

January 15, 2014

SURFACE RIGHTS BOARD

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

AND IN THE MATTER OF

**LOT 2 SECTION 10 TOWNSHIP 80 RANGE 16 WEST OF THE 6TH MERIDIAN PEACE
RIVER DISTRICT PLAN EPP22404**

(The "Lands")

BETWEEN:

David Raymond Miller

(APPLICANT)

AND

Dolomite Energy Inc.

(RESPONDENT)

BOARD ORDER

The Applicant, David Raymond Miller, applied to the Board for review of rent payable under a lease on Lands now legally described as: LOT 2 SECTION 10 TOWNSHIP 80 RANGE 16 WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT PLAN EPP22404 (the Lands). Dolomite Energy Inc. (Dolomite) operates a wellsite that it wishes to abandon on the Lands. Dolomite's activities on the Lands arise from a permit issued by the Oil and Gas Commission ("OGC") on October 26, 2005 (OGC file 9621639). Dolomite's use and occupation of the Lands is pursuant to a lease on the parent parcel of the Lands, then described as: the South West ¼ of Section 10, Township 80, Range 16 West of the 6th Meridian Peace River District except Plan PGP42555 (the Parent Parcel). The lease was never registered in the Land Titles Office (LTO) against title to the Parent Parcel, and cannot now be registered against the Lands as a result of the Lands' subdivision from the Parent Parcel creating a new legal description. During the mediation process, Dolomite clarified that it wished to abandon the well, requiring either a registrable lease or a registrable right of entry order.

Dolomite asks the Board to issue a right of entry so they can complete their abandonment program for wellsite "Dolomite Sunrise 3-10-80-16W6". Once shut in, Dolomite intends to apply to the Oil and Gas Commission for a certificate of restoration.

I conducted mediation several mediation sessions, beginning in July of 2013. In preparation for the last mediation session on November 26, 2013, Dolomite produced a Form C, including a new lease, for Mr. Miller's signature. Mr. Miller had some concerns and I set a date for Mr. Miller to amend the Form C into a form acceptable to himself, and set December 14, 2013 as the date for Dolomite to respond. I said that if the parties could reach an agreement the Board would issue a Right of Entry Order and order partial compensation. On December 12, 2013 Mr. Miller's adviser, Mr. E. Gowman, advised me that Mr. Miller was seeking legal advice regarding entering into a new lease and left it to the Board to decide whether to issue the Right of Entry Order. I posed a number of questions regarding the length of time required to seek legal advice and asked for clarification regarding the status of the old lease. Mr. Miller did not respond.

The parties continued their discussions, and ultimately agreed to an annual rent of \$5,500, an effective date of October 11, 2013, and Dolomite agreed to a payment of the difference between the old and new rate.

I am satisfied that Dolomite Energy Inc. requires access to the Lands for the purposes of an oil and gas activity, namely the completion of the abandonment of their wellsite "Dolomite Sunrise 3-10-80-16W6".

ORDER

The Surface Rights Board orders:

1. Upon payment of the amount ordered in paragraph 2, the Respondent, Dolomite Energy Inc., shall have the right of entry to and access across the portion of the Lands shown in Appendix "A" for the purpose of completing their abandonment program for wellsite "Dolomite Sunrise 3-10-80-16W6".
2. The Respondent, Dolomite Energy Inc., shall pay to the Applicant, David Raymond Miller, the sum of \$5,500.00 as annual compensation effective October 11, 2013 for access to those portions of Lands required to complete their abandonment program. Dolomite shall forthwith pay to Mr. Miller retroactive rent in the amount of \$1,456.00, being the difference between the former lease rate and this new rate.
3. Dolomite Energy Inc. shall deliver to the Surface Rights Board security in the amount of \$1,000.00 by cheque made payable to the Minister of Finance. All or part of the security deposit may be returned to Dolomite or paid to the landowners, upon agreement of the parties or as ordered by the Board.
4. Dolomite Energy Inc's right of entry shall be subject to the terms and conditions attached as Appendix "B" to this right of entry Order.
5. Nothing in this order operates as consent, permission, approval or authorization of matters within the jurisdiction of the Oil and Gas Commission.

DATED: January 15, 2014

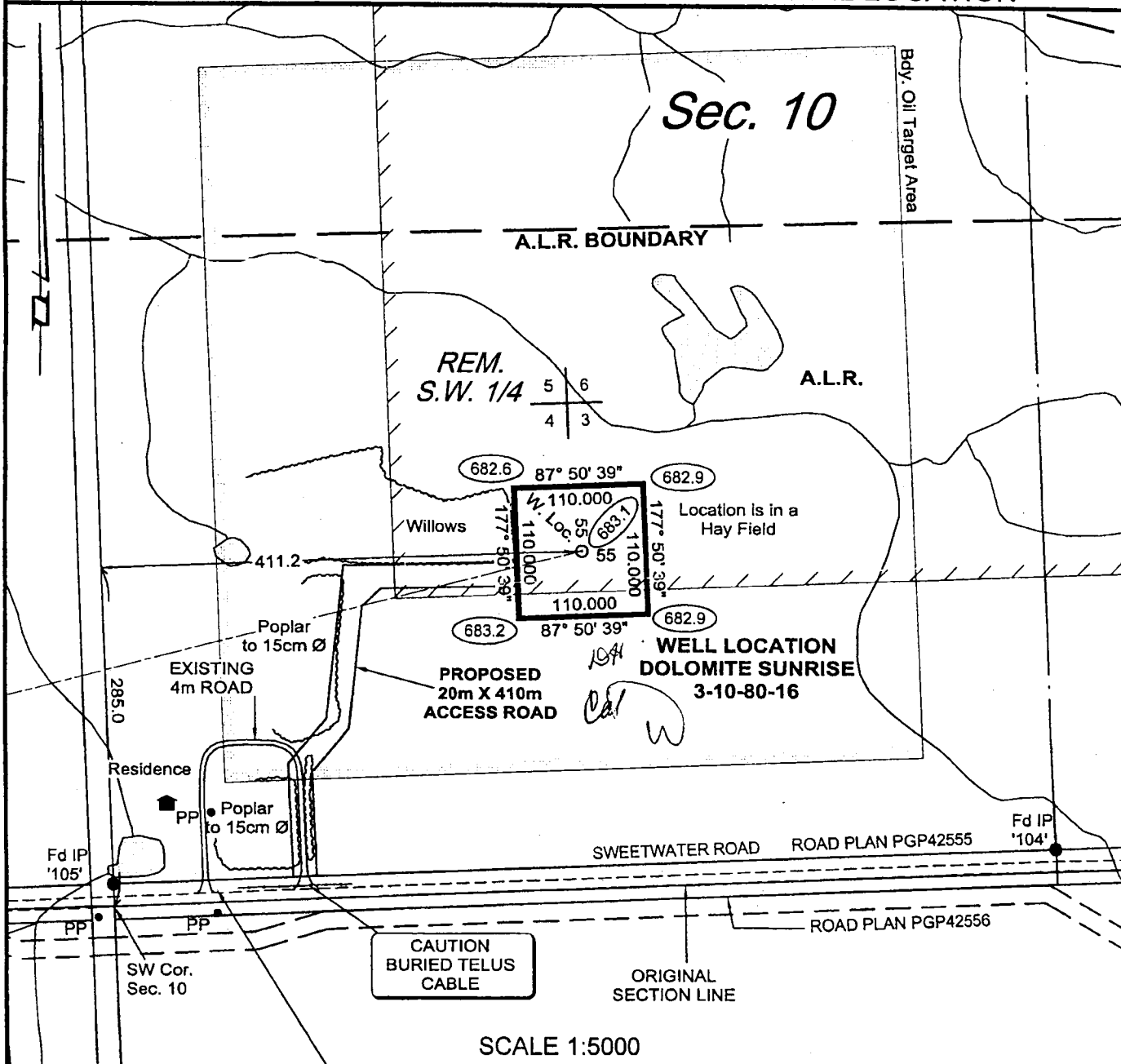
FOR THE BOARD



Rob Fraser, Mediator

DOLOMITE ENERGY INC.

INDIVIDUAL OWNERSHIP PLAN FOR PROPOSED WELL LOCATION



OWNERS:

DANEEN DALE HOMMY

CALVIN GLEN FOX

PARCEL: S.W. 1/4 Sec. 10, Tp. 80,
R. 16 W.6M EXCEPT PLAN PGP42555

PID: 014-322-269

Areas Affected Outlined in Red

AREAS :

WELLSITE	=	1.21 ha.	2.99 Ac.
ACCESS ROAD	=	0.82 ha.	2.03 Ac.
Total	=	2.03 ha.	5.02 Ac.

Certified correct this 5th day of October 2005.

British Columbia Land Surveyor

FOCUS
Focus Surveys

Edmonton (780) 466-6555
Calgary (403) 269-2252
Grande Prairie (780) 539-3222
Regina (306) 586-0837
Fort St. John (250) 785-7776

Dwg. No. 37-2329-00-IP

Rev. No. 0

APPENDIX "B"
CONDITIONS FOR RIGHT OF ENTRY

All work will comply with all current Oil and Gas Commission and Safety and Environmental Protection Guidelines and Regulations.