



**LAND AND PROPERTY RIGHTS TRIBUNAL**

**Citation:** Freisen v SanLing Energy Ltd, 2025 ABLPRT 904253

**Date:** 2025-07-17

**File No:** RC2024.1269

**Order No:** LPRT904253/2025

**Municipality:** Saddle Hills County

**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:

SW 28-81-10-W6M as described in Certificate of Title No. 222 252 321 +1 (the “Land”), particularly the area granted for well site and access road in LSD 6 by Alberta Energy Regulator Licence No. 0167115 the “Licence”), collectively (the “Site”).

**Between:**

SanLing Energy Ltd.  
and  
Canadian Natural Resources Limited,

Operators,

- and -

Jared Gary Friesen  
and  
Danica Paige Friesen,

Applicants

**Before:** Susan McRory (“the Panel”)

Appearances by written submissions:

For the Applicant: Erik Compton, Counsel - KMSC LAW LLP

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**DIRECTION TO PAY PURSUANT TO  
SECTION 36 OF THE ACT**

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The Tribunal directs the Minister to pay out of the General Revenue Fund the total sum of SIX THOUSAND NINE HUNDRED and 00/100 DOLLARS (\$6,900.00) jointly to Jared

Gary Friesen in the Province of Alberta and Danica Paige Friesen in the Province of Alberta, comprised of compensation that became due in the years 2023 and 2024 (the “Compensation”).

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## DECISION AND REASONS

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### SUMMARY

[1] This is an application under section 36 of the *Act* where the Applicants have limited documentary evidence in support of their claim. However, Tribunal staff reviewed the historical files maintained by the Tribunal and determined that the site was the subject of Right of Entry Order 1048/94 dated May 25, 1994. The survey plan that forms part of the Order is also dated May 25, 1994, and is the final version for which the coordinates for the well site match the coordinates as recorded for License 0167115.

### BACKGROUND

[2] On September 26, 2024, Counsel for the Applicants filed an application under section 36 seeking compensation for missed payments in 2023 and 2024 under a surface lease with a reported date of April 18, 1994. Counsel had asked that payment resulting from the application be made directly to Counsel, to be held in trust.

Counsel indicated that the Applicants were able to obtain only one record relating to payment, a cheque stub from SanLing Energy Ltd. (SANLING) dated August 8, 2019 to Bert Friesen of Box 41 Silver Valley Alberta in the amount of \$3,450.00 for what was described as “Lease Ref: S010196”. The date of the invoice was April 18, 2019. The cheque stub does not indicate the well to which this payment relates.

However, Counsel was able to provide a survey plan dated May 9, 1994 which shows a well site that straddles the border between LSD 3 and LSD 6 on Section 28, Township 81, Range 10 W6M. There is a significant access road that leads to the south, connecting with a high-grade gravel road. The well is described as “RIGEL et al BONANZA 6-28-81-10”. However, the coordinates on the survey plan do not match the coordinates for License 0167115.

Counsel also provided a series of photographs of the site. Most importantly, there is a photo of a sign on the property which reads “SANLING 6-28-81-W6M.”

The other photographs show a lengthy gravel road that leads to a well site with tanks, fencing, a riser site and other above-ground structures. There is a considerable weed infestation on the well site that has spread to the adjacent farmland. The disturbed area is visible in an aerial photo taken September 16, 2023. The photographs follow the twists and turns shown on the survey plan.

[3] Missing from the provided documentation was the date of the original Right of Entry Instrument, and a direct connection between the cheque stub and the survey plan. There is no caveat on title that references a surface lease. The Applicants have been the owners of the land since November 2, 2022.

[4] On March 25, 2025 the Tribunal sent an Incomplete Application Notice requesting further documentation.

[5] On April 23, 2025, Counsel replied, indicating that they had made extensive inquiries of the previous landowner, the Receiver for SANLING, the Orphan Well Association, the Alberta Energy Regulator and Canadian Natural Resources Limited (CNRL), all without success. Counsel has asked that a Panel rule on the sufficiency of the evidence that was available to the Applicants.

[6] According to the records obtained from the AER, Repsol Oil & Gas Canada Ltd. (not Rigel Oil & Gas as suggested by the May 6, 1994 survey plan) was the original Licensee for a well named SLE BONANZA 6-28-81-19 for which License 0167115 was issued on May 13, 1994. The License was transferred to SANLING on July 17, 2016. There are two working interest participants, SANLING and CNRL, with interests of 66.66% and 33.34% respectively.

[7] On May 1, 2025, Notices and Demands for Payment were issued to SANLING and CNRL requiring a response within 30 days. The Notice includes this direction:

If you have acquired the site under an Approval and Vesting Order or have sold your interest, include a complete copy of the document supporting your position.

Although SANLING is bankrupt as of December 21, 2022, CNRL is an active company and did not respond to the Notice.

### **EVIDENCE OBTAINED BY THE TRIBUNAL**

[8] The Tribunal searched its historical files, which include the original paper copies of Right of Entry Orders dating back to the 1930's. In those files, staff discovered a Right of Entry Order for the site dated May 25, 1994. Bert Lee Friesen was the original owner of the land. The final version of the survey plan, which was dated May 25, 1994, provided coordinates that match perfectly to those recorded in the AER's records for the well under License 0167115.

Decision 94/0150 set the annual rate of compensation as \$3000.00. While there are two amending orders on file reflecting the names of subsequent operators (Order 0721/2000 and 1799/2012), there are no amendments reflecting an increase in annual payments.

[9] Tribunal staff also determined that there are no other well sites or facilities in LSD 6.

[10] The Tribunal conducted further searches of Land Titles which confirmed that Bert Friesen and Wendy Friesen of Box 41, Silver Valley were landowners from 2013 to 2022. Before that, Bert Lee Friesen of Silver Valley was sole landowner from 1985 to 2013 which is consistent with the Right of Entry Order and the cheque dated August 8, 2019.

### **ISSUES**

1. Who is an Operator for the purpose of section 36 of the *Act*?
2. Is there money past due and unpaid by the Operator to the Applicant under a Right of Entry Instrument?
3. Should the Tribunal direct the Minister to pay the Applicant any of the money past due under section 36 of the *Act*?
4. Should the Tribunal suspend and terminate the Operator's rights?

### **DECISION**

1. For the purposes of section 36 of the *Act*, the Operators are SanLing Energy Ltd. and Canadian Natural Resources Limited.

2. The written evidence proves compensation in the amount of \$6,900.00 is payable to the Applicants by the Operators.
3. Without further notice, the Tribunal directs the Minister to pay the Applicant Compensation in the amount of \$6,900.00 from the General Revenue Fund.
4. The decision to suspend or terminate the Operator's rights is reserved.

## ANALYSIS

### *Who is an operator for the purpose of section 36 of the Act?*

[11] Section 36(1) and (2) expands the definition of "operator" so that it has a broader meaning than in the rest of the *Act*.

Under section 36(1)(c), the holder of a licence issued by the AER and its successors are Operators. The License for the Site is in the name of SANLING as of July 17, 2016. Therefore, the Panel finds this party is an Operator under section 36(1)(c) for the years 2023 and 2024.

Under s. 36(1)(d), working interest participants and their successors are Operators. The Panel finds that SANLING and CNRL are Operators under section 36(1)(d) for the years 2023 and 2024 because the AER Well Summary Report dated March 20, 2025 shows that they were working interest participants on the Site as of September 14, 2022.

Independently of any evidence from the AER, under section 36(1)(a), an Operator is the holder of an approval or registration who conducts activity on or in respect of specified land and successors. The single photograph of the SANLING sign dated September 16, 2023 is enough to identify that SANLING conducted activity on the land in 2023, and the photographs that follow confirm this. Therefore, the Panel finds that SANLING was an Operator under section 36(1)(a) on the due dates in 2023 and 2024.

The Tribunal gave notice to SANLING and CNRL pursuant to s. 36(4), and this Panel is satisfied that the demand for payment and notice 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.

### *Is there money past due and unpaid by the Operator to the Applicant under a Right-of-Entry Instrument?*

[12] The Certificate of Title confirms the Applicants are the owners. Therefore, the Panel finds they are entitled to receive the money. Counsel is certainly aware that once the direction to pay is issued by the Tribunal, any payment is made by the Minister of Environment and Protected Areas, and the person to be paid is the owner of the land. Counsel is not the owner of the land.

[13] The challenge that the Applicants faced was to establish that there was a surface lease, the date of that surface lease and that the payment of \$3,450.00 relates to that particular surface lease.

The Applicants are at a disadvantage as they have only been the owners of the land since 2022.

However, the records obtained from the Tribunal's historical files now establish that there was a Right of Entry Order, the date of that order, and the identity of the original owner.

[14] The Panel can now resolve the inconsistency between the coordinates on the provided survey plan and what is reported by the AER. The May 6, 1994 survey plan provided by the Applicants is not the final

version. The final version of the plan is dated May 24, 1994 and the coordinates for the well match those recorded in the AER documents.

The Right of Entry orders also establish the connection between the early operators that is missing from the AER records: from Rigel Oil & Gas Ltd. to Talisman Energy Inc. and then to Charger Energy Corp. The AER records then continue the history from Charger Energy Corp. to Spyglass Resources Corp. to SANLING.

[15] As to the rate of compensation, although the original rate was \$3,000.00 and the amending orders did not reflect an increase in compensation, the cheque in the amount of \$3,450.00 is now clearly related to this site.

[16] As to evidence of non-payment, again, the claims are limited to 2023 and 2024, which is after the date that the Applicants acquired the land. The Applicants would therefore be in the position to attest to non-payment, which they have done. The due dates of May 25, 2023 and May 25, 2024 had passed prior to the application being filed on September 26, 2024.

There is also circumstantial evidence of non-payment in that the Licensee is bankrupt and cannot pay. CNRL has been given notice and has chosen not to challenge that notice. While CNRL is not obligated to assist the landowner in obtaining evidence, the Panel will consider that CNRL was approached by Counsel and chose not to respond.

[17] Based on the additional records that the Tribunal obtained, this Panel is confident that there is evidence of a Right-of-Entry Instrument, that compensation in the amount of \$3,450.00 is due on an annual basis and that the Applicants are in a position to attest to non-payment in 2023 and 2024.

This Panel is satisfied that compensation is owed to the Applicant for annual payment due under the Right-of-Entry Instrument. This amount is calculated as two payments of \$3,450.00 due for 2023 and 2024 for a total amount owing of \$6,900.00. The Site is not reclaimed, and the Right-of-Entry Instrument remains in effect. The Panel finds that at the time the Compensation became due, the Operators were liable for the Compensation due to the Applicants.

***Should the Tribunal direct the Minister to pay the Applicant any of the money past due from the General Revenue Fund under section 36 of the Act?***

[18] Independently of the direction that the Court has given the Tribunal in Bateman v Alberta (Surface Rights Board), 2023 ABKB 640, there is clear evidence of an ongoing loss of use and adverse effect. The status of the well is suspended, and it is therefore capable of being pressed into service. Accordingly, the Minister is directed to pay the Applicant \$6,900.00 from the General Revenue Fund.

***Should the Tribunal suspend and terminate the Operator's rights?***

[19] The Tribunal can suspend and terminate an operator's rights to access the Site when appropriate. The Licensee is bankrupt and is no longer accessing the site. CNRL's liability is based on its status as a working interest participant. Working interest participants do not have access rights. For these reasons, this Panel reserves its decision to suspend and terminate at this time to avoid delay in payment to the Applicants.

Dated at the City of Edmonton in the Province of Alberta this 17<sup>th</sup> day of July, 2025.

**LAND AND PROPERTY RIGHTS TRIBUNAL**

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Susan McRory, Chair