



Canadian Natural Resources Limited

Application for Two Well Licences and a Pipeline Licence
Athabasca Field

November 28, 2006

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2006-119: Canadian Natural Resources Limited, Application for Two Well Licences and a Pipeline Licence, Athabasca Field

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Alberta Energy and Utilities Board
640 – 5 Avenue SW
Calgary, Alberta
T2P 3G4

Telephone: (403) 297-8311
Fax: (403) 297-7040
E-mail: eub.info_services@eub.gov.ab.ca
Web site: www.eub.ca

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**CANADIAN NATURAL RESOURCES LIMITED
APPLICATION FOR TWO WELL LICENCES
AND A PIPELINE LICENCE
ATHABASCA FIELD**

**Decision 2006-119
Applications No. 1452905,
1471170, and 1472099**

DECISION

The Alberta Energy and Utilities Board has considered the findings and recommendations set out in the following examiner report, adopts the recommendations, and directs that Applications No. 1452905, 1471170, and 1472099 be approved.

Dated in Calgary, Alberta, on November 28, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

Brad McManus, Q.C.
Acting Chairman

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

EXAMINER REPORT RESPECTING CANADIAN NATURAL RESOURCES LIMITED APPLICATION FOR TWO WELL LICENCES AND A PIPELINE LICENCE ATHABASCA FIELD

Decision 2006-119
Applications No. 1452905,
1471170, and 1472099

1 RECOMMENDATIONS

The examiner panel recommends that the objection of Shawn Wasel be set aside, the hearing scheduled to consider this matter be cancelled, and Applications No. 1452905, 1471170, and 1472099 be approved.

2 INTRODUCTION

2.1 Applications

Canadian Natural Resources Limited (CNRL) applied to the Alberta Energy and Utilities Board (EUB/Board), pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for a licence to drill a gas well from a surface location in Legal Subdivision (LSD) 9 of Section 26, Township 66, Range 24, West of the 4th Meridian, to a projected bottomhole in LSD 16-26-66-24W4M (Application No. 1452905). The maximum hydrogen sulphide (H₂S) concentration is expected to be 0.00 moles per kilomole (0.00 per cent).

CNRL applied to the EUB, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for a licence to drill a gas well from a surface location in LSD 10 of Section 26, Township 66, Range 24, West of the 4th Meridian, to a projected bottomhole in LSD 6-26-66-24W4M (Application No. 1471170). The maximum H₂S concentration is expected to be 0.00 moles per kilomole (0.00 per cent).

CNRL also applied, in accordance with Part 4 of the *Pipeline Act*, for approval to construct and operate a pipeline for the purpose of transporting natural gas from LSD 10-26-66-24W4M (proposed well) to a pipeline tie-in point in LSD 8-23-66-24W4M (Application No. 1472099). The proposed pipeline would be about 3.43 kilometres (km) in length, with a maximum outside diameter of 114.3 millimetres, and would transport natural gas with a maximum H₂S concentration of 0.0 per cent.

Both the proposed wells and the proposed pipeline would be about 10 km west of the town of Athabasca, Alberta.

2.2 Interventions

Phyllis Mort and Albert Mort are landowners of the northeast quarter of Section 26-66-24W4M, on which the proposed wells and pipeline would be located. The Morts filed an objection to the proposed wells on March 24, 2006, and to the proposed pipeline on August 10, 2006, citing concerns about interruption to farming operations, interruption to potential subdivision possibilities, and increased potential for trespassers entering the land. Objections were also received from the Summer Village of Sunset Beach, citing concerns about noise, odours, flaring,

the number of existing pipelines in the area, and the impact on water wells, and from adjacent landowner Shawn Wasel, citing concerns about consultation procedures, air and water quality, land values, quality of life, and emergency response plans.

2.3 Hearing

The examiners were scheduled to hold a public hearing in Athabasca, Alberta, on December 5, 2006, before Ron Paulson, C.E.T. (Presiding Member), Laurie Wilson-Temple, and Tom Pesta, P.Eng.

3 DISCUSSION

Subsequent to the EUB's issuance of a Notice of Hearing, discussions continued between CNRL and the Morts, resulting in an agreement. On November 20, 2006, the EUB received a signed withdrawal of objection regarding the proposed wells and pipeline from the Morts. The Summer Village of Sunset Beach also withdrew its objection, effective November 13, 2006. The remaining objector, Shawn Wasel, resides about 700 m from the proposed project. CNRL has addressed Mr. Wasel's concerns. It has met EUB consultation requirements and is required to meet EUB noise requirements. CNRL also undertook to test the water wells of the three closest residences. Therefore, the examiners found that Shawn Wasel had not demonstrated that he may be directly and adversely affected by the proposed wells and pipeline.

In light of the Morts and the Summer Village of Sunset Beach withdrawing their objections to Applications No. 1452905, 1471170, and 1472099, the examiners are satisfied that a hearing is not necessary for the EUB to make a disposition of the subject applications and therefore recommend cancellation of the hearing.

Furthermore, on the basis of the EUB staff review of Applications No. 1452905, 1471170, and 1472099, finding them technically complete, the examiners recommend that the applications be approved.

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

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

Ron Paulson, C.E.T.
Presiding Member

<original signed by>

Laurie Wilson-Temple
Examiner

<original signed by>

Tom Pesta, P.Eng.
Examiner