File Nos. 1900 and 1901 Board Order No.1900-1901-1	

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 WEST ¼ OF SECTION 15 TOWNSHIP 80 RANGE 15 WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

ARC Resources Ltd.

(APPLICANT)

AND:

Keith Allan Hankins and Cheri Lee Hankins

(RESPONDENTS)

BOARD ORDER

ARC RESOURCES LTD. v. HANKINS ORDER 1900-1901-1 Page 2

ARC Resources Ltd. ("ARC") seeks a right of entry order to access certain lands legally owned by Keith Allan Hankins and Cheri Lee Hankins (the "Lands").

ARC proposes two projects: a pipeline (SRB 1900) and a padsite (SRB 1901). The Oil and Gas Commission ("OGC") has issued permits for the pipeline (OGC Permit 9709710) and the padsite (OGC Permits 9643762, 9644159, 9644160, 9644161, 9644162, 9644163, 9644164). ARC requires access to the Lands to construct, operate and maintain flowlines, natural gas wells, a wellsite and associated infrastructure.

On June 14, 2016 I conducted a telephone conference call to discuss these applications. Subsequent to this call, the parties engaged in correspondence dealing with proposed terms and conditions.

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 pipelines and natural gas wells.

Based on our discussions and on the fact that the OGC has issued permits for ARC's projects I am satisfied that ARC requires the Lands for an approved oil and gas activity.

I have reviewed the submissions from the parties regarding terms and conditions and I have included those I find relevant and within the Board's jurisdiction. I have included in paragraph 7 a reference to baseline water testing of the dugout, although outside of the right of way area, as ARC has committed to this testing and this testing is integral to ARC's projects in order to ensure the quality of the water is not negatively impacted.

The Surface Rights Board orders:

- Upon payment of the amount set out in paragraphs 2 and 3, ARC shall have the
 right to enter and access the portions of the Lands shown outlined in red on the
 Individual Ownership Plans attached as Appendix "A" and Appendix "B" as
 necessary for the purpose of constructing, operating and maintaining flow lines
 and constructing, drilling, completing and operating natural gas wells and
 associated infrastructure.
- 2. ARC shall pay to the landowner as partial compensation the total amount of \$35,000.
- 3. ARC shall deliver to the Surface Rights Board security in the amount of \$2,500 by cheque made payable to the Minister of Finance. All or part of the security deposit may be returned to ARC, or paid to the landowner, upon agreement of the parties or as ordered by the Board.

ARC RESOURCES LTD. v. HANKINS ORDER 1900-1901-1 Page 3

- 4. Following the completion of construction, drilling and completion operations ARC will fence the padsite.
- 5. ARC will construct berms around the padsite, using both hay bales and the surface soils stripped from the padsite during construction, allocating as much as possible of the soil piles to berms located on the western side of the padsite.
- 6. ARC will make all reasonable efforts to ensure that any artificial lighting at the padsite will be directed away from the residence located on the Lands.
- 7. ARC will perform baseline water testing of the dugout, once ARC has their right of entry order.
- 8. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

Dated: July 8, 2016

FOR THE BOARD

Rob Fraser, Mediator

ARC RESOURCES LTD. INDIVIDUAL OWNERSHIP PLAN SHOWING PROPOSED 25m PIPELINE RIGHT OF WAY IN SW 1/4 Sec 15, Tp 80, R 15, W6M PEACE RIVER DISTRICT



