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Farmers' Advocacy Office

Independent Land Information & Advocacy Office - Dawson Creek, British Columbia

Annual Report 2017

Aspen Grove
Property Services



New Harvest Media Inc.

FARMERS' ADVOCACY OFFICE

ANNUAL REPORT (August 1, 2016 – July 31, 2017)

ABOUT THE OFFICE:

The Farmers' Advocacy Office has the primary goal of equipping landowners to deal in their own best interests in the negotiating of surface leases, rights of way and miscellaneous land requirements associated with the oil and gas industry. It is independently operated under contract with the Peace River Regional District and funded jointly by the Regional District and the Province of British Columbia. The Farmers' Advocacy Office has provided advice and assistance to rural landowners in the Peace River Region since October 2010.

FAO CLIENTS AND THEIR CONCERNS:

FAO clients continue to seek assistance with new and expanded leases, rent reviews and pipeline right of way negotiations. There continues to be much National Energy Board regulated pipeline activity in the Chetwynd/Hassler Flats and Towerbirch areas, and a corresponding number of landowners requesting information and assistance. The FAO also assisted landowners with written submissions to the Oil & Gas Commission (OGC), Surface Rights Board (SRB), Oil and Gas Appeal Tribunal (OGAT) and National Energy Board (NEB).

The following is a list of common issues and concerns:

- Pipelines/flowlines and NEB regulated pipelines – jurisdiction, compensation & rights pertaining to abandonment
- Trespass and damage to property by industry
- Assignment of rents
- Crown Grant tenure. Assisted clients in determining status of leases, by researching titles and Crown Grants. Untenured oil & gas activity flowing from industry administrative oversight at Crown Grant.
- Landowner concerns about large developments in rural areas; many areas are appearing more industrial than agricultural in nature.
- Landowner concerns over increase in H₂S percentage in wells and pipelines on or adjacent to their property.
- Consultation and Notification Packages – over 800 packages sent out to local landowners regarding companies seeking permission to survey or conduct geophysical activity on, or near their land.
- Failure to Pay. With the decline in gas and oil prices, numerous oil and gas companies have become insolvent. A growing number of landowners have to deal with oil and gas facilities on their property, for which they are now not receiving compensation, plus overgrown and unmaintained well sites & subsidence in pipeline rights of way. Landowners, who have multiple well sites and/or pipelines on their land, are expressing that the administrative burden is getting to be very heavy, and when they are not being paid the rent they are due, feel that they cannot afford to have oil and gas activity on their land. There has been little intervention from government and the situation does not appear to have triggered the Orphan Well Fund to date. The Orphan Well Fund still remains somewhat of a mystery as to where funds are held and the amount in the fund.

There is a growing reluctance by landowners to embrace oil and gas activity on their land given the uncertainty respecting rental payments, ongoing maintenance and remediation in the event of a failure of a company. It appears to landowners that they will incur the liability in the event of a failed company. The present uncertainty with respect to failed company assets on private land begs the question as to whether or not access to private land should occur without landowner consent.

NOTE: Since the FAO year-end cutoff date, we have been advised by the OGC that the Terra Energy sites that have not sold are now classified as “Orphans” and will be eligible for ongoing compensation.

MEETINGS & COMMITTEES:

- NEB personnel came to Dawson Creek and Chetwynd four times during the year, to meet with landowners affected by NEB regulated projects, and for information dissemination and gathering sessions. Also, Judi and Elvin made a presentation to the NEB Modernization Panel in Fort St. John, as well as participated in follow up teleconferences. The NEB personnel also met with PRRD Electoral Area Directors on one trip to the Peace region.
- Elvin and Judi participated in 2 NEB Land Matters Groups. The Land Matters Group Sub- Committee on Landowner Guidance has revised and developed guidance material for landowners. Elvin continues to be an active member of NEB Land Matters Group Steering Committee. FAO staff members are reimbursed by the NEB for all committee related expenses.
- Met with the Minister of Agriculture & MLA/ Minister of Education regarding local issues affecting landowners
- The FAO conference room is very well utilized, both as a place for clients to meet with FAO representatives, and also as a neutral location for landowners to meet with industry representatives.

REFERENCE MATERIAL:

The first edition of the Farmers’ Advocacy Office – Landowners’ Handbook (which was produced and initially distributed last year) has received very positive feedback. Stocks have been replaced at the distribution outlets throughout the year.

NEW HARVEST MEDIA & WEBSITE:

The work completed by New Harvest Media related to the FAO Virtual Office and online presence included:

- Improved usability of maps and search result data lists
- General website updates (adding news posts, content, links, tweaking menu items etc.)
- Periodic broken links audit and fixing (usually provincial ministry website links as ministry titles and systems change, etc.)
- Integrating riser sites as column in map data
- Website hosting server management and troubleshooting
- Search Engine ranking reporting
- IT Support (printers, email)
- Graphic design including updating and production of infographics, posters, etc.

Virtual Office Usage Statistics:



	Aug 1, 2015 - Jul 31, 2016	Aug 1, 2016 - Jul 31, 2017
Sessions	2,580	2,140
Users	1,959	1,584
Pageviews	5,644	5,422
Average Pages/Session	2.19	2.53

Top 10 Pages

<u>Title</u>	<u>Pageviews</u>
Home	2,022
Surface Lease Values	293
Leases & Sales	196
Talk to Us	190
Understanding the System	188
Do Your Own Research	182
Compensation	164
Know Your Property Rights	137
Land Sales Values	132
Get Help	108

MEDIATIONS, ARBITRATIONS & TRIBUNALS:

- 12 clients were assisted with their mediation process
- 2 arbitrations were participated in by FAO personnel
- 3 clients are being assisted through the expropriation process (ongoing at this time)
- 2 client were assisted with preparations for Oil & Gas Appeal Tribunal hearings
- 2 clients are being assisted with issues concerning NEB regulated pipelines. Both clients have retained legal counsel.

RECOMMENDATIONS:

- Landowners continue to express frustration at lack of access to surface leases, which puts them at a disadvantage when negotiating compensation, and also preparing for arbitration hearings. Recommendation that industry (through the Canadian Association of Petroleum Producers & Canadian Energy Pipeline Association) stress the importance of complying with the legislation requiring leases be submitted to the SRB in a timely manner. In the 13 months since the regulation was established allowing the SRB to publish surface lease information online, there are only 16 redacted documents on the SRB website available for the public to view.
- A number of clients have come to the FAO with concerns about proposed increases in the percentage of H₂S in existing wells and pipelines. While oil and gas companies can and do apply for amendments to existing permits, it is our view that perhaps a more transparent process, including broad public notification and information sessions held in advance, would be beneficial. There may be much to be gained by facilitating public sessions attended by the oil and gas companies and the OGC. In our view these proposed changes in H₂S levels that affect entire communities, should attract greater public awareness through formal presentations made by the proponent to the PRRD, as these changes are not without impact on human and livestock safety, the environment, and real estate values.

OVERVIEW OF SUCCESSES (Examples):

- Through the SRB mediation process, the FAO assisted a local landowner negotiate a 19.72 acre surface lease on his property. The final compensation agreed upon was 2.4 times the original offer.
- The FAO assisted local a landowner negotiate a settlement regarding an abandoned wellsite on his property. The final settlement was 50 times the original offer of compensation.
- The FAO has been proactive in assisting numerous landowners apply for, and receive compensation through the fund that has been established from the Court approved sale of some of Terra Energy's BC assets. Through the SRB, this fund has been available for landowners to apply for back rent, and current rent, as the payments become due.