



Tournament Exploration Ltd.

Application for Special Oil Well Spacing
Gilby Field

January 27, 2009

ENERGY RESOURCES CONSERVATION BOARD

Decision 2009-003: Tournament Exploration Ltd., Application for Special Oil Well Spacing, Gilby Field

January 27, 2009

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

**TOURNAMENT EXPLORATION LTD.
APPLICATION FOR SPECIAL OIL WELL SPACING
GILBY FIELD**

**Decision 2009-003
Application No. 1582618**

DECISION

The Energy Resources Conservation Board has considered the findings and recommendation set out in the following examiner report, adopts the recommendation, and directs that Application No. 1582618 be approved.

Dated in Calgary, Alberta, on January 26, 2009.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

Dan McFayden
Chairman

ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

EXAMINER REPORT RESPECTING TOURNAMENT EXPLORATION LTD. APPLICATION FOR SPECIAL OIL WELL SPACING GILBY FIELD

**Decision 2009-003
Application No. 1582618**

1 RECOMMENDATION

Noting that Application No. 1582618 meets Energy Resources Conservation Board (ERCB/Board) requirements and noting the receipt of a confirmation of nonobjection from the intervening party, the examiners recommend that Application No. 1582618 be approved.

2 INTRODUCTION

2.1 Application

Tournament Exploration Ltd. (Tournament) applied, pursuant to Section 79(4) of the *Oil and Gas Conservation Act* and Section 5.190 of the *Oil and Gas Conservation Regulations (OGCR)*, to suspend the standard well spacing for the production of oil from the Belly River Group in the northwest quarter of Section 15, Township 42, Range 3, West of the 5th Meridian, by establishing a holding with the following provisions:

- Any producing well shall be at least 200 metres from the south and east boundaries of the holding.
- There shall be a maximum of two wells per pool per quarter section.

2.2 Intervention

Quatro Resources Inc. (Quatro), a mineral lessee with a producing Belly River oil well in the northeast quarter of Section 16-42-3W5M, immediately offsetting the area of application, filed an objection to the application.

Quatro's concerns included inequitable drainage of the Belly River oil reserves in the northeast quarter of Section 16 and lack of a buffer on the west side of the application area.

2.3 Hearing

Board-appointed examiners R. J. Willard, P.Eng. (Presiding Member), B. C. Hubbard, P.Eng., and T. A. Dibus, P.Geol., were scheduled to consider Application No. 1582618 at a public hearing in Calgary, Alberta, on March 2, 2009.

3 DISCUSSION

Tournament and Quatro participated in appropriate dispute resolution in November 2008. In a letter to the ERCB dated December 9, 2008, Quatro confirmed that it had reached an agreement

with Tournament and withdrew its objection to Application No. 1582618. As there were no outstanding objections to the application, the hearing was cancelled on December 15, 2008.

The examiners note that similar reduced spacing applications have been approved in the area in accordance with the improved recovery criteria of Part 4 of the *OGCR* and that the subject application requests a consistent use of standard conditions in accordance with *ERCB Bulletin 2007-27: Special Well Spacing Applications: Guidance on Determining Appropriate Buffer Zones for Holdings and Units*. The examiners are satisfied that there are no outstanding objections to the application and therefore recommend that Application No. 1582618 be approved.

Dated in Calgary, Alberta, on January 21, 2009.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

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

<original signed by>

B. C. Hubbard, P.Eng.
Examiner

<original signed by>

T. A. Dibus, P.Geol.
Examiner