

ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

**PARAMOUNT RESOURCES LTD.
APPLICATION FOR SPECIAL GAS WELL SPACING
KAKWA FIELD****Decision 2010-029
Application No. 1644351**

DECISION

The Energy Resources Conservation Board has considered the recommendation set out in the following examiner report, adopts the recommendation, and directs that Application No. 1644351 be approved.

Dated in Calgary, Alberta, on August 9, 2010.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

Brad McManus
Acting Chairman

ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

**EXAMINER REPORT RESPECTING
PARAMOUNT RESOURCES LTD.
APPLICATION FOR SPECIAL GAS WELL SPACING
KAKWA FIELD**

**Decision 2010-029
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1 RECOMMENDATION

Having received Application No. 1644351, noting that it meets Energy Resources Conservation Board (ERCB/Board) requirements, and noting the receipt of a confirmation of nonobjection from the intervening party, the examiners recommend the approval of Application No. 1644351 and the cancellation of the public hearing.

2 APPLICATION

Paramount Resources Ltd. (Paramount) applied to the ERCB, pursuant to Section 79(4) of the *Oil and Gas Conservation Act* and Section 5.190 of the *Oil and Gas Conservation Regulations*, for the suspension of drilling spacing units and target area provisions and to establish holdings for gas production from various formations between the base of the Cardium Formation to the base of the Nikanassin Formation in Sections 15, 19, 20, 28, 29, and 30 of Township 62, Range 4, West of the 6th Meridian, and Section 36 of Township 62, Range 5, West of the 6th Meridian. The applicant proposes that within the holdings, a producing well shall be a minimum of 200 metres from the boundaries of the holding and only eight wells per pool per section may be produced from each gas pool.

An objection to the application was filed by ConocoPhillips Canada Resources Corp.

3 DISCUSSION

The Board was scheduled to hold a public hearing in Calgary, Alberta, on September 8, 2010, before Board-appointed examiners R. J. Willard, P.Eng. (Presiding Member), G. W. Dilay, P.Eng., and D. B. Fairgrieve, P.Geol.

On July 21, 2010, an amendment to the area of application and a withdrawal of objection was received by the ERCB. As there are no outstanding objections to the application, the examiners recommend that the hearing be cancelled.

The examiners are satisfied that the application is complete with respect to the requirements of *Directive 065: Resources Applications for Conventional Oil and Gas Reservoirs*. The examiners also note that the provisions of the requested holdings are consistent with special spacing previously approved in the area and with the standard buffer zones for holdings. The examiners therefore recommend that Application No. 1644351 be approved.

Dated in Calgary, Alberta, on August 9, 2010.

ENERGY RESOURCES CONSERVATION BOARD

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