

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
June 2012

Aspen Grove
Property Services



New Harvest Media Inc.

Progress Report 6 – March 1, 2012 to June 30, 2012

A. Public Presentations, Meetings & Events: 1

Date	Location	Event
2012.03.31	Upper Cache Community Hall	Meeting with Upper Cache Cattleman's – information about Seismic – rights, rates paid. Information provided about FAO services, and answered other landowner questions.

B. Board Room Use: 32

Group Meetings	Mediation or Meetings w/o FA	Meeting with Land Agents With FA Advisor	SRB Mediation or Arbitration In person or client in room, conference call w/SRB	Other: OGC, visiting politicians, MLA, BC Hydro, Ministry Reps.
5	0	14	9	5

C. Field Inspections: 12

Location	Issue
Berry Road 213 S Peace	Location of well site and impact on land value, concern that elderly parent agreed to insufficient initial compensation due to lack of competency.
Rose Prairie N Peace	Open sump, weeds and pieces of equipment, needing to be remediated as part of rent review negotiations.
Mile 28 Alaska Highway S Peace	Site visit to confirm that highest and best use of property would include small acreage subdivision.
Fletcher Road	Site visit to evaluate impact on potential home site on the property.
Rolla	On site visit with client, SRB, lawyer & company rep As part of a mediation – 8 properties

D. Agency Liaison: 1

Date	Agency	Summary of Discussions
19 June 2012	National Energy Board Calgary, AB	Elvin Gowman participated as a member of the Land Matters Group

E. Clientele by Location: 144

North Peace	South Peace	West Peace	Alberta	Other
32	103	0	5	4

F. Clients Served by Issue Type (includes single client/multiple issues):

Concern or Issue by Type	Number of Clients	Background Info & Services Provided
Stakeholder Objections	6	<ul style="list-style-type: none"> - Assisted clients with paperwork and sent it in electronically for them; - Reviewed Notification & Consultation packages with landowners;
Appeals to Oil and Gas Appeal Tribunal	2	<ul style="list-style-type: none"> - contamination, assisted client with paperwork
Document Review and Correspondence Assistance	11	<ul style="list-style-type: none"> - Assisted clients with Stakeholder Written Submissions -Did Title Searches and OGC data base searches to help client find out what oil and gas tenures were on a property - Reviewed Assignment of Lease documents & advised client OK to sign. - Searched title – leases were unregistered. Recommended client insist they be registered. - assistance ESL clients with understanding legal wording
Survey Concerns	2	<ul style="list-style-type: none"> - Entry without permission
Surface Lease Negotiations	12	<ul style="list-style-type: none"> - compensation; - dispute over whether there is access via a surveyed road right of way - location of well in prime home site on property; - rental rate and contamination issue; - research with land owners; - location concerns
Surface Lease Rent Reviews	13	<ul style="list-style-type: none"> - Compensation – two companies are trying to lower the annual rate to below what was being paid a decade ago. - In one case the lease is expired and cannot have a rental review. -Research lease particulars for client. -Reviewed company offers and provided backup information for a counter offer
Company Non-Compliance with Lease of R/W Terms or Legislation	7	<ul style="list-style-type: none"> - Failure to control weeds, contract commitments not honoured: - Company admitted liability but won't pay damages until the rent renewal is

		<p>agreement upon at a rate under market.</p> <ul style="list-style-type: none"> - Building more on a site than agreed upon. - Exceeding the allowable acreage under the ALR delegation agreement. - Company failing to pay rental on an abandoned well as they are required to do until remediation complete & COR issued. - Pipeline built through well site without agreement or compensation; - Pipeline mess – contacted NEB inspector who will look at it next trip. - Non payment of rent for last year.
Unauthorized Road Usage	3	<ul style="list-style-type: none"> - Use of access road by unauthorized multiple users.
Multi Pad Lease Renegotiations (Incremental Multi-Pad)	4	<ul style="list-style-type: none"> - Compensation; noise and nuisance
Pipeline R/W Negotiations	16	<ul style="list-style-type: none"> - Compensation - Crossing - Setbacks - Review right of way offers - New pipe in existing right of way - Shared information on recent r/w settlements.
Trespass	3	<ul style="list-style-type: none"> - Trespass & contamination – going through OGAAT process. - Pipeline company trespass - met with landowner and company
Surface Rights Board Preparation	5	<ul style="list-style-type: none"> - Researched comparable lease information with clients - Reviewed landowner presentations, research permit dates, make suggestions - Field inspections - Assisted clients in accessing SRB forms and fact sheets
Surface Rights Board Mediation	11	<ul style="list-style-type: none"> - Participated with client on call or in person, or assisted client with assembling information
Impact on Land	6	<ul style="list-style-type: none"> - Flooding, erosion, contamination; - Location of pipeline in relation to unsold lots in a subdivision; - assisted client in negotiations & mediation; - abandoned well site – contamination; - advice on rental rates until certificate of restoration is issued; - old pipe in existing right of way – owner claiming damages – cows out, fence damaged, time; - longstanding contamination issue; - impact of hydro r/w on land value; - wash out issue that company hasn't

		fixed for years.
Nuisance	1	- Increased traffic from new gas plant wakes landowners up at 4:00 am. Exceeding 80 km speed limit. Vehicle operators verbally abusive. No results from the company, the regulator or the police.
Compensation for Access Road On Easement	1	- company using a private access easement without compensation
Seismic	12	- Group of land owners at interested in their rights, and rates of compensation, and advice. Met with them and provided information.
Expropriation	1	- pipeline expropriation, referred to lawyer - highway expropriation
BC Hydro DCAT line – compensation, relocation issues	12	- location, per pole compensation, total buyout of home & land, right of entry for exploratory work, impact on farming activities
Highway widening, related to Oil & Gas activities	15	- Single landowner on behalf of a group of land owners who are concerned about the impact on their community. Assisted landowner in putting objections in writing.
Flooding	1	- Road built by company in public r/w causing flooding in owner's field – assisted client with letters and phone calls – now being replaced;
Compensation for Loss of Gravel Income	1	- NEB line – mediation still active. Assisted with mediation – now referred to a lawyer.
11 th hour loss of representation	1	- advocate acting for landowner notified them the day before the hearing that he would no longer act for them. Assisted client to get an adjournment from SRB so they could get counsel, and on going assistance with information.
Pipeline v. Flow Line	3	- Companies are calling pipelines flow lines when they are not. If a flow line, the SRB takes jurisdiction and the owners lose certain remedies available to them if it were correctly classified as a pipeline. OGC needs to make the decision at the time of approval
Pipeline Riser Site Lease	5	- compensation for site and access: provided advice & comparable rents; - Rent review – but who's lease is it? 2 companies each say it belongs to the other; - insufficient riser site lease compensation
Impact on Farming or Ranching Operations	3	- pipeline crossing with heavy farm equipment;

		<ul style="list-style-type: none"> - 40 m setback - compensation for gas plant vs. well site - Concern that a well site and access road will open up land to the public.
Complaints about land agents and negotiation process	7	<ul style="list-style-type: none"> - Continue to receive reports of incorrect and/or incomplete information provided to landowner; - Continue to receive reports of people being pressured into signing contracts - Not provided with consultation package - Revolving land agents – no continuity in contact – reports of multiple representatives for one negotiation - Continued reports of intimidation - In a rural setting with an ageing population and a history of trust where agreements were made with a handshake, we receive ongoing reports of a predatory style of negotiation - Continued reports of playing one landowner against another and misleading information in relation to compensation paid to other landowners
Lease rents assigned to a third party	2	<ul style="list-style-type: none"> - Problems created by assignment of rents to a prior land owner. Current land owner experiences the nuisance but receives no compensation.
Health and Safety	4	<ul style="list-style-type: none"> - Illness caused by pipeline leak - well locations vis a vis constructed escape route; - Pipeline break – concern for cattle; - Company personnel entering property without consent and exposing themselves to risk from agricultural chemicals. - black vapour, discharge during fracking – referred to OGC
Miscellaneous	3	<ul style="list-style-type: none"> -Emergency Response Plan and Zone are seen as an invasion of privacy; - Land owner rights – mine in Kamloops; - Pipeline repair negotiations; - Met with land agents regarding their concern about the information we provide to land owners.
Total	173	

G. Virtual Office Update

The database of surface lease values has grown slightly since the last report, with 151 leases now plotted on the map.

Just a few short months from now, in October, it will be two full years since the coming into force of OGAA. Some companies that are active in northeast British Columbia have yet to file a single lease with the Surface Rights Board.

Two years is too long a time to complain that busyness has kept these companies from filing. The Farmers' Advocacy Office has spoken to many land agents and companies, so a lack of education is an inadequate excuse. Clearly, the "honour system" is not working. Inviting companies to file leases, but failing to enforce the law, and failing to put in place an administrative penalty to punish those who flout the law is more serious than a case of delayed implementation. It constitutes a broken promise made by government to landowners.

Usage Statistics

Between March 1, 2012 and June 30, 2012, the site served:

- 1,062 visits
- 4,395 pageviews
- 4.14 average pages per visit

The ten most popular pages (by pageviews) were:

- Home page (1,139)
- Surface Lease Values (229)
- Links (206)
- Do Your Own Research (205)
- Compensation (166)
- Dealing with Land Agents (141)
- Understand the System – Infographic (136)
- Know Your Property Rights (121)
- Talk to Us (119)
- Leases & Sales (104)

Recent work completed

Includes

- improvements to the table of surface lease values produced by the map (users may now click a "Map" button to see that particular lease plotted on the map, with its relevant details)
- design of graphics to educate and encourage companies to file surface leases with the Surface Rights Board
- Mobile style sheet for web site to improve its usability for those on Smartphone and other mobile devices.

In development:

- investigating ways to improve performance of screen sharing access to surface leases at the Surface Rights Board
- improving the ability of landowners to submit surface lease information to the FAO
- mail out to PRRD rural landowners
- improved online access to the infographic
- better identification in the surface lease table, of leases that the Farmers' Advocacy Office has groundtruthed and confirmed

H. Issues and Recommendations

Issues:

- Industry non-compliance. To date 152 surface leases or rent reviews and 114 pipeline rights of way have been filed with the surface rights board. See breakdown at end of report.
- OGC contradicting legislation and giving landowner incorrect information re 40 m setback from pipeline right of way. Sec. 76 OGAA & Sec 11 of General Regulation. After land owner persisted and took OGC a copy of its own legislation and regulation, the point was conceded.
- Some owners get advanced costs, some do not – concern that SRB award these costs equitably.
- The location of the Surface Rights Board in Richmond continues to be an issue for landowners because of inability to access information, but also because South Peace landowners must drive to Fort St. John for hearings because the flight schedules are better for the Board, and there is pressure to accommodate by putting in longer hearing days. Recently the Board has been more sensitive to this in specific cases.
- A big issue is the disrespect of landowners, particularly the elderly. In an area where people are in their eighties and still farming, there are plenty who are competent – but just need time to read things over and get some advice. There are others who lack capacity to contract. The technique is to visit them in the evening, pressure them to sign, and then tell them they don't need to go see a lawyer or notary to get their signature witnessed – the land agent will take care of it. Then the land agent swears an affidavit that it was a *remote location, late at night and there was no access to a lawyer or notary. This simply should not occur.*

Recommendations:

- Surface Lease Regulations – Admin Penalty & Disclosure of Information
- Land Agent Training and Licensing
- A 3 to 5 day mandatory “cooling off” period, during which a contract can be rescinded.

- A requirement that land agents leave the document with the land owners to give them an opportunity to look into their rights, and whether they are being offered fair compensation.

Cumulative Totals of Report Categories:

Public Meetings & Presentations: 35

Board Room Use: 159

Client Location: South 409 North 137 West 0 AB/other 24

Total Clients: 570

Total Issues: 745

Agency Liaison Meetings: 14

Presented to Management Committee July 10, 2012

Information Filed with the Surface Rights Board as at June 30, 2012*

Leases or Rent Review Documents

Company	Number	Company	Number
Talisman	18	Shell	43
Canadian Spirit	1	Terra Energy	4
Canbriam	4	Encana	30
Chinook	1	Murphy	7
Pengrowth	25	CNRL	12
Pennwest	1	Conoco Phillips	2
Plateau	2	Spectra	2

Right of Way

CNRL	25
Encana	32
Shell	57

* provided after discussion.