



CANADIAN ASSOCIATION OF OILWELL DRILLING CONTRACTORS
800, 540 – 5 Avenue SW Calgary Alberta T2P 0M2 Telephone: (403)264-4311 Fax: (403)263-3796

TO: PROSPECTIVE ATLANTIC DIVISION CONTRACTOR MEMBERS

Dear Contractor:

On behalf of the Board of Directors and the members of this Association, you are cordially invited to become a member of the Canadian Association of Oilwell Drilling Contractors.

Since the Association's formation in 1949, it has always been concerned with matters of interest to its members as well as all matters having an impact on the oil and gas industry at large. Through the composition of committees and subcommittees, the Association:

- maintains direct contact with all levels of government;
- maintains close liaison with all member companies, operators, groups, and individuals in order to improve the caliber of the industry;
- gathers, compiles, and distributes to member companies, through related studies and surveys, information pertaining to cost and taxation, wage survey, training needs, etc., as well as formulating training programs; and
- concerns itself with other matters involving technical and legislative changes.

The Board of Directors is responsible for the ongoing functions of the committees. As full members of the CAODC, Atlantic Division contractors have representation on the Board.

The membership is divided into the following categories;

- a) Drilling Contractors – any person or corporation conducting business as oil and gas drilling contractors.
- b) Service Rig Contractors – any person or corporation conducting business as contractors of oil and gas well service rigs, tools, and equipment.
- c) Atlantic Division - Contractors – any person or corporation conducting business as contractors of off shore drilling contractors.
- d) Associate Members.

All full members of the Association receive information on activities pertaining to the industry, rig utilization statistics, and the availability of training courses (including safety training), plus other relevant data in either the Rig Locator, OilDriller magazine, or Environmental, General or Technical Information Bulletins. Each company shall designate one individual as the registered representative in the Association, to whom all data will be directed.

An application form and membership agreement are attached for your completion. It is very important that the terms of the Membership Agreement be understood and then complied with. **The Chairman of the Membership Committee**, who is an elected representative, will be contacting you respecting the Agreement. We require that it be executed, including affixing of your corporate seal.

Please return a copy of the Agreement, as well as the completed application form, and your remittance, to the Association office for our early attention.

If you require any further information regarding Association activities, please do not hesitate to contact Janice Kyte, Coordinator, Membership and Publications at (403)264-4311.

We look forward to welcoming you to our Association membership.

Yours truly,

A handwritten signature in black ink, appearing to read "Mark A. Scholz". The signature is written in a cursive style with a large initial "M".

Mark A. Scholz
President

MAS/jlk-653.0



**CANADIAN ASSOCIATION OF OILWELL DRILLING CONTRACTORS
ATLANTIC DIVISION
2011 MEMBERSHIP AGREEMENT**

WHEREAS the Canadian Association of Oilwell Drilling Contractors (the "CAODC") is dedicated to the establishment of high standards of integrity, operating skill, care and efficiency, and business conduct for its members so as to improve and enhance the well-being of the oilwell drilling industry in Canada and to make the services of its members available to the public in a competent, safe and efficient manner;

NOW THEREFORE in consideration of being admitted to membership and/or being allowed to continue its membership in the CAODC, the undersigned Atlantic Division Member agrees with the CAODC, in respect to the operation of its Canadian-based drilling rigs, as follows:

1. In accordance with appropriate Occupational, Health and Safety and Employment Standards Legislation for the province in which the work is completed.
2. To discharge its duties to its clients, CAODC, members of the public and other drilling contractors with integrity.
3. To endeavour to perform all services that it undertakes to perform on behalf of any client in a competent, safe, efficient, diligent and workmanlike manner and in accordance with good drilling practices and to maintain its rigs and equipment in good working order in keeping with the prevailing standards in the jurisdiction in which the undersigned is performing its services.
4. In addition to their basic hourly wages, to pay its rig employees in respect of their regular employment on a rig in accordance with the laws and regulations in force in any jurisdiction in which the undersigned is performing its services.
5. To require its personnel to obtain and thereafter maintain at least the training as specified in the current revision of the Training and Qualifications Standard (TQS).
6. To comply at all times with the Employment Insurance and Workers' Compensation laws and regulations in force in each jurisdiction in which the undersigned performs its services and to make and pay promptly and in a timely manner all contributions, assessments, costs and premiums required by such laws and regulations.
7. To acquire and maintain with a reputable insurance company, or companies, insurance at least equivalent to the following for each separate claim:
 - (i) Comprehensive General Liability Insurance with a bodily injury, death and property damage limit of \$2,000,000 inclusive;
 - (ii) Employer's Liability Insurance to the extent of \$1,000,000 per occurrence; and,

- (iii) Automobile Liability Insurance covering all motor vehicles, owned or non-owned, operated and/or licensed by the undersigned with a bodily injury, death and property damage limit of \$1,000,000 inclusive.

8. To pay its annual dues to the CAODC in the amount prescribed by the Board of Directors of the CAODC within the time stipulated in the By-Laws of the CAODC (i.e., on or before the fifteenth day of January in each calendar year) and to pay all other amounts payable to the CAODC within 45 days following receipt by the undersigned of each invoice therefore.

9. To furnish to the CAODC, at any time upon demand, such non-proprietary information as may reasonably be required to enable the CAODC to verify whether or not the undersigned is complying with this Agreement.

10. To participate in the CAODC *Injury Analysis Reporting Program*. Completion of this form will have the effect of enrolling the member in the CAODC Safety Awards Program, and the member recognizes and accepts such participation.


11. To be bound by and observe all By-Laws, rulings and policies of the CAODC in force and in effect from time to time.

12. If the Board of Directors of the CAODC determines that the undersigned has defaulted in the performance of one or more of its obligations set forth in this Agreement, the Board of Directors may, by a simple majority vote of all the Directors, do one or more of the following:

- (i) reprimand the undersigned;
- (ii) suspend the membership of the undersigned in the CAODC for a specified period of time or until the Board of Directors revokes the suspension;
- (iii) and may, by a two-thirds vote of all the Directors, expel the undersigned from membership in the CAODC.


This Agreement will remain in effect until December 31, 2011.

DATED, SEALED and DELIVERED this _____ day of _____, in the year 20_____.



 CAODC Chairman or Atlantic Division Chairman

_____ Seal*
 «Company»



 CAODC Vice Chairman or CAODC Chairman

* Full Execution of this Agreement requires that a corporate seal be affixed.



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MEMBERSHIP APPLICATION FORM

Section I

COMPANY NAME: _____

Street / P.O. Box City Province Postal Code

Main Telephone Main Facsimile General E-Mail

DESIGNATED REPRESENTATIVE: _____

Name Title

Direct Telephone Direct Facsimile E-Mail Cellular

Do you have a *web site* you wish to link to the CAODC? [http/_____](http://_____)

CHECK MEMBERSHIP CLASSIFICATION AND COMPLETE ATTACHED INFORMATION SHEET(S).

Drilling Rig Contractor Service Rig Contractor Associate Member

Is the company Privately Owned Publicly Owned

Annual Membership Dues are based on a calendar year; with partial year assessments, as noted below, provided for membership after July 1st each year. Drilling and Service Rig dues are based on both a company levy plus a fee for each rig owned; Atlantic and Associate memberships are per company or individual.

	Full Year	Partial Year (July 1 to December 31)
Drilling Rig Contractor		
Initiation Fee (one time only)	\$2000.00	\$2000.00
Company Dues	\$4500.00	\$2250.00
Rig Dues	\$400.00 per rig	\$200.00 per rig
Atlantic Division Drilling Rig Contractor		
Company Dues	\$4000.00	\$2000.00
Service Rig Contractor		
Initiation Fee (one time only)*	\$5000.00	\$5000.00
Company Dues (includes first 3 rigs)	\$1950.00	\$975.00
Rig Dues (for each rig more than 3)	\$300.00 per rig	\$150.00 per rig
Associate Members	\$850.00	\$425.00

*Applicants will also be responsible for the costs of a third-party Membership Agreement assessment.

Membership Dues \$ _____
 (#106842784RT) GST @ 5% \$ _____
 Payment Enclosed \$ _____

 Date Authorized Signature Title

Return all 3 sections of the application form, appropriate attachments and payment (Canadian funds):

Canadian Association of Oilwell Drilling Contractor
 800, 540 – 5 Avenue SW Calgary, AB T2P 0M2
 For question, email membership@caodc.ca or telephone (403)264-4311 Ext 108