



## Highpine Oil and Gas Ltd.

Application for a Section 40 Review Request of  
Facility Licence No. F28646 and Applications to Amend  
Facility Licences No. F28464 and F32812  
Pembina Field

December 13, 2005

**ALBERTA ENERGY AND UTILITIES BOARD**

Decision 2005-135: Highpine Oil and Gas Ltd., Section 40 Review Request of  
Facility Licence No. F28646 and Applications to Amend Facility Licences No. F28464 and  
F32812, Pembina Field

December 13, 2005

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**HIGHPINE OIL AND GAS LTD.  
SECTION 40 REVIEW REQUEST OF  
FACILITY LICENCE NO. F28646 AND  
APPLICATIONS TO AMEND FACILITY  
LICENCES NO. F28464 AND F32812  
PEMBINA FIELD**

**Decision 2005-135  
Proceeding No. 1417169 and  
Applications No. 1393519 and 1401251**

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**1 DECISION**

Having accepted West Energy Ltd.'s (West's) withdrawal of its request for review, pursuant to Section 40 of the *Oil and Gas Conservation Act*, of facility Licence No. F28646, the Alberta Energy and Utilities Board (EUB/Board) hereby confirms that the subject licence remains in good standing. In addition, having completed a review of the applications, the EUB hereby approves Applications No. 1393519 and 1401251.

**2 INTRODUCTION**

**2.1 Applications**

**Background**

On December 15, 2004, the Board approved Application No. 1359924 and amended Licence No. F28646 to Highpine Oil and Gas Ltd. (Highpine). The licence amendment permitted Highpine to expand an existing single-well oil satellite located at Location Exception 00, Legal Subdivision (LSD) 16, Section 29, Township 48, Range 9, West of the 5th Meridian (16-29 well) into a multiwell sour battery. The facility is located 15 kilometres southwest of Drayton Valley.

**Application No. 1393519**

On March 30, 2005, Highpine applied, pursuant to Section 7.001 of the *Oil and Gas Conservation Regulations*, requesting approval to further amend Licence No. F28646 described above. The nature of the licence amendment was to add one 1253 kilowatt compressor to double the gas inlet capacity from 330 cubic metres per day (m<sup>3</sup>/d) to 660 m<sup>3</sup>/d. The amendment would also increase the maximum sulphur inlet from 98.44 tonnes per day (t/d) to 224 t/d. The oil/condensate and water inlet rates would remain unchanged at 2500 m<sup>3</sup>/d and 2000 m<sup>3</sup>/d respectively.

**Application No. 1401251**

On May 18, 2005, Highpine also applied, pursuant to Section 7.001 of the *Oil and Gas Conservation Regulations*, requesting approval to amend Licence No. F32812 for an oil satellite. The nature of the licence amendment was to increase the maximum sulphur inlet from 89.49 t/d to 120 t/d. No other inlet rates would change and no physical modifications to the satellite were proposed. The facility is located 14 km southwest of Drayton Valley at LSD 1-2-49-9W5M.

**Application No. 1376665**

On December 15 and 24, 2004, the EUB received letters from West Energy Ltd. requesting that the Board suspend Licence No. F28646 and conduct a review hearing relating to the facility,

pursuant to Section 40 of the *Energy Resources Conservation Act*. On June 3, 2005, the Board heard oral submissions to determine if the review should be granted. On July 4, 2005, the Board granted the request for a review hearing.

### **Proceeding No. 1417169**

The Board granted the intervener's request for a review and directed that a hearing be scheduled to determine whether the Board should confirm, vary, or rescind its decision to grant the facility licence amendments. The Board did not grant the request for the suspension of the 16-29 single-well oil satellite.

The Board subsequently determined that Applications No. 1393519 and 1401251 would also be heard at the same hearing.

## **3 DISCUSSION**

West and Highpine engaged in the EUB Appropriate Dispute Resolution (ADR) process. Several meetings resulted in an agreement between the parties, and on November 21, 2005, a signed withdrawal for the proceeding was received by the EUB.

Further, West withdrew its objections to the Highpine 16-29 expansion and satellite amendment, as outlined in the above-referenced applications.

In light of these withdrawals, the Board determined that a hearing was no longer necessary and confirmed that facility Licence No. F28646 remains in good standing. The Board also approved Applications No. 1393519 and 1401251.

Dated in Calgary, Alberta, on December 13, 2005.

## **ALBERTA ENERGY AND UTILITIES BOARD**

*<original signed by>*

J. R. Nichol, P.Eng.  
Presiding Member

*<original signed by>*

R. C. Clark  
Acting Board Member

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C. D. Hill  
Acting Board Member