

July 12, 2017

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
THE SOUTH EAST 1/4 OF SECTION 23 TOWNSHIP 83 RANGE 16 WEST OF THE
6th MERIDIAN PEACE RIVER DISTRICT
THE NORTH WEST 1/4 OF SECTION 24 TOWNSHIP 83 RANGE 16 WEST OF THE
6th MERIDIAN PEACE RIVER DISTRICT
THE NORTHEAST 1/4 OF SECTION 26 TOWNSHIP 83 RANGE 16 WEST OF THE 6th
MERIDIAN PEACE RIVER DISTRICT (The "Lands" file 1858)

AND IN THE MATTER OF
THE SOUTH 1/2 OF SECTION 32 TOWNSHIP 83 RANGE 15 WEST OF THE 6TH
MERIDIAN PEACE RIVER DISTRICT, EXCEPT THE MOST WESTERLY AND
SOUTHERLY 80 FEET IN PARALLEL WIDTHS THEREOF (The "Lands" file 1859)

BETWEEN:

Fernand Charles Mertens
(APPLICANT, 1858)

AND:

Leucrotta Exploration Inc.
(RESPONDENT)

AND

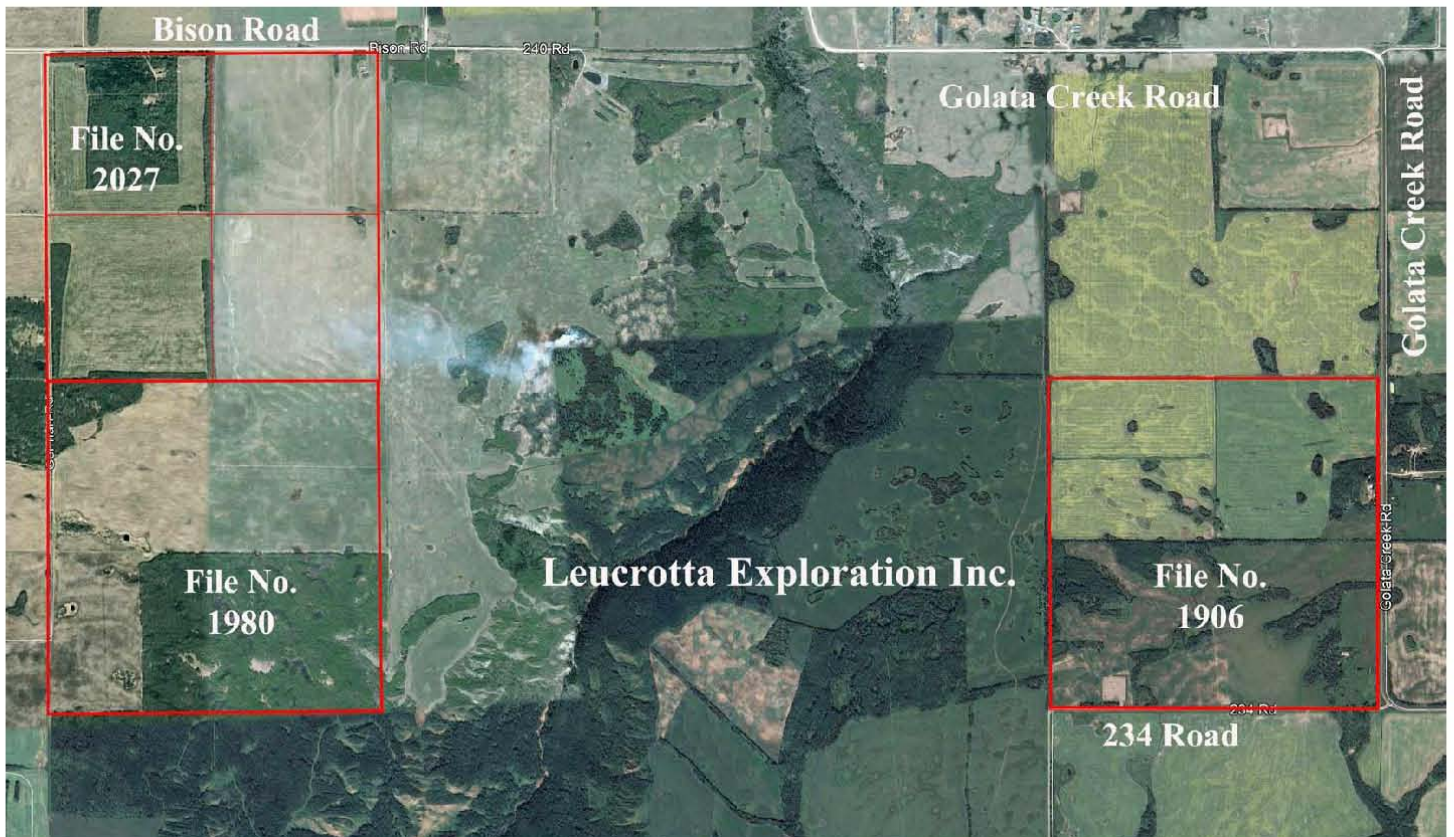
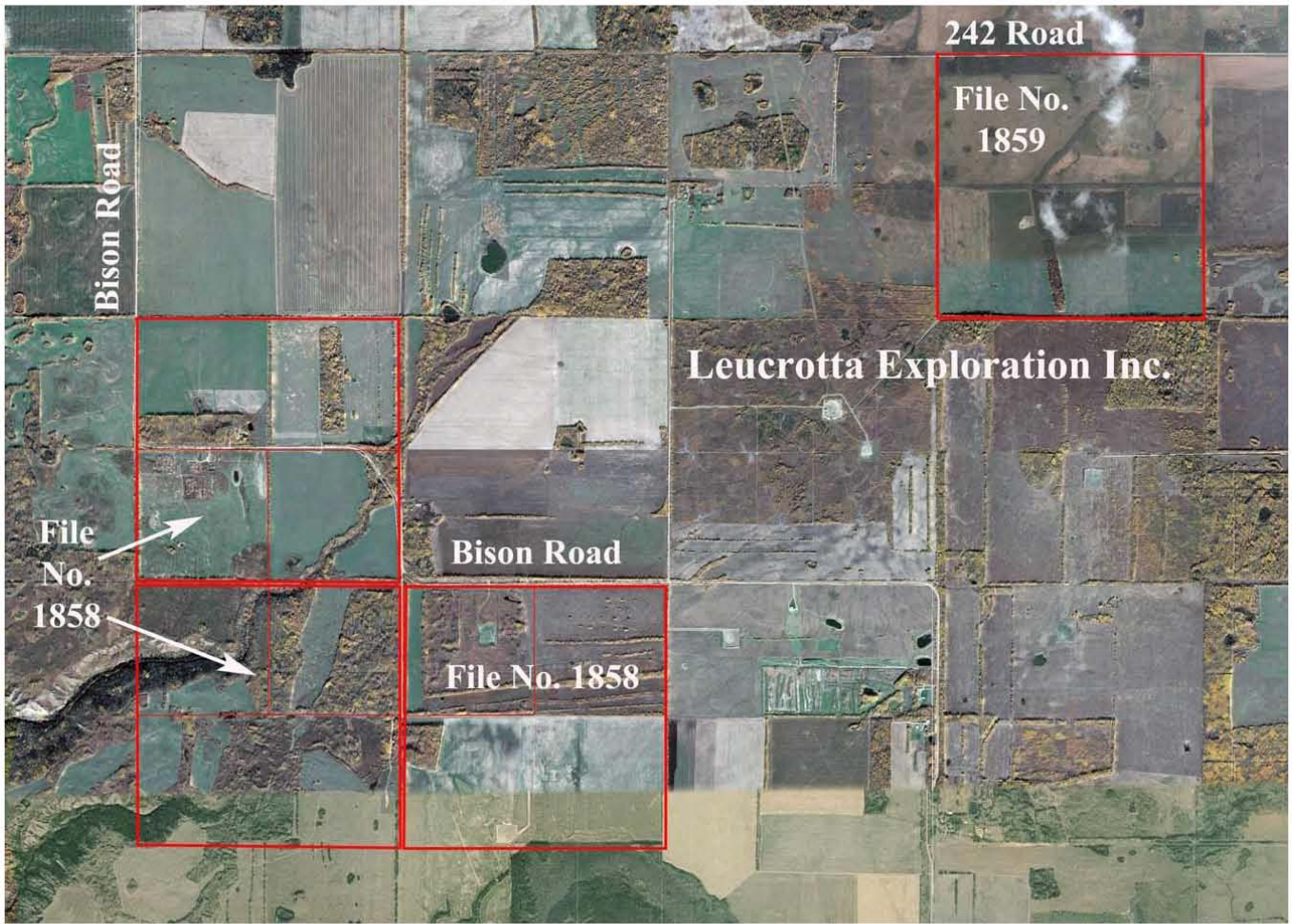
BETWEEN:

Roy Giesbrecht and Susan Giesbrecht
(APPLICANTS, 1859)

AND:

Leucrotta Exploration Inc.
(RESPONDENT)

BOARD ORDER



Heard by written submissions received: January 26, 2016, October 3, 2016 and May 5, 2017 on behalf of the Applicants
November 29, 2016 on behalf of the Respondent
Appearances: Thor Skafte, for the Applicants
Dionysios Rossi, Barrister and Solicitor, for the Respondent

INTRODUCTION

[1] This is an application for costs brought by the applicant landowners in two applications for rent review against Leucrotta Exploration Inc. (Leucrotta). In both cases, the rent reviews themselves resolved in October 2015 with no increase to the rent payable, but the parties were unable to resolve the landowners' claims for costs.

[2] The Board's authority to award costs is found in section 170 of the *Petroleum and Natural Gas Act* which provides that "the board may order a party...to pay...all or part of the actual costs incurred by another party...in connection with the application..." (emphasis added). The term "actual costs" is defined in section 168 of the *Petroleum and Natural Gas Act* and includes: "actual reasonable fees and disbursements of a professional agent" and "an amount on account of the reasonable time spent by a party in preparing for and attending a board proceeding". Costs are the expenses incurred, including for a landowner's time and for professional assistance, in connection with pursuing an application to the Board and in preparing for and attending a Board proceeding. An award of costs is discretionary.

[3] The Board's Rules set out various factors the Board will consider when exercising its discretion with respect to an award of costs. Those factors include: the reasons for incurring costs, the contribution of counsel and experts retained, the conduct of a party, whether a party unreasonably delayed or lengthened a proceeding, the degree of success in the outcome, and the reasonableness of costs incurred.

[4] Mr. Mertens, the applicant landowner in file 1858 seeks to recover in excess of \$33,000. Of this claim, in excess of \$24,500 is in respect of fees, disbursements and GST paid to his representative, and just over \$8,600 inclusive of GST is for his own time. Mr. and Mrs. Giesbrecht, the applicant landowners in file 1859 seek costs in excess of \$8,000, of which just over \$7,400 is in respect of fees, disbursements and GST paid to their representative and just over \$1,200 is for their own time and disbursements inclusive of GST.

[5] Leucrotta submits the claims are unreasonable, excessive and include amounts not in connection with the rent review applications. Leucrotta submits there is no basis to award an amount of costs beyond what has already been paid and that both applications should be dismissed.

ISSUE

[6] The issue is whether the Board should exercise its discretion to require Leucrotta to pay all or part of the landowners' reasonably incurred costs in connection with the rent review applications in the circumstances of these cases. Prior to determining that issue however, I must assess not only whether the claims are reasonable, but whether they include items beyond actual costs incurred in connection with the Board's proceedings.

BACKGROUND

[7] On January 2, 2015, Mr. Mertens engaged the services of Thor Skafte Consulting Services Ltd. (Skafte Consulting) to assist with negotiations of certain agreements with Leucrotta, and on the same date, Mr. Skafte of Skafte Consulting sent Leucrotta Notices to Negotiate with respect to three surface leases on land owned by Mr. Mertens (the Mertens Leases). The Mertens Leases had originally been entered in 1995, 1996 and 2005 with other operators. They were never registered in the Land Title Office. The Mertens leases were assigned to Leucrotta in 2014.

[8] As the parties did not agree to renewed rent for the Mertens Leases, Mr. Skafté filed an application to the Board on April 25, 2015 pursuant to section 166 of the *Petroleum and Natural Gas Act* to resolve the disagreement. The Board registered this application as File 1858.

[9] Mr. and Mrs. Giesbrecht similarly engaged the services of Skafté Consulting to assist with negotiations of certain agreements with Leucrotta and on January 2, 2015, Mr. Skafté sent Leucrotta Notices to Negotiate with respect to two surface leases on land owned by the Giesbrechts (the Giesbrecht Leases). The Giesbrecht Leases were originally entered in 2004 and 2005 with other operators. They were not registered in the Land Title Office. The Giesbrecht Leases were assigned to Leucrotta in 2014.

[10] As the parties did not agree to renewed rent for the Giesbrecht Leases, Mr. Skafté filed an application to the Board on April 17, 2015 pursuant to section 166 of the *Petroleum and Natural Gas Act* to resolve the disagreement. The Board registered this application as File 1859.

The Board's proceedings

[11] The Board joined files 1858 and 1859, as well as a third rent review application filed by Skafté Consulting respecting review of rent payable under surface leases with Leucrotta. The Board conducted a mediation telephone conference on June 17, 2015 for all three cases.

[12] Mr. Skafté sought increases to the rent payable under the Mertens Leases and the Giesbrecht Leases. Leucrotta took the view that the rent being paid under each of the three leases exceeded the losses sustained but indicated it was willing to keep the annual rents at their existing levels. Leucrotta offered to resolve the dispute based on the current rent plus a lump sum payment to each landowner to cover their costs if they signed a new lease. Mrs. Giesbrecht indicated she would accept the offer; Mr. Mertens declined.

[13] Mr. Skafte raised the issue of the landowners' costs which, including Mr. Skafte's accounts, exceeded the amount offered by Leucrotta. Mr. Skafte agreed to produce invoices which Leucrotta agreed to review. The mediator indicated he would conduct a further mediation if the parties were unable to reach final resolution, but indicated that if costs could not be agreed, they would have to be arbitrated.

[14] By email dated July 30, 2015 Leucrotta made formal offers to settle both applications on the following terms:

- File 1858 – Leucrotta offered to pay Mr. Mertens the current amount of annual rent provided for under the Mertens Leases (\$5,000, \$4,080 and \$5,241), an additional one-time payment of \$1,000 per lease (for a total of \$3,000) as well as landowner time at \$50 per hour (\$1,340) and \$2,300 for Mr. Skafte's fees;
- File 1859 – Leucrotta offered to pay the Giesbrechts the current amount of annual rent payable under the Giesbrecht Leases (\$6,357 and \$600); an additional one-time payment of \$1,000 per lease (for a total of \$2,000), as well as landowner time at \$50 per hour (\$400) and \$1,400 for Mr. Skafte's fees.

[15] By this time, Mr. Skafte had billed Mr. Mertens \$8,825.76 in fees and disbursements. He had billed Mr. and Mrs. Giesbrecht \$4,274.26.

[16] Over the next couple of months the parties exchanged email correspondence with proposals and counterproposals for settlement, with the main point of disagreement being the amount of costs claimed.

[17] On October 8, 2015, the Board conducted a second telephone mediation conference and the parties settled on the following terms:

- Annual rent would remain the same as set out in the Mertens Leases and Giesbrecht Leases;

- The landowners would each sign replacement leases at the same annual rental rate as the existing Mertens Leases and Giesbrecht Leases;
- Leucrotta would bear the cost of preparing and submitting the replacement leases to the Land Title Office;
- Leucrotta would pay the landowners an additional one-time payment of \$1,000 per lease (a total of \$2,000 for the Giesbrechts and a total of \$3,000 for Mr. Mertens) for the expense and time in reviewing and executing replacement leases to allow them to be registered on title;
- The issue of costs would be referred to the Board for arbitration.

[18] Between November and December 2015, the parties corresponded with respect to the terms and conditions of the replacement leases, with Mr. Skafta insisting upon himself drafting new leases despite not being a lawyer and despite the parties' agreement that Leucrotta would draft and submit the replacement leases. The parties subsequently executed replacement leases; however, due to unresolvable defects in the original form and content of the Mertens Leases and Giesbrecht Leases, the Land Title Office rejected them for filing.

[19] The parties agreed to have the Board issue right of entry orders to replace the Mertens Leases and Giesbrecht Leases on the terms agreed. The Board issued Order 1858-1amd on March 31, 2016 and Order 1859-1amd on April 11, 2016 incorporating the terms of settlement agreed on October 8, 2015 with respect to the annual rent and the additional one-time payment of \$1,000 per lease. The Board's orders have been filed in the Land Title Office.

[20] By the dates of the Board Orders, Mr. Skafta had billed Mr. Mertens \$17,746.43. He had billed Mr. and Mrs. Giesbrecht \$6,517.53.

[21] On November 19, 2015, I conducted a telephone conference and scheduled the issue of costs for a written submission hearing closing March 4, 2016. On January 21,

2016, Mr. Skafté advised he would need additional time to accommodate a medical issue. He filed some submissions on January 26, 2016, and on February 12, 2016, the Board advised it would wait to hear from Mr. Skafté following his recovery and then set dates for further submissions.

[22] On March 10, 2016, Mr. Skafté sought an oral hearing for Mr. Mertens' claim for costs. By letter dated April 11, 2016, the Board denied the application for an oral hearing and asked Mr. Skafté to confirm whether his submissions filed in January were complete, or to advise as to when they would be complete. On April 18, 2016, Mr. Skafté asked the Board to reconsider the decision to decline an oral hearing on costs and by letter of the same date the Board declined to reconsider. Mr. Skafté also filed an application pursuant to section 164 of the *Petroleum and Natural Gas Act* claiming damages arising from Leucrotta's rights of entry to Mr. Mertens' land. The Board registered the damage application as file 1894. This application remains open.

[23] By letter dated April 29, 2016, Mr. Skafté was again asked to confirm whether his costs submissions were complete. On October 3, 2016, Mr. Skafté filed his completed costs submissions with the Board. Leucrotta filed its submissions on November 29, 2016. Mr. Skafté advised he would submit his reply by January 9, 2017, then unilaterally rescheduled that submission date to January 30, 2017. On January 30, Mr. Skafté advised he would not be able to submit his responses by that date but would "as soon as possible". Mr. Skafté submitted his response on May 5, 2017. By then Mr. Mertens had paid \$24,979.99 in fees, disbursements and GST. Mr. and Mrs. Giesbrecht had been billed \$7,492.42 in fees, disbursements and GST.

ANALYSIS

[24] Both Mr. Mertens and Mr. and Mrs. Giesbrecht write letters in support of their claims which are included with the submissions provided by Mr. Skafté.

[25] Mr. Mertens' submission in support of his claim expresses his displeasure with the way Leucrotta has responded to his interests. He alleges Leucrotta has failed to honour terms of the surface lease agreements and has caused damage to his lands. He alleges the profitability of his organic farm has been affected. He says he and Mr. Skaffe have voiced their concerns but Leucrotta's responses leave him with the feeling they do not care about his organic farming income losses and do not understand the rules and regulatory requirements governing organic farming in British Columbia. Mr. Mertens also speaks about his proposal to Leucrotta for a weed control plan and engaging the Oil and Gas Commission to have Leucrotta apply weed control measures.

[26] The Giesbrechts' submission speaks about issues with the previous subsurface rights holders and concerns about air quality from a compressor station two miles south west of their home and questions Leucrotta's business practices. They allege historical and current non-compliance with terms of the leases. They essentially ask the Board to consider the issue of appropriate compensation for Leucrotta's use of their land.

[27] Both submissions speak to being treated fairly in relation to what other landowners recovered for costs and to be compensated in accordance with a pattern of dealings.

[28] Both of these submissions reflect a fundamental misunderstanding of what costs include. A claim for costs is not a claim for damages caused by the right holder. It is not a claim for compensation for a right holder's use of private land. It is not a claim to be compensated for alleged wrong doing or historical grievances. It is not a mechanism to claim remuneration from a right holder. It is not a claim to recover every expense incurred by the landowner as a result of the right holder's activity on their land. It is simply a claim to be reimbursed for the reasonable expenses reasonably incurred, and on account of the reasonable time spent, in pursuing an application to the Board, in this case the reasonable costs incurred in relation to the rent review applications.

[29] I do not blame the landowners for this misunderstanding. Mr. Skafta, as their professional agent, however, should know better. It is evident from his submissions that Mr. Skafta himself does not understand the difference between costs and compensation. This lack of understanding has likely contributed to these proceedings dragging out unnecessarily.

[30] Mr. Mertens has commenced a claim for damages. That claim should be pursued separately from this application for costs. To the extent the Giesbrechts wish to pursue claims for loss or damages under section 163 of the *Petroleum and Natural Gas Act* or for alleged non-compliance with the terms of a surface lease under section 164 of the *Petroleum and Natural Gas Act*, they will need to make those applications.

[31] As costs are discretionary and depend on the circumstances of each case, what other landowners recovered as costs in relation to their proceedings is not relevant to a claim for costs in any other proceeding. The concept of “pattern of dealings” is not relevant to determining costs.

[32] The Board’s Rules provide a presumption in favour of landowners receiving their costs in connection with an application for a right of entry but not with respect to other types of applications before the Board. There is no presumption in favour of landowners in a rent review application that they will receive their costs and landowners commencing rent review proceedings should not have any expectation that the costs incurred by them in pursuing that application will necessarily be recoverable.

[33] In the circumstances of these cases, where the landowners accepted a settlement on the basis of the rents in place with a bonus payment, it is not reasonable for them to expect to be able to recover all of their costs in connection with the Board’s proceedings. It remains to determine how much of their costs may be recovered.

Landowners' time

[34] The landowners claim their time at \$100/hour.

[35] Mr. Mertens claims for approximately 83 hours of his time. Many of the time entries relate to matters that are unrelated to the rent review proceedings, but may more properly be the subject of his damage claim. I estimate approximately 31 hours of Mr. Mertens' recorded time to be in relation to preparing for and attending the Board's rent review proceedings. Approximately 18 hours relates to pursuing the claim for costs. The rest of the time, while it may arise from the rights of entry generally, is not in relation to preparing for or attending the Board's rent review proceedings.

[36] The Giesbrechts claim 11 hours of time and \$35.81 in disbursements. Most of the entries in their time sheet appear to relate to the rent review proceedings.

[37] Leucrotta submits the landowners' have already been adequately compensated for their time by virtue of the \$1,000 per lease payment. I do not understand those payments to have been made against the landowners' time preparing for and attending the Board's proceedings, but to have been made in relation to reviewing replacement leases and in consideration of accepting the settlement. The issue of costs, which includes a claim for the landowners' time spent preparing for and attending the Board's proceedings was not resolved but referred to arbitration.

[38] The landowners charge their time at \$100/hour on the basis that is what they and other landowners have agreed in other cases. What other operators and landowners have negotiated for costs in any particular case is not relevant. Where the hourly rate for a landowner's time is not agreed between the parties, the Board will use \$50/hour to compensate landowners for their time in preparing for and attending Board proceedings in the absence of evidence to support what a landowner actually earns on an hourly basis.

Exercising the Board's discretion

[39] Although there is no presumption in favour of a landowner recovering their costs in a rent review proceeding and although the landowners in these cases were not successful in having the rent increased, I exercise the Board's discretion to allow them to recover from Leucrotta the reasonable time spent preparing for and attending the Board's proceedings. Mr. Mertens may recover \$1,550 calculated as 31 hours x \$50 from Leucrotta for his time preparing for and attending the mediation calls. Mr. and Mrs. Giesbrecht may recover \$550 calculated as 11 hours x \$50 from Leucrotta for their time preparing for and attending the mediation calls plus the disbursement claim of \$35.81.

Skafte Consulting accounts

[40] Mr. Skafte is a Chartered Mediator and a Qualified Arbitrator. His services in these proceedings, however, are not those of either a mediator or an arbitrator but of an advocate, a negotiator, and a consultant. It also appears from his accounts to Mr. Mertens that he has provided weed abatement services. It appears he has charged for some services that fall under the definition of "practice of law" in the *Legal Professions Act*, in particular the drafting or revising of instruments related to real estate intended or required to be registered in the Land Title Office. Mr. Skafte is not a lawyer.

[41] Mr. Skafte charges his time at either \$75/hour or \$250/hour. Occasionally, an entry is billed at \$83.83/hour or \$125/hour. He charges for photocopying and printing of documents at either \$0.25/page or \$0.50/page.

File 1858

[42] Mr. Skafte's account includes numerous entries that are not costs in connection with the rent review application. Some of the entries relate to time spent on matters unrelated to the rent review application including meetings with an inspector from the Oil and Gas Commission (OGC), discussions respecting Certificates of Restoration for two of the locations, time spent by Mr. Skafte hand picking weeds to assist Mr. Mertens with

weed control, and time spent by Mr. Skafté in filing the section 164 application. While some of these entries may be expenses incurred by Mr. Mertens that arise from the rights of entry generally, they are not costs in connection with the rent review application.

[43] I roughly estimate that approximately \$7,000 of Mr. Skafté's account falls within what can be considered actual costs in connection with the rent review applications. These fees and disbursements relate to consultation with the client respecting the rent review proceedings, preparation of material in relation to the rent review, attending the Board's mediation teleconferences for the rent review applications, and associated follow up.

[44] The remainder of the expenses appear to relate to negotiations and discussions generally with Leucrotta about weed abatement and other damage issues, discussions with the OGC respecting reclamation and compliance issues, and other services including weed abatement. Mr. Mertens has filed a claim for damages under section 164 of the *Petroleum and Natural Gas Act*. Some of the expenses, if incurred as a result of the rights of entry, may be the subject of the damage claim, and some may be costs in connection with that application, but they are not properly claimed as costs in connection with the rent review. Approximately \$2,500 in fees and expenses relate to the costs application itself.

[45] By the time Mr. Skafté filed the rent review application to the Board, he had already billed Mr. Mertens in excess of \$7,300. Many of the entries up to this time relate to matters outside of the scope of the rent review proceedings. Some of the entries seem excessive, for example an entry of 14 hours to draft the rent review application and supporting documentation. Some of the expenses are entirely unnecessary, such as photocopying charges to make seven copies of the application and supporting information. The Board does not require more than one copy of an application.

[46] By July 30, 2015, when Leucrotta made a formal offer to settle including payment of \$2,300 towards Mr. Skafte's fees, Mr. Skafte had already billed Mr. Mertens \$8,825.76 of which I estimate approximately \$5,500 to have been in relation to the rent review application. I consider approximately \$3,000 of this amount to have been fees and expenses reasonably incurred to July 30, 2015.

[47] By October 8, 2015, following the Board's second mediation telephone conference call, Mr. Skafte had billed Mr. Merten's in excess of \$13,000. Again, entries cover services outside the scope of the rent review application including 14 hours billed at \$125/hour to hand pick thistle flower seeds on the lease locations.

[48] Following the initial conference call to set up the written submission process to arbitrate costs, Mr. Skafte continued to bill Mr. Mertens for his services, many of which do not relate to the rent review application. Some of those that do relate to the rent review application, are for matters that Mr. Skafte ought not to be billing as they fall within the definition of "practice of law" in the *Legal Professions Act* including the drafting or revising of instruments related to real estate intended or required to be registered in the Land Title Office. Some of the services relate to the damage application and may potentially be recoverable as costs related to that application.

[49] By the time Mr. Skafte put his final response to Leucrotta's costs submissions in the mail on April 18, 2017, Mr. Skafte had charged Mr. Mertens in excess of \$24,000 including expenses for copying and mailing of an excessive number of copies of the submission, some of which is duplicative of the two earlier submissions provided.

[50] Of the \$7,000 of Mr. Skafte's account that actually relates to the rent review application, I estimate approximately \$5,000 of it to be reasonable.

File 1859

[51] The Giesbrechts seeks to recover in excess of \$7,000 in fees, disbursements and GST paid to Mr. Skafté. Most of Mr. Skafté's time appears to have been in connection with the rent review application, although some of it relates to services that fall within the definition of "practice of law" in the *Legal Professions Act* including the drafting or revising of instruments related to real estate intended or required to be registered in the Land Title Office, for which Mr. Skafté should not be billing. Approximately \$1,600 relates to the costs application.

[52] I estimate that approximately \$4,000 of Mr. Skafté's account falls within what can be considered actual costs in connection with the rent review applications. While I question the reasonableness of some of the photocopying and printing charges, for the most part, this amount is reasonable. By July 30, 2015, when Leucrotta made a formal offer to settle including payment of \$1,400 towards Mr. Skafté's fees, Mr. Skafté had billed the Giesbrechts \$4,274.26, of which I estimate approximately \$3,500 to be in relation to the rent review application. For the most part, this amount is not unreasonable.

Exercising the Board's discretion

[53] These were applications for rent review. The only issue in an application for rent review is whether the rent payable under a surface lease needs to be adjusted to compensate the landowner for reasonably foreseeable ongoing prospective losses caused by the right of entry, typically loss of income and tangible and intangible loss associated with nuisance and disturbance.

[54] Mr. Skafté submits that Leucrotta did not engage in collaborative negotiations in an effort to resolve the rent review claims. However, Mr. Skafté's submissions in support of significantly increased rents were not based on established principles respecting rent review. Mr. Skafté's submissions confused annual rent with claims for damages, double counted alleged loss by applying an inappropriate formula to calculate rent, and did not

support the amounts claimed with appropriate evidence of actual or prospective loss. The evidence initially presented did not demonstrate that the present rents did not adequately compensate for actual and prospective ongoing loss, such that, in the circumstances, there was little to negotiate. Mr. Skafté presented revised offers for rent that while more modest in the increase claimed, still did not effectively establish that the current rent would not adequately compensate for ongoing loss and continued to confuse rent review with claims for damages and other issues.

[55] Once the rent review itself was resolved, with no increase to the annual rent being paid, Mr. Skafté's conduct unnecessarily delayed and hindered resolution of the rent review claims by his insistence on drafting leases, a task for which he is not qualified or permitted to charge a fee.

[56] Upon accepting resolution of the rent review applications on the basis that the current rents would remain in place, Mr. Skafté has unreasonably insisted on full recovery to the landowners of his fees, despite that they were not successful in having the rents increased and despite that, as discussed above, much of Mr. Skafté's account, particularly with respect to the claim on behalf of Mr. Mertens, does not relate to professional fees and disbursements in connection with the rent review proceedings.

[57] The claim for costs demonstrates Mr. Skafté's confusion over the concepts of costs and damages, by continuing to advance claims, particularly with respect to that advanced on behalf of Mr. Mertens that are inappropriate and unreasonable. The claim for costs has been unreasonably delayed for a year and a half while Mr. Skafté's fees and disbursements continue to escalate unnecessarily.

[58] As I have said before in assessing claims for costs (see for example *Velandér v. Imperial Oil Resources Ltd.*, Order 1726-2, December 11, 2012), the Board does not want to discourage landowners from seeking appropriate professional assistance to pursue remedies under the *Petroleum and Natural Gas Act*. On the other hand, the

Board does not want the opportunity to claim costs to work against reasonable assessments of the likelihood of success of any claim or to encourage unnecessary process.

[59] The Board is left with the dilemma that Mr. Mertens and Mr. and Mrs. Giesbrecht, who felt they required professional assistance, have incurred professional fees in excess of what is reasonable and, in Mr. Mertens' case, for services far beyond the scope of the rent review proceedings that are not recoverable as costs in the rent review proceedings.

[60] While it was not reasonable in the circumstances for the landowners to expect to be able to recover all of the fees paid to Skaft Consulting, it would not have been unreasonable for Leucrotta to contribute an amount towards the landowners' costs, and Leucrotta offered to do that. Leucrotta's July 2015 offers to contribute towards a portion of Mr. Skaft's fees fell a bit short of half of the reasonable fees in connection with the rent review applications incurred to that date. It is possible that the claim for costs could have settled if full recovery of Mr. Skaft's accounts had not been pursued.

[61] In the circumstances, there are reasons to exercise the Board's discretion to allow recovery of any part of Mr. Skaft's fees. I am nevertheless not comfortable to simply dismiss the claims with the result that Leucrotta makes no contribution towards Mr. Skaft's accounts. In all of the circumstances, I will require Leucrotta to contribute just over 1/3 of what I have found to be the professional fees and disbursements reasonably incurred in relation to the rent review proceedings. In Mr. Mertens case that amount is \$2,500 ($1/3 \times \$5,000 = \$1,667$ rounded to \$1,700) and in Mr. and Mrs. Giesbrecht's case that amount is \$1,200 ($1/3 \times \$3,500 = \$1,167$ rounded to \$1,200).

CONCLUSION

[62] I exercise the Board's discretion to allow the landowners to recover a portion of their costs reasonably incurred in the rent review proceedings. Mr. Mertens may

recover \$1,550 towards his time spent in preparing for and attending the Board's proceedings and \$1,700 towards the fees and disbursements of his professional agent for a total of \$3,250. Mr. and Mrs. Giesbrecht may recover \$550 towards their time spent in preparing for and attending the Board's proceedings, disbursements of \$35.81, and \$1,200 towards the fees and disbursements of their professional agent for a total of \$1,785.81.

ORDER

File 1858

[63] The Board orders Leucrotta Exploration Inc. to pay Fernand Charles Mertens \$3,250.00 in costs.

File 1859

[64] The Board orders Leucrotta Exploration Inc. to pay Roy and Susan Giesbrecht \$1,785.81 in costs.

DATED: July 12, 2017

FOR THE BOARD



Cheryl Vickers, Chair

File No. 1858
Board Order No. 1858-1

March 31, 2016

SURFACE RIGHTS BOARD

**IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED**

**AND IN THE MATTER OF
THE SOUTH EAST 1/4 OF SECTION 23 TOWNSHIP 83 RANGE 16 WEST OF
THE 6th MERIDIAN PEACE RIVER DISTRICT
THE NORTH WEST 1/4 OF SECTION 24 TOWNSHIP 83 RANGE 16 WEST OF
THE 6th MERIDIAN PEACE RIVER DISTRICT
THE NORTHEAST 1/4 OF SECTION 26 TOWNSHIP 83 RANGE 16 WEST OF
THE 6th MERIDIAN PEACE RIVER DISTRICT**

(The "Lands")

BETWEEN:

Fernand Charles Mertens

(APPLICANT)

AND:

Leucrotta Exploration Inc.

(RESPONDENT)

BOARD ORDER

On April 25, 2015, the landowner, Mr. Mertens, commenced a rent review proceeding before the Surface Rights Board, in respect of three existing surface leases held by the Respondent, Leucrotta Exploration Inc. ("Leucrotta"), over the Lands.

On October 8, 2015, I conducted a telephone mediation call attended by landowner Fernand Charles Mertens and his representative, Thor Skafte, as well as by Kiel Crowe and Rick Williams on behalf of Leucrotta. The parties reached an agreement on the issue of compensation, but not on the issue of costs (which has since been referred to arbitration).

The parties have now requested that the Board grant an Order confirming the terms of settlement. The parties have agreed that this Order shall replace the existing surface leases held by Leucrotta over the Lands.

ORDER

1. Upon payment of the amounts set out in paragraphs 2 and 3, Leucrotta shall have the right of entry to and access across the portions of the Lands shown outlined in red on the Individual Ownership Plans attached collectively as Schedule "A" to this Order, for the purpose of carrying out certain approved oil and gas activities, namely, the operation and maintenance of the depicted natural gas wellsites and associated works depicted therein.
2. Leucrotta shall pay Mr. Mertens the total amount of \$3,000 (\$1,000 for each of the parcels to which this right of entry order applies), within 30 days of the date of this Order.
3. Leucrotta shall pay Mr. Mertens the following amounts in respect of annual compensation, on the anniversary dates set out below:

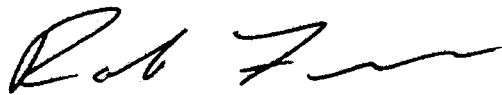
Parcel	Amount	Anniversary Date
SE 1/4 Sec. 23, TP 83, R 16, W6M (PID 013-864-343)	\$5,000.00	November 9, 2016
NW 1/4 Sec. 24, TP 83, R 16 W6M (PID 014-577-682)	\$5,241.00	November 13, 2016

NE 1/4 Sec. 26, TP 83, R 16, W6M (PID 010-806-288)	\$4,080.00	February 21, 2016
--	------------	-------------------

4. Nothing in this order operates as a consent, permission, approval or authorization of matters within the jurisdiction of the Oil and Gas Commission.
5. Leucrotta shall submit a copy of this Order to the applicable British Columbia Land Title Office to be registered against title to each of the above-noted parcels of the Lands within 30 days of the date of this Order.

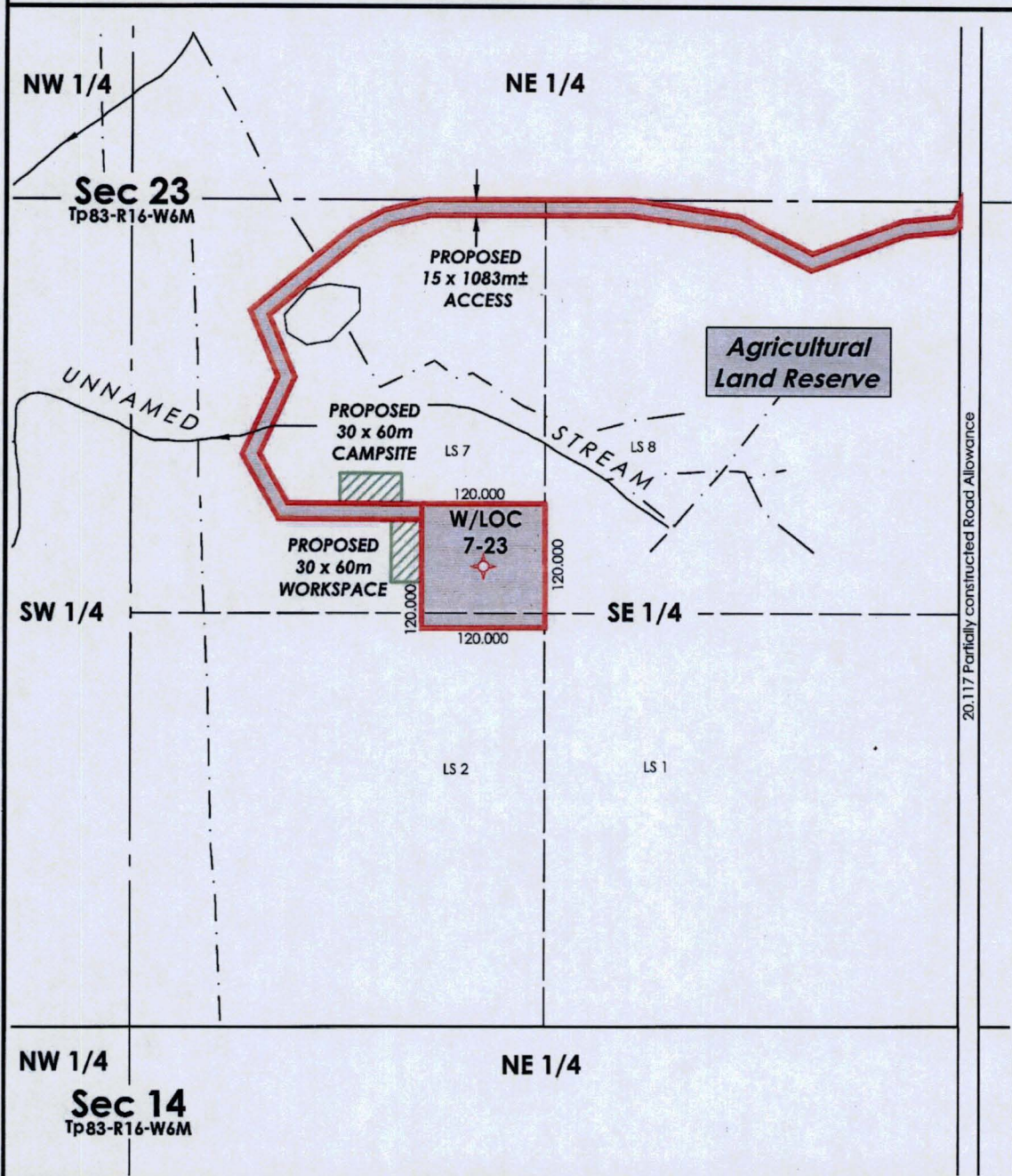
DATED: March 31, 2016

FOR THE BOARD





Rob Fraser, Mediator

**LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN
SHOWING PROPOSED
WELLSITE AND ACCESS IN
SE 1/4 Sec 23, Tp 83, R 16, W6M
PEACE RIVER DISTRICT**



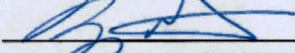
20.117 Partially constructed Road Allowance

TITLE No.: PC20490 **P.I.D. No.:** 013-864-343
OWNER(S): Fernand Charles Mertens

NOTES
SCALE = 1 : 5,000
Distances shown are in metres.
Permanent Portions referred to: 
Temporary Portions referred to: 


AREA REQUIRED:

Wellsite	1.44 ha	3.56 ac
Access	1.62 ha	4.00 ac
Campsite	0.18 ha	0.44 ac
Workspace	0.18 ha	0.44 ac
TOTAL:	3.42 ha	8.44 ac

Certified correct this
22nd day of March, 2016.

Bryan Bates, BCLS 776

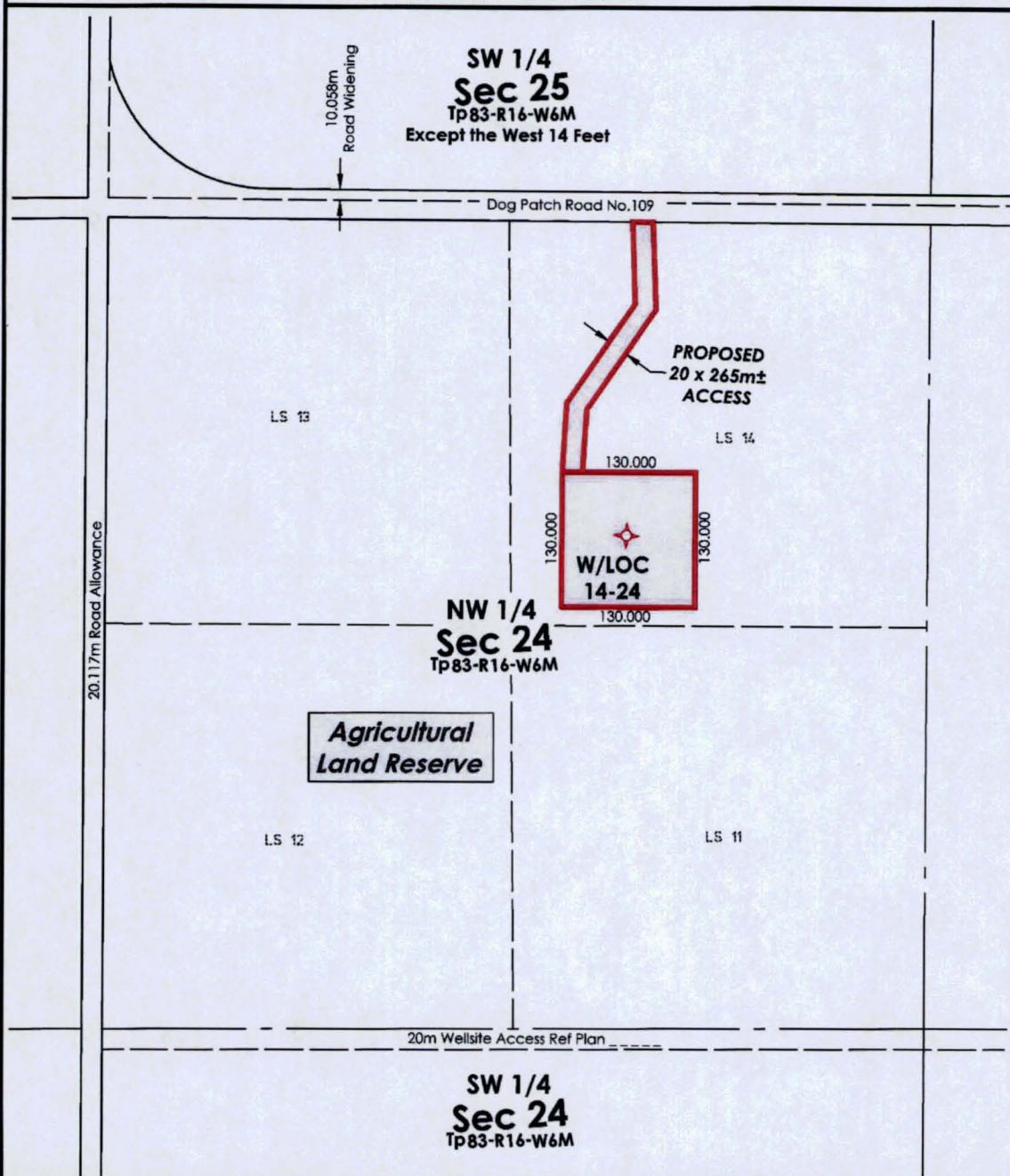
NO.	DATE	REVISION	DRN	CKD
0	16/03/22	Original plan issued	JJL	WC


can-am geomatics
can-am geomatics bc Phone: 250.787.7171
Fort St. John, B.C. Toll Free: 1.866.208.0983
www.canam.com Fax: 250.787.2323

CAN-AM FILE: B20160131
CAD FILE: B20160131IOP-0
Client File No.:
AFE No.:
Land File No.:

REVISION

SCHEDULE "A" ORDER 18581


**LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN
SHOWING PROPOSED
WELLSITE AND ACCESS IN
NW 1/4 SEC 24, TP 83, R 16, W6M
PEACE RIVER DISTRICT**



TITLE No.: K32788 **P.I.D. No.:** 014-577-682 **LEGEND**
OWNER(S): Fernand Charles Mertens SCALE = 1: 5,000
 Portions referred to: 
 Notes: Distances shown are in metres.
 Certified correct this
 22nd day of March, 2016.

AREA REQUIRED:

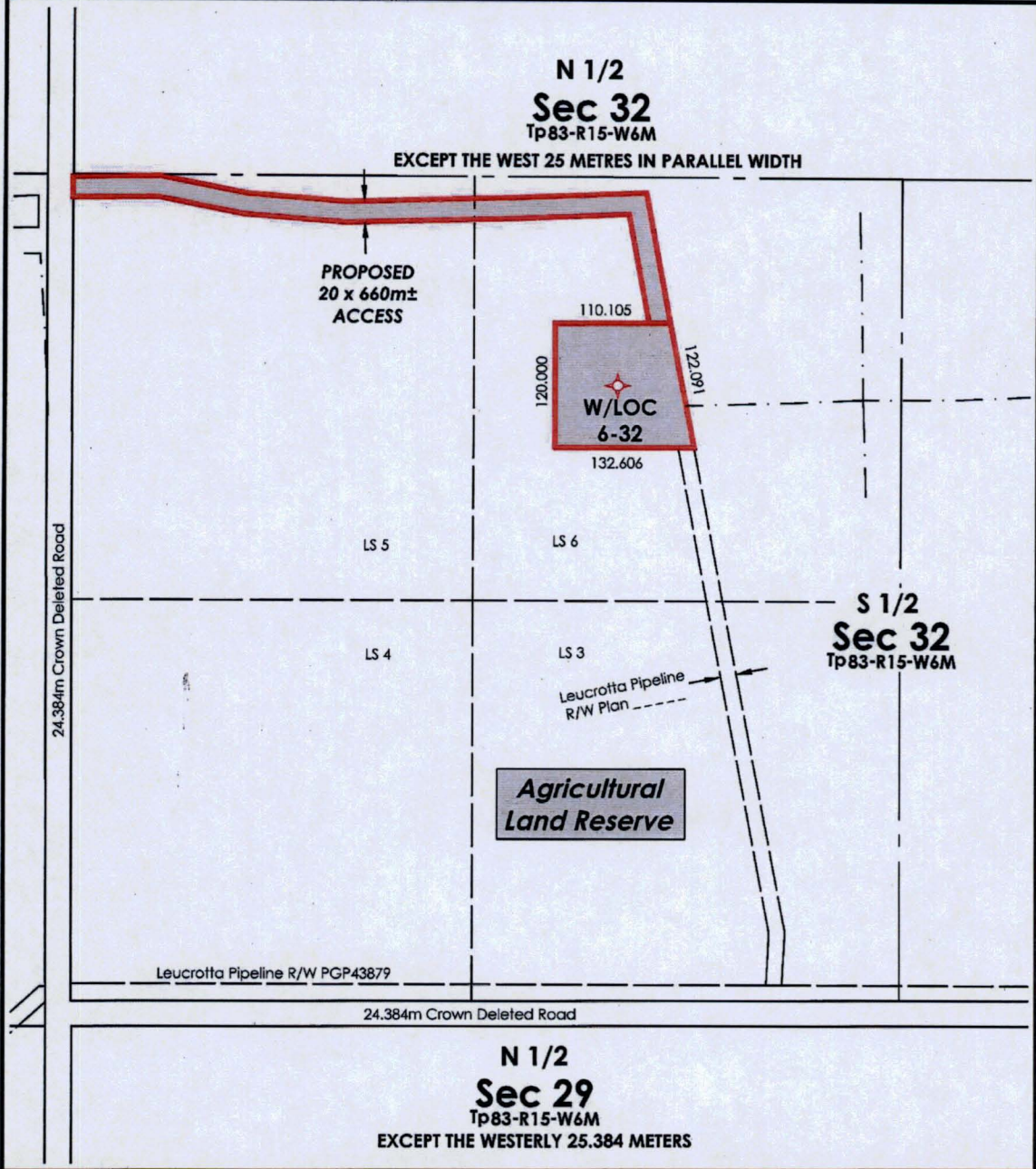
Wellsite	1.69 ha	4.18 ac
Access	0.53 ha	1.31 ac
TOTAL:	2.22 ha	5.49 ac


 Bryan Bates, BCLS 776

NO.	DATE	REVISION	DRN	CKD	can-am geomatics® can-am geomatics bc Phone: 250.787.7171 Fort St. John, B.C. Toll Free: 1.866.208.0983 www.canam.com Fax: 250.787.2323	CAN-AM FILE: B20160130	
0	16/03/22	Original plan issued	DL	WC		CAD FILE: B20160130IOP-0	Client File No.:
					Land File No.:		

SCHEDULE "A" ORDER 1958-1

**LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN
SHOWING PROPOSED
WELLSITE AND ACCESS IN
S 1/2 Sec 32, Tp 83, R 15, W6M
EXCEPT THE MOST WESTERLY AND SOUTHERLY 80 FEET IN PARALLEL WIDTHS
PEACE RIVER DISTRICT**



TITLE No.: X32443	P.I.D. No.: 003-611-531	LEGEND
OWNER(S): Roy Ernest Giesbrecht Susan Elaine Giesbrecht		SCALE = 1: 5,000 Portions referred to: Notes: Distances shown are in metres.
		Certified correct this 22nd day of March, 2016.
AREA REQUIRED:		
Wellsite	1.46 ha 3.61 ac	
Access	1.32 ha 3.26 ac	
TOTAL:	2.78 ha 6.87 ac	
	 Bryan Bates, BCLS 776	

NO.	DATE	REVISION	DRN	CKD	can-am geomatics. can-am geomatics bc Phone: 250.787.7171 Fort St. John, B.C. Toll Free: 1.866.208.0983 www.canam.com Fax: 250.787.2323	CAN-AM FILE: B20160132
0	16/03/22	Original plan issued	JJL	WC		CAD FILE: B20160132IOP-0
					Client File No.:	 REVISION
					AFE No.:	
					Land File No.:	

File No. 1859
Board Order No. 1859-1

March 31, 2016

SURFACE RIGHTS BOARD

**IN THE MATTER OF THE PETROLEUM AND NATURAL GAS
ACT, R.S.B.C., C. 361 AS AMENDED**

**AND IN THE MATTER OF
THE SOUTH ½ OF SECTION 32 TOWNSHIP 83 RANGE 15 WEST OF THE 6TH
MERIDIAN PEACE RIVER DISTRICT, EXCEPT THE MOST WESTERLY AND
SOUTHERLY 80 FEET IN PARALLEL WIDTHS THEREOF**

(The "Lands")

BETWEEN:

**Roy Giesbrecht and
Susan Giesbrecht**

(APPLICANTS)

AND:

Leucrotta Exploration Inc.

(RESPONDENT)

BOARD ORDER

On April 25, 2015, the landowners, Roy and Susan Giesbrecht, commenced a rent review proceeding before the Surface Rights Board, in respect of two existing surface leases held by the Respondent, Leucrotta Exploration Inc. ("Leucrotta"), over the Lands.

On October 8, 2015, I conducted a telephone mediation call attended by the Giesbrechts and their representative, Thor Skafte, as well as Kiel Crowe and Rick Williams on behalf of Leucrotta. The parties reached an agreement on the issue of compensation, but not on the issue of costs (which has since been referred to arbitration).

The parties have now requested that the Board grant an Order confirming the terms of the settlement and granting Leucrotta right of entry to the Lands. The parties have agreed that this Order shall replace the existing surface leases held by Leucrotta over the Lands.

ORDER

1. Upon payment of the amounts set out in paragraphs 2 and 3, Leucrotta shall have the right of entry to and access across the portions of the Lands shown outlined in red on the Individual Ownership Plans attached collectively as Schedule "A" to this Order, for the purpose of carrying out certain approved oil and gas activities, namely, the operation and maintenance of the depicted natural gas wellsite, riser site, and associated works depicted therein.
2. Leucrotta shall pay the Giesbrechts the total amount of \$2,000 within 30 days of this Order.
3. Leucrotta shall pay the Giesbrechts the following amounts in respect of annual compensation, on the anniversary dates set out below:

Oil and Gas Activity	Amount	Anniversary Date
Wellsite 6-32-83-15W6	\$6,357.00	December 1, 2016
Riser Site	\$600.00	June 30, 2016

4. Nothing in this Order operates as a consent, permission, approval or authorization of matters within the jurisdiction of the Oil and Gas Commission.

5. Leucrotta shall submit a copy of this Order to the applicable British Columbia Land Title Office to be registered against title to the Lands, within 30 days of the date of this Order.

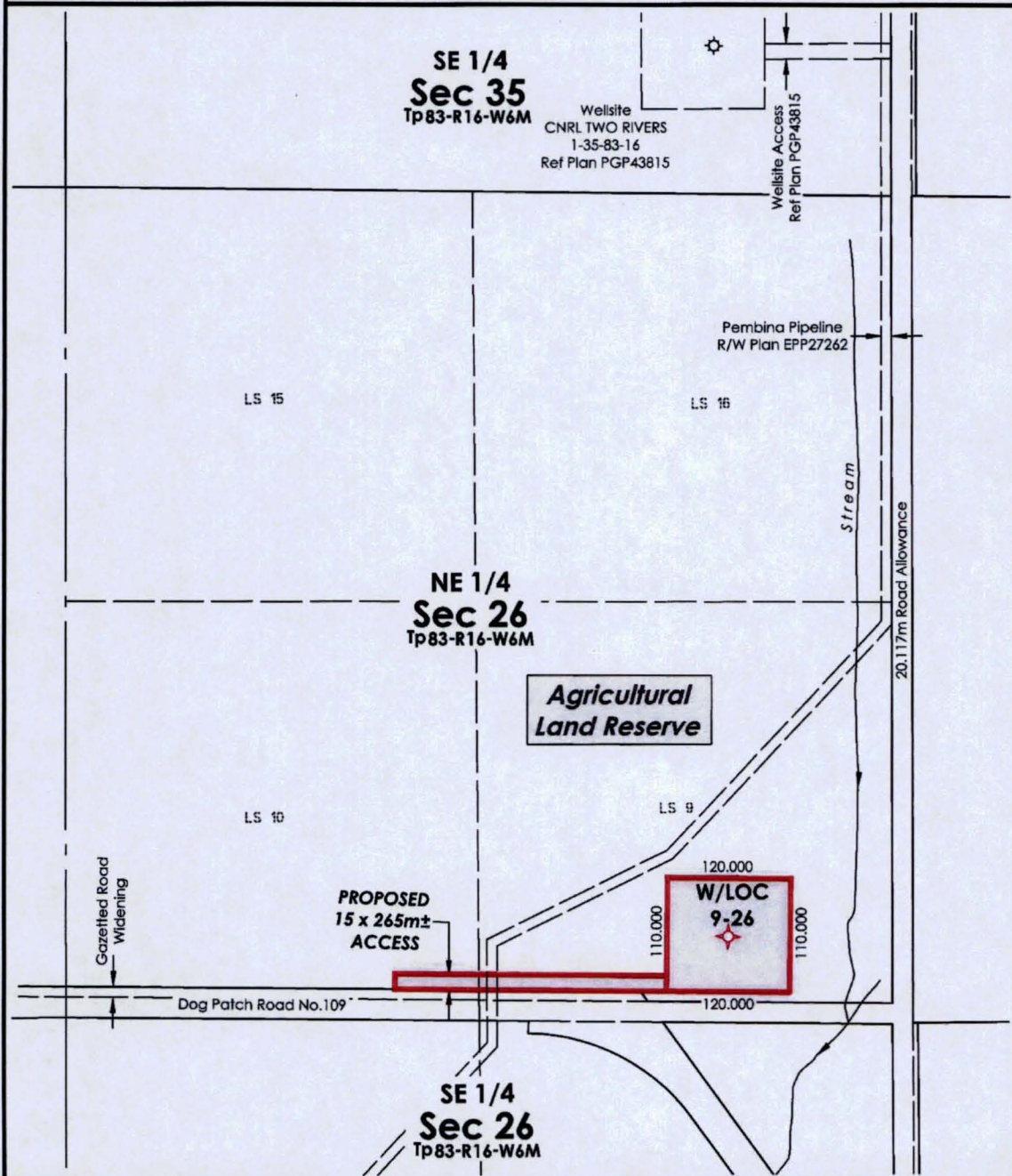
DATED: March 31, 2016

FOR THE BOARD


A handwritten signature in black ink, appearing to read "Rob Fraser", written in a cursive style.

Rob Fraser, Mediator

**LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN
SHOWING PROPOSED
WELLSITE AND ACCESS IN
NE 1/4 SEC 26, TP 83, R 16, W6M
PEACE RIVER DISTRICT**




TITLE No.: E6137 **P.I.D. No.:** 010-806-288
OWNER(S): Fernand Charles Mertens

LEGEND
SCALE = 1 : 5,000
Portions referred to: 
Notes: Distances shown are in metres.
Certified correct this
22nd day of March, 2016.


AREA REQUIRED:

Wellsite	1.32 ha	3.26 ac
Access	0.40 ha	0.99 ac
TOTAL:	1.72 ha	4.25 ac


Bryan Bates, BCLS 776

NO	DATE	REVISION	DRN	CKD
0	16/03/22	Original plan issued	DL	WC

can-am geomatics
can-am geomatics bc Phone: 250.787.7171
Fort St. John, B.C. Toll Free: 1.866.208.0983
www.canam.com Fax: 250.787.2323

CAN-AM FILE: B20160133
CAD FILE: B20160133IOP-0
Client File No.:
AFE No.:
Land File No.:
 REVISION

File No. 1859
Board Order No. 1859-1amd

April 11, 2016

SURFACE RIGHTS BOARD

**IN THE MATTER OF THE PETROLEUM AND NATURAL GAS
ACT, R.S.B.C., C. 361 AS AMENDED**

**AND IN THE MATTER OF
THE SOUTH ½ OF SECTION 32 TOWNSHIP 83 RANGE 15 WEST OF THE 6TH
MERIDIAN PEACE RIVER DISTRICT, EXCEPT THE MOST WESTERLY AND
SOUTHERLY 80 FEET IN PARALLEL WIDTHS THEREOF**

(The "Lands")

BETWEEN:

**Roy Giesbrecht and
Susan Giesbrecht**

(APPLICANTS)

AND:

Leucrotta Exploration Inc.

(RESPONDENT)

BOARD ORDER

This Order amends and replaces Order 1859-1 to attach the correct Schedule "A".

On April 25, 2015, the landowners, Roy and Susan Giesbrecht, commenced a rent review proceeding before the Surface Rights Board, in respect of two existing surface leases held by the Respondent, Leucrotta Exploration Inc. ("Leucrotta"), over the Lands.

On October 8, 2015, I conducted a telephone mediation call attended by the Giesbrechts and their representative, Thor Skafte, as well as Kiel Crowe and Rick Williams on behalf of Leucrotta. The parties reached an agreement on the issue of compensation, but not on the issue of costs (which has since been referred to arbitration).

The parties have now requested that the Board grant an Order confirming the terms of the settlement and granting Leucrotta right of entry to the Lands. The parties have agreed that this Order shall replace the existing surface leases held by Leucrotta over the Lands.

ORDER

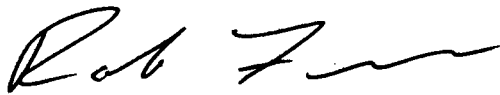
1. Upon payment of the amounts set out in paragraphs 2 and 3, Leucrotta shall have the right of entry to and access across the portions of the Lands shown outlined in red on the Individual Ownership Plans attached collectively as Schedule "A" to this Order, for the purpose of carrying out certain approved oil and gas activities, namely, the operation and maintenance of the depicted natural gas wellsite, riser site, and associated works depicted therein.
2. Leucrotta shall pay the Giesbrechts the total amount of \$2,000 within 30 days of this Order.
3. Leucrotta shall pay the Giesbrechts the following amounts in respect of annual compensation, on the anniversary dates set out below:

Oil and Gas Activity	Amount	Anniversary Date
Wellsite 6-32-83-15W6	\$6,357.00	December 1, 2016
Riser Site	\$600.00	June 30, 2016

4. Nothing in this Order operates as a consent, permission, approval or authorization of matters within the jurisdiction of the Oil and Gas Commission.
5. Leucrotta shall submit a copy of this Order to the applicable British Columbia Land Title Office to be registered against title to the Lands, within 30 days of the date of this Order.

DATED: April 11, 2016

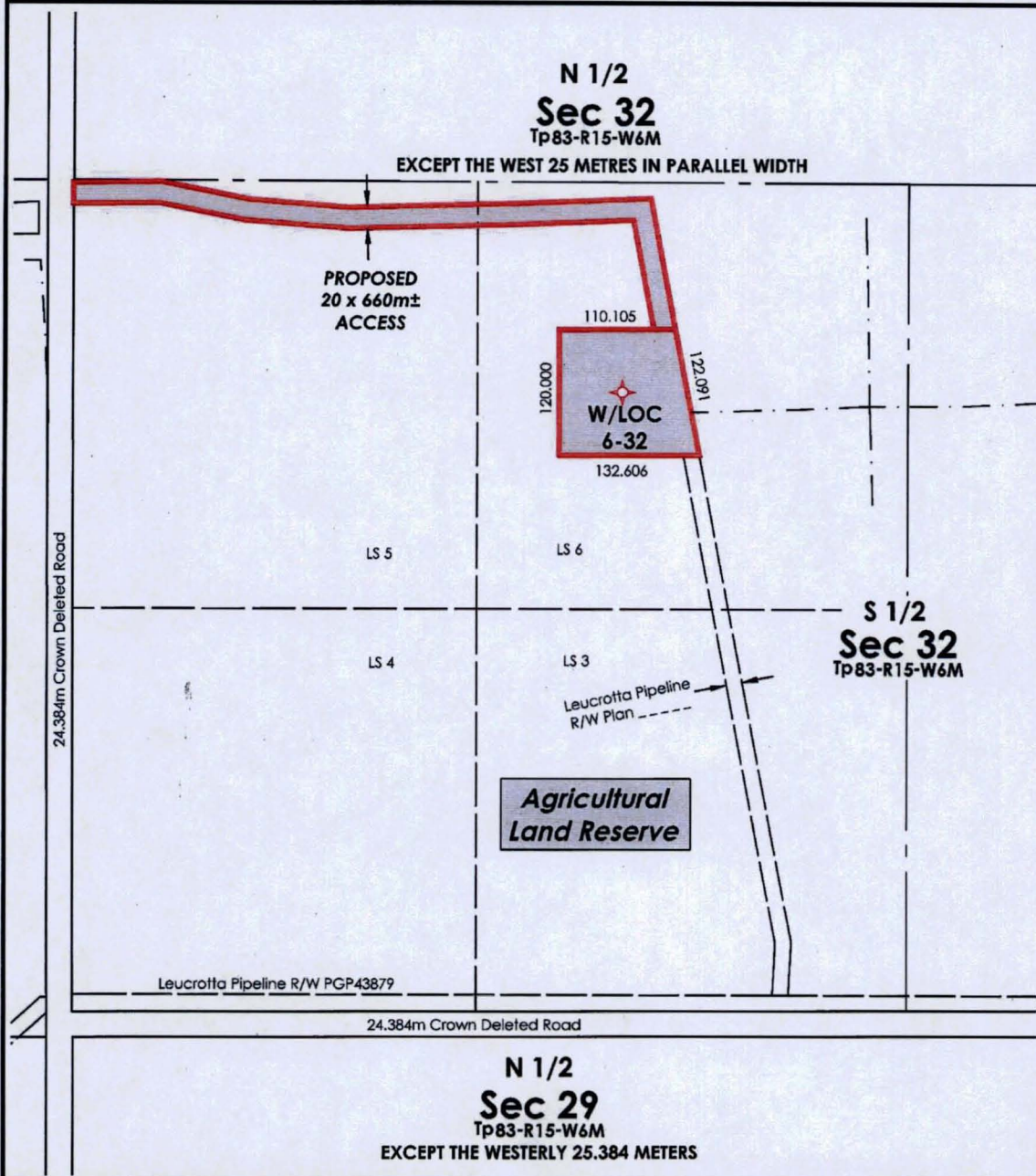
FOR THE BOARD


A handwritten signature in black ink, appearing to read "Rob Fraser", written in a cursive style.

Rob Fraser, Mediator

SCHEDULE "A" ORDER
1859-1

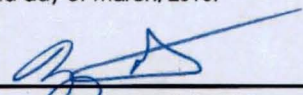
**LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN
SHOWING PROPOSED
WELLSITE AND ACCESS IN
S 1/2 Sec 32, Tp 83, R 15, W6M
EXCEPT THE MOST WESTERLY AND SOUTHERLY 80 FEET IN PARALLEL WIDTHS
PEACE RIVER DISTRICT**



TITLE No.: X32443 **P.I.D. No.:** 003-611-531 **LEGEND**
OWNER(S): Roy Ernest Giesbrecht SCALE = 1: 5,000
 Susan Elaine Giesbrecht Portions referred to: 
 Notes: Distances shown are in metres.
 Certified correct this
 22nd day of March, 2016.


AREA REQUIRED:

Wellsite	1.46 ha	3.61 ac
Access	1.32 ha	3.26 ac
TOTAL:	2.78 ha	6.87 ac


 Bryan Bates, BCLS 776

NO	DATE	REVISION	DRN	CKD
0	16/03/22	Original plan issued	JJL	WC

can-am geomatics®
 can-am geomatics bc Phone: 250.787.7171
 Fort St. John, B.C. Toll Free: 1.866.208.0983
 www.canam.com Fax: 250.787.2323

CAN-AM FILE: B20160132
 CAD FILE: B20160132IOP-0
 Client File No.:
 AFE No.:
 Land File No.:
 REVISION 

File No. 1872
Board Order No.1872-1

October 2, 2015

SURFACE RIGHTS BOARD

**IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED**

**AND IN THE MATTER OF
THE SOUTH 1/2 OF SECTION 19, TOWNSHIP 80, RANGE 14
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT**

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

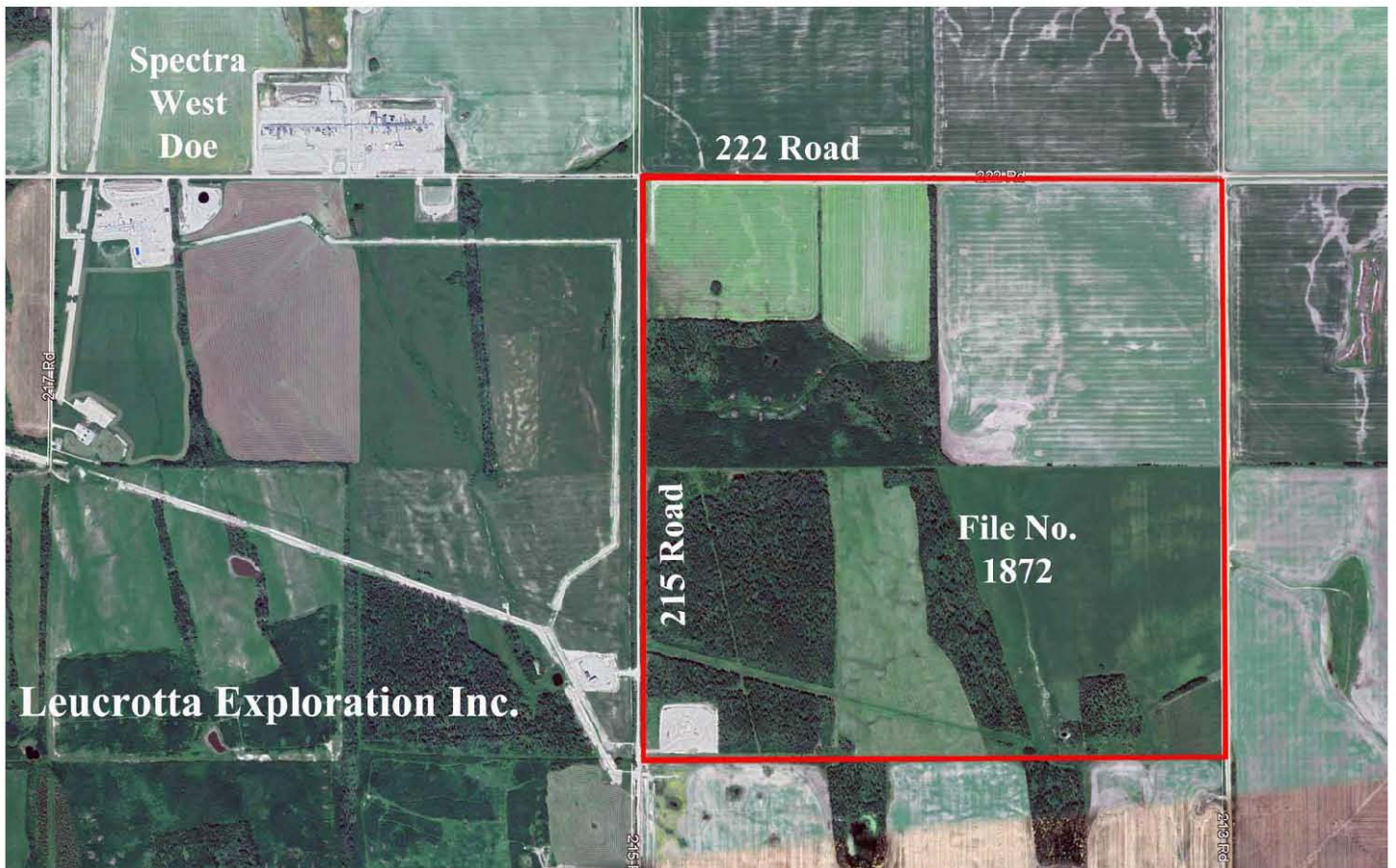
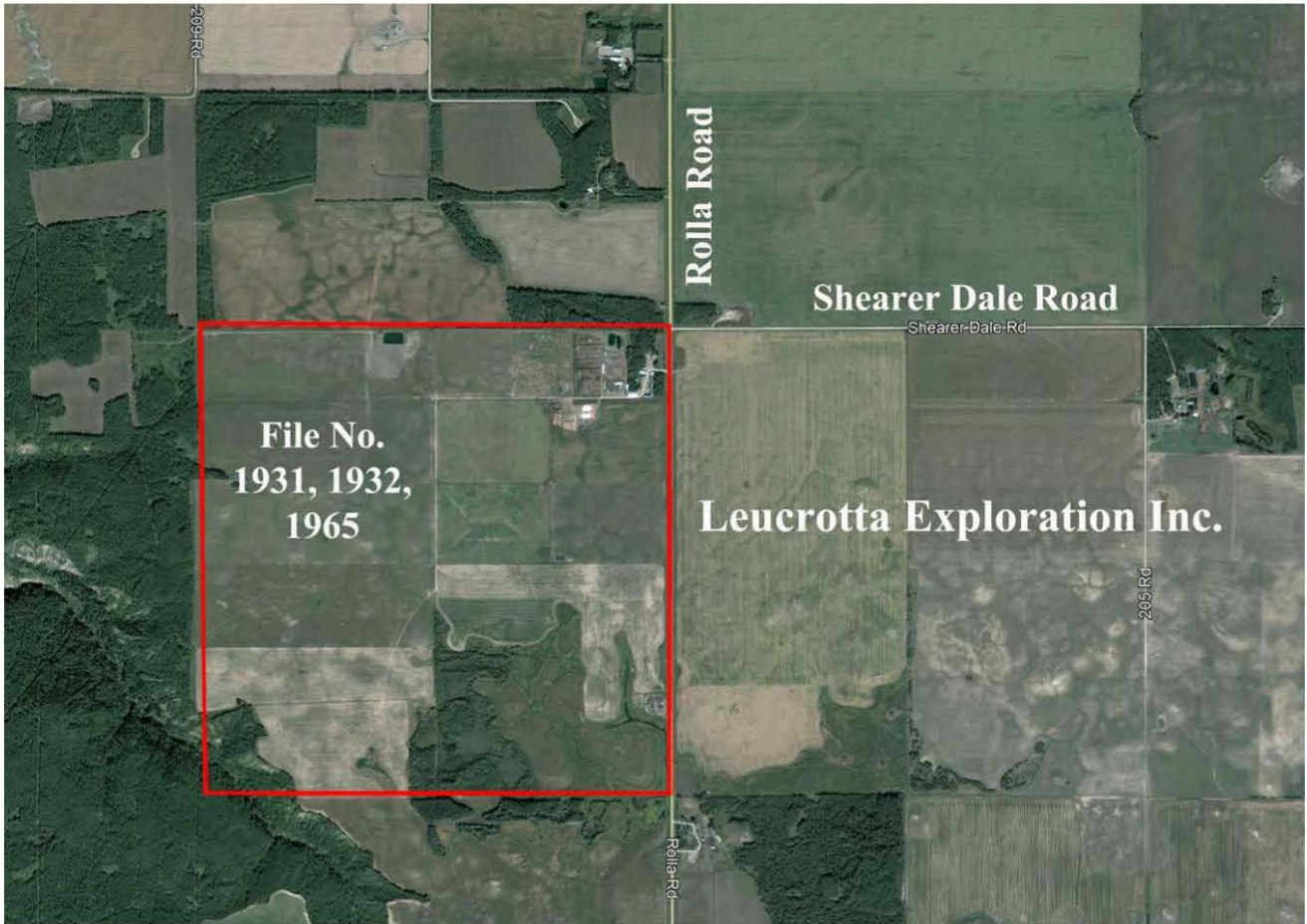
(APPLICANT)

AND:

Robert Fletcher Steeves and Patricia Ann Steeves

(RESPONDENTS)

BOARD ORDER



On October 1, 2015 I conducted a mediation discussing Leucrotta Exploration Inc.'s ("Leucrotta") application to the Board for mediation and arbitration services.

Leucrotta seeks a right of entry order to access certain lands legally owned by Robert Fletcher Steeves and Patricia Ann Steeves to carry out an approved oil and gas activity, namely the construction, operation, and maintenance of a natural gas well and associated facilities.

Under the provisions of the *Petroleum and Natural Gas Act*, the Board may grant a right of entry order to privately owned land if it is satisfied that an order authorizing entry is required for an oil and gas activity. "Oil and gas activity" is a defined term that includes the construction or operation of a pipeline.

I considered submissions from Leucrotta and the Landowner's objections to this project. After hearing from both parties, I found Leucrotta's submissions more compelling than the Landowner's objections.

Based on our discussions and also on the fact that the Oil and Gas Commission has issued a permit for Leucrotta's project (OGC File: 9642963), I am satisfied that Leucrotta requires the Lands for an approved oil and gas activity.

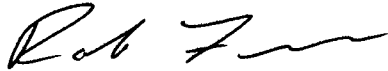
ORDER

1. Upon payment of the amounts set out in paragraphs 3 and 4, Leucrotta shall have the right of entry to and access across the portions of the Lands shown outlined in red on the Individual Ownership Plan attached as Appendix "A" (the "Lands") for the purpose of carrying out the approved oil and gas activities, namely the construction, operation and maintenance of a natural gas well and associated works.
2. Leucrotta's right of entry shall be subject to the terms and conditions attached as Appendix "B" to this right of entry Order.
3. Leucrotta shall deliver to the Surface Rights Board security in the amount of \$2,500.00 by cheque made payable to the Minister of Finance. All or part of the security deposit may be returned to Leucrotta, or paid to the landowner, upon agreement of the parties or as ordered by the Board.
4. Leucrotta shall pay to the landowner as partial compensation the total amount of \$4000.00.

5. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

DATED: October 2, 2015

FOR THE BOARD

A handwritten signature in black ink, appearing to read "Rob Fraser", written in a cursive style.

Rob Fraser, Mediator

APPENDIX "B"
CONDITIONS FOR RIGHT OF ENTRY

1. Leucrotta will make all reasonable attempts to notify the Respondents if any work, other than routine maintenance or inspection, is to be done on the Lands.
2. Leucrotta agrees to remove felled trees, either by hauling or by burning.

File No. 1872
Board Order No. 1872-2

September 21, 2016

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
THE SOUTH 1/2 OF SECTION 19, TOWNSHIP 80, RANGE 14
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

(APPLICANT)

AND:

Robert Fletcher Steeves and Patricia Ann Steeves

(RESPONDENTS)

BOARD ORDER

Leucrotta Exploration Inc. ("Leucrotta") seeks a right of entry order to access certain lands legally owned by Robert Fletcher Steeves and Patricia Ann Steeves to carry out an approved oil and gas activity, namely the construction, operation, and maintenance of a natural gas well, two flow lines and associated facilities.

This Order repeals and replaces Board Order No. 1872-1 dated October 2, 2015.

The parties agree to the following Order.

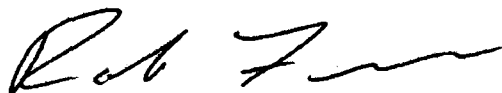
BY CONSENT, the Surface Rights Board orders:

ORDER

1. Upon payment of the amounts set out in paragraphs 2 and 3, Leucrotta shall have the right of entry to and access across the portions of the lands shown outlined in red on the Individual Ownership Plans attached as Appendix "A" and "B" (the "Lands") for the purpose of carrying out the approved oil and gas activities, namely the construction, operation and maintenance of a natural gas well, two flow lines and associated works in association with British Columbia Oil and Gas Commission Permit No. 9642963, WA 31699 issued September 15, 2015 and Pipeline Permit, No. 9709630 issued June 3, 2016.
2. Leucrotta shall pay to the landowners a one-time total payment of \$6,500 (inclusive of the \$4,000 partial payment) and annual rent in the total amount of \$1,000 commencing October 2, 2016 for the wellsite.
3. Leucrotta shall pay to the landowners a one-time payment of \$1,000 as total compensation for the flow lines right of way.
4. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

DATED: September 21, 2016

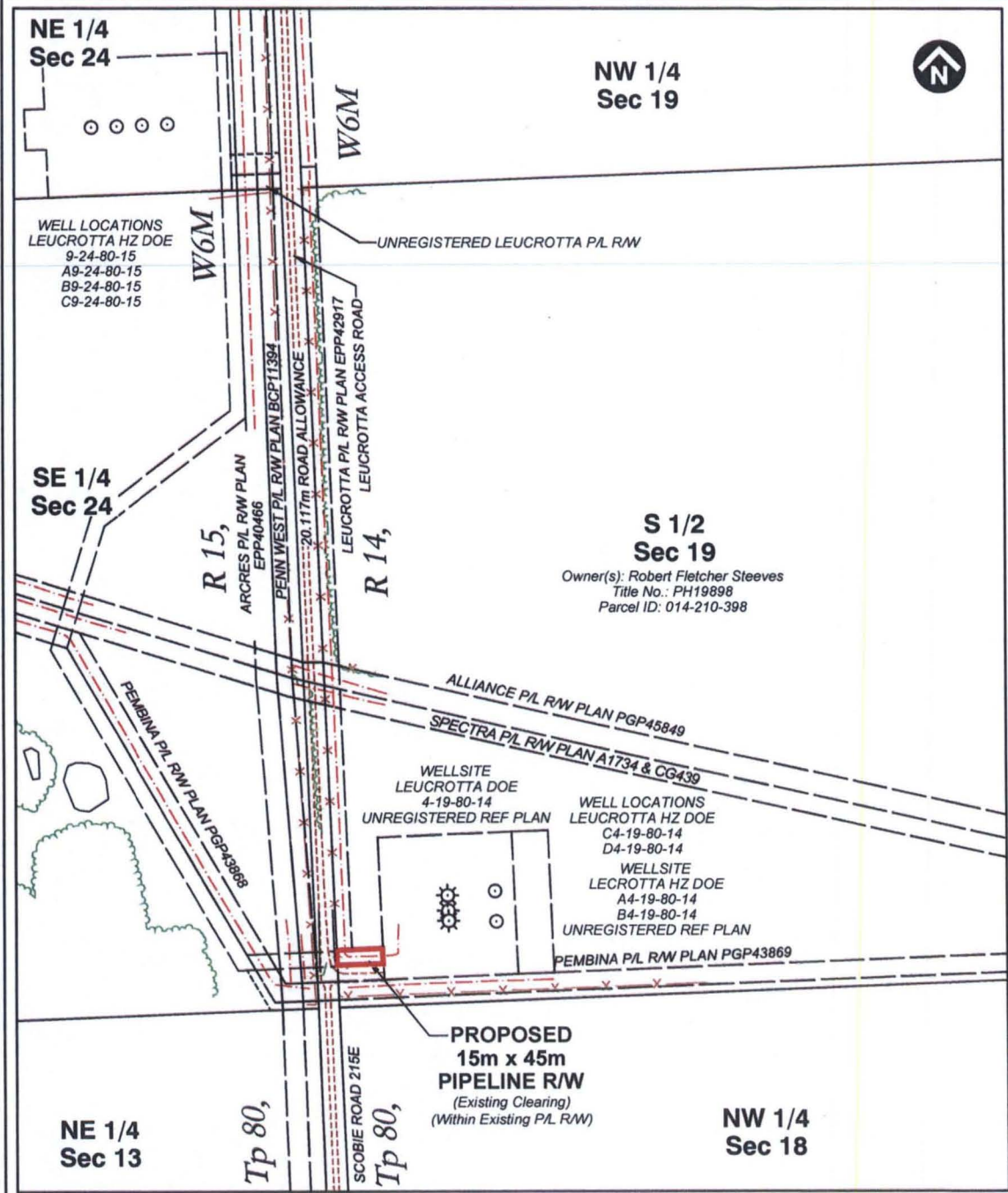
FOR THE BOARD



Rob Fraser, Mediator

LEUCROTTA EXPLORATION INC. INDIVIDUAL OWNERSHIP PLAN

SHOWING PROPOSED PIPELINE R/W
WITHIN
SOUTH 1/2 OF Sec 19, Tp 80, R 14, W6M
PEACE RIVER DISTRICT



OWNERS: Robert Fletcher Steeves

TITLE No.: PH19898
PID No.: 014-210-398

Certified correct this 7th day of October, 2015.

Parker E. Minard
Parker E. Minard, BCLS

Areas Required:
 Pipeline R/W = 0.07 ha (0.17 Ac)
 Total = 0.07 ha (0.17 Ac)

Scale : 1:5000
Date : October 7, 2015
File No.: 14-08286

Rev. No. : 1
Designed by: TR
Drawing No.: 1408286IOP1

VECTOR
GEOMATICS LAND SURVEYING LTD.
6884 Airport Road, PO Box 6428
Fort St. John, B.C. V1J 4H8
Ph.: (250) 785-7474 Fax: (250) 785-7454
www.vectorgeomatics.com

LEUCROTTA EXPLORATION INC.

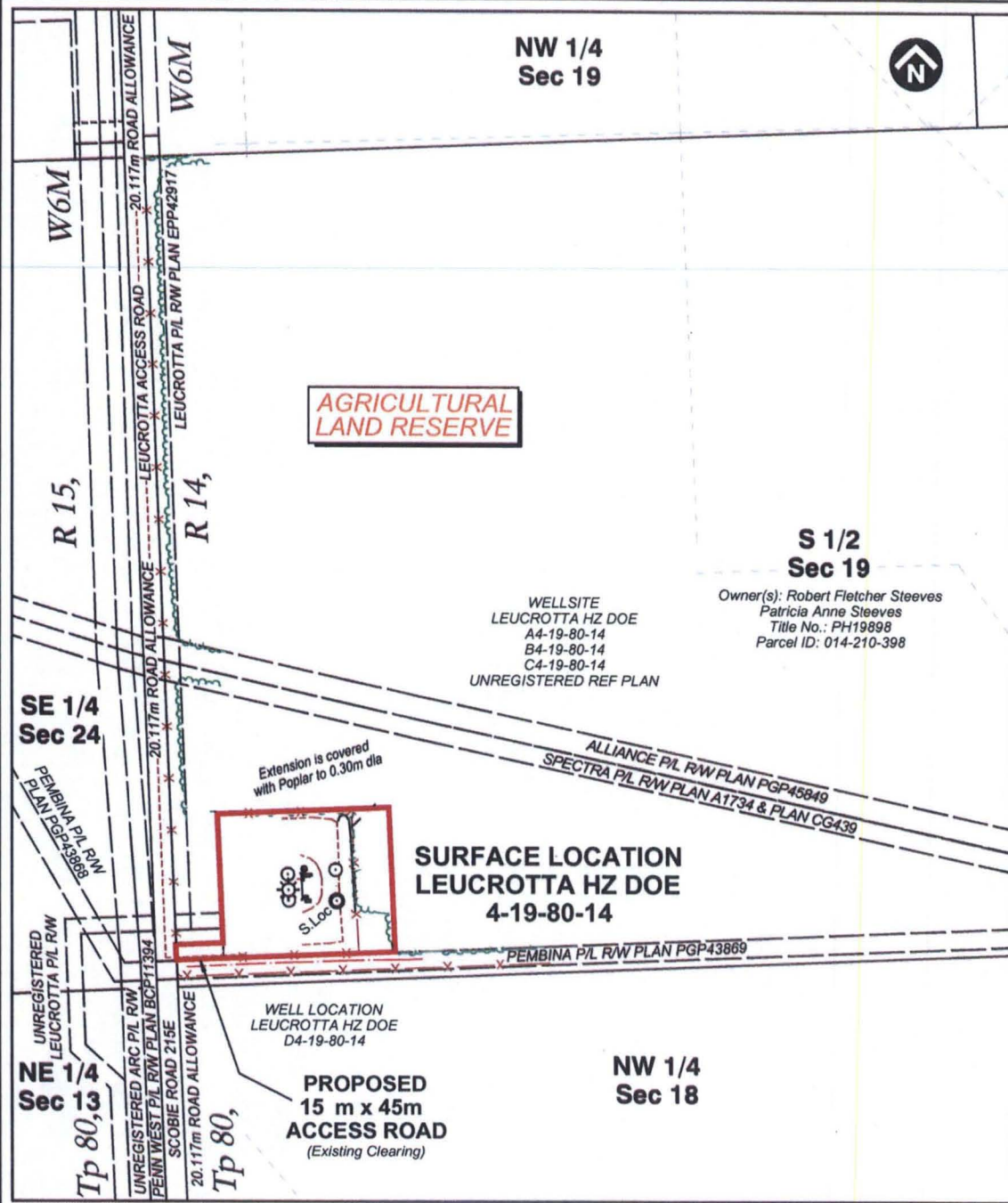
INDIVIDUAL OWNERSHIP PLAN

SHOWING PROPOSED WELLSITE & ACCESS

WITHIN

SOUTH 1/2 OF Sec 19, Tp 80, R 14, W6M

PEACE RIVER DISTRICT



Owner(s): Robert Fletcher Steeves
Patricia Anne Steeves
Title No.: PH19898
Parcel ID: 014-210-398

WELLSITE
LEUCROTTA HZ DOE
A4-19-80-14
B4-19-80-14
C4-19-80-14
UNREGISTERED REF PLAN

**SURFACE LOCATION
LEUCROTTA HZ DOE
4-19-80-14**

Extension is covered
with Poplar to 0.30m dia

WELL LOCATION
LEUCROTTA HZ DOE
D4-19-80-14

**PROPOSED
15 m x 45m
ACCESS ROAD
(Existing Clearing)**

OWNERS: Robert Fletcher Steeves
Patricia Anne Steeves

TITLE No.: PH19898
PID No.: 014-210-398

Certified correct this 4th day of September, 2015.

Areas Required:

Access	= 0.07 ha (0.17 Ac)
Wellsite	= 2.31 ha (5.71 Ac)
Total	= 2.38 ha (5.88 Ac)

P. E. Minard
Parker E. Minard, BCLS

VECTOR
GEOMATICS LAND SURVEYING LTD.
6884 Airport Road, PO Box 6428
Fort St. John, B.C. V1J 4H8
Ph.: (250) 785-7474 Fax: (250) 785-7454
www.vectorgeomatics.com

Scale : 1:5000
Date : September 4th, 2015.
File No.: 15-08776

Rev. No. : 0
Designed by: ROC
Drawing No.: 1508776IOP

File No. 1906
Board Order No.1906-1

August 11, 2016

SURFACE RIGHTS BOARD

IN THE MATTER OF THE *PETROLEUM AND NATURAL GAS ACT*,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
THE SOUT WEST ¼ OF SECTION 30 TOWNSHIP 82 RANGE 14
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

(APPLICANT)

AND:

Rosie Anna Garlinski

(RESPONDENT)

BOARD ORDER



Golata Creek Road

File No.
1906

Golata Creek Rd

234 Rd

234 Road

Leucrotta Exploration Inc.

Leucrotta Exploration Inc. ("Leucrotta") seeks a right of entry order to access certain lands legally owned by Rosie Anna Garlinski (the "Lands").

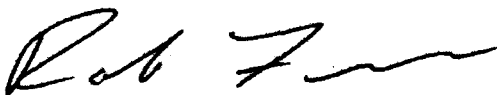
I conducted a mediation on August 8, 2016 where the parties discussed this application. After discussing the issues, the parties agreed that the Board could issue the following consent order.

The Surface Rights Board orders, by consent, that:

1. Leucrotta shall have the right to enter and access the portions of the Lands shown outlined in red on the Individual Ownership Plan attached as Appendix "A" as necessary for the purpose of drilling, constructing, operating and maintaining a wellsite and associated infrastructure as authorized by British Columbia Oil and Gas Commission Permit No. 9644372, WA 31977 and Road No. 04142. WA31977 is limited to a single well.
2. Leucrotta shall pay to the landowner, in full settlement loss and damages associated with the right of entry, an initial, one-time payment of \$10,000 and annual rent of \$3,000 commencing on the first anniversary date of this order.
3. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

Dated: August 11, 2016

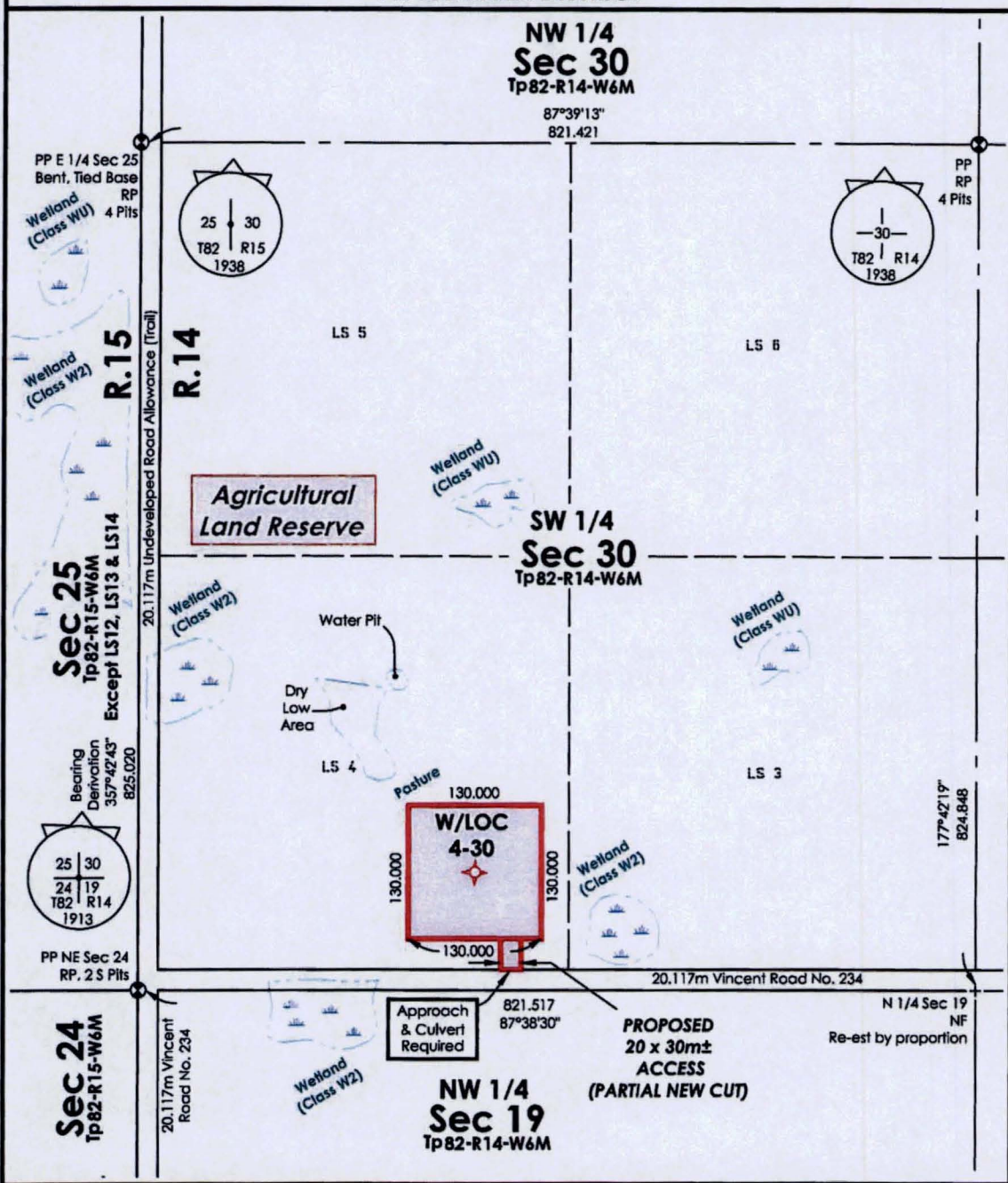
FOR THE BOARD




Rob Fraser, Mediator

APPENDIX "A" ORDER
1906-1

LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN
 SHOWING PROPOSED WELLSITE
 LEUCROTTA TWO RIVERS 4-30-82-14 IN
 SW 1/4 Sec 30, Tp 82, R 14, W6M
 PEACE RIVER DISTRICT



TITLE No.: O37467 **P.I.D. No.:** 014-536-129 **NOTES**
OWNER(S): Rosie Anna Garlinski **SCALE = 1: 5,000**
 Distances shown are in metres.
 Permanent Portions referred to: 
 Certified correct

AREA REQUIRED:

Wellsite 4-30-82-14	1.69 ha	4.17 ac
20m Access	0.06 ha	0.15 ac
TOTAL:	1.75 ha	4.32 ac

Francois Dion, BCLS 844

NO	DATE	REVISION	DRN	CKD
0	15/10/21	Original plan issued	JJL	WC



can-am geomatics bc
 Fort St. John, B.C.
 www.canam.com

Phone: 250.787.7171
 Toll Free: 1.866.208.0983
 Fax: 250.787.2323

CAN-AM FILE: B20150145
 CAD FILE: B20150145WS-OP-0
 Client File No.: -
 AFE No.: -
 Land File No.: -



REVISION

File No. 1931
Board Order No. 1931-1

April 4, 2017

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
THE NORTH WEST $\frac{1}{4}$ OF SECTION 27, TOWNSHIP 81, RANGE 14
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

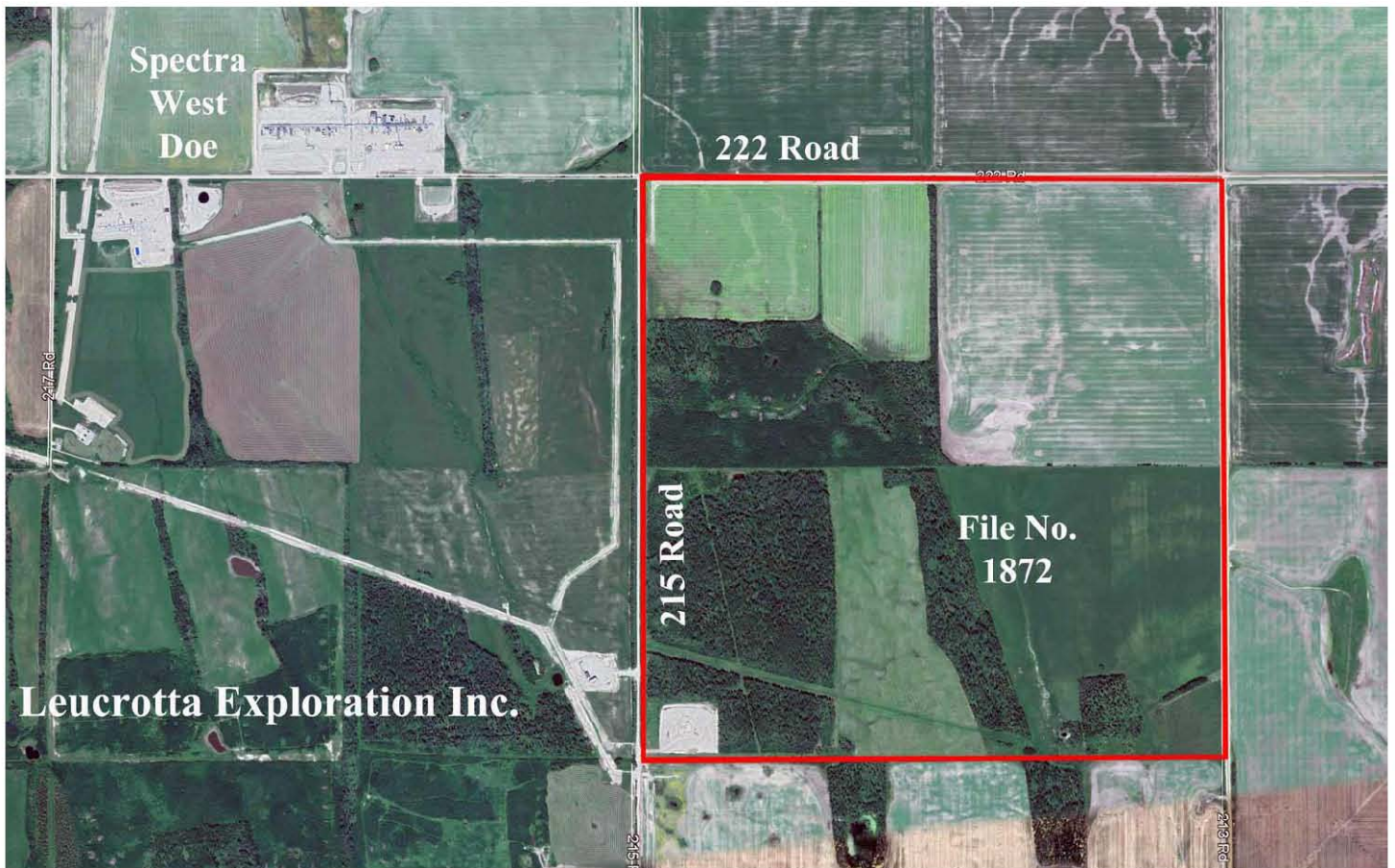
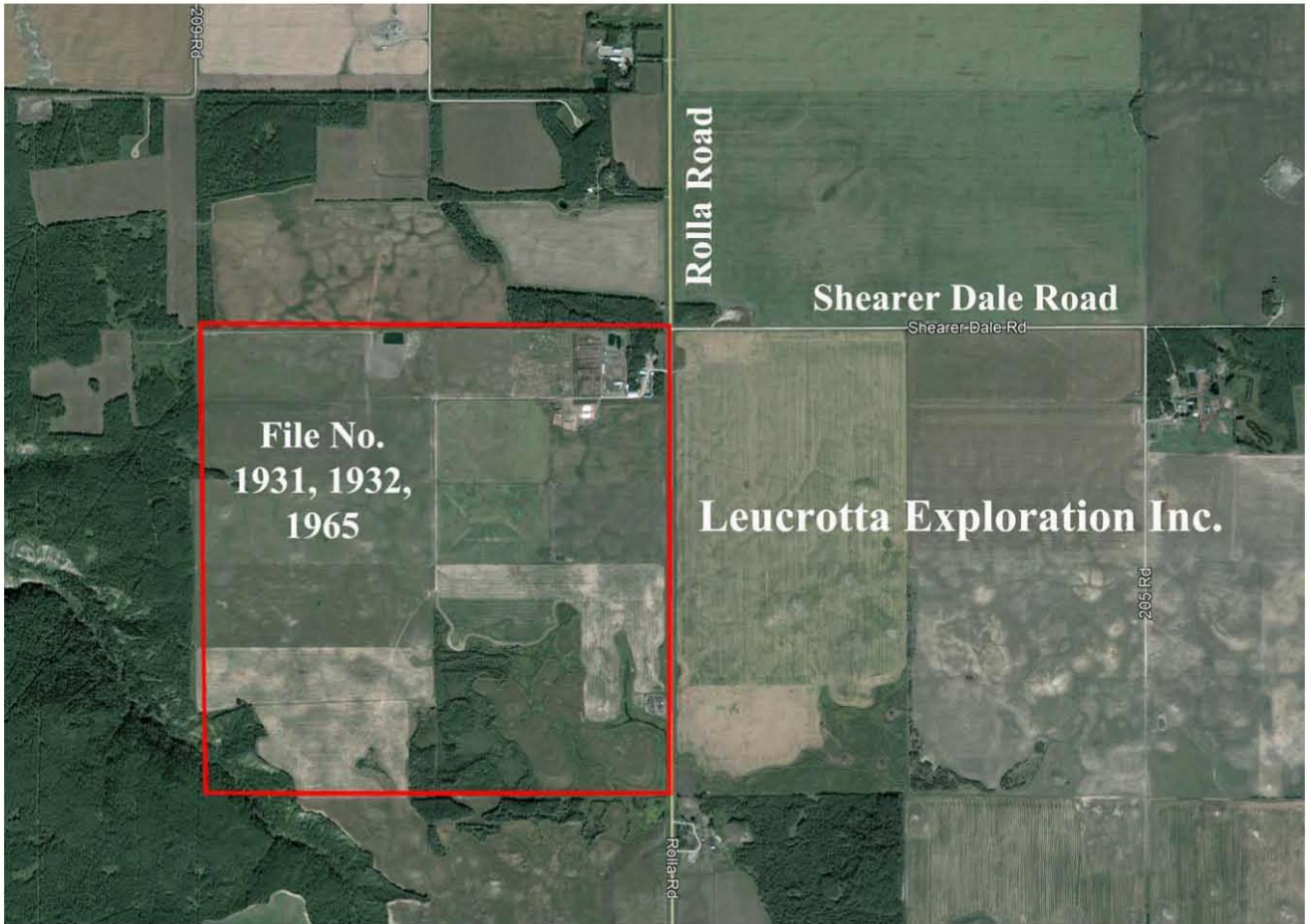
(APPLICANT)

AND:

Roy Ralph Juell

(RESPONDENT)

BOARD ORDER



Leucrotta Exploration Inc. ("Leucrotta") seeks a right of entry order to access certain lands legally owned by Roy Ralph Juell to carry out an approved oil and gas activity, namely the construction, operation and maintenance of two flow lines, a riser and other associated infrastructure.

On March 30, 2017, I conducted a telephone conference call which discussed Leucrotta's project and possible terms and conditions. Based on these discussions and because the Oil and Gas Commission has issued a permit for this project, I am satisfied that Leucrotta requires a right of entry.

The Surface Rights Board orders:

ORDER

1. Upon payment of the amounts set out in paragraphs 2 and 3, Leucrotta shall have the right of entry to and access across the portions of the lands shown outlined in red on the Individual Ownership Plan attached as Appendix "A" (the "Lands") as necessary for the purpose of constructing, operating and maintaining two flow lines and associated infrastructure in accordance with OGC Permit No. 100101339 issued by the Oil and Gas Commission on March 2, 2017.
2. Leucrotta shall pay to the landowner as partial compensation the total amount of \$5,000, which includes consideration of annual compensation for the riser.
3. Leucrotta shall deliver to the Surface Rights Board security in the amount of \$2,500 by cheque made payable to the Minister of Finance. All or part of the security deposit may be returned to Leucrotta, or paid to the landowner, upon agreement of the parties or as ordered by the Board.
4. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

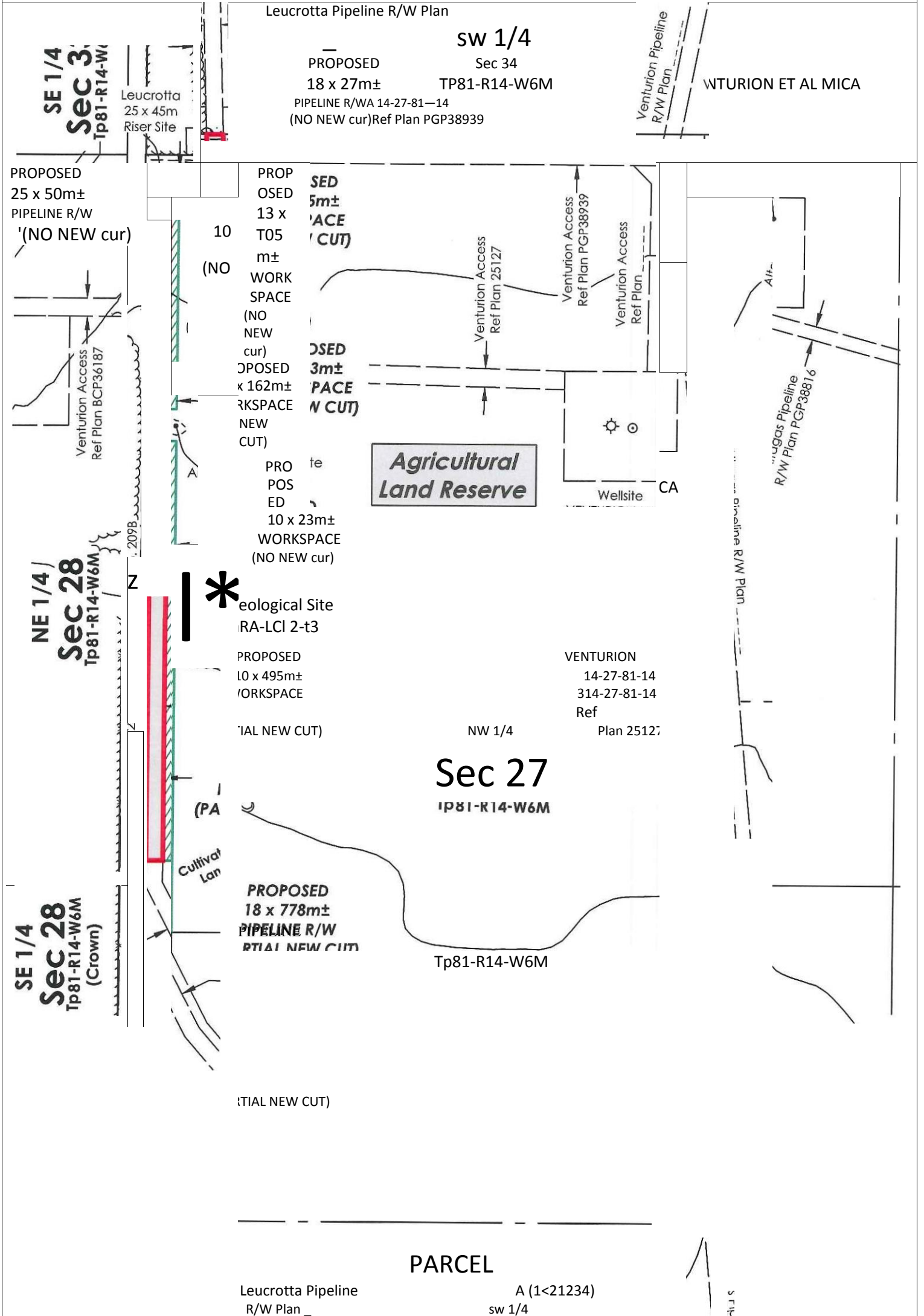
DATED: April 4, 2017

FOR THE BOARD



Rob Fraser, Mediator

LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN
 SHOWING PROPOSED
18 25m PIPELINE RIGHT OF WAY IN
NW 1/4 Sec 27, Tp 81, R 14, W6M
PEACE RIVER DISTRICT



PARCEL

Sec 27

Tp81-R14-W6M

TITLE No.: Pl. .D. No.: 010-154-531 OWNER(S): Roy
Ralph Juell

NOTES

SCALE = 1: 5,000

Distances shown are in metres.

Permanent Portions referred to:



Temporary Portions referred to:



Certified correct this

9th day of January, 2017.

[Signature]
Bryan Bates, BCLS 776

AREA REQUIRED:

18m Pipeline R/W 1.57 ha 3.88 ac
Workspaces 0.82 ha 2.03 ac TOTAL: 2.39 ha 5.91
ac

NO	DATE	REVISION	DRN	CKD	can-am geomatics		CAN-AM FILE: 20163155	
0	16/10/26	Original plan issued		KB	can-am geomatics bc Phone: 250.787.7171 Fort st. John, B.C. Toll Free: .866.208.0983 www.canam.com Fax: 250.787.2323		CAD FILE: 2016315510% I	
	17/01/09	Revised Pipeline & Workspaces	JJL	WC			Client File No.:	REVISION
							AFE No..	
						Land File No..		

File No. 1931
Board Order No. 1931-1 amd

April 6, 2017

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
THE NORTH WEST $\frac{1}{4}$ OF SECTION 27, TOWNSHIP 81, RANGE 14
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

(APPLICANT)

AND:

Roy Ralph Juell

(RESPONDENT)

BOARD ORDER

This Order amends the Individual Ownership Plan (IOP) page of Order 1931-1 by replacing it with a clearer copy. The content and schedule to Order 1931-1 remain the same and are set out in full below.

Leucrotta Exploration Inc. (“Leucrotta”) seeks a right of entry order to access certain lands legally owned by Roy Ralph Juell to carry out an approved oil and gas activity, namely the construction, operation and maintenance of two flow lines, a riser and other associated infrastructure.

On March 30, 2017, I conducted a telephone conference call which discussed Leucrotta’s project and possible terms and conditions. Based on these discussions and because the Oil and Gas Commission has issued a permit for this project, I am satisfied that Leucrotta requires a right of entry.

The Surface Rights Board orders:

ORDER

1. Upon payment of the amounts set out in paragraphs 2 and 3, Leucrotta shall have the right of entry to and access across the portions of the lands shown outlined in red on the Individual Ownership Plan attached as Appendix “A” (the “Lands”) as necessary for the purpose of constructing, operating and maintaining two flow lines and associated infrastructure in accordance with OGC Permit No. 100101339 issued by the Oil and Gas Commission on March 2, 2017.
2. Leucrotta shall pay to the landowner as partial compensation the total amount of \$5,000, which includes consideration of annual compensation for the riser.
3. Leucrotta shall deliver to the Surface Rights Board security in the amount of \$2,500 by cheque made payable to the Minister of Finance. All or part of the security deposit may be returned to Leucrotta, or paid to the landowner, upon agreement of the parties or as ordered by the Board.
4. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

Original Order Dated: April 4, 2017

Amended Order Dated: April 6, 2017

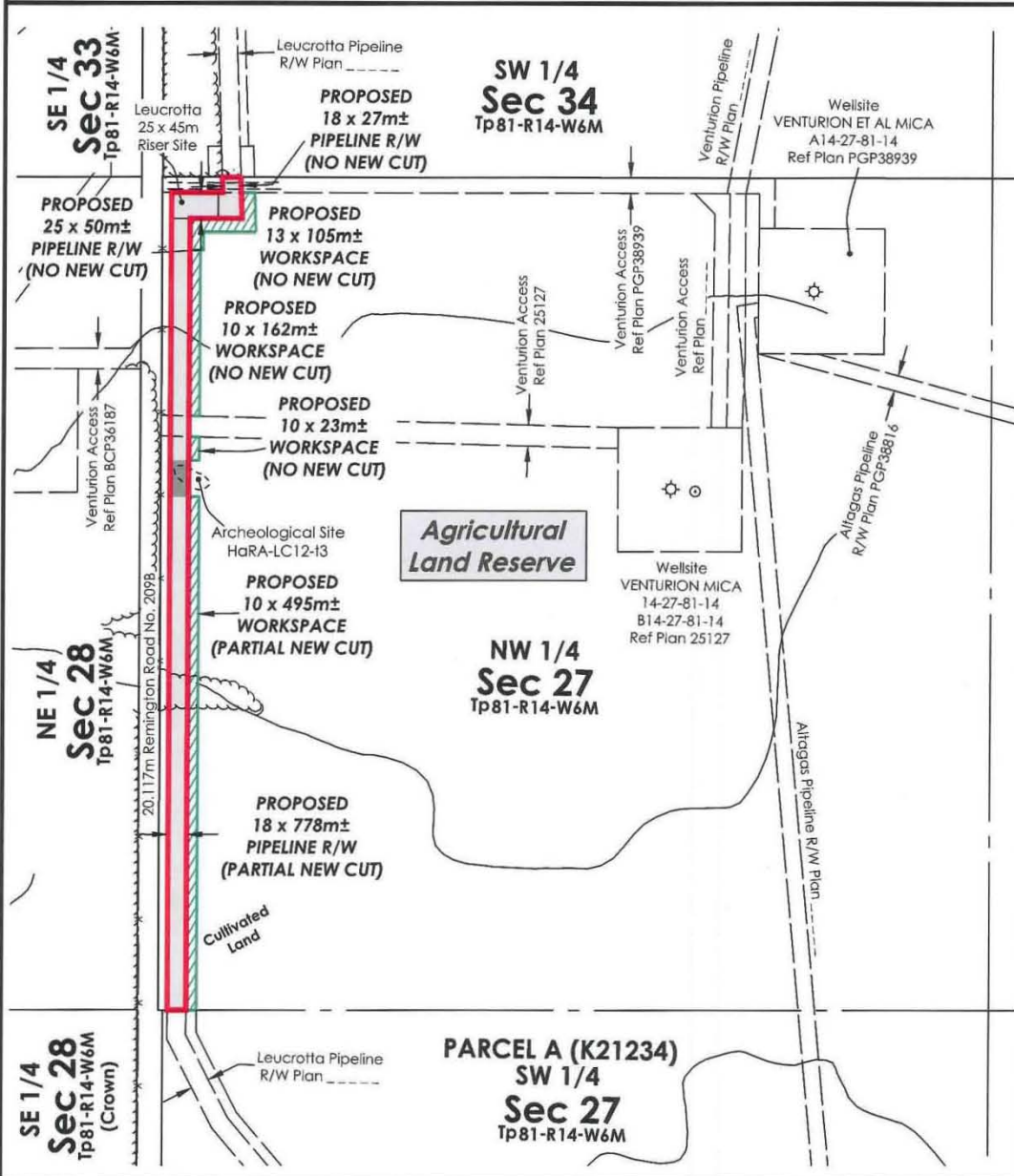
FOR THE BOARD

A handwritten signature in black ink, appearing to read "Rob Fraser". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rob Fraser, Mediator

Appendix "A"

**LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN
SHOWING PROPOSED
18 & 25m PIPELINE RIGHT OF WAY IN
NW 1/4 Sec 27, Tp 81, R 14, W6M
PEACE RIVER DISTRICT**



TITLE No.: PB9711 **P.I.D. No.:** 010-154-531
OWNER(S): Roy Ralph Juell

AREA REQUIRED:

18m Pipeline R/W	1.57 ha	3.88 ac
Workspaces	0.82 ha	2.03 ac
TOTAL:	2.39 ha	5.91 ac

NOTES
 SCALE = 1 : 5,000
 Distances shown are in metres.
 Permanent Portions referred to: [Red Box]
 Temporary Portions referred to: [Hatched Box]

Certified correct this
 9th day of January, 2017.

[Signature]
 Bryan Bates, BCLS 776

NO	DATE	REVISION	DRN	CKD
0	16/10/26	Original plan issued	JL	KB
1	17/01/09	Revised Pipeline & Workspaces	JJL	WC

can-am geomatics®
 can-am geomatics bc Phone: 250.787.7171
 Fort St. John, B.C. Toll Free: 1.866.208.0983
 www.canam.com Fax: 250.787.2323

CAN-AM FILE: 20163155
 CAD FILE: 20163155IOP6_1
 Client File No.:
 AFE No.:
 Land File No.: **REVISION**

June 22, 2020

SURFACE RIGHTS BOARD

IN THE MATTER OF THE *PETROLEUM AND NATURAL GAS ACT*,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
THE NORTH WEST ¼ OF SECTION 27, TOWNSHIP 81, RANGE 14
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

(APPLICANT)

AND:

Roy Ralph Juell

(RESPONDENT)

BOARD ORDER

On March 7, 2017, Leucrotta Exploration Inc. ("**Leucrotta**") commenced an application seeking right of entry to the above-noted Lands legally owned by Roy Ralph Juell (the "**Lands**"), to construct, operate and maintain two flow lines, a riser, and associated infrastructure (the "**Works**"), and to have the issue of compensation determined by the Board.

On April 4, 2017, the Board granted Leucrotta a right of entry to the Lands, on consent, pursuant to Board Order No. 1931-1, which was later amended by the Board on or about April 6, 2017.

The parties have advised the Board that they have reached agreement on all outstanding issues with respect to the right of entry, and have requested that the Board grant an Order confirming the terms of settlement as set out below.

Accordingly, by consent, the Surface Rights Board orders:

- 1) Leucrotta and the Respondent have agreed to total compensation in the amount of \$9,321.50 (the "**Settlement Amount**") in respect of the right of entry to the Lands, including the temporary workspace.
- 2) The Settlement Amount consists of the following:
 - a. the sum of \$6,596.00 as compensation for the right of entry to those portions of Lands required to operate and maintain the Works, being 3.88 acres at the rate of \$1,700.00 per acre;
 - b. the sum of \$1,725.50 as compensation for the right of entry to the temporary workspace, being 2.03 acres at the rate of \$850.00 per acre; and
 - c. the sum of \$1,000.00 as initial compensation for the right of entry to the riser site.
- 3) Leucrotta has paid partial compensation to the Respondent in the amount of \$5,000 pursuant to Board Orders No. 1931-1 and 1931-1 amd.
- 4) Leucrotta shall pay to the Respondent the remaining amount of compensation in the amount of \$4,321.50 within 30 days of the date of this Order.

- 5) Leucrotta shall pay to the Respondent the amount of \$500 in respect of the riser, on an annual basis from the date of this Order, until such time as the Works are decommissioned or removed from the Lands by Leucrotta.

DATED: June 22, 2020

FOR THE BOARD



Cheryl Vickers, Chair

File No. 1932
Board Order No. 1932-1

April 4, 2017

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
PARCEL A (K21234) OF THE SOUTH WEST ¼ OF SECTION 27, TOWNSHIP
81, RANGE 14 WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

(APPLICANT)

AND:

Dale Allan Juell

(RESPONDENT)

BOARD ORDER

Leucrotta Exploration Inc. (“Leucrotta”) seeks a right of entry order to access certain lands legally owned by Dale Allan Juell to carry out an approved oil and gas activity, namely the construction, operation and maintenance of two flow lines and associated infrastructure.

On March 30, 2017, I conducted a telephone conference call which discussed Leucrotta’s project and possible terms and conditions. Based on these discussions and because the Oil and Gas Commission has issued a permit for this project, I am satisfied that Leucrotta requires a right of entry.

The Surface Rights Board orders:

ORDER

1. Upon payment of the amounts set out in paragraphs 2 and 3, Leucrotta shall have the right of entry to and access across the portions of the lands shown outlined in red on the Individual Ownership Plan attached as Appendix “A” (the “Lands”) as necessary for the purpose of constructing, operating and maintaining two flow lines and associated infrastructure in accordance with OGC Permit No. 100101339 issued by the Oil and Gas Commission on March 2, 2017.
2. Leucrotta shall pay to the landowner as partial compensation the total amount of \$3,000.
3. Leucrotta shall deliver to the Surface Rights Board security in the amount of \$2,500 by cheque made payable to the Minister of Finance. All or part of the security deposit may be returned to Leucrotta, or paid to the landowner, upon agreement of the parties or as ordered by the Board.
4. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

DATED: April 4, 2017

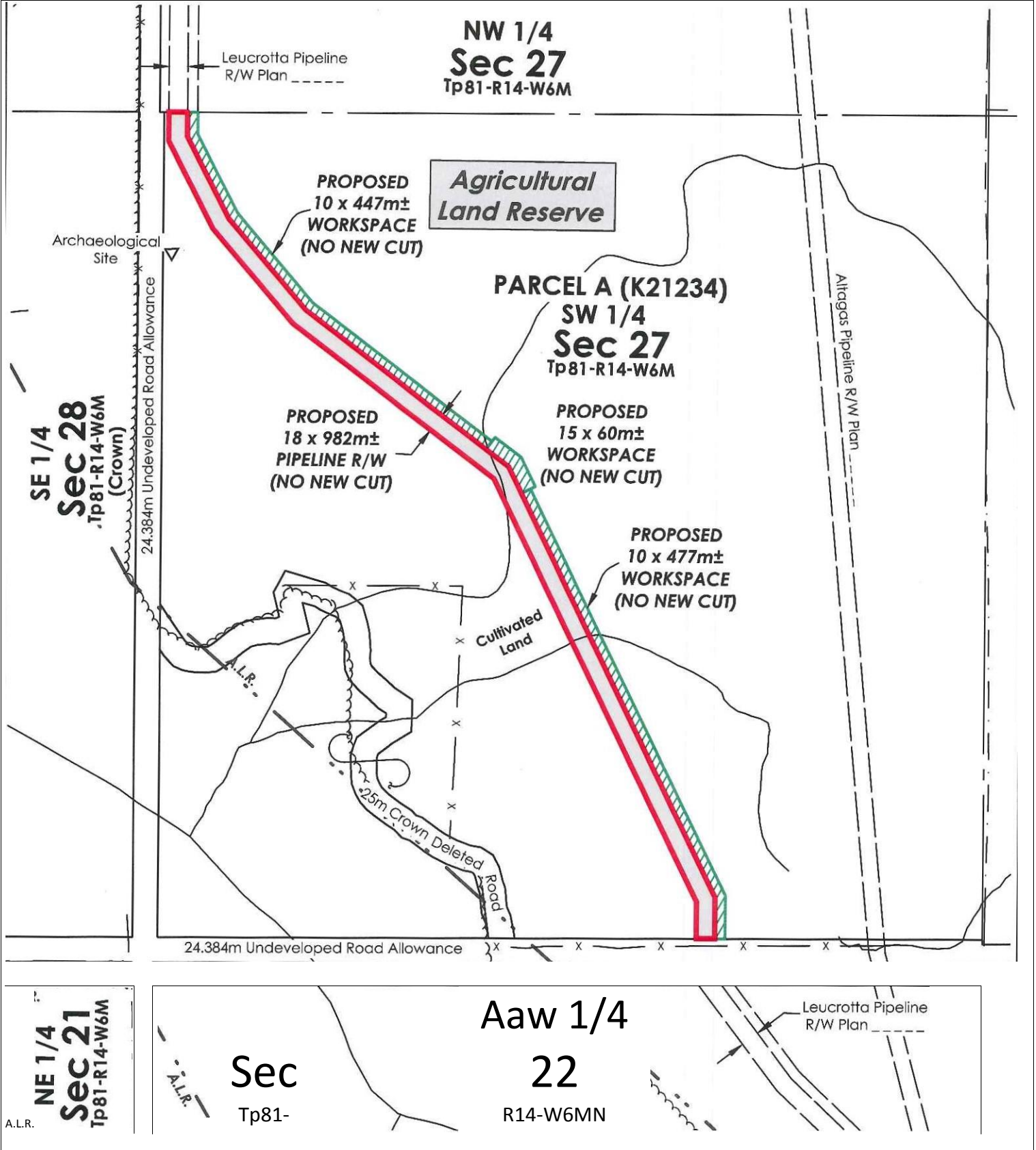
FOR THE BOARD



Rob Fraser, Mediator

APPENDIX "A"

LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN
SHOWING PROPOSED
18m PIPELINE RIGHT OF WAY IN
PARCEL A (K21234)
SW 1/4 Sec 27, Tp 81, R 14, W6M
PEACE RIVER DISTRICT



TITLE No.: F)B9710 P.I.D. No.: 010-154-442
 OWNER(S): Dale Allan Juell

NOTES

SCALE = 1 : 5,000

Distances shown are in metres.

Permanent Portions referred to:

Temporary Portions referred to:



Certified correct this
 9th day of January, 2017.

[Signature]
 Bryan Bates, BCLS 776

AREA REQUIRED:
 18m Pipeline R/W 1.77 ha 4.37 ac Workspaces 1.01
ha 2.50 ac TOTAL: 2.78 ha 6.87 ac

NO	DATE	REVISION	DRN	CKD		
0	1 6/10/26	Original plan issued		KB	CAN-AM FILE: 20163155	
	16/11	Route Changed	DL	KB	CAD FILE: 2016315510P8 2	
2	17/01/09	Revised Pipeline & Workspaces	JJL	WC	Client File No.:	2 REVISION
					AFE No.:	
					Land File No.:	

can-am geomatics
 can-am geomatics bc Phone: 250.787.71
 71 Fort St. John, B.C. Toll Free:
 1.866.208.0983 www.canam.com Fax:
 250.787.2323

File No. 1932
Board Order No. 1932-1 and

April 6, 2017

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
PARCEL A (K21234) OF THE SOUTH WEST $\frac{1}{4}$ OF SECTION 27, TOWNSHIP 81,
RANGE 14 WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

(APPLICANT)

AND:

Dale Allan Juell

(RESPONDENT)

BOARD ORDER

This Order amends the Individual Ownership Plan (IOP) page of Order 1932-1 by replacing it with a clearer copy. The content and schedule to Order 1932-1 remain the same and are set out in full below.

Leucrotta Exploration Inc. (“Leucrotta”) seeks a right of entry order to access certain lands legally owned by Dale Allan Juell to carry out an approved oil and gas activity, namely the construction, operation and maintenance of two flow lines and associated infrastructure.

On March 30, 2017, I conducted a telephone conference call which discussed Leucrotta’s project and possible terms and conditions. Based on these discussions and because the Oil and Gas Commission has issued a permit for this project, I am satisfied that Leucrotta requires a right of entry.

The Surface Rights Board orders:

ORDER

1. Upon payment of the amounts set out in paragraphs 2 and 3, Leucrotta shall have the right of entry to and access across the portions of the lands shown outlined in red on the Individual Ownership Plan attached as Appendix “A” (the “Lands”) as necessary for the purpose of constructing, operating and maintaining two flow lines and associated infrastructure in accordance with OGC Permit No. 100101339 issued by the Oil and Gas Commission on March 2, 2017.
2. Leucrotta shall pay to the landowner as partial compensation the total amount of \$3,000.
3. Leucrotta shall deliver to the Surface Rights Board security in the amount of \$2,500 by cheque made payable to the Minister of Finance. All or part of the security deposit may be returned to Leucrotta, or paid to the landowner, upon agreement of the parties or as ordered by the Board.
4. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

Original Order Dated: April 4, 2017

Amended Order Dated: April 6, 2017

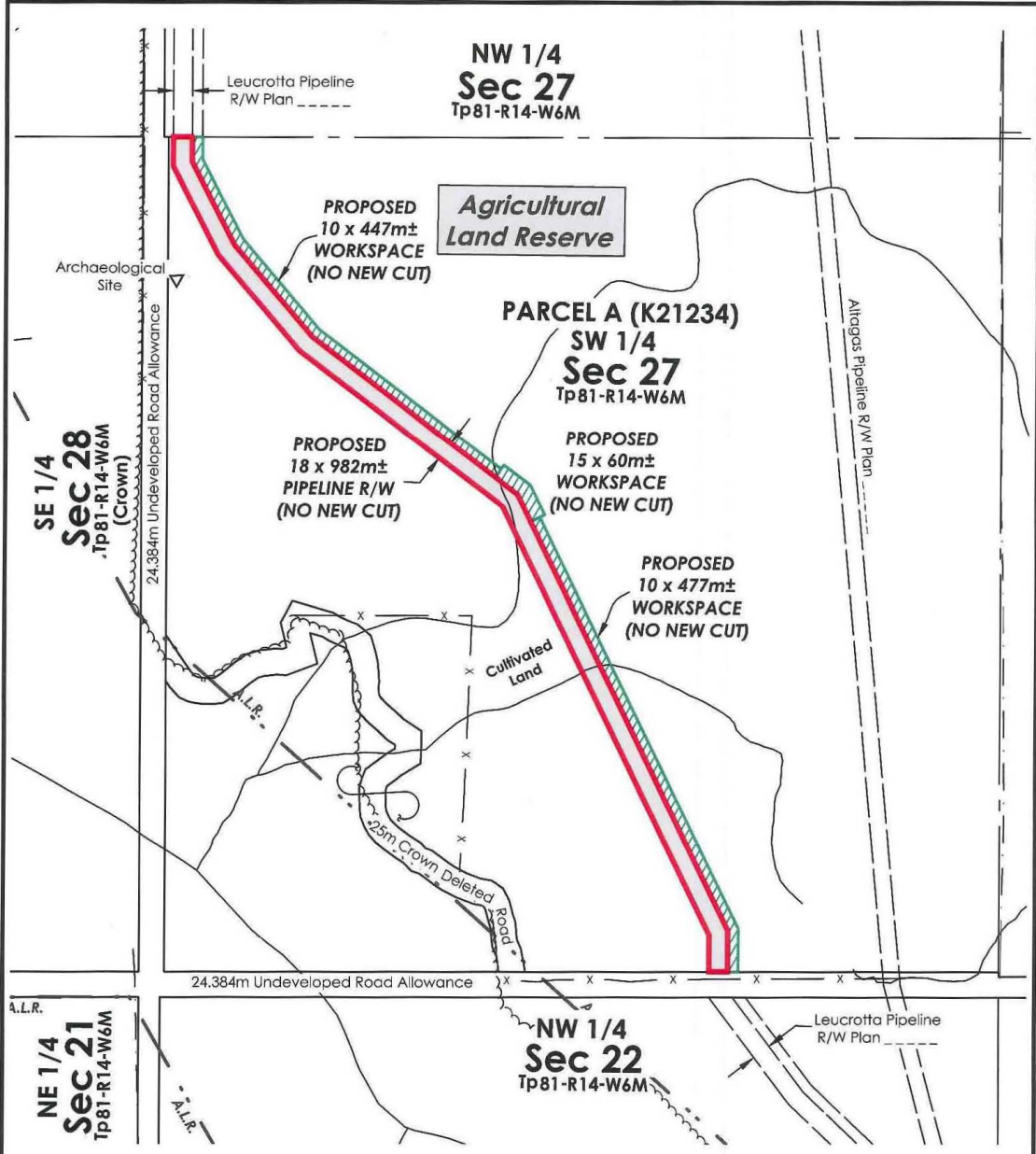
FOR THE BOARD




A handwritten signature in black ink, appearing to read "Rob Fraser". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Rob Fraser, Mediator


Appendix "A"

LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN
 SHOWING PROPOSED
18m PIPELINE RIGHT OF WAY IN
PARCEL A (K21234)
 SW 1/4 Sec 27, Tp 81, R 14, W6M
 PEACE RIVER DISTRICT




TITLE No.: PB9710 **P.I.D. No.:** 010-154-442 **NOTES**
OWNER(S): Dale Allan Juell **SCALE =** 1 : 5,000
 Distances shown are in metres.
 Permanent Portions referred to: 
 Temporary Portions referred to: 
AREA REQUIRED:
 18m Pipeline R/W 1.77 ha 4.37 ac
 Workspaces 1.01 ha 2.50 ac
TOTAL: 2.78 ha 6.87 ac
 Certified correct this
 9th day of January, 2017.

 Bryan Bates, BCLS 776

NO	DATE	REVISION	DRN	CKD
0	16/10/26	Original plan issued	JL	KB
1	16/11/08	Route Changed	DL	KB
2	17/01/09	Revised Pipeline & Workspaces	JJL	WC



can-am geomatics bc Phone: 250.787.7171
 Fort St. John, B.C. Toll Free: 1.866.208.0983
 www.canam.com Fax: 250.787.2323

CAN-AM FILE: 20163155
 CAD FILE: 20163155IOP8_2
 Client File No.:
 AFE No.:
 Land File No.:



2
 REVISION

June 22, 2020

SURFACE RIGHTS BOARD

IN THE MATTER OF THE *PETROLEUM AND NATURAL GAS ACT*,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
PARCEL A (K21234) OF THE SOUTH WEST $\frac{1}{4}$ OF SECTION 27,
TOWNSHIP 81, RANGE 14 WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

(APPLICANT)

AND:

Dale Allan Juell

(RESPONDENT)

BOARD ORDER

On March 7, 2017, Leucrotta Exploration Inc. ("**Leucrotta**") commenced an application seeking right of entry to the above-noted Lands legally owned by Dale Allan Juell (the "**Lands**"), to construct, operate and maintain two flow lines and associated infrastructure (the "**Works**"), and to have the issue of compensation determined by the Board.

On April 4, 2017, the Board granted Leucrotta a right of entry to the Lands, on consent, pursuant to Board Order No. 1932-1, which was later amended by the Board on or about April 6, 2017.

The parties have advised the Board that they have reached agreement on all outstanding issues with respect to the right of entry, and have requested that the Board grant an Order confirming the terms of settlement as set out below.

Accordingly, by consent, the Surface Rights Board orders:

- 1) Leucrotta and the Respondent have agreed to total compensation in the amount of \$9,554 (the "**Settlement Amount**") in respect of the right of entry to the Lands, including the temporary workspace.
- 2) The Settlement Amount consists of the following:
 - a. the sum of \$7,429.00 as compensation for the right of entry to those portions of Lands required to operate and maintain the Works, being 4.37 acres at the rate of \$1,700.00 per acre; and
 - b. the sum of \$2,125.00 as compensation for the temporary workspace, being 2.5 acres at the rate of \$850.00 per acre.
- 3) Leucrotta has paid partial compensation to the Respondent in the amount of \$3,000 pursuant to Board Orders No. 1932-1 and 1932-1 amd.
- 4) Leucrotta shall pay to the Respondent the remaining amount of compensation in the amount of \$6,554 within 30 days of the date of this Order.

DATED: JUNE 22, 2020

FOR THE BOARD



Cheryl Vickers, Chair

File No. 1965
Board Order No. 1965-1

February 23, 2018

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
THE NORTH WEST $\frac{1}{4}$ OF SECTION 27, TOWNSHIP 81, RANGE 14
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

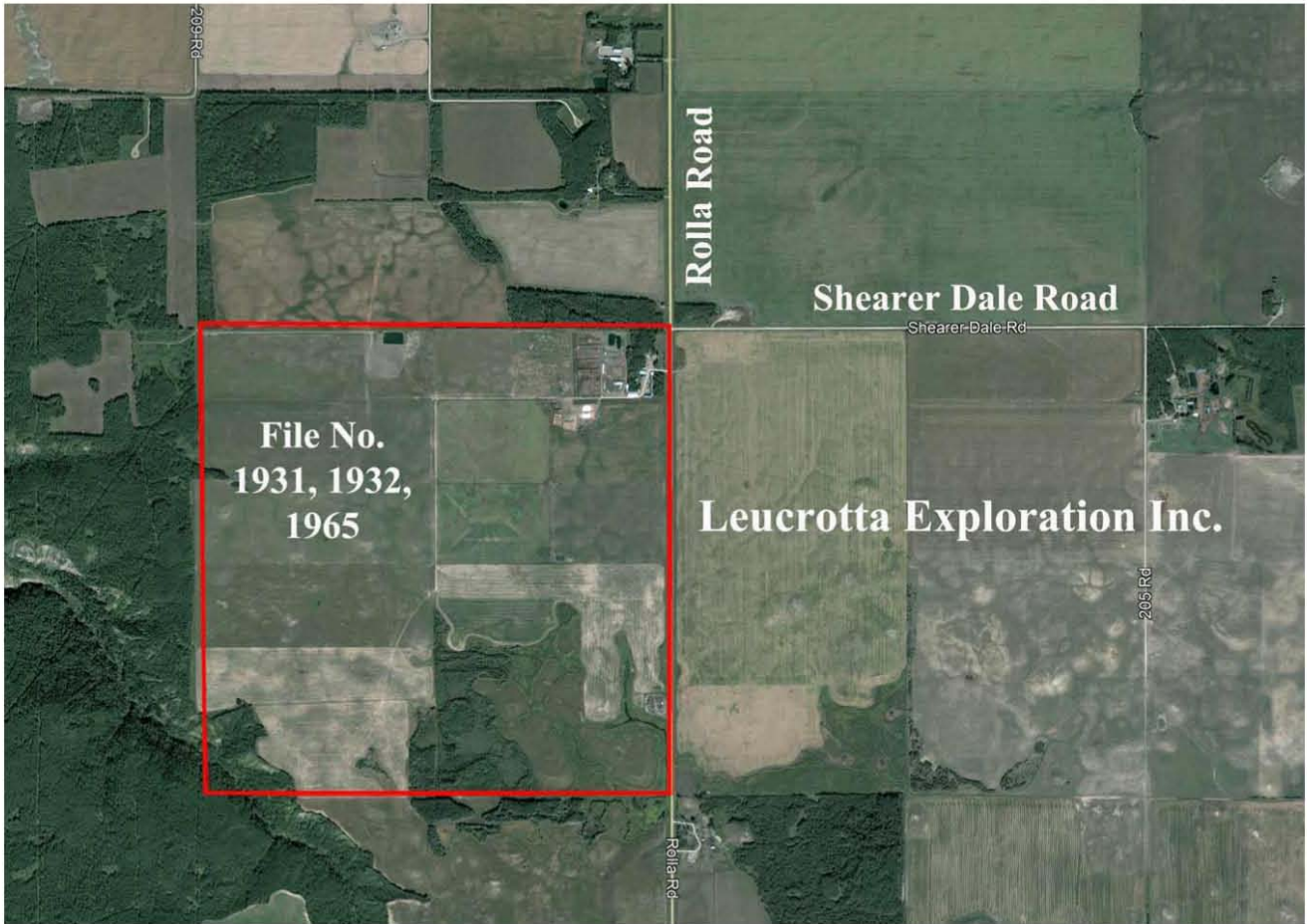
(APPLICANT)

AND:

Roy Ralph Juell

(RESPONDENT)

BOARD ORDER



Leucrotta Exploration Inc. ("Leucrotta") seeks a right of entry order to access certain lands legally owned by Roy Ralph Juell to carry out an approved oil and gas activity, namely the construction, operation and maintenance of two flow lines and other associated infrastructure.

The Oil and Gas Commission has issued a permit for this project, identified as Application Determination Number: 100102352.

The parties informed the Board that they have reached agreement on the right of entry but have not resolved compensation, which is reflected in the wording of paragraph 2.

Accordingly, the Surface Rights Board orders, BY CONSENT:

ORDER

1. Upon payment of the amount set out in paragraphs 2, Leucrotta shall have the right of entry to and access across the portions of the lands shown outlined in red on the Individual Ownership Plan attached as Appendix "A" (the "Lands") as necessary for the purpose of constructing, operating and maintaining two flow lines and associated infrastructure in accordance with OGC Permit No. 100102352 issued by the Oil and Gas Commission on June 5, 2017.
2. Leucrotta shall pay to the landowner as partial compensation the total amount of \$500.
3. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

DATED: February 23, 2018

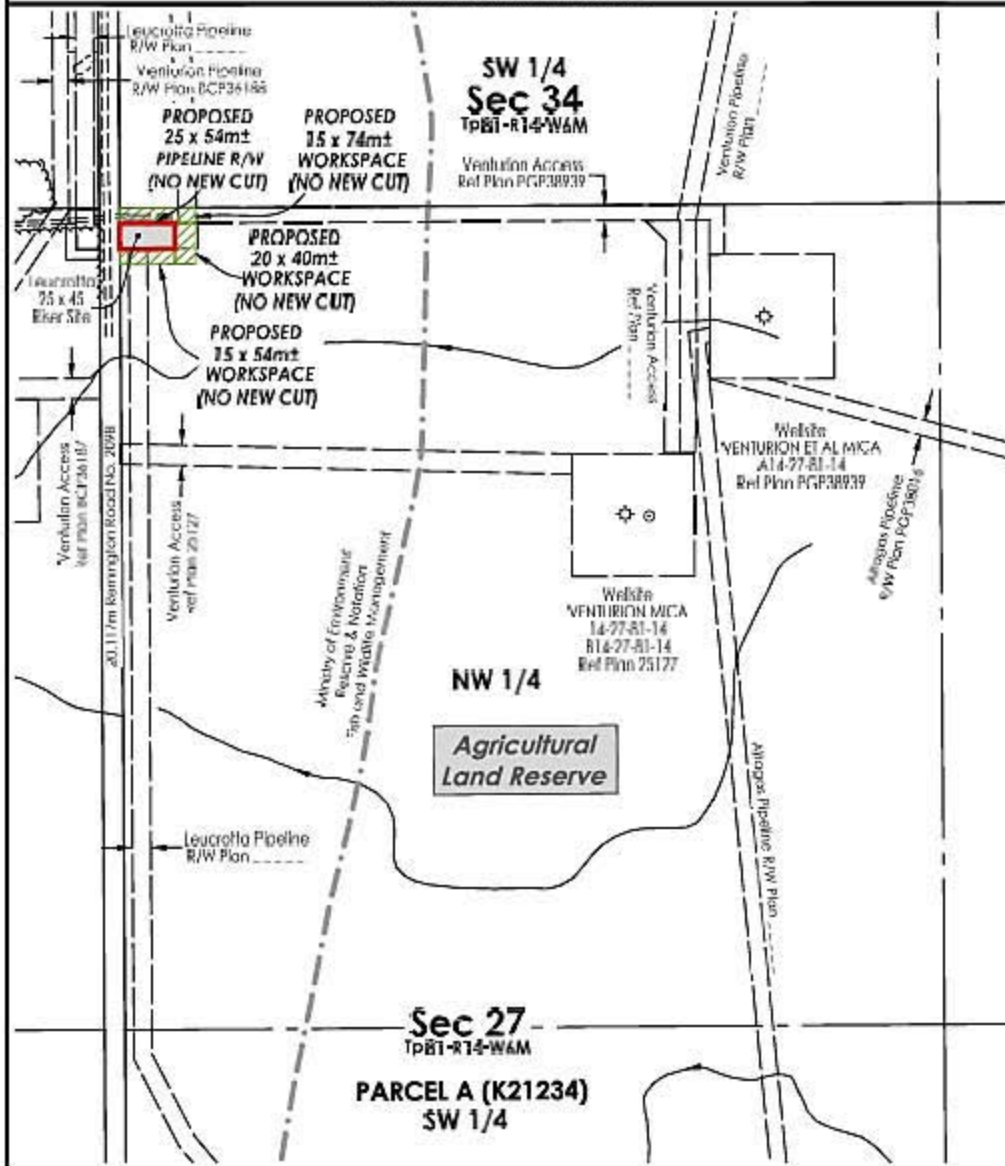
FOR THE BOARD



Rob Fraser, Mediator

APPENDIX "A"

**LEUCROTTA EXPLORATION INC.
 INDIVIDUAL OWNERSHIP PLAN
 SHOWING PROPOSED
 25m PIPELINE R/W AND WORKSPACES IN
 NW 1/4 Sec 27, Tp 81, R 14, W6M
 PEACE RIVER DISTRICT**



TITLE No.: PR9711 **P.I.D. No.:** 010-154-531
OWNER(S): Roy Ralph Juell

NOTES
 SCALE = 1:5,000
 Distances shown are in metres.
 Permanent Portions referred to: [Red Box]
 Temporary Portions referred to: [Hatched Box]
 Certified correct this
 20th day of February, 2015.

[Signature]
 William T. Powley, BCLS 090

AREA REQUIRED:

25m Pipeline R/W	0.14 ha	0.34 ac
Workspaces	0.27 ha	0.67 ac
TOTAL:	0.41 ha	1.01 ac

NO	DATE	REVISION	DRN	CKD
0	16/11/23	Original plan issued	DL	WJC
1	17/01/25	Revised Pipeline & Workspaces	JLL	WJC
2	18/02/20	Revised Workspace	JLL	KB

can-am geomatics
 can-am geomatics bc Phone: 250.787.7171
 701 St. John, B.C. Toll Free: 1.866.208.0983
 www.canam.com Fax: 250.787.2323

CAN-AM FILE: 20163333
 CAD FILE: 20163333OP3_2

Client File No.:
 AFE No.:
 Envt File No.: REVISION

File No. 1980
Board Order No. 1980-1

November 23, 2018

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF

THE NORTH ½ OF SECTION 27, TOWNSHIP 82, RANGE 15
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

AND

SOUTH ½ OF SECTION 27 TOWNSHIP 82 RANGE 15
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

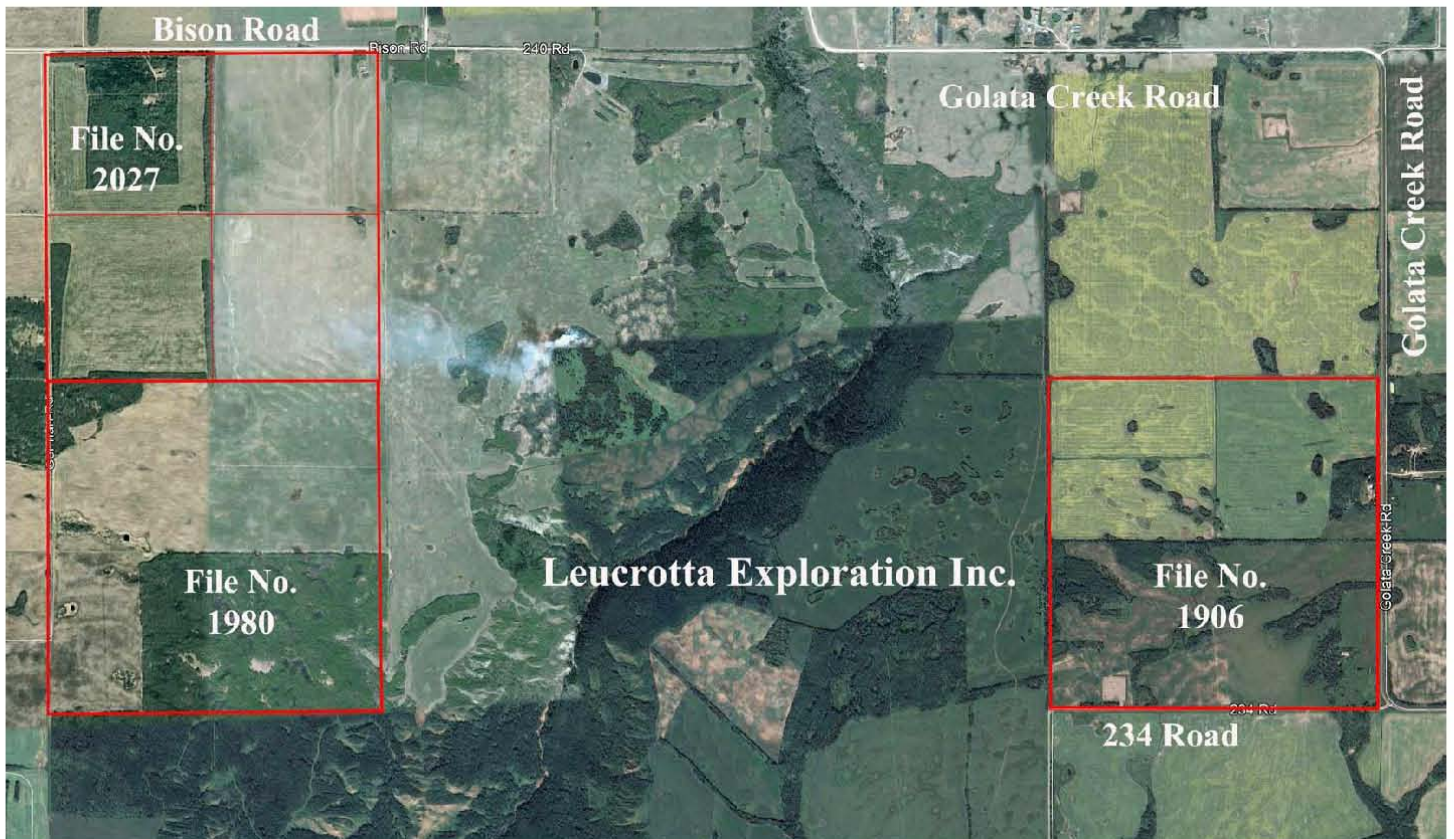
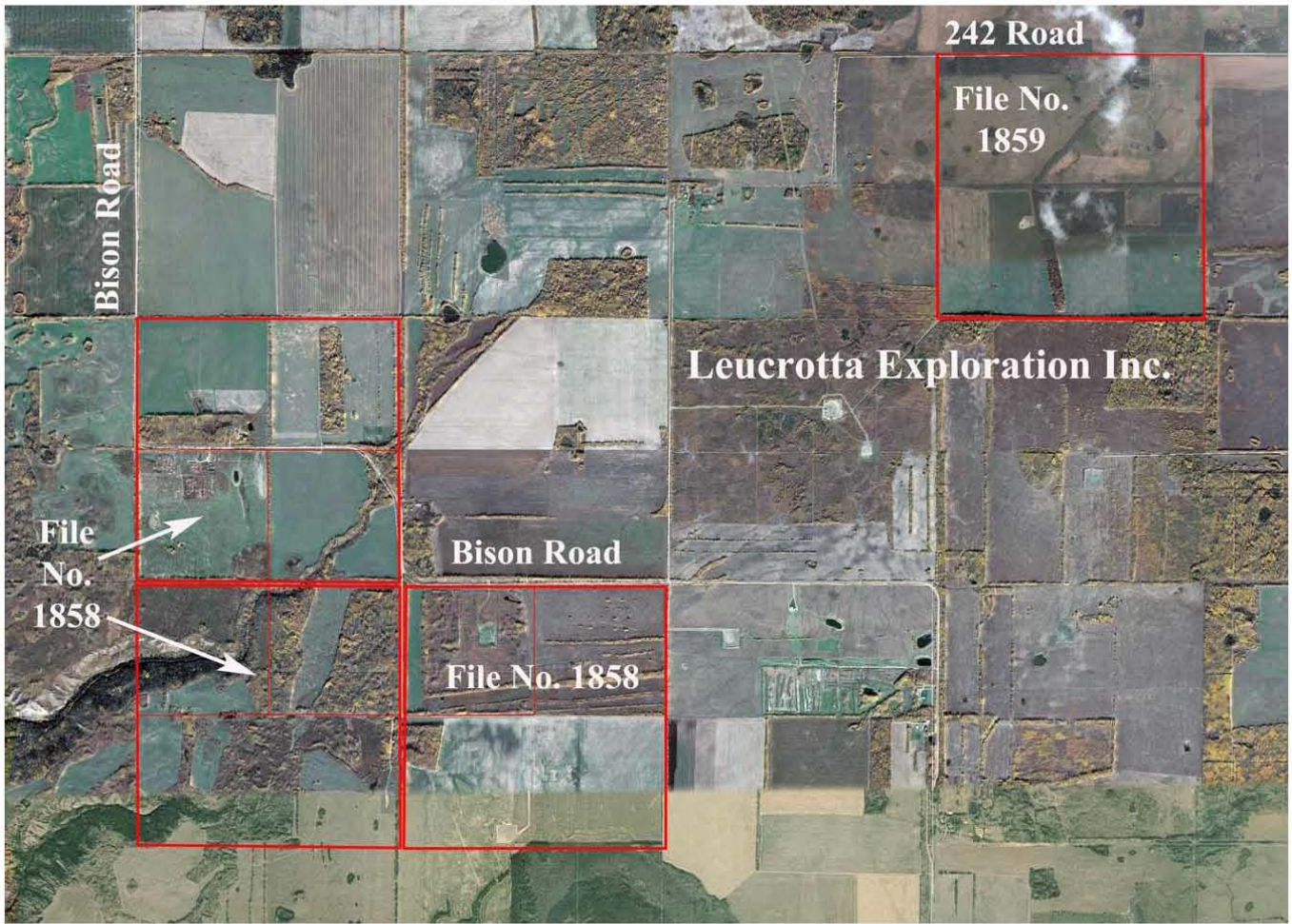
(APPLICANT)

AND:

Frank Dorsey Miles and
Marion Leslie Miles

(RESPONDENTS)

BOARD ORDER



The Applicant, Leucrotta Exploration Inc. (“Leucrotta”), applies to the Board for mediation and arbitration services to resolve the issue of access and compensation. After filing their application, the Applicant and the Respondents reached an agreement with respect to the proposed terms of a right of entry order, which is found in the consent order below. The amounts of initial and annual compensation remain unresolved.

Leucrotta seeks a right of entry order to access certain lands legally owned by Frank Dorsey Miles and Marion Leslie Miles to carry out an approved oil and gas activity, namely the construction, operation and maintenance of a single well, padsite, access road and associated infrastructure. The Oil and Gas Commission has issued a permit for this project.

The parties understand that the amount found in paragraph 4 is for partial compensation and that neither the initial nor annual compensation have been determined.

The Surface Rights Board orders, BY CONSENT:

ORDER

1. Upon payment of the amounts set out in paragraphs 4 and 5, Leucrotta shall have the right of entry to and access across the portions of the lands shown outlined in red on the Individual Ownership Plan attached as Appendix “A” (the “Lands”) as necessary for the purpose of constructing, operating and maintaining a single well, padsite, access road and associated infrastructure in accordance with OGC Permit No. 100106206 issued by the Oil and Gas Commission on September 13, 2018.
2. Leucrotta shall provide a minimum of 48 hours advance notice in writing or by email to the landowners prior to any entry on to the Lands for the initial construction of the padsite.
3. Leucrotta shall ensure that its agents and servants close and lock all gates on the Lands, as required by the Landowners.
4. Leucrotta shall pay to the Landowners as partial compensation the total amount of \$35,000.
5. Leucrotta shall deliver to the Surface Rights Board security in the amount of \$5,000 by cheque made payable to the Minister of Finance. All or part of the security deposit may be returned to Leucrotta, or paid to the Landowners, upon agreement of the parties or as ordered by the Board.

6. The Board retains jurisdiction to provide mediation and arbitration services with respect to construction damages off the Lands, if any, and the parties are at liberty to return to the Board if necessary to resolve any issue respecting such damages.
7. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.
8. Leucrotta agrees to be bound by the conditions listed in attached "Appendix B".

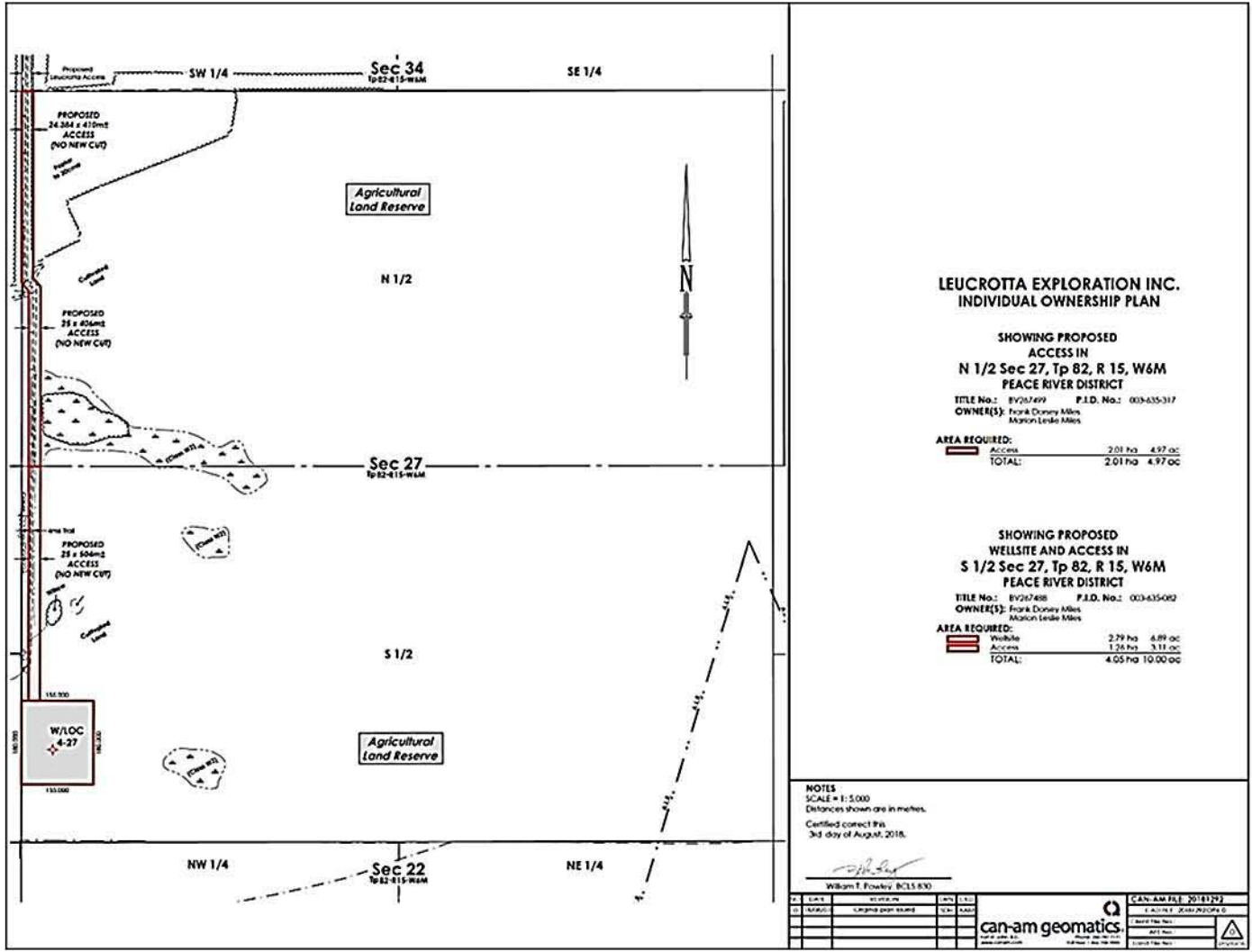
DATED: November 23, 2018

FOR THE BOARD

A handwritten signature in black ink, appearing to read "Rob Fraser", written in a cursive style.

Rob Fraser, Mediator

APPENDIX "A"



**LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN**

SHOWING PROPOSED
ACCESS IN
N 1/2 Sec 27, Tp 82, R 15, W6M
PEACE RIVER DISTRICT

TITLE No.: E1267499 P.I.D. No.: 003-635-317
OWNER(S): Frank Donny Miles
Marion Leake Miles

AREA REQUIRED:

Access	2.01 ha	4.97 ac
TOTAL:	2.01 ha	4.97 ac

SHOWING PROPOSED
WELLSITE AND ACCESS IN
S 1/2 Sec 27, Tp 82, R 15, W6M
PEACE RIVER DISTRICT

TITLE No.: E1267498 P.I.D. No.: 003-635-042
OWNER(S): Frank Donny Miles
Marion Leake Miles

AREA REQUIRED:

Wellsite	2.79 ha	6.89 ac
Access	1.26 ha	3.11 ac
TOTAL:	4.05 ha	10.00 ac

NOTES
SCALE = 1:5,000
Distances shown are in metres.
Certified correct this
3rd day of August, 2018.

William T. Powley
William T. Powley, BCLS (S.O.)

DATE	2018.08.03	BY	W.T.P.	SCALE	1:5000
TITLE	Leucrotta Exploration Inc.	PROJECT	Individual Ownership Plan	DATE	2018.08.03
can-am geomatics					
CAN-AM FILE: 20181292 1,431 N.E. 20th Ave. Suite 100 Fort Lauderdale, FL 33304 Phone: 954.343.1111 Fax: 954.343.1112 www.can-am-geomatics.com					

APPENDIX "B"

AGREED CONDITIONS FOR RIGHT OF ENTRY

Leucrotta agrees to:

1. pay all rates and taxes that may be assessed and levied against the Lands by reason of its entrance on and operation on the Lands;
2. make all reasonable efforts to ensure existing patterns of drainage are maintained following its entry on to the Lands;
3. make all reasonable efforts to ensure proper weed management on the Lands, using soil sterilants only with the written consent of the Owners;
4. steam clean any vehicles used for construction, drilling or completion operations prior to them being brought onto the Lands;
5. ensure that any new access construction on the Lands will include a crossing that allows the Landowners to cross between fields using farm vehicles and farming equipment; and
6. construct and pay for a good substantial fence for the well pad and access (e.g. 4-strand barbed wire) and gate at a location to be determined by the Landowners; replace all fences and gates that it may remove for its purposes; and promptly repair all fences and gates that it may damage in the course of exercising its rights, including any existing gates which have been installed by the Landowners on the Lands.

File No. 1980
Board Order No. 1980-1amd

December 19, 2018

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF

THE NORTH ½ OF SECTION 27, TOWNSHIP 82, RANGE 15
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

AND

SOUTH ½ OF SECTION 27 TOWNSHIP 82 RANGE 15
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

(APPLICANT)

AND:

Frank Dorsey Miles and
Marion Leslie Miles

(RESPONDENTS)

BOARD ORDER

This order amends by Consent and replaces Order 1980-1 to amend the conditions for right of entry.

The Applicant, Leucrotta Exploration Inc. (“Leucrotta”), applies to the Board for mediation and arbitration services to resolve the issue of access and compensation. After filing their application, the Applicant and the Respondents reached an agreement with respect to the proposed terms of a right of entry order, which is found in the consent order below. The amounts of initial and annual compensation remain unresolved.

Leucrotta seeks a right of entry order to access certain lands legally owned by Frank Dorsey Miles and Marion Leslie Miles to carry out an approved oil and gas activity, namely the construction, operation and maintenance of a single well, padsite, access road and associated infrastructure. The Oil and Gas Commission has issued a permit for this project.

The parties understand that the amount found in paragraph 4 is for partial compensation and that neither the initial nor annual compensation have been determined.

The Surface Rights Board orders, BY CONSENT:

ORDER

1. Upon payment of the amounts set out in paragraphs 4 and 5, Leucrotta shall have the right of entry to and access across the portions of the lands shown outlined in red on the Individual Ownership Plan attached as Appendix “A” (the “Lands”) as necessary for the purpose of constructing, operating and maintaining a single well, padsite, access road and associated infrastructure in accordance with OGC Permit No. 100106206 issued by the Oil and Gas Commission on September 13, 2018.
2. Leucrotta shall provide a minimum of 48 hours advance notice in writing or by email to the landowners prior to any entry on to the Lands for the initial construction of the padsite.
3. Leucrotta shall ensure that its agents and servants close and lock all gates on the Lands, as required by the Landowners.
4. Leucrotta shall pay to the Landowners as partial compensation the total amount of \$35,000.
5. Leucrotta shall deliver to the Surface Rights Board security in the amount of \$5,000 by cheque made payable to the Minister of Finance. All or part

of the security deposit may be returned to Leucrotta, or paid to the Landowners, upon agreement of the parties or as ordered by the Board.

6. The Board retains jurisdiction to provide mediation and arbitration services with respect to construction damages off the Lands, if any, and the parties are at liberty to return to the Board if necessary to resolve any issue respecting such damages.
7. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.
8. Leucrotta agrees to be bound by the conditions listed in attached "Appendix B".

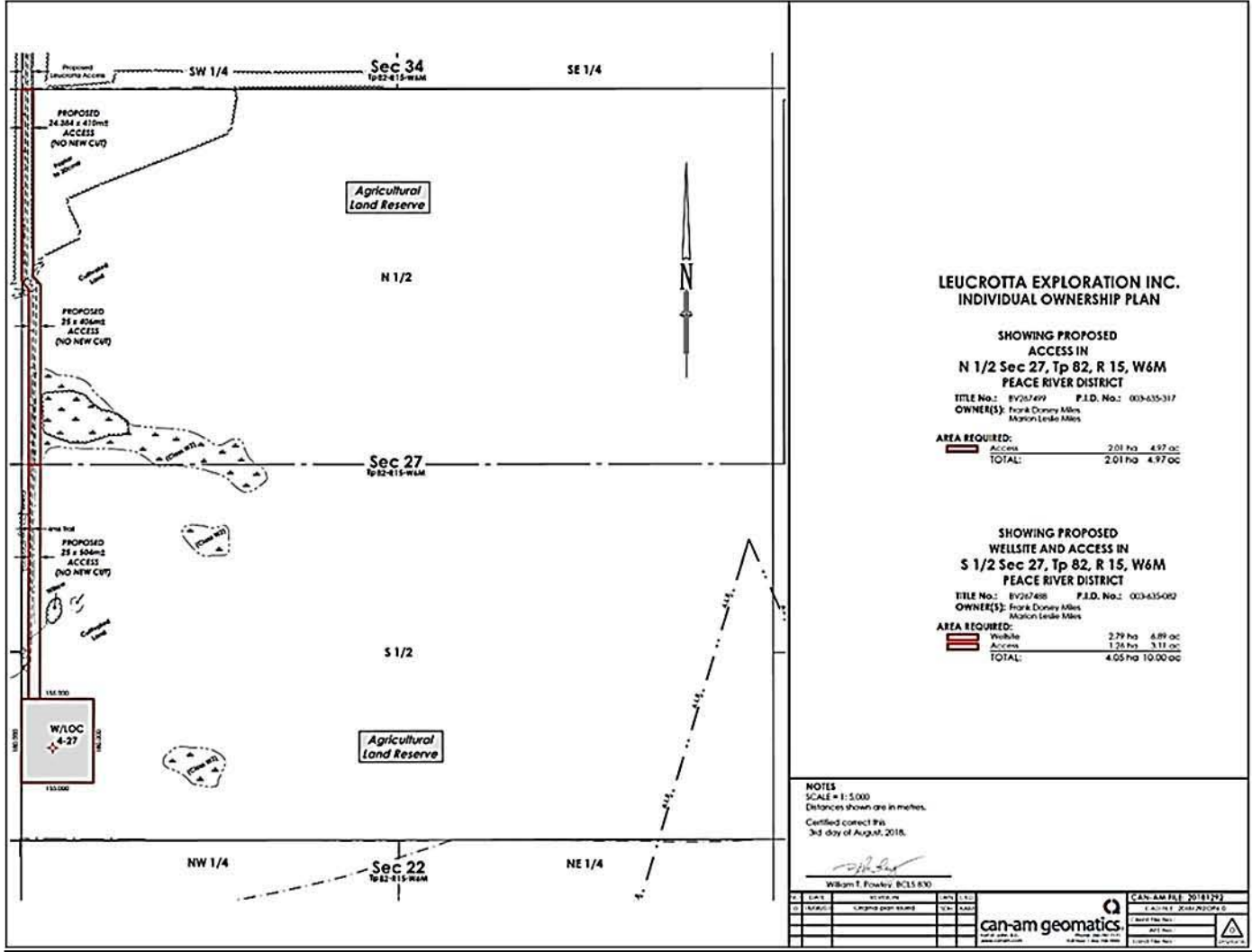
DATED: December 19, 2018

FOR THE BOARD



Rob Fraser, Mediator

APPENDIX "A"



**LEUCROTTA EXPLORATION INC.
INDIVIDUAL OWNERSHIP PLAN**

SHOWING PROPOSED
ACCESS IN
N 1/2 Sec 27, Tp 82, R 15, W6M
PEACE RIVER DISTRICT

TITLE No.: E1267499 P.I.D. No.: 003-635-317
OWNER(S): Frank Donny Miles
Marion Leake Miles

AREA REQUIRED:

Access	2.01 Ha	4.97 ac
TOTAL:	2.01 Ha	4.97 ac

SHOWING PROPOSED
WELLSITE AND ACCESS IN
S 1/2 Sec 27, Tp 82, R 15, W6M
PEACE RIVER DISTRICT

TITLE No.: E1267498 P.I.D. No.: 003-635-042
OWNER(S): Frank Donny Miles
Marion Leake Miles

AREA REQUIRED:

Wellsite	2.79 Ha	6.89 ac
Access	1.26 Ha	3.11 ac
TOTAL:	4.05 Ha	10.00 ac

NOTES
SCALE = 1:5,000
Distances shown are in metres.
Certified correct this
3rd day of August, 2018.

William T. Powley
William T. Powley, BCLS, B.S.

DATE	REVISED	BY	DATE	DESCRIPTION

can-am geomatics

CAN-AM FILE: 20181292
1,431 N.E. 20th Ave. S.W.
Fort Lauderdale, FL 33311
Phone: 954-344-1111
Fax: 954-344-1112
www.can-am-geomatics.com

APPENDIX "B"

AGREED CONDITIONS FOR RIGHT OF ENTRY

Leucrotta agrees to:

1. pay all rates and taxes that may be assessed and levied against the Lands by reason of its entrance on and operation on the Lands;
2. make all reasonable efforts to ensure existing patterns of drainage are maintained following its entry on to the Lands;
3. make all reasonable efforts to ensure proper weed management on the Lands, using soil sterilants only with the written consent of the Owners;
4. steam clean any vehicles used for construction operations prior to them being brought onto the Lands;
5. ensure that any new access construction on the Lands will include a crossing that allows the Landowners to cross between fields using farm vehicles and farming equipment; and
6. construct and pay for a good substantial fence for the well pad and access (e.g. 4-strand barbed wire) and gate at a location to be determined by the Landowners; replace all fences and gates that it may remove for its purposes; and promptly repair all fences and gates that it may damage in the course of exercising its rights, including any existing gates which have been installed by the Landowners on the Lands.

File No. 2027
Board Order No. 2027-1

November 23, 2018

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF
THE SOUTH WEST $\frac{1}{4}$ OF SECTION 34 TOWNSHIP 82 RANGE 15 WEST OF THE 6TH
MERIDIAN PEACE RIVER DISTRICT
(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

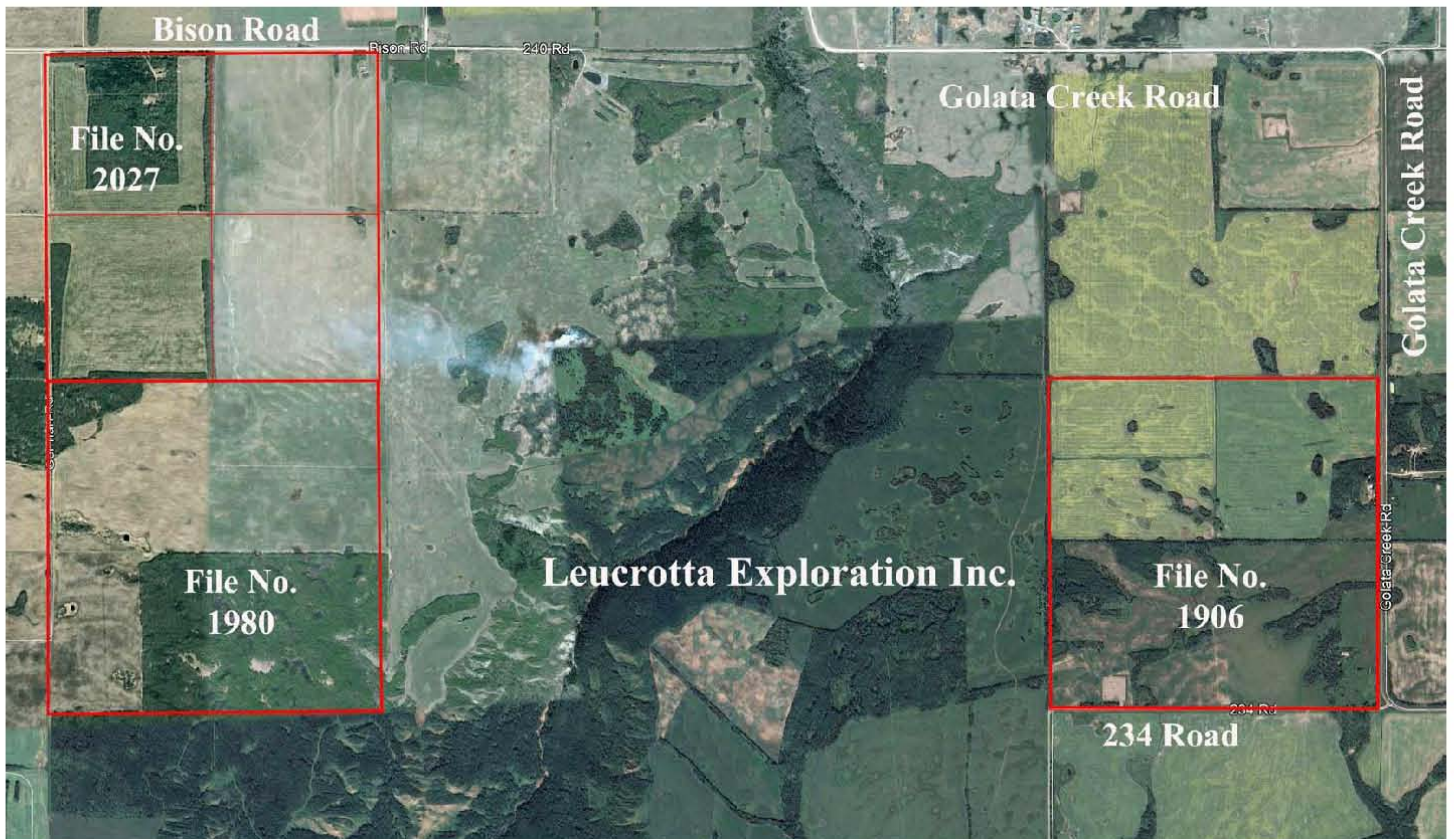
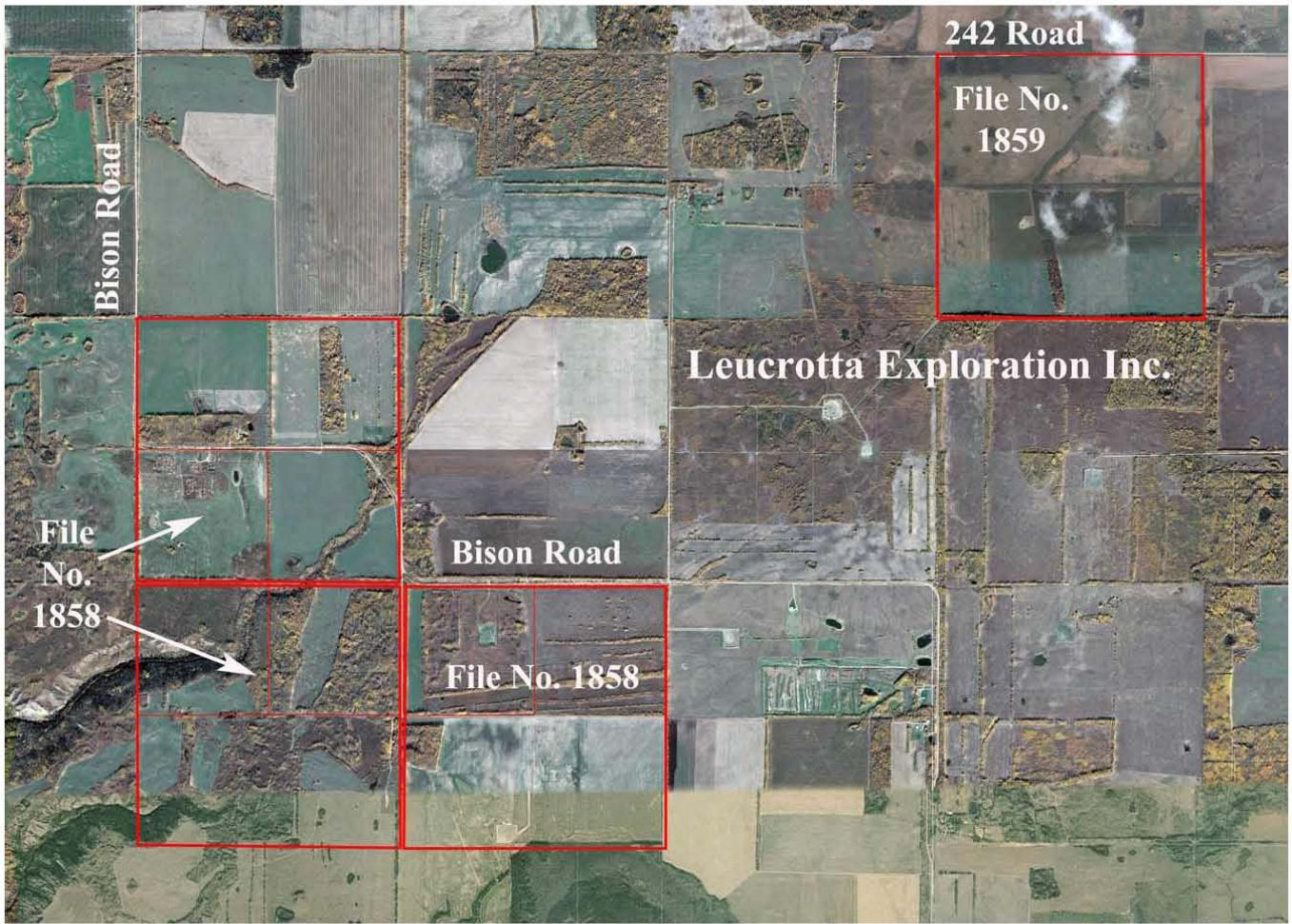
(APPLICANT)

AND:

Jedidiah John Franklin and
Amber Kay Franklin

(RESPONDENTS)

BOARD ORDER



Heard by teleconference: November 23, 2018
Appearances: Rick Williams, Barrister and Solicitor, for the Applicant
Elvin Gowman and Jed Franklin, for the Respondents

INTRODUCTION AND ISSUE

[1] The Applicant, Leucrotta Exploration Inc. (Leucrotta) has applied to the Board for a right of entry order granting it access to the Lands owned by the Respondents, Jed and Amber Franklin, for the purpose of constructing, operating and maintaining an access road to a proposed wellsite on neighbouring land. The proposed access road will use an already existing and constructed high grade road on the Lands that is the subject of an easement agreement between the Franklins and the neighbouring landowner on whose land the proposed wellsite is to be constructed. The Oil and Gas Commission (OGC) has granted a permit to Leucrotta for the proposed access road.

[2] The Respondents submit that the Board does not have jurisdiction to grant a right of entry order on land already encumbered by an easement agreement. Mr. Franklin submits that the Board does not have the jurisdiction to impose positive and personal covenants on a landowner by way of a right of entry order or to impose a liability on a landowner. He submits that he is precluded by the easement agreement from causing damage to the existing road or to the dominant tenement and that a right of entry order will have the effect of imposing liability upon him and his wife in the event Leucrotta's activities cause damage to the road or harm to other persons. He submits the Board does not have the jurisdiction to impose such a liability.

[3] The issue is whether the Board has jurisdiction to issue a right of entry order over land already encumbered by an easement agreement in favour of another landowner.

ANALYSIS

[4] The Board's jurisdiction to issue a right of entry order is found in the *Petroleum and Natural Gas Act*. Section 159 of the *Act* provides that the board or a designated mediator may make an order authorizing right of entry, subject to terms and conditions, if the board or mediator is satisfied that an order authorizing right of entry is required for a purpose described in section 142(a) to (c). The purposes described in section 142(a) to (c) are:

- a) to carry out an oil and gas activity,
- b) to carry out a related activity, or
- c) to comply with an order of the OGC.

[5] The Board may, therefore, issue a right of entry order if it is satisfied a right of entry order is required for an "oil and gas activity".

[6] "Oil and gas activity" is defined by the *Oil and Gas Activities Act* and includes: the exploration for and development of petroleum, natural gas or both, and the construction, use or operation of a prescribed road. As I understand it, there is no issue that the access road is an "oil and gas activity" and indeed, the OGC has issued a permit authorizing its use.

[7] The Board, therefore, has jurisdiction to issue a right of entry order for the access road if it is satisfied the right of entry order is necessary.

[8] There is nothing in the *Petroleum and Natural Gas Act* which limits the Board's jurisdiction to land that is not already encumbered. The Board or mediator, as the case may be, must only be satisfied that a right of entry order is required for a purpose set out in section 142. The Board has jurisdiction to issue a right of entry order in this case.

[9] Mr. Franklin submits the Board does not have the jurisdiction to impose a positive or personal obligation on a landowner and refers to the decision of the Supreme Court of BC in *Atco Lumber Ltd. v. Kootenay Boundary (Regional District)* 2014 BCSC 524. The *Atco* case involved expropriation of a right of way for a linear development. The Court found the statutory right of way expropriating the land in that case imposed a number of positive and personal covenants upon the landowner that were impermissible.

[10] The Board has not yet granted a right of entry order in this case, and I am not aware of the terms and conditions the mediator and parties are considering that may or may not be incorporated into a right of entry order, or whether any terms being considered would impose a positive or personal covenant against the Respondents. I make no finding as to whether *Atco* applies to a right of entry order by the Board or whether the Board is or is not permitted to include terms and conditions in a right of entry order that would impose positive or personal covenants on a landowner. The parties are still negotiating the terms of a right of entry order. If the Board ultimately issues a right of entry order that a party considers includes impermissible terms, the remedy would be to seek judicial review of the Board's order.

[11] Mr. Franklin submits the Board cannot make a right of entry order that has the effect of imposing liability on the landowner because of already existing obligations under the easement. Again, I have no knowledge of the terms being considered or whether they would in fact have the effect of imposing liability on the Franklins and encourage the parties to negotiate terms that will alleviate Mr. Franklin's concerns. In any event, the *Act* does not speak to potential liability of a landowner as a factor the Board can or should consider in granting a right of entry order. The Board has jurisdiction to grant a right of entry order if it is satisfied the order is required for an oil and gas activity. As above, if the Board grants a right of entry order that a party believes includes terms or conditions that the Board is not authorized to make, that party may seek judicial review of the Board's order.

CONCLUSION

[12] The Board has jurisdiction to issue a right of entry order for the proposed access road. The application is referred back to the mediator to consider the necessity of a right of entry order and any terms and conditions.

Dated: November 23, 2018

FOR THE BOARD



Cheryl Vickers, Chair

File No. 2027
Board Order No. 2027-2

December 12, 2018

SURFACE RIGHTS BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT,
R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF

THE SOUTH WEST $\frac{1}{4}$ OF SECTION 34 TOWNSHIP 82 RANGE 15
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

Leucrotta Exploration Inc.

(APPLICANT)

AND:

Jedidiah John Franklin and
Amber Kay Franklin

(RESPONDENTS)

BOARD ORDER

On November 30, 2018 I conducted a telephone mediation to discuss this application.

Leucrotta Exploration Inc. (“Leucrotta”) seeks a right of entry order to access certain lands legally owned by Jedidiah John Franklin and Amber Kay Franklin to carry out an approved oil and gas activity, as authorized under OGC Permit No. 100106206 issued by the Oil and Gas Commission on September 13, 2018.

The OGC’s permit authorizes Leucrotta to access an existing road on the Lands, which they will use to access other properties where they have a well site project.

Under the provisions of the *Petroleum and Natural Gas Act*, the Board may grant a right of entry order to privately owned land if it is satisfied that an order authorizing entry is required for an oil and gas activity. The Board is satisfied that Leucrotta requires entry to the Lands for an approved oil and gas activity, namely the project authorized by the Oil and Gas Commission’s permit #100106206.

The Surface Rights Board orders:

ORDER

1. Upon payment of the amounts set out in paragraphs 2 and 3, Leucrotta shall have the right of entry to and access across the portions of the lands shown outlined in red on the Individual Ownership Plan attached as Appendix “A” (the “Lands”) as necessary to exercise the rights granted under OGC Permit No. 100106206 issued by the Oil and Gas Commission on September 13, 2018.
2. Leucrotta shall pay to the landowners as partial compensation the total amount of \$2,000.
3. Leucrotta shall deliver to the Surface Rights Board security in the amount of \$2,500 by cheque made payable to the Minister of Finance. All or part of the security deposit may be returned to Leucrotta, or paid to the landowners, upon agreement of the parties or as ordered by the Board.
4. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.
5. Leucrotta agrees to be bound by the conditions listed in attached “Appendix B”.

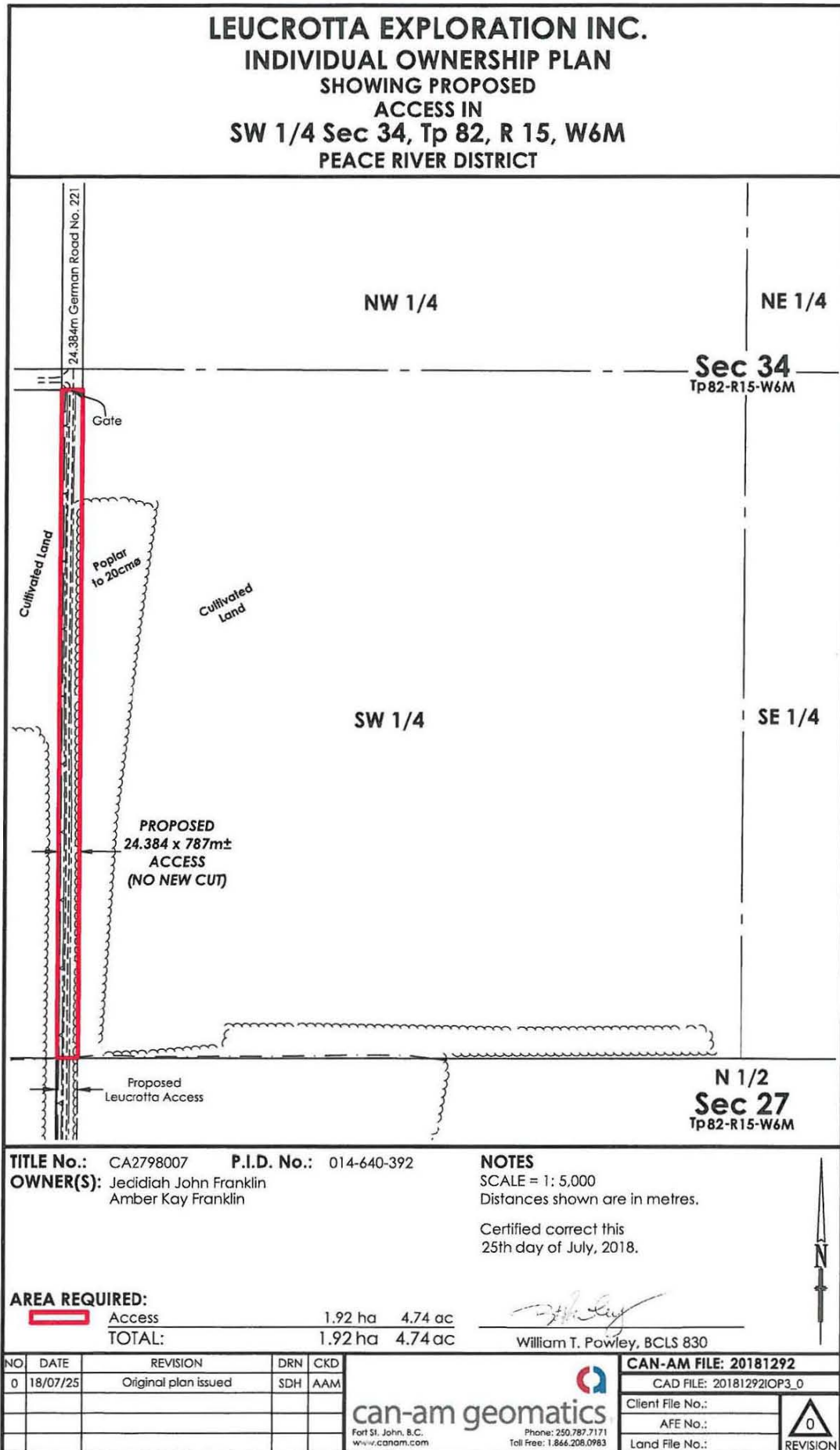
DATED: December 12, 2018

FOR THE BOARD

A handwritten signature in black ink, appearing to read "Rob Fraser". The signature is fluid and cursive, with the first name "Rob" being more distinct than the last name "Fraser".

Rob Fraser, Mediator

APPENDIX "A"



APPENDIX "B"

AGREED CONDITIONS FOR RIGHT OF ENTRY

Leucrotta agrees to:

1. pay all rates and taxes that may be assessed and levied against the Lands by reason of its entrance on and operation on the Lands;
2. make all reasonable efforts to ensure proper weed management on the Lands;
3. ensure that its agents and servants close and lock all gates on the Lands, as required by the Landowners;
4. steam clean any vehicles that will be used for construction operations on the adjacent property, prior to them being brought onto the Lands;
5. will use fresh water spraying on the road surface to control dust when required during times of heavy operation; and
6. indemnify and save harmless the Landowners from any damages, losses, costs, claims and demands made by the registered easement holder, caused by Leucrotta's access to the Lands and exercise of its rights granted under this order.