at its cost shall, at the time of the construction of its Facility, install and thereafter maintain a cathodic protection testing station for Grantor's Facility at the crossing in accordance with the attached Schedule "C" or as directed by Grantor's representative.
 - (l) At least 24 hours (excluding Saturdays, Sundays and Statutory Holidays) prior to covering Grantor's exposed Facility, Grantee's Field Representative shall contact Grantor's Field Representative directly, either in person or by telephone for inspection.
 - (m) Grantee shall, where applicable, install and maintain suitable buried markers indicating the location of Grantee's Facility in the Crossing Area.
 - (n) Unless otherwise directed by the Grantor, the Grantee shall cover Grantor's Facility with at least 30 centimeters of select backfill material prior to commencing backfilling operations. Grantee shall, in backfilling the excavation in the Crossing Area, compact the fill material in 15 centimetre layers, or such greater depth specified by Grantor's Field Representative.
 - (o) Grantee shall, as soon as it is reasonably practical after the completion of Grantee's Work in the Crossing Area, restore the surface of the Crossing Area as closely as is practical to the condition in which it existed immediately prior to the Work being commenced.
 - (p) Grantee shall maintain the Crossing Area in good order and condition and carry out expeditiously all Work hereunder.

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- (q) Except as otherwise provided herein, the cost of Work with respect to each party's Facilities within the Crossing Area undertaken by either party shall be borne by the party requiring such Work.
 - (r) The cost associated with the location, identification or supervision shall not be charged to or borne by the other party unless specified in Schedule 'C'.
 - (s) Grantee shall be liable for and shall pay all taxes, rates and assessments of every description whatsoever that may be imposed by any lawful authority by reason of the presence of Grantee's Facility in the Crossing Area, or by reason of this Agreement or of anything done by Grantee pursuant to this Agreement. In addition, Grantee shall indemnify Grantor from and against all such taxes, rates and assessments.

6. Remedy on Default

In the case of default by Grantee in carrying out any of the provisions of this Agreement, Grantor may give notice thereof to Grantee. If Grantee fails to commence to remedy such default within 15 days after receipt of such notice and diligently complete such remedy thereafter, Grantor may take such steps as are appropriate to remedy such default and Grantee shall be liable for and shall pay all reasonable costs and expenses incurred by Grantor in remedying the default.

7. Further Work

- (a) If, subsequent to the initial Work undertaken by Grantee for its Facility, either Grantor or Grantee desires to undertake any Work in the Crossing Area in respect of its Facility, this Agreement shall be deemed to grant consent to that party, and the provisions of this Agreement shall apply *mutatis mutandis* to all subsequent Work undertaken by either party under this Clause 7; and, for further certainty, the provisions of this Agreement shall be read as if "Grantee" were substituted for "Grantor" and vice versa as the situation requires.
- (b) Notwithstanding the foregoing, installation of any Facility other than those shown on attached Schedule "B" shall require a separate Facility Crossing Agreement.
- (c) Notwithstanding the foregoing, if emergency Work in the Crossing Area is required with respect to a party's Facility, that party shall commence the necessary Work and shall forthwith give the other party's Field Representative verbal notice of the emergency and necessary Work, and shall forthwith give notice pursuant to Clause 8 hereof.

8. Notices

Notices shall be in writing and shall be sent to the parties at the addresses for notice shown in the Body of this Agreement. The following shall govern notices:

- (a) Either party may from time to time change its address for service by giving notice to the other party.
- (b) All notices required to be given hereunder may be delivered by hand, mailed by registered or prepaid mail, or sent by telecommunication. If mailed, the notice shall be deemed to have been received seven days (Saturdays, Sundays and Statutory Holidays excluded) after the mailing thereof. If delivered by hand, the notice shall be deemed to have been received on the day on which it was delivered, or if delivered after regular business hours, it shall be deemed to have been received on the following business day. If sent by telecommunication, the notice shall be deemed to have been received on the first business day following the day it was dispatched.
- (c) No notice shall be effective if mailed during any period in which Canadian postal workers are on strike or if a strike of postal workers is imminent and may be anticipated to affect normal delivery thereof.
- (d) Notwithstanding the foregoing, to the extent described in this Agreement, Grantor's and Grantee's Field Representatives or designated alternates shall have the right and authority to make, give, receive any notice, information, direction or decision required in conducting Work hereunder.

9. Liability and Indemnity

- (a) Liability
 - (i) Grantee shall be liable to Grantor for all loss, damages and expenses which Grantor may suffer, sustain, pay or incur by reason of any matter or thing arising out of or attributable to any act or omission of Grantee, its servants, agents, contractors or employees in respect of Grantee's use of the Crossing Area or by reason of this Agreement.
 - (ii) Grantor shall be liable to Grantee for all loss, damages and expenses which Grantee may suffer, sustain, pay or incur by reason of any matter or thing arising out of or attributable to any act or omission by Grantor, its servants, agents, contractors or employees in respect of Grantor's use of the Crossing Area or by reason of this Agreement.

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- (b) Indemnity:
- (i) Grantee shall indemnify and save harmless the Grantor against all actions, proceedings, claims, demands, and costs which may be brought against or suffered by Grantor or which it may sustain, pay or incur, by reason of any matter or thing arising out of or attributable to any act or omission of Grantee, its servants, agents, contractors or employees in respect of Grantee's use of the Crossing Area or by reason of this Agreement.
 - (ii) Grantor shall indemnify and save harmless the Grantee against all actions, proceedings, claims, demands, and costs which may be brought against or suffered by Grantee or which it may sustain, pay or incur, by reason of any matter or thing arising out of or attributable to any act or omission of Grantor, its servants, agents, contractors or employees in respect of Grantor's use of the Crossing Area or by reason of this Agreement.

10. Insurance

- (a) Without in any way limiting the liability of either party under this Agreement, each party shall obtain and keep in force during the term of this Agreement comprehensive general liability insurance covering liability for bodily injury and property damage arising from Work contemplated by this Agreement. The limit of this insurance shall not be less than five million dollars, inclusive, for any one occurrence unless otherwise agreed by the parties in writing. This policy shall provide coverage for liability assumed under this Agreement.
- (b) A party upon request of the other party, shall furnish written documentation, satisfactory to the requesting party, evidencing the required coverage.
- (c) As an alternative to the five million dollar policy of comprehensive general liability insurance referred to in Subclause 10 (a), if acceptable to the other party, a party may self-insure against the risks normally covered by such a policy.

11. Changes to Agreement

No change, modification or alteration of this Agreement shall be valid unless it is in writing and signed by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof.

12. Assignment

- (a) Neither party to this Agreement shall assign or transfer this Agreement nor the rights and privileges hereby granted without the written consent of the other party, and such consent shall not be unreasonably withheld. The party intending to assign or transfer this Agreement shall give to the non-assigning party to this Agreement notice of its intent by registered mail.
- (b) The non-assigning party to this Agreement may require the assignor and assignee to execute a novation agreement in a form acceptable to the non-assigning party.

This Agreement shall enure to the benefit of and be binding upon the parties, their successors and assigns.

13. Governing Law

This Agreement and the rights and obligations of the parties herein shall be governed and construed according to the laws of the province in which the Work is to occur.

14. Term

The rights and obligations of the parties under this Agreement shall terminate:

- (a) two years from the date hereof if construction of Grantee's Facility has not commenced, or
- (b) upon proper abandonment or removal of all of Grantor's or Grantee's Facilities from the Crossing Area and the completion of any reclamation Work required by applicable laws, except for those rights acquired and obligations incurred prior to such events.

15. Miscellaneous

- (a) In this Agreement, words importing the singular include the plural and vice versa; words importing the masculine gender include the feminine and vice versa; and words importing persons include firms or corporations and vice versa.
- (b) Words such as "hereto", "thereto", "hereof"; and "herein", when used in this Agreement, shall be construed to refer to provisions of this Agreement.

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- (c) The headings of all clauses of this Agreement, and the Schedules, are inserted for convenience of reference only and shall not affect the meaning or construction thereof.
 - (d) Time is of the essence of this Agreement.
 - (e) No waiver of any breach of a covenant or provision of this Agreement shall take effect or be binding upon a party unless it is expressed in writing. A waiver by a party of any breach shall not limit or affect that party's rights with respect to any other or future breach.

16. Entire Agreement

This Agreement, including the recitals and schedules, sets forth the entire agreement between the parties hereto and shall be deemed to have superseded any and all previous agreements and understandings, whether written or oral, between the parties dealing with the Facilities and the Crossing Area, and all rights and obligations as herein described.