

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

Date: May 11, 2001

File No. 1440

Board Order No. 331M-1

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)**

**AND IN THE MATTER OF A PORTION OF
PARCEL A (S22120) OF THE WEST ½ OF
DISTRICT LOT 854 PEACE RIVER DISTRICT
WEST OF THE SIXTH MERIDIAN
(THE LANDS)**

BETWEEN:

**DOMCAN BOUNDARY CORP.
10511 - 100TH AVENUE
FORT ST. JOHN, BC
V1J 1Z1
(THE APPLICANT)**

AND:

**HARVEY ALLAN KVILE
9311 114A AVENUE
FORT ST. JOHN, B. C.
V1J 4L7
(THE RESPONDENT)**

Certified a true
copy this 11th day

of May 2001

The original being in
the custody of the
Mediation and Arbitration
Board under the
"Petroleum and Natural Gas
Act, 1996"

RIGHT OF ENTRY ORDER



Gayle Colwell
Board Administrator

BACKGROUND:

As outlined in Mediation Order 331M, the Mediation and Arbitration Board received on December 19, 2001, an application from Ashley Scriba, Surface Land Agent for Domcan Boundary Corp., a Dominion Energy Company. The Application was for Mediation and Arbitration and Permission to Enter, onto the said lands for access and to construct, drill and operate a well site at c-A99-G, 94-A-14. Pursuant to Section 18 (1) of the Petroleum and Natural Gas Act, Julie Hindbo was designated Mediator. The Mediator confirmed that the application was properly filed.

Further to Mediation Order 331M dated February 22, 2001, and a third and final Mediation Hearing which was held on the same date, the parties agreed that a Right of Entry Order would be promptly granted to the Applicant following approval from the Land Reserve Commission and the Oil and Gas Commission regarding locational and operational issues. The position of the parties is outlined in Mediation Order 331M. The conditions of this Right-Of-Entry Order were discussed and agreed to by the parties on February 22, 2001.

IT IS HEREBY ORDERED THAT:

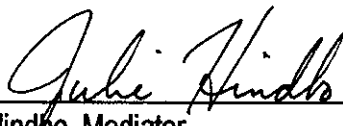
1. Pursuant to Section 19 (1) of the Petroleum and Natural Gas Act, and subject to compliance with this Order as to payment of monies to the Respondent, and the deposit with the Board the security ordered, the Applicant has the right to enter the Respondent's land for the following purposes:
 - (a) to survey the areas as shown on the Sketch Plan, Exhibit "A" used at the Mediation including the areas for access road, well site, and other areas such as may be required for temporary workspace;
 - (b) to conduct all necessary soil sampling, cultural or heritage surveying or any other surveys, or assessments as may be required by any level of government or administrative agency;
 - (c) to construct an access road and well site as shown on sketch plan Exhibit "A" used at Mediation;
 - (d) to drill , test and perform all work as may reasonably be necessary to bring the well into production.
2. Pursuant to Section 19 (2) (a) of the Petroleum and Natural Gas Act, the Applicant will deposit with the Board security in the sum of \$ 5,000.00 by cheque payable to the Ministry of Finance and Corporate Relations, Province of British Columbia.
3. Pursuant to Section 19 (2) (b) of the Petroleum and Natural Gas Act, the Applicant will pay to the Respondent, the sum of \$ 5,000.00 which will be delivered in person to the Respondent. Proof of this payment being provided to the Board office on or before June 8, 2001 at 4:00 p.m. Mountain Standard Time.

4. Pursuant to Section 19 (2) (c) of the Petroleum and Natural Gas Act, the Applicant will serve a copy of this Order to the Respondent in person.
5. Pursuant to Section 18 (2) further Mediation Hearings are refused. Unless otherwise agreed to by the parties, compensation for this well site will be determined at an Arbitration Hearing to be set at a date determined by the Board in consultation with the parties.
6. The Applicant will provide to the Board Office a copy of the Proven Well Letter and indicating the product to be produced and intentions regarding flaring.
7. The Applicant agrees to salvage merchantable timber.
8. The Applicant will fence the well site with buffalo fence in consultation with the Respondent.
9. The Applicant will clear a 20m strip adjacent to the well site on the east and south side to allow access around the leased area for the Respondent.
10. The Applicant will erect gates where possible and reasonably requested by the landowner.
11. The Applicant will take all precautions reasonably possible to avoid conflict with the Respondents organic bison farming operation. The Applicant agrees to compensate the Respondent for any costs, losses, time, inconvenience etc. such as moving bison that may be caused by the Applicant's activities associated with drilling and production. Such costs to be reasonably and mutually agreed upon.
12. Unless otherwise mutually agreed, the Applicant will pay the Respondent \$ 350.00 for re-seeding, plowing, and working up of the newly cleared 20m strip.
13. The Applicant will place two air quality monitors, one each on the southwest and southeast corners of the well site during flaring activities, drilling, and testing.
14. The Applicant will not spray weeds with any herbicides, pesticides or any other foreign product without full knowledge and consent of the Respondent, on the well site and access area.
15. In the unlikely event of a change of use from a gas well to an oil well and associated operations, negotiations will be re-opened between the two parties to evaluate any additional adverse effects the change in use may cause. This includes the possibility of compensation for additional loss of use of grazing area and fencing if required in order to keep the bison at a reasonable distance mutually considered safe for the animals.
16. As much as reasonably and operationally possible, any on-site flare will be located and operated to avoid any products of combustion being spread on land surrounding the well site. If reasonably and operationally feasible, the flare will be located near the northeast corner of the well site area.

17. The Respondent will be notified by the Applicant prior to the commencement of construction, drilling, and any flaring/testing activities.
18. 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."
19. 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 11 day of May 2001.

MEDIATION AND ARBITRATION BOARD
UNDER THE
PETROLEUM AND NATURAL GAS ACT



Julie Hindoo, Mediator