

MEDIATION AND ARBITRATION BOARD
Under the Petroleum and Natural Gas Act
114, 10142 101 Avenue
Fort St. John, BC V1J 2B3

Date: October 24, 2000

File No. 1424

Board Order No. 327M

BEFORE THE MEDIATOR:

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

THE

AND IN THE MATTER OF A PORTION OF THE SOUTH ½
SECTION EIGHT, TOWNSHIP EIGHTY-FIVE, RANGE
SEVENTEEN, WEST OF THE SIXTH MERIDIAN, PEACE RIVER
DISTRICT, EXCEPT THE MOST WESTERLY 14 FEET AND
MOST SOUTHERLY 80 FEET IN PARALLEL WIDTHS THEREOF
(S ½ 8-85-17 W6M)
(THE LANDS)

BETWEEN:

CANADIAN NATURAL RESOURCES LIMITED
BOX 6986 STATION "D"
CALGARY ALBERTA
T2P 2G1
(THE APPLICANT)

AND:

CLIFFORD ANDREW KIMMIE
SHIRLEY ANN KIMMIE
GENERAL DELIVERY,
CECIL LAKE, BC
V0C 1G0
(THE RESPONDENT)

RIGHT OF ENTRY ORDER

BACKGROUND:

The Mediation and Arbitration Board received from Pioneer Land Services Ltd., Agent for Canadian Natural Resources Limited on 27 September 2000 an application for Mediation and Arbitration and Permission to Enter, to the said lands. Entry was required for construction and operation of a flow line. Pursuant to Section 16 (2) of the Petroleum and Natural Gas Act, an affidavit verifying service of a copy of the Application to the Mediation and Arbitration Board was sent by registered mail to Clifford and Shirley Kimmie on 27 September 2000.

On 19 October 2000, a Mediation hearing was conducted in the Mediation and Arbitration Board Office, located at 101042 101st Avenue, Fort St. John, BC., regarding the application from Canadian Natural Resources Ltd. for Right-Of-Entry to construct a flow line across land owned by the Respondents. Julie Hindbo was the Mediator.

Representing the Applicant, was Barry Taylor (C.N.R.L.) and Mike Erendson (Pioneer Land Services Ltd.) Mr. Clifford Kimmie appeared on his own behalf and on behalf of his wife representing the Respondent.

POSITION OF THE PARTIES:

It became clear in the mediation that the Respondent was not opposed to the proposed flow line which would tie-in a well at 2-8-85-17 to a pipeline tie-in location 3-8-85-18. The Respondent was not opposed either to the compensation proposed by the Applicant or the location of the flow line, as proposed, going south from the 2-8 wellstie and then following the south border of S1/2-8-85-17, going west to the tie-in. There was no official survey plan submitted with the application, however, the Applicant referred to a survey plan from a recent pipeline project on the same property. It was agreed between the Applicant and Respondent, that the proposed route would be surveyed, and both parties would submit their approval of the survey plan to the Mediator prior to proceeding with construction.. The Respondents' opposition was primarily based on their decision to withdraw from any negotiations on their land until the outstanding rental reviews for surface leases on the Respondents land, was resolved. An application for these outstanding rental reviews is presently before the Board, with scheduling of a Hearing pending pursuant to Section 11 and 12 of the Petroleum and Natural Gas Act.

It was agreed by the parties that the current Mediation could only deal with the application for the flow line which was before the Board, and not the re-negotiation issue. It appeared that the parties would be able to cooperate and communicate with one another during the survey and construction of the proposed flow line. The parties agreed on compensation at \$950.00 per acre for the flow line right-of-way, with damages to be settled following construction. There were presently no issues with cattle or horses, however, the Respondent would be using the area for pasture as soon as winter weather conditions require. The only fence of concern in the area of the proposed project was located on the surface lease operated and maintained by the Applicant. The parties appeared willing to communicate and cooperate should any further issues arise as a result of the survey and construction plans. The Applicant agreed to be responsible for replacing any fencing taken down in the construction of the flow line and to erect temporary fencing as necessary.

Notwithstanding the cooperation between the Applicant and the Respondent, the Respondent indicated he and his wife were not prepared to execute the standard documents prepared by the Applicant for a flow line. The parties were, however, in agreement that a Board Order could deal with the right of the Applicant to enter on the Respondents' property with compensation agreed.

DECISION:

The Mediator is of the opinion that a Right-Of-Entry be granted to the Applicant to allow for the survey of the flow line.

IT IS HEREBY ORDERED THAT:

1. Pursuant to Section 18 (2) (c) of the Petroleum and Natural Gas Act, the Mediator will set a second Mediation Hearing following submission of the survey plans to ensure there are no outstanding issues prior to construction.
2. Pursuant to Section 19 (2) (b) of the Petroleum and Natural Gas Act, the Applicant shall pay the Respondent as partial payment, five hundred dollars (\$500.00) for the Right-Of-Entry to the said lands; and shall pay the balance of the agreed compensation (nine hundred fifty dollars (\$950.00) per acre times the surveyed acreage) prior to commencing construction of the said right of way..
3. Pursuant to Section 19 (2) (a) of the Petroleum and Natural Gas Act, the Applicant shall deposit with the Mediation and Arbitration board a cheque made payable to the "Minister of Finance and Corporate Relations" for the amount of five hundred dollars (\$ 500.00) as a security deposit.
4. The Applicant shall deliver to the Respondent a certified true copy of this Order by registered mail.
5. The Applicant will replace any fences taken down or damaged with fences of similar kind and quality.
6. The Applicant will construct temporary fencing as necessary to prevent any interference with the Respondents' cattle or horses.
7. Following completion of moneys paid as outlined in 2 and 3 of this order, the Applicant may enter the said lands for the purpose of surveying and constructing the flow line as agreed to at Mediation and in accordance with the survey plan to be submitted and approved by the parties.
8. This order is subject to the completion of the referral process, conducted by the Oil and Gas Commission and the issuance of the "Permission to construct Letter."
9. Nothing in this order is or operates as consent permit or authorization that by enactment a person is required to obtain in addition to this order.

Dated at the City of Fort St. John, British Columbia, this 24th day of October 2000.

MEDIATION AND ARBITRATION BOARD
UNDER THE
PETROLEUM AND NATURAL GAS ACT

Julie Hindbo, Mediator