

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

APPLICATION FOR A WELL LICENCE

THREE HILLS CREEK AREA

ULSTER PETROLEUMS LTD

LSD 8-17-36-26 W4M

Decision 99-15

Application No. 1027325

1 APPLICATION AND BACKGROUND

Ulster Petroleum Ltd. (Ulster) re-applied to the Alberta Energy and Utilities Board (EUB or the Board), pursuant to section 2.020 of the Oil and Gas Conservation Regulations, for a well licence to drill a vertical sour well in Legal Subdivision (Lsd) 8 of Section 17, Township 36, Range 26, West of the 4th Meridian (Application No. 1027325). The purpose of the well, ULSTER THREEHCK 8-17-36-26 (8-17 well), would be to obtain crude oil/gas production from the Leduc Formation.

A public hearing to consider Application No. 970583 for a well licence from Ulster concerning the identical surface and bottomhole location was convened in Red Deer, Alberta on 10 February 1998. Examiner Report 98-3, concerning this application, was issued from the offices of the Board on 26 May 1998. The Board concurred with the Examiners' recommendations and Application No. 970583 was denied on the basis of an incorrect H₂S calculation to determine the emergency response planning zone and a corresponding failure with regards to the proper public notification program.

The EUB received an objection to the subject well licence Application No. 1027325 from Mr. and Mrs. Dale Smith (the Smiths), adjacent residents located approximately 525 metres (m) south of the proposed well location. The Smiths opposed the original well licence Application No. 970583 and were interveners at the hearing held on 10 February 1998. The Smiths stated they remained opposed to the location of the 8-17 well, and would like to see the well moved 250 m to the west. Accordingly, the Board directed, pursuant to Section 29 of the Energy Resources Conservation Act, that a public hearing be held to hear Application No. 1027325.

2 HEARING

The hearing convened on 14 October 1998 in Red Deer before Board Member G. J. Miller, and acting Board Members G. C. Dunn, P.Eng., and E. A. Shirley, P.Geol.

Those who appeared at the hearing are listed in the following table.

THOSE WHO APPEARED AT THE HEARING

Principals and Representatives (Abbreviations Used in Report)

Ulster Petroleum Ltd. (Ulster)
B. O’Ferrall, LLB

Mr. and Mrs. Dale Smith
R. Elander, LLB

Alberta Energy and Utilities Board staff
S. D. Wilson
A. E. Wiechert, P.Geol.
T. Donnelly, Board Counsel
M. Brown, E.I.T.
L. Wilson-Temple
L. Morrison

Witnesses

W. R. Ford
P. Schmaltz, C.E.T.
G. Strashok, P.Eng.
J. Stepaniuk
E. Gosselin
D. Kemlo
D. Spence
I. Dowsett
of Conor Pacific Environmental
Technologies Inc.
R. Berrien, P.Ag.
of Berrien Associates Ltd.

D. Smith
C. Smith

Subsequent to the hearing on 14 October 1998 a request was made to reopen the hearing by the Corporate Compliance Group of the Alberta Energy and Utilities Board which the Board granted. Ulster requested the Board to hold the hearing process in abeyance until Ulster could explore a possible resolution with the Smith’s objection.

Ulster advised the Board on 10 June 1999 that it had resolved the Smith’s objection and it wished to withdraw Application No. 1027325. The company indicated they would re-apply for a well licence with a mutually acceptable surface location.

3 DECISION

The Board notes that Ulster has resolved its issues with the Smiths, has withdrawn its application for the well licence, and therefore determines the matter to be closed without prejudice to future applications.

Dated at Calgary, Alberta, on 22 June 1999.

ALBERTA ENERGY AND UTILITIES BOARD

[Original signed by]

G. J. Miller
Board Member

[Original signed by]

G. C. Dunn, P.Eng.
Acting Board Member

[Original signed by]

E. A. Shirley, P.Geol.
Acting Board Member