



Vermilion Resources Ltd.

Application for a Pipeline Licence
Chigwell and Morningside Fields

May 16, 2006

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2006-045: Vermilion Resources Ltd., Application for a Pipeline Licence, Chigwell and Morningside Fields

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

VERMILION RESOURCES LTD. APPLICATION FOR A PIPELINE LICENCE CHIGWELL AND MORNINGSIDE FIELDS

Decision 2006-045
Application No. 1428440

1 DECISION

Having completed a review of the application, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Application No. 1428440.

2 INTRODUCTION

2.1 Application No. 1428440

Vermilion Resources Ltd. (Vermilion) submitted an application to the EUB on November 9, 2005, in accordance with Part 4 of the *Pipeline Act* for approval to construct and operate a polyethylene pipeline for the purpose of transporting natural gas from a well at Legal Subdivision (LSD) 13, Section 6, Township 42, Range 26, West of the 4th Meridian, to a pipeline tie-in point at LSD 16-1-42-27W4M. The proposed pipeline would be about 0.7 kilometres (km) in length, with a maximum outside diameter of 168.3 millimetres, and would transport natural gas containing no hydrogen sulphide. The proposed pipeline would be located about 12 km southwest of Ponoka.

2.2 Intervention

An objection was filed on behalf of Dennis Smith and Sally Smith, who own and reside in the northwest quarter of Section 6-42-26W4M, on which the pipeline is proposed to be located. Counsel for the Smiths, Darryl Carter, outlined the Smiths' objection to the application in letters dated September 27 and December 1, 2005. In his letters, Mr. Carter cited concerns regarding removal of the pipeline upon abandonment, the proposed minimum depth of the pipeline, and the failure of Vermilion to hold any public meetings in the area.

2.3 Hearing

The Board had scheduled a public hearing in Ponoka, Alberta, on June 27, 2006, before Board Members J. D. Dilay, P.Eng. (Presiding Member), A. J. Berg, P.Eng., and R. G. Lock, P.Eng.

3 DISCUSSION

Subsequent to the Board's release of notice for a hearing to resolve this matter, discussions continued between the parties. These discussions resulted in the parties reaching an agreement. Accordingly, the Board received correspondence from the interveners' counsel dated May 3, 2006, confirming that the Smiths have no objection the EUB issuing the pipeline permit.

As the Board has not received any other objections to the application, it is satisfied that a hearing is not required in order to conclude the subject application.

Dated in Calgary, Alberta, on May 16, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

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

<original signed by>

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

<original signed by>

R. G. Lock, P.Eng.
Board Member