

June 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**

**DISTRICT LOT 2162 PEACE RIVER DISTRICT,
AGRICULTURAL LEASE #0249877, DISPOSITION NO. 86941 1
(the "Lands")**

BETWEEN:

Crew Energy Inc.

(APPLICANT)

AND:

Penalty Ranch Ltd.

(RESPONDENT)

BOARD ORDER

I conducted a telephone mediation on April 20, 2016 discussing Crew Energy Inc.'s ("Crew") application to the Board for mediation and arbitration services.

Crew Energy Inc. ("Crew") seeks a right of entry order to access certain lands to carry out an approved oil and gas activity, namely to construct, drill, complete and operate natural gas wells and associated infrastructure.

At the time of the mediation, I declined to consider a right of entry order as the Oil and Gas Commission ("OGC") had not issued a permit for project 15-9. Crew has now produced to the Board OGC well permits 9643426, 9643427 and 9643428 that relate to this project.

Under the provisions of the *Petroleum and Natural Gas Act*, the Board may grant a right of entry order to privately owned land if it is satisfied that an order authorizing entry is required for an oil and gas activity. "Oil and gas activity" is a defined term that includes the construction or operation of a pipeline.

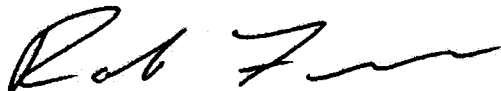
Based on our discussions and also on the fact that the Oil and Gas Commission has issued permits for Crew's project I am satisfied that Crew requires the Lands for an approved oil and gas activity.

The Surface Rights Board orders:

1. Upon payment of the amount set out in paragraph 2, Crew shall have the right of entry to and access the portions of the Lands shown outlined in red on the Individual Ownership Plan attached as Appendix "A" to construct, drill, complete and operate natural gas wells and associated infrastructure.
2. Crew shall pay to the landowner as partial compensation the total amount of \$1500.
3. Crew shall deliver to the Surface Rights Board security in the amount of \$2500 by cheque made payable to the Minister of Finance. All or part of the security deposit may be returned to Crew, or paid to the landowner, upon agreement of the parties or as ordered by the Board.
4. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

DATED: June 16, 2016

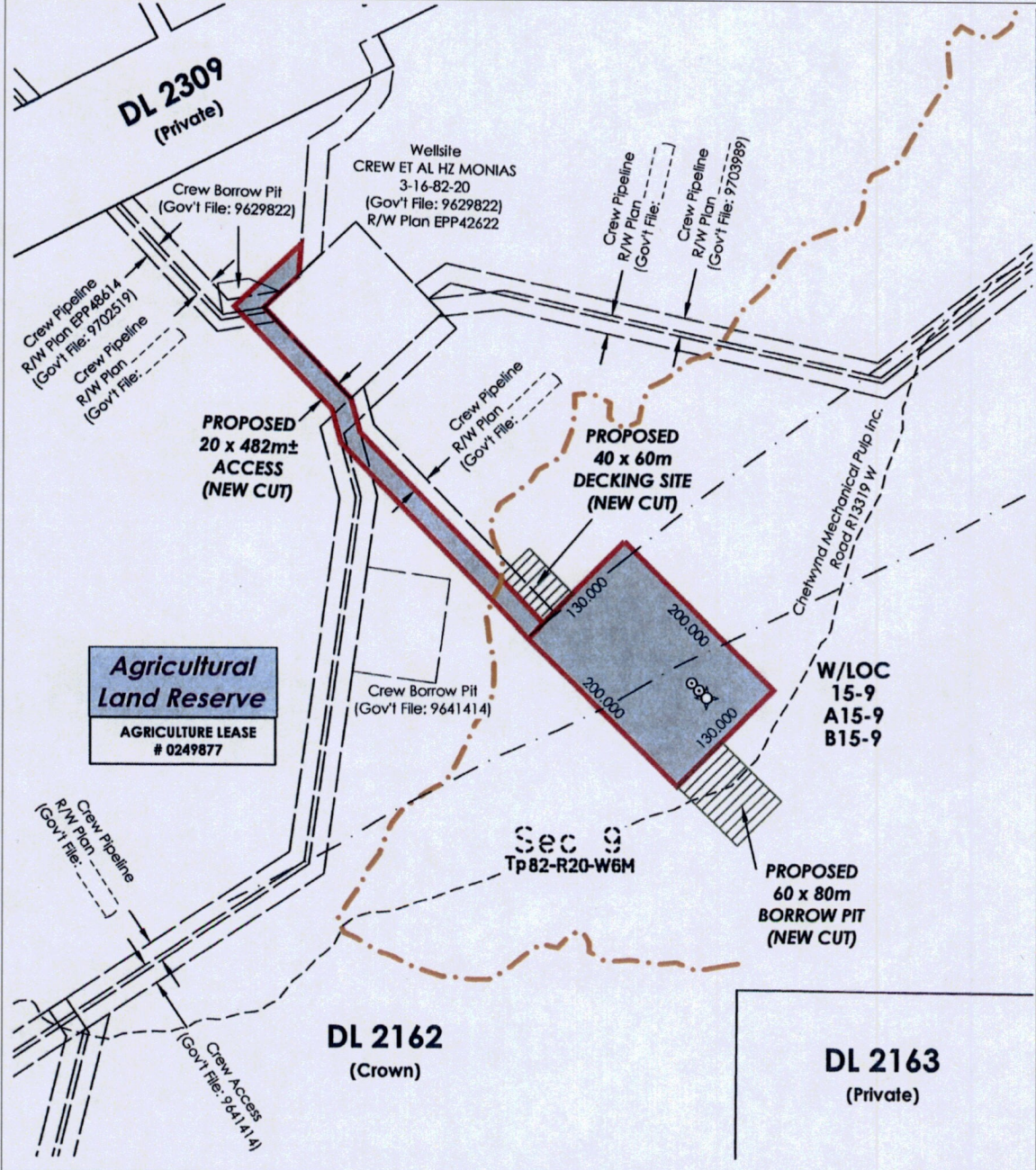
FOR THE BOARD



Rob Fraser, Mediator

APPENDIX "A"

CREW ENERGY INC.
INDIVIDUAL OWNERSHIP PLAN
SHOWING PROPOSED
WELLSITE, ACCESS, DECKING SITE AND BORROW PIT IN
DISTRICT LOT 2162
AGRICULTURE LEASE # 0249877 PEACE
RIVER DISTRICT







AGRICULTURE LEASE 0249877

OWNER(S): PENALTY RANCH LTD., INC. NO. 169486

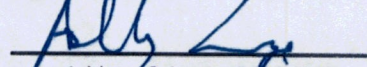
NOTES

SCALE = 1: 5,000

Distances shown are in metres.

	Wellsite	2.60 ha	6.42 ac
	Decking Site	0.24 ha	0.59 ac
	Borrow Pit	0.48 ha	1.19 ac
	Access	0.96 ha	2.37 ac
TOTAL:		4.28 ha	10.57 ac

Certified correct this
 28th day of August, 2015.


 Ashley S. Large, B.C.L.S. 884



AREA

REQUIRED:

O.	DATE	REVISION	DRN	CKD		
0	5/08/28	iginally requested as 4-16-82-20	MC	TC	CAN-AM FILE: J20150557	
					CAD FILE: J20150557WS-IOPO	
					Client File No.:	s-02955
					AFE No.:	151 70283
					Land File No.:	
						REVISION

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can-am geomatics bc Phone: 250.787.71 n Fort
 St. John, B.C. Toll Free: 1 .866.208.0983
 www.canam.com Fax: 250.787.2323