

File No. 1845
Board Order No. 1845-2

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

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

AND

THE NORTHEAST $\frac{1}{4}$ OF SECTION 24 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 August 29, 2011, ARC entered into a Lease with the prior landowner, which was 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 \$4,700.

On December 23, 2014, the Surface Rights Board issued Board Order 1845-1 giving ARC Resources Ltd. ("ARC") access to the Lands for the purpose of carrying out an approved oil and gas activity on an adjacent property.

Order 1845-1 included partial compensation in the amount of \$1,000.

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 \$7,500 as compensation owing for access to those portions of lands required for carrying out an approved oil and gas activity on an adjacent property, namely to construct, operate and maintain the wellsites listed in Appendix "A".
2. ARC shall pay rent to the Respondent, DARCY DWAYNE HOMMY in the amount of \$7,500, commencing on December 23, 2015 and annually thereafter.
3. The parties will terminate the Lease dated August 29, 2011.

DATED: July 21, 2015

FOR THE BOARD



Rob Fraser, Mediator

APPENDIX "A"

List of Wellsites

1. 12-30-78-17 W6M (BH 16-35-78-18)
2. A12-30-78-17 W6M (BH 7-35-78-18)
3. B12-30-78-17 W6M (BH 7-35-78-18)
4. C12-30-78-17 W6M (BH 7-35-78-18)
5. D12-30-78-17 W6M (BH 10-35-78-18)
6. E12-30-78-17 W6M (BH 16-19-78-17)
7. F12-30-78-17 W6M (BH 16-19-78-17)
8. G12-30-78-17 W6M (BH 16-19-78-17)
9. H12-30-78-17 W6M (BH 1-30-78-17)
10. I12-30-78-17 W6M (BH 10-35-78-18)
11. J12-30-78-17 W6M (BH 4-29-78-17)
12. K12-30-78-17 W6M (BH 4-29-78-17)
13. 13-30-78-17 W6M (BH 9-35-78-18)
14. A13-30-78-17 W6M (BH 16-35-78-18)
15. B13-30-78-17 W6M (BH 16-35-78-18)
16. C13-30-78-17 W6M (BH 3-29-78-17)
17. D13-30-78-17 W6M (BH 2-29-78-17)
18. E13-30-78-17 W6M (BH 2-29-78-17)