

Minutes of the Action Surface Rights Association Annual General Meeting

Held March 13, 2019 at the Taber Heritage Inn

Call to order 1 pm

- 1. Motion to Adopt Agenda – Carried
- 2. Motion to adopt minutes of March 8, 2018 AGM – Carried
- 3. Treasurer’s Report:

a. Auditors Motion: *Whereas the ASR bylaws require than an annual audit be performed either by an outside entity or two members of the association that are approved at the Association’s AGM and, whereas an audit by an outside entity is expensive, and whereas the financial books of ASR are not complicated, Be it resolved that the 2018 Audit be conducted by Mervin Cradduck and Daryl Bennett, both of whom are members and Directors of ASR.*

Moved by John Leahy, Seconded by Frank Sekura, carried

- b. The following Audited Financial Statement was presented:

Income & Expense Statement

Income

Memberships	\$7,421.8
Interest	<u>\$178.05</u>
Total Income	\$7,599.85

Expenses

Redwater Appeal Trip, ASRF Mtgs	\$3,974.18
Meetings, Including AGM	\$1,762.78
Director’s Liability Insurance	\$1,007.00
Website Maintenance	\$626.66
Advertising	\$558.75
Office and Bank SC	<u>\$503.34</u>
Total Expense	\$8,432.71
Profit or (Loss)	-\$832.86

Statement of Assets and Liabilities

Assets

Checking Account	\$6,402.34
Savings Account	\$38,233.65
Credit Union Dividend	<u>\$180.02</u>
Total Assets	\$44,816.01

Liabilities

\$0

Motion to accept: LeRon Torrie, Seconded by John Leahy, Carried

c. Banking Motion: *Whereas our banking arrangements at First Choice Credit and Savings Union require five directors sign whenever we make any banking changes to account, and, Whereas it is often difficult to get five people to come into the Credit Union when such signatures are required due to time and distance:*

Wherefore be it resolved that we reduce the number of directors required to make changes to our banking arrangements from Five down to Four. Those four directors would be: 1) Chairman, 2) Vice-Chairman, 3) Secretary-Treasurer and 4) one other Director. The number of signatures required on Checks would remain at two and would be signatures from any two of the four aforementioned directors.

Moved by LeRon Torrie, Seconded by Jason Saunders, Carried

4. Chairman's Report – Ron Huvenaars

a. Redwater Appeal report: ASR participated in the Federal Appeal of this case as an Intervener, in partnership with the University of Calgary Public Interest Law Clinic. The successful appeal established that in a Bankruptcy case, the environmental liabilities must be paid before the Receiver can claim the balance of the assets, and that a receiver cannot slough off the environmental liabilities to the province and then claim the full balance of assets left.

b. Alberta Surface Rights Federation – Ron, Daryl and other directors have been going to ASRF meetings for several years now, in spite of the relative ineffectiveness of the ASRF. At the last ASRF AGM, Ron was elected Chairman. It is now our hope this involvement and change of leadership will be the start of a process to revitalize and reform ASRF into a truly Provincial organization that will represent all Alberta landowners with one voice to Industry and to the Provincial Government.

5. Keith Hirsche – Solar Installations on Abandoned Oil & Gas Leases

a. The concept: To install Solar panels onto abandoned Oil and Gas Leases to generate power and deliver that power to the grid through the electrical infrastructure that is often found on these abandoned leases. In so doing, landowners would get their lease revenue again and the MD or County would get their tax revenue again and the province would be helped to meet its renewable energy targets.

The biggest difficulties have been trying to work with the various regulatory bodies involved in abandoned wells but progress and approval appear to have been received by the regulators involved. The cleanup liabilities for the site would remain unchanged.

b. Keith Hirsche and his team have met with the MD of Taber and identified a target site to establish a pilot project. They are also jointly applied for and received a provincial development grant and will be starting the feasibility study in April 2019 with a hoped for start of construction in 2020.

c. His Power-Point presentation will soon be available on the ASR website.

6. Daryl Bennett – How to Deal with Bankrupt Oil Companies and Non-Payment of Energy Leases

a. ASR has been involved with Keith Hirsche in his Solar Installations Concepts as it would benefit affected landowners.

b. Problem of un-paid energy leases is growing dramatically and there is a significant back-log of payment to be approved and paid by the SRB.

c. Due to the concept of a “Social Contract” in the development of Alberta’s Oil and Gas resources, the Provincial Government has long been committed to guaranteeing that landowners get paid their contracted oil and gas lease revenues. However, the AER is tending to back-pedal on that legislated commitment, citing “public interest” or cost.

d. When and if a landowner does not receive his contracted lease payment, he should immediately file a Section 36 application to the SRB. He should not sign any agreement with the energy company agreeing to a reduction in rent because, even though it may take some time, there is a reasonable chance he will get 100% from the province, although the AER is trying to renege on these commitments. There are court cases pending on this issue.

If a landowner receives a check for partial compensation, it is OK to cash the check, but he should not sign any agreement that lessens the amount owing.

e. To file a Section 36 application, it is important to supply all the documentation relative to the lease such as the original contract and any review documents, as well as prior payment information to support the amount of the claim. These Section 36 applications have to be made every year.

f. If such documentation is not available, a Section 27 application can be made to estimate the amount receivable, but actual documentation is by the best.

g. The AER is not enforcing its own regulations relative to reclamation standards and the issuance of reclamation certificates.

h. Daryl feels our involvement with the ASRF is also a very worthwhile endeavor to help landowners everywhere. We all need to work together.

i. Keith Wilson is involved in a legal case where the energy company has arbitrarily reduced the amount of the lease compensation and the landowner is challenging it. He has asked for a contribution from ASR of \$5,000. Daryl feels this is a very worthy cause because the successful outcome could be a notable precedent to help landowners. He will present a resolution to that effect later in the meeting.

7. Election of Directors:

Daryl Bennett, William Habraken, Darcy Will and Vern Bretin are up for re-election. The Chairman ruled that each nominee would be voted on separately.

- a. Daryl Bennett nominated by Mark Dorin, Carried
- b. William Habraken nominated by Vern Bretin, Carried
- c. Darcy Wills nominated by Frank Sekura, Carried
- d. Vern Bretin nominated by Dary Will, Carried
- e. Mark Dorin nominated by Very Bretin, Lost

The other 5 director’s terms expire at the next term. They are: Ron Huvenaars, Merv Craddock, LeRon Torrie, Blaine Johnson and Nathan Jensen.

8. Resolutions:

- a. Resolution #1

Whereas lawyer Keith Wilson is representing Bill Heidecker in an important Court of Queen's Bench Judicial Review of a SRB decision, and has asked for monetary assistance,

Be it resolved that Action Surface Rights Association provide \$5,000 in assistance and also seek to recover as much of those costs if possible once a Decision is rendered.

Moved by Daryl Bennett, Seconded by Mervin Craddock, Carried

b. Resolution #2

Whereas lawyer Keith Wilson is representing Bill Heidecker in an important Court of Queen's Bench Judicial Review of a SRB decision, and has asked for monetary assistance,

Be it resolved that Action Surface Rights Association accept additional landowner donations for the Heidecker Judicial Review and provide those funds as well. This will simply accounting for Keith Wilson and allow ASRA to distribute any costs that are recovered in this matter.

Moved by Daryl Bennett, Seconded by Mervin Craddock, Carried

9. Adjournment 4 pm