



Pengrowth Corporation

Applications for 8 Well Licences, 3 Facility Licences,
and 9 Pipeline Segments
Twining Field

July 28, 2009

ENERGY RESOURCES CONSERVATION BOARD

Decision 2009-047: Pengrowth Corporation, Application for 8 Well Licences, 3 Facility Licences,
and 9 Pipeline Segments, Twining Field

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

PENGROWTH CORPORATION

APPLICATIONS FOR 8 WELL LICENCES,
3 FACILITY LICENCES,
AND 9 PIPELINE SEGMENTS
TWINING FIELD

Decision 2009-047
Applications No. 1567143, 1567144,
1567145, 1567146, 1567147, 1567148, 1567149,
1567150, 1569646, 1569673, 1585641, and 1566779

1 DECISION

The Energy Resources Conservation Board (ERCB/Board) received a request from Pengrowth Corporation (Pengrowth) to withdraw its 12 applications listed above (Applications No. 1567143 et al.), has accepted the applicant's request, and has cancelled the public hearing scheduled to consider them.

2 INTRODUCTION

2.1 Applications

Applications No. 1567143, 1567144, 1567145, 1567146, 1567147, 1567148, 1567149, and 1567150

Pengrowth submitted eight applications, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations (OGCR)*, for licences to drill eight vertical wells from surface locations at Legal Subdivision (LSD) 14, Section 32, Township 32, Range 23, West of the 4th Meridian, LSD 11-32-32-23W4M, LSD 10-32-32-23W4M, LSD 6-32-32-23W4M, LSD 3-32-32-23W4M, LSD 2-32-32-23W4M, LSD 15-29-32-23W4M, and LSD 9-29-32-23W4M. The purpose of the wells was to obtain crude oil production from the Ostracod Sands. The proposed wells were expected to encounter a maximum hydrogen sulphide concentration of 0.0 moles per kilomole (0.0 per cent) and would have been located about 2.54 kilometres south of Trochu.

Applications No. 1569646 and 1569673

Pengrowth submitted two applications, pursuant to Section 7.001 of the *OGCR*, requesting approval to construct and operate two multiwell oil satellites at LSD 7-32-32-23W4M and LSD 11-32-32-23W4M. The well site facilities would have consisted of a separator and tank. The purpose of the satellites was to separate and measure production from the proposed oil wells located at LSD 9-29-32-23W4M, LSD 15-29-32-23W4M, LSD 2-32-32-23W4M, LSD 7-32-32-23W4M, LSD 14-32-32-23W4M, LSD 11-32-32-23W4M, LSD 6-32-32-23W4M, and LSD 3-32-32-23W4M.

Application No. 1585641

Pengrowth submitted an application, in accordance with Section 7.001 of the *OGCR*, requesting approval to construct and operate a multiwell oil battery at LSD 15-32-32-23W4M. The well site facility would have consisted of a group and test separator, booster compressor, treater, and free water knockout tank. The purpose of the facility was to separate and measure production from

proposed oil wells located at LSD 10-32-32-23W4M, LSD 11-32-32-23W4M, and LSD 7-32-32-23W4M.

Application No. 1566779

Pengrowth submitted an application, in accordance with Part 4 of the *Pipeline Act*, to construct and operate nine pipelines for the purpose of transporting oil effluent from the applied-for wells to the associated satellite and battery facilities.

2.2 Intervention

The intervening party, Kevin Niemi, is the landowner of the southwest quarter of Section 29-32-23W4M, the north half of Section 29-32-23W4M, the south half of Section 32-32-23W4M, and the northwest quarter of Section 32-32-23W4M. He raised concerns about

- Pengrowth's consultation,
- the proximity of his lands and residence to the proposed battery,
- flaring noise,
- land devaluation, and
- unpredictable hazards for future inhabitants.

2.3 Hearing

The Board was scheduled to hold a public hearing in Three Hills, Alberta, on May 13, 2009, before Board Member G. J. Miller (Presiding Member) and Acting Board Members J. Gilmour, LL.B., and R. J. Willard, P.Eng. On April 29, 2009, the hearing was adjourned at the request of both parties to allow for further negotiations.

3 DISCUSSION

Pengrowth engaged in the ERCB's Appropriate Dispute Resolution (ADR) program with Mr. Niemi, which resulted in an agreement between the parties. On June 24 and June 29, 2009, Pengrowth notified the ERCB that it wished to withdraw the applications. Pengrowth plans on submitting new applications as agreed upon during the ADR process.

Dated in Calgary, Alberta, on July 28, 2009.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

G. J. Miller
Presiding Member

<original signed by>

J. Gilmour, LL.B.
Acting Board Member

<original signed by>

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