



Canadian Natural Resources Limited

Applications for Well Licences and Associated Batteries
Fort Kent Field

March 6, 2007

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2007-019: Canadian Natural Resources Limited, Applications for Well Licences and Associated Batteries, Fort Kent Field

March 6, 2007

Published by

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

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

CONTENTS

1	Decision	1
2	Introduction.....	1
2.1	Applications.....	1
2.1.1	Application No. 1457043	1
2.1.2	Application No. 1457059	1
2.1.3	Application No. 1457085	1
2.1.4	Application No. 1457096	2
2.1.5	Application No. 1456992	2
2.1.6	Application No. 1456995	2
2.1.7	Application No. 1456998	2
2.1.8	Application No. 1460954	2
2.2	Intervention.....	2
2.3	Hearing	3
3	Preliminary Matters	3
4	Other Matters	3
5	Conclusion	4
	Appendix 1 Hearing Participants.....	5
	Figure 1 Well Sites and Associated Batteries as Applied For.....	6
	Figure 2 Amended Well Sites and Associated Batteries as Agreed to by Both Parties	7

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**CANADIAN NATURAL RESOURCES LIMITED
APPLICATIONS FOR WELL LICENCES
AND ASSOCIATED BATTERIES
FORT KENT FIELD**

**Decision 2007-019
Applications No. 1456992, 1456995,
1456998, 1457043, 1457059, 1457085,
1457096, and 1460954**

1 DECISION

Having carefully considered all of the evidence, the Alberta Energy and Utilities Board (EUB/Board) approves amended Applications No. 1503525, 1503527, 1503528, 1503529, 1503530, and 1503534 as submitted on February 20, 2007.

2 INTRODUCTION

2.1 Applications

Canadian Natural Resources Limited (CNRL) applied for licences to drill nineteen wells and for approval to construct and operate four multiwell oil batteries (two sites are existing), as detailed in the following sections. The proposed project would be located about 5 kilometres southeast of Bonnyville. The anticipated hydrogen sulphide concentration expected to be encountered by the wells and associated batteries would be about 0.00 moles per kilomole (0.00 per cent).

2.1.1 Application No. 1457043

CNRL applied to the EUB, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for licences to drill four slant wells from a common surface location in Legal Subdivision (LSD) 10 of Section 10, Township 61, Range 5, West of the 4th Meridian (10-10 well site) to projected bottomhole locations in LSD 10-10-61-5W4M, LSD 11-10-61-5W4M, and LSD 15-10-61-5W4M. The purpose of the wells would be to obtain crude bitumen production from the McLaren Member.

2.1.2 Application No. 1457059

CNRL applied to the EUB, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for licences to drill three slant wells from an existing multiwell pad site located in LSD 16-10-61-5W4M (16-10 well site) to projected bottomhole locations in LSD 15-10-61-5W4M, LSD 16-10-61-5W4M, and LSD 1-15-61-5W4M. The purpose of the wells would be to obtain crude bitumen production from the McLaren Member.

2.1.3 Application No. 1457085

CNRL applied to the EUB, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for licences to drill six slant wells from an existing well site located in LSD 12-10-61-5W4M (12-10 well site) to projected bottomhole locations in LSD 9-9-61-5W4M, LSD 16-9-61-5W4M, LSD 11-10-61-5W4M, LSD 12-10-61-5W4M,

LSD 13-10-61-5W4M, and LSD 14-10-61-5W4M. The purpose of the wells would be to obtain crude bitumen production from the McLaren Member.

2.1.4 Application No. 1457096

CNRL applied to the EUB, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for licences to drill one vertical well and five slant wells from a common surface location in LSD 11-10-61-5W4M (11-10 well site) to projected bottomhole locations in LSD 5-10-61-5W4M and LSD 6-10-61-5W4M. The purpose of the wells would be to obtain crude bitumen production from the McLaren Member.

2.1.5 Application No. 1456992

CNRL applied, pursuant to Section 7.001 of the *Oil and Gas Conservation Regulations*, for approval to construct and operate a multiwell oil battery at surface location LSD 10-10-61-5W4M (10-10 battery). The equipment on site would consist of four 1000 barrel (bbl) sales tanks. The purpose of the facility would be to store crude bitumen production from the proposed 10-10 well site.

2.1.6 Application No. 1456995

CNRL applied, pursuant to Section 7.001 of the *Oil and Gas Conservation Regulations*, for approval to construct and operate a multiwell oil battery at surface location LSD 11-10-61-5W4M (11-10 battery). The equipment on site would consist of six 1000 bbl sales tanks. The purpose of the facility would be to store crude bitumen production from the proposed 11-10 well site.

2.1.7 Application No. 1456998

CNRL applied, pursuant to Section 7.001 of the *Oil and Gas Conservation Regulations*, for approval to amend an existing oil battery at surface location LSD 12-10-61-5W4M (12-10 battery). There are currently two 1000 bbl sales tanks located at this surface location for the existing well. The new equipment on site would consist of four 1000 bbl sales tanks, which would result in a total of six 1000 bbl sales tanks on this site. The purpose of the facility would be to store crude bitumen production from the proposed 12-10 well site.

2.1.8 Application No. 1460954

CNRL applied, pursuant to Section 7.001 of the *Oil and Gas Conservation Regulations*, for approval to amend the licence for an existing multiwell oil battery at surface location LSD 16-10-61-5W4M (16-10 battery). The existing equipment on site consists of propane tanks, motor shacks, and a fuel gas conditioner. The new equipment would consist of four new 1000 bbl sales tanks on this site. The purpose of the facility would be to store crude bitumen production from the proposed 16-10 well site.

2.2 Intervention

Maurice Rivard and Paulette Rivard (the Rivards) reside on the northeast quarter of Section 10-61-5W4M and own a large portion of the north half of Section 10-61-5W4M, the land

on which the proposed wells and associated batteries would be located. The Rivards raised concerns regarding their registered subdivision plans for the northwest quarter of Section 10-61-5W4M, truck traffic, noise pollution, water well deterioration, air quality contamination, aesthetics, property values, and the effect on their buffalo herd.

2.3 Hearing

The Board held a public hearing in Bonnyville, Alberta, which commenced and concluded on February 1, 2007, before Board Members G. J. Miller (Presiding Member) and T. M. McGee and Acting Board Member D. D. Waisman, C.E.T. The Board panel and EUB staff conducted a site visit on January 31, 2007. Those who appeared at the hearing are listed in [Appendix 1](#).

3 PRELIMINARY MATTERS

CNRL explained that an agreement had been reached between it and the Rivards. CNRL further explained that as part of the agreement, parties had agreed on changes to some of the applications originally filed. Therefore amendments would be required and would result in a re-filing of the amended applications after the hearing concluded.

CNRL stated that the amendments were necessary because it was not going to proceed with the 10-10 well site and therefore required that some of the wells from the proposed site be moved onto the remaining two existing well sites and one new proposed well site. CNRL clarified that it would proceed with the 11-10 well site and would add two additional wells to this site. The addition of these two wells would require a slight extension to the 11-10 well site and the dimensions and shape of the pad would be changed. CNRL further clarified that it would proceed with the 16-10 well site and would add one additional well to this existing site. CNRL explained that it would change the shape of the 12-10 well pad slightly.

The Rivards confirmed that they had reached an agreement with CNRL, thereby effectively removing their objection to the applied-for applications as proposed to be amended by CNRL.

The Board notes that as part of the agreement between the parties, two of the applications (Applications No. 1456992 and 1457043) would be withdrawn and the remaining six original applications (Applications No. 1456995, 1456998, 1457059, 1457085, 1457096, and 1460954) required amendments. The Board understands that the Rivards have no further concerns regarding the amended applications submitted on February 20, 2007, which were numbered as Applications No. 1503525, 1503527, 1503528, 1503529, 1503530, and 1503534. These applications effectively replace Applications No. 1456995, 1456998, 1457059, 1457085, 1457096, and 1460954.

4 OTHER MATTERS

The Board notes that some area residents participated at the hearing, although they had not previously made written submissions. These parties expressed general concerns regarding oil and gas development in the area. Concerns were stated with regard to water wells, future residential development within the town limits of Bonnyville, and environmental impacts. Also, there was a

statement made requesting that the Board review the economic study submitted by the Rivards while making its decision.

The Board encourages anyone who has concerns about oil and gas activity or the EUB's application process to contact the EUB offices in either Calgary or Bonnyville. The Calgary office may be contacted by telephone at (403) 297-8311, by fax at (403) 297-2474, and by e-mail at BOS.Admin@eub.ca; the Bonnyville Field Centre may be contacted by telephone at (780) 826-5352 and by fax at (780) 826-2366. Concerns regarding water wells should be directed to the Alberta Environment Complaint Line at 1-800-222-6514 to formally register a complaint and ensure appropriate management. The Board notes that additional information regarding groundwater in an area is available on the Prairie Farm Rehabilitation Administration Web site at www.agr.gc.ca/pfra/water/groundw_e.htm.

5 CONCLUSION

The Board accepts that CNRL and the Rivards have reached an agreement on the matters outstanding between them and understands that, pursuant to this agreement, certain applications required amendments to reflect the surface locations of the wells and facilities as agreed to by both parties. As a result, the Board approves amended Applications No. 1503525, 1503527, 1503528, 1503529, 1503530, and 1503534, as submitted on February 20, 2007.

Dated in Calgary, Alberta, on March 6, 2007.

ALBERTA ENERGY AND UTILITIES BOARD

G. J. Miller
Presiding Member

T. M. McGee
Board Member

D. D. Waisman, C.E.T.
Acting Board Member

APPENDIX 1 HEARING PARTICIPANTS

**Principals and Representatives
(Abbreviations used in report)****Witnesses**

Canadian Natural Resources Limited (CNRL)
P. McGovern

D. Parker
R. Palmer

R. Rivard and P. Rivard
J. Wiebe

H. Van Pelt

B. Ringuette

R. Holloway

R. Theroux

Alberta Energy and Utilities Board staff

G. Bentivegna, Board Counsel
C. Giesbrecht
T. Novotny
W. MacKenzie

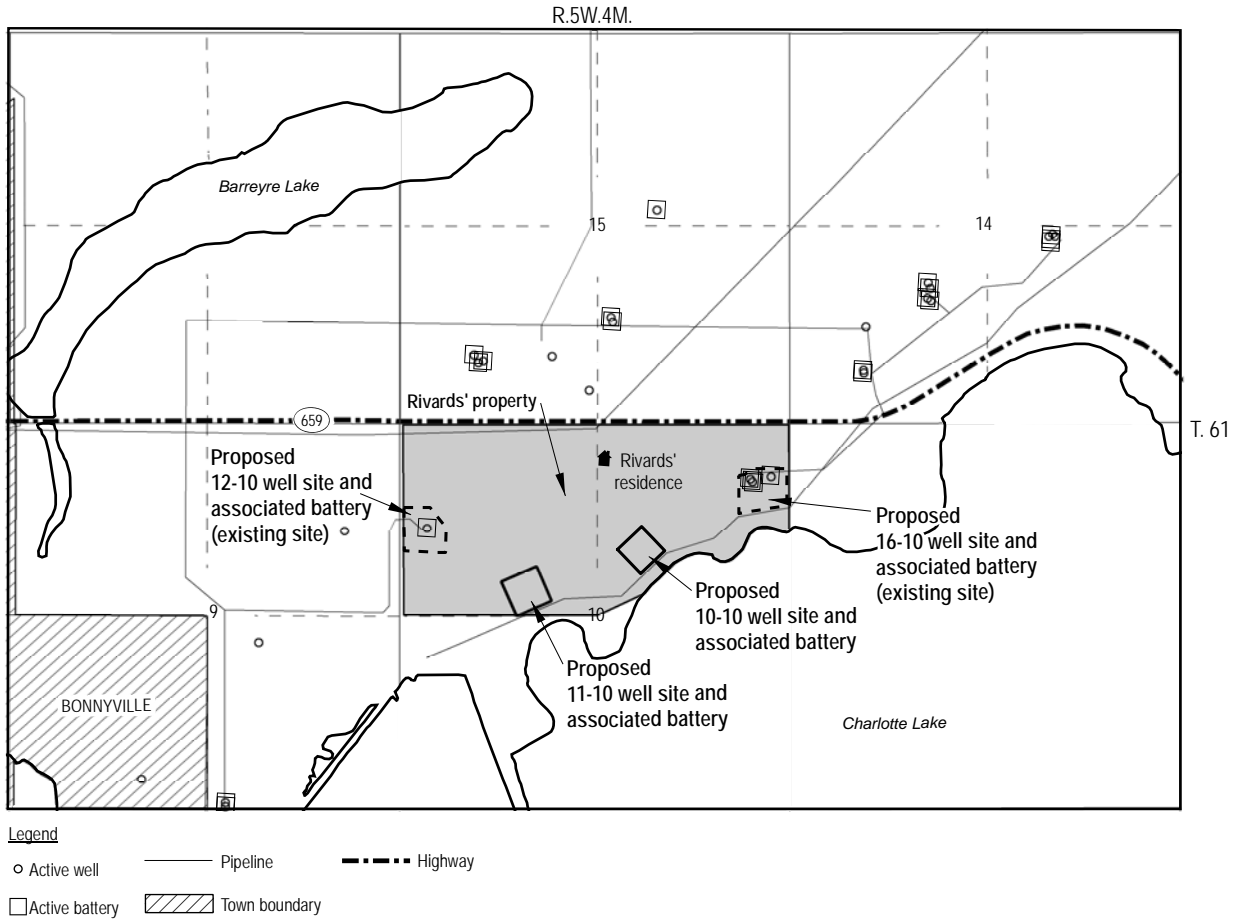


Figure 1. Well sites and associated batteries as applied for

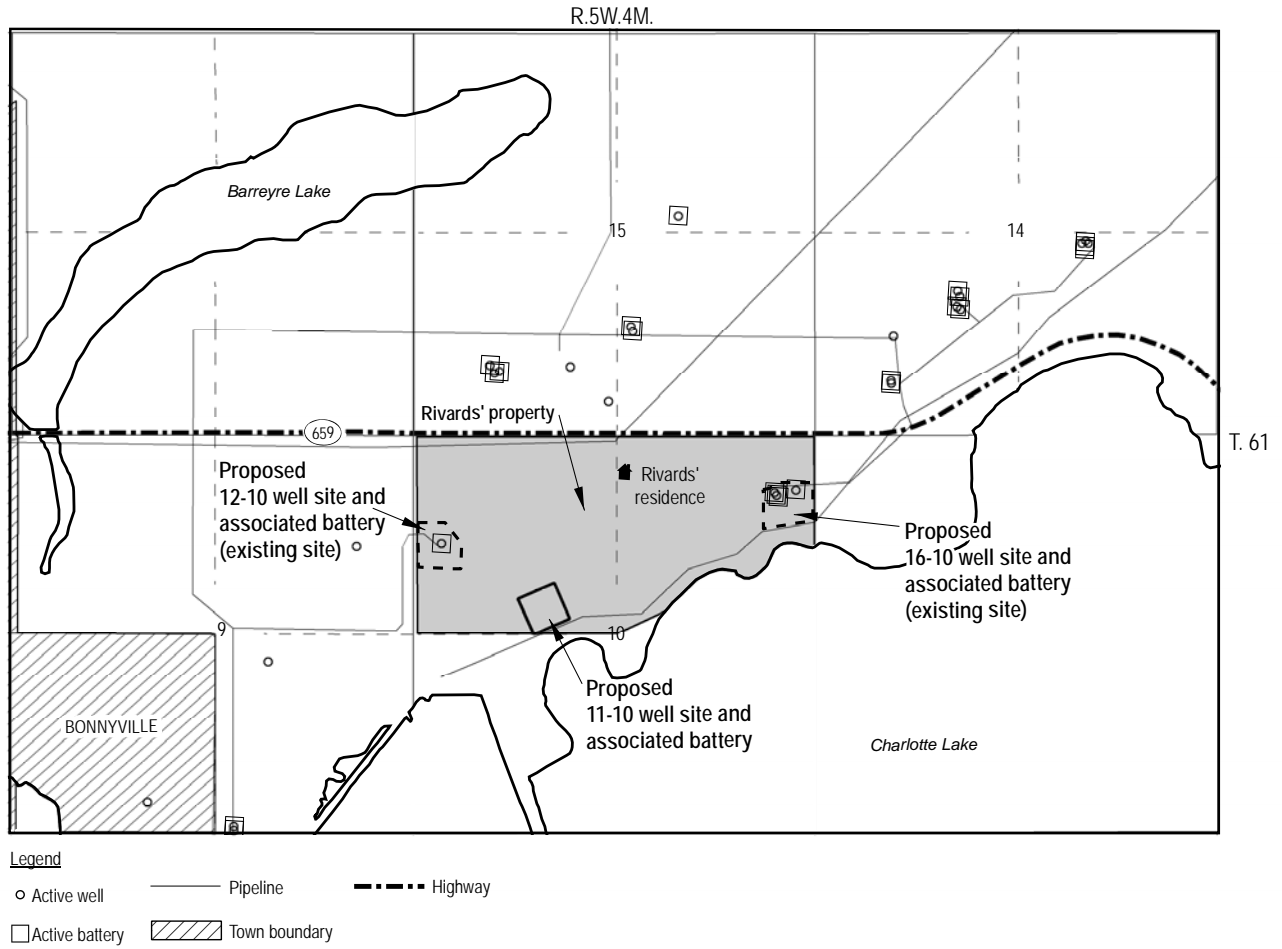


Figure 2. Amended well sites and associated batteries as agreed to by both parties