

Vocal on behalf of rural landowners.
Independent of politics and profit.
Advice landowners can use.



Farmers' Advocacy Office

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

Quarterly Report
September 30, 2017

Aspen Grove
Property Services



New Harvest Media Inc.

**Farmers' Advocacy Office Progress Report
1Q2017 (July 1 - September 30, 2017)**

A. PUBLIC PRESENTATIONS, MEETINGS & EVENTS

Date	Location	Event
10-Jul	FAO	Elvin & Judi participated in National Energy Board - Land Matters Group Steering Committee teleconference
11-Jul	FAO	Landowner meeting with oil & gas representative and Elvin re: large multi-well pad planned on adjacent property
12-Jul	FAO	Landowner meeting with oil & gas industry representatives and Elvin re: NEB regulated pipeline proposed on their land
18-Jul	FAO	Landowner and Elvin participated in SRB mediation teleconference
21-Jul	FAO	Elvin & Judi participated in National Energy Board teleconference with the Modernization Secretariat
25-Jul	PRRD	FAO Quarterly Report and meeting with the Management Board
26-Jul	FAO	Landowner meeting with oil & gas company representative and Elvin re: rent review
27-Jul	FAO	Landowner meeting with oil & gas company representatives and Elvin re: NEB pipeline proposed on their land
1-Aug	FAO	Landowner meeting with oil & gas company representative and Elvin re: rent review
9-Aug	FAO	Elvin & Judi participated in teleconference with OGC re: changes at OGC and Orphan Site Fund

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10-Aug	FAO	Landowners meeting with oil & gas company representatives and Elvin re: cathodic bed on property
18-Aug	FAO	Landowner meeting with oil & gas company representatives and Elvin re: NEB pipeline proposed on their land
27-Aug	East Pine	Elvin & Judi made site visit to client's property with cathodic bed issues - with NEB regulated oil & gas company
30-Aug	FAO	Landowner meeting with oil & gas company representatives and Elvin re: NEB pipeline proposed on their land
31-Aug	FAO	Landowner teleconference with oil & gas company and Elvin re: rent review and jurisdiction
18-Sep	FAO	Landowners and Elvin participated in SRB mediation teleconference re: Right of Entry
20-Sep	Chetwynd	Elvin & Judi attended Spectra/Enbridge Open House re: Wyndwood & Spruce Ridge pipeline developments
21-Sep	FAO	Landowner meeting with oil & gas company representatives and Elvin re: NEB pipeline proposed on their land

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		Electoral Area 'B'	Electoral Area 'C'	Electoral Area 'D'	Electoral Area 'E'	Other	Total
Q1	New	7	0	18	7	3	35
	Return	36	0	122	23	8	189
Q2	New	7	0	17	1	0	25
	Return	44	0	126	13	8	191
Q3	New	4	2	27	4	1	38
	Return	49	4	119	25	5	202
Q4	New	4	0	21	4	2	31
	Return	48	1	95	23	8	175
							886

C. CLIENTS SERVED BY ACTIVITY TYPE

- 1 Information Only.** *Information only involves providing background information, assisting in filling out forms, explaining rights. Typically no further action is required.*

Q1	Q2	Q3	Q4	Total
65	72	63	69	269

Summary of Discussions (Key Themes):

Brochures & information given out to first time visitors to the FAO, or landowners dealing with Oil & Gas Companies for the first time. "Landowner's Information Guide", and "Understanding the System", "NEB Landowners' Guide to Land Agreements" & "FAO Landowners ' Handbook" are most often given out.

Explained rights and gave out information about pipelines/flow lines and NEB pipelines - jurisdiction, compensation & rights pertaining to abandonment.

Explained rights to landowners who have received notification that oil & gas activity is planned on adjacent property.

Explained rights to landowners who have received correspondence from companies seeking permission to survey or to conduct geophysical activity on their land.

Discussed remedies with landowners who have not received lease rent payments from Oil and Gas Company when due. Also, advised landowners of funding available for specific overdue lease payments, and assisted with paperwork as required.

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C. CLIENTS SERVED BY ACTIVITY TYPE

- 2 Support Landowners in Negotiations.** *Supporting Landowners in negotiations involves engagement with the industry prior to a lease being signed.*

Q1	Q2	Q3	Q4	Total
36	29	33	30	128

Summary of Discussions (Key Themes):

Provided comparative information to clients to assist them in determining value of ROW and/or land for leases. There continues to be much NEB regulated pipeline activity in the area, and a corresponding number of visitors requesting information & assistance.

Assisted clients in negotiating monetary compensation and terms of leases as well as nuisance, trespass and disturbance claims consistent with the Petroleum & Natural Gas Act.

Assisted clients in preparing paperwork for Oil and Gas Appeal Tribunal, both initial application for appeal, and for a stay of permit (in 2 cases).

The expropriations reported on the last report continue to move through the judicial process, with parties being represented by their legal counsel.

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C. CLIENTS SERVED BY ACTIVITY TYPE

3 **Implementation.** *Implementation means that a lease is in place. Activities involve addressing concerns over fulfilling the terms of the lease and negotiation of subsequent leases.*

Q1	Q2	Q3	Q4	Total
123	115	144	107	489

Summary of Discussions (Key Themes):

Assisted clients in negotiating with industry regarding:

- rent reviews
- non-compliance issues (such as noise, contamination, leakage & weed control)
- trespass and damage to property
- road access & use (often multiple users)
- actual crop loss
- validity of leases
- non-payment of rents & property taxes
- assignment of rents
- abandonment of well sites and pipelines
- change of use issues
- expansion of well sites, creating multi well pads
- NEB/OGC jurisdictional issues
- **increase in H2S percentage in wells and pipelines**
- **pipeline leak causing damage to farm operation (specifically livestock)**

Assisted clients in determining status of leases, by researching titles and Crown Grants.
Untenured oil & gas activity flowing from administrative oversight at Crown Grant.

Continued to be engaged with Land Matters Group Steering Committee at the National Energy Board, dealing with a wide array of client issues.

Assisted clients with submissions to OGC, OGAT & SRB

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D. RESULTS OF INTERACTIONS WITH OIL & GAS INDUSTRY AND THEIR AGENTS

Results of support to farmers, ranchers or rural residents in their interactions with the oil and gas industry and their agents

Number of Successful Interactions. *(ie. Issue or conflict resolved, no further action or escalation,*

Q1	Q2	Q3	Q4	Total
8	11	6	11	36

Number of Interactions in Progress. *(ie. Issue is still being discussed, no resolve or escalation at this time)*

Q1	Q2	Q3	Q4	Total
67	52	71	59	249

Number of Escalated Interactions. *(ie. conflict not resolved or escalated to mediation, arbitration, or Surface Rights Board)*

Q1	Q2	Q3	Q4	Total
15	9	12	10	46

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E. WEBSITE USAGE

Virtual Office Update Usage Statistics

	Jul - Sept 2017	Oct - Dec 2016	Jan - Mar 2017	Apr -Jun 2017
Sessions	406	699	500	450
Users	321	477	392	376
Page views	1,426	1,518	1,329	1,288
Average Pages/Session	3.51	2.17	2.66	2.86

Google Analytics Terminology

Sessions:

https://support.google.com/analytics/answer/2731565?hl=en&ref_topic=1012046

Users:

https://support.google.com/analytics/answer/2992042?hl=en&ref_topic=1012046

Most Popular Pages (July - September 2017)

The ten most popular pages (by page views) were:

1. Home page (425)
2. Compensation (63)
3. Lease Values - Database Map (63)
4. Leases & Sales (46)
5. Land Sales Values - Database Map (44)
6. Dealing with Land Agents (37)
7. Understanding the System (33)
8. Know Your Property Rights (31)
9. Talk to Us (30)
10. Do Your Own Research (24)

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F. RECOMMENDATIONS FOR IMPROVEMENTS TO THE PROGRAM

Section F is a separate document provided to the Management Committee at the option of the Service Provider and is not required as part of the Quarterly Report.

During this reporting period no surface lease, rent review or ROW documents were available to download from the SRB.

*Landowners continue to be frustrated by the lack of access to leases and ROW documents. In the 16 months since the regulation was established allowing the SRB to publish surface lease information online, there are **still** only 16 redacted documents on the SRB website available for the public to view.*

From conversations with the OGC, the FAO learned that the Orphan Site Fund will now be used to pay landowners rent payments that are in default by bankrupt oil and gas companies. There are however, numerous landowners that are not receiving their annual rent, but the oil and gas company has not completed (or in some cases not even started) the bankruptcy process. Even though landowners go through the SRB process to get a Board Order issued demanding the oil and gas company pay, many of these companies do not pay. This leaves landowners waiting until the company goes through the bankruptcy process to receive compensation. The FAO believes that this is wrong, and that landowners who are not getting paid the rent due to them should be eligible for compensation immediately, and not have to wait for the oil and gas company to go through the bankruptcy process.

OVERVIEW OF MEDIATIONS & ARBITRATIONS

SRB MEDIATIONS:

- The FAO provided assistance to 7 landowners in mediations during this reporting period and none of these have been settled. Link to Right of Entry Order issued during this reporting period:

<http://www.surfacerightsboard.bc.ca/Documents/OilAndGasOrders/Order%201943-1.pdf>

SRB ARBITRATIONS:

- The FAO was not involved in any arbitrations during this reporting period.

NEB ARBITRATIONS (Natural Resources Canada):

- The FAO continues to assist landowners who have retained legal counsel to resolve a dispute over compensation for a NEB pipeline on his property. The negotiations are continuing.

OIL & GAS APPEAL TRIBUNAL:

- Elvin & Judi were observers only at portions of the OGAT hearing on September 12, 13 & 14 to appeal the decision of the BCOGC to issue well permits to Crew Energy Inc. The hearing was not finished in the 3 days allotted and 2 additional days have been scheduled for November 2 & 3.
- As reported on the previous quarterly report...

There appears to be confusion between the regulator and the Surface Rights Board regarding jurisdiction. Per the Oil & Gas Activity Application Manual, temporary workspace and sump are considered "associated oil and gas activities", and the OGC does not issue authorizations for associated oil and gas activities on private land. The SRB has taken the position that "the purpose of the sump is to facilitate construction of the pipeline, just as the purpose of temporary workspace is to facilitate construction of the pipeline, it is an oil and gas activity over which the Board has jurisdiction". The Board cannot have jurisdiction over unpermitted activities. The Board may grant a right of entry order conditional upon the person who is seeking the right of entry receiving approval from the commission as per Section 159 (3) of the Petroleum and Natural Gas Act.

Since the previous report, the company did not act on a SRB Right of Entry Order because, on reflection, they concluded they would not be in compliance with the "Drilling Waste Management" chapter of the BC Oil and Gas Handbook. Links to the 2 OGAT decisions regarding this situation:

<http://www.ogat.gov.bc.ca/dec/2017oga023a.pdf>

<http://www.ogat.gov.bc.ca/dec/2017oga023b.pdf>

OVERVIEW OF SUCCESSES

Oil and Gas Appeal Tribunal:

- Through the OGAT process, the FAO assisted local landowners prepare the paperwork for the appeal, as well as for a stay of the pipeline permit issued by the BC Oil and Gas Commission. The landowners have been granted a stay by the OGAT, which has been challenged by the oil and gas company. This is only the 2nd time in the history of the Oil and Gas Appeal Tribunal that a stay has been granted. The hearing is set for early December. Link to the Stay Application decision:

<http://www.ogat.gov.bc.ca/dec/2017oga026a.pdf>

Failure to Pay

- The FAO continues to be proactive in assisting landowners apply to the SRB for rent payments that oil and gas companies are failing to make. Up to this point, it has only been landowners with wells or facilities that were owned by Terra Energy that have been eligible to receive compensation through the SRB.