

**BC REGISTERED TRAPPER AND PETROLEUM INDUSTRY AGREEMENT
ON NOTIFICATION AND COMPENSATION
October 2006**

I. PURPOSE

The BC Registered Trapper and Petroleum Industry Agreement on Notification and Compensation (the Agreement) sets out the terms agreed to by the Canadian Association of Petroleum Producers (CAPP), the Canadian Association of Geophysical Contractors (CAGC), the Small Explorers and Producers Association of Canada (SEPAC), and the BC Trappers' Association (BCTA) (the "Parties") for notification and compensation where oil and gas activity overlaps with trapping.

This Agreement is consistent with all existing Provincial legislation and regulations and deals exclusively with direct impacts. The terms for notification and compensation reflect the standard responsibilities of the Parties. Upon the mutual consent of the Parties, unforeseen (e.g., blow outs or other emergencies, etc.) and extenuating circumstances (e.g., multiple operators impacts on a trapline, etc.) may warrant bilateral or multilateral negotiations to modify the terms of this Agreement.

This Agreement is part of a toolkit for addressing overlapping interests of tenure holders for trapping and oil and gas activities. Other tools include, but are not limited to:

- *A Practical Guide to the Effective Coordination of Resource Tenures* which describes rights and obligations of different types of tenure holders;
- *A Best Practice for the Notification of Trappers* (prepared by CAPP, SEPAC, and CAGC) which suggests enhanced methods for effectively notifying trappers;
- *a Trappers Workshop* (coordinated jointly by BCTA and the Government of BC) on the activities and needs of trappers relative to oil and gas activities to improve coordination of planning and minimize conflict.

The acceptance of this Agreement, including its compensation terms, is without prejudice to claims relating to aboriginal and treaty rights or any other trapping-related issues not specifically addressed in this Agreement.

II. PARTICIPATION

1. In order to participate in the Agreement, trappers must complete or update a contact form (attached). Trappers are responsible for providing a primary and secondary contact, and updating this information annually at licence renewal.
2. Where a multiple registered trapline (e.g. partnerships, family lines, Band lines, etc.) is affected, the trappers will advise MOE of the primary and secondary contact. The primary contact will be authorized to represent the interests of a multiple registered trapline.
3. By participating in the process, a company will fulfill obligations defined in OGC's public communications guidelines. The company will ensure that contact information is current.

III. REFERRALS AND PLANNING - NEW OR RENEWED OIL AND GAS ACTIVITIES

1. The company will mail referral information to the trapper no less than 10 working days before starting the activity.
2. The company may commence the activity after 10 working days from mailing the referral information, if:
 - no contact has been made and reasonable efforts to contact the trapper have been pursued and documented; or
 - personal contact is made.
3. Referral information provided by a company must be complete and understandable, and include:
 - maps at scales of 1:50,000 and 1:250,000 that show the site and associated developments, proposed access, and significant geographic or topographic features.
 - schedule for operating in a particular area.

The company will make reasonable efforts to ensure that a trapper understands the proposed program. If required, or requested by the trapper, the company should provide a mutually acceptable person to assist a trapper to understand the proposed program.

4. If there is a significant modification to the activity (i.e., amendment in advance) or schedule (e.g., start of construction), the company must make reasonable efforts to contact the trapper to discuss the modifications.

Modified and canceled programs are still liable for trail relocation charges if the trapper has moved their trap trail to accommodate the company.

5. The company will provide the trapper access to a knowledgeable contact who can answer questions about any significant modifications to the program. The contact will accept collect phone calls.
6. The trapper or specified representative has a responsibility to participate in discussions with a company to identify potential impacts to traplines and to consider mitigation options. Trappers' information should be as specific as possible. All information exchanged between the parties is to be treated as confidential.
7. The company will document the notification process, the comments received from the trapper(s), and response to comments relative to the program plan.

IV. MITIGATION AND RECLAMATION

1. All Parties recognize the need to avoid exposing trappers' permanent structures. All reasonable efforts must be made and documented by the company to avoid exposing trappers' cabins.
2. Road deactivation decisions should consider trappers historic, current and future use as identified by trappers during the permitting process.

3. The company will assume full responsibility for the presence and conduct of their employees, contractors, service and supply businesses which they require to come onto the trapline.
4. ATVs used for recreational purposes, uncontrolled dogs and the recreational use of firearms are unacceptable as part of the companies' presence on the trapline.

V. PAYMENTS

1. The types of impacts eligible for compensation will be as follows:
 - Trappers will be compensated for their time and costs to relocate traplines at a rate of \$350 per day (adjusted by 3% annum, starting January 1, 2008) for a period of time mutually agreed to by the parties for:
 - i. trap trails blocked as a result of oil and gas activity; and
 - ii. moving traps and/or developing replacement trap trails, trap sets, building cubbies, etc. for the portion(s) of a trapline directly affected by the proposed program.
 - Restitution for destroyed or damaged traps of all legal types and replacement of fabricated support equipment will be calculated at twice the market price of the equivalent replacement trap or fabricated support equipment. This amount is intended to cover the costs of refining and preparing the traps and returning them to the trapline.
 - Payment for damaged furs will be at fair market value.
2. Payments must be made within 30 (thirty) days after a company and trapper agree on the amount of compensation.
3. Where a multiple registered trapline (e.g. partnerships, family lines, Band lines, etc.) is affected, payment will be made to the primary contact designated for a multiple registered trapline.
4. If a registered trapper is not active on his/her line during the trapping season s/he must still be contacted by letter but no compensation for relocation is due. Compensation will be paid to relocate any fabricated support equipment that will have to be relocated prior to any future trapping activities commencing.

VI. AMENDMENTS

1. This Agreement may be amended by mutual consent of all Parties at any time.

VII. TERM

1. This Agreement comes into effect once signed by all Parties.
2. Any Party may provide 30 days' notice of its intent to withdraw from the Agreement. If this option is exercised, all Parties will meet within those 30 days to determine whether the concerns of the notifying Party can be addressed. If the concerns can not be addressed after a further 30 days from this meeting, the notifying Party will not be subject to the terms of the Agreement.

3. This effectiveness of the Agreement will be assessed annually by the Parties to this Agreement, and will be amended only if necessary.

VIII. DISPUTE RESOLUTION

1. A trapper with a damage claim will attempt to resolve that claim directly with the company which the trapper feels is responsible for the damage.
2. If a trapper and company can not resolve the claim directly, the trapper and the company may agree to attempt to resolve the claim with the assistance of a mutually acceptable, impartial third party or parties, who will facilitate negotiations between the Parties to the Dispute.
3. If the trapper cannot resolve the claim directly, the trapper may appoint a trapper representative to attempt to resolve the claim with an industry representative.
4. If the Parties to the Dispute are not able to resolve all issues during facilitated negotiations, the remaining issues in dispute will be determined under the Arbitration Panel established by the Agreement.

IX. DEFINITIONS

Fabricated Support Equipment means trap boxes, trap holders, or similar trap envelopes. Generally refers to small products including supporting wires, snares and fasteners.

Field Inspections means inspections jointly determined by industry and trapper representatives to be necessary to resolve issues of fact.

Industry Representative(s) means a representative nominated by CAPP, CAGC and SEPAC.

Land Based means any activity that occurs on the land and does not include aerial reconnaissance.

Oil and Gas Activity means geophysical exploration, well development and operation, pipelines, processing plants and any ancillary activities associated with these activities such as roads.

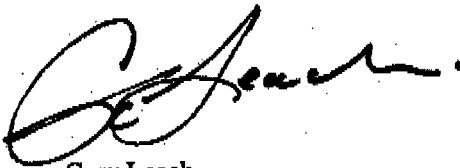
Registered Trapper includes any trapper who holds a current trapping license and has permission from the registered owner to the trapline to trap that line, or is exempted by the Wildlife Act from possessing a trapping licence.

Significant Modification is a modification to a project that would involve moving outside the initially identified activity corridor/timing window and would require a change in permit/license from the OGC.

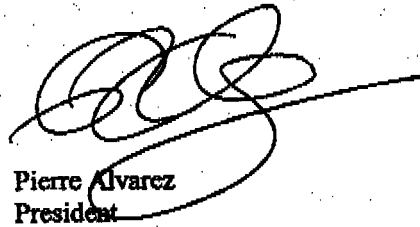
Trapline means an area for which a tenure is granted to one or more licensed trappers for the trapping of fur-bearing animals.

Trap Trail means the established path(s) used by the trapper to trap within their trapline.

Trapper Representative(s) means the representatives nominated by the BCTA.



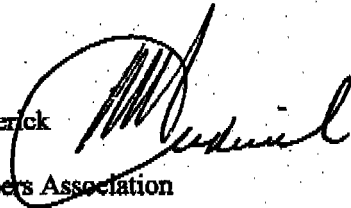
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Appendix A**ARBITRATION PANEL*****POLICIES & TERMS OF REFERENCE******B.C. TRAPPER/INDUSTRY ARBITRATION PANEL*****1. Objectives**

The panel will facilitate resolution of compensation issues that are not resolved at the field level between the trapper and company. All Parties should use tools in the Practical Guide to Effective Coordination of Resource Tenures before using this process.

The BCTA and the Oil and Gas Industry (CAPP, CAGC and SEPAC) agree to abide by the decisions of the panel.

The Arbitration Panel process does not replace any civil litigation options.

2. Membership

The membership includes Parties to the Agreement and Responsible Ministries that issue tenures to the respective parties.

- BCTA 2 representatives
- Oil and Gas Industry 2 representatives (1 from each of CAPP and CAGC)
- Ministry of Environment 1 representative
- Oil and Gas Commission 1 representative

Each group on the panel is responsible for soliciting their respective panel members.

3. Initiation of a Damage Claim

When a damage claim can not be resolved, the Parties may seek resolution of issues through the Arbitration Panel. A trapper should notify the BCTA of the concern. The BCTA representative will contact the Chairman of the Arbitration Panel to request a time and date for a hearing.

4. Guidelines and Terms of Reference

Disputes will be resolved through a consensus process. If a dispute directly involves a Panel Member(s), an alternate will be designated. Each claim will be evaluated on its merits not according to the interests of representatives of industry.

The Panel will not resolve compensation claims from trappers who have not signed on the program. Travel and accommodation costs will be paid for by the Panel representatives.

5. Terms and frequency of hearings

Length of term for panel members - "open" length of services is up to Panel Member(s) availability and willingness to serve.

Hearing frequency - claims will be heard on as-need basis as decided upon by the Chairman, Vice Chairman and complainants but hearings will not be later than June 30th (hearings will be held at no cost to the complainants).

6. Special Issues

- Confidentiality - hearings will only involve the parties concerned and the panel members.
- Panel discussions (decision deliberations) must be kept confidential.
- Decisions of the panel are public.
- Only the Chairman will be interviewed by the media.

7. Responsibilities of the Panel

- Record keeping - Note taking should be shared by all panel members. Recorded tapes of the hearings will be stored for record purposes.
- Writing up decisions - Concise decision reports will be jointly produced by panel members and must be completed within 30 days. Decisions will be made public once the decision report is finalized and parties have been notified of the decision.
- Files and record keeping - All records will be handled by the Ministry of Environment (records for a period of seven years will be stored). Records will be made available to panel members only.
- Meeting or hearing venues - Determined by mutual consent of Panel Members.