

ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

DAYLIGHT ENERGY LTD.

APPLICATION FOR SPECIAL OIL WELL SPACING

PEMBINA

2011 ABERCB 003

Application No. 1645059

DECISION

The Energy Resources Conservation Board (ERCB/Board) has considered the recommendation made by the examiners, adopts the recommendation, and directs that Application No. 1645059 be approved.

Dated in Calgary, Alberta, on January 25, 2011.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

Dan McFadyan
Chairman

ENERGY RESOURCES CONSERVATION BOARD

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1 RECOMMENDATION

Having considered Application No. 1645059, noting that it meets ERCB requirements, and having received a withdrawal of the objection from the intervening party, the examiners recommend the cancellation of the scheduled public hearing and approval of Application No. 1645059.

2 APPLICATION

Daylight Energy Ltd. (Daylight) 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 to establish a holding for the production of oil from the Cardium Formation in the northeast quarter of Section 34, Township 48, Range 6, West of the 5th Meridian, in the Pembina Field. The applicant proposes that within the holding a producing well must be a minimum of 200 metres from the south and east boundaries of the holding and only two wells per pool per quarter section may be produced.

An objection to the application was filed by Owl River Resources Ltd.

3 DISCUSSION

The Board scheduled a public hearing to consider this matter in Calgary, Alberta, on January 26, 2011, before Board-appointed examiners B.C. Hubbard, P.Eng. (Presiding Member), T. R. Keelan, P.Eng., and J. R. MacGillivray, P.Geol..

On January 18, 2011, the ERCB received notification from the intervener, Owl River Resources Ltd., that it was withdrawing its objection to the application. 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 holding 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. 1645059 be approved.

Dated in Calgary, Alberta, on January 25, 2011.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

B.C. Hubbard, P.Eng.
Presiding Member