

MEMBERSHIP AGREEMENT

This Membership Agreement (the "Agreement") is made and entered into on the Effective Date by and between the Member and PPDM, Professional Petroleum Data Management Association ("PPDM").

1. **Admission as a Member.** Individuals, partnerships, corporations, associations, governmental bodies, agencies and other entities are eligible for membership with PPDM. Upon execution of this Agreement and payment of Membership Fees the Member shall become a member of PPDM and subject to the Member's compliance with the terms and conditions herein, the Member shall be entitled to all benefits and privileges of membership in accordance with the Membership Category as described in the bylaws of PPDM (<http://www.ppdm.org/about/board/index.html>) (the "Bylaws") and as otherwise specified by PPDM from time to time.

2. **Membership Categories.** There are 4 classes of membership and the rights associated with each class of membership are described in the PPDM Bylaws which Bylaws are posted at www.ppdm.org. The classes of membership are as follows:
 - 2.1. **Voting Member.** Voting members are generally corporations and regulatory agencies. Voting Members are entitled to vote and be elected to the PPDM Board of Directors. A corporation may designate access to the membership to its Affiliates and its corporate Divisions as specified by the Member. A corporation may assign its voting rights to any one of the approved Affiliates.

 - 2.2. **Associate Member.** Associate members are generally individuals. Associate members are not entitled to vote and may hold a position on the PPDM Board of Directors.

 - 2.3. **Contributing Member.** Individuals, corporations, or small regulatory agencies may be contributing members. Membership may only be granted by the PPDM Board of Directors or its designate. Contributing members are not entitled to vote and may not hold a position on the PPDM Board of Directors.

 - 2.4. **Honorary Member.** Individuals may be designated by the PPDM Board of Directors as honorary members in recognition of services rendered by the individual toward the progress and development of the objects of PPDM. Honorary members are not entitled to vote and may hold a position on the PPDM Board of Directors.

3. **Membership Fees**
 - 3.1. **General.** Voting and Associate Members are required to make payment of annual membership fees ("Membership Fees") which are assessed by PPDM annually in accordance with the Bylaws. Membership Fees include the Member's membership for one year being PPDM's fiscal year, August 1 to July 31. Renewal membership fees are due on the first day of PPDM's fiscal year (August 1). Contributing Members and Honorary Members are exempt from Membership Fees.

- 3.2. **Calculation of Membership Fees.** Membership Fees for corporations, partnerships, governmental bodies, associations, or agencies are based on the Annual Gross Revenue of the Member as of the end of the Member's most recent completed fiscal year as described below at the applicable rate. Affiliates are subject to fees which shall be included in the Membership Fee and are calculated as the aggregate sum of the annual gross revenues for all named Affiliates.
- 3.3. **Annual Gross Revenue.** Annual Gross Revenue is the gross revenue (\$USD) in the Member's prior fiscal year. Government agencies or other organizations without oil/gas sector revenue will use annual expenses. If the Member is a Division then the revenue related to the oil/gas sector applies.

The corporation represents that it has accurately disclosed its annual Gross Revenue for the relevant year on the PPDM Membership Agreement, attached. The Canadian and US fee schedules are attached at Appendix "C".

Associate Membership Fees are determined annually by PPDM, which fees are set out at Appendix "C" for the current fiscal year. Associate Membership Fees may be paid online at www.ppdm.org.

4. **Payment of Fees and Interest.** Membership Fees are payable in Canadian or US Dollars, as applicable, and are due at the time of execution of this Agreement. Membership Fees are determined as of the Effective Date of this Agreement and for membership renewals on the date of the invoice. Interest is applicable to all Membership Fees outstanding after September 1 of the new fiscal year at a rate of 1.5% per month (18% per annum). Membership Fees may be paid by cheque, bank transfer or credit card online at www.ppdm.org. The terms and conditions of the online transactions shall apply.

5. **Term and Termination**

- 5.1. The initial term of this Agreement shall be for one (1) year and the term of this Agreement shall be automatically renewed on a year by year basis thereafter, on the same terms and conditions or as may be amended from time to time, unless terminated as provided herein.
- 5.2. PPDM shall provide all Members with ninety (90) days prior written notice of any material changes to the Agreement.
- 5.3. The Agreement may be terminated by either PPDM or the Member by giving a minimum of thirty (30) days written notice of such termination ("Notice").
- 5.4. PPDM shall have the right to terminate this Agreement without Notice upon the occurrence of one or more of the following: (a) the Member fails to pay its Membership Fees as required in this Agreement or the Bylaws; (b) a material breach by the Member of this Agreement; (c) a material breach by the Member of the Bylaws; (d) a material breach by the Member of the License Agreement; and (e) a material breach of a PPDM policy.

5.5. Obligation Upon Termination.

5.5.1. Upon termination, the Member's access to the PPDM website and all PPDM Products available on the PPDM website, including but not limited to updated versions of the PPDM Products, materials, PPDM Products, forums and technical support services, as applicable, will immediately cease.

5.5.2. Notwithstanding termination of the membership, the Member may Use all PPDM Products which were acquired *bona fide* and retained by the Member during the term, subject to the terms herein and the Bylaws.

6. Acknowledgments

6.1. **Compliance.** The Member agrees at all times to comply with the provisions of the applicable agreements, Bylaws and policies, and to all laws, rules, regulations and orders of any governmental body applicable to its membership in PPDM and activities hereunder. PPDM agrees to publish the Bylaws and PPDM policies on the PPDM website.

6.2. **Name.** The Member acknowledges and understands that PPDM may, from time to time, use the names and trademarks of the Member in publications and other communications distributed to the public domain, and the Member hereby consents to the use of its name and trademarks in such a manner as provided by the Member on the Membership Application. The Member may revoke such consent by providing 30 days written notice to PPDM.

6.3. **PPDM Intellectual Property Policy.** The Member acknowledges that it has read, understands and agrees to the terms of the PPDM Intellectual Property Policy attached as Appendix "B" to this Agreement.

6.4. **Website Access.** The Member shall not permit, allow or do anything that would infringe or otherwise prejudice or compromise the proprietary rights of PPDM or allow any third party access to PPDM's website, unless as expressly authorized herein. PPDM Website means www.ppdm.org or such other domains as modified from time to time by PPDM. The Member shall at all times protect its password for access to the PPDM website. If the Member's password is lost or stolen, the Member shall immediately notify PPDM by telephone or in writing. PPDM reserves the right to change passwords at any time, subject to providing prior notice to the Member.

6.5. **Notices.** All notices required under this Agreement must be in writing to the PPDM and to the Member at the most recent contact information in the PPDM's record and shall be delivered by mail, facsimile (fax) or electronic mail (email). Notice shall be deemed to be received on the date it was sent by fax or email.

6.6. **Authority.** The designated representative and signing party is the authorized representative of the corporation, partnership, association, government body or agency as applicable.

7. General Provisions

- 7.1. **Notices.** Every communication provided for in this Agreement or arising in connection with this Agreement, shall be in writing and shall be delivered or faxed to PPDM or the Member at the addresses stated in this Agreement. Either Party may change its mailing or delivery address by giving the other Party written notice to that effect. Any communication delivered shall be deemed to have been received on the date it was delivered. Any communication sent by fax shall be deemed to have been received on the next business day, being a day other than a Saturday, Sunday or statutory holiday as determined by the law of this Agreement, following transmission and electronic acknowledgement of receipt of the transmission.
- 7.2. **Governing Law.** The Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada as applicable and the Parties submit to the jurisdiction of the courts in the Province of Alberta, Canada.
- 7.3. **Assignment and Successors.** The Member shall not assign this Agreement without the prior written consent of PPDM, which consent may be reasonably withheld. This Agreement shall enure to the benefit of and be binding on the parties and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.
- 7.4. **Severability.** If any part of this Agreement is held to be unenforceable or invalid, it will be severed from the rest of this Agreement, which shall continue in full force and effect.
- 7.5. **Entire Agreement.** This Agreement and any schedules or appendices hereto, constitutes the entire agreement between the parties and supercedes all prior agreements between the parties, and shall ensure to the benefit of and be binding upon each of the parties and their respective successors and permitted assigns.
- 7.6. **Counterpart.** This Agreement may be executed and delivered in counterparts with the same effect as if both parties had executed and delivered the same copy, and when each party has executed and delivered a counterpart, all counterparts together shall constitute one Agreement.

APPENDIX “A”

Definition of Affiliate

PPDM has adopted the definition of affiliate as stated in the *Business Corporations Act*, R.S.A. 2000 c.B-9 (Alberta), as amended from time to time (the “Act”). Section 2 of the Act reads as follows:

- “2(1) For the purposes of this Act,
- (a) one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person, and
 - (b) if 2 bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other.
- (2) For the purposes of this Act, a body corporate is controlled by a person if
- (a) securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are held, other than by way of security only, by or for the benefit of that person, and
 - (b) the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate.
- (3) For the purposes of this Act, a body corporate is the holding body corporate of another if that other body corporate is its subsidiary.
- (4) For the purposes of this Act, a body corporate is a subsidiary of another body corporate if
- (a) it is controlled by
 - (i) that other,
 - (ii) that other and one or more bodies corporate, each of which is controlled by that other, or
 - (iii) 2 or more bodies corporate, each of which is controlled by that other, or
 - (b) it is a subsidiary of a body corporate that is that other’s subsidiary”.

APPENDIX “B”

PPDM Intellectual Property Policy

The PPDM Bylaws require as a condition of membership any member of the Society which contributes to the creation or improvement of the industry standard model assigns non-exclusive rights to any proprietary interest or intellectual property interest it may have in its contribution.

The PPDM Intellectual Property Policy (the “IP Policy”) governs the rights of the Member and PPDM as it relates to the PPDM Products and use of the Products. In connection with membership, PPDM wishes to grant to the Member a right to Use the PPDM Products subject to the terms and conditions set out in this Policy and the Bylaws.

The IP Policy applies to all Members of PPDM, their Affiliates and their Representatives as defined in herein. The PPDM Board of Directors may amend this Policy from time to time and in the event of an amendment, the Board will publish such amendments to the Members.

1. Definitions

- 1.1. “**Affiliate**” has the meaning set out in the Membership Agreement and includes the entities listed in the Membership Agreement.
- 1.2. “**Bylaws**” means PPDM’s Bylaws in force and effect and as otherwise specified by PPDM from time to time;
- 1.3. “**Contribution**” means any information, material, document, idea, Improvement or know-how, written, oral, or electronic, disclosed by a Member to PPDM which is proposed for inclusion in the PPDM Products, or any of them.
- 1.4. “**Improvements**” means all upgrades, modifications, improvements, adaptations, refinements, enhancements, extensions and other changes of any kind made by the Member, including the Member’s Affiliate(s) and Representative(s) for the exclusive benefit of the Member to or in respect of the PPDM Products, or any of them, in whatever form or media, and all products and derivatives in whatever form or media evolving from the PPDM Products or any of them;
- 1.5. “**PPDM Intellectual Property**” means (a) the PPDM Products, (b) PPDM websites, including domain names and internet addresses; (c) PPDM trade secrets, research data, designs, proprietary know-how, technical information, software templates, specifications and materials in whatever form or media recording or evidencing technology or proprietary information used in or relating to PPDM; (d) all rights and interests in and to PPDM copyrights, PPDM Trademarks, and PPDM industrial designs; and (e) PPDM software and other intellectual property used in or relating to PPDM whether in written, computer generated, illustration, drawing or oral form;
- 1.6. “**Member**” means the party identified in the Membership Agreement;

- 1.7. **“Person”** means an individual, partnership, corporation, association, governmental agency or body, and unincorporated organization.
- 1.8. **“Parties”** means PPDM and the Member and **“Party”** shall mean PPDM or the Member as applicable;
- 1.9. **“PPDM Products”** means standards, specifications, online materials, wiki postings, and other materials or documents as may be prepared by and published by PPDM on its website from time to time for the Member;
- 1.10. **“PPDM Policies”** means any official policies of PPDM adopted by the PPDM Board of Directors and in force from time to time, including without limitation the PPDM Intellectual Property Policy.
- 1.11. **“Representative”** means any director, officer or employee of the Member or its Affiliate as well as any independent advisor, contractor, consultant, or agent of the Member or its Affiliate.
- 1.12. **“Trademarks”** means all registered and unregistered trademarks, certification marks, tradenames and logos owned by PPDM or in which PPDM has a proprietary right, as may be amended from time to time.
- 1.13. **“Use”** means to implement, execute, run, download, display, store, copy, make, modify, adapt, change, network, and transmit.

2. **Grant of Rights**

- 2.1. PPDM hereby grants to the Member a non-transferrable and non-exclusive license to Use the PPDM Products which license may be extended to the Member's Affiliate.
- 2.2. The Member may permit the Use of the PPDM Products granted hereunder by the Member's Representative, which Representative requires access to such information and the PPDM Products for the exclusive benefit of the Member. The Member shall only allow access to the PPDM Products to a Representative which requires access for the exclusive benefit of the Member.
- 2.3. Subject to the right to extend the right to Use to Affiliates and Representatives, the Member shall not transfer, assign, sub-license, charge or create any third party right to or interest in the PPDM Products.
- 2.4. Except as otherwise provided in this IP Policy, the Member shall not use the PPDM Products in any manner whatsoever, during the Term of the Membership Agreement or at any time after the termination of the Membership Agreement, directly or indirectly, other than for the Use as defined herein and matters directly related to the business operations of the Member.
- 2.5. The Member is permitted to make Improvements to the PPDM Products pursuant to the permitted Use herein. If the Member discloses to a third party its

Improvement(s), the Member agrees at the time of disclosure, to provide a written notice (the "Notice") to the third party which clearly states:

- 2.5.1. the Member has made an Improvement to the PPDM Product;
- 2.5.2. the nature and character of the Improvement and an explanation thereof; and
- 2.5.3. the date the Improvement was made.

This section is applicable to all Improvements a Member discloses to a third party herein.

- 2.6. The Member is permitted to publish the PPDM Trademarks on the Member's materials and publications, subject to the following:
 - 2.6.1. the Member shall publish a written notice on its materials or publications which clearly states the PPDM Trademark is the exclusive property of PPDM; and
 - 2.6.2. the Member shall accurately identify the PPDM Trademark.
- 2.7. The Member shall refrain from committing any act which may prejudicially affect the goodwill associated with PPDM and the PPDM Intellectual Property.

3. **Ownership of Intellectual Property and Infringement**

- 3.1. The Member's right to use the PPDM Intellectual Property is limited to those rights expressly set out in this IP Policy. The Member shall not be deemed to have any rights or interest in the PPDM Intellectual Property.
- 3.2. The Member acknowledges and agrees that PPDM is the owner of all intellectual property rights in the PPDM Intellectual Property. No proprietary interest or titles in or to the PPDM Intellectual Property are transferred to the Member by this IP Policy.
- 3.3. The Member shall not use the PPDM Intellectual Property in any manner which represents or implies to third parties that it is the owner of the PPDM Intellectual Property.
- 3.4. The Member shall not, either directly or indirectly, dispute or contest the validity or enforceability of the PPDM Intellectual Property, attempt any registration thereof, or attempt to dilute the value of any goodwill attaching to the PPDM Intellectual Property. This subsection shall apply both during and after the Term.
- 3.5. The Member acknowledges that all goodwill associated with the PPDM Intellectual Property is owned exclusively by PPDM.

4. **Improvements and Contributions**

- 4.1. The Parties acknowledge that the Member may make Improvements for its own use and that ownership to such Improvements shall be with the Member and shall be subject to this IP Policy and the restrictions set out herein.
- 4.2. The Member acknowledges and agrees that any Contributions the Member discloses to or otherwise provides to PPDM from time to time may be on a non-exclusive basis incorporated, in whole or in part, into PPDM's Products and may be, disclosed by PPDM to other Members and third parties, which right shall survive the termination of the Membership Agreement and this IP Policy.
- 4.3. The Member acknowledges that the work of PPDM is a collaborative process in which the Members, their Representatives and their Affiliates may participate collectively to develop PPDM Products. The Member grants to PPDM and all Members of PPDM a perpetual, irrevocable non-exclusive, royalty free, world-wide license to use the Contribution for the benefit of PPDM and all PPDM members, including the right to sublicense. PPDM and all other Members acknowledge that this paragraph shall not grant any right or license under any patent rights held by the Member.
- 4.4. The Member represents and warrants that it is the owner of and has the right to grant PPDM the licenses in and to the Contributions as described herein, and that such Contributions do not infringe the intellectual property rights of any third party.
- 4.5. Contributions made by the Member which are subject to any requirement of confidentiality imposed by the said Member shall not be considered in any part by PPDM. All Contributions are deemed to be publically disclosed and PPDM and the other Members shall have no obligation to keep such Contribution confidential.

5. **Representations and Warranties**

- 5.1. The Member represents and warrants that it has full power and authority to enter into and perform its obligations under this IP Policy.
- 5.2. If the Member is a corporation, partnership, association or organization:
 - 5.2.1. the Member is validly subsisting under the laws of the jurisdiction in which it was formed; and
 - 5.2.2. the performance of the covenants contained in this IP Policy are not restricted by and do not conflict with any arrangements, obligations, contract, agreement or instructions to with the Member is a party.
- 5.3. PPDM represents and warrants is has full corporate power and authority to enter into and perform its obligations under this IP Policy.

5.4. PPDM represents and warrants that it has the right to make the grants set out in section 2 of this IP Policy.

6. **Limited Warranty and Liability Limitation**

6.1. Subject to section 7.2, the PPDM Intellectual Property is provided by PPDM to the Member "as is" without warranty of any kind either express or implied, including but not limited to the implied warranties and condition of merchantability and fitness for a particular or intended purpose, accuracy, completeness, non-infringement of third party rights, or any other warranty and the entire risk as to the quality and performance of the PPDM Intellectual Property is with the Member.

7. **Indemnity**

7.1. The Member shall indemnify and hold PPDM harmless for any loss, claim or damage of whatever nature and kind, including, without limitation, reasonable legal fees, suffered or incurred by PPDM in connection with any claim, suit, or proceeding brought against PPDM arising from or attributable to a breach of the terms of this IP Policy by the Member and those of its Affiliates and Representatives to whom it has extended or granted right pursuant to section 2.1 or 2.2 herein, including but not limited to any infringement of third party rights.

7.2. PPDM shall indemnify and hold the Member harmless for any loss, claim or damage, including reasonable legal fees, suffered or incurred by the Member in connection with any claim, suit or proceeding brought against the Member arising out of infringement of intellectual property rights of third parties against and to the extent such claim, suit or proceeding alleges that the PPDM Products, or the use of the PPDM Products infringe upon any intellectual property right of any third party, provided that:

7.2.1. the Member notifies PPDM in writing within a reasonable time after being informed of such claim;

7.2.2. PPDM is given control over the defence thereof and the Member cooperates in the defence at PPDM's expense; and

7.2.3. the Member will not agree to the settlement of any such claim prior to a judgment without the prior written consent of PPDM, which consent will not be unreasonably withheld.

The Member shall have the right to select its own counsel to participate in any such defence at the expense of PPDM. PPDM shall have no liability under this section 7.2. if and to the extent the infringement results from the Member's failure to comply with or the contravention of the terms of the Membership Agreement and or this IP Policy.

Notwithstanding the foregoing, indemnity claims relating to infringement of third party intellectual property rights under this section 7.2 shall be subject to a cap limitation equal to the Membership Fees (as defined in the Membership Agreement) assessed

and paid by the Member to PPDM during the twelve (12) months preceding any such claim, suit or proceeding.