

September 8, 2020

TO THE OPERATOR(S) : CERNO RESOURCES LTD.

**NOTICE AND DEMAND FOR PAYMENT
UNDER s.36 (4) SURFACE RIGHTS ACT**

THIS IS A DEMAND to the Operators to pay to the Applicants the total amount of compensation outstanding and listed on the attached schedule. If these amounts is not paid in full **within 30 days** the Board may suspend and terminate the operator(s) access rights and direct the Minister to pay the unpaid amounts to the Applicants for the years claimed. Any payment made by the Minister will be a debt owing to the Crown and can be entered by the Crown against the operator(s) as a judgement of the Court of Queen's Bench.

The Board has received a completed application for unpaid compensation under section 36 of the Surface Rights Act (SRA) from the Applicant(s) and the details of the lands and the claim are listed in the Schedule attached.

If you have been identified as an operator above (defined in section 36(1) of the SRA) you are responsible for making payments under a surface lease or compensation order. A completed Application with a signed declaration is evidence the Board accepts to satisfactorily prove non-payment. You can request a copy of the application by contacting Board Administration.

NOTICE: If any future compensation becomes due for this site and is not paid it may be considered by the Board together with this Application **without further notice to you**. You may also be ordered to pay costs to the Applicant pursuant to section 39 of the Surface Rights Act.

If you have paid the compensation claimed you must provide evidence to the Board and **a written response within 30 days from the date of this demand.**

Corresponding with us

The best way to correspond with us is via email to srb.lcb@gov.ab.ca

SURFACE RIGHTS BOARD ADMINISTRATION

FOR YOUR INFORMATION

Excerpt from the *Surface Rights Act, RSA 2000, chapter S-24*

Compensation

36(1) In this section, “operator” means any person who, at the time of non-payment under a surface lease, right of entry order or compensation order, became liable to pay the money in question because that person

- (a) was an approval or registration holder who carried on an activity on or in respect of specified land pursuant to an approval or registration,
- (b) carried on an activity on or in respect of specified land other than pursuant to an approval or registration,
- (c) was the holder of a licence, approval or permit issued by the Alberta Energy Regulator for purposes related to the carrying on of an activity on or in respect of specified land,
- (d) was a working interest participant in a well or other energy development on, in or under specified land, or
- (e) was the holder of a surface lease or right of entry order for purposes related to the carrying on of an activity on or in respect of specified land,

and includes a successor, assignee, executor, administrator, receiver, receiver-manager or trustee of a person referred to in clause (a), (b), (c), (d) or (e) who was so liable and any person acting as principal or agent of any person referred to in or after clauses (a) to (e).

[...]

(4) On receiving the evidence, if the Board considers that it satisfactorily proves the non-payment, the Board shall send a written notice to the operator demanding full payment.

(5) If the notice under subsection (4) is not complied with, the Board may, by written order served on the operator,

- (a) suspend the operator's right to enter the site affected by the compensation order or lease, and
- (b) after giving the operator written notice of its intention to do so, terminate all the operator's rights under the right of entry order or lease relating to the site that is subject to the claim under this section,

without affecting any of the operator's obligations in regard to the site, including those under this section, or any other person's rights as against the operator, and on the basis that the lease or compensation order remains in place for purposes of shutting-in, suspension, abandonment and reclamation of the site.

[...]

(9) Where the Minister pays money under subsection (6) or (7),

- (a) the amount paid and any expenses incurred, whether by the Crown or by a private agency, in collecting or attempting to collect the money owing, constitute a debt owing by the operator to the Crown, and
- (b) a written certificate issued by or on behalf of the Minister certifying the payment of the amounts referred to in clause (a), including expenses, may be entered as a judgment of the Court of Queen's Bench for those amounts and enforced according to the ordinary procedure for enforcement of a judgment of that Court.

CERNO RESOURCES LTD.

Board File	Legal Land Description	Date of order/surface lease	Yearly compensation	Years compensation is due and unpaid	Amount of money demanded to be paid
RC2019.0493	NW 1/4-19-50-3-W5M L.S. 14	September 20, 2005	\$3,000.00	2018 and 2019	\$6,000.00