



Apache Canada Ltd.

Applications for Well and Pipeline Licences and
Section 39 Review Request of Pipeline Licence No.
19797, Line 896
Bashaw Field

April 15, 2008

ENERGY RESOURCES CONSERVATION BOARD

Decision 2008-027: Apache Canada Ltd., Applications for Well and Pipeline Licences and Section 39 Review Request of Pipeline Licence No. 19797, Line 896, Bashaw Field

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

**APACHE CANADA LTD.
APPLICATION FOR WELL AND
PIPELINE LICENCES AND SECTION 39
REVIEW REQUEST OF PIPELINE
LICENCE NO. 19797, LINE 896
BASHAW FIELD**

**Decision 2008-027
Applications No. 1479478, 1488988, and
1502467 and Proceeding No. 1553962**

1 DECISION

Noting that Applications No. 1479478, 1488988, and 1502467 meet Energy Resources Conservation Board (ERCB/Board) requirements, and noting the confirmation of nonobjection from the intervening party, the Board hereby approves Applications No. 1479478, 1488988, and 1502467 and confirms the good standing of Pipeline Licence No. 19797, Line 896.

2 INTRODUCTION

2.1 Applications

Application No. 1479478

Apache Canada Ltd. (Apache) applied to the ERCB, pursuant to Part 4 of the *Pipeline Act*, for approval to construct and operate a pipeline for the purpose of transporting natural gas containing no hydrogen sulphide (H₂S) from Legal Subdivision (LSD) 8 of Section 3, Township 42, Range 23, West of the 4th Meridian, to a pipeline tie-in point at LSD 1-3-42-23W4M. The proposed pipeline would be about 0.49 kilometres (km) in length, with a maximum outside diameter of 114.3 millimetres (mm).

Applications No. 1488988 and 1502467

Apache applied, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for licences to drill two wells from surface locations in LSD 8-3-42-23W4M and LSD 14-3-42-23W4M. The purpose of the wells would be to obtain coalbed methane production containing no H₂S from the Edmonton Formation.

Proceeding No. 1553962

On June 8, 2005, the Alberta Energy and Utilities Board (EUB/Board) approved Application No. 1404027 and issued Pipeline Licence No. 19797, Line 896, to Apache, in accordance with Part 4 of the *Pipeline Act*. Pipeline Licence No. 19797, Line 896, is for the construction and operation of a pipeline for the purpose of transporting natural gas containing no H₂S from LSD 14-3-42-23W4M to a pipeline tie-in point at LSD 6-3-42-23W4M. The pipeline would be about 0.72 km in length, with a maximum outside diameter of 114.3 mm.

The EUB received letters from an affected party requesting that the Board conduct a review hearing relating to Pipeline Licence No. 19797, Line 896, pursuant to Section 39 of the *Energy Resources Conservation Act*. On November 29, 2007, the Board granted the request for a review hearing and registered the hearing as Proceeding No. 1553962. The purpose of the hearing was to determine whether the Board should confirm, vary, or rescind its decision to grant Pipeline Licence No. 19797, Line 896.

Effective January 1, 2008, the EUB was replaced by the ERCB and the Alberta Utilities Commission. As Notice of Hearing for this matter was issued after the coming into force of Section 80 of the *Alberta Utilities Commission Act*, the applications and the the request to review and vary Pipeline Licence No. 19797, Line 896, are within the jurisdiction of the ERCB.

2.2 Intervention

Roger and Shauna Palsma and Aaldrik and Nienke Palsma, landowners where the proposed wells and pipeline are proposed to be drilled and constructed, filed an objection in opposition to the subject applications. They raised concerns regarding dust control, traffic, proper construction of access roads, and water well testing.

2.3 Hearing

The Board was scheduled to hold a public hearing in Lacombe, Alberta, on April 10, 2008, before Board Member J. D. Dilay (Presiding Member).

3 DISCUSSION

Apache engaged in field facilitation with the Palsmas, resulting in an agreement between parties, and on April 3, 2008, a signed withdrawal of objection was received by the ERCB. As such, the Board will not hold a hearing to consider the captioned applications and proceeding.

Dated in Calgary, Alberta, on April 15, 2008.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

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