



Burlington Resources Canada Ltd.

Applications for Three Well Licences
Pembina Field

December 5, 2006

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2006-125: Burlington Resources Canada Ltd., Applications for Three Well Licences,
Pembina Field

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**BURLINGTON RESOURCES CANADA LTD.
APPLICATIONS FOR THREE WELL LICENCES
PEMBINA FIELD**

**Decision 2006-125
Applications No. 1456689,
1459652, and 1459666**

1 DECISION

Having completed a review of the applications, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Applications No. 1456689, 1459652, and 1459666.

2 INTRODUCTION

2.1 Applications

Burlington Resources Canada Ltd. (Burlington) applied, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for licences to drill three level-3 critical sour oil wells from two existing well site locations. One well would be directionally drilled from an existing surface location in Legal Subdivision (LSD) 13 of Section 34, Township 48, Range 9, West of the 5th Meridian, to a bottomhole location in LSD 7-3-49-9W5M (7-3 well). Two wells would be directionally drilled from an existing surface location in LSD 3-8-49-8W5M to bottomhole locations in LSD 3-17-49-8W5M (3-17 well) and LSD 12-4-49-8W5M (12-4 well).

The anticipated maximum hydrogen sulphide (H₂S) concentration for the 7-3 well is expected to be 250 moles per kilomole (25.0 per cent), and the anticipated cumulative H₂S release rate for the drilling and completion phases of the well would be 5.0 cubic metres per second (m³/s), with a corresponding calculated emergency planning zone (EPZ) of 6.87 kilometres (km). The purpose of this well would be to obtain gas production from the Nisku Formation. The existing 13-34-48-9W5M surface location is located 11.5 km northeast of the Hamlet of Lodgepole.

The anticipated maximum H₂S concentration for the 3-17 and 12-4 wells is expected to be 250 moles per kilomole (25.0 per cent), and the anticipated cumulative H₂S release rate for the drilling and completion phases of the well would be 3.90 cubic m³/s, with a corresponding calculated EPZ of 5.8 km. The purpose of this well would be to obtain oil production from the Nisku Formation. The existing 3-8-49-8W5M surface location is located 8.0 km northwest of the Hamlet of Violet Grove.

2.2 Interventions

Barney Olynyk and Darlene Olynyk (the Olynyks), who reside within the EPZs, filed an intervention in opposition to the subject applications. The Olynyks raised concerns relating to emergency response planning, cumulative effects, proliferation, and the impact of the wells on their health.

Patrick Collins, who resides within EPZ for the 7-3 well, submitted an intention to file an intervention in opposition to the application for the 7-3 well. He raised concerns related to health and safety and also concerns related to compensation and relocation, which the Board does not determine.

Garry Johnson and Connie Johnson, who reside within the EPZs, submitted an objection to the subject applications. They raised concerns related to flaring and location.

Len Cartwright and Shelia Cartwright, who reside within the EPZs, submitted an objection to the subject applications. They raised concerns related to air quality, public health and safety, water quality, and property value.

Andrew Kitching, who resides within the EPZ for the 7-3 well, submitted an objection to the subject applications. He raised concerns related to air quality, public health and safety, water quality, and property value.

The Pembina Agricultural Protection Association (PAPA), an interested party that does not reside within the EPZs, submitted an objection to the subject applications. It raised concerns relating to air quality, public health and safety, water quality, and property value.

Brian Donison, Susan McLean, Dale Guze and Sherrlye Guze, Owen Titanich and Betty Titanich, John MacKenzie and Linda MacKenzie, Ken MacKenzie and Janina MacKenzie, G. L. Bannard, and Lester Sondersen, who reside within one or more of the EPZs, submitted objections to the subject applications. These parties raised concerns related to air quality, public health and safety, water quality, and property value.

2.3 Hearing

The Board had scheduled a public hearing in Rocky Rapids, Alberta, to commence on December 7, 2006, before Board Member J. R. Nichol, P.Eng. (Presiding Member) and Acting Board Members C. A. Langlo, P.Geol., and D. K. Boyler, P.Eng. The hearing was cancelled by the Board for the reasons set out below.

3 DISCUSSION

The Olynyks, Garry Johnson and Connie Johnson, Len Cartwright and Shelia Cartwright, Andrew Kitching, and PAPA resolved their concerns with Burlington and withdrew their objections to the subject applications.

Patrick Collins did not file an intervention with the Board and confirmed on November 28, 2006, that he did not wish to engage in the hearing process.

Brian Donison, Susan McLean, Dale Guze and Sherrlye Guze, Owen Titanich and Betty Titanich, John MacKenzie and Linda MacKenzie, Ken MacKenzie and Janina MacKenzie, G. L. Bannard, and Lester Sondersen did not file interventions with the Board. These parties are members of PAPA and aligned themselves with PAPA's concerns. PAPA indicated that it represented its membership and withdrew its objection to the subject applications.

In light of the withdrawals of objections and since the applications meet all of the EUB's requirements, the Board determined that the scheduled hearing was no longer required and cancelled the hearing.

Dated in Calgary, Alberta, on December 5, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

J. R. Nichol, P.Eng.
Presiding Member

<original signed by>

C. A. Langlo, P.Geol.
Acting Board Member

<original signed by>

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