

File: 1524

MEDIATION ORDER 377M

Parties to the Mediation

Harold Verne Goodings Karen Arlene Goodings Box 55, Cecil Lake, British Columbia Applicant

Progress Energy Ltd. Suite 1400 440 - 2nd Avenue, SW Calgary, Alberta

Respondent

Date: 18 February 2004

Location- Mediation and Arbitration Board offices, Fort St. John, BC

Time Commenced 1:20 p.m. Concluded 2:45 am

Parties

Craig Kolochuk, Progress Energy Ltd.,

John Hagen, Progress Energy Ltd.

H. Verne Goodings, Surface Land Owner

Karen Goodings, Surface Land Owner

Jim Sodergren Lead Mediator, Caroline McNabb, Mediation and Arbitration Board

Terms agreed to

A. FINANCIAL

Progress Energy Limited agrees to:

- Increase annual compensation for the well sites and access road located at A7 20 84 17 W6M (\$ 3,800.00) and B7 20 84 17 W6M (\$1,730.00) to a total of \$ 5,530.00 per annum effective on the last anniversary date.
- 2. The increased compensation (\$ 5,530.00) is due and payable; and is subject to set off for the

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annual compensation paid to the applicant since the last anniversary date.

B. FACILITIES

3. The access road to the well sites will be looked after and Progress Energy Ltd will undertake weed control.

ORDER

The Board orders that the parties to this mediation:

- (a) execute a lease adjustment varying the terms of the surface lease incorporating the above terms and incorporating the Surface Lease Regulation (B. C. Reg. 497/74);
- (b) pursuant to section 25 (3) of the <u>Petroleum and Natural Gas Act</u>, Progress Energy Ltd. file a copy of the lease adjustment with the Land Title Office for registration; and
- (c) comply forthwith as expeditious as is reasonable.

Dated at the City of Fort St. John, British Columbia, this 18th day of February 2004.

MEDIATION AND ARBITRATION BOARD
UNDER THE
PETROLEUM AND NATURAL GAS ACT
Jim Sodergren, Mediator
Caroline McNabb, Mediator