

MEDIATION AND ARBITRATION BOARD

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

Date: 07 March 2003

File No. 1488

Board Order No. 363M-1

BEFORE THE MEDIATOR:

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
NORTH EAST ¼ SECTION 18, TOWNSHIP 82,
RANGE 13 WEST OF THE SIXTH MERIDIAN
PEACE RIVER DISTRICT
(LS 9 - 18 - 82 - 13 W6M)
(THE LANDS)

BETWEEN:

TAURUS EXPLORATION
1000, 630-6TH AVENUE SW
CALGARY, ALBERTA
T2P 0S8
(THE APPLICANT)

AND:

EARL THOMAS MARSHALL
C/O CARTER LOCK & HARRIGAN
9803 101 AVENUE
GRANDE PRAIRIE, AB
T8V 0X6
(THE RESPONDENT)

MEDIATION ORDER

BACKGROUND:

The Mediation and Arbitration Board conducted Mediation on 21 November 2002, regarding a well site known as Taurus et al Clayhurst, 9-18-82-13-W6M on property owned by Mr. Marshall. From that Mediation, Board Order 363M was issued.

Although in the course of the Mediation, neither party specifically requested that the terms of a letter from Andrea Hull, of Carter Lock & Horrigan to the Mediation and Arbitration Board dated 25 October 2002 be incorporated into the Order, subsequent to the Order being granted, a request was made by the Land Agent for the Applicant to incorporate the terms of that letter into the Board Order.

As a result of telephone discussions between the Administrator of the Board and the parties, it is the understanding of the Mediator that both parties consent to these terms being placed into the Order.

IT IS HEREBY ORDERED THAT;

1. The following terms are incorporated by reference into Board Order 363M;
 - (1) Construction of the well site and access road can commence immediately upon Taurus obtaining their well site license and upon them paying Mr. Marshall the agreed upon compensation prior to entry;
 - (2) \$ 9,000.00 first year consideration to be paid to Mr. Marshall prior to entry (including \$2,000.00 compulsory aspect of entry);
 - (3) \$ 3,500.00 annual rent to be paid on the anniversary of the date of entry;
 - (4) Payment of Mr. Marshall's legal costs to Carter, Lock & Horrigan in the amount of \$ 900.00 plus GST and reasonable disbursements upon receipt of our Statement of Account;
 - (5) The north/south portion of the access road leading to Mr. Marshall's feed yard shall be built up and made permanent by Taurus regardless of the success of the well;

- (6) Taurus shall be responsible for providing materials for fencing the north and west sides of the access road, and shall pay Mr. Marshall for his time installing the fence;
 - (7) Taurus agrees to hire Mr. Marshall to work and re-seed the leased areas and to pay Mr. Marshall for his time and expenses in working and re-seeding the leased areas. Mr. Marshall understands that this agreement is conditional upon his ability to complete the work to Provincial environmental standards, and that his rates must be comparable to the standards in the area;
 - (8) Taurus agrees to re-gravel Mr. Marshall's yard site after construction of this lease if necessary;
 - (9) There shall be no firearms nor hunting on Mr. Marshall's property by Taurus employees, contractors, subcontractors, representatives, successors, assigns at any time;
 - (10) Taurus agrees to steam-clean all machinery and equipment prior to entering Mr. Marshall's property.
- 2. In all other respects Board Order 363M is confirmed.
 - 3. Nothing in this Order is or operates as a consent, permit or authorization that by any enactment a party is required to obtain in addition to this Order.

Dated at the City of Fort St. John, British Columbia, this **7th day of March 2003**.

MEDIATION AND ARBITRATION BOARD
UNDER THE
PETROLEUM AND NATURAL GAS ACT

Rodney J. Strandberg, Chair