

**File No. 1858**  
**Board Order No. 1858-1**

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**March 31, 2016**

**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 1/4 OF SECTION 23 TOWNSHIP 83 RANGE 16 WEST OF  
THE 6th MERIDIAN PEACE RIVER DISTRICT  
THE NORTH WEST 1/4 OF SECTION 24 TOWNSHIP 83 RANGE 16 WEST OF  
THE 6th MERIDIAN PEACE RIVER DISTRICT  
THE NORTHEAST 1/4 OF SECTION 26 TOWNSHIP 83 RANGE 16 WEST OF  
THE 6th MERIDIAN PEACE RIVER DISTRICT**

**(The "Lands")**

**BETWEEN:**

**Fernand Charles Mertens**

**(APPLICANT)**

**AND:**

**Leucrotta Exploration Inc.**

**(RESPONDENT)**

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**BOARD ORDER**

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On April 25, 2015, the landowner, Mr. Mertens, commenced a rent review proceeding before the Surface Rights Board, in respect of three existing surface leases held by the Respondent, Leucrotta Exploration Inc. ("Leucrotta"), over the Lands.

On October 8, 2015, I conducted a telephone mediation call attended by landowner Fernand Charles Mertens and his representative, Thor Skafte, as well as by Kiel Crowe and Rick Williams on behalf of Leucrotta. The parties reached an agreement on the issue of compensation, but not on the issue of costs (which has since been referred to arbitration).

The parties have now requested that the Board grant an Order confirming the terms of settlement. The parties have agreed that this Order shall replace the existing surface leases held by Leucrotta over the Lands.

#### **ORDER**

1. Upon payment of the amounts set out in paragraphs 2 and 3, Leucrotta shall have the right of entry to and access across the portions of the Lands shown outlined in red on the Individual Ownership Plans attached collectively as Schedule "A" to this Order, for the purpose of carrying out certain approved oil and gas activities, namely, the operation and maintenance of the depicted natural gas wellsites and associated works depicted therein.
2. Leucrotta shall pay Mr. Mertens the total amount of \$3,000 (\$1,000 for each of the parcels to which this right of entry order applies), within 30 days of the date of this Order.
3. Leucrotta shall pay Mr. Mertens the following amounts in respect of annual compensation, on the anniversary dates set out below:

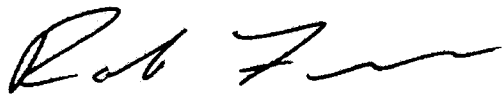
Parcel	Amount	Anniversary Date
SE 1/4 Sec. 23, TP 83, R 16, W6M (PID 013-864-343)	\$5,000.00	November 9, 2016
NW 1/4 Sec. 24, TP 83, R 16 W6M (PID 014-577-682)	\$5,241.00	November 13, 2016

NE 1/4 Sec. 26, TP 83, R 16, W6M (PID 010-806-288)	\$4,080.00	February 21, 2016
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4. Nothing in this order operates as a consent, permission, approval or authorization of matters within the jurisdiction of the Oil and Gas Commission.
5. Leucrotta shall submit a copy of this Order to the applicable British Columbia Land Title Office to be registered against title to each of the above-noted parcels of the Lands within 30 days of the date of this Order.

DATED: March 31, 2016

FOR THE BOARD



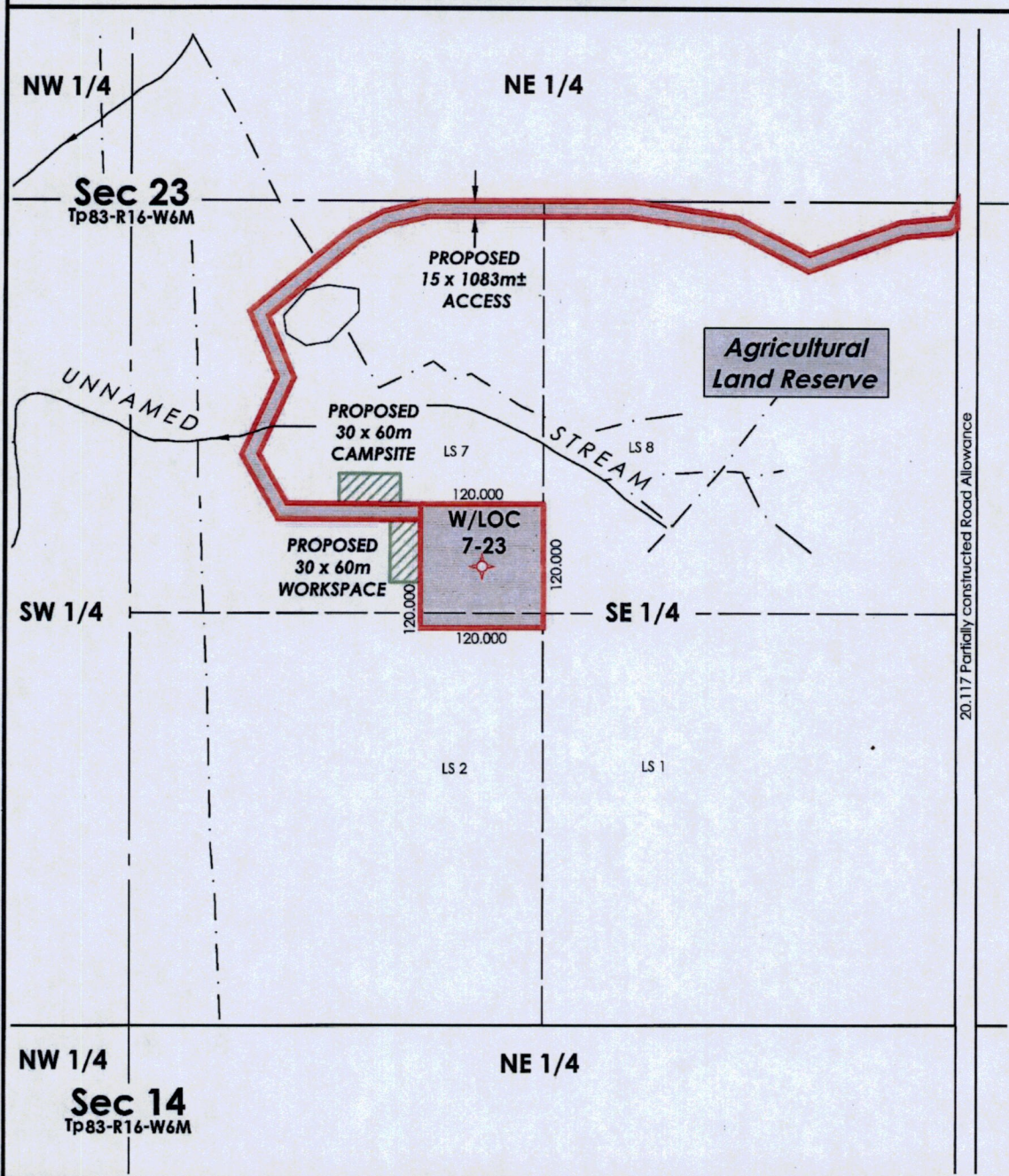
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
Rob Fraser, Mediator



SCHEDULE "A" ORDER 18584

**LEUCROTTA EXPLORATION INC.  
INDIVIDUAL OWNERSHIP PLAN  
SHOWING PROPOSED  
WELLSITE AND ACCESS IN  
SE 1/4 Sec 23, Tp 83, R 16, W6M  
PEACE RIVER DISTRICT**

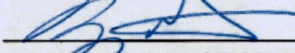


**TITLE No.:** PC20490      **P.I.D. No.:** 013-864-343      **NOTES**  
**OWNER(S):** Fernand Charles Mertens      SCALE = 1 : 5,000  
 Distances shown are in metres.  
 Permanent Portions referred to: . . . . .   
 Temporary Portions referred to: . . . . . 

**AREA REQUIRED:**

Wellsite	1.44 ha	3.56 ac
Access	1.62 ha	4.00 ac
Campsite	0.18 ha	0.44 ac
Workspace	0.18 ha	0.44 ac
<b>TOTAL:</b>	<b>3.42 ha</b>	<b>8.44 ac</b>

Certified correct this  
22nd day of March, 2016.

  
Bryan Bates, BCLS 776

NO.	DATE	REVISION	DRN	CKD
0	16/03/22	Original plan issued	JJL	WC

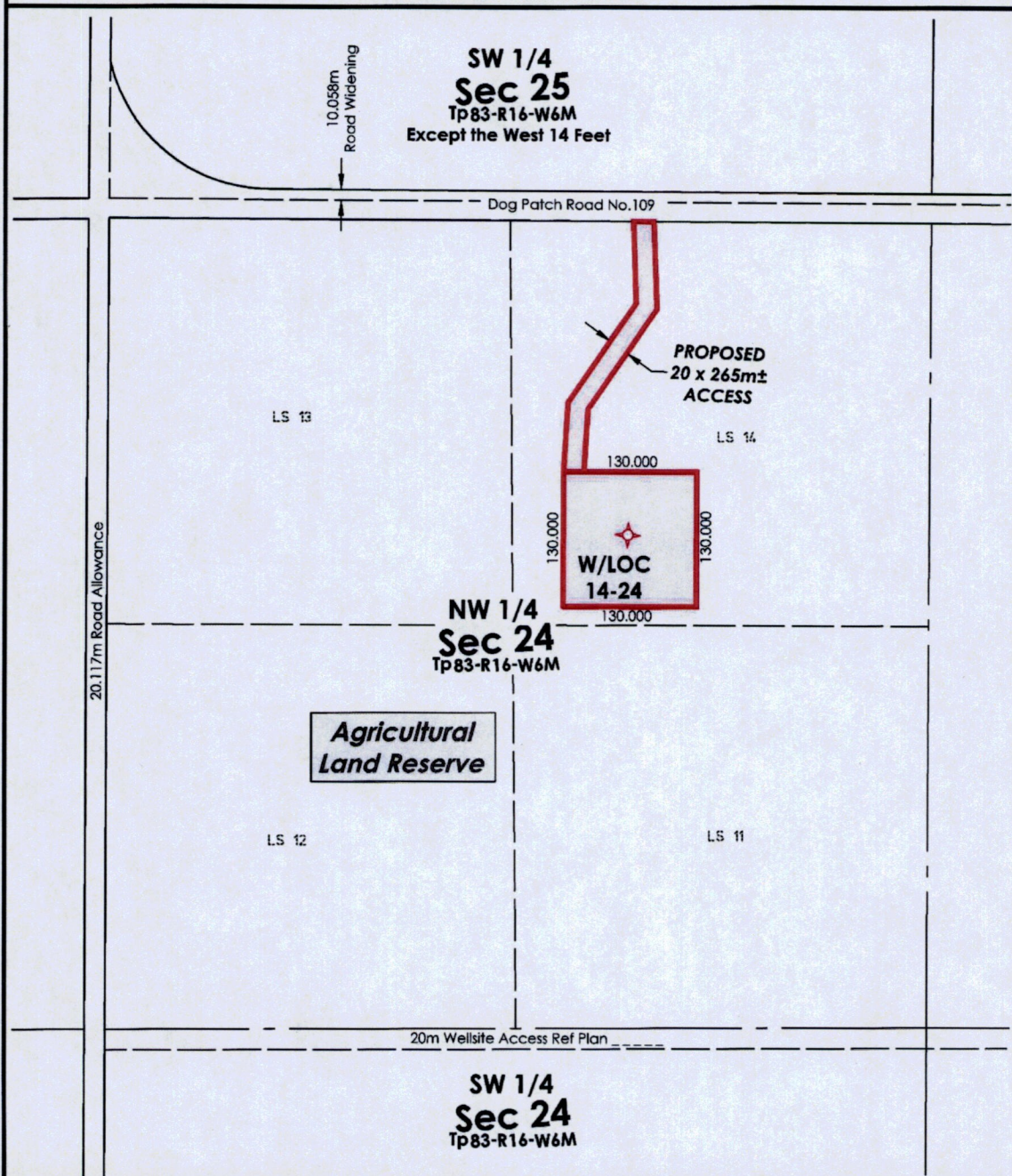
**can-am geomatics.**  
 can-am geomatics bc      Phone: 250.787.7171  
 Fort St. John, B.C.      Toll Free: 1.866.208.0983  
 www.canam.com      Fax: 250.787.2323

**CAN-AM FILE: B20160131**  
 CAD FILE: B20160131IOP-0  
 Client File No.:  
 AFE No.:  
 Land File No.:  
  
 REVISION



SCHEDULE "A" ORDER 1858-1


**LEUCROTTA EXPLORATION INC.  
INDIVIDUAL OWNERSHIP PLAN  
SHOWING PROPOSED  
WELLSITE AND ACCESS IN  
NW 1/4 SEC 24, TP 83, R 16, W6M  
PEACE RIVER DISTRICT**

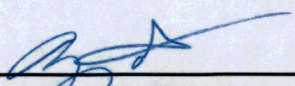


**TITLE No.:** K32788      **P.I.D. No.:** 014-577-682  
**OWNER(S):** Fernand Charles Mertens

**AREA REQUIRED:**


Wellsite	1.69 ha	4.18 ac
Access	0.53 ha	1.31 ac
<b>TOTAL:</b>	<b>2.22 ha</b>	<b>5.49 ac</b>

**LEGEND**  
 SCALE = 1 : 5,000  
 Portions referred to: .....   
 Notes: Distances shown are in metres.  
 Certified correct this  
 22nd day of March, 2016.

  
 Bryan Bates, BCLS 776

NO.	DATE	REVISION	DRN	CKD
0	16/03/22	Original plan issued	DL	WC

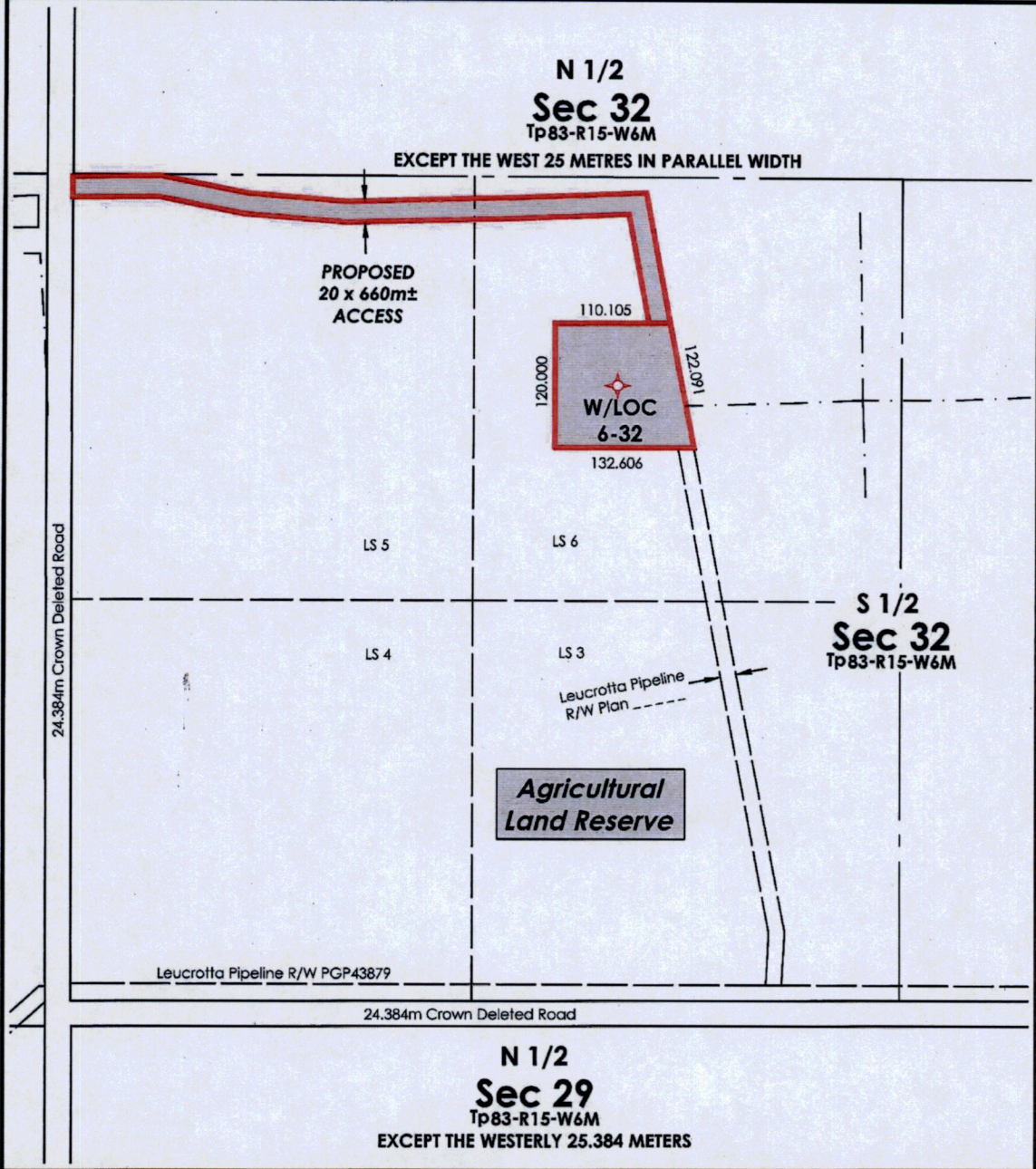
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**CAN-AM FILE: B20160130**  
 CAD FILE: B20160130IOP-0  
 Client File No.:  
 AFE No.:  
 Land File No.:  
 REVISION 



SCHEDULE "A" ORDER 1958-1

**LEUCROTTA EXPLORATION INC.  
INDIVIDUAL OWNERSHIP PLAN  
SHOWING PROPOSED  
WELLSITE AND ACCESS IN  
S 1/2 Sec 32, Tp 83, R 15, W6M  
EXCEPT THE MOST WESTERLY AND SOUTHERLY 80 FEET IN PARALLEL WIDTHS  
PEACE RIVER DISTRICT**



<b>TITLE No.:</b> X32443	<b>P.I.D. No.:</b> 003-611-531	<b>LEGEND</b>
<b>OWNER(S):</b> Roy Ernest Giesbrecht Susan Elaine Giesbrecht		SCALE = 1: 5,000 Portions referred to: ..... Notes: Distances shown are in metres.
<b>AREA REQUIRED:</b>		Certified correct this 22nd day of March, 2016.
Wellsite	1.46 ha    3.61 ac	 Bryan Bates, BCLS 776
Access	1.32 ha    3.26 ac	
<b>TOTAL:</b>	<b>2.78 ha    6.87 ac</b>	

NO.	DATE	REVISION	DRN	CKD
0	16/03/22	Original plan issued	JJL	WC

<b>can-am geomatics</b>		<b>CAN-AM FILE: B20160132</b>	
can-am geomatics bc    Phone: 250.787.7171		CAD FILE: B20160132IOP-0	
Fort St. John, B.C.    Toll Free: 1.866.208.0983		Client File No.:	
www.canam.com    Fax: 250.787.2323		AFE No.:	
		Land File No.:	

REVISION