



International Sovereign Energy Corp.

Application for Compulsory Pooling
Medicine River Field

December 20, 2005

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2005-138: International Sovereign Energy Corp., Application for
Compulsory Pooling, Medicine River Field

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Alberta Energy and Utilities Board
640 – 5 Avenue SW
Calgary, Alberta
T2P 3G4

Telephone: (403) 297-8311
Fax: (403) 297-7040
Web site: www.eub.gov.ab.ca

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**INTERNATIONAL SOVEREIGN ENERGY CORP.
APPLICATION FOR COMPULSORY POOLING
MEDICINE RIVER FIELD**

**Decision 2005-138
Application No. 1413499**

DECISION

The Alberta Energy and Utilities Board has considered the findings and recommendations set out in the following examiner report and adopts the recommendations.

DATED at Calgary, Alberta, on December 20, 2005.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

M. N. McCrank, Q.C., P.Eng.
Chairman

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

EXAMINER REPORT RESPECTING INTERNATIONAL SOVEREIGN ENERGY CORP. APPLICATION FOR COMPULSORY POOLING MEDICINE RIVER FIELD

Decision 2005-138
Application No. 1413499

1 DECISION

The examiners recommend that the hearing scheduled to consider Application No. 1413499 be cancelled and that the withdrawal of the application be approved, in accordance with Section 20 of the *Alberta Energy and Utilities Board Rules of Practice*.

1.1 Application

International Sovereign Energy Corp. (ISEC) applied to the Alberta Energy and Utilities Board (EUB/Board), pursuant to Section 80 of the *Oil and Gas Conservation Act*, for an order prescribing that all tracts within the drilling spacing unit constituting Section 32 of Township 38, Range 3, West of the 5th Meridian (Section 32) be operated as a unit for the production of gas from the Leduc Formation by re-entering the well with the unique identifier of 00/14-32-038-03W5/0 and drilling to a bottomhole location in Legal Subdivision 16 of the section.

ISEC, which acquired the Crown gas rights for the Leduc Formation for the east half and southwest quarter of Section 32, filed the application because it had been unsuccessful in its attempts to negotiate a mutually satisfactory voluntary pooling or other arrangement with the lessee of Leduc gas in the northwest quarter of the section.

1.2 Hearing

The application was scheduled to be considered at a public hearing in Calgary, Alberta, commencing December 14, 2005, before Board-appointed examiners G. W. Dilay, P.Eng. (Presiding Member), G. A. Habib, and T.A. Dibus, P.Geol.

2 DISCUSSION

The EUB issued a Notice of Hearing for the subject application on November 1, 2005. Subsequent to the issuance of the notice, the parties involved entered into further negotiations and resolved the matter that had resulted in the filing of the application. ISEC no longer required the compulsory pooling order, and accordingly it withdrew its application by e-mail dated December 1, 2005, to the EUB.

As the matter has now been resolved and the application withdrawn, there is no longer any need for the public hearing or for any further process respecting the application. The examiners therefore recommend that the hearing be cancelled and that the withdrawal of the application be approved.

Dated in Calgary, Alberta, on December 20, 2005.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

G. W. Dilay, P.Eng.
Presiding Member

<original signed by>

G. A. Habib

<original signed by>

T. A. Dibus, P.Geol.