



Decision to Issue a Declaration  
Naming Patrick Robert Laybourne  
Pursuant to Section 106 of the  
*Oil and Gas Conservation Act*

January 24, 2006

**ALBERTA ENERGY AND UTILITIES BOARD**

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# **ALBERTA ENERGY AND UTILITIES BOARD**

Calgary Alberta

## **DECISION TO ISSUE A DECLARATION NAMING PATRICK ROBERT LAYBOURNE PURSUANT TO SECTION 106 OF THE *OIL AND GAS CONSERVATION ACT***

**Decision 2006-005  
Proceeding No. 1441050**

### **1 DECISION**

The Alberta Energy and Utilities Board (EUB/Board) has decided to issue a Declaration Naming Patrick Robert Laybourne as a person directly or indirectly in control of Trekelano Resource Corporation (Trekelano), pursuant to Section 106 of the *Oil and Gas Conservation Act (OGCA)*.

### **2 BACKGROUND**

A division (the Notice panel) of the Board comprising Presiding Member G. Miller and Acting Board Members D. Larder and E. Shirley was appointed to determine whether to issue a Notice of Intention to Issue a Declaration Naming Patrick Robert Laybourne pursuant to Section 106(1) of the *OGCA*.

The Notice panel reviewed documents relating to Trekelano's contraventions and failures to comply with Board Orders, as shown in Table 1. The Notice panel also reviewed documents indicating that Patrick Robert Laybourne was a person directly or indirectly in control of Trekelano and found that these documents constituted *prima facie* evidence of the contraventions of Trekelano and of Patrick Robert Laybourne, being a person directly or indirectly in control of Trekelano.

Based on these findings, the Notice panel decided to issue a Notice of Intention to Issue a Declaration Naming Patrick Robert Laybourne (Notice) under Section 106 of the *OGCA* on September 9, 2005. Attached to the Notice as Attachment A were copies of the 37 documents reviewed by the Notice panel relating to Trekelano's contraventions and failures to comply and documents indicating that Patrick Robert Laybourne was a person directly or indirectly in control of Trekelano. These documents included an Abandonment Order and an Abandonment Cost Order dated January 19, 2000, and March 25, 2002, respectively, Historical Alberta Corporate Registry searches, and correspondence from Mr. Laybourne to the EUB.

Table 1. Contraventions and failures of Trekelano

Order Type	Order No.	Date	Licence No.	Surface Location	Description
Abandonment	AD 2000-02	19-Jan-2000	0004599 0061752	08-13- 16-24W4 11-06-29-3W5	Failing to submit an abandonment deposit for suspended wells
	AD 2000-02A	15-Feb-2000			Amended to remove Paradise Oil Corporation as working interest participant in these wells.
	AD 2000-02B	7-Mar-2000			Amended to remove Telford Enterprises Ltd. as a working interest participant in these wells

(continued)

Order Type	Order No.	Date	Licence No.	Surface Location	Description
Abandonment Costs	ACO 2002-1	24-Mar-2002 -Jun-98 04	0004599 0061752	08-13- 16-24W4 11-06-29-3W5	Costs to abandon the 8-13 well and the 11-6 well. Outstanding debt to EUB of \$215 393.89

The Notice further stated that if any Declaration were issued, the Board may impose such restrictions and sanctions as set out in Section 106(3) of the *OGCA* against Patrick Robert Laybourne and any companies directly or indirectly controlled by Patrick Robert Laybourne as may be appropriate, including

- 1) suspension of any operations of a licensee or approval holder under the *OGCA* or a licensee under the Pipeline Act,
- 2) refusal to consider applications for identification code, licence, or approval from an applicant under the *OGCA* or the Pipeline Act,
- 3) refusal to consider applications to transfer a licence or approval under the *OGCA* or a licence under the Pipeline Act,
- 4) requirement for submission of abandonment and reclamation deposits in an amount determined by the Board prior to granting any licence, approval, or transfer to an applicant, transferor, or transferee, under the *OGCA*, and
- 5) requirement for the submission of abandonment and reclamation deposits in an amount determined by the Board for any wells or facilities of any licensee or approval holder.

In accordance with Subsection 106 (2) of the *OGCA*, the Board attempted to serve the Notice and Attachment A to the Notice on Mr. Laybourne on September 11, 2005, at the southeast quarter of section 6-17-28W4 W of Highway No. W, near Nanton, as attested to by Terri Demers, process server. As permitted by the Board's *Rules of Practice*, Notice was published on September 28, 2005, in the *Nanton News* and on September 29 and 30 and October 3, 2005, in *Nickle's Daily Oil Bulletin*. Mr. Laybourne had until October 19, 2005, to file a written submission with the Board to show cause why such a Declaration should not be issued and include all supporting evidence.

The Board has not received any submission from Mr. Laybourne in response to the Notice.

A division of the Board (the Declaration panel) comprising Presiding Member A. J. Berg, P.Eng., Board Member J. D. Dilay, P.Eng., and Acting Board Member F. Rahnama, Ph.D., was appointed to conduct this proceeding and determine whether to issue a Declaration naming Mr. Laybourne pursuant to Section 106 of the *OGCA*.

The Declaration panel notes that the Notice stated that Mr. Laybourne had until October 19, 2005, to file a written submission with the Board to show cause why such a Declaration should not be issued and include all supporting evidence.

However, the Declaration panel is of the view that as the Notice was given by publication, a 30-day period to respond from the date of the last publication is necessary. Accordingly, the Declaration panel considers that Mr. Laybourne had until November 3, 2005. The Board has not received any submission from Mr. Laybourne in response to the Notice.

Accordingly, the Board considers that the close of evidence for this proceeding is November 3, 2005.

### **3 VIEWS OF THE BOARD**

The Declaration panel reviewed Section 106 of the *OGCA*, which states:

#### **Actions re principals**

**106(1)** Where a licensee, approval holder or working interest participant

- (a) contravenes or fails to comply with an order of the Board, or
- (b) has an outstanding debt to the Board, or to the Board to the account of the orphan fund, in respect of suspension, abandonment or reclamation costs,

and where the Board considers it in the public interest to do so, the Board may make a declaration setting out the nature of the contravention, failure to comply or debt and naming one or more directors, officers, agents or other persons who, in the Board's opinion, were directly or indirectly in control of the licensee, approval holder or working interest participant at the time of the contravention, failure to comply or failure to pay.

**(2)** The Board may not make a declaration under subsection (1) unless it first gives written notice of its intention to do so to the affected directors, officers, agents or other persons and gives them at least 10 days to show cause as to why the declaration should not be made.

**(3)** Where the Board makes a declaration under subsection (1), the Board may, subject to any terms and conditions it considers appropriate,

- (a) suspend any operations of a licensee or approval holder under this Act or a licensee under the *Pipeline Act*,
- (b) refuse to consider an application for an identification code, licence or approval from an applicant under this Act or the *Pipeline Act*,
- (c) refuse to consider an application to transfer a licence or approval under this Act or a licence under the *Pipeline Act*,
- (d) require the submission of abandonment and reclamation deposits in an amount determined by the Board prior to granting any licence, approval or transfer to an applicant, transferor or transferee under this Act, or
- (e) require the submission of abandonment and reclamation deposits in an amount determined by the Board for any wells or facilities of any licensee or approval holder,

Where the person named in the declaration is the licensee, approval holder, applicant, transferor or transferee referred to in clauses (a) to (e) or is a director, officer, agent or other person who, in the Board's opinion, is directly or indirectly in control of the licensee, approval holder, applicant, transferor or transferee referred to in clauses (a) to (e).

**(4)** This section applies in respect of a contravention, failure to comply or debt whether the contravention, failure to comply or debt arose before or after the coming into force of this section.

The Declaration panel notes that although Mr. Laybourne was served with the Notice by way of publication, Mr. Laybourne did not file a written submission showing cause why the Declaration naming him should not be issued. The written evidence before the panel in this proceeding is set out in Attachment A to the Notice, relating to Trekelano's contraventions and failures to comply with Board Orders or the documents indicating that Patrick Robert Laybourne was a person directly or indirectly in control of Trekelano.

The Declaration panel finds that the uncontested evidence before it contained in Attachment A to the Notice is proof that Trekelano contravened and failed to comply with the Board Orders listed above and that Mr. Laybourne was a person directly or indirectly in control of Trekelano. In addition, the Declaration panel notes that the wells in question have been declared orphan wells and the Orphan Well Association, which is the orphan fund, has reimbursed the EUB the abandonment costs of \$172 315.11. Therefore, Trekelano and Patrick Robert Laybourne owe the EUB a debt of \$43 078.78 as nonpayment penalty and a debt of \$172 315.11 to the Board on account of the Orphan Well Association for abandonment costs.

Based on these findings, the Declaration panel issues a Declaration Naming Mr. Patrick Robert Laybourne, pursuant to Section 106 of the *OGCA*, and imposes the restrictions set out below, as authorized by Subsection 106(3) of the *OGCA*. Accordingly, the Board orders that the Declaration included as the appendix be issued forthwith to Mr. Patrick Robert Laybourne.

Dated in Calgary, Alberta, on January 24, 2006.

**ALBERTA ENERGY AND UTILITIES BOARD**

*<original signed by>*

A. J. Berg, P.Eng.  
Presiding Member

*<original signed by>*

J. D. Dilay, P.Eng.  
Board Member

*<original signed by>*

Farhood Rahnama, Ph.D.  
Acting Board Member

## APPENDIX

### DECLARATION NAMING PATRICK ROBERT LAYBOURNE PURSUANT TO SUBSECTION 106(3) OF THE *OIL AND GAS CONSERVATION ACT* (OGCA)

For the reasons set out in the decision in this matter, the Board has determined that Patrick Robert Laybourne is the person in control, direct or indirect, of Trekelano Resources Ltd. and that Trekelano Resources Ltd. has contravened EUB requirements and failed to comply with Board Orders while Patrick Robert Laybourne has been in control of this company. Therefore, the Board names Patrick Robert Laybourne under Section 106 of the *Oil and Gas Conservation Act* and places the following restrictions on him and Trekelano Resources Ltd.:

- 1) Patrick Robert Laybourne and any company directly or indirectly controlled by Patrick Robert Laybourne must inform the EUB that a Section 106 Declaration is in effect against Patrick Robert Laybourne and that he has direct or indirect control of the company applying to the Board for an identification code, licence, or approval or the transfer of a licence or approval under the *OGCA* or the *Pipeline Act*.
- 2) Patrick Robert Laybourne cannot act as an agent of a company, as defined in the *OGCA* or the *Pipeline Act*, for any company.
- 3) The EUB may refuse to consider any application from Trekelano Resources Ltd., Patrick Robert Laybourne, or any other company over which that he has direct or indirect control for an identification code, licence, or approval or a transfer of a licence, or approval under the *OGCA* or the *Pipeline Act*.
- 4) If the EUB were to consider an application from Trekelano Resources Ltd., Patrick Robert Laybourne, or any other company directly or indirectly controlled by Patrick Robert Laybourne, the EUB may require the submission of abandonment and reclamation deposits in an amount determined by the Board prior to granting any licence, approval, or transfer to an applicant, transferor, or transferee under the *OGCA*.
- 5) Patrick Robert Laybourne must submit a sworn declaration by February 24, 2006, that he is not in direct or indirect control of any company, other than Trekelano Resources Ltd., that is an applicant to the EUB, a licensee, or an approval holder under the *OGCA* or the *Pipeline Act*, or if he is, a declaration stating the name of the company or companies and specifying the applications it has before the EUB and the EUB licences and approvals the company holds.
- 6) This declaration is in force at the date of this decision and will remain in force until Trekelano Resources Ltd. has complied with the abovementioned Board Orders, rectified its contraventions, and paid its debt owed to the Board for nonpayment of abandonment costs penalty and to the Board on account of the orphan fund for abandonment costs, or until the Board orders otherwise.

Dated: January 24, 2006.