REGISTRIES
CORPORATE REGISTRY

The Name of the Society is:

SUNDRE PETROLEUM OPERATORS GROUP

MEMBERSHIP

Any company producing petroleum products, pipelining petroleum products associated with or providing resources to the petroleum industry in the Caroline/Sundre area may become a member by a favourable vote passed by a majority of the members at a regular meeting of the Society. The membership shall be referred to as Regular, Associate or Resource. Such voting shall be by ballot, unless the meeting by resolution otherwise decides. Membership fee, if any, shall be determined, from time to time, by the members at a general meeting.

The Caroline/Sundre area is loosely defined as being bordered by Highway 766 on the east, Highway 582 on the south, hamlet of Bearberry on the west and Highway 54 on the north.

Members will be assessed annual dues based on the annual budget as prepared by the administration. Regular membership is further defined based on production BOE numbers from the previous year. Regular members are companies described as Large, with more than 1 million BOE of production in the SPOG area, Medium companies have production between 1 million and 250,000 BOE of production in the SPOG area and Small companies have production of less than 250,000 BOE of production in the SPOG area. Very small companies have less than 2 employees. If a company has no BOE production, size is assigned subjectively based on activity in the area and benefits from membership in SPOG. Members are obligated to pay annual dues. If any member is in arrears for fees or assessments for any year, such member shall be automatically suspended at the expiration of six months from the end of such year and shall thereafter be entitled to no membership privileges or powers in the society until reinstated. Any member upon a majority vote of all members of the society in good standing may be expelled from membership for any cause, which the society may deem reasonable. Associate members and Resource members can belong to SPOG but are not required to pay dues.

Any member wishing to withdraw from membership may do so upon a notice in writing to the society through the Chairperson. The resigning members should be prepared to respond on their own to emergencies within the Caroline/Sundre area.

COMMITTEES

For maximum efficiency in achieving its mission and stated objectives, the society shall function through committees.

The regular committees shall be MUTUAL AID, COMMUNITY AFFAIRS, and the ENVIRONMENTAL WORKING GROUP and other committees as required from time to time.

ELECTION OF OFFICERS

Officers will be elected at the Annual Meeting and shall assume their duties and responsibilities of office beginning after the election meeting. Any vacancy occurring during the year shall be filled at the next meeting, provided it is so stated in the notice calling such meeting. Any member in good standing shall be eligible to any office in the society.

The Chairperson shall be a member of all committees, and shall preside at the Annual meeting and all general meetings of the society. The Chairperson shall have custody of the Seal of the Society which seal whenever used shall be authenticated by the signature of the Chairperson, or other appointed officer of the society.

The Secretary shall attend all meetings of the society and keep accurate minutes of the same. The Secretary shall have charge of all the correspondence of the society and be under the direction of the Chairperson.

The Secretary shall also keep a record of all the members of the society and their addresses, send all the notices of the various meetings as required, and shall collect and receive the annual dues or assessments levied by the society, such monies to be promptly turned over to the Treasurer for deposit in a Bank, Trust Company, Credit Union, or Treasury Branch as hereinafter required.

The Treasurer shall receive all monies paid to the society and shall be responsible for the deposit of same in whatever Bank, Trust Company, Credit Union or Treasury Branch the society may order. The Treasurer shall properly account for the funds of the society and keep such books as may be directed. The Treasurer shall present a full detailed account of receipts and disbursements to the society whenever requested and shall prepare for submission to the Annual Meeting a statement duly audited as hereinafter set forth of the financial position of the society and submit a copy of same to the Secretary for the records of the society. One person may fill the office of the Secretary and Treasurer if any annual meeting for the election of officers shall so decide.

DIRECTORS

The Board shall mean the Board of Directors of the Society.

The Board shall be composed of one representative of any regular member companies in good standing, such representative to be named on or before the first day of January in every calendar year

The Board shall, subject to the by-laws or directions given it by majority vote at any meeting properly called and constituted, have full control and management of the business and affairs of the Society, and meetings of the Board shall be held as often as the business of the Society shall require, and at least once every year, and shall be called by the Chairperson. A special meeting may be called on the instructions of any two members thereof provided they request the Chairperson in writing to call such meeting, and state the business to be brought before the meeting. Meetings of the Board shall be called by ten days' notice in writing mailed to each member of the Board or by three days' notice by telegram or telephone. Any half plus one members of the Board shall constitute a quorum, and meetings shall be held without notice if a quorum of the Board is present, providing, however, that any business transactions at such meetings shall be ratified at the next regularly called meeting of the Board; otherwise they shall be null and void.

AUDITING

The books, accounts and records of the Secretary and Treasurer shall be audited at least once year by a duly qualified accountant or by two members of the society elected for that purpose at the Annual Meeting of the society. The fiscal year end of the society in each year shall be December 31st.

The books and records of the society may be inspected by any member of the society at the annual meeting provided for herein or at anytime upon giving reasonable notice and arranging a time satisfactory to the officer or officers having charge of same. Officers of the society shall at all times have access to such books and records.

MEETINGS

This society shall hold an Annual Meeting on or <u>before the end of the third week of September</u> in each year, of which notice in writing to the last known address of each member shall be delivered in the mail 15 days prior to the date of the meeting.

The Chairperson may call general meetings of the society at any time with eight days written notice prior to the date of such meeting or by three days notice by fax or phone. The Chairperson upon receipt may call a special meeting by him of a petition signed by one-third of the members in good standing, setting forth the reasons for calling such a meeting.

No business shall be transacted at any meeting of the society unless a quorum of 50 percent of the membership, personally present, exists.

VOTING

Any regular member who has not withdrawn from membership nor has been suspended nor expelled as herein provided shall have the right to vote at any meeting of the society. Such notes must be made in person and not by proxy or otherwise. Voting shall take place either by a show of hands, or by secret ballot as deemed appropriate by the membership.

REMUNERATION

Unless authorized at any meeting and after notice for the same shall have been given no officer or member of the society shall receive remuneration for his services.

BORROWING POWERS

The society shall not borrow for the purpose of carrying out its objects.