



RP-2003-0253
EB-2003-0315

IN THE MATTER OF the *Ontario Energy Board Act*, 1998; S.O. c.15, Schedule B;

AND IN THE MATTER OF an application under section 38(3) of the *Ontario Energy Board Act* by Tribute Resources Inc. and Tipperary Gas Corp. for an order determining just and equitable compensation in respect of gas and oil rights or right to store gas in an area designated as a gas storage area known as the Tipperary Pool in the geographic Township of Goderich, Municipality of Central Huron, Province of Ontario as a gas storage area.

Before: Bob Betts
Presiding Member

Pamela Nowina
Member

Paul Sommerville
Member

ORDER

Tribute Resources Inc. and Tipperary Gas Corp. (the “Applicants”) filed an application, dated December 24, 2003 which was amended February 5, 2004 and further amended August 10, 2004, with the Ontario Energy Board under sections 36, 36.1, 38 and 40 of the *Ontario Energy Board Act*, 1998, S.O. c.15, Schedule B.

The Applicants applied to the Board for orders designating a gas storage area; authorizing the injection of gas into, storage of gas within, and withdrawal of gas from a storage reservoir; and approving rates. The Applicants also sought a favorable report of the Board

to the Minister of Natural Resources with respect to licenses to drill three wells in the proposed designated storage area. Collectively, the orders and report sought by the applicants to be granted by the Board will support the conversion of the existing Tipperary North pool in the Township of Central Huron from production to storage.

The Board issued a Notice of Application dated February 25, 2004. The Applicants served and published this Notice according to the Board's Letter of Direction. An oral hearing was held in Toronto in the period between August 9 to August 17, 2004. On October 25, 2004, the Board issued its Partial Decision with Reasons (the "Partial Decision").

In the Partial Decision the Board found that there was sufficient evidence to approve the Application for an order designating a gas storage area and to report favorably to the Minister of Natural Resources on the need to drill three horizontal wells within designated storage area. At the same time the Board has found that there was insufficient evidence to render a decision on the Application for an order authorizing injection into and withdrawal of gas from the Tipperary Pool.

With regard to the landowners compensation the Board stated in the Partial Decision indicated that further negotiations between the landowners and the Applicants should take place. On February 1, 2005 the Board, by means of a procedural order, directed a settlement conference on landowner compensation. In the settlement conference, held on February 9, 2005 in London, the Applicants and Tipperary Storage Landowner Association reached an agreement on compensation (the "Settlement Agreement").

In an oral hearing held in Toronto on February 14, 2005, the Board adopted the Settlement Agreement. Terms of the Settlement Agreement are contained in a form of an Amending Agreement which was filed as an exhibit in the oral hearing and approved by the Board and is attached to this order as Schedule "A".

THE BOARD THEREFORE ORDERS THAT:

The following Amending Agreement which is attached as Schedule "A" to this order, constitutes just and equitable compensation in respect of gas and oil rights and right to

store gas and in for any damage necessarily resulting from the exercise of the authority given by the order under section 38 (2) of the *Ontario Energy Board Act*, 1998; S.O. c.15, Schedule B, in an area designated as a gas storage area known as the Tipperary Pool in the geographic Township of Goderich, Municipality of Central Huron, Province of Ontario.

DATED at Toronto May 31, 2005

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Schedule "A"
Amending Agreement

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