

**March 22, 2012**

**SURFACE RIGHTS BOARD**

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

**AND IN THE MATTER OF**

**THE NORTH WEST ¼ OF SECTION 10 TOWNSHIP 84 RANGE 21 WEST OF THE 6<sup>TH</sup>  
MERIDIAN PEACE RIVER DISTRICT EXCEPT PLANS 24410 AND PGP38491**

**THE FRACTIONAL NORTH EAST ¼ OF SECTION 10 TOWNSHIP 84 RANGE 21 WEST  
OF THE 6<sup>TH</sup> MERIDIAN PEACE RIVER DISTRICT**

**(the Lands)**

**BETWEEN:**

**Terra Energy Corp.  
(APPLICANT)**

**AND:**

**Arleen Lois Boon and Kenneth Victor Boon  
(RESPONDENTS)**

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**BOARD ORDER**

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Terra Energy Corp. ("Terra") seeks a right of entry order to access certain lands legally owned by Arleen and Kenneth Boon to carry out an approved oil and gas activity, namely the operation and maintenance of a water source well site. The right of entry order includes the access, the MCC station and the existing well site.

On March 15, 2012, the Board conducted a telephone mediation to consider Terra's application. The parties made submissions on the wording of the Oil and Gas Commission's (OGC) permit when contrasted with the wording in Terra's application, the amount of the security deposit, the amount of partial compensation, and the various terms and conditions. As well, in separate correspondence Terra agreed to a voluntary partial payment of the Boon's costs and expenses.

The Board contacted the OGC and asked whether the wording of the permit covers the wording found in Terra's application. The OGC declined to provide a legal opinion, but said "that it is a Commission practice to use the general terms "drill and operate" in a well permit to include, as applicable, all activities, monitoring, and maintenance obligations required to operate the well." As well, the scope of a permit to "drill and operate" is limited to what is described in the survey plan that forms part of the survey.

The Boons applied to the Oil and Gas Appeal Tribunal (OGAT) for a stay of the permit. In decision 2012-OGA-001(a), the Tribunal dismissed the stay application and at paragraph 61 considered whether the wording of the permit allowed Terra to drill a new well. The Tribunal found that Terra is limited to the survey plan, which only shows the existing access road and water source well and the permit does not allow Terra to build a new road or drill a new well.

After considering submissions from the parties, the existence of the permit from the Oil and Gas Commission, the correspondence from the OGC and the decision of the OGAT, the Board is satisfied that Terra requires the right of entry for the purposes of oil and gas activities.

## **ORDER**

1. Upon payment of the amounts set out in paragraphs 3 and 4, Terra shall have the right of entry to and access across the portion of the lands shown outlined in red on the Individual Ownership Plans attached as Appendix "A" (the "Lands") for the purposes of carrying out the approved oil and gas activity, namely the operation and maintenance of a water source well site, access, flow line and associated works.
2. Terra's right of entry shall be subject to the terms and conditions attached as Appendix "B" to this right of entry Order.
3. Terra shall deliver to the Surface Rights Board security in the amount of \$10,000 by cheque made payable to the Minister of Finance. All or part of the security deposit

may be returned to Terra, or paid to the landowner, upon agreement of the parties or as ordered by the Board.

4. Terra shall pay to the landowner as partial compensation the total amount of \$6,000.
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 March 22, 2012

FOR THE BOARD

A handwritten signature in black ink, appearing to read "Rob Fraser", with a stylized flourish at the end.

Rob Fraser, Vice Chair

**TERRA ENERGY CORP.**

**INDIVIDUAL OWNERSHIP PLAN**

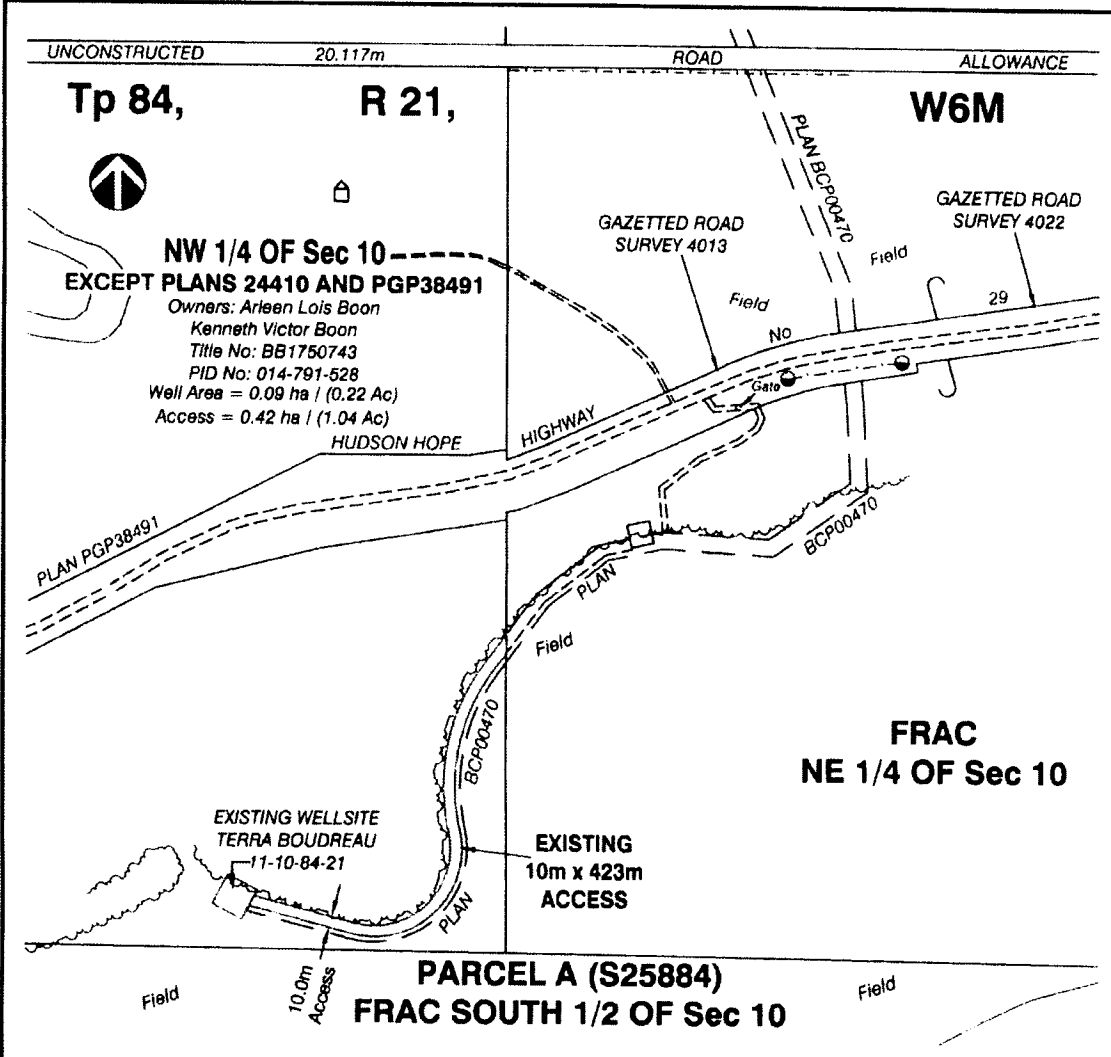
SHOWING 30m x 30m WATER WELLSITE AND 10m ACCESS

IN

**THE NW 1/4 OF Sec 10, Tp 84, R 21, W6M**

**EXCEPT PLANS 24410 AND PGP38491**

PEACE RIVER DISTRICT



OWNER(S): Arleen Lois Boon  
Kenneth Victor Boon

TITLE BB1750743  
PID 014-791-528

WELLSITE 0.09 ha 0.22 Ac.  
ACCESS 0.42 ha 1.04 Ac.

Certified correct this 25th day of  
NOVEMBER 2011.

*Scott Pengelly*  
S.D. PENGELLY B.C.L.S.



McELHANNEY GEOMATICS  
Professional Land Surveying Ltd.  
8806 - 72nd Street  
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DISTANCES ARE IN METRES.  
PORTIONS REFERRED TO ARE OUTLINED IN RED.  
REVISION: 3 DRAWN BY: TL  
SCALE: 1:5000 JOB: 3111-J20198IP1

# TERRA ENERGY CORP.

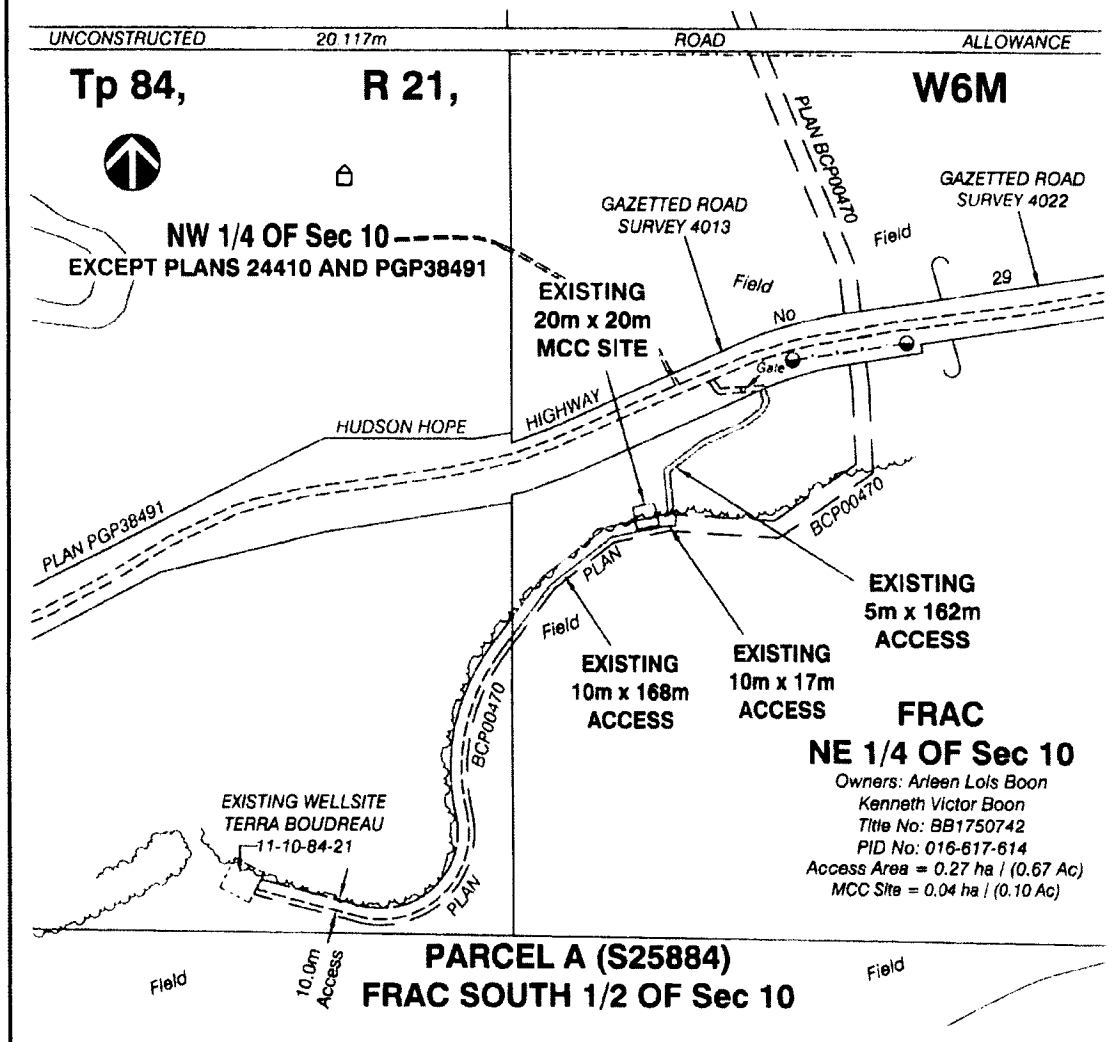
## INDIVIDUAL OWNERSHIP PLAN

SHOWING 20m x 20m MCC SITE, AND ACCESS

IN

### THE FRACTIONAL NE 1/4 OF Sec 10 Tp 84, R 21, W6M

PEACE RIVER DISTRICT



OWNER(S): Arleen Lois Boon  
Kenneth Victor Boon

TITLE BB1750742  
PID 016-617-614

ACCESS 0.27 ha 0.67 Ac.  
MCC SITE 0.04 ha 0.10 Ac.

Certified correct this 25th day of  
NOVEMBER 2011.

*Scott Pengelly*  
S.D. PENGELLY B.C.L.S.



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DISTANCES ARE IN METRES.  
PORTIONS REFERRED TO ARE OUTLINED IN RED.

REVISION: 4  
SCALE: 1:5000

DRAWN BY: TL  
JOB : 3111-J20198IP2

## **Appendix B**

1. Terra shall make all reasonable efforts to contain its operations to the areas indicated in red on the Individual Ownership Plans, including but not limited to, the travel and movement of personnel, vehicles, equipment, unless otherwise approved by the landowners.
2. Terra shall make a reasonable effort to prevent the entry and spread of weeds on the Lands caused by Terra's operations.
3. Terra covenants and agrees to indemnify and save harmless the landowner from liabilities, damages, costs, claims, liens, suits or actions arising directly out of Terra's operations on the Lands, other than that arising from or related to the wilful conduct or negligence of the landowner.
4. Terra must make all reasonable attempts to notify the landowner if any work, other than routine maintenance or inspection is to be done on the land.
5. Grading to smooth any ruts left by Terra on the access will be done in a timely manner at Terra's expense.
6. Any required repair and maintenance on the access will be at Terra's expense, other than that arising from or related to the wilful conduct or negligence of the landowner.
7. Currently, the landowner farms over top of the pipeline and power line, and will continue to with the knowledge that Terra can use the access as required.
8. No fencing of lands to be done unless both parties agree. If fencing becomes necessary, Terra will be responsible for all associated costs.
9. The existing gate to the access will be locked with a Terra lock at all times that access is not required. Terra will ensure that the Boons have either a key or the combination to Terra's lock.