MEDIATION AND ARBITRATION BOARD Under the Petroleum and Natural Gas Act #114, 10142 - 101 Avenue Fort St. John, BC V1J 2B3

	Fort St. John, BC V1J 2B3
Date: October 12, 200	i
File No. 1461	Board Order No. 342M
BEFORE THE MEDIAT	OR: IN THE MATTER OF THE PETROLEUM AND NATURAL GAS ACT BEING CHAPTER 361 OF THE REVISED STATUTES OF BRITISH COLUMBIA AND AMENDMENTS THERETO: (THE ACT)
	AND IN THE MATTER OF A PORTION OF THE SOUTHWEST 1/4 SECTION 20, TOWNSHIP 82, RANGE 13, AND THE NORTHWEST 1/4 SECTION 17, TOWNSHIP 82, RANGE 13 WEST OF THE SIXTH MERIDIAN (4-20-82-13 AND NW 1/4 17-82-13 W6M) (THE LANDS)
BETWEEN:	TAURUS EXPLORATION LTD. 1000 630 6TH AVENUE SW CALGARY, AB T2P 0S8 (THE APPLICANT)
AND:	EARL THOMAS MARSHALL R. R. #2 DAWSON CREEK, B. C. V1G 4E8 (THE RESPONDENT)
	RIGHT OF ENTRY ORDER BY CONSENT

Combined Street

BACKGROUND:

The Mediation and Arbitration Board received on 5 October 2001, from Antelope Land Services Ltd., agent for Taurus Exploration Canada Ltd., an application for Mediation and Arbitration and Permission to Enter, to the said lands for a well site and access. The Applicant and Respondent have reached an agreement with respect to compensation, and requested the Mediation and Arbitration Board issue a Right-Of-Entry by consent Board Order.

Pursuant to Section 18 (1) of the Petroleum and Natural Gas Act, Julie Hindbo was designated Mediator. The Mediator confirms the application was properly filed.

DECISION

Therefore, acting as Mediator under the provision of Section 18 (3) of the Petroleum and Natural Gas Act, and in response to the Applicant and Respondents joint request, and by consent

IT IS HEREBY ORDERED THAT:

- 1. The survey plan marked Exhibit "A" and the letter from Carter Lock & Horrigan marked Exhibit "C" are incorporated into this order.
- 2. Upon payment of the sum(s) agreed to in Exhibit "C", the Applicant shall be entitled to all the rights of an occupant, to enter, occupy or use the land granted under the provisions of the Petroleum and Natural Gas Act and Amendments thereto to construct the access road and well site.
- 3. This order is subject to the completion of the referral process conducted by the Oil and Gas Commission and the issuance of the Permission to construct letter.
- 4. Nothing in this order is, or operates as consent, permit or authorization that by enactment, a party is required to obtain in addition to this order.

Dated at the City of Fort St. John, province of British Columbia this 12th day of October 2001.

MEDIATION AND ARBITRATION BOARD

UNDER THE

PETROLEUM AND NATURAL GAS ACT

Julie Hindbo, Mediator

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CARTER, LOCK & HORRIGAN Barristers & Solicitors

Darryl Carter, Q.C. (also of B.C. and California bars) M. Roy Carter, Q.C. Ronald J. Horrigan Andrea J. Hull (also of N.B. bar) Lisa Kongsjorden (Student-at-Law)

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George D. Repka, 1950-1978 Terry T. Lock Q.C., 1948-1993

Our File No.: 46,964 AJH/ds

Your File No.:

September 26, 2001

British Columbia Mediation & Arbitration Board

10142 - 101st Avenue Fort St. John, BC V1J 2B3

Attention: Gayle Colwell

Dear Madam:

Re:

Consent Right of Entry Order

Taurus et al CLAYHURST 4-20-82-13 W6M - Proposed wellsite and access road

Landowner: Earl Thomas Marshall Operator: Taurus Exploration Ltd.

TRANSMITTED BY FAX

DATE: September 26, 2001 TO FAX NO: 250-787-3228

NO. OF PAGES: HARD COPY:

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If all pages not received, contact: Janice

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The following is the agreement that we have reached with Taurus Exploration Ltd. in relation to the above-noted proposed wellsite and access road. This agreement is to be attached as a Schedule and form part of the Consent Right of Entry Order that Taurus Exploration Ltd. will be applying for:

- (1) \$3,500.00 annual rent to be paid on the anniversary of the date of entry;
- (2) \$9,000.00 first year payment to be paid prior to entry;
- (3) The annual rental of wellsite 7-20 shall be increased by \$200.00 in the event that wellsite 4-20 is a successful well (to account for the extra use of the access road through Mr. Marshall's yard);
- (4) Payment of Mr. Marshall's legal fees to Carter, Lock & Horrigan in the amount of \$900.00 plus GST and reasonable disbursements upon receipt of our Statement of Account;
- (5) Taurus shall make application to the British Columbia Mediation & Arbitration Board for a consent Right of Entry Order in due course;
- (6) The following conditions will form part of the Consent Right of Entry Order for wellsite 4-20:
 - (a) A fence shall be placed around the well-head, <u>if necessary</u> (determined in consultation with Mr. Marshall);

- (b) There shall be no firearms nor hunting on Mr. Marshall's property by Taurus Exploration Ltd. employees, contractors, sub-contractors, representatives, etc.;
- (c) All machinery must be steam-cleaned prior to entering Mr. Marshall's property in the event that the machinery has previously been working on another landowner's property/fields;
- (d) Taurus Exploration Ltd. and its contractors agree to hire Mr. Marshall to work and re-seed the lease areas and to pay Mr. Marshall for his time and expenses in working and re-seeding the lease areas. Mr. Marshall understands that this agreement is conditional upon his ability to complete the work to B.C. standards, and that his rates are comparable to the rates in the area;
- (e) The landowner and any person claiming by, through or under the owner shall have the right to use the access road area if necessary to gain access to the parts of his land severed or otherwise affected thereby, and for livestock at large;
- (f) Taurus agrees to re-gravel the drive-way through Mr. Marshall's yard, if necessary, following construction of the 4-20 lease:
- (g) Taurus agrees to construct a permanent access to the 4-20 lease <u>if this well is successful</u>. If constructed, the permanent access would be constructed to the following specifications:
 - access is to be built up with no ditches on the field side (west side) of the access road;
 - culvert must be installed at entrance to the lease to prevent excessive water run-off from the road;
 - top soil to be spread on edges of the road and in the ditches <u>immediately</u> following construction to prevent excessive weed growth;
 - the tree lines (any leaning trees) along the roadway shall be hand slashed.

We agree to allow Taurus access to the property to commence construction immediately upon obtaining their well licence, and upon payment of the above-noted amounts prior to entry. Of course, allowing Taurus immediate access to the property is given on the above-noted condition that Taurus will apply for the <u>Consent</u> Right of Entry Order as soon as possible.

Yours truly,

CARTER, LOCK & HORRIGAN

Per:

ANDREA J HULL

AJH

cc: Earl Marshall

Taurus Exploration Ltd. c/o Antelope Land Services Ltd. fax #: (403) 266-4389 THE ABOVE TERMS AND CONDITIONS
ARE ALSO AGREED TO BY
TAURUS EXPLORATIONS LTD.

P.L. LEITCH, AS ALENT FOR TAURUS EXPLOPATION LID.