

APPENDIX 1

Sample Crossing Agreement:

CROSSING AGREEMENT

THIS CROSSING AGREEMENT made this 1st day of December, 2005
BETWEEN:

Sun-Canadian Pipe Line Company Limited
hereinafter referred to as "Sun-Canadian"

-and-

General Contractor or Agent
hereinafter referred to as "Applicant"

WHEREAS:

- i) The Applicant proposes to construct the Facilities known as the "subject crossing facilities" located in the geographic region defined.
- ii) A portion of the land in the described Facilities is a registered easement, pertaining to Sun-Canadian's operation and maintenance of a 300 mm and 200 mm diameter petroleum products pipeline system.
- iii) Sun-Canadian has reviewed the drawings provided for the proposed construction and agrees that the proposed Facilities and will not interfere unreasonably with Sun-Canadian's rights and the Applicant may construct, the Facilities in accordance with the terms and conditions of this present agreement:
- iv) This agreement is valid for a period of one year from the date indicated above. If all activities are not completed within the timeline considered, then this agreement shall expire and a revised crossing agreement will be required to be issued by Sun-Canadian to continue with the proposed works.

NOW THEREFORE:

A. This Agreement is in accordance with the following documentation

1. Drawings of the proposed construction work
2. Description of the work including names of Agents , contractors and supervisors responsible for completion and performance
3. Sun-Canadian File No. _____

COMPLIANCE WITH STATUTES AND REGULATIONS

Applicant and Sun-Canadian 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 Applicants Work unless more stringent standards are provided for in this Agreement by other authority having jurisdiction over part, or the whole of Sun-Canadian pipeline system. 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.

C. TERMS AND CONDITIONS

- C.1 Prior to work commencing on Sun-Canadian's pipeline right-of-way or within 7.6 meters (25 ft) of the pipeline, ("Restricted Zone") the Sun-Canadian Inspector ("Inspector") must be satisfied that the pipelines are located exactly and all crossing approval conditions and planned safeguards are met.
- C.2 Contact Sun-Canadian's Maintenance Coordinator at least 3 full working days prior to any operation in the restricted zone. Call **(905) 689-6641**, extension: **137**.
- C.3 The Applicant or its designated Contractor and the Pipeline Inspector shall complete an "Inspection Report" for each day of work in the restricted zone. The report will describe the planned work and document conditions and safeguards. The Applicant or its designated Contractor shall sign such permits and retain a copy on site as evidence of understanding and adherence.
- C.4 The Applicant shall distribute this "Crossing Agreement" with all of its designated Contractors and sub-contractors on site. This agreement shall be available to Sun-Canadian's Inspectors on site as requested.
- C.5 The Applicant shall ensure that the design of the cover and supporting subgrade material are sufficient for the equipment loading conditions to prevent the transmission of stresses to the pipeline. Location, grading and fill design for proposed equipment crossing zones shall be provided to Sun-Canadian prior to commencement of work.
- C.6 Drawings provided to contractors shall contain the following note in bold letters.

Warning High Pressure Oil Pipeline
Contact Sun-Canadian Pipe Line for inspections
72 hours before commencement of work.
Telephone: 1-800-263-6641

D. INSPECTION:

- D.1 Sun-Canadian Inspectors have the authority to shut down work on the right-of-way or to prohibit crossing of the pipeline if they feel that the job is detrimental to the safety of the pipeline, or that agreed upon conditions are not being observed as required by the T.S.S.A. Oil & Gas Pipeline Regulations.
- D.2 Inspections and stake-out services are provided by Sun-Canadian without charge. The expectation is the Applicant will limit work on the right-of-way thus minimizing the duration of the inspection service.

Any breach of the terms herein mentioned shall mandate Sun-Canadian to employ a full time Safety Watch/Pipeline Inspector for the duration of the work at the Applicant's expense.

- D.3 Inspections for blasting or sheet piling will be performed by a qualified representative to ensure vibration levels are not detrimental to the pipeline or to the surrounding soil stability. Vibration levels measured over the pipeline shall not exceed 50 mm/second.

E. CONSTRUCTION:

- E.1 Depending on the situation, temporary fencing may be required to control activity in the vicinity of the pipeline. The requirement and position of fencing is to be approved by the Sun-Canadian pipeline Inspector prior to commencement of site work. Fences shall be a minimum of 1.2 meters high and secured to a steel t-bar support posts, at least every 3 meters. *Safety orange plastic fence mounted over page wire fence is effective for long duration projects.*

The fencing shall be maintained by the Applicant and shall remain in place until the construction is completed.

Temporary fencing is required both sides of temporary roads crossing over the pipeline.

- E.2 Excavating, grading or operating equipment on the pipeline right-of-way, or within 7.6 meters. (25 ft) of the pipeline, without a Sun-Canadian Inspector on site is prohibited.
- E.3 No fill material shall be placed over the pipeline and the right-of-way. At all times, construction equipment and activities shall be done in such a manner to provide minimum 1.2 meters (4 feet) cover over the pipelines. No compactors are permitted on the pipeline right-of-way.
- E.4 The Applicant shall expose the pipeline(s) by hand digging prior to any mechanical excavation in the restricted zone, as required to suit the construction activity. Mechanical equipment may excavate NO CLOSER than 60 cm to the pipeline(s), and only after it has been fully exposed.
- E.5 The Applicant shall provide pre-construction and as-built drawings noting the proposed sewer/utilities /road crossing(s).
- E.6 The Applicant shall ensure adequate pipeline supports and shoring is installed in accordance with the Applicant's Professionally Engineered instructions where the unsupported length of an exposed pipeline is over 7 meters, or as required by the Ministry of Labour and/or the Pipeline Inspector.

F. UTILITY CROSSINGS

F.1 A highly visible temporary fence must be erected to restrict access around any excavation site wherever:

- An open excavation is on the right-of-way or exposes the pipeline,
- Equipment will be working in the vicinity of the pipeline,
- Precautions are appropriate to protect the public and the pipeline.

F.2 Appurtenances and other support fittings, e.g. poles, anchors, manholes, catch basins, valves etc., are to be located outside the easement and at least 3 meters away from the pipelines.

F.3 Minimum Clearances from the pipeline to:

- Ditch bottoms80 cm (30 inches)
- Buried Pipes & Culverts (metallic).....30 cm (12inches)
- facilities crossing the pipelines shall maintain the minimum clearance elevation for at least 3 meters on either side of pipelines.

F.4 Cable installation shall provide a minimum clearance of 300 mm to any pipeline, above or below, and the cable shall be protected with a layer of concrete patio stones and caution tape for the entire width of the pipeline easement. Typical easement width is 15 m.

F.5 The travelled surface of any temporary construction road crossing must be at least 1.2 meters (4 feet) above the top of each pipeline, unless other protection is provided and approved by Sun-Canadian. Pre-cast concrete slabs (design as approved by Sun-Canadian) may be required for pipe protection at areas with less than adequate cover.

G. RESPONSIBILITY FOR DAMAGES:

G.1 The Applicant agrees that it shall be responsible for any damages to the Sun-Canadian pipeline along with any costs, damages or proceedings that Sun-Canadian Pipe Line Company Limited may incur, and will indemnify and save harmless Sun-Canadian Pipe Line Company Limited against all claims, costs, and damages suffered, to the extent arising from any work at or installation placed at the Facilities by the Applicant or the Applicant's operations at the "Facilities", except to the extent such are the direct results of the negligence of Sun-Canadian Pipe Line Company Limited.

H. LIABILITY

H.1 Sun-Canadian Pipe Line Company Limited does not assume any liability for inconvenience or loss of income due to obstructions created by the pipelines.

Sun-Canadian Pipe Line Company Limited

Name _____
Title: _____

I have authority to bind the corporation

Construction Company, Contractor or Agent

Name _____
Title: _____

I have authority to bind the corporation

Applicant's Address _____

Phone /Fax: _____

Sun-Canadian File No. _____