Burlington Resources Canada Ltd.

Application for a Well Licence
Marsh Field, Gregg Lake, Hinton Area

June 20, 2006

Alberta Energy and Utilities Board

ALBERTA ENERGY AND UTILITIES BOARD
Decision 2006-061: Burlington Resources Canada Ltd., Application for a Well Licence, Marsh Field, Gregg Lake, Hinton Area

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

BURLINGTON RESOURCES CANADA LTD.
APPLICATION FOR A WELL LICENCE **Decision 2006-061**
MARSH FIELD, GREGG LAKE, HINTON AREA **Application No. 1426300**

1 DECISION

Having completed a review of the application, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Application No. 1426300.

2 INTRODUCTION

2.1 Application

On September 30, 2005, Burlington Resources Canada Ltd. (Burlington) submitted to the Alberta Energy and Utilities Board (EUB/Board) Application 1426300 for a well licence, along with three other related applications for a compressor station and two pipelines in the area east of Gregg Lake. Application No. 1426300 is described below.

Application 1426300

Burlington applied, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations* for a well licence to drill a directional level-3 critical sour gas well. The well would have a surface location of Legal Subdivision (LSD) 4, Section 34, Township 52, Range 26, West of the 5th Meridian (the 4-34 well) and a bottomhole location of LSD 14-33-52-26W5M. The purpose of the well would be to produce natural gas from the Leduc Formation. The maximum hydrogen sulphide concentration expected to be encountered would be 234.6 moles per kilomole (23.46 per cent). The proposed 4-34 well would have a maximum calculated emergency planning zone of 4.34 kilometres (km) for the drilling case and 4.13 km for both the completion/servicing case and the suspended/producing case. The proposed well would be located about 16.8 km northwest of Hinton, Alberta.

2.2 Prehearing Meeting

The Board held a prehearing meeting in Edmonton, Alberta, on February 16, 2006, to discuss the agenda items as set out in the Notice of Prehearing dated January 18, 2006.

The Board issued EUB *Decision Report 2006-025* on March 10, 2006, with its findings. The Board determined that the registered interveners would have standing for the purposes of participating at a public hearing to hear issues specifically involving the proposed well application. The Board would not be setting the compressor and pipeline applications down for a public hearing, but would determine the disposition of these applications following the decision on the well licence.

2.3 Hearing

The Board was scheduled to hold a public hearing on Application No. 1426300 in Edmonton, Alberta, on June 27, 2006, before Board Members T. M. McGee and J. R. Nichol, P.Eng., and Acting Board Member D. K. Boyler, P.Eng.

3 DISCUSSION

In parallel to the hearing process, discussions continued between the parties through the EUB Appropriate Dispute Resolution process. On June 2, 2006, the parties granted standing on Application No. 1426300 filed a withdrawal of objection. In light of this withdrawal of the objections, the Board determined that the scheduled hearing was no longer required and the hearing was cancelled.

As the application meets all of the EUB regulatory requirements, the Board approves the application for the well licence. In addition and as described in Section 3 of *Decision 2006-025*, the Board has considered the applications for the pipelines and a compressor facility and has directed that licences should also be issued for Applications No. 1421386, 1421391, and 1421996.

Dated in Calgary, Alberta, on June 20, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

T. M. McGee
Presiding Member

<original signed by>

J. R. Nichol, P.Eng
Board Member

<original signed by>

D. K. Boyler, P.Eng.
Acting Board Member