

File No. 1591
Board Order No. 1591-1

April 11, 2008

MEDIATION AND ARBITRATION BOARD

IN THE MATTER OF THE PETROLEUM AND NATURAL GAS
ACT, R.S.B.C., C. 361 AS AMENDED

AND IN THE MATTER OF SE ¼ Section 34 TWP 84 Range 14 W6M

(The "Lands")

BETWEEN:

Imperial Oil Resources Limited

(APPLICANT)

AND:

Edward Beverly and Nedra Noreen Forrester

(RESPONDENTS)

BOARD ORDER

On July 18, 2007 the Board made an order granting the applicant, Imperial Oil Resources Limited (Imperial) the right to enter onto the Lands for the purpose of surveying, soil sampling, doing an archaeological assessment, and construction and operation of a flow line in accordance with an application filed May 30, 2007. The Board made an error in the name of the applicant in its order. The Board ordered a security payment of \$0 and partial payment of \$0.

The Board ordered that upon completion of the survey, the applicant shall address the monetary value of the flowline right of way with the respondents, and if the parties cannot agree, it will be sent to arbitration. The mediator ordered that the application shall proceed to arbitration unless the parties agreed to the terms of the order. The respondents, Nedra and Kenneth Forrester (Forresters) advised that they did not agree to the terms of the order.

The Board convened a pre-hearing conference to discuss the issues. The Forrester's objected to the right of entry having been granted on the grounds that Imperial had not established need for the right of way. The Forresters were concerned with the possible future use of an existing ROW across their lands. Following a couple of telephone conferences, the parties agreed that the only purpose for the existing ROW was to manage any contingent liability. The Forresters had no objection to the proper abandonment of the existing pipeline in place.

The Oil and Gas Commission (OGC) has subsequently approved Imperial's application for the new pipeline, made an order requiring the proper abandonment in place of the existing pipeline, and approved the abandonment plan. A survey has been completed. As the Forresters have not received a copy of the survey (although Imperial thought one had been provided), Imperial will forthwith provide the Forresters, their counsel and the Board with a copy of the survey. As a result of the various orders of the OGC, there is no further dispute with respect to the Imperial's right to enter the Lands, other than to determine appropriate compensation.

The mediation order, nevertheless, requires amendment to correct the corporate name of the applicant. Given that a survey is available it seems sensible to also amend the order to refer to the survey. Section 19(2) of the *Petroleum and Natural Gas Act* requires the board to make an order for security deposit and partial payment to the landowner before making a right of entry order. Pursuant to section 26(2) of the *Act*. The Board may review, amend, rescind or vary a direction or order made by it.

The Board hereby amends and varies its order of July 18, 2007 in these proceedings as follows:

1. Upon payment of the amounts set out in paragraphs 2 and 3, the Applicant shall have the right of entry to and access across the

portion of the Lands shown in Schedule A for the purpose of constructing and operating a flow line.

2. The Applicant shall deposit with the Mediation and Arbitration Board security in the amount of \$4,000.00. All or part of the security deposit may be returned to the Applicant or paid to the Respondents upon the agreement of the parties or as ordered by the Board.
3. The Applicant shall pay to the Respondents the amount of \$2,225.00 as partial payment for compensation payable for entry to and use of the Lands.
4. The Applicant shall serve the Respondents with a copy of this Order prior to entry onto the Lands.
5. Nothing in this order operates as consent, permission, approval or authorization of matters within the jurisdiction of the Oil and Gas Commission.

Dated April 11, 2008

FOR THE BOARD

A handwritten signature in cursive script, appearing to read "Cheryl Vickers", written in black ink.

Cheryl Vickers

IMPERIAL OIL RESOURCES LIMITED

INDIVIDUAL OWNERSHIP PLAN

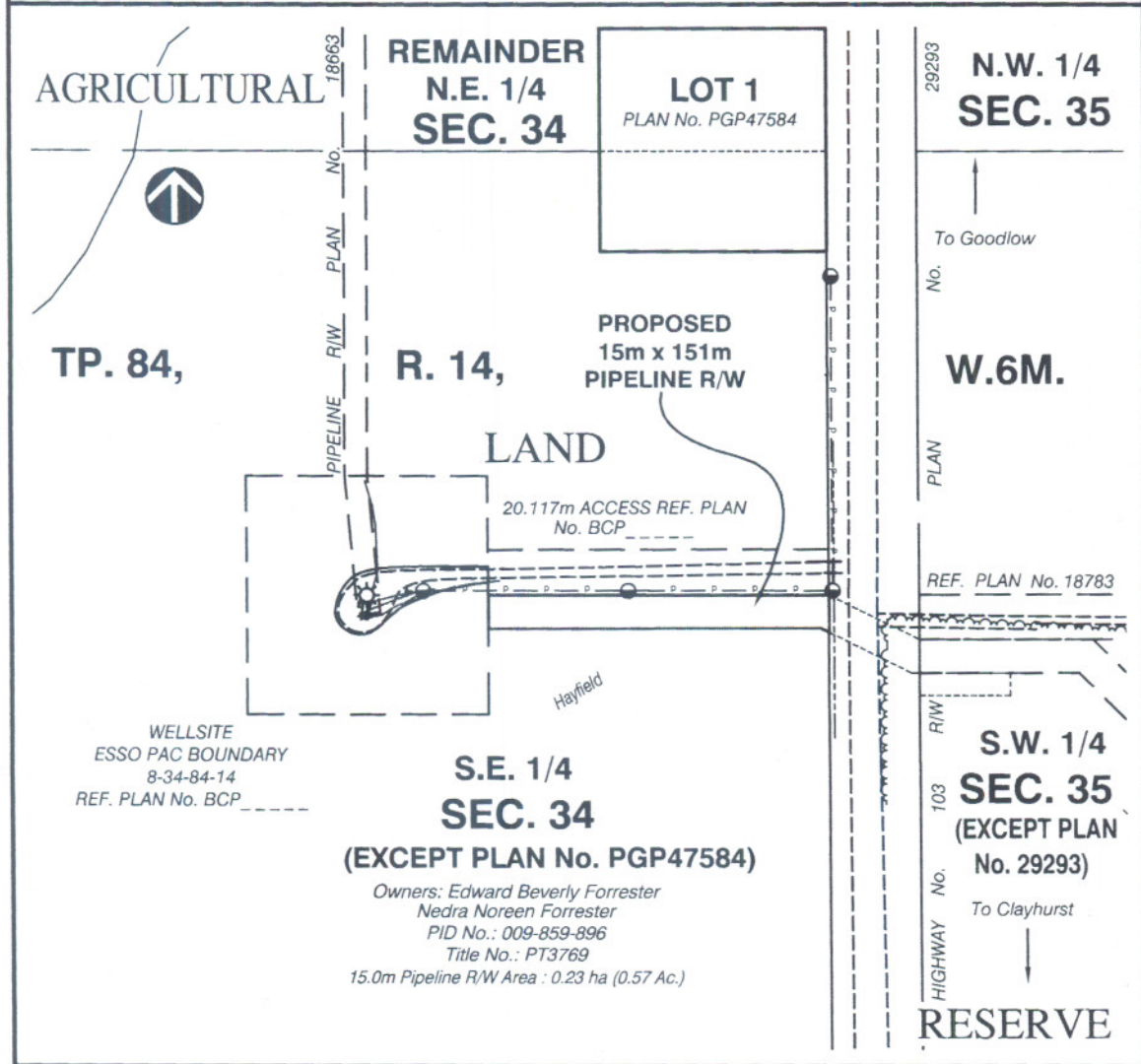
SHOWING 15.0m PIPELINE RIGHT OF WAY

IN

SCHEDULE A CW

**SOUTH EAST 1/4 SECTION 34, TOWNSHIP. 84, RANGE 14, W.6M.
(EXCEPT PLAN No. PGP47584)**

PEACE RIVER DISTRICT



OWNER: <u>Edward Beverly Forrester</u>	TITLE No. <u>PT3769</u>
<u>Nedra Noreen Forrester</u>	PID No. <u>009-859-896</u>
15.0m PIPELINE R/W <u>0.23</u> ha <u>0.57</u> Ac.	THIS IS THE SKETCH/PLAN ATTACHED TO THE RIGHT OF WAY AGREEMENT BETWEEN
Certified correct this <u>10th</u> day of <u>October</u> <u>2007</u> .	AND IMPERIAL OIL RESOURCES LIMITED DATE THIS <u> </u> DAY OF <u> </u> , 2007.
<u>K.H. LAWSON B.C.L.S.</u>	DATED <u> </u> (INITIALS)
McELHANNEY GEOMATICS Professional Land Surveying Ltd. 8808 - 72nd Street Fort St. John, British Columbia Phone: (250)787-0356, Fax: (250)787-0310	DISTANCES ARE IN METRES. PORTIONS REFERRED TO ARE OUTLINED IN RED & GREEN. REVISION: 3 SCALE: 1:2,500
McElhanney	DRAWN BY: TZB JOB No.: 3111-17068/IP1