



Talisman Energy Canada

Application for Enlargement of Turner Valley Unit No. 3

February 15, 2005

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2005-008: Talisman Energy Canada, Application for Enlargement of
Turner Valley Unit No. 3

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**TALISMAN ENERGY CANADA
ENLARGEMENT OF TURNER VALLEY UNIT NO. 3
TURNER VALLEY FIELD**

**Decision 2005-008
Application No. 1364061**

DECISION

The Alberta Energy and Utilities Board has considered the findings and recommendations set out in the following examiner report, adopts the recommendation, and directs that Application No. 1364061 be approved.

DATED at Calgary, Alberta, on February 15, 2005.

ALBERTA ENERGY AND UTILITIES BOARD

[Original signed by]

Neil McCrank, Q.C.
Chairman

**EXAMINER REPORT RESPECTING
TALISMAN ENERGY CANADA
ENLARGEMENT OF TURNER VALLEY UNIT NO. 3
TURNER VALLEY FIELD**

**Decision 2005-008
Application No. 1364061**

1 RECOMMENDATION

The examiner recommends that the Alberta Energy and Utilities Board (EUB/Board) approve Application No. 1364061 to add Legal Subdivisions 5, 12, and 13 of Section 20 of Township 18, Range 2, West of the 5th Meridian (LSDs 5, 12, and 13 respectively) to the area of the Turner Valley Unit No. 3.

2 INTRODUCTION

2.1 Application, Interventions, and Hearing

Talisman Energy Canada (Talisman) applied pursuant to Section 6 of the *Turner Valley Unit Operations Act* (the Act) to add LSDs 5, 12, and 13 to the area of Unit No. 3.

The existing unit and the proposed area to be added are shown on the attached figure.

The application was considered by means of a hearing as required by clause 6(1) of the Act (see Section 2.2 below). The hearing was conducted through a written proceeding by examiner R. J. Willard, P.Eng., pursuant to Section 18 of the *Energy Resources Conservation Act*.

No submissions were received by the EUB in response to the issuance of notice of hearing.

2.2 Background

The Act came into force in 1958 and provided the means to force unitization. After a series of public hearings, seven units were formed, including the subject unit, which was established by Order No. TVU 3. The purpose of the units is to facilitate collaborative operations among the numerous owners in the pool, support orderly and efficient development, and minimize impacts.

Clause 6 of the Act specifically states that

- (1) On application by the unit operator or the owner to add a tract to an adjacent unit, the Board **after a hearing** [emphasis added] may add the tract to the unit and amend the unit operation order accordingly if the tract is not included in an existing unit.

- (2) An amending order made under subsection (1) must not vary the ratio of allocation of production between unit tracts established under the unit operation order.

3 ISSUES

The examiner considers the issues respecting the application to be

- whether the requested enlargement to the unit is in accordance with the provisions of the Act, and
- whether there are any adverse impacts from enlarging the unit.

4 CONSIDERATION OF THE APPLICATION

4.1 Views of Talisman

Talisman, the operator of Unit No. 3, indicated that it had received the unanimous approval of the other owners of the unit to enlarge the unit to include the two legal subdivisions involved. The applicant also noted that the legal subdivisions were purchased by the unit owners in the same percentage as the unit ownership and that enlargement of the unit will not affect each owner's share of unit production, as required by Section 6(2) of the Act.

4.2 Views of the Examiner

The examiner notes that the proposed enlargement is in accordance with Section 6(2) of the Act in that it would not result in any change to the ratio of allocation of production between tracts in the unit.

The examiner notes the applicant's statement that it has obtained the unanimous approval of other unit owners to add LSDs 5, 12, and 13 to the unit. Furthermore, the EUB did not receive any submissions raising concerns regarding the proposed enlargement of the unit in response to the issuance of notice of hearing.

The examiner concludes that the application meets the requirements of the Act and that there are no adverse impacts associated with the proposed enlargement to the unit. Accordingly, the examiner recommends that the application be approved.

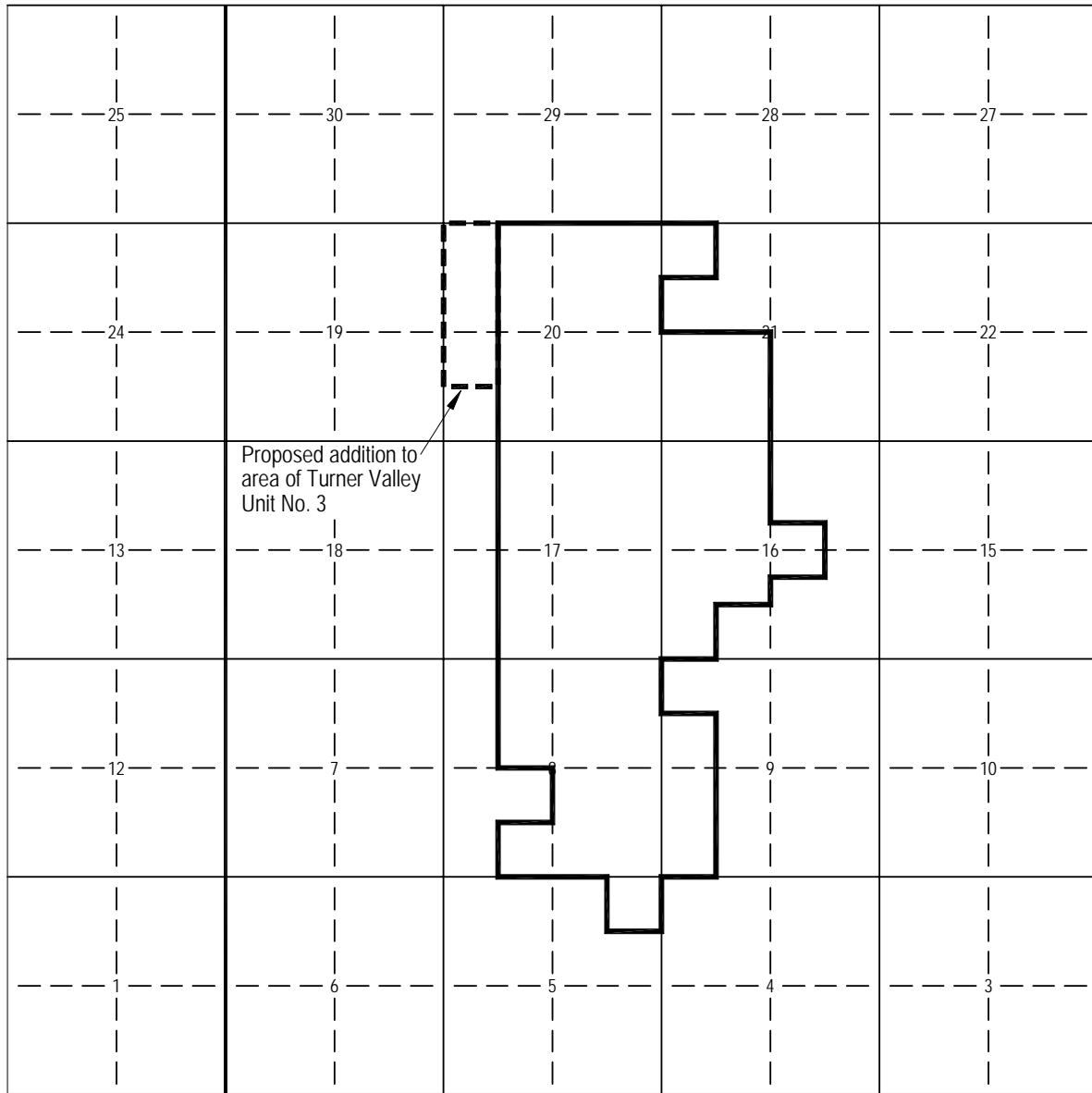
Dated in Calgary, Alberta, on February 15, 2005.

ALBERTA ENERGY AND UTILITIES BOARD

[Original signed by]

R. J. Willard, P.Eng.

R.2 W.5M.



Turner Valley Unit No. 3