

October 17, 2023

SURFACE RIGHTS BOARD

IN THE MATTER OF
THE GEOTHERMAL RESOURCES ACT, R.S.B.C., C. 171
AND THE PETROLEUM AND NATURAL GAS ACT
R.S.B.C., C. 361, AS AMENDED

AND IN THE MATTER OF
BLOCK B DISTRICT LOT 2665 RANGE 5 COAST DISTRICT
EXCEPT PLAN 4416 (PID 017-494-664),
LOT 1 DISTRICT LOTS 684 2285 2664 2665 3983 5127 RANGE 5 COAST DISTRICT
PLAN PRP14339 EXCEPT PLAN PRP14340 (PID 019-208-006), and
LOT 2 DISTRICT LOT 3983 RANGE 5 COAST DISTRICT PLAN 7300
(PID 009-428-780)
(The "Lands")

BETWEEN:

Kitselas Geothermal Inc.

(APPLICANT)

AND:

Mount Layton Hotsprings Resort Ltd. and
H. Orleans Holding Inc.

(RESPONDENTS)

BOARD ORDER

Kitselas Geothermal Inc. (“KGI”) holds a permit issued under the *Geothermal Resources Act* (“GRA”) granting it the right to geothermal resources in specified zones and locations (the Permit).

By Order 2201/02-1 issued June 2, 2023 as amended by Order 2201/02-1amd issued July 17, 2023 the Board authorized KGI’s entry, on specified terms, to the Lands owned by Mount Layton Hotsprings Resort Ltd. and H. Orleans Holding Inc. (collectively “MLHR”) to conduct various activities in preparation for an application to the BC Energy Regulator (“BCER”) for a well authorization to drill geothermal wells. Order 2201/02-1 as amended expired August 31, 2023. By Order 2201/02-2 issued July 20, 2023 the Board authorized KGI’s entry, on specified terms, to the Lands owned by MLHR to drill wells in accordance with a Well Authorization that may be issued by the BCER and to conduct any other work necessary or ancillary to the Well Authorization. As I understand it, KGI’s application to drill geothermal wells on the Lands, and on other privately-owned land within the Permit area, is before the BCER but a Well Authorization has not yet been issued.

KGI requires access to the Lands to complete some additional non-invasive work in advance of a Well Authorization being issued including:

- Investigating the Pacific Northern Gas (PNG) right of way on the Lands to obtain permission to safely access the PNG service road and drill near the high-pressure pipeline
- Ground-truthing the proposed well sites and accesses to further assess geotechnical considerations and environmental factors to support the BCER Well Authorizations; This could include confirming the location of culverts, low hanging communication/power lines, road widths, natural noise barriers, ground stability and topology, etc.
- Measuring height of power and telecommunications lines traversing the Lands to ensure safe passage of vehicles; this work to be done by a qualified engineering firm

It is possible that between now and a final decision by the BCER on the application for a Well Authorization, that KGI will require access to the Lands for other work of a non-invasive nature so as to provide further information in support of the application or comply with requests from the BCER or other regulating authorities.

MLHR does not oppose amending Order 2201/02-1 to allow KGI to undertake work or activity required by the BCER in advance of the Well Authorization being granted or in relation to the Well Authorization. I am satisfied that KGI requires access to the Lands to complete the work described above and may require access to the Lands to complete other non-invasive work to advance its application to the BCER for a Well Authorization. Further I am satisfied that any work or investigations necessary for the purpose of advancing KGI’s application for a Well Authorization, whether required by BCER or another regulatory authority in relation to the application for a Well Authorization, is in furtherance of KGI’s rights under the Permit.

This Order amends Board Order 2201/02-1 to allow access for any additional work or activities required to be completed in advance of a Well Authorization being granted that are necessary to the Well Authorization application process and to extend the duration of the Order.

ORDER

The Surface Rights Board orders:

1. In addition to the grant of access set out at item 1 of Board Order 2201/02-1, KGI shall have the right of entry to and access across the Lands until November 30, 2023 for the purpose of conducting any works or activity required by the BCER or any other regulatory authority in advance of the Well Authorization being granted or in relation to the Well Authorization.
2. The Terms and Conditions set out in Schedule "B" to Order 2201/02-1 as amended apply to the grant of access in this Order and any references to the work or purposes described in Schedule "A" shall be read to include the work or activities for which entry is authorized in paragraph 1 of this Order.
3. Paragraph 2 of Schedule B to Order 2201/02-1 as amended is amended to add the following:

When providing Notice with respect to any work or activity to be completed in advance of a Well Authorization other than those described in Schedule "A", KGI shall provide MLHR with information respecting the nature and purpose of the work or activity, the estimated duration of the work or activity, and the number of persons likely to be in attendance on the Lands.

DATED: October 17, 2023

FOR THE BOARD



Cheryl Vickers, Mediator