



LAND AND PROPERTY RIGHTS TRIBUNAL

Date: 2023-07-19

File No.: RCR2022.2991

Order No.: LPRT902067/2023

In the matter of a proceeding commenced under section 36 of the *Surface Rights Act*, RSA 2000, c S-24 (the “Act”)

And in the matter of land in the Province of Alberta within the:

NE ¼ 12-56-14-W4M as described in Certificate of Title No. 952 109 322 (the “Land”), particularly the area granted for Alberta Energy Regulator Licence No. 0084666 (the “Site”).

Between:

Sequoia Resources Corp.
and
Strathcona Resources Ltd.,

- and -

Ricky G. Stefanetz

Operators,

Applicant.

SECTION 36(6) DIRECTION TO PAY

The Tribunal directs the Minister to pay out of the General Revenue Fund the sum of THREE THOUSAND TWO HUNDRED and 00/100 DOLLARS (\$3,200.00) (the “Compensation”) to Ricky G. Stefanetz of Willingdon in the Province of Alberta for compensation that became due in the year 2022.

DECISION AND REASONS

[1] The Applicant filed an application under section 36 of the Act seeking recovery of unpaid compensation due under a Surface Lease Agreement dated June 1, 1980, for the above site (the “Right of Entry Instrument”).

[2] Notice was sent to Bernum Petroleum Ltd. on March 10, 2023, and Strathcona Resources Ltd. on May 23, 2023.

ISSUES

[3] The issues before the Panel are:

- (1) Which of the parties should be named as the Operators for the purposes of section 36 of the *Act*?
- (2) Is there money past due and unpaid by the Operators to the Applicant under the Right of Entry Instrument?
- (3) If money is past due and unpaid, is there any reason why the Tribunal should direct the Minister to pay a reduced amount?
- (4) Should the Tribunal direct the Minister to pay any of the amount owed to the Applicant out of the General Revenue Fund?
- (5) Should the Tribunal suspend and terminate the Operator's rights?

DECISION

[4] The Panel decides:

- (1) For the purposes of section 36 of the Act, the Operators are Sequoia Resources Corp. and Strathcona Resources Ltd, jointly.
- (2) Compensation of \$3,200.00 is payable, jointly, to the Applicant by the Operators.
- (3) There is no reason to direct the Minister to pay a reduced amount.
- (4) The Tribunal directs the Minister to pay the full amount of the Compensation payable to the Applicant.
- (5) The decision to suspend or terminate Strathcona Resources Ltd.'s rights is reserved. The Tribunal previously terminated Sequoia Resources Corp. ("Sequoia") rights to access the site in Decision No. 2019/0035.

REASONS

[5] Under section 36(1)(c) the holder of a licence issued by the AER and its successors, is an Operator. The Licensee on AER well summary report dated March 10, 2023, for the Site is in the name of Sequoia; therefore, the Panel finds this party is an Operator under section 36(1)(c) for the year 2022.

[6] Under s. 36(1)(d) working interest participants and successors are Operators. The Panel finds that Strathcona is an operator under section 36(1)(d) for the year 2022 because the AER Well Summary Report, dated March 10, 2023, for the Licence shows Bernum Petroleum Ltd. ("Bernum") was a working interest participant on the Site since June 8, 2015. Per March 10, 2023 Alberta corporate searches of Bernum and Caltex Resources Ltd. ("Caltex"); Bernum amalgamated with Caltex February 5, 2020. In 2021, Caltex was sold to Strathcona Resources Ltd. ("Strathcona"). The Panel finds Sequoia and Strathcona are the operators in 2022.

[7] Strathcona responded to the notice on June 19, 2023, stating that they are not the operator but hold a 6.25% working interest in the site.

[8] The Panel is satisfied that the demand for payment and notice to the Operators meets the requirements of the Act pursuant to s. 36(4) and the *Interpretation of Section 36(4) Surface Rights Act Guideline*, ABSRB 2020-1.

[9] After a review of the completed Application Form, signed declaration and supporting documents, the Panel is satisfied that the Compensation is owed by the Operators, jointly, to the Applicant for annual payment due under the Right of Entry Instrument. This amount is calculated as one payment of \$3,200.00 due for the year 2022.

[10] There is no evidence to convince the Panel that payment of the full Compensation would result in overpayment to the Applicant.

[11] The Minister is directed to make full payment of the Compensation out of the General Revenue Fund.

[12] The Panel is satisfied that the prerequisites to directing the Minister to pay under section 36(6) have been met.

[13] The decision to suspend or terminate Strathcona's rights is reserved. The Tribunal previously terminated Sequoia Resources Corp. rights to access the site in Decision No. 2019/0035.

Dated at the Town of Okotoks in the Province of Alberta this 19th day of July, 2023.

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Dierdre Mullen, Member