



LAND AND PROPERTY RIGHTS TRIBUNAL

Citation: McCallum v TexCal Energy Canada Inc., 2025 ABLPRT 904418

Date: 2025-07-22

File No: RC2024.0815

Order No: LPRT904418/2025

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:

SE 24-16-18-W4M as described in Certificate of Title No. 231 048 100 (the “Land”), particularly the area granted for a well site in LS 1 by Alberta Energy Regulator Licence No. 0287630 (the “Licence”), collectively (the “Site”).

Between:

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

Operators,

- and -

Denise McCallum,

Applicant.

Before: William Johnston (“the Panel”)

Appearances by written submissions:

For the Applicant: Kris Bower, WellTrax Ltd.

For the Operators: TexCal Energy Canada Inc., Warren Niles, Surface Land Analyst Contractor

**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 THREE THOUSAND THREE HUNDRED FIFTY and 00/100 DOLLARS (\$3,350.00) to Denise McCallum in the Province of Alberta, comprised of compensation that became due in the year 2023 (the “Compensation”).

DECISION AND REASONS

[1] The Applicant filed an application dated June 4, 2024, under section 36 of the *Act* (the Application) seeking recovery of unpaid compensation due under a surface lease agreement, consent of occupant agreement, or Compensation Order for the above Site (the “Right-of-Entry Instrument”) dated April 30, 2003. The Applicant claims \$3,350.00 annually, for a total amount of \$6,700.00 under the Application for 2023 and 2024. The Application was amended on September 27, 2024, to remove the claim for compensation due in 2024, as payment was received from Razor Energy Corp. on July 30, 2024. The amended application, therefore, constitutes a claim for compensation outstanding as of 2023 in the amount of \$3,350.00.

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?

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 that compensation in the amount of \$3,350.00 is payable to the Applicant by the Operators jointly.
3. Without further notice, the Tribunal directs the Minister to pay the Applicant Compensation in the amount of \$3,350.00 from the General Revenue Fund.
4. The decision to suspend or terminate the Operators’ rights is reserved.

ANALYSIS

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

[2] The Tribunal gave notice pursuant to s. 36(4) to TexCal Energy Canada Corp., (“TexCal”) formerly known as Razor Energy Corp. (“Razor”), and FTI Consulting, Monitor for Razor Energy Corp appointed by the Courts under the CCRA. 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.

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

[4] Under section 36(1)(c), the holder of a licence issued by the AER and its successors is an Operator. The Licence for the Site was in the name of Razor as of October 10, 2019, and TexCal is the amalgamation successor to Razor. Therefore, the Panel finds TexCal, as a successor to Razor, is an Operator under section 36(1)(c) for the year 2023.

[5] TexCal filed a submission, dated January 14, 2025, which included a copy of the Certificate of Amalgamation and Notice cover letter requesting LPRT to update its records with respect to Razor and the forward ownership of all obligations and liabilities of the Corporate Assets of Razor, effective December 11, 2024. TexCal noted that any and all claims against Razor for the period preceding December 11, 2024, should be directed to FTI Consulting in its capacity as the Monitor for the Court of King's Bench regarding the ability to compensate for balances owed.

[6] TexCal filed a subsequent 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 Kings Bench of Alberta Approval and Reverse Vesting Order 2401-02680 filed December 6, 2024, which was after the date the compensation claimed was due. This Order was not provided to the Panel, so the terms of the agreement are unknown. A Well Summary Report dated February 25, 2025, indicates that Little Rock Resources Ltd ("Little Rock") was the working interest participant and held the licence at the same time. A Government of Alberta Corporate Registration System search showed that Little Rock amalgamated with Razor on October 4, 2019. TexCal is a successor to Razor. Therefore, as a working interest participant, the Panel confirms that TexCal is an Operator under section 36(1)(d) for the year 2023.

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

[7] The current Certificate of Title confirms the Applicant is the owner of the Land and was the owner when the rentals 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.

[8] The Panel is satisfied that compensation is owed to the Applicant for the annual payment due under the Right of Entry Instrument. This amount is calculated as a payment of \$3,350.00 due for 2023. 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 jointly 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*?

[9] *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 a 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 \$3,350.00 from the General Revenue Fund.

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

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

Dated at the Town of Olds in the Province of Alberta this 22nd day of July 2025.

LAND AND PROPERTY RIGHTS TRIBUNAL

William Johnston, Member