

File No. 1621
Board Order # 1621-1

October 9, 2009

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
NW ¼ Section 29, Township 79, Range 17 W6M
NE ¼ Section 30, Township 79, Range 17 W6M
SE ¼ Section 30, Township 79, Range 17 W6M and
SW ¼ Section 30, Township 79, Range 17 W6M, all in Peace River District**

(The "Lands")

BETWEEN:

EnCana Corporation

(APPLICANT)

AND:

Olaf Jorgenson and Diane Jorgenson

(RESPONDENTS)

BOARD ORDER

Heard by telephone conference: October 1 and October 7, 2009
Mediator: Cheryl Vickers
Appearances: Tom Hourahine, Sandra Dixon and
 Fred Breurkens on behalf of the
 Applicant
 Scott Morrison on behalf of the
 Respondents

[1] EnCana Corporation (EnCana) applies to the Board for mediation and arbitration seeking entry to the Lands owned by Olaf and Diane Jorgenson (Jorgensons) in order to construct, install and operate two pipelines. The Jorgensons have a number of concerns with the entry and are particularly concerned that the work be done properly without “shortcuts”, and that all regulatory requirements are adhered to.

[2] The Board may authorize the entry onto private land subject to specified terms if entry is required to explore for, develop or produce petroleum or a natural gas or for a connected or incidental purpose. The Oil and Gas Commission (OGC) has issued Approvals for the construction and operation of two natural gas pipelines and a riser on the Lands. EnCana needs access to the Lands to construct, install and operate the pipelines and the riser approved the OGC.

[3] A company who enters land for the purpose of developing or producing petroleum or natural gas is liable to pay compensation to the land owner for loss or damage caused by the entry, occupation or use of the land.

[4] Encana has agreed to some of the terms of entry proposed by the Jorgensons but has been unable to agree to other proposed terms. Some of terms proposed by the Jorgensons, while generally within the realm of agreement between a company and a land owner where that is possible, are not matters that the Board can order in the event of disagreement. For example, the Jorgensons are unhappy with EnCana’s choice of contractor for the project. They express concerns about the contractor’s reputation and concerns that the work will be done properly. EnCana has contractual obligations both to the contractor in question and to third parties for the delivery of natural gas within a specified timeline that make them unwilling or unable, at this time, to change the contractor. At the end of the day, EnCana is liable for any damage or loss caused by their entry, occupation and use of the Lands, and must comply with the various regulations governing their activity on the Lands. EnCana has selected their contractor with the knowledge of the risk and liability associated with the project and, in the absence of being able and willing to accommodate the Jorgensons’ concerns through the selection of an agreed contractor, it is not for the Board to require a company to select a particular contractor. If EnCana is satisfied that their risk and liability can be managed with the contractor they select, that is their decision. If it turns out they have made a poor decision, then they are liable for any loss or damage that may result.

[5] Encana and the Jorgensons have not agreed on the amount of compensation payable for the entry. The focus of the discussions between them has been on the terms of entry. Because of the short timeline in which Encana is required to complete the project, there is some urgency to EnCana being permitted to enter the Lands. I am satisfied that as many of the issues relating to the terms of entry as could be agreed in the circumstances have been agreed, and those terms form part of this Order. The issue of compensation can continue to be mediated by the Board.

[6] The Mediation and Arbitration Board orders:

1. Upon payment of the amounts set out in paragraphs 2 and 3 below, the Applicant including its employees, contractors and assigns shall have the right of entry to and access across the portion of the Lands shown in Schedule "A", on the Terms set out in Schedule "B", for the purpose of constructing and operating the pipelines and riser approved by the Oil and Gas Commission.
2. The Applicant shall deposit with the Mediation and Arbitration Board security in the amount of \$50,000.00. 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 as partial payment for compensation payable for entry to and use of the Lands the amount of \$61,534.00.
4. The Applicant shall serve the Respondents with a copy of this Order prior to entry onto the Lands.
5. The Board retains jurisdiction to schedule a further mediation hearing on the issue of the compensation payable to the Respondents for the Applicant's entry, occupation and use of the Lands.
6. Nothing in this order operates as consent, permission, approval or authorization of matters within the jurisdiction of the Oil and Gas Commission.

Dated: October 9, 2009

FOR THE BOARD



Cheryl Vickers, Chair

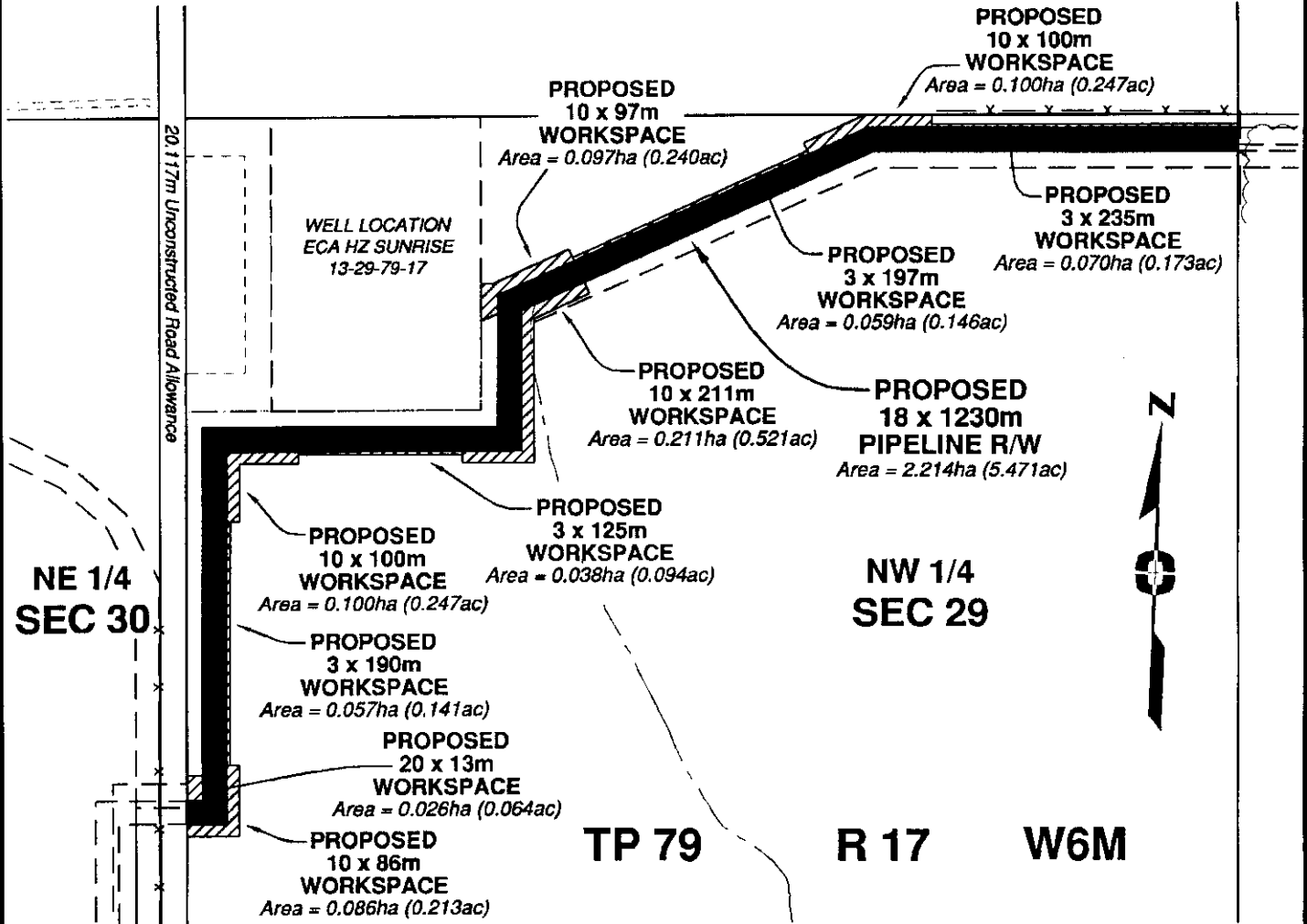
SCHEDULE "A"

Attached to and made part of this Agreement dated this _____ day of _____, 20____, between
Olaf Anton Jorgensen (Lessor) and EnCana Corporation (Lessee).

INDIVIDUAL OWNERSHIP PLAN

SHOWING PROPOSED PIPELINE RIGHT OF WAY WITHIN THE
NORTH WEST 1/4 OF SECTION 29, TOWNSHIP 79, RANGE 17, W6M
PEACE RIVER DISTRICT

(Associated with Pipeline R/W from Compressor Site 9-27-79-17 to tie-in at Riser Site 8-30-79-17)



Owner(s): Olaf Anton Jorgensen

Landowner File: S452297

Area(s):	Permanent	2.214 ha	5.471 ac
	Temporary	0.844 ha	2.086 ac
	Total	3.058 ha	7.557 ac

Area referred to shown thus:



Scale 1: 5000



Certification Title No.: PP29096
Parcel Identification No.: 014-486-113
EnCana File: S449164

Certified correct this 12th day
of March, 2009.

Adam Brash, BCLS

Focus Job No.: 081539NP06R1 By: KG
Revision: 1

FOCUS Fort St. John
10716-100th Ave.
BC, V1J 1Z3
Ph. (250)787-0300
Fax (250)787-1611
www.focus.ca
Focus Surveys
FCS Land Services Limited Partnership

SCHEDULE "A"

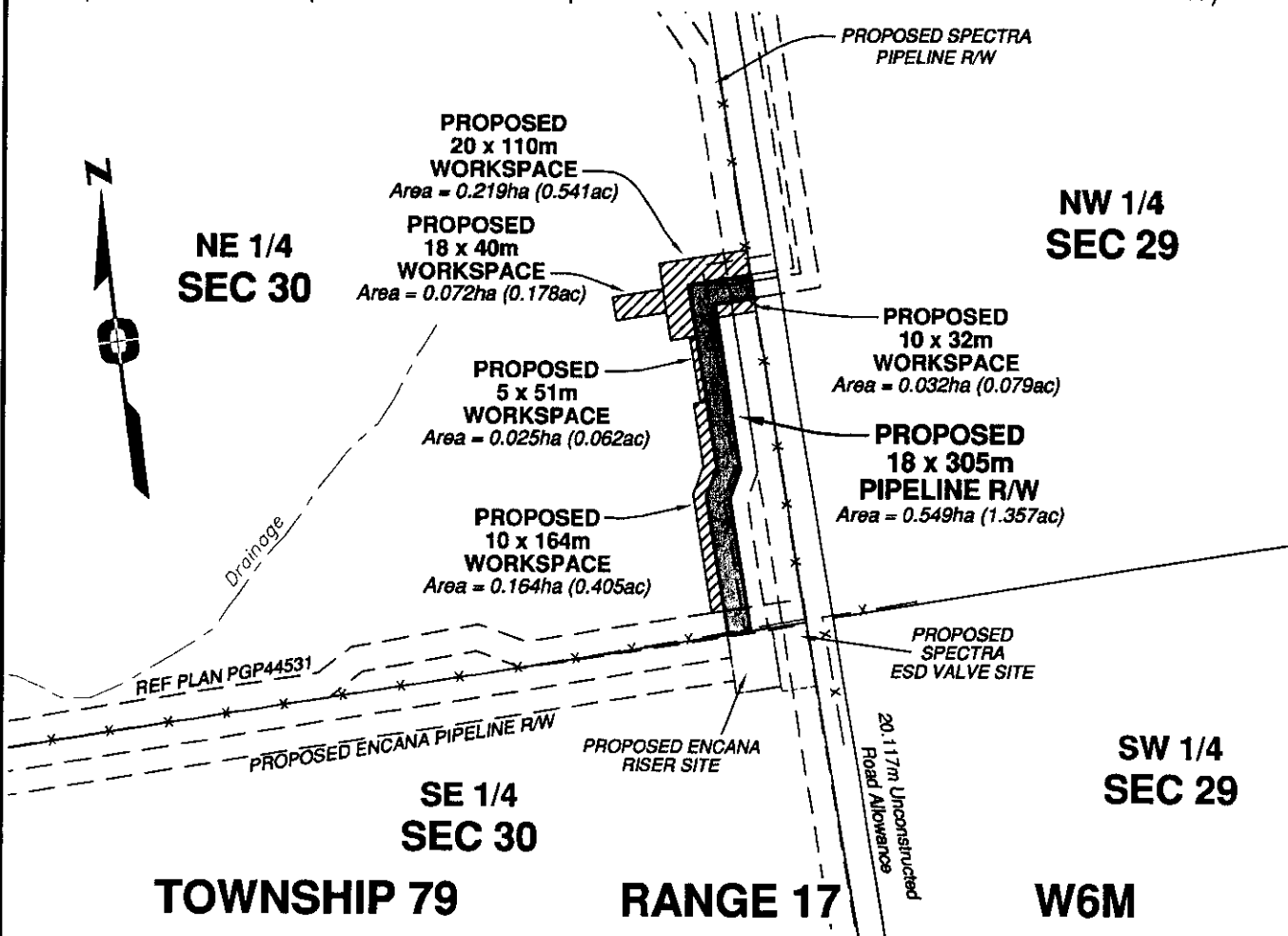
Order 1621-1
Sched A p.2 Page ___ of ___

Attached to and made part of this Agreement dated this _____ day of _____, 20____, between
Olaf Anton Jorgensen and Frances Diane Turner (Lessor) and EnCana Corporation (Lessee).

INDIVIDUAL OWNERSHIP PLAN

SHOWING PROPOSED PIPELINE RIGHT OF WAY WITHIN THE
NORTH EAST 1/4 OF SECTION 30, TOWNSHIP 79, RANGE 17, W6M
PEACE RIVER DISTRICT

(Associated with Pipeline R/W from Compressor Site 9-27-79-17 to tie-in at Riser Site 8-30-79-17)



Owner(s): Olaf Anton Jorgensen
Frances Diane Turner
Landowner File: S452298

Certification Title No.: CA201800
Parcel Identification No.: 014-486-148
EnCana File: S229164

Area(s):	Permanent	0.549 ha	1.357 ac
	Temporary	0.512 ha	1.265 ac
	Total	1.061 ha	2.622 ac

Certified correct this 12th day
of March, 2009.

Adam Brash, BCLS

Area referred to shown thus: Permanent Temporary

Scale 1: 5000

Focus Job No.: 081539NP07R1 By: KG
Revision: 1

FOCUS Fort St. John
10716-100th Ave.
BC, V1J 1Z3
Ph. (250)787-0300
Fax (250)787-1611
www.focus.ca

Focus Surveys
FCS Land Services Limited Partnership

SCHEDULE "A"

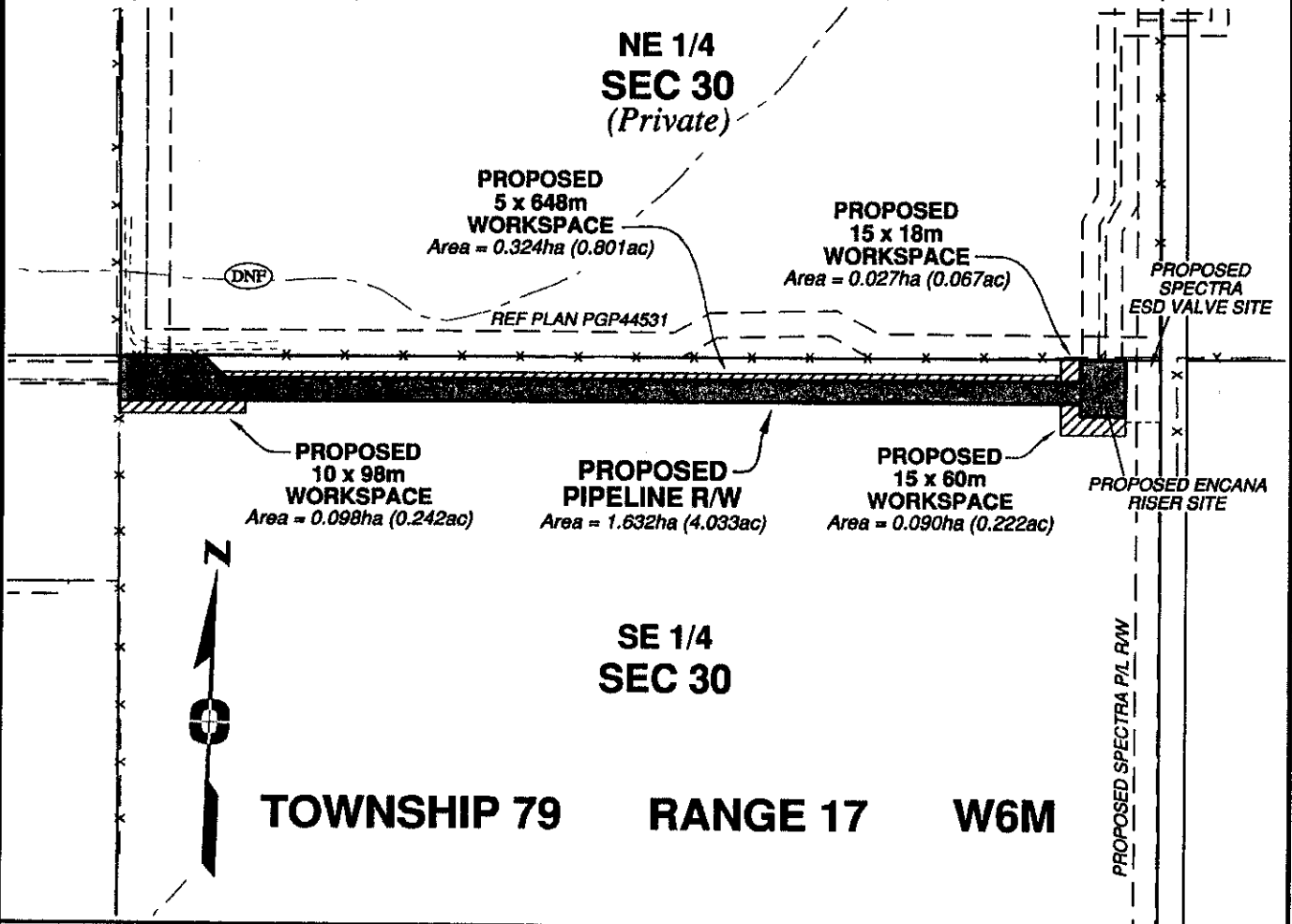
Order 1621-1 Page ___ of ___
Sched A p.3

Attached to and made part of this Agreement dated this ___ day of _____, 20___, between
Olaf Anton Jorgensen and Frances Diane Turner (Lessor) and EnCana Corporation (Lessee).

INDIVIDUAL OWNERSHIP PLAN

SHOWING PROPOSED PIPELINE RIGHT OF WAY WITHIN THE SOUTH
EAST 1/4 OF SECTION 30, TOWNSHIP 79, RANGE 17, W6M
PEACE RIVER DISTRICT

(Associated with Pipeline R/W from Wellsite 1-25-79-18 To Compressor Site 9-27-79-17)



Owner(s): Olaf Anton Jorgensen
Frances Diane Turner
Landowner File: S452283

Certification Title No.: CA201797
Parcel Identification No.: 007-942-028
EnCana File: S449383

Area(s):	Permanent	1.632 ha	4.033 ac
	Temporary	0.539 ha	1.332 ac
	Total	2.171 ha	5.365 ac

Certified correct this 14th day
of September, 2009.

Adam Brash, BCLS

Area referred to shown thus:



Scale 1: 5000



Focus Job No.: 08908NP03R1 By: CC
Revision: 0

FOCUS
Focus Surveys
FCS Land Services Limited Partnership

Fort St. John
10716-100th Ave.
BC, V1J 1Z3
Ph. (250) 787-0300
Fax (250) 787-1611
www.focus.ca

SCHEDULE "A"

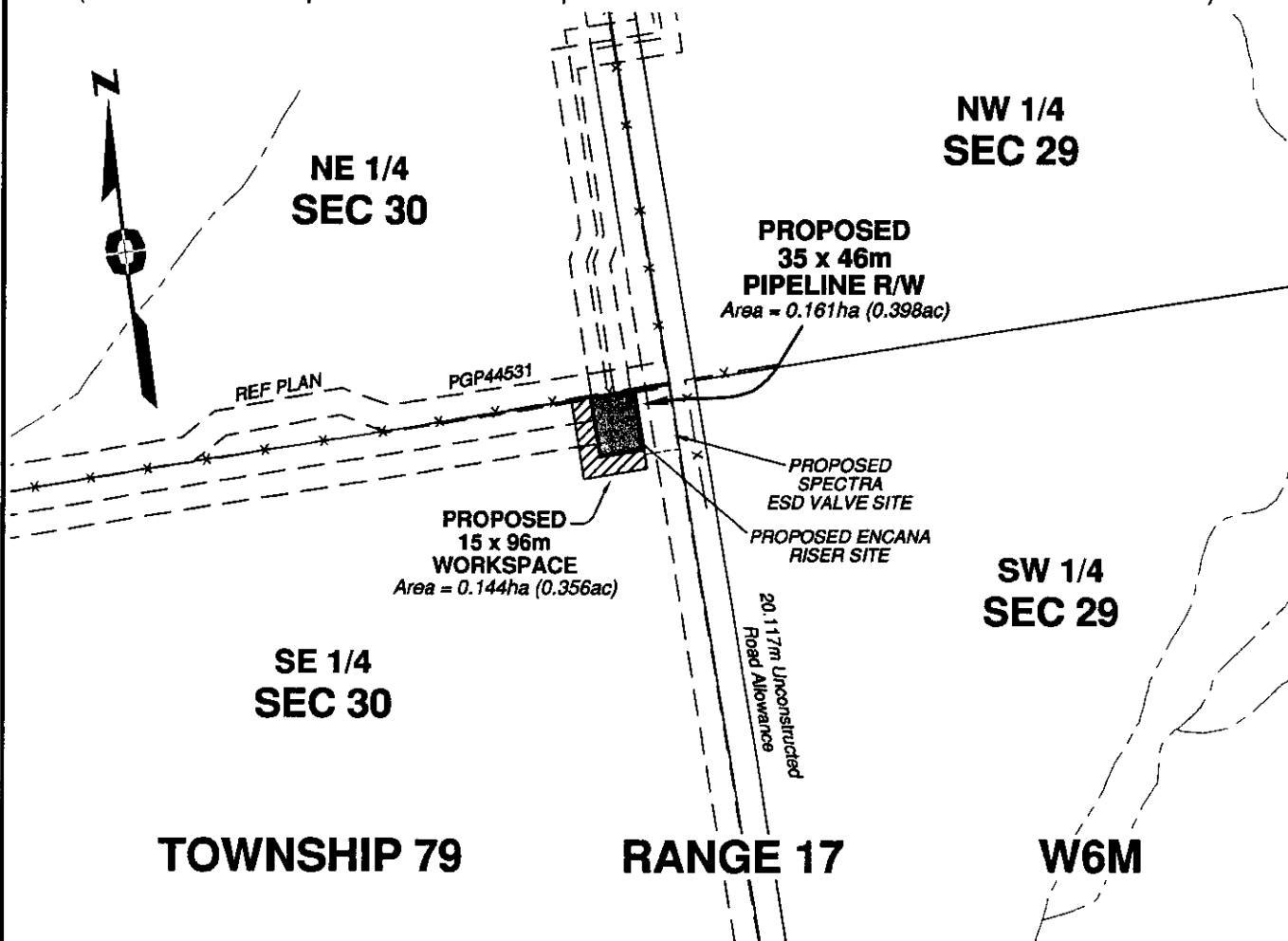
Order 1621-1 Page ___ of ___
 Sched A p. 4

Attached to and made part of this Agreement dated this _____ day of _____, 20____, between
 Olaf Anton Jorgensen and Frances Diane Turner (Lessor) and EnCana Corporation (Lessee).

INDIVIDUAL OWNERSHIP PLAN

SHOWING PROPOSED PIPELINE RIGHT OF WAY WITHIN THE
 SOUTH EAST 1/4 OF SECTION 30, TOWNSHIP 79, RANGE 17, W6M
 PEACE RIVER DISTRICT

(Associated with Pipeline R/W from Compressor Site 9-27-79-17 to tie-in at Riser Site 8-30-79-17)



TOWNSHIP 79

RANGE 17

W6M

Owner(s): Olaf Anton Jorgensen
Frances Diane Turner
 Landowner File: S452298

Certification Title No.: CA201797
 Parcel Identification No.: 007-942-028
 EnCana File: S449164

Area(s):	Permanent	0.161 ha	0.398 ac
	Temporary	0.144 ha	0.356 ac
	Total	0.305 ha	0.754 ac

Certified correct this 12th day
 of March, 2009.

Adam Brash, BCLS

Area referred to shown thus: Permanent Temporary

Scale 1: 5000

Focus Job No.: 081539NP08R1 By: KG
 Revision: 1

FOCUS Fort St. John
 10716-100th Ave.
 BC, V1J 1Z3
 Ph. (250)787-0300
 Fax (250)787-1611
 www.focus.ca
Focus Surveys
 FCS Land Services Limited Partnership

SCHEDULE "A"

Order 1621-1 Page ___ of ___
Sched A p. 5

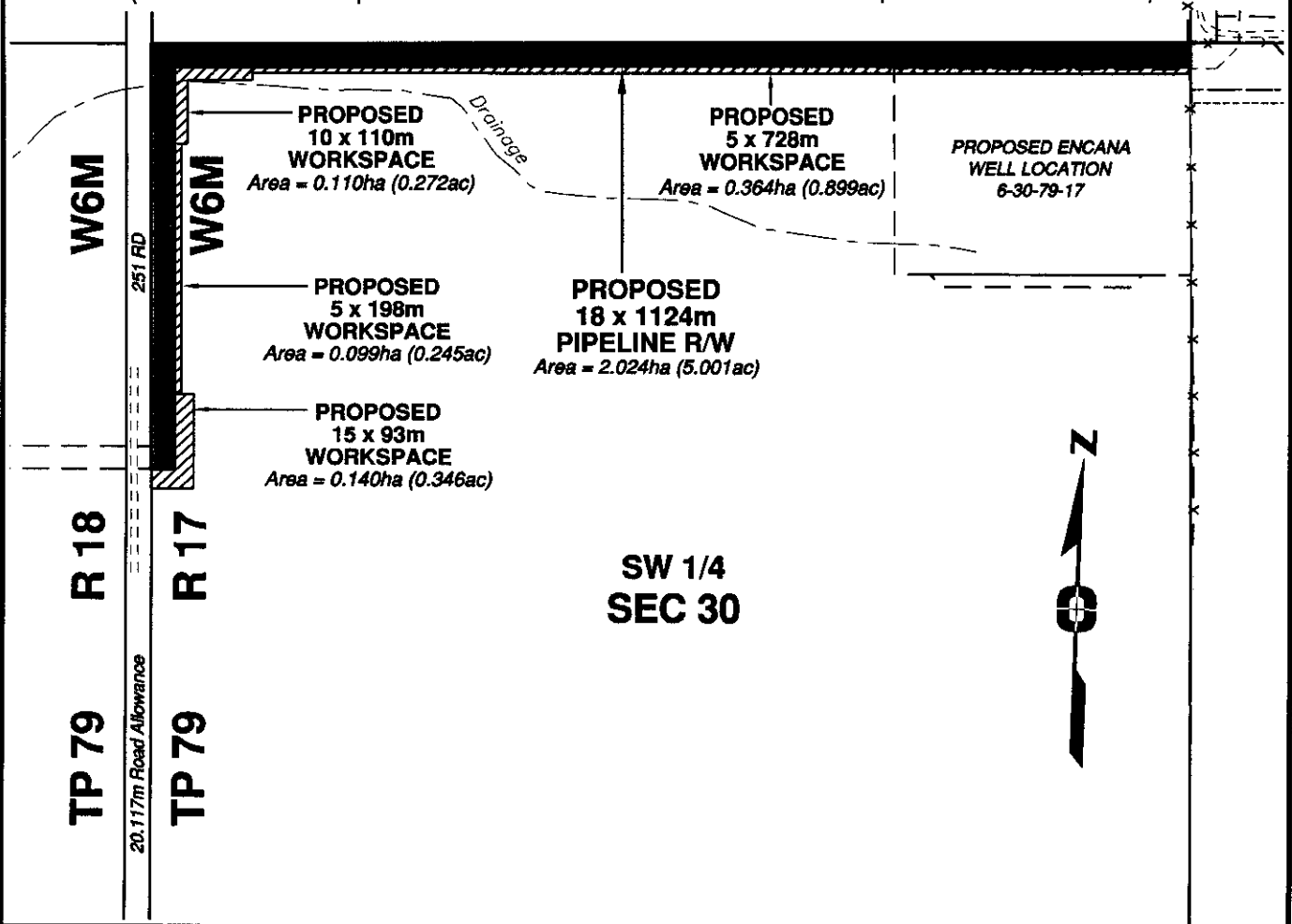
Attached to and made part of this Agreement dated this ___ day of ___, 20___, between
Olaf Anton Jorgensen and Frances Diane Turner (Lessor) and EnCana Corporation (Lessee).

INDIVIDUAL OWNERSHIP PLAN

SHOWING PROPOSED PIPELINE RIGHT OF WAY WITHIN THE
SOUTH WEST 1/4 OF SECTION 30, TOWNSHIP 79, RANGE 17, W6M

PEACE RIVER DISTRICT

(Associated with Pipeline R/W from Wellsite 1-25-79-18 To Compressor Site 9-27-79-17)



Owner(s): Olaf Anton Jorgensen
Frances Diane Turner
Landowner File: S452283

Certification Title No.: CA201798
Parcel Identification No.: 007-942-036
EnCana File: S449383

Area(s):	Permanent	2.024 ha	5.001 ac
	Temporary	0.713 ha	1.762 ac
	Total	2.737 ha	6.763 ac

Certified correct this 21st day
of September, 2009.

Adam Brash, BCLS

Area referred to shown thus:



Scale 1: 5000



Focus Job No.: 080980NP02R2 By: DG
Revision: 2

FOCUS
Focus Surveys
FCS Land Services Limited Partnership

Fort St. John
10716-100th Ave.
BC, V1J 1Z3
Ph. (250)787-0300
Fax (250)787-1611
www.focus.ca

SCHEDULE "A"

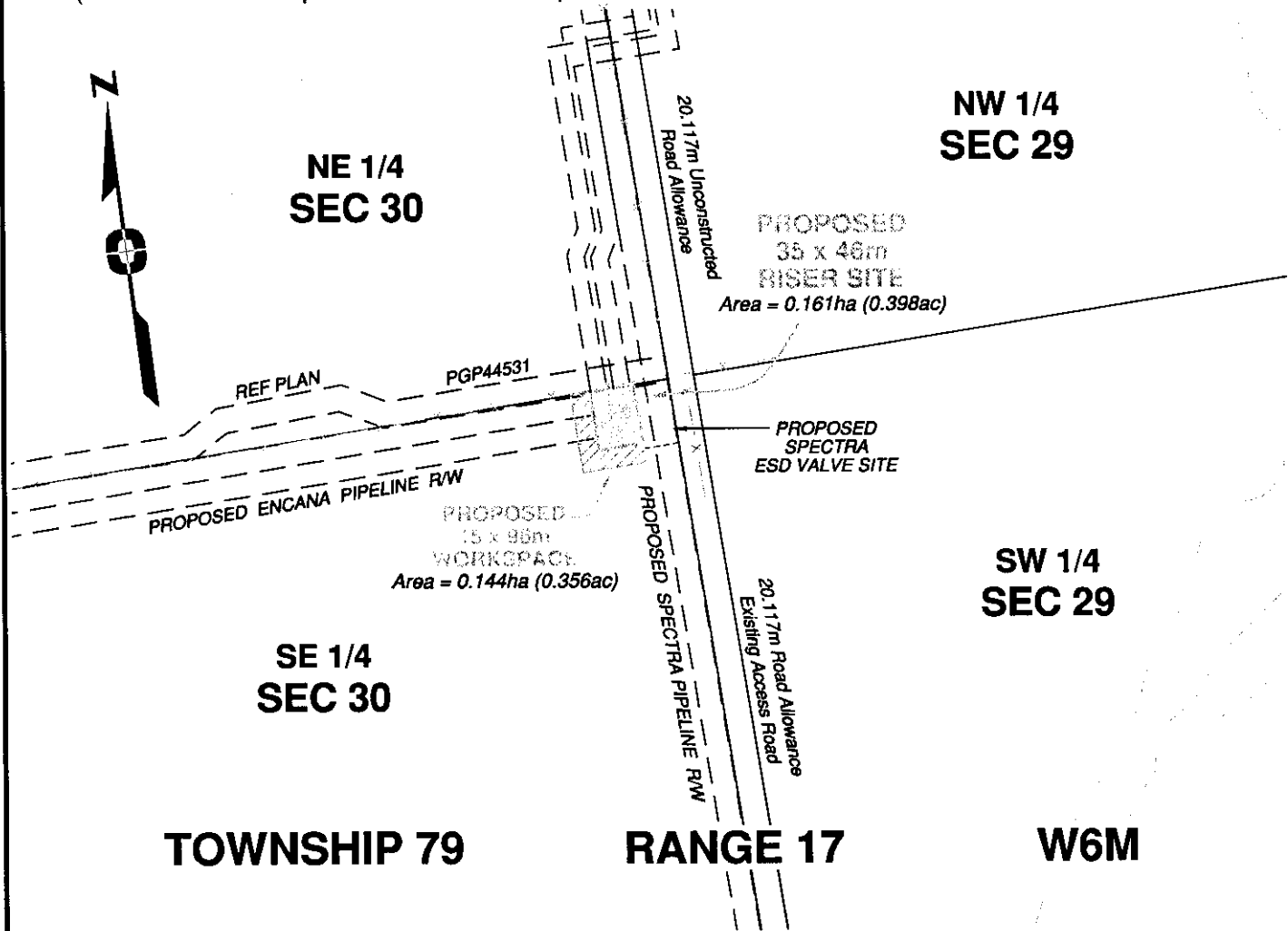
Order 1621-1 Sched App 6 Page ___ of ___

Attached to and made part of this Agreement dated this _____ day of _____, 20____, between Olaf Anton Jorgensen and Frances Diane Turner (Lessor) and EnCana Corporation (Lessee).

INDIVIDUAL OWNERSHIP PLAN

SHOWING PROPOSED RISER SITE WITHIN
THE SOUTH EAST 1/4 OF SECTION 30, TOWNSHIP 79, RANGE 17, W6M
PEACE RIVER DISTRICT

(Associated with Pipeline R/W from Compressor Site 9-27-79-17 to tie-in at Riser Site 8-30-79-17)



TOWNSHIP 79 RANGE 17 W6M

Owner(s): Olaf Anton Jorgensen
Frances Diane Turner
Landowner File: S454574

Certification Title No.: CA201797
Parcel Identification No.: 007-942-028
EnCana File: S449164

Area(s):	Permanent	0.161 ha	0.398 ac
	Temporary	0.144 ha	0.356 ac
	Total	0.305 ha	0.754 ac

Certified correct this 30th day of September, 2009.

[Signature]
Adam Brash, BCLS

Area referred to shown thus:



Scale 1: 5000



Focus Job No.: 081539NP09R1 By: KG/DG
Revision: 1

FOCUS Fort St. John
Focus Surveys 10716-100th Ave.
BC V1J 1Z3
Ph. (250)787-0300
Fax (250)787-1611
www.focus.ca

SCHEDULE "B"

- EnCana agrees to provide two heavy equipment crossing points over its right-of-ways for the landowners' use to access dugouts adjacent to wellsites at 13-29-79-17 & 15-30-79-17 including culverts, if necessary, and approaches to both crossing points
- EnCana agrees that rocks brought to the surface within the right-of-way as a result of EnCana's construction of the pipeline will be removed by the landowner and compensated by EnCana.
- Weed control: In addition to its commitment to meet or exceed all applicable legislation, EnCana has its contractors steam clean their equipment before starting a new project. This process is completed offsite and is documented by EnCana's environmental consultant. EnCana's environmental consultant will review the weed control analysis with the landowner.
- Rocks brought to the surface within the right-of-way as a result of EnCana's construction of the pipeline will be removed by the landowner and compensated by EnCana.
- EnCana endeavors to keep its construction sites as clean as possible. In the case of debris or garbage blowing off its right-of way during construction, an EnCana representative will communicate with the landowner in order to rectify (e.g. getting permission to leave the right-of-way to pick up). EnCana requests that in the case of the landowner being aware of garbage that has missed EnCana's attention, the landowner will communicate that as soon as possible for EnCana to deal with.
- If livestock are going to be affected by EnCana's pipeline construction then the company will work with the landowner to find the best solution to minimize impact (e.g. moving to different pasture etc.)
- EnCana reiterates its regulatory obligations to maintain soil integrity, environmental stability and public engagement. If at any time the landowner feels EnCana is not fulfilling these obligations he is encouraged to contact the Oil & Gas Commission to voice these concerns. The OGC can and has sent inspectors to the field to investigate. In the case that these concerns are in contravention of BC regulation a variety of levies against the company are brought to bear which could include stop work orders. No hills or mounds will be left.
- Damages including (but not limited to) fence cuts, crop loss and additional time spent while not a part of the right-of-way consideration will definitely be included in the damages negotiation.

- EnCana will provide a minimum of two inspectors and additional inspectors if necessary. EnCana's lead inspector will discuss the project with the landowner and provide details of what work is being performed and when. EnCana acknowledges work must be done to regulatory standards and will exercise due diligence to ensure work is performed properly.
- EnCana will provide the landowners with a contact for any issues that arise during construction of the project or afterwards