

July 21, 2015

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

THAT PART OF THE NORTH EAST $\frac{1}{4}$ SECTION 24 TOWNSHIP 78 RANGE 18
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT LYING NORTH AND
EAST OF PLAN H311 EXCEPT PLAN 23873;

AND

THE SOUTH EAST $\frac{1}{4}$ OF SECTION 25 TOWNSHIP 78 RANGE 18 WEST OF
THE 6TH MERIDIAN PEACE RIVER DISTRICT

(the "Lands")

BETWEEN:

ARC Resources Ltd.

(APPLICANT)

AND:

Darcy Dwayne Hommy

(RESPONDENT)

MEDIATION ORDER

On January 20, 2011, ARC entered into a Lease and Amendment to Surface Lease with the prior landowner, which were assigned to the Respondent through an Assignment and Assumption of Surface Lease Agreement dated February 20, 2013. ARC has continued to pay the Respondent annual compensation in the total amount of \$5,000.

On February 25, 2014, the Surface Rights Board issued Board Order 1829-1 giving ARC Resources Ltd. ("ARC") access to the Lands for the purpose of carrying out an approved oil and gas activity, namely the construction, operation and maintenance of 13 natural gas wells.

Order 1829-1 included partial compensation in the amount of \$35,000.

The parties have reached an agreement on the amount of compensation, which amounts include a significant bonus payment by ARC to avoid the need for Arbitration.

BY CONSENT, the Surface Rights Board orders:

1. ARC shall pay to the Respondent, DARCY DWAYNE HOMMY, an additional one-time payment of \$4,000 as compensation owing for access to those portions of lands required for the construction, operation and maintenance of 13 natural gas wells.
2. ARC shall pay rent to the Respondent, DARCY DWANE HOMMY in the amount of \$13,000, commencing on February 25, 2016 and annually thereafter.
3. The parties will terminate the Lease and Amendment to Surface Lease both dated January 20, 2011.

DATED: July 21, 2015

FOR THE BOARD



Rob Fraser, Mediator