



LAND AND PROPERTY RIGHTS TRIBUNAL

Citation: Majorville Farms Ltd. v TexCal Energy Canada Inc., 2025 ABLPRT 904276

Date: 2025-07-17

File No: RC2024.0456

Order No: LPRT904276/2025

Municipality: Vulcan 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:

N-19-19-19-W4M as described in Certificate of Title No. 901 200 283 (the “*Land*”), particularly the area granted for well sites in L.S. 10 and L.S. 11 by Alberta Energy Regulator Licence Nos. 0127153 and 0162900 (the “*Licence*”), collectively (the “*Site*”).

Between:

TexCal Energy Canada Inc.,
and
Razor Energy Corp.,

Operators,

- and -

Majorville Farms Ltd.,

Applicant.

Before: Miles Weatherall (“the Panel”)

Appearances by written submissions:

For the Applicant: Patricia Walker, My Landman Group Inc.

For the Operator: Geoff Thiessen, Manager, Land and Joint Venture, TexCal Energy Canada Inc.

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

The Tribunal directs the Minister to pay out of the General Revenue Fund the total sum of ELEVEN THOUSAND SEVEN HUNDRED FORTY-THREE and 50/100 DOLLARS (\$11,743.50) to Majorville Farms Ltd. in the Province of Alberta comprised of compensation that became due in the years 2023 and 2024 (the “Compensation”) and costs awarded in this Order.

DECISION AND REASONS

[1] The Applicant filed an application dated March 11, 2024, under section 36 of the *Act* seeking recovery of unpaid compensation due under a surface lease agreement (the “Right-of-Entry Instrument”) dated June 25, 1987, that became payable in 2023, and a subsequent application dated July 18, 2025, for compensation under the Right-of-Entry Instrument that became payable in 2024 (collectively the “Application”). The Applicant claims \$5,793.00 annually, for a total amount of \$11,586.00 under the Application for 2023 and 2024. The Applicant also requests costs in the amount of \$330.75 related to this proceeding.

[2] The Applicant also provided a cheque stub showing that the Applicant was paid \$5,793.00 for the rental period of June 25, 2022, to June 24, 2023, for a wellsite and access road for N-19-19-19-W4M L.S. 10 and L.S. 11.

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 Operators 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 Operators’ rights?
5. Should the Tribunal award costs under section 39 of the *Act*?
 - a. If costs are awarded, should the Tribunal direct the Minister to pay those costs to Applicant without further process?

DECISION

1. For the purposes of section 36 of the *Act*, the Operators are TexCal Energy Canada Inc. (“TexCal”) and Razor Energy Corp. (“Razor”).
2. The written evidence proves compensation in the amount of \$11,586.00 is payable to the Applicant by the Operators.
3. Without further notice, the Tribunal directs the Minister to pay the Applicant Compensation in the amount of \$11,586.00 from the General Revenue Fund.

4. The decision to suspend or terminate the Operator's rights is reserved.
5. The Operators shall pay costs to the Applicant in the sum of \$157.50 including GST.
 - a. The Tribunal directs the Minister to pay costs in the amount of \$157.50 without further process.

ANALYSIS

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

[3] The Tribunal gave notice pursuant to s. 36(4) to Razor. The Panel understands from a February 2, 2025, Corporate Registry Search that Razor is an amalgamation predecessor to TexCal. The 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.

[4] TexCal filed a submission, dated April 24, 2025, noting that TexCal, as an Operator, acquired all the shares of Razor Energy Corp. through the Court approved transaction effective December 11, 2024, per Court of King's Bench of Alberta Approval and Reverse Vesting Order 2401-02680 filed December 6, 2024, which was after the relevant dates in the Application. This Order was not provided to the Panel, so the terms of the agreement are unknown. The Panel finds that TexCal Energy Canada Inc. assumed the liabilities related to the Site they now operate.

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

Section 36(1)(c) – Alberta Energy Regulator (“AER”) Licence Holder

[6] Under section 36(1)(c) the holder of a licence issued by the AER and its successors, is an Operator. The Licences for the Site are in the name of Razor as of October 10, 2019. The Panel finds that Razor and TexCal, as the amalgamation successor to Razor, are an Operator under section 36(1)(c) for the years 2023 and 2024.

Section 36(1)(d) – Working Interest Participants

[7] Under s. 36(1)(d) working interest participants and successors are Operators. The AER Well Summary Reports dated December 19, 2024, shows Razor is a working interest participant on the Site as of January 29, 2024. The Panel finds that Razor and TexCal (amalgamation successor to Razor) are an Operator under section 36(1)(d) for the years 2023 and 2024.

[8] The AER Well Summary Reports dated December 19, 2024, also show “CNR” as a working interest participant, but no evidence was presented to indicate to what legally entity the shortened version of “CNR” may refer. Without further evidence, this Panel is not in a position to find CNR as a working interest participant.

2. Is there money past due and unpaid by the Operators to the Applicant under a Right-of-Entry Instrument?

[9] The current Certificate of Title confirms the Applicant is the owner of the Land and was the owner when the annual compensation became due, therefore, the Panel finds the Applicant is entitled to receive the money. The Applicant provided evidence of a Right-of-Entry Instrument, and the compensation is

supported by the Application and supporting documentation. The Applicant declared in writing that the Compensation has not been paid for the years claimed.

[10] The Panel is satisfied that compensation is owed to the Applicant for annual payments due under the Right-of-Entry Instrument. This amount is calculated as two payments of \$5,793.00 due for 2023 and 2024 for a total amount owing of \$11,586.00. 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 are liable for the Compensation due to the Applicant.

3. 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*?

[11] *Bateman v Alberta (Surface Rights Board)*, 2023 ABKB 640 specified that under s. 36 of the *Act*, the Applicant need only prove there is a Right of Entry Instrument and there is default on the payment, therefore, the Panel directs the Minister to pay the full amount owing. The Panel determined there is a right of entry instrument and money is owing, accordingly the Minister is directed to pay the Applicant \$11,586.00 from the General Revenue Fund.

4. Should the Tribunal suspend and terminate the Operators' rights?

[12] The decision to suspend or terminate the Operators' rights is reserved.

5. Should the Tribunal award costs under section 39 of the *Act*?

[13] Section 39(1) of the *Act* puts costs of and incidental to proceedings under the *Act* in the discretion of the Tribunal. Rule 31(2) the *Surface Rights Board Rules* provides guidance as to the factors the Tribunal may consider when awarding costs.

[14] In *Bear Canyon Farms Holdings Ltd v Apex Energy (Canada) Inc*, 2018 ABSRB 64, ("*Bear Canyon*") the Tribunal held:

[17] A factor weighing towards a lower costs award is the low complexity of the proceedings. Board administration provides a reasonably short application form (2 pages) for section 36 applications and drafts the required statutory declaration for applicants. The vast majority of the information requested on the form, such as Applicant's name, land description, rate of annual compensation, and year(s) claimed for unpaid compensation are generally within the knowledge of applicants. The proceedings are entirely by writing and are usually unopposed by the Operator. In the majority of these kinds of straightforward section 36 applications, applicants are able to file all paperwork by themselves and do so correctly.

[18] Board administration performs all necessary searches, including searches for the responsible operator and its insolvency status; Board administration prepares a statutory declaration which the Applicant is requested to swear before commissioner of oaths; and the Board convenes a Panel to make a determination, generally without an in-person hearing."...

[20] ...in the opinion of the [p]anel, an experienced professional should usually be able to file a section 36 application within one hour or less.

[15] This Panel applies the reasoning in *Bear Canyon* and awards costs for one hour of professional assistance at a rate of \$150.00 per hour plus 5 percent GST \$7.50, for a total cost award of \$157.50.

[16] Costs in the amount of \$157.50 are payable by the Operators to the Applicant.

COSTS ORDER

[17] IT IS ORDERED that costs in the amount of ONE HUNDRED FIFTY-SEVEN and 50/100 DOLLARS (\$157.50) are payable by the Operators to the Applicant.

5a. If costs are awarded, should the Tribunal direct the Minister to pay those costs to Applicant without further process?

[18] The claim for costs is part of the application process and operators have the ability to review the entire Tribunal file which includes the costs claim. Directing the Minister to pay the costs without further process results in efficiency and expeditious payment to the Applicant without incurring further costs.

[19] The Direction to Pay for costs will issue immediately.

Dated at the City of Medicine Hat, in the Province of Alberta this 17th day of July, 2025

LAND AND PROPERTY RIGHTS TRIBUNAL

Miles Weatherall, Member