

Bob Bailey, M.P.P.

Sarnia Lambton
www.bobbaileympp.com

102-805 Christina St. N
Point Edward, ON N7V 1X8

Phone: (519) 337-0051
Facsimile: (519) 337-3246

Facsimile Cover Sheet

Date: May 12, 2017

To: Board Secretary, Ontario Energy Board

Fax: 416-440-7656

Pages: including cover page (12)

PRIVILEGE AND CONFIDENTIALITY NOTICE: The information in this facsimile is intended for the named recipient(s) only. It may contain privileged and confidential information. If you have received this facsimile in error, please notify the sender by a telephone call and return the original to the sender.

Re: Please find enclosed correspondence from Mr. Achiel Kimpe.

Thank you,

Anthony Rizzetto
Office of MPP Bob Bailey,
Sarnia-Lambton

Tel. (519)337-0051
Fax (519)337-3246
e-mail: bob.bailey@pc.ola.org

TO ONTARIO ENERGY BOARD
P.O. Box 2319
2300 YONGE STR. 27th Floor
TORONTO ONT.
M4P 1E4

PAGE 1 OF 2

ATT: BOARD SECRETARY

COVINA MAY 11, 2017

RE: E.B. 2016-0030

DEAR MADAM

ENCLOSED MY EVIDENCE SO FAR AS TO EB 2016-0030

- 1) A NO CONFUSING DISCRPTION OF THE BENTPATH CAVERN
- 2) EVIDENCE OF WHAT I UNDERSTOOD IN 1974 WHAT A POOL WAS WHICH IN EFFECT IS A NATURAL CAVERN (RESERVOIR)
- 3) PAGE 4, 5, AND 8 OUT OF THE ONTARIO MINING ACT 263/02 WHICH DISCRIBES NATURAL GAS STORAGE AND COMPENSATION METHODE ONTARO GOVERNMENT WANTS USING ROYALTIES, VOLUMES, PERCENTAGES EVEN SETS TIME PERIODS
- 4) UNION LETTER OF APRIL 18, 2017 ADDING UPGRADES IN CLUIDING CAVERN CAPACITY
- 5) PAGE 224 OUT OF "ENGLISH CROWN GRANTS"

MAY, 11, 2017

PAGE 2 OF 2

- 6) AS A TREND UNION SHELLS OUT YEARLY ON 750 ACRES BASED ON THE FORMULA SET FORTH ON PAGE 8 OF THE CROZIER REPORT WHICH HAS NO LOGIC TO IT AND MAKES NO SENSE AT ALL IN THIS INTEGRATED GAS BUSINESS.
- 7) PAGE 84 & 126, THE O.E.B MADE THE WRONG SUGGESTION AND ENCOURAGEMENT AS TO PAYMENTS OF COMPENSATION TO NON CAVERN OWNERS
- 8) TABS 1, 2, 3, 4, 5 WHICH ARE ATTACHED TO MY LETTER TO THE MINISTER OF ENERGY DATED MARCH 23, 2016
- 9) LAST I USE E.B.O. 64 (1) & (2) AS EVIDENCE WHICH HAS SEVERAL WRONG DOINGS IN IT BY UNION GAS AND WERE UNFORTUNALLY FOR ME OVER LOOKED IN THE DECISION

FROM

ACHIEL KIMPE
521 PARKDALE CR.
CORUNNA ONT
N0N 1B0

RESPECTFULLY

Achiel Kimpe

P.S. HARD COPIES TO FOLLOW

BY REGISTERED MAIL

A.K.

AUGUST 9, 1974

The proposed designated storage area, known as the Bentpath Pool, comprises 767.43 acres in Dawn Township located in the general area of the Applicant's existing gas storage areas and its major pipe line and compressor facilities. The Bentpath Pool contains a gas reservoir in the Salina Guelph-Lockport formation which was discovered in 1970 with first gas production commencing December 7, 1970. After the production of 5.358 billion cubic feet over the following twenty months, the pool was shut in on August 16, 1972 and the estimated remaining recoverable gas reserves are 466 million cubic feet.

The application was heard by the Board at a public hearing in the Court House, Sarnia, Ontario, on July 4, 1974.

Mr. J.W.S. McOuat, Q.C., and Mr. D. J. Elgee appeared as counsel for the Applicant. A number of landowners within the proposed designated area were present and four of the landowners participated in the hearing. The Board was assisted by its own staff and by representatives of the Petroleum Resources Section of the Ministry of Natural Resources.

The Applicant's witnesses presented evidence on the geological nature of the reservoir, its suitability for gas storage operations and the need for increased storage capacity.

Mr. A. C. Newton, Chief Geologist for the Applicant, testified that the pool was geologically similar to other storage pools operated by the Applicant and, by reference to a historical summary of the results of the drilling of wells within the pool and in the surrounding area, he gave his conclusions as to the boundaries of the proposed designated area. He said

R.R.#2, Oil Springs, Ont.,
June 3, 1974

Ontario Energy Board,
14 Carlton Street,
TORONTO, Ontario

I, Achiel Kimpe, am objecting to gas storage in the Bentpath Pool for the following reasons:

1. The Pool is not empty.
2. The Pool should first be pumped out to the 50 lbs. cushion pressure.
3. The cushion gas should be paid for.
4. The Pool should be left at 50 lbs. pressure for one (1) year and checked by all parties for build-up.
5. If the previous item is not carried out the gas pumped in and taken out should be checked by the Energy Board and all parties concerned.
6. I understand that not all damages have been paid for.
7. I wish that Mr. J. W. Thompson, land agent, be present and that the Board check into the manner in which the leases have been signed.
8. The language is confusing & misleading for an immigrant.
9. The term is way too long!
10. The price is way too low!
11. I hope that at the hearing on July 4, 1974, we will be allowed seven-eighths (7/8) of the time and Union Gas one-eighth (1/8), not as during the hearing of October 13, 1971!
12. I feel that I would have been just as well off if I had never seen or heard of Union Gas and I feel very strongly that I have been taken by an all-Canadian company. Perhaps, a U. S. company would have been more considerate!

Yours truly,

Achiel Kimpe
(Achiel Kimpe)

2 copies to:

Union Gas Company,
50 Keil Dr. North,
CHATHAM, Ontario

producibile oil or gas;

(c) the rent for the first year of the term of the lease; and

(d) the application fee. O. Reg. 263/02, s. 10 (5).

(4)

Term of lease

11. (1) A lease shall be for a term of not more than 10 years and the anniversary date of every lease shall be deemed to be January 1 in each year. O. Reg. 263/02, s. 11 (1).

(2) If oil or gas is produced under a lease and production continues beyond the term of the lease, the Minister shall renew the lease, for successive periods of not more than 10 years, with respect to those areas covered by the lease that remain productive. O. Reg. 263/02, s. 11 (2).

Surrender of lease

12. (1) A lessee may, with the Minister's consent, surrender a lease in whole or in part at any time upon giving written notice to the Minister at least 30 days before the surrender is proposed to take effect. O. Reg. 263/02, s. 12 (1).

(2) If a surrender is accepted under subsection (1), the annual rental for the year of the term in which the surrender is made shall be that required for the area described in the lease immediately before the surrender, but the annual rental for any subsequent year or years of the term shall be based on the remaining area described in the revised lease. O. Reg. 263/02, s. 12 (2).

Rental

13. (1) A lessee shall pay in advance the annual rental for a lease set out in the Schedule. O. Reg. 263/02, s. 13 (1).

(2) If the first year of the term of a lease is less than 12 months, the rental for the first year shall be determined on a proportionate basis. O. Reg. 263/02, s. 13 (2).

Royalty payments

14. (1) A lessee shall pay a royalty, at the royalty rate set out in the Schedule, on the oil and gas produced from the area covered by the lease based on the full sale price of the oil or gas received by the lessee at the point at which the lessee transfers custody of the oil or gas to the purchaser, without any deduction for any of the lessee's or purchaser's costs. O. Reg. 263/02, s. 14 (1).

(2) Despite subsection (1), no royalty is payable in respect of any gas produced from the area covered by the lease that the lessee reasonably required and used as fuel for the production of oil or gas from the area. O. Reg. 263/02, s. 14 (2).

(3) The royalty on oil or gas produced in a month is payable on or before the end of the month following the month in which the oil or gas is produced, unless otherwise directed by the Minister. O. Reg. 263/02, s. 14 (3).

(4) On making a royalty payment, the lessee shall submit evidence of the volume and full sale price of the oil or gas to which the royalty payment relates. O. Reg. 263/02, s. 14 (4).

(5) The Minister may recalculate any royalty payment if the Minister determines that the volume of oil or gas or the full sale price of the oil or gas is not accurate or the full sale price does not reflect the fair market value of the oil or gas, in which case the lessee shall pay the royalty calculated by the Minister. O. Reg. 263/02, s. 14 (5).

Unitization agreements

OUT OF MINING ACT
ONTARIO REGULATION 263/02

15. (1) In this section,

(5)

“pool” means an underground accumulation of oil or gas or both, separated or appearing to be separated from any other underground accumulation;

“spacing unit” has the same meaning as in section 1 of the *Oil, Gas and Salt Resources Act*;

“unitization agreement” means an agreement providing for the combining of separately owned oil or gas interests in a pool, formation or field to permit the efficient and economical drilling for or production of oil, gas or other unitized substances. O. Reg. 263/02, s. 15 (1).

(2) If the Crown’s interest in oil or gas is within a spacing unit and all of the interests in the oil and gas in the spacing unit are combined under a pooling agreement, the Crown’s percentage share of the production of oil or gas from the spacing unit is,

(a) the Crown’s percentage share as set out in the agreement; or

(b) equal to the percentage share by area of the Crown’s interest in the oil and gas in the spacing unit in any other case. O. Reg. 263/02, s. 15 (2).

(3) If the Crown’s interest in oil or gas relates to land that is subject to a unitization agreement, the Crown’s percentage share of the production of oil or gas from the land is as set out in the unitization agreement. O. Reg. 263/02, s. 15 (3).

(4) When the Crown’s percentage share of the production of oil or gas has been determined under subsection (2) or (3), the royalty payable to the Crown shall be calculated in accordance with section 14. O. Reg. 263/02, s. 15 (4).

STORAGE LEASES

Granting storage leases

16. (1) The Minister may grant a storage lease to store substances listed in subsection (4) in underground geological formations located on Crown lands. O. Reg. 263/02, s. 16 (1).

(2) The Minister may offer for sale by tender the right to obtain a storage lease. O. Reg. 263/02, s. 16 (2).

(3) Where the right to obtain a storage lease for the purposes of storing natural gas is offered for sale by tender under subsection (2), the tender bid shall consist of,

(a) a cash bonus for the right to obtain the storage lease; ??

(b) the storage rental, in dollars per 1000 cubic metres of the working storage volume per month, that the applicant proposes to pay the Crown during the first and subsequent terms of the lease;

(c) the proposed operating parameters and method used in calculating the working storage volume; and

(d) the method of calculation of and the compensation in dollars for the remaining gas in place. O. Reg. 263/02, s. 16 (3).

(4) Where the right to obtain a storage lease for the purposes of storing substances other than natural gas is offered for sale by tender under subsection (2), the tender bid shall consist of a cash bid. O. Reg. 263/02, s. 16 (4).

Storage rental for non natural gas storage

22. (1) In this section,

“storage capacity” means the maximum volume of the storage zone. O. Reg. 263/02, s. 22 (1).

(2) The lessee shall pay the storage rental specified in the Schedule monthly and payment shall be made no later than the end of the month following the month in which the storage rental is owed, unless otherwise directed by the Minister. O. Reg. 263/02, s. 22 (2).

(3) If the first month in the term of a lease is less than a full month, the rental for the first month shall be determined on a proportionate basis. O. Reg. 263/02, s. 22 (3).

(4) On making a storage rental payment, the lessee shall submit evidence of the storage capacity to which the storage rental relates. O. Reg. 263/02, s. 22 (4).

(5) The Minister may recalculate any storage rental payment if the Minister determines that the storage capacity is not accurate, in which case the lessee shall pay the storage rental calculated by the Minister. O. Reg. 263/02, s. 22 (5).

(6) If the Crown's interest in storage is a portion of a designated storage area or pool, the Crown's percentage share is the Crown's percentage share of the total working storage volume of the storage zone, and the storage rental shall be paid on this basis in accordance with this section. O. Reg. 263/02, s. 22 (6).

GENERAL

Well licences

23. (1) Despite any rights granted or implied in an exploration licence, production lease or storage lease, but subject to section 40 of the *Ontario Energy Board Act, 1998*, the Minister may issue a well licence under the *Oil, Gas and Salt Resources Act* for a deviated or horizontal well that will traverse the area described in a exploration licence, production lease or storage lease to a person other than the licensee or lessee if,

(a) the proposed well is necessary to reach an oil and gas target or storage zone located on licensed or leased lands held by the person;

(b) the affected lands have been unitized in a manner acceptable to the Minister;

(c) in the opinion of the Minister, the proposed well will not interfere with or adversely affect existing exploration, production or storage operations; and

(d) the well is in the public interest. O. Reg. 263/02, s. 23 (1).

(2) If a gas lease has previously been granted and the gas lessee acquires oil lease rights for the whole or part of the area described in the gas lease, the Minister shall cancel or amend the gas lease in whole or in part and issue an oil and gas lease in its place for the area where both oil and gas lease rights are held by the same lessee. O. Reg. 263/02, s. 23 (2).

(3) Despite any rights granted under a licence or lease, drilling for oil or storing oil or other liquid hydro-carbon by means of a well having a surface location in a water-covered area and production of oil from a well in such locations is prohibited. O. Reg. 263/02, s. 23 (3).

(4) A licensee or lessee who encounters oil while drilling in a water-covered area shall plug all

(iii) if the area is not described by a registered grid system, by a Crown land reference plan prepared in accordance with the instructions of the Minister or any other description approved by the Minister; and

(b) a geological description of the storage zone and the chemical description of the substance to be stored. O. Reg. 263/02, s. 18.

Term of lease

19. (1) A lease shall be for a term of not more than 10 years and the anniversary date of every lease shall be deemed to be January 1 in each year. O. Reg. 263/02, s. 19 (1).

(2) If storage operations are to continue beyond the term of the storage lease, the Minister shall renew the lease, for successive periods of not more than 10 years, with respect to those areas covered by the lease still being used for storage. O. Reg. 263/02, s. 19 (2).

Surrender of lease

20. (1) A lessee may, with the Minister's consent, surrender a lease in whole or in part at any time upon giving written notice to the Minister at least 30 days before the surrender is proposed to take effect. O. Reg. 263/02, s. 20 (1).

(2) If a surrender is accepted under subsection (1), the rental for the month of the term in which the surrender is made shall be that required for the area described in the lease immediately before the surrender, but the rental for any subsequent month of the term shall be based on the rental required for the remaining area described in the revised lease. O. Reg. 263/02, s. 20 (2).

Storage rental for natural gas storage

21. (1) In this section,

"cushion gas" means the volume of gas required as permanent storage inventory to maintain adequate reservoir pressure for meeting minimum gas deliverability demands;

"working storage volume" means the volume capacity of the storage zone respecting the substance being stored but cushion gas is excluded in calculating the volume. O. Reg. 263/02, s. 21 (1).

(2) A lessee shall determine and submit the working storage and cushion gas volumes and the method of determination to the Minister prior to commencement of storage operations and maintain an accurate inventory of the substance that is stored within the area described in the storage lease. O. Reg. 263/02, s. 21 (2).

(3) The lessee shall pay the storage rental specified in the Schedule monthly and payment shall be made no later than the end of the month following the month in which the storage rental is owed, unless otherwise directed by the Minister. O. Reg. 263/02, s. 21 (3).

(4) If the first month in the term of a lease is less than a full month, the rental for the first month shall be determined on a proportionate basis. O. Reg. 263/02, s. 21 (4).

(5) The Minister may recalculate any storage rental payment if the Minister determines that the working storage or cushion gas volume is not accurate, in which case the lessee shall pay the storage rental as calculated by the Minister. O. Reg. 263/02, s. 21 (5).

(6) If the Crown's interest in storage is a portion of a designated storage area or pool, the Crown's percentage share is the Crown's percentage share of the total working storage volume of the storage zone, and the storage rental shall be paid on this basis in accordance with this section. O. Reg.

Delivered by Regular Mail
Lands Fax 519.436.4641

April 18, 2017

Achiel Kimpe
521 Parkdale Cr.
Corunna, ON
N0N 1G0

Attn: Mr. Kimpe,

Re: 2017 Union Gas Project in Your Area

I would like to provide you with information on the Union Gas project in your area.

In 2017, Union Gas is beginning the well workovers to increase the operating pressure in the Dawn 156 and the Bentpath storage pools located in Dawn-Euphemia Township. This project will include upgrades to the well heads in each storage pool and will include the drilling of any new wells and the construction of new pipelines. We have had direct contact with the property owners on each of the sites where the upgrades, new wells and pipelines will be constructed.

These changes are part of an ongoing program to increase the capacity of the storage pools operated by Union Gas to meet the growing demand for natural gas storage in Ontario.

We are committed to operating our storage pools in accordance with all Canadian Standards Association (CSA), Technical Safety and Standards Association (TSSA), and Ministry of Natural Resources and Forestry (MNRF) regulations, codes, and standards.

The proposed pressure increases will range from 350 kpa to 700 kpa (50 to 100 psi). These changes are consistent with other storage pools operated by Union Gas.

If you have any questions, or would like additional information about the project please contact me at 519-436-4600 x 5002652.

Regards,

Richard Ashburn

Richard Ashburn
Senior Land Agent, Lands Department

MAILED 18 APRIL
RECEIVED 28 APRIL 2017

"than that so sought to be acquired." (People vs. Lowndes 55 Hun., N. Y. 469 8 N. Y. Suppl. 908.)

"From the nature of the property it is difficult to show such a possession of land under water as is required to support the presumption of a Grant; as we fail to find any case where anything short of a permanent and exclusive occupation of the soil has been granted as sufficient." (Boswell on Lim. and Ad. Possessions.)

N.B. { "The permission or command of the State can give no power to convey private rights even for a public service without payment of compensation." (Muhler vs. N. Y. & R. Co. 197 U. S. 544. Birrell vs. N. Y. & R. Co. 198 U. S. 390. Siegel vs. N. Y. & R. Co. 200 U. S. 615.)

"One may not improve another's land without his consent and charge him therefor." (Spruck vs. McRoberts 139 N. Y. 193.)

"Docks and two marine railways were not sufficient to establish adverse possession on the shore-front." (Delancey vs. Piepgrass 138 N. Y. 26.)

"The owner of the uplands had continued his boundary fences to low water mark, to prevent cattle passing around them, and had built a bulkhead and filled in with earth a small portion of the land between high and low water mark and had cut sedge thereon; and it was held that this was not such an occupation of the land as would support a defense of adverse possession." (McFarlane vs. Kerr, 10 Bosw. 249.)

reservoir pressure below which further production would be uneconomical

The storage reservoir, however, underlies only a portion of the total designated area, being surrounded by a non-productive protective barrier (often referred to as the "walls of the warehouse") which is essential to the operation of the reservoir. In the presently designated areas in Lambton County, this protective zone accounts for some 64% of the total designated acreage. The practice among both operators and landowners is to recognize the protective acreage as of equal value to the productive or "participating" acreage for storage purposes. This is entirely reasonable having regard to the value of the ensured closure around the stored gas and the prevention of damage to the reservoir by the control of drilling which is effected over the whole designated area. - 8

The formula to be established must therefore represent the usefulness of the storage reservoir in terms of the capacity to hold gas in the formation and at the same time must be applied on an equal basis to all the acres in the designated area. To meet these requirements, the Board has calculated the capacity of each designated pool to abandonment pressure and has divided this figure by the number of productive acres in the pool, to arrive at the capacity per acre of participating area. This establishes relative values of all pools for storage purposes. The Board considers that, subject to modification related to the performance characteristics of the particular pool, the application of a value in cents to each million cubic feet of capacity per participating acre is a reasonable and logical method of arriving at an annual rental per acre of the designated area. It then remains to determine an appropriate value in cents to be applied to the capacity having regard to the trend in prices as evidenced by actual agreements executed from time to time and by submissions received pursuant to the Order-in-Council calling for this report. 22 23 24 25 26 27 28