

File No. 1598  
Board Order # 1598- 1

April 14, 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 NE ¼ Sec 10 & Lot 2 Sec 15 of Rge. 15 TWP 79 W6M  
(The "Lands")

BETWEEN:

Arc Petroleum Incorporation

("APPLICANT(S)")

AND:

Kane Piper

("RESPONDENT(S)")

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**BOARD ORDER**

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The Applicant, Arc Petroleum Inc., requires access to the Lands owned by Kane Piper, the Respondent, for the purpose of constructing and operating a flow line as shown on the attached plan (Exhibit A). The parties agreed to amend the application to include, not only the flow line, but an incidental fuel line. The parties agree that a right of entry order should be made with terms and conditions as set out in Exhibit B. Compensation payable for the entry, occupation and use of the Lands was not agreed upon, although the parties have agreed upon partial compensation as set out below. The partial compensation is non-refundable regardless of any further orders of the Board or agreement of the parties on compensation. The Respondent agrees not to further challenge the Right of Entry Order or the terms and conditions in Exhibit B in any future proceedings of the Board or the courts.

I have not directed that the matter go to arbitration at this stage. If the parties wish further mediation or arbitration, they must apply to the Board for this purpose.

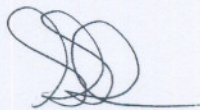
**BY CONSENT**, the Mediation and Arbitration Board orders that:

1. The Application is amended to include the construction and installation of a fuel line incidental to the flow line that is being applied for.
2. Upon payment of the amounts set out in paragraphs 2 and 3 and the terms and conditions set out in Exhibit B, the Applicant shall have the right of entry to and access across the portion of the Lands shown in Exhibit A for the purpose of constructing, installing, and operating a flow line and accompanying fuel line.
3. The Applicant shall deposit with the Mediation and Arbitration Board security in the amount of \$0.00. 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.
4. The Applicant shall pay to the Respondent the amount of \$15,000.00 as a non-refundable payment for compensation payable for entry to and use of the Lands and the Respondent agrees not to challenge the Right of Entry at any further Mediation and Arbitration Board or court proceedings. Any further proceedings of the Board will be limited to the issue of compensation only.
5. The Applicant shall serve the Respondent with a copy of this Order by e-mail prior to entry upon the Lands.
6. This Order is subject to the application process required by the Oil and Gas Commission and nothing in this order operates as consent, permission,

approval or authorization of matters within the jurisdiction of the Oil and Gas Commission.

Dated: April 14, 2008

FOR THE BOARD

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the bottom.

Simmi K. Sandhu  
Mediator