

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**APPLICATION FOR A WELL LICENCE
LEDUC-WOODBEND FIELD
NORTHSTAR ENERGY CORPORATION
LSD 16-22-48-26 W4M**

**Examiner Report 98-5
Applications No. 1022865 and 1026467**

1 INTRODUCTION

1.1 Application

Northstar Energy Corporation (Northstar) applied to the Alberta Energy and Utilities Board (EUB) pursuant to section 2.020 of the Oil and Gas Conservation Regulations for a well licence to drill in Legal Subdivision 16, Section 22, Township 48, Range 26, West of the 4th Meridian. The purpose of the well is to obtain sweet oil production from the Glauconitic D pool of the Upper Mannville Group.

1.2 Interventions

Written interventions were filed by Drs. Susan and Byron Beck, landowners of the North-west quarter of Section 23, Township 48, Range 26, West of the 4th Meridian, on 19 February and 19 June 1998, and Anton and Erika Peter, landowners in the West half of the North-east quarter of Section 23, Township 48, Range 26, West of the 4th Meridian, on 8 April and 21 June 1998. Dr. Claus Leppelman, resident on the Beck's land, did not submit a written objection to the application but did indicate his intent to participate at the hearing.

1.3 Hearing

The application was considered at a public hearing which took place on 29 June 1998 in Leduc, Alberta, before Board appointed examiners, M. J. Bruni, R. Elle, and L. Fleming. A viewing of the site occurred during the morning of 29 June 1998.

Those who appeared at the hearing are listed in the following table:

THOSE WHO APPEARED AT THE HEARING

Principles and Representatives (Abbreviations Used in Report)

Witnesses

Northstar Petroleum Corporation (Northstar)

T. Owen

M. Zubkow, P.Eng.

D. Snowdon

J. C. Skinner, P.Geol.

L. Titman, P.Ag.

Dr. J. Church, Ph.D.

Dr. C. Leppelman

C. Leppelman, D.V.M.

Drs. S. and B. Beck

B. Beck, D.V.M.

Mrs. E. Peter

E. Peter

Alberta Energy and Utilities Board

R. Kennedy

B. Fairgrieve, P.Geol.

T. Donnelly, Board Counsel

M. Drake

2 PRELIMINARY MATTERS

Northstar submitted, at the opening of the hearing, that it was withdrawing its original application, Application No. 1022865, and would be supporting its position with respect to Application No. 1026467 (the Alternate Site). Northstar stated that the withdrawal of Application No. 1022865 was a result of

- \$ the objections from the interveners,
- \$ the fact that the Becks suggested the Alternate Site,
- \$ the existing surface lease with the Teels (landowners) for the Alternate Site, and
- \$ the Alternate Site would pose no additional impact on the Teels.

Northstar informed the interveners, as well as the Teels and Mrs. Faulkner, landowner/resident of South-west quarter of Section 26, Township 48, Range 26, West of the 4th Meridian, that it had submitted an application for the Alternate Site. The Teels and Mrs. Faulkner consented to the Alternate Site. The interveners maintained their opposition to the Alternate Site.

3 ISSUES

The examiners believes that the issues raised at the hearing can be categorized as follows:

- \$ need for the well,
- \$ location of the well, and
- \$ impacts of the well.

4 HEARING MATTERS

The interveners raised concerns regarding industrial activity, noise, proximity of the proposed well, visual impacts, and flaring. Dr. Beck raised concerns regarding the area becoming an industrial centre, the effects of noise on his residence and horse training facility, surface water contamination, and flaring.

Dr. Leppelman was concerned with the proximity of the proposed well to his residence and the effects that noise could have on his sleep patterns. He stated that his concerns would be minimized if Northstar were to drill the well while he was away on vacation. Dr. Leppelman was also concerned with the proximity of flaring to his residence and the visual impacts of the well.

All the interveners were concerned with flaring and wanted Northstar to commit to a reasonable time frame for flaring at the proposed well. Mrs. Peter indicated that she had been exposed to flaring for a three-year period from other wells in the area, namely the 14-23 well. She stated that the flaring had caused illness, resulted in injury, and forced her and her husband to leave their home to escape the odours. Mrs. Peter summarized that she did not want to be exposed to more flaring.

Near the conclusion of the hearing, Northstar, Dr. Byron Beck, and Erika Peter asked to make a joint submission to the examiners. The applicant and interveners had reached an agreement with respect to the well licence application. Dr. Claus Leppelman, by way of a letter dated 30 June 1998, concurred with the joint submission made at the hearing. In return for withdrawing their objections, the interveners and Northstar did agree that the well licence should be issued subject to the following conditions:

- \$ that drilling commence on 10 August 1998 or as soon as possible taking into account weather conditions,
- \$ flaring be permitted but the flare stack is to be at least as high as the current flare stack on the Northstar 14-23 site, and
- \$ flaring would cease, in any event, on either 31 January 1999, if drilling commences on 10 August or 173 days after the date at which drilling actually commences, whenever that date may be.

During the hearing Northstar made the following commitments:

- \$ In response to concerns regarding noise, it would equip the drilling rig with hospital grade mufflers and shroud the floor of the drilling rig to ensure compliance with ID 94-4, ANoise Control Directive@
- \$ It could drill the well while Dr. Leppelman was away on vacation if they obtained the well licence in a timely manner.
- \$ The site would be bermed during the drilling phase to prevent contaminants from escaping from the lease. When drilling was complete, all tankage would be bermed to contain any possible contaminants.
- \$ To comply with GB 95-10, ADescription of Agency Roles and Responsibilities for Addressing Public Complaints Involving Animal Health Issues Alleged to be Caused by the Operations of Energy Facilities@
- \$ Plans are in place to construct the 10-34 battery. All gas would be conserved when the battery was constructed.
- \$ The flare stack would be sited at the west side of the lease to put as much distance as possible between the interveners=residences and the flare. Northstar stated that it would ensure the flare stack was as high as the stack at the 14-23-48-26 W4M site.

5 VIEWS OF THE EXAMINERS

With the withdrawal of the interveners=objections and based on the joint submission made by Northstar and the interveners, the examiners believe that the interveners were satisfied with Northstar=s commitments to minimize the impacts of the well on area residents. The examiners consider the applicant established the need for the well at the applied for location .

6 RECOMMENDATIONS

The examiners recommend the well licence be issued.

Dated at Calgary, Alberta on 29 July 1998.

ALBERTA ENERGY AND UTILITIES BOARD

<Original signed by>

M. J. Bruni

<Original signed by>

L. Fleming

<Original signed by>

R. Elle