

File No. 1765  
Board Order No. 1765-1

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February 22, 2013

**SURFACE RIGHTS BOARD**

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS  
ACT, R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF THE  
SOUTH WEST ¼ OF SECTION 11 TOWNSHIP 78 RANGE 17 WEST OF THE  
6TH MERIDIAN PEACE RIVER DISTRICT EXCEPT PLAN PGP39322

(The "Lands")

BETWEEN:

Murphy Oil Company Ltd.

(APPLICANT)

AND:

Melvin Deforest Hogg

(RESPONDENT)

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**BOARD ORDER**

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Murphy Oil Company Ltd. ("Murphy Oil") seeks a right of entry order to access certain lands legally owned by Melvin Deforest Hogg to carry out an approved oil and gas activity, namely the construction, operation and maintenance of three flow lines and associated works. The total project is 0.47 acres, with 0.37 acres of temporary workspace and 0.10 acres of right of way.

The Oil and Gas Commission has issued a permit for this project.

On February 21, 2013, the Board conducted a mediation attended by Murphy Oil representatives and the Landowners. They discussed the right of entry order and compensation.

The Landowners assert the Board lacks the jurisdiction to hear Murphy Oil's application, as two of the three lines are pipelines and not flowlines. I heard submissions from both parties and I find that the facts are similar to those in *Murphy v. Shore (SRB 1745-, September 13, 2012)* where the Board found that the components of the pipeline are flowlines within the meaning of the relevant legislation. Therefore, I find the Board has jurisdiction to hear this application and can deal with the right of entry and compensation arising from the order.

The Landowners claimed the amount of partial compensation offered by the company is not sufficient. I find the amount offered is not out of line considering the scope of the project and the amounts paid for other rights of way. Since it is partial compensation, the amount does not limit the Landowners' ability to negotiate more.

Murphy Oil says it requires the Lands in order to move product from wells to a facility. I am satisfied that they require the lands for an oil and gas activity, supported by the fact the Oil and Gas Commission has approved their project.

## **ORDER**

Pursuant to section 159 of the *Petroleum and Natural Gas Act*, the Board orders as follows:

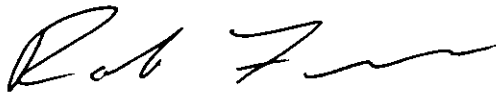
1. Upon payment of the amounts set out in paragraphs 3 and 4, Murphy Oil Company Ltd (Murphy Oil) shall have the right of entry to and access across the portions of the lands legally described as SOUTH WEST ¼ OF SECTION 11 TOWNSHIP 78 RANGE 17 WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT EXCEPT PLAN PGP39322 as shown outlined in red on the Individual Ownership Plan attached as Appendix "A" (the "Lands") for the purpose of carrying out the approved oil and gas activities,

namely the construction, operation and maintenance of three flow lines and associated works.

2. Murphy Oil's right of entry shall be subject to the terms and conditions attached as Appendix "B" to this right of entry Order.
3. Murphy Oil shall deliver to the Surface Rights Board security in the amount of \$2,500.00 by cheque made payable to the Minister of Finance. All or part of the security deposit may be returned to Murphy Oil, or paid to the landowner, upon agreement of the parties or as ordered by the Board.
4. Murphy Oil shall pay to the landowner as partial compensation the total amount of \$500.00.
5. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

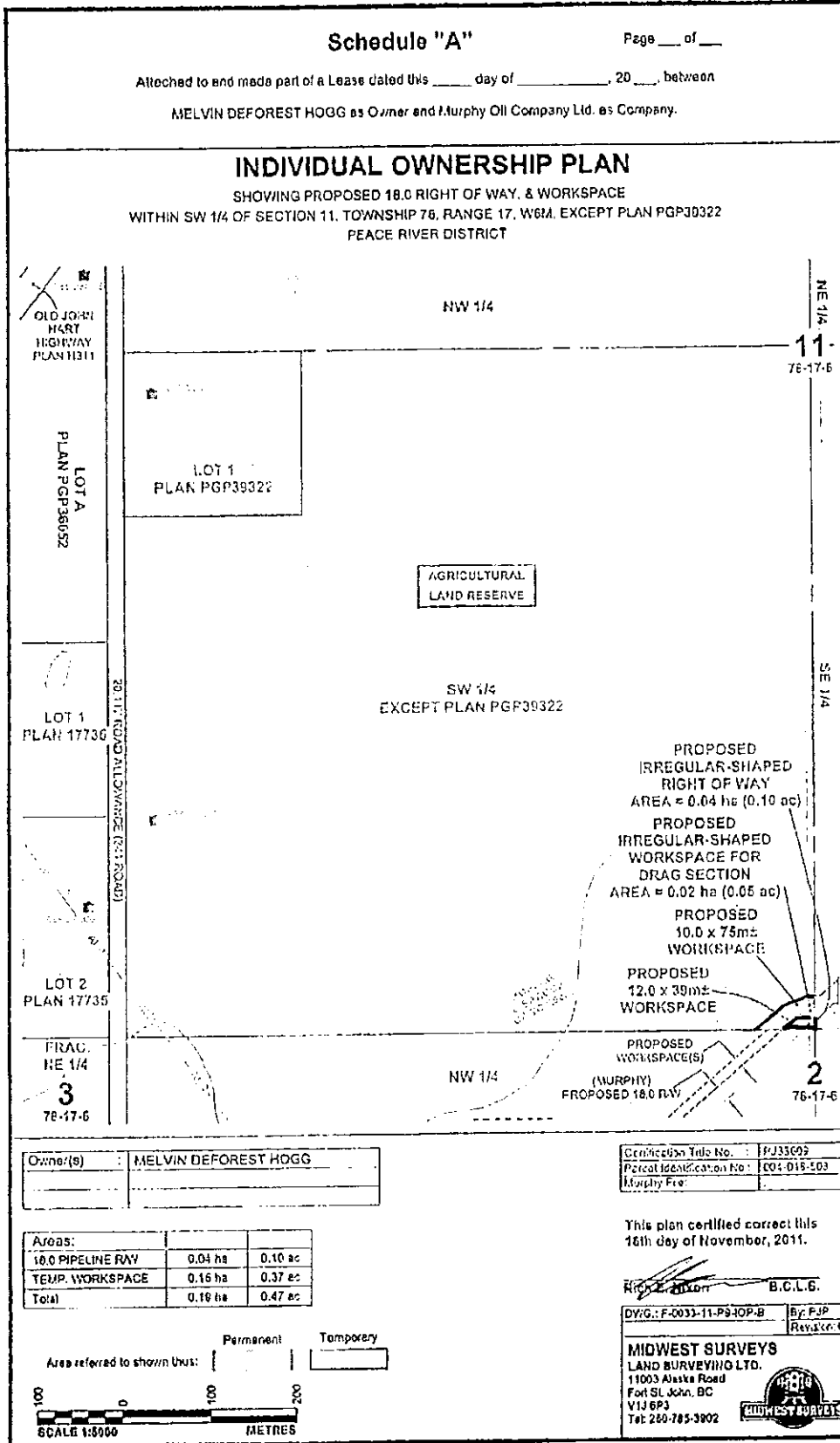
DATED: February 22, 2013

FOR THE BOARD



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Rob Fraser, Mediator



**APPENDIX "B"**  
**CONDITIONS FOR RIGHT OF ENTRY**

1. Murphy Oil shall make a reasonable effort to prevent the entry and spread of weeds on the Lands caused by Murphy Oil's operations.
2. Murphy Oil covenants and agrees to indemnify and save harmless the landowner from liabilities, damages, costs, claims, liens, suits or actions arising directly out of Murphy Oil's operations on the Lands, other than arising from or related to the wilful conduct or negligence of the landowner.
3. Murphy Oil will make all reasonable attempts to notify the landowner if any work, other than routine maintenance or inspection, is to be done on the Lands.