



Iteration Energy Ltd.

Application for a Well Licence
Granlea Field

May 30, 2006

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2006-051: Iteration Energy Ltd., Application for a Well Licence, Granlea Field

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**ITERATION ENERGY LTD.
APPLICATION FOR A WELL LICENCE
GRANLEA FIELD**

**Decision 2006-051
Application No. 1433701**

DECISION

The Alberta Energy and Utilities Board has considered the findings and recommendation set out in the following examiner report, adopts the recommendation, and grants the withdrawal of Application No. 1433701 and the cancellation of the hearing.

Dated in Calgary, Alberta, on May 30, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

B. T. McManus, Q.C.
Board Member

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

EXAMINER REPORT RESPECTING ITERATION ENERGY LTD. APPLICATION FOR A WELL LICENCE GRANLEA FIELD

Decision 2006-051
Application No. 1433701

1 RECOMMENDATION

The examiner panel recommends that the hearing scheduled to consider the application be cancelled and that the withdrawal of Application No. 1433701 be approved, in accordance with Section 20 of the Alberta Energy and Utilities Board (EUB/Board) *Rules of Practice*.

2 INTRODUCTION

2.1 Application No. 1433701

Iteration Energy Ltd. (Iteration) applied, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for a licence to drill a single vertical well from a surface location of Legal Subdivision (LSD) 13, Section 33, Township 8, Range 11, West of the 4th Meridian. The maximum hydrogen sulphide concentration for the proposed well would be 0.0 moles per kilomole (0.0 per cent). The purpose of the proposed well would be to obtain natural gas production from the Second White Speckled Shale Formation. The proposed well would be located about 18 kilometres southwest of the Town of Bow Island.

2.2 Interventions

Alda Crooymans and Tony J. Crooymans are registered landowners and John Crooymans, Joseph Crooymans, and Andrew Crooymans farm the quarter section where the proposed well would be situated. The Crooymans family (all of the above-mentioned Crooymans) filed two objections to the application based on the proposed wells' interference with their pivot irrigation farming operation. The concerns they raised are substantially within the Board's jurisdiction.

2.3 Hearing

The examiner panel, W. G. Remmer, P.Eng. (Presiding Member), D. T. McCullough, and R. J. Willard, P.Eng., were scheduled to hold a public hearing in Bow Island, Alberta, on July 11, 2006.

3 DISCUSSION

Iteration engaged in field facilitation with the Crooymans family during April and May 2006. The meetings resulted in an agreement between the parties to move the surface location of the proposed well and directionally drill to the same bottomhole location. The new surface location is outside of the pivot irrigation area on LSD 13 Section 33, Township 8, Range 11, West of the 4th Meridian, on the northwest corner of LSD 13. The Crooymans family signed withdrawal of

objection for the new surface location on May 19, 2006. Iteration submitted a request to the EUB to withdraw Application No. 1433701 on May 25, 2006. Iteration plans to submit a new application to the EUB to directionally drill this well with a revised surface location. As a result, the examiners recommend that the withdrawal of Application 1433701 be approved and the hearing cancelled.

Dated in Calgary, Alberta, on May 30, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

W. G. Remmer, P.Eng.
Presiding Member

<original signed by>

D. T. McCullough
Examiner

<original signed by>

R. J. Willard, P.Eng.
Examiner