

THE SURFACE RIGHTS BOARD OF MANITOBA

WINNIPEG, MANITOBA

Order No. 2/2003

File No. 513-00

IN THE MATTER OF:

THE SURFACE RIGHTS ACT C.C.S.M. c. S235

AND IN THE MATTER OF:

L.S.D. 10-5-2-21 W.P.M. in Manitoba

BETWEEN:

TUNDRA OIL AND GAS LTD.

(Operator)

- and -



(Owner)

ABANDONMENT ORDER

IN THE MATTER OF: **THE SURFACE RIGHTS ACT C.C.S.M. c. S235**

AND IN THE MATTER OF: L.S.D. 10-5-2-21 W.P.M. in Manitoba

BEFORE: T.A. (Art) Cowan, Presiding Member
Dennis Cochrane, Deputy Presiding Member
Claude Tolton, Member
Margaret Hodgson, Member
Barb Miskimmin, Secretary

BETWEEN:

TUNDRA OIL AND GAS LTD.

(Operator)

- and -



(Owner)

ABANDONMENT ORDER

Upon hearing the application of the Operator, together with the evidence, and the submissions on September 23, 2003, decision being reserved until today's date:

It is the Order of This Board That:

1. The Operator's application for abandonment of LSD 10-5-2-21 W.P.M. be granted.
2. The Board agrees that the operator has restored the site to as near as possible to the original condition.
3. This Board Order is without prejudice to the rights of either party in the event of any future unforeseeable damage from the date being September 23, 2003.

Signed this 2ND day of October, 2003.



Presiding Member

THE SURFACE RIGHTS BOARD OF MANITOBA

WINNIPEG, MANITOBA

Order No. 2/2003

File No. 513-00

IN THE MATTER OF:

THE SURFACE RIGHTS ACT C.C.S.M. c. S235

AND IN THE MATTER OF:

L.S.D. 10-5-2-21 W.P.M. in Manitoba

BETWEEN:

TUNDRA OIL AND GAS LTD.

(Operator)

- and -



(Owner)

REASONS FOR DECISION FOR ABANDONMENT ORDER

IN THE MATTER OF: **THE SURFACE RIGHTS ACT C.C.S.M. c. S235**

AND IN THE MATTER OF: L.S.D. 10-5-2-21 W.P.M. in Manitoba

BEFORE: T.A. (Art) Cowan, Presiding Member
Dennis Cochrane, Deputy Presiding Member
Claude Tolton, Member
Margaret Hodgson, Member
Barb Miskimmin, Secretary

DATE OF HEARING: September 23, 2003, Deloraine, Manitoba

DATE OF DECISION: October 2, 2003

BETWEEN:

TUNDRA OIL AND GAS LTD.

(Operator)

- and -



(Owner)

APPEARANCES: Glenn Ross, Tundra Oil and Gas Ltd.
Brad Thiessen, Tundra Oil and Gas Ltd.
Jan McClelland, Petroleum Branch, Manitoba Industry,
Trade and Mines
The Owner was not present at the Hearing

REASONS FOR DECISION FOR ABANDONMENT ORDER

BACKGROUND:

The Operator applies under Section 37 of The Surface Rights Act for an Abandonment Order claiming that it has restored this lease site as nearly as possible to its original condition.

ISSUES:

1. Has the site been restored as nearly as possible to its original condition as per Section 40(a) of The Surface Rights Act?
2. Does the Operator owe the Owner any surface lease payments for 2003, up to inspection date of September 23, 2003 or any further compensation?

DECISION:

1. The land has been restored as nearly as possible to its original condition.
2. The Operator has discharged its obligation under Section 36 of The Surface Rights Act and is entitled to an Abandonment Order. Therefore, the Owner is not entitled to any further surface lease payments.

REASONS:

Abandonment and Restoration

Pursuant to Section 30 of The Surface Rights Act, the Board inspected the site on September 23, 2003. The Board concluded that the site had been restored as nearly as possible to its original condition. The Board also observed that the subject property was in productive pasture and was restored to a condition that was compatible with the surrounding land use. The Board's findings were further substantiated from the information provided by the Petroleum Branch of the Department of Industry, Trade and Mines.

The Board proceeded with the scheduled September 23, 2003 Hearing. The Owner was not present at the Hearing nor did she provide any written comments or supporting evidence. The Board was further advised by the Operator that there had been no exchange of documents by the Owner.

Evidence provided by Brad Thiessen (sworn) and Glenn Ross (sworn), representatives of Tundra Oil and Gas Ltd., was distributed at the Hearing and recorded into the records as Exhibit No. 2. The evidence in Exhibit 2 provided the chronology of events from date of survey to abandonment of well site.

The Board Secretary requested the Petroleum Branch of Industry, Trade and Mines to prepare a report documenting current status, rehabilitation/restoration and recommendations. The report was distributed at the Hearing, read into the records by Jan McClelland (sworn) and marked as Exhibit Nos. 1 and 3. The Board was of the opinion that sufficient evidence was received and would allow them to make the decisions for which the Operator had requested.

Therefore, all evidence considered, this site has been restored as nearly as possible to its original condition. It cannot be restored exactly as it was, nor is the Operator required to make it "perfect". Section 40 of The Surface Rights Act provides as follows:

"Power of board where operator satisfies obligation

40 Where

(a) after inspecting the land or after hearing an application under section 37, the board is satisfied that the operator has restored the land as nearly as possible to its original state; and

(b) the operator satisfies the board that it has complied with all applicable orders of the board and with the provisions of The Oil and Gas Act with respect to the surface rights of the land;

the board may order that

(c) the operator has discharged his obligation under section 36 with respect to restoration of the land; and

(d) the surface rights are abandoned or surrendered."

The Operator has provided evidence that all outstanding commitments have been satisfied.

The Operator provided evidence that all outstanding surface lease payments have been satisfied.

Signed this 2ND day of OCTOBER, 2003.



Presiding Member