



Burlington Resources Canada Ltd.

Application for Well Licences
Tomahawk Field

December 18, 2007

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2007-100: Burlington Resources Canada Ltd., Applications for Well Licences,
Tomahawk Field

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**BURLINGTON RESOURCES CANADA LTD.
APPLICATIONS FOR WELL LICENCES
TOMAHAWK FIELD**

**Decision 2007-100
Applications No. 1499025,
1504928, and 1504963**

1 DECISION

Having carefully considered all of the evidence, the Alberta Energy and Utilities Board (EUB/Board) determines that the applied-for wells are in the public interest and hereby approves Application No. 1499025 with no conditions and Applications No. 1504928 and 1504963 subject to the condition listed in [Appendix 3](#).

The Board has also considered and is satisfied that the emergency response plans (ERPs) are technically complete and meets all applicable EUB requirements.

2 INTRODUCTION

2.1 Applications

Burlington Resources Canada Ltd. (Burlington) applied to the EUB, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for licences to drill three level-2 critical sour oil wells from two new well site locations. One well (Application No. 1499025) would be directionally drilled from a surface location in Legal Subdivision (LSD) 12 of Section 28, Township 51, Range 5, West of the 5th Meridian, to a bottomhole location in LSD 12-28-51-5W5M (12-28 well). Two wells (Applications No. 1504928 and 1504963) would be directionally drilled from a new surface location in LSD 3-11-52-5W5M to bottomhole locations in LSD 14-2-52-5W5M (14-2 well) and LSD 14-11-52-5W5M (14-11 well) respectively.

The anticipated maximum hydrogen sulphide (H₂S) concentration for all three wells is expected to be 219.7 moles per kilomole (21.97 per cent) and the anticipated cumulative H₂S release rate for the drilling and completion/servicing operations of the wells would be 3.42 cubic metres per second (m³/s), with a corresponding calculated emergency planning zone (EPZ) of 5.3 kilometres (km). The release rate for the suspended/producing operations of the wells is anticipated to be 0.392 m³/s, with a corresponding EPZ of 1.22 km. The purpose of all three wells is to obtain oil production from the Nisku Formation. The surface location for the 12-28 well is 6.3 km northeast of the Hamlet of Tomahawk and the surface location for the 14-2 and 14-11 wells is 12.1 km northeast of the Hamlet of Tomahawk.

2.2 Interventions

Fifteen parties submitted objections to either one or all three applications; they are listed in [Appendix 1](#). The parties raised concerns related to human health and safety, animal health and safety, impacts on wildlife and the environment, odours, water and water well quality, traffic, impact of blasting from the adjacent surface coal mine, school buses traversing EPZs,

implementation of ERPs, air quality and air monitoring, property enjoyment, and quality of life. As a number of these parties demonstrated that they might be directly and adversely affected by the Board's decision on these applications, the Board decided to set the applications for consideration at a public hearing.

Prior to the hearing, the Board received withdrawals of objection from all objecting parties with the exception of the following:

- Art Munch and Heidi Munch - The Munchs reside within the EPZ for the 14-2 and 14-11 wells. On March 21, 2007, they filed an objection to Applications No. 1504928 and 1504963. The Munchs did not attend the hearing on September 5, 2007.
- Tom Bouillion and Teres Bouillion - The Bouillions reside within the EPZ for the 12-28, 14-2, and 14-11 wells. On April 12, 2007, they filed an objection to Applications No. 1499025, 1504928, and 1504963. The Bouillions did not attend the hearing on September 5, 2007.
- Ken Munch - Ken Munch resides within the EPZ for the 14-2 and 14-11 wells. He filed an intervention on August 10, 2007, to Applications No. 1504928 and 1504963. Ken Munch registered as an intervener in the hearing held on September 5, 2007. He stated that he did not want to go through the hearing process, but also did not wish to remove his objection to the two applications. Ken Munch also confirmed that he understood that the hearing was his opportunity to exercise any entitlement he may have to be heard by the Board with respect to these applications and that in all likelihood he would not have another opportunity to address his concerns to the Board.
- On June 15, 2007, TransAlta Utilities Corporation (TransAlta) filed an objection to Applications No. 1504928 and 1504963 for the 14-2 and 14-11 wells. Portions of TransAlta's Highvale Coal Mine are within the EPZ for those wells.

On September 4, 2007, the Board received a joint request by Burlington and TransAlta that TransAlta not be required to participate in the September 5 hearing. TransAlta had outstanding concerns about the 14-2 and 14-11 wells, but the parties believed that with additional time they could resolve those concerns without the need of a Board hearing. TransAlta's concerns were ultimately resolved through an agreement with Burlington. The process by which the Board and the parties dealt with TransAlta's objection is summarized as follows. When the Board agreed to Burlington and TransAlta's joint request for additional time to resolve TransAlta's concerns, the Board directed the parties to advise it by October 15, 2007, whether a further hearing process was required to consider TransAlta's concerns. On October 12, 2007, TransAlta advised the Board that an agreement had been reached with Burlington and that it intended to remove its objection. TransAlta also advised the Board that its withdrawal of objection was subject to the Board imposing a condition on any licences issued for the 14-2 or 14-11 wells that Burlington adopt and implement the Response Matrix document that Burlington and TransAlta had developed, which Burlington stated would be filed as an update to its site-specific ERPs for the 14-2 and 14-11 wells. TransAlta initially requested that the Response Matrix be kept confidential, but on November 13, 2007, TransAlta advised the Board that it was removing the confidentiality request. The Board notes that Burlington agreed to adopt and, should an incident occur, implement the Response Matrix as part of its site-specific ERPs for the 14-2 and 14-11 wells, and Burlington was not opposed to the Board making that a condition of the well licences.

Prior to the opening of the hearing, the parties present (Mr. Ken Munch and Burlington) requested a short delay in order for them to continue to discuss the outstanding issues. As noted above, the only intervener who registered at the hearing was Mr. Ken Munch, but he did not wish to go any further in the hearing process.

2.3 Hearing

The Board held a public hearing in the Town of Drayton Valley, Alberta, which commenced on September 5, 2007, before Board Member G. J. Miller (Presiding Member) and Acting Board Members C. A. Langlo, P.Geol., and C. D. Hill. The Board panel and staff conducted a general tour of the area on September 4, 2007, to view the proposed well sites and surrounding lands.

Those who appeared at the hearing are listed in [Appendix 2](#).

On November 13, 2007, the Board was advised that TransAlta was withdrawing its objection as Burlington, TransAlta, and Prairie Mines and Royalty Ltd. had reached an agreement regarding emergency response actions specific to TransAlta's concerns. The Board considers the hearing to be closed on November 13, 2007.

3 VIEWS OF THE BOARD

Given that Art Munch, Heidi Munch, Tom Bouillion, and Teres Bouillion did not attend the hearing and that Ken Munch did attend and register as an intervener, but clearly stated that he did not wish to go through the hearing process, the Board has considered their concerns based on the written information provided in their letters of objection. The Board acknowledges Burlington's willingness to continue discussions with Ken Munch, Art Munch, Heidi Munch, Tom Bouillion, and Teres Bouillion to resolve any outstanding concerns. While it is always the expectation of the Board that ongoing communication occur between the applicant and area residents, the Board would like to remind Burlington that this expectation also extends to emergency response planning and any changes that may occur to the related ERPs.

The Board has considered Burlington's applications and is satisfied that they meet all applicable requirements. A number of the Board's requirements address some of the concerns that were raised by the interveners in their written objections. For those concerns that are within the Board's jurisdiction, the Board has concluded that its normal requirements appear to adequately address the matters raised by the interveners. For the reasons set out in this decision report, the Board has concluded that approval of the wells is in the public interest. The Board accepts Burlington and TransAlta's joint request to have the well licences issued for the 14-2 and 14-11 wells made subject to the condition listed in Appendix 3.

Dated in Calgary, Alberta, on December 18, 2007.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

G. J. Miller
Presiding Member

<original signed by>

C. A. Langlo, P.Geol.
Acting Board Member

<original signed by>

C. D. Hill
Acting Board Member

APPENDIX 1 INTERVENERS**Application No. 1499025**

Albert Mettler
Roy Goodings
Travis Stacey and Linda Stacey
Randy Panchuk and Laureen Panchuk
Roger Stacey and Sharon Stacey
Adrian Bieda and Bobbie-Joe Bieda
Vince Bennett and Darlene MacDonald
Joute de Vires and Marga de Vires
Tom Bouillion and Teres Bouillion
Tanya Woodruff
Donna Goode
Parkland School District

Applications No. 1504928 and 1504963

Travis Stacey and Linda Stacey
Randy Panchuk and Laureen Panchuk
Roger Stacey and Sharon Stacey
Adrian Bieda and Bobbie-Joe Bieda
Joute de Vires and Marga de Vires
Art Munch and Heidi Munch
Tom Bouillion and Teres Bouillion
Tanya Woodruff
Donna Goode
TransAlta Utilities Corporation
Parkland School District
Ken Munch

APPENDIX 2 HEARING PARTICIPANTS

Principals and Representatives
(Abbreviations used in report)

Witnesses

Burlington Resources Canada Ltd. (Burlington)

J. Jamieson

A. Avery

K. Munch

K. Munch

Alberta Energy and Utilities Board staff

G. Perkins, Board Counsel

M. Douglas, C.E.T.

K. Clayton

C. Ravensdale

P. Didow

APPENDIX 3 CONDITION PLACED ON LICENCES

TransAlta requested and Burlington agreed to the Board imposing as a condition of the LSD 14-2-52-5W5M and LSD 14-11-52-5W5M well licences that Burlington amend its site-specific ERPs as described below. A condition is generally a requirement that is in addition to or otherwise expands upon existing regulations and guidelines. An applicant must comply with each condition or it is in breach of its approval and subject to enforcement action by the EUB. Enforcement of an approval includes enforcement of the conditions attached to that licence. Sanctions imposed for the breach of a condition may include suspension of the approval, resulting in the shut-in of a facility. Breach of a condition of a well licence may also result in the Board reviewing its original decision on the application.

The condition imposed on the Burlington well licences is summarized below.

CONDITION

- Burlington must update its site-specific ERPs for the 14-2-52-5W5M and 14-11-52-5W5M wells to adopt and implement the Response Matrix agreed to by Burlington, TransAlta, and Prairie Mines and Royalty Ltd. The updates are to be submitted to the Emergency Planning and Assessment Group of the EUB for review prior to Burlington spudding the wells.