

File No. 2165
Board Order No. 2165-1

July 23, 2020

SURFACE RIGHTS BOARD

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

AND IN THE MATTER OF

THE NORTH EAST $\frac{1}{4}$ OF SECTION 10 TOWNSHIP 80 RANGE 15
WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT
(The "Lands")

BETWEEN:

Joseph Sean Price,
Shelli Lynn Price and
Philip Andrew Stefanyk

(APPLICANTS)

AND:

Longshore Resources Ltd.

(RESPONDENT)

BOARD ORDER

This is an application brought under sections 164 and 176 of the *Petroleum and Natural Gas Act*.

The Applicants, Joseph Sean Price, Shelli Lynn Price and Philip Andrew Stefanyk, are the owners of the Lands described as: THE NORTH EAST ¼ OF SECTION 10 TOWNSHIP 80 RANGE 15 WEST OF THE 6TH MERIDIAN PEACE RIVER DISTRICT. The Respondent, Longshore Resources Ltd., is the operator of an oil and gas activity located on the Lands. The Respondent's right of entry to the Lands for the purpose of operating the oil and gas activity is pursuant to a surface lease entered January 25, 2004 (the Surface Lease).

Pursuant to the Surface Lease, Longshore Resources Ltd., is required to make annual payments of \$3,100.00 to Joseph Sean Price, Shelli Lynn Price and Philip Andrew Stefanyk.

Longshore Resources Ltd. has commenced proceedings pursuant to sections 165 and 166 of the *Petroleum and Natural Gas Act* seeking a review of the rent payable under the Surface Lease. Longshore Resources Ltd. seeks to have the annual rent reduced to \$1,200.00. The application for rent review has been heard and a decision is pending. In the meantime, however, Longshore Resources Ltd. failed to make the annual payment required by January 25, 2020 and has paid the landowners \$1,200.00 for annual rent..

A rights holder may not unilaterally reduce the rent payable under a surface lease pending determination of a rent review application without the consent of the landowners. Rent payable under a surface lease remains payable unless a change is agreed by the parties to the surface lease or ordered by the Board. Upon resolution of an application for rent review, if rent is changed, the Board will make an appropriate order to account for any difference in rent owed.

The Board finds that Longshore Resource Ltd. has failed to pay rent owing under a surface lease. Pursuant to section 176 of the *Petroleum and Natural Gas Act*, the Board determines that Longshore Resources Ltd. owes Joseph Sean Price, Shelli Lynn Price and Philip Andrew Stefanyk \$1,900.00 in unpaid rent ($\$3,100.00 - \$1,200.00 = \$1,900.00$) plus interest from January 25, 2020.

The Board orders as follows:

1. Longshore Resources Ltd. shall forthwith pay to Joseph Sean Price, Shelli Lynn Price and Philip Andrew Stefanyk the sum of \$1,900.00 plus interest calculated in accordance with the *Court Order Interest Act* from January 25, 2020.

This order does not address the rent review application. The Board will provide a written decision with reasons addressing the rent review application in due course.

DATED: July 23, 2020

FOR THE BOARD



Cheryl Vickers, Chair