



Apache Canada Ltd.

Applications for Three Well Licences, Three Pipeline Licences,
and Three Single-Well Battery Licences
Wood River Field

December 5, 2007

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2007-096: Apache Canada Ltd., Applications for Three Well Licences, Three Pipeline Licences, and Three Single-Well Battery Licences, Wood River Field

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Published by

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

APACHE CANADA LTD.

APPLICATIONS FOR THREE WELL LICENCES,
THREE PIPELINE LICENCES, AND THREE
SINGLE-WELL BATTERY LICENCES
WOOD RIVER FIELD

Decision 2007-096
Applications No. 1477016, 1479473,
1479476, 1505721, 1506137, 1506694,
1518206, 1518253, and 1518271

1 DECISION

Having completed a review of the applications, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Applications No. 1477016, 1479473, 1479476, 1505721, 1506137, 1506694, 1518206, 1518253, and 1518271.

2 INTRODUCTION

2.1 Applications

Apache Canada Ltd. (Apache) applied to the EUB pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations (OGCR)* for licences to drill three vertical wells from three different surface locations. Apache applied pursuant to Part 4 of the *Pipeline Act* for approval to construct and operate three associated pipelines. Apache also applied pursuant to Section 7.001 of the *OGCR* requesting approval to construct and operate three single well batteries. The details of the applications are as follows:

Applications No. 1477016, 1505721, and 1506137

Applications for three vertical wells from surface locations at Legal Subdivision (LSD) 2 of Section 11, Township 43, Range 24, West of the 4th Meridian (the 2-11 well), LSD 10-2-43-24W4M (the 10-2 well), and LSD 6-12-43-24W4M (the 6-12 well). No hydrogen sulphide (H₂S) is expected to be encountered in the drilling of these wells. The purpose of the wells is to obtain coalbed methane production from the Edmonton Formation, as well as natural gas from the Belly River Formation.

Applications No. 1479473, 1479476, and 1506694

Applications for three pipelines to transport natural gas from and to the following locations: from LSD 2-11-43-24W4M to a tie-in point at LSD 3-11-43-24W4M (Application No. 1479473); from LSD 10-2-43-24W4M to a tie-in point at LSD 6-2-43-24W4M (Application No. 1479476); and from LSD 6-12-43-24W4M to a tie-in point at LSD 1-12-43-24W4M (Application No. 1506694). The proposed pipelines would be about 0.8 kilometres (km), 0.6 km, and 1.27 km in length respectively, with maximum outside diameters of 114.3 millimetres, and would transport natural gas containing no H₂S.

Applications No. 1518206, 1518253, and 1518271

Applications for three single-well battery licences at LSD 2-11-43-24W4M, LSD 10-2-43-24W4M, and LSD 6-12-43-24W4M. The purpose of the facilities is to measure production

from the proposed wells. While facilities of this nature are normally exempt from licensing, the EUB requested the applications from Apache to complete the proposed project.

2.2 Interventions

Hugh Jones and Margaret Jones own and reside on the southeast quarter of Section 11-43-24W4M and the southwest quarter of Section 12-43-24W4M, where the 6-12 and 2-11 wells are proposed to be located. Gregory Jones owns and resides on the northeast quarter of Section 2-43-24W4M, where the 10-2 well is proposed to be located. Hugh Jones, Margaret Jones, and Gregory Jones filed interventions in opposition to the subject applications.

2.3 Hearing

The Board was scheduled to hold a public hearing in Ponoka, Alberta, on November 21, 2007, before Board Member J. D. Dilay, P.Eng. (Presiding Member) and Acting Board Members R. J. Willard, P.Eng., and R. G. Evans, P.Eng.

3 DISCUSSION

Apache engaged in negotiations with Hugh Jones, Margaret Jones, and Gregory Jones on November, 12, 2007. The meeting resulted in an agreement between parties, and on November 14, 2007, a signed withdrawal of objection was received by the EUB. The EUB has completed its review of the applications and is satisfied that they meet all applicable regulatory requirements. The Board therefore has cancelled the scheduled hearing and directs that the necessary approvals be issued in due course.

Dated in Calgary, Alberta, on December 5, 2007.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

J. D. Dilay, P.Eng.
Presiding Member

<original signed by>

R. J. Willard, P.Eng.
Acting Board Member

<original signed by>

R. G. Evans, P.Eng.
Acting Board Member