



Standard Energy Inc.

Application for a Multiwell Licence
Grande Prairie Field

July 22, 2008

ENERGY RESOURCES CONSERVATION BOARD

Decision 2008-059: Standard Energy Inc., Application for a Multiwell Licence, Grande Prairie Field

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

**STANDARD ENERGY INC.
APPLICATION FOR A MULTIWELL LICENCE
GRANDE PRAIRIE FIELD**

**Decision 2008-059
Application No. 1517825**

1 DECISION

Having conducted a hearing to consider Application No. 1517825, the Energy Resources Conservation Board (ERCB/Board) hereby accepts the request by Standard Energy Inc. (Standard) to withdraw the application.

2 INTRODUCTION

2.1 Application

Standard applied to the ERCB for a licence to drill a multiwell pad from a surface location at Legal Subdivision (LSD) 3, Section 28, Township 71, Range 4, West of the 6th Meridian, to projected bottomhole locations in LSD 2-28-71-4W6M, 3-28-71-4W6M, 4-28-71-4W6M, and 11-28-71-4W6M. The purpose of the wells would be to produce crude oil from the Dunvegan Formation. No hydrogen sulphide was expected to be encountered in the drilling of the wells.

2.2 Intervention

Phil Marcy, Audra McKinley, and Ray Marcy and Laurie Marcy (the Marcys) filed an objection to the proposed project. Phil Marcy is the executor of the estate of the deceased owner of the portion of the southwest quarter of Section 28-71-4W6M, on which the multiwell pad was to be located. The Marcys also reside on the southwest quarter section. The Marcys raised a number of concerns including drainage, groundwater, safety, dust, noise, and adverse impacts on native prairie. Given their proximity to the site, the Board granted standing to the Marcys to appear at the hearing.

Doug Couturier and Bonnie Couturier (the Couturiers), landowners of the southeast quarter of Section 28-71-4W6M, also filed an objection. They raised concerns regarding dust, noise, property devaluation, adverse impact on their water well, and loss of trees. Because of their distance from the site, the Couturiers were not given standing to appear at the hearing. However, Doug Couturier did attend the hearing and was given an opportunity to address the panel briefly during the proceeding.

2.3 Hearing

The Board held a public hearing in Grande Prairie, Alberta, on May 28 and 29, 2008, before Board Member G. M. Miller (Presiding Member) and Acting Board Members T. L. W. Watson, P.Eng., and J. G. Gilmour, LLB. Those who appeared at the hearing are listed in [Appendix 1](#).

Prior to the close of the hearing, Standard withdrew the application and indicated that it would file a new application for a surface location at LSD 6-28-71-4W6M in due course.

During the hearing, the parties provided a number of undertakings. Given that the application was withdrawn by Standard, the panel does not require completion of the undertakings.

3 BACKGROUND

3.1 Appropriate Dispute Resolution

In conjunction with proceeding to a hearing on the application, the ERCB encouraged the parties to engage in appropriate dispute resolution to continue discussing issues of interest. The parties met several times prior to the hearing. No resolution was reached as a result of these meetings.

4 DISCUSSION

The Board notes that Standard did not complete a site visit to the proposed location. As a result, Standard could not comment on or respond specifically to the concerns raised by the Marcys about the presence of native prairie on the site or other important issues, such the potential impact of the project on drainage patterns, other than to state that those matters would be addressed in the site assessment. In the Board's view, it is important that operators or their representatives visit the site to be able to appropriately answer questions and address concerns related to the appropriateness of the site for the purposes of a proposed development. The Board also believes that operators should consider the potential impact of operations on environmental conditions, water drainage and land use when choosing a site location.

The Board acknowledges that the presence of native prairie was not identified by the Marcys as a concern until late in the application hearing process. The Board notes that the survey plan submitted with the application does not include any indication that the site contains native prairie. The omission of any indication of native prairie on the survey plan and the failure by Standard to address that issue at the hearing impeded the Board's ability to properly consider the concern raised by the Marcys regarding the presence of native prairie on the site. During the proceeding, native prairie, noise, and local drainage patterns were raised by the Marcys as important issues. Given the importance of those issues, the Board proposed to adjourn the hearing and requested that Standard complete a site assessment prior to resuming and completing the hearing and rendering a final decision on the application. The Board understood that the request for a site assessment at that stage was unusual but believed that the information was necessary for the panel to make an informed decision about the application. The Board recognizes that it is often not possible to access land in order to conduct detailed predisturbance site assessments until a surface lease is in place. However, the use of tools such as aerial photography, discussions with landowners, site visits, and consultation with regulatory agencies can provide useful information to assist applicants in assessing the potential impact of a proposed project on the chosen site. The Board notes that a site assessment of the proposed location is no longer necessary, as the application has been withdrawn.

The Board further acknowledges that Standard would have preferred to amend the subject application to incorporate the new proposed surface location. The Board confirms that the

ERCB's application process does not allow for an amendment to the surface location. The Board notes that during the proceeding Standard acknowledged that a new proposed location would require that all *Directive 056: Energy Development Applications and Schedules* requirements be met prior to the filing a new application.

Finally, the Board notes that Standard plans to pursue an extensive drilling program in the area and that it has accepted an invitation to attend planning meetings arranged by the Municipal District of Grande Prairie. The Board encourages this type of dialogue between operators (including Standard) and residents in the area.

Dated in Calgary, Alberta, on July 22, 2008.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

G. M. Miller
Presiding Member

<original signed by>

T. L. W. Watson, P.Eng.
Acting Board Member

<original signed by>

J. G. Gilmour, LLB
Acting Board Member

APPENDIX 1 HEARING PARTICIPANTS

Principals and Representatives

Standard Energy Inc. (Standard)

G. S. Fitch, Counsel

W. Woo

P. Marcy

A. McKinley

R. Marcy

L. Marcy

D. Bishop, Counsel

Energy Resources Conservation Board staff

P. Johnston, Q.C., Board Counsel

J. FitzGerald

J. Smith

M. Greer

M. Bevan

B. Greenfield

Witnesses

R. Wiebe

K. Stecyk, P.Eng.,
of Crest Consultants Ltd.

B. Clegg,
of Roy Northern Land and Environmental

R. Peters,
of Roy Northern Land and Environmental

R. Marcy

P. Marcy