



BlackRock Ventures Inc.

**Application for Leaseline Setback Distance
BlackRock Orion Project and**

**Review and Variance of Alberta Energy and Utilities Board
Board Approval 8558
Imperial Cold Lake Project**

August 29, 2006

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2006-086: BlackRock Ventures Inc., Application for Leaseline Setback Distance, BlackRock Orion Project, and Review and Variance of Alberta Energy and Utilities Board Approval 8558, Imperial Cold Lake Project

August 29, 2006

Published by

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**BLACKROCK VENTURES INC.
APPLICATION FOR LEASELINE SETBACK DISTANCE
BLACKROCK ORION PROJECT AND
REVIEW AND VARIANCE OF APPROVAL 8558
IMPERIAL COLD LAKE PROJECT**

**Decision 2006-086
Application No. 1407824**

1 DECISION

Having completed a review of Application No. 1407824, and having considered the withdrawal of the request for review and variance of Approval No. 8558, the Alberta Energy and Utilities Board (EUB/Board) has decided that a hearing will not be held on the application and on the review of the approval and directs that Approval No. 8558 be confirmed as being in good standing.

2 INTRODUCTION

2.1 Application

BlackRock Ventures Inc. (BVI) applied to amend Approval No. 10103 issued to it for the BlackRock Orion Project, following EUB *Decision 2004-089*. The approval was subject to a number of conditions, including the following:

- The operator shall comply with a minimum project area subsurface setback of 150 metres (m) on the west and north boundaries.
- The operator shall submit to the Board, for review and approval by June 30, 2005, a plan to reduce the setback distance and ensure maximum resource recovery from the lease boundary.

BVI initially proposed to develop the Orion Project up to 50 m on the west and north boundaries but amended the application to operate with a subsurface setback on the west and north boundaries of 100 m from the leaseline. An objection to BVI's application was received from Imperial Oil Resources (IOR). The Board found IOR to have standing and directed that a hearing be held into the application.

2.2 Review and Variance

On January 27, 2006, the EUB received a request from BVI, under Section 39 of the *Energy Resources Conservation Act*, to review Approval No. 8558, issued to IOR for its Cold Lake Project. On April 19, 2006, the Board granted BVI's request.

2.3 Hearing

The Board was scheduled to hold a public hearing on both Application No. 1407824 and the review of Approval No. 8558 in Calgary, Alberta, on July 25, 2006, before Board Member T. M.

McGee (Presiding Member) and Acting Board Members R. N. Houlihan, Ph.D., P.Eng., and R. J. Willard, P.Eng.

3 DISCUSSION

The EUB issued a Notice of Hearing for the subject application and review on June 13, 2006. Subsequent to the issuance of the notice, discussions continued between the parties, resulting in an agreement. Accordingly, the Board received correspondence dated June 23, 2006, that BVI had withdrawn its request for a review and variance of Approval No. 8558 and correspondence dated June 28, 2006, confirming that IOR had withdrawn its intervention.

As no other parties that filed submissions were granted standing pursuant to Section 26 of the *Energy Resources Conservation Act* and the objection to the application has been withdrawn, the Board is satisfied that a hearing is not required for the Board to make a disposition on Application No. 1407824. Similarly, in light of BVI's withdrawal of its request for review of Approval No. 8558, the public hearing into the approval is no longer required, and the Board directs that Approval No. 8558 remain in good standing.

Dated in Calgary, Alberta, on August 29, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

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T. M. McGee
Presiding Member

<original signed by>

R. N. Houlihan, Ph.D., P.Eng.
Acting Board Member

<original signed by>

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