

File No. 1946
Board Order No. 1946-1

September 11, 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 14 TOWNSHIP 81 RANGE 17 WEST OF THE 6TH
MERIDIAN PEACE RIVER DISTRICT

(The "Lands")

BETWEEN:

ARC Resources Ltd.

(APPLICANT)

AND:

Barry Critcher and Irmgard Macdalena Critcher

(RESPONDENTS)

BOARD ORDER

ARC Resources Ltd. ("ARC") seeks a right of entry order to access certain lands legally owned by Barry Critcher and Irmgard Macdalena Critcher to carry out an approved oil and gas activity, namely the drilling, construction, operation and maintenance of natural gas wells and associated infrastructure.

On August 14, 2017, I conducted a mediation to discuss this application and application 1947 that related to an associated project (a flowline). The Oil and Gas Commission ("OGC") has issued a permit for the wellsite and access road project but not for the flowline.

The Critchers are very concerned that ARC's activities may impact on their farming operation. During the mediation, they agreed to attempt to negotiate with ARC terms and conditions suitable to themselves. After some discussion, they were successful in reaching agreement on most of their conditions.

On one point they could not reach an agreement. The Critchers ask the Board to include in the Right of Entry Order a condition relating to the Environmental Farm Plan program. ARC resists incorporating reference to this program, arguing that any reference will be vague and open to multiple interpretations. ARC says it is not necessary to include a reference to the program as ARC is obligated to carry out its operations in compliance with all applicable legislation and regulations and limit its operations to the area covered by the proposed right of entry order.

I decline to include a condition referencing the Environmental Farm Plan program. I am not convinced that such a condition would not be vague or open to different interpretations. If damages arise from ARC's activities the Critchers can advance a claim with the Board, regardless of whether I include a condition referring to this program. Also, it is in ARC's interest to construct and maintain their project in a manner that protects the Critchers' interests.

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 natural gas wells and access roads.

As the OGC has issued a permit for this project (Determination of Application Area Number 100101592), I am satisfied that ARC requires the Lands for an approved oil and gas activity.

The Surface Rights Board orders:

ORDER

1. Upon payment of the amounts set out in paragraphs 2 and 3, ARC shall have the right of entry to and access across the portion of the Lands shown outlined in red on the Individual Ownership Plan attached as Appendix "A" for the

purpose of drilling, constructing, operating and maintaining natural gas wells and associated infrastructure.

2. ARC shall pay to the landowner as partial compensation the total amount of \$50,000.
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.
4. ARC will provide a minimum of one week advance notice to the landowners prior to commencing construction on the Lands
5. ARC will make all reasonable efforts to comply with the Integrated Weed and Canola Clubroot Management Plan for ARC Resources Ltd. Wellsite 14-14-81-17 W6 dated August 17, 2017.
6. ARC will carry out its activities on the Lands in compliance with all applicable legislation.
7. ARC will not use any soil sterilant without the express consent of the landowners.
8. The landowners will have access to the lands that are subject to the right of entry order at all times, provided it is safe to do so and they do not interfere with ARC's operations.
9. During construction, the landowners or representative of the landowners will have the opportunity to inspect the site, consult and monitor construction, provided it is safe to do so and they do not interfere with ARC's operations.
10. Nothing in this order operates as a consent, permission, approval, or authorization of matters within the jurisdiction of the Oil and Gas Commission.

DATED: September 11, 2017

FOR THE BOARD



Rob Fraser, Mediator

APPENDIX "A"

