
June 28, 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

This Order amends order 1885-2 to add Terms and Conditions at Appendix B.
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 on the Terms and Conditions set out at Appendix "B".
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 28, 2016

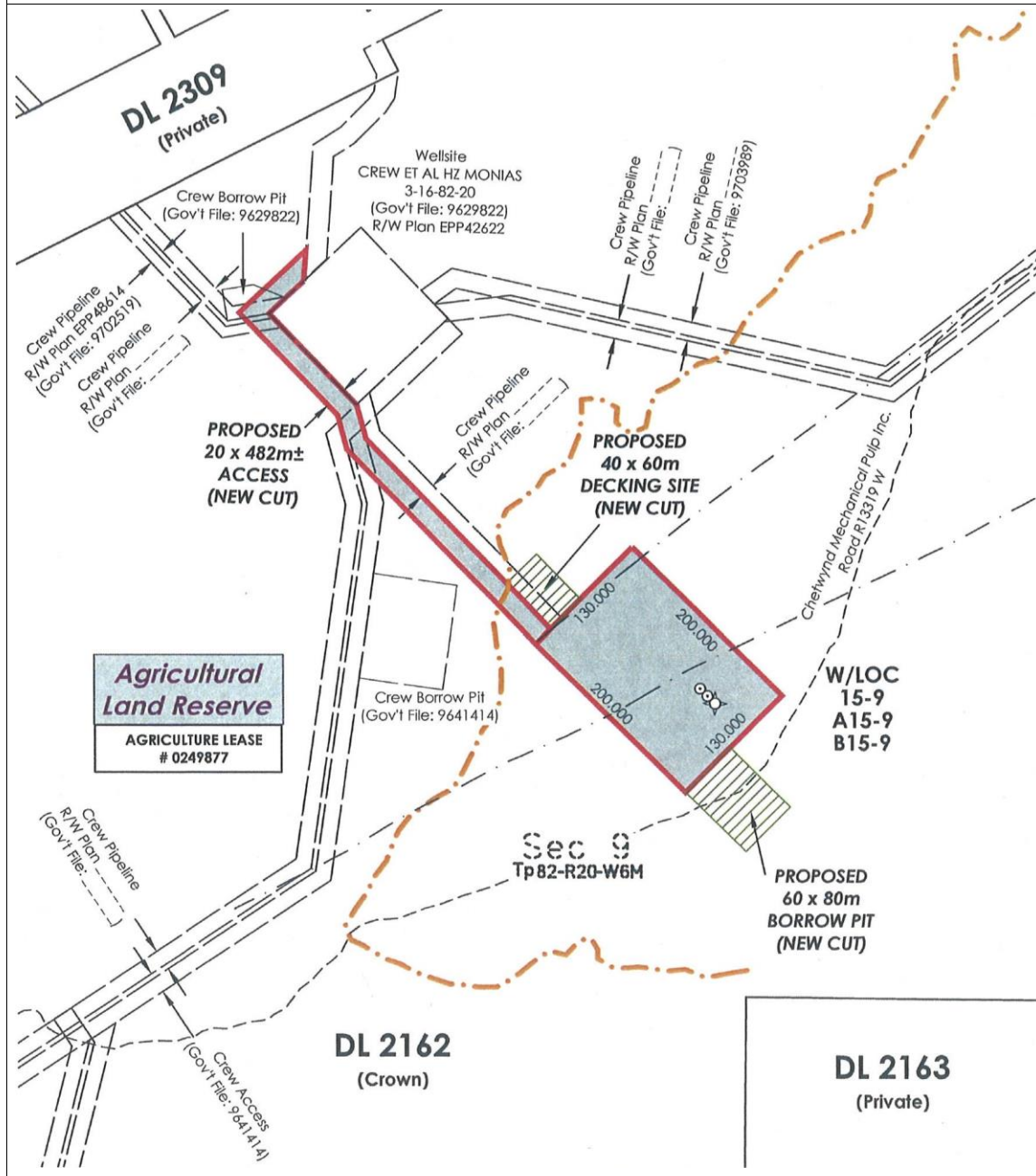
FOR THE BOARD



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
 Ashley S. Large, B.C. 15884

AREA
 REQUIRED:

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

Appendix B

Terms and Conditions

1. Crew will fence the well pad following construction;
2. Crew will take reasonable efforts to control dust on the areas covered by the right of entry and to enforce the speed of those under its control using the access road.
3. Crew will take all reasonable efforts to ensure cattle are not harmed.