

PLACE: Peace River Regional District – Board Room, Dawson Creek, BC

PRESENT: Farmers' Advocacy Office
Anne Clayton – FAO Contractor
Elvin Gowman – FAO
Judi Leeming, FAO Research Assistant
Chad Anderson – New Harvest Media

Ministry of Natural Gas Development

Matt Austin, Executive Director, Resource Access and Strategic Engagement
(Attended by conference call)

Ministry of Agriculture

Lori Vickers, Regional Agrologist

Landowner Representative

Judy Madden

Peace River Regional District

Chris Cvik, CAO Peace River Regional District
Ronda Wilkins, Executive Assistant

Delegation(s)

(Attended by conference call)

Larry Blaschuk – Registrar of Land Titles, Land Title Division
Mark Parsons – Director of Policy and Legislation

1.0 CALL TO ORDER: The meeting commenced at 1:05 p.m.

2.0 NEW BUSINESS: None

3.0 ADOPTION OF AGENDA:

Moved by Lori Vickers, Seconded by Judy Madden

"That the agenda of the Farmers' Advocate Management Committee Meeting for January 17, 2017 be adopted."

CARRIED.

4.0 MEETING NOTES:

4.1 Moved by Lori Vickers, Seconded by Judy Madden

"That the Farmers' Advocate Management Committee Meeting Notes of October 25, 2016 be approved."

CARRIED.

5.0 DELEGATION:

Larry Blaschuk – Registrar of Land Titles, Land Title Division and Mark Parsons – Director of Policy and Legislation (LTSA) joined the meeting via conference call to provide the Committee information on the following:

- If Land Titles can make the decision not to accept liens unless they are very clear and specific about what legal interest in the land the lien is against and,
- If the subject of the lien is not registered on title can the LTSA refuse to register the lien?

Mr. Blaschuk and Mr. Parson (LTSA) were provided with samples for their review of liens against properties and also of what the FAO thought was a discrepancy with a lease on one Form C. The LTSA were clear that they were not able to provide any legal advice. The LTSA work on the bases of applications that are received and view them as per the act. The emphasis is if the registration is in compliance versus the matter that the application involves. If the application is registerable it is not the LTSA responsibility to determine if the lien is on the whole property or just the right of way. When a lien is registered with LTSA the builder must enforce within 21 days as per the "*Builder Lien Act*" through the Supreme Court.

Limitation and notice to commence an action

33 (1) If a claim of lien has been filed, an action to enforce the claim of lien must be commenced and, unless the claim of lien has been removed or cancelled under section 23 or 24, a certificate of pending litigation in respect of the action must be registered, not later than one year from the date of its filing, in the land title office or gold commissioner's office in which the claim has been filed.

(2) Despite subsection (1),

(a) an owner, or

(b) a lien claimant who has commenced an action

may serve on a lien claimant, or other lien claimants, as the case may be, a notice to commence an action to enforce the claim of lien and to register in the land title office or in the gold commissioner's office, as the case may be, a certificate of pending litigation within 21 days after service of the notice.

(3) The notice served under subsection (2) must be in the prescribed form, and service is validly effected if the notice is

(a) served personally on the lien claimant, or

(b) mailed or delivered to the address for service given in the claim of lien.

(4) If service is by mail the notice is conclusively deemed to have been served on the eighth day after deposit of the notice in the Canada Post Office at any place in Canada.

(5) Unless an action to enforce a claim of lien is commenced and a certificate of pending litigation is registered within the time provided in this section, the lien is extinguished.

LTSA noted that this does not apply if bankruptcy is part of lien as this falls under federal jurisdiction not provincial. A trustee is appointed and has control of all assets including leasehold assets. The trustee is going to realize value to whom they own money to, unfortunately the landowner maybe impacted.

LTSA made note of Section 3 under the Builder Lien Act (see below) that might be something that owners can use as a shield to protect themselves. They suggested a conversation with the Ministry of Justice and the Ministries involved with the FAO Committee have a conversation.

Builders Lien Act

Deemed authorization

Section 3

(1) An improvement done with the prior knowledge, but not at the request, of an owner is deemed to have been done at the request of the owner.

(2) Subsection (1) does not apply to an improvement made after the owner has filed a **notice of interest** in the land title office.

(3) Subsection (1) does not apply to an improvement on land owned by the government.

"notice of interest" means a notice in the prescribed form warning other persons that the owner's interest in the land described in the notice is not bound by a lien claimed under this Act in respect of an improvement on the land unless that improvement is undertaken at the express request of the owner;

The LTSA commented on the Form C provided by the FAO. The LTSA see that type of document all the time, if the owner suspects' fraud once it is registered it would become an action between the parties. Under the "Land Title Act" fraud is an issue when it deprives someone of their interest in the land.

LTSA left the conference call at 3:03 p.m.

The Committee heard from LTSA and had concerns over the costs inflicted on the landowner when liens are put against their properties when Oil and Gas Companies don't pay for services rendered. The Committee was also concerned in regards to how the landowner is affected when a company goes into bankruptcy and the lien is on the property.

Moved by Judy Manning, Seconded by Lori Vickers

"That the Committee recommend that someone in the Ministry of Justice be contacted to have a discussion on Section 3 of the Builders Lien Act."

CARRIED.

ACTION:

Chris: To follow up with LTSA to provide information on what LTSA sends out as a notice to the land owner when a lien has being placed on their land, and send information on whom we contact at the Ministry of Justice.

Elvin: Will follow up with the land owners and the Form C that was submitted.

6.0 BUSINESS ARISING FROM THE MEETING NOTES:

6.1 Chris Cvik to request a representative from the LTSA attend a meeting/teleconference to provide information if the LTSA can make the decision not to accept liens unless they are very clear and specific about what legal interest in the land the lien is against. If the subject of the lien is not registered on title can the LTSA refuse to register the lien? Contacts at LTSA - Carlos MacDonald or Director Greg Johnson.

January 17, 2017 -Follow up: The LTSA attended the meeting via conference call

6.2 Chris Cvik (see Oct. 25/16 (5.1 minutes); (1) the letter minutes should be addressed to the Honourable Rich Coleman, Minister of Natural Gas Development & Responsible for Housing. (2) Language will be revised, use soft statements such as "we feel, we believe." The edited version will be forwarded to members for review prior to being placed on a future Board agenda.

January 17, 2017 -Follow up: The Draft letter appeared on the January 12, 2017 Board Agenda and was approved by the Board and was sent to the Minister.

6.3 Mr. Gowman will monitor to ascertain if the landowner has in fact contacted Mr. Paulson

January 17, 2017 -Follow up: Mr. Gowman had followed up with the landowner who had registered a complaint with Oil and Gas. He noted that the landowner has contacted Mr. Paulson. The landowner felt that his questions have not been answered as it has been a couple of months since he talked to the FSJ Oil and Gas Office.

ACTION: It was suggested that FAO follow-up with the landowner and have them contact the Oil and Gas office again to enquire if the landowner questions have been answered.

6.4 The FAO will forward a letter to Cheryl Vickers, Chair - Surface Rights Board inquiring if downloaded lease documents with redacted information, from the SRB site are admissible as evidence in SRB arbitration.

January 17, 2017 -Follow up: Chad Anderson emailed Cheryl Vickers, Chair of the Surface Rights Board asking the following questions:

1. The legislation regarding release of surface lease information to the public dates back to October 4, 2010. Does the SRB plan to release redacted copies of agreements from that date forward?
2. Also, we are wondering if it will still be possible for us to get our information in the usual manner (screenshare from FAO to SRB computer system to access lease information).

The reply received from Cheryl Vickers, Chair - Surface Rights Board:

The Board is not planning upload leases entered prior to the beginning of 2016. The Regulation allowing publication was not effective until June 9, 2016 so technically we probably shouldn't be publishing anything before that date.

I think the Farmers Advocacy Office can still view leases as before with the screen share. Isabella is away until January though, and I think we need Isabella to make that happen.

7.0 BUSINESS ITEMS:

7.1 2nd Quarter FAO Quarterly Progress Report

The Farmers' Advocacy Office (FAO) provided an Office Progress Report which included:

A. Public Presentations, Meetings and Events

Matt Austin inquired on the December 13, 2016 meeting that Judi Leeming attended on behalf of the FAO in a SRB pre-arbitration teleconference. The FAO noted that Elvin was away that day. The Committee asked FAO questions on the nature of assistance to landowners and what was FAO's role in those meetings. Discussion on what involvement the FAO had within the meetings that they attend with clients. It was resolved that the FAO at times are actually asking the question for the landowners.

B. Clients by Location (New and Return)

Overall down from 194 to 191 of new and return clients for the 2nd Quarter. Electoral Area 'D' has the most new and return clients.

C. Clients Served By Activity Type – Information Only

FAO reported that they had discussed remedies with landowners who have not received lease rent payment from Oil and Gas Company when due. Also assisted landowners who received

overdue notices and/or demand letters from the Surveyor of Taxes advising that property tax was overdue on oil and gas company leases on their land. Mr. Austin inquired on pipeline expropriation and compensation – is it costing the companies less? Is the FAO advising clients that expropriation is a more desirable route? Or letting them know that this is another avenue. FAO noted that certain landowners are getting more informed and want to be compensated at the highest rates and it wasn't necessarily costing companies less. The FAO is advising that if no agreement reached that there are two choices expropriate or move line.

D. Clients Served By Activity Type – Support Landowners in Negotiations (prior to Lease)

FAO report showed that there were 29 clients assisted for the 2nd Quarter. FAO continues to provide comparative information to clients in determining values for, 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 and assistance. Assisted clients in negotiating monetary compensation and terms of lease as well as nuisance, trespass and disturbance claims consistent with the Petroleum & Natural Gas Act. .

E. Clients Served By Activity Type – Implementation (Lease in place)

FAO report showed that there were 115 clients assisted for the 2nd Quarter. The key themes were assisting clients with various concerns in negotiating with industry. Submissions to OGC, OGAT & SRB and engagement with Land Matters Group Steering Committee at the NEB and NEB Land Matters Group – Subcommittee on Landowner Guidance. It was noted that there was assistance for clients in regards to the increase in H2S percentage in wells and pipelines in the Rolla and Farmington areas.

F. Results of Interaction with Oil & Gas Industry and their Agents

Results of the 2nd Quarter are 11 successful interactions, 52 interactions in progress and 9 escalated interactions.

G. Website Usage

Website usage for the 2nd quarter was 699 Sessions, 477 Users, 1,518 Page view and 2.17 Average pages/session. Most popular pages were home page, lease values – data base map, understanding the system, talk to us, links, get help, do your own research, know your property rights, leases and sales, and compensation.

H. Recommendations for Improvements to the Program

FAO noted that during the 2nd Quarter one Access road, two Rent Reviews, one Wellsite Lease and 34 ROW documents were downloaded from the SRB.

The FAO expressed that clients were concerned about the proposed increases in the percentage of H2S in existing wells and pipelines. Although Oil and Gas companies can and do apply for amendments to existing permits, It was FAO's view that perhaps more transparency within the

process, public notification and information sessions held in advance, would be beneficial. These proposed changes in H2S levels that affect entire communities should be formal presentations made by the proponent to the PRRD Board.

I. Overview of Mediations & Arbitrations & Successes

The FAO provided an overview of the mediations, arbitrations and successes they have had for the 2nd Quarter. They have been involved in the following

- Seven SRB mediations and two have been settle;
- Two arbitration hearings, only one has a decision;
- Continuing negotiations;
- Assisting on an appeal of a SRB Arbitration decision.

7.2 Set time for next meeting:

The next FAO meeting was set for April 25 at 1:30 p.m.

7.3 Management Committee discussion

8.0 Adjournment

Meeting adjourned 4:50p.m.