

# MEDIATION AND ARBITRATION BOARD

10142 – 101 Avenue  
Fort St John, BC. V1J 2B3

The Petroleum and Natural Gas Act, RSBC 1996, Chapter 361

File No: 1536.

07 October, 2004.

Board Order: 382M

Ft St John, BC.

Between:

Richard Velander (Applicant)

And

Imperial Oil Resources (Respondent)

A mediation session to discuss evidentiary matters relating to damages on Imperial Wellsite 06-01-85-14-W6M, and to determine off lease contamination to private surrounding lands, filed in an application for mediation under Section 16 (1) (b) of the Petroleum and Natural Gas Act (Damages), by the Applicant, and corrective measures to be taken by the Respondent, was held at the Ft St John Mediation and Arbitration office at 1500 hours, on 07 October, 2004. In attendance were Mr. Richard Velander, the Applicant, and Mrs. Donna Velander. Representing the Respondents were Messer's Ralph Parks – Imperial Oil Land Agent, David Slade – Imperial Oil Opportunities Manager, and Reg Wisener, Imperial Oil Goodlow Field area foreman.

Agreement was reached to the concerns of both the Applicant and Respondent that:

1. The Applicant, Mr. Richard Velander will, in consultation with the Respondent, Imperial Oil Resources Ltd., allow the Respondent to do sampling of the soil and ground water to the South and West of the surface lease. The Applicant will have a choice as to where some of the samples are collected.
2. The samples collected will be forwarded to a reputable independent laboratory for analysis, and the generated laboratory report reviewed by the Applicant and Respondent together.
3. Depending on the results of the sampling, Imperial Oil Resources may install 3 or 4 ground water monitor wells, the locations chosen in consultation with the Applicant and Imperial Oil Resources environmental group.
4. If contaminate levels from the Respondent's lease exceed Government Agricultural standards, confirmed by the independent laboratory generated analysis reports on the collected samples, are infiltrating the Applicants

private land, the Respondent will enact remedial activates within regulatory guidelines to correct the source of the problem.

5. Compensation for EACH ground water monitoring well to the Applicant, if installed by the Respondent, will be FOUR HUNDRED (\$400.00) dollars the year of installation and TWO HUNDRED (\$200.00) dollars each year there after. The annual rate of compensation is reviewable after 5 years.
6. The Applicant is to be compensated for surface damages encountered with the installation of the monitoring wells at a rate to be agreed to at the time of the installation.
7. For weed control the Applicant will be compensated at an annual rate of FOUR HUNDRED FIFTY ((\$450.00) dollars, plus chemical costs, for EACH lease to spray and control weeds on Imperial Oil Resources locations 14-1-85, 16-1-85, 8-1-85, and SIX HUNDRED (\$600.00) dollars, plus chemical costs, on location 6-1-85.

We the undersigned agree to the terms of this mediation. Accordingly we affix our signatures as evidence of our consent to this agreement.

Signed this Seventh day of October, 2004 at the Fort St John Mediation and Arbitration Office, in the province of British Columbia.

APPLICANT: Richard Velander RESPONDENTS: Ralph Parks  
 (Richard Velander) (Ralph Parks) IOR Land Agent

Certified a true  
 copy this 14<sup>th</sup> day  
 of Oct 20 04

Dave Slade  
 (Dave Slade) IOR Opportunities Mgr

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

Reg Wisener  
 (Reg Wisener) IOR Area Foreman

MEDIATOR: Thor Skafte  
 (Thor Skafte)