



Paramount Energy Operating Corporation

Applications for Approval of an Experimental Scheme
for Gas Injection and Underground Storage and
Review and Variance of Decision 2005-122 and Shut-in
Order 05-001

Corner McMurray C Pool

Athabasca Oil Sands Area

July 21, 2009

ENERGY RESOURCES CONSERVATION BOARD

Decision 2009-044: Paramount Energy Operating Corporation, Applications for Approval of an Experimental Scheme for Gas Injection and Underground Storage and Review and Variance of Decision 2005-122 and Shut-in Order 05-001, Corner McMurray C Pool, Athabasca Oil Sands Area

July 21, 2009

Published by

Energy Resources Conservation Board
640 – 5 Avenue SW
Calgary, Alberta
T2P 3G4

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

ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

**PARAMOUNT ENERGY OPERATING CORPORATION
APPLICATIONS FOR AN EXPERIMENTAL SCHEME
FOR GAS INJECTION AND UNDERGROUND
STORAGE AND REVIEW AND VARIANCE OF
DECISION 2005-122 AND SHUT-IN ORDER 05-001
CORNER MCMURRAY C POOL
ATHABASCA OIL SANDS AREA**

**Decision 2009-044
Applications No. 1494136
and 1580112**

1 DECISION

The Energy Resources Conservation Board (ERCB/Board) grants the request by Paramount Energy Operating Corporation (Paramount) to withdraw Applications No. 1494136 and 1580112. Accordingly, there is no need for a hearing on the matter.

2 BACKGROUND

2.1 Applications

Paramount submitted the following applications to the ERCB:

- Application No. 1494136, for an experimental scheme for gas injection and underground storage in the Corner McMurray C Pool (C Pool); and
- Application No. 1499235 for a review and variance of *Decision 2005-122*¹ and Shut-in Order 05-001, to allow gas production from the C Pool in connection with the scheme proposed in Application No. 1494136. The review request was granted by the Board on the condition that the review hearing would occur in the same proceeding as Application No. 1494136. The review hearing was assigned Application No. 1580112 by the Board.

2.2 Interventions

Imperial Oil Resources (Imperial), on behalf of Nexen Inc. and Japan Canada Oil Sands Limited, owners of the oil sands leases underlying the C Pool, filed an intervention opposing Paramount's applications. Imperial's concerns with the proposed scheme were that

- it could compromise the future development of bitumen within the region of influence of the gas pools associated with the bitumen;
- it would not provide the necessary data and information to determine if a technical solution is proven and practical on field evidence; and
- it could remove solution gas that Paramount has no right to produce.

¹ Decision 2005-122: *Phase 3 Final Proceeding Under Bitumen Conservation Requirements in the Athabasca Wabiskaw-McMurray*, November 10, 2005.

Petro-Canada Oil and Gas, which has bitumen interests adjacent to the area that was subject to Paramount's applications, also requested intervener status in the proceeding.

2.3 Hearing

The Board had scheduled a hearing to consider the applications on March 16, 2009, but that hearing was postponed at the request of Paramount to allow it to conduct additional work relating to the applications. The Board did not set a firm date for the hearing and asked Paramount to indicate by June 1, 2009, whether it intended to proceed with the applications. On June 23, 2009, Paramount requested to withdraw the applications.

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

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

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

<original signed by>

G. Eynon, P.Geol.
Board Member

<original signed by>

C. A. Langlo, P.Geol.
Acting Board Member