

MEDIATION AND ARBITRATION BOARD
#114, 10142 -- 101st Ave.
Fort St. John, BC
V1J 2B3

Date: June 25, 1999

File No. 1385

Board Order No. 303M

BEFORE THE BOARD

IN THE MATTER OF THE PETROLEUM AND
NATURAL GAS ACT, BEING CHAPTER 361
OF THE REVISED STATUTES OF BRITISH
COLUMBIA, AND AMENDMENTS
THERE TO:
(THE ACT)

AND IN THE MATTER OF A PORTION OF THE
SOUTHWEST $\frac{1}{4}$ SECTION TWELVE, AND THE EAST $\frac{1}{2}$
SECTION TWELVE, TOWNSHIP ONE HUNDRED
THIRTEEN, WEST OF THE SIXTH MERIDIAN (W6M),
PEACE RIVER DISTRICT.
(THE LANDS)

BETWEEN:

RIGEL OIL & GAS LTD.
1900 BOW VALLEY SQUARE 3 255 5TH AVENUE, SW
CALGARY, AB
T2P 3G6
(APPLICANT)

AND:

WALTER BERRESCHHEIM
BOX 6214
ST. JOHN BC
V1J 4H7
(RESPONDENT)

RIGHT OF ENTRY ORDER BY CONSENT

The Mediation and Arbitration Board received an application for Mediation and Arbitration and Permission to enter on 10 May 1999 from Roy Northern Land Services, agent for Rigel Oil & Gas Ltd.

The purpose of the application is permission to enter the said lands to construct and develop a well site consisting of 1.44 ha, and access consisting of 1.61 ha, as outlined in red on the survey plan attached and marked Exhibit "C". The proposed wellsite is known as RIGEL ARC BUICK B-37-L, 94-A-10.

A Mediation Hearing was scheduled for 25 June, 1999 at 11:00 a.m. in the Boardroom of Execuplace Business Centre, 10142 101st Avenue, Fort St. John BC. Mavis Nelson was appointed Mediator.

THE HEARING

The Mediator is satisfied that the application was properly filed. In attendance at the Mediation Hearing representing the Applicant was Ken Jones, land agent at Roy Northern Land Services. The Respondent was represented by himself, Walter Berreschiem and Mr. Darryl Carter.

Negotiations between the two parties commenced prior to formally beginning the Mediation. Upon convening the Mediation Hearing, Ken Jones presented:

1. a summary of discussions to date, marked Exhibit "A",
2. original Individual Ownership Plan, marked Exhibit "B",
3. revised Individual Ownership Plan, marked Exhibit "C"
4. and a Surface Lease Agreement with revised Page 7: additional terms and conditions, marked Exhibit "D"

DECISION

Therefore, acting as Mediator under the provision of Section 18 (3) of the Petroleum and Natural Gas Act, and in response to the Applicant and Respondents joint request, and **by consent**

IT IS HEREBY ORDERED THAT:

1. The general instrument marked Exhibit "D" and attached will form part of this Order.
2. Payments will be made by the Applicant to the Respondent for the purpose as described in Exhibit "C" and "D" of this order. For first year consideration the Applicant shall pay to the Respondent the amount of \$ 12,076.00. This payment will be made within 15 business days of the date of the making of this order. That is the payment shall be made on or before 16 July 1999.
3. The Applicant shall pay to the Respondent the amount \$ 6,000.00 annual rental on or before the anniversary date of the making of this order. That is the first payment shall be paid on or before 25 June 2000.

4. The Applicant shall deposit with Mediation and Arbitration Board, a Security Deposit in the amount of \$ 5,000.00 to be held in trust until construction and clean up is completed. The cheque is to be made payable to the Ministry of Finance and Corporate Affairs.
5. The Mediator awards costs to be paid by the Applicant to the
 - a) the Respondent in the amount of \$ 400.00; and
 - b) to Mr. Darryl Carter in the amount of \$ 1,900.00 plus GST.The amounts outlined in a) and b) above shall be paid on or before 16 July 1999.
6. Following completion of Order No. 2, 4 and 5, the Applicant shall be permitted to enter the said lands for the purposes of constructing, drilling, testing and production of the well and access as outlined in red on the Individual Ownership Plan appended to this order, and marked Exhibit "C."
7. Nothing in this order is, or operates as consent, permit or authorization that by enactment, a party is required to obtain in addition to this order.

Dated at the City of Fort St. John, province of British Columbia this 25 day of June 1999.

MEDIATION AND ARBITRATION BOARD
UNDER THE
PETROLEUM AND NATURAL GAS ACT

Mavis Nelson, Mediator