

**File No. 1877**  
**Board Order No. 1877-2**

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**May 3, 2017**

**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 NORTH ½ OF SECTION 15 TOWNSHIP 79 RANGE 16 WEST OF THE  
6<sup>TH</sup> MERIDIAN PEACE RIVER DISTRICT EXCEPT PLAN EPP21626  
(The "Lands")**

**BETWEEN:**

**Raymond Earl Sluggett**

**(APPLICANT)**

**AND:**

**Canadian Natural Resources Ltd.**

**(RESPONDENT)**

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**BOARD ORDER**

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In December of 2015 the Board issued Board Order 1877-1 for Canadian Natural Resources Ltd. ("CNRL") to access to the Lands legally described as: THE NORTH ½ OF SECTION 15 TOWNSHIP 79 RANGE 16 WEST OF THE 6<sup>TH</sup> MERIDIAN PEACE RIVER DISTRICT EXCEPT PLAN EPP21626, owned by Raymond Earl Sluggett for an oil and gas activity, specifically to construct and maintain an access road and wellsite (Well Authority: 31748) ; Road Permit – 9643080 (Road No.:03484). The wellsite has the potential for up to 16 additional wells, that are not yet permitted.

Although discussions have taken place, the parties are unable to agree to compensation.

On April 27, 2017, I conducted an in-person mediation in Dawson Creek attended by D. Werle for CNRL, and R. Sluggett and E. Gowman for the Landowner.

Mr. Werle explained that the access road is not constructed and that the well is only partially constructed.

Mr. Sluggett explained his use of the lands that form the access road and the well site, saying that he rotates the land between a grain crop and a hay crop, and uses the land for fall grazing.

The parties discussed Mr. Sluggett's actual losses plus the associated nuisance and disturbance. The also reviewed other settlements and leases.

After a thorough and lengthy discussion, the parties agreed to compensation, retroactive to the date of Board Order 1877-1.

## **ORDER**

BY CONSENT the Surface Rights Board orders:

1. One time payment for the compulsory aspect of the entry, occupation or use: \$5,000.00
2. One time payment for the value of land at \$1,700.00 per acre for 19.72 acres: \$33,524.00
3. Annual payment for loss of profit (crop loss) \$320 per acre for 19.72 acres: \$6,310.00
4. Annual payment for nuisance and disturbance: \$2,500.00

5. Total annual payment is \$8,810 ( $\$6,301.00 + \$2,500 = \$8,810$  from paragraphs #3 and #4)
6. One time payment for temporary & Permanent damage from entry: \$2,958.00
7. Total first year payment (the total of the amounts above) minus payment of \$37,080 (paid as per Board Order 1877-1) of \$13,212.00.
8. The parties have agreed to the amount to cover Mr. Sluggett's time and travel, and will settle that outside the terms of this Order.
9. The parties agreed that the payment for subsequent wells would be a \$2000.00 initial payment for each well, and an increase in the annual rent of \$500.00 for each producing well.

DATED: May 3, 2017

FOR THE BOARD



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Rob Fraser, Mediator