

File No. 1881
Board Order No. 1881-1

March 16, 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 NORTH WEST ¼ OF SECTION 4 TOWNSHIP 80 RANGE 17 WEST OF THE
6TH MERIDIAN PEACE RIVER DISTRICT
(The "Lands")**

BETWEEN:

**Rodney Allen Strasky and
Kim Lori Strasky**

(APPLICANTS)

AND:

Terra Energy Corp.

(RESPONDENT)

BOARD ORDER

This is an application brought under sections 164 and 176 of the *Petroleum and Natural Gas Act*.

The Applicants, Rodney Allen Strasky and Kim Lori Strasky, are the owners of the Lands described as: THE NORTH WEST ¼ OF SECTION 4 TOWNSHIP 80 RANGE 17 WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT. The Respondent, Terra Energy Corp., is the operator of a well located on the Lands. The Respondent's right of entry to the Lands for the purpose of operating the well is pursuant to a surface lease dated December 17, 2009 between Rodney Allen Strasky and Kim Lori Strasky, and Terra Energy Corp. (the Surface Lease).

Pursuant to the Surface Lease, Terra Energy Corp., is required to make annual payments of \$5,052.00 to Rodney Allen Strasky and Kim Lori Strasky. Terra Energy Corp. failed to make the annual payment required by December 17, 2015.

The Board finds that Terra Energy Corp. has failed to pay rent owing under a surface lease. Pursuant to section 176 of the *Petroleum and Natural Gas Act*, the Board determines that Terra Energy Corp. owes Rodney Allen Strasky and Kim Lori Strasky \$5,052.00 in unpaid rent plus interest from December 17, 2015. The Applicants are entitled to costs of this application.

Pursuant to section 176 of the *Petroleum and Natural Gas Act*, the Board may suspend a right of entry when a right holder fails to pay rent in accordance with a surface lease. I heard from the parties on this issue in a telephone conference on March 10, 2016. This is an operating well. I am advised that Terra Energy Corp. is actively making efforts to market assets to raise capital to pay various financial obligations. In the circumstances I am satisfied that it is not in either party's interest to suspend the right of entry at this time. However, the Applicants are at liberty to renew their request to suspend the right of entry if Terra Energy Corp. does not satisfy the order for payment below within a reasonable period of time.

The Board orders as follows:

1. Terra Energy Corp. shall forthwith pay to Rodney Allen Strasky and Kim Lori Strasky the sum of \$5,052.00 plus interest calculated in accordance with the *Court Order Interest Act* from December 17, 2015.
2. Terra Energy Corp. shall forthwith pay to Rodney Allen Strasky and Kim Lori Strasky \$213.91 in costs plus interest calculated in accordance with the *Court Order Interest Act* from the date of this Order.

DATED: March 16, 2016
FOR THE BOARD



Cheryl Vickers, Chair