



Bearspaw Petroleum Ltd.

Application for Two Pipeline Licences
Crossfield Field

July 24, 2007

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2007-055: Bears paw Petroleum Ltd., Application for Two Pipeline Licences,
Crossfield Field

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

BEARSPAW PETROLEUM LTD. APPLICATION FOR TWO PIPELINE LICENCES CROSSFIELD FIELD

Decision 2007-055
Application No. 1453533

1 DECISION

Having carefully considered all of the evidence, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Application No. 1453533.

2 INTRODUCTION

2.1 Application

Bearspaw Petroleum Ltd. (Bearspaw) submitted Application No. 1453533, pursuant to Part 4 of the *Pipeline Act*, for approval to construct and operate two pipelines. The purpose of the first pipeline would be to transport sour natural gas from a well at Legal Subdivision (LSD) 10, Section 24, Township 24, Range 28, West of the 4th Meridian (the 10-24 well), to a pipeline tie-in point at LSD 5-36-24-28W4M. This proposed Level 1 pipeline would be about 3.2 kilometres (km) in length, with a maximum outside diameter (OD) of 88.9 millimetres (mm), and would transport natural gas with a maximum hydrogen sulphide (H₂S) concentration of 20 moles per kilomole (mol/kmol) (2.0 per cent). The second pipeline would transport sweet natural gas from the existing pipeline tie-in at LSD 5-36-24-28W4M to the 10-24 well. This pipeline would be about 3.2 km in length, with an OD of 88.9 mm, and would transport natural gas with a maximum H₂S concentration of 0.0 mol/kmol (0.0 per cent). The two pipelines would be constructed within the same right-of-way and would be located about 2.5 km northeast of the Town of Chestermere.

2.2 Interventions

Giuseppe Vilona and Rosaria Vilona, Salvatore Vilona and Joanna Vilona, Brent Holmes and Maria (Angela) Holmes, and Ivan Sgaggi and Sylvia Sgaggi (the Vilona family) own land that the proposed pipelines would traverse. Their land also falls within the emergency planning zone (EPZ) for the proposed Level 1 pipeline. The Vilona family filed an intervention in opposition to the subject application, which raised concerns related to land development, property value, safety, operational issues, and public consultation. The Vilona family also expressed a lack of trust of Bearspaw and expressed concern that the proposed development would be in conflict with community values.

Marlene (Sharon) Gehring and Ronald Gehring (the Gehrings) also own land that would be traversed by the proposed pipelines and that falls within the EPZ of the proposed Level 1 pipeline. The Gehrings applied for and were granted intervener status during the hearing. Their primary concerns were related to safety, environmental impacts, water resources, access across the pipelines, and land development. The Gehrings also expressed distrust of Bearspaw and concern regarding its consultation practices.

Wendy Kostelny and Mario La Marca, both of whom own land adjacent to the proposed pipeline right-of-way, were provided the opportunity at the hearing to make a presentation to the Board respecting their concerns with the proposed pipelines and the conduct of Bears paw.

2.3 Hearing

The Board held a public hearing in Calgary, Alberta, which commenced on January 9, 2007, and concluded on January 11, 2007, before Board Member J. R. Nichol, P.Eng. (Presiding Member) and Acting Board Members W. G. Remmer, P.Eng., and E. A. Shirley, P.Geol. The panel and staff conducted a tour of the area on January 4, 2007, to view the proposed pipeline route.

At the end of the oral portion of the hearing, Bears paw was required to complete an undertaking to provide the Board with a copy of its pipeline signage. As the undertaking was completed on January 24, 2007, the Board considers the hearing to have been closed on that date.

Those who appeared at the hearing are listed in Appendix 1.

3 BACKGROUND

3.1 Submission from the Municipal District of Rocky View

Linda Ratzlaff, Manager of Current Planning Services, Municipal District of Rocky View No. 44 (Rocky View), presented information as a friend of the Board on the Rocky View's process for land use planning and land redesignation.

Ms. Ratzlaff clarified that the current zoning on the southeast quarter of Section 25-24-28W4M is for Ranch and Farm use. As there is no area structure plan or annexation plan in place for the lands in question, the redesignation process would require that Rocky View issue a land concept plan direction. Ms. Ratzlaff confirmed that on December 5, 2006, Rocky View received an application from Brown and Associates, representing the Vilona family, for redesignation of six small lots. Ms. Ratzlaff indicated that if Rocky View approved the application, it would direct the Vilona family to prepare a land concept plan. Following this, the Vilona family, their consultant, or their representatives would initiate the involvement of Rocky View and various external agencies, including the EUB, to discuss the land concept plan. Ms. Ratzlaff noted that the initial redesignation application was expected to go before Rocky View's Council in early February 2007, and that concept plans generally proceeded to a public hearing within 12 to 18 months. She qualified that each application was unique and that the specific timeline varied in individual cases.

Ms. Ratzlaff acknowledged existing developments, including the wastewater line along the south side of the Vilona family property, and noted that Rocky View was considering the installation of a potable water line in 2008. Ms. Ratzlaff noted that Rocky View does not impose setback restrictions additional to those required by the EUB on development in proximity to sour gas development, but Rocky View does need to be aware of resource development plans that may impact land use planning strategies for subdivision and land development. She stated that EPZs do not affect land development.

4 ISSUES

The Board considers the issues respecting the application to be

- need for the proposed pipelines
- route of the two proposed pipelines
- potential impacts of the proposed pipelines
- public consultation

5 NEED FOR THE PROPOSED PIPELINES

5.1 Views of the Applicant

Bears paw stated that the applied-for pipelines were necessary to produce reserves from the 10-24 well. The well was completed in the Basal Quartz pool and was expected to produce natural gas containing a maximum H₂S concentration of 20 mol/kmol (2.0 per cent).

Bears paw estimated that the expected productive capacity of the 10-24 well would be between 14 158 thousand cubic metres per day (10³ m³/d) and 28 316 10³ m³/d and stated that the corresponding life expectancy of the well and pipelines would be between 20 and 30 years. Bears paw mentioned that it had applied for an additional well at the 10-24 location, which was not expected to encounter H₂S, but that it had withdrawn this application. Bears paw indicated that it might reapply for that well in the future and stated that production from the potential second sweet well would be used for the line heater at the 10-24 site, with additional production transported through the proposed sweet gas pipeline. Bears paw also stated that it had not ruled out the possibility of drilling a second sour gas well in Section 24, which if approved might accelerate the depletion of the gas reserves and thus reduce the operating life of the proposed sour gas pipeline. Bears paw requested that the Board place no time limit on the pipeline licences, if granted, and that the application be approved without conditions. Bears paw also stated that it did not believe that any future well applications would lead it to apply to change the operating parameters of the proposed pipelines.

Bears paw submitted that the 10-24 well was connected to the Basal Quartz pool to the north of the site, from which six wells were already producing. It stated that evidence, including data from recorders it had placed in the 10-24 well, demonstrated a decreased pressure from the pool without the 10-24 well producing, which indicated that drainage was occurring.

5.2 Views of the Interveners

The interveners did not oppose oil and gas development and did not dispute Bears paw's mineral rights underlying Section 24. Nonetheless, they questioned the need for the proposed pipelines and suggested that alternative approaches to addressing drainage of the pool might be more appropriate given the existing and planned residential development in the area, the proximity of their land to urban centres, and other concerns regarding the proposed development.

5.3 Views of the Board

The Board notes that Bears paw holds the mineral rights for Section 24 and is satisfied that Bears paw has demonstrated that there are recoverable reserves with a productive capacity in the order of $14\,158\,10^3\text{ m}^3/\text{d}$ to $28\,316\,10^3\text{ m}^3/\text{d}$ that would be lost if the 10-24 well could not be produced. Accordingly, the Board is satisfied that there is a need for the proposed pipelines, provided that there is an acceptable route for the pipelines and that any associated impacts can be appropriately addressed.

6 ROUTE OF THE TWO PROPOSED PIPELINES

6.1 Views of the Applicant

Bears paw stated that the closest tie-in points for the 10-24 well were at 6-26-24-28W4M (6-26) and 5-36-24-28W4M (5-36) into the existing Nexen Canada Ltd. (Nexen) sour gas gathering system. It submitted that the 5-36 tie-in point was chosen over the 6-26 tie-in point because a route to the 6-26 location would have potentially impacted existing residences and a water body. Bears paw also stated that there were no sour gas facilities to the south or east of the 10-24 well that could provide potential tie-in points.

With respect to the 5-36 tie-in point, Bears paw stated that it had considered possible routes on the east and west sides of the Vilona family property and along the west side of Section 25. It stated that the latter route was not considered to be an acceptable alternative because it would place the pipelines in close proximity to the Kostelny residence. It stated that the route along the eastern boundary of the Vilona family quarter was undesirable as this route would pass in close proximity to a number of residences located to the north of the Vilona family property.

Given these considerations, and the concerns of landowners regarding constraints to property development, Bears paw concluded that the route along the western boundary of the southeast quarter of Section 25 was preferable (see Figure 1) as it would have the least impact on existing and planned property development. In addition, Bears paw submitted that the proposed right-of-way for the pipelines would overlap with a setback imposed by Rocky View for any proposed residential development of the southeast quarter of Section 25.

6.2 Views of the Interveners

The interveners were of the view that Bears paw had failed to consult or provide adequate information regarding alternative routes for the pipelines.

The Vilona family submitted that the Board should not approve the proposed pipelines without full consideration of how the pipelines might best be incorporated into their development plans for the southeast quarter of Section 25. In this regard, the Vilona family noted, among other things, the potential for development close to the western boundary of their property and pointed out that the proposed route was located in an area of their property that was higher and hence had the best view of the mountains. The Vilona family stated that they would have preferred an alternative route to that proposed by Bears paw.

The Vilona family and the Gehrings expressed the view that Bears paw should have developed the 10-24 well and the proposed pipelines as a project, and should have consulted and negotiated with area landowners regarding the pipeline route before drilling the well. The Gehrings acknowledged that they had signed a right-of-way agreement for the proposed pipelines' route but expressed concern that the information Bears paw provided to them had not been complete and had not addressed their rights as landowners. Although they had signed a right-of-way agreement, the Gehrings stated that they would have preferred a pipeline route that was not located on their land.

6.3 Views of the Board

The Board finds that Bears paw had considered a number of possible tie-in points and routes for the proposed pipelines. The Board is satisfied that the 5-36 tie-in point is the most appropriate for the proposed pipelines, as it provides for the development of a pipeline route with the least impact on existing residential development and surface features, such as the water body located to the northwest of the 10-24 well.

The Board acknowledges that several options for a pipeline route around or along the eastern or western boundary of the Vilona family property were discussed at the hearing. As noted above, the Board believes a route north from the 10-24 well is most appropriate and likely should run along property lines and not on a diagonal through the Vilona family property. The Board believes that a route following either the eastern or western boundary line would have similar implications on future property development. The Board also notes that several landowners who own land north of the Vilona family property have agreed to the proposed pipeline being placed on the western boundary of their respective properties.

Given the above, the Board believes that the applied-for route along the western boundary of the southeast quarter of Section 25 is the most appropriate route for the proposed pipelines, provided that any associated impacts can be adequately addressed or mitigated.

7 POTENTIAL IMPACTS OF THE PROPOSED PIPELINES

7.1 Land Development and Land Values

7.1.1 Views of the Applicant

Bears paw submitted that residential development of the southeast quarter of Section 25 was a long-term prospect, given the need for approval from Rocky View and a lack of residential development immediately adjacent to the property. Nonetheless, Bears paw stated that the proposed pipelines could easily be worked into a residential development plan for the quarter section. Bears paw also maintained that the proposed pipelines would not impose an incremental setback given that the right-of-way would correspond to the 15 m setback from the property line that would be imposed by Rocky View for a residential development. In addition, Bears paw noted that residential development would be permitted within the 160 m EPZ of the proposed Level 1 pipeline.

Bears paw submitted that there were various options for a development plan and stated the opinion that in approving a plan for the quarter, Rocky View would prefer a clustered

development located in the southeastern corner of the quarter due to factors such as Rocky View's preference for maintaining open agricultural land. Bears paw also indicated that on previous occasions it had entered into agreements with other landowners regarding crossing pipelines. Bears paw stated its intention that if the licences were granted, it would negotiate with the Vilona family in order to reach an agreement that would reflect their concerns and to work with the family in order to minimize the impacts of the pipelines.

While Bears paw acknowledged that some prospective buyers might be deterred from purchasing property on the quarter if the proposed Level 1 pipeline was approved, it expressed the view that residential development can co-exist with sour gas development. In addition, Bears paw submitted that the location and the lack of visibility of the proposed pipelines as compared with other developments, such as well sites, might minimize the impact of the project. Bears paw submitted that a land value analysis done by the Vilona family's consultant was of limited value given, among other things, that it did not address vacant agricultural land and it did not take into account that the Vilona family property was in an area of existing oil and gas development.

7.1.2 Views of the Interveners

The Vilona family stated that it had purchased the southeast quarter of Section 25 in 1996 for the purpose of creating a residential development where current and future generations of family members could live in a community setting. While zoned as rural land, the family submitted that the property lay within a development corridor and had a high potential for residential development, given factors such as the existing wastewater line and the likely introduction by Rocky View of a potable water line running adjacent to the southern boundary of the property.

The Vilona family stated that they had submitted an application for land use redesignation to Rocky View. The Vilona family also submitted a land concept plan for residential development on the entire quarter, with possible roads across the western boundary of the property. The Vilona family stated that in their opinion Rocky View would favour intensive development and would not attempt to preserve portions of their quarter as agricultural land. In addition, the Vilona family submitted that concerns regarding non-contiguous development were not relevant as the area was rural rather than urban.

The Vilona family expressed concern that the existence and location of the proposed pipelines would restrict their ability to develop their land. The Vilona family submitted that, if approved, the proposed pipelines would impose limitations, including on the location of residences and roads, creating a need for the family to negotiate crossing agreements with Bears paw and introducing potential liability for damage to the pipelines. In addition, the family expressed concern regarding the type of reclamation that might occur and its potential effects on future residential development.

With regard to land values, the Vilona family presented the results of a study entitled *The Impact of Oil and Natural Gas Facilities on Rural Residential Property Values: A Spatial Hedonic Analysis*, authored in part by Dr. McMillan. The report concluded that on average, rural residential property values are adversely impacted by the presence of oil and gas developments. The Vilona family acknowledged that the study did not consider site-specific characteristics of their property and the proposed pipelines. Nonetheless, the Vilona family argued that the findings of the study supported the conclusion that their property would decrease in value if the

application was approved. They also argued that their ability to market and sell lots close to the proposed pipelines would be limited.

The Vilona family submitted that given their concerns, the Board should deny the application, approve a different route, or defer its consideration of the proposed pipelines, subject to the completion of Rocky View's process for redesignation of their land.

Ms. Gehring reiterated certain concerns expressed by the Vilona family, including those regarding the potential for roads crossing the pipelines and the need to obtain crossing agreements from Bears paw.

7.1.3 Views of the Board

The Board notes the Vilona family's plan to undertake residential development on its land and that Rocky View is currently considering an initial application filed by the family, which, if approved, may lead to a plan for rezoning the southeast quarter of Section 25. The Board recognizes the Vilona family's concerns regarding the possible impacts of the proposed pipelines on its development plans, but notes that the consultants for both the Vilona family and Bears paw agreed that a residential development could likely be undertaken, regardless of the existence of the pipelines.

The Board notes that the setback from these pipelines would be the edge of the right-of-way and that construction of any permanent structure would be prohibited within this area. This setback would likely be similar to the setback from the property line imposed by Rocky View, as indicated by Bears paw. Nonetheless, the Board notes that there are no restrictions on development imposed by the 160 m EPZ for the Level 1 pipeline or by any other EUB regulation. The Board therefore believes that the pipelines would have very limited impact on the Vilona family's ability to develop their quarter section. The Board is also aware that Level 1 sour facilities coexist with high density residential developments in a number of areas of the province, including within the boundaries of the City of Calgary. The Board sees no reason why the same arrangement would not be possible in this case.

With respect to the Vilona family's concern about their ability to obtain road access across the western boundary of the quarter section, the Board notes Bears paw's commitment to engage in further negotiation in this regard. The Board also notes that there are provisions under provincial legislation that address questions of access in the event that the parties are unable to reach agreement on this issue. The Board notes that Bears paw is responsible for reclamation of any lands disturbed or impacted as a result of the construction and operation of the pipelines and the Board expects this work to be completed in a timely and effective manner. The Board does not believe that the proposed pipelines would pose any greater risks to the Vilona family respecting damage associated with the development of their land than is posed by the existing pipeline on the east side of their quarter. As the location of all pipelines can be clearly marked prior to the initiation of surface development operations, the Board considers that there should be little risk of contact during construction. In this regard, the Board also notes Bears paw's commitment to further negotiate with the Vilona family and encourages the same approach to be taken in addressing the concerns presented by the Gehrings.

Given the uncertainty of the timing for approval of the Vilona family's development plans, the Board does not believe that it would be appropriate to defer approval of Bears paw's application. The location of the pipelines can then be considered as part of the overall development plan for the quarter section.

With respect to land values, the Board notes that compensation is not a matter within its jurisdiction, but that it may consider evidence respecting land devaluation as an impact associated with an energy development. Such impacts are weighed against the benefits of a proposed project. The Board considers that a site-specific analysis is necessary in order to evaluate any potential effects, as there are many factors that could increase or decrease land values. Such an analysis could include consideration of the nature and location of the applied-for energy development, the distance of the proposed development to the property in question, the nature of the property, existing energy development in the area, other land uses in the area, and market demand. In this case, the Board considered the report and analysis regarding property values presented by the Vilona family and other submissions regarding potential effects. However, without site-specific data the Board cannot conclude that the proposed pipelines would have any significant impact on the value of the Vilona family property.

Given the above, the Board considers that it was not demonstrated by the interveners that land value would be adversely affected in a significant manner, having regard to site-specific factors.

7.2 Other Potential Impacts, Including Public Safety Considerations

7.2.1 Views of the Applicant

Bears paw submitted that its application complied with all EUB requirements and that it would take appropriate measures to mitigate the risk of a pipeline failure.

Bears paw explained that it had originally informed residents that the EPZ of the Level 1 pipeline would extend 250 m to either side of the pipeline. It stated that the calculation of a 250 m EPZ was based upon a conservative assessment, but that upon finalization of the gas analysis for the well and the pipeline length, the EPZ was revised to 160 m. Bears paw stated that it had re-notified affected parties of the revised size of the EPZ.

Bears paw noted that there were no residences within the EPZ and confirmed that its corporate level emergency response plan (ERP) would apply to the proposed pipelines and would be implemented in the event of an incident. Bears paw noted that a site-specific ERP would be required if future surface development resulted in residences being located within the EPZ. Bears paw stated that although there were no residences currently within the EPZ, it intended to develop a site-specific ERP for the Level 1 pipeline.

Bears paw advised that it had entered into a gas processing and transportation agreement with Nexen and confirmed that if Nexen were to operate the proposed Level 1 pipeline, the pipeline would be covered under Nexen's ERP. Bears paw clarified, however, that it had not yet determined which company would operate the pipeline. Bears paw stated that it operated two sour pipelines in close proximity to residential development, one in the Big Valley area and the other southwest of Chestermere. Bears paw noted that it had conducted ERP tabletop exercises in the past and that it would do so in the case of the proposed Level 1 pipeline.

7.2.2 Views of the Interveners

The Vilona family expressed concern that a pipeline leak might occur, which would threaten the health and safety of future residents of the southeast quarter of Section 25 and the surrounding community. The Vilona family acknowledged that while information regarding emergency response planning may have been contained in the public information package provided by Bears paw, they had not received an explanation about the purpose of an EPZ. In this regard, the Vilona family stated that they lacked an understanding of the emergency planning process, the size of the EPZ, and what would occur in the event of a pipeline leak. The family also expressed concerns regarding the nature and effects associated with how Bears paw would remediate the pipeline right-of-way. The Vilona family stated that apart from relocating the proposed pipelines, they were not aware of any measures that Bears paw could take to address their concerns.

Ms. Gehring also expressed concerns regarding health and safety. While she noted that she had been provided with certain information from Bears paw regarding safety, she felt that the information provided did not ease her concerns. She also expressed concern regarding the potential effects of the proposed energy development on the surrounding environment and on water resources in the area. Ms. Gehring stated that given her concerns, she would prefer that the pipelines were not approved.

7.2.3 Views of the Board

The Board notes that the EPZ for the subject pipelines is 160 m and that, pursuant to *Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry*, the corporate-level ERP would be applicable to the proposed development. The Board further notes that Bears paw indicated that it was revising its corporate ERP and that, while not required, intends to develop a site-specific ERP even though there are currently no surface developments in the EPZ.

The Board is satisfied that the application is compliant with EUB requirements and does not consider that the interveners have pointed to specific factors that cannot be addressed through effective and appropriate emergency planning. In order for this planning to occur, the Board considers that Bears paw must work with the interveners to provide them with appropriate information regarding the EPZ and discuss the purpose of emergency response planning, including possible public safety issues associated with the proposed pipelines.

8 PUBLIC CONSULTATION

8.1 Views of the Applicant

Bears paw submitted that it had complied with EUB requirements in carrying out its participant involvement program. It stated that it had initially contacted title holders of the affected lands directly and subsequently engaged Standard Land in order to continue the consultation and negotiation process on its behalf. Given the interveners' perception that Bears paw had been harassing in its communication, and Bears paw's conclusion that there was no chance of independent resolution of the issues, Bears paw submitted that it had decided to cease communication with the interveners pending an Appropriate Dispute Resolution (ADR) process, which occurred in October 2006.

Bears paw submitted that throughout its consultation and communication process, it had provided the interveners with all required information and attempted to communicate in an open manner. It submitted that consultation was a two-way street and that the communication breakdown had occurred in part because the Vilona family did not want the proposed pipelines on their land and therefore would not enter into constructive discussion.

Bears paw stated that it regretted the breakdown of communication and that it would like to re-open effective communication with the Vilona family and the community in the future. In this regard, Bears paw noted that it had entered into crossing agreements with other parties and committed to notifying all parties that had expressed interest in the subject hearing should it decide to apply for an additional well at 10-24. It also submitted that it would reopen negotiations with the Vilona family prior to applying to the Surface Rights Board for a right-of-entry order.

8.2 Views of the Intervenors

The intervenors stated that they were very dissatisfied with Bears paw's consultation and negotiation process and with communications with the land consultant hired by Bears paw. The Vilona family submitted that they had been provided with inaccurate and incomplete information, and that they had been treated with a lack of respect by Bears paw and its land consultant.

The Vilona family expressed concern that Bears paw had taken an aggressive approach to negotiations, in the course of which attempts were made to divide the family. They submitted that Bears paw's approach had caused the family significant stress and created distrust that made subsequent negotiations unworkable. The Vilona family further submitted that Bears paw was aware that some area landowners had concerns regarding the drilling of the 10-24 well, yet it failed to notify area residents or discuss with them its development plans at that time. The Vilona family suggested that Bears paw should have notified area residents and addressed questions and concerns prior to drilling the 10-24 well, and that Bears paw's apparent unwillingness to answer questions regarding emergency response planning created further distrust.

Ms. Gehring expressed concern that she and her husband had not understood the information provided to them by Bears paw. She stated that they were informed that the development would occur with or without their cooperation, leading them to believe that they had no choice but to agree to the proposed pipelines.

8.3 Views of the Board

While the Board notes that landowners to the north of the intervenors' properties entered into right-of-way agreements with Bears paw, it also notes the high level of concern and dissatisfaction expressed by the Vilona family and the Gehrings with respect to the consultation process.

The Board notes that applicants are expected to comply with both the minimum requirements and the spirit of *Directive 056*, which states in Section 2.3.3 that throughout the planning, construction, and operation of a project an applicant must attempt to address the outstanding concerns of affected parties. The Board is of the view that it would have been possible for Bears paw to address and alleviate some of the intervenors' concerns if it had undertaken a more

open approach to information sharing and cooperative development. The Board is also of the view that in order for meaningful communication to occur, landowners must participate equally in discussions, contributing to ongoing issue identification, problem solving, planning, and the identification of mitigation measures relative to potential impacts.

The Board notes that the interveners acknowledged that they were not in principle opposed to energy development. The Board further notes that both Bears paw and the interveners agreed that while there were existing communication challenges, they were willing to further discuss outstanding issues. The Board is encouraged that all parties expressed a willingness to enter into continued ADR. The Board strongly encourages the parties to establish a communication strategy that will allow for the exchange of information and the development of a collaborative approach to accommodating multiple land uses in the area.

9 CONCLUSION

After weighing the evidence and arguments of all parties, the Board has concluded that approval of the applied-for pipelines is in the public interest.

Dated in Calgary, Alberta, on July 24, 2007.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

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

<original signed by>

W. G. Remmer, P.Eng.
Acting Board Member

<original signed by>

E. A. Shirley, P.Geol.
Acting Board Member

APPENDIX 1 HEARING PARTICIPANTS

Principals and Representatives
 (Abbreviations used in report)

Witnesses

Bears paw Petroleum Ltd. (Bears paw)
 J. Gruber

D. Osterman
 P. Wright, P.Eng.
 R. Funkhouser, of
 Standard Land
 B. Berrien, of
 Berrien Associates Ltd.

G. Vilona and R. Vilona
 S. Vilona and J. Vilona
 B. Holmes and M. Holmes, and
 I. Sgaggi and S. Sgaggi (the Vilona family)
 R. Secord
 T. Nahirnik

P. Mercer, of
 Brown & Associates Planning Group
 M. McMillan, Ph.D., of
 the Department of Economics, University
 of Alberta
 G. Vilona and R. Vilona
 S. Vilona and J. Vilona
 B. Holmes and M. Holmes, and
 I. Sgaggi and S. Sgaggi

W. Kostelny

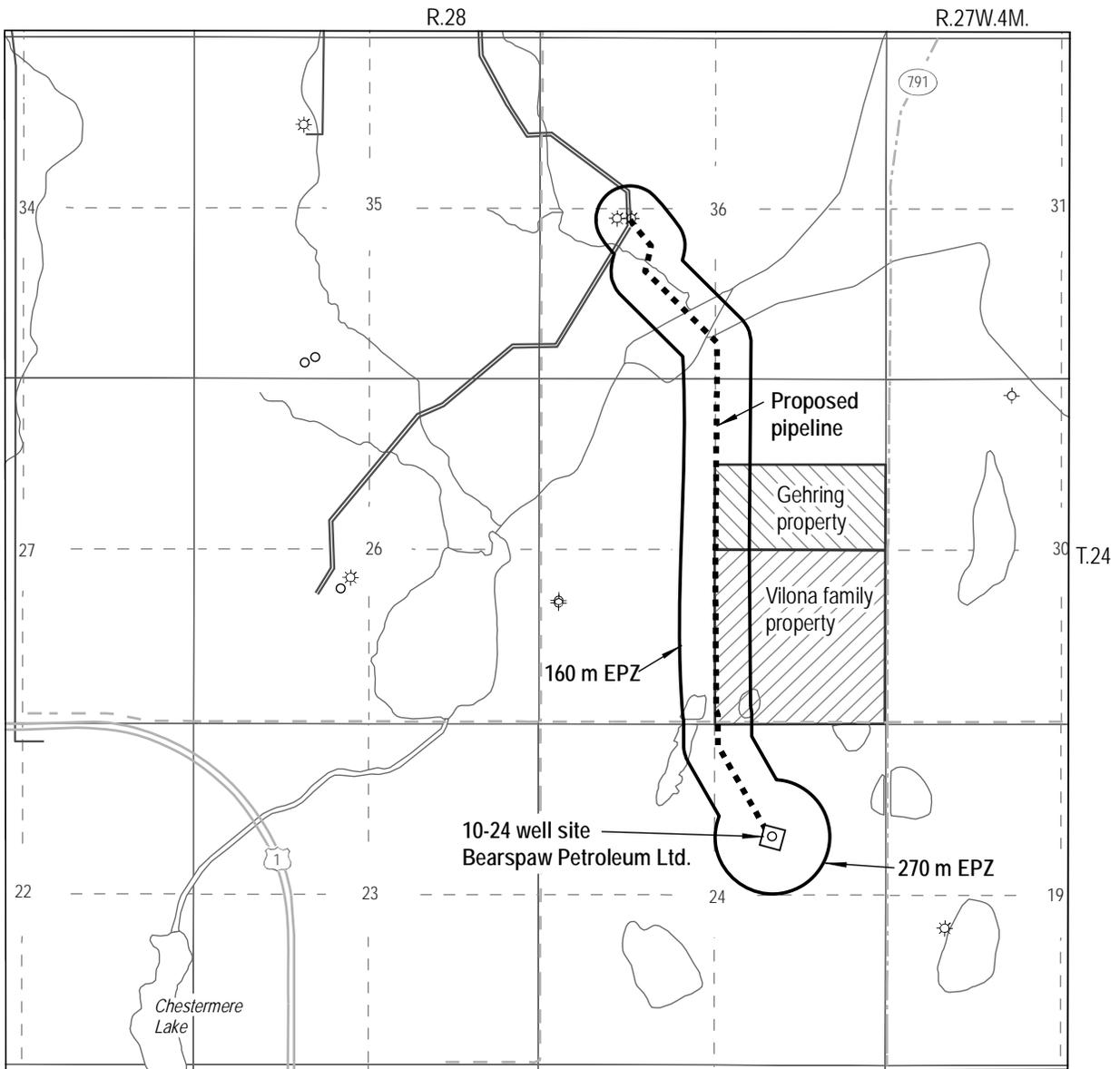
S. Gehring and R. Gehring (the Gehrings)

M. La Marca

Municipal District of Rocky View

L. Ratzlaff

Alberta Energy and Utilities Board staff
 C. McMenemy-Savage, Board Counsel
 S. Paulson
 J. Fulford
 K. Mather



Legend

- ⊕ Abandoned gas
- Drilled and cased gas
- ⊛ Gas
- Gravel road - 1 lane
- - - Gravel road - 2 lanes
- Paved road - divided

Figure 1. Bearspaw's proposed pipeline route