

Dominion Exploration Canada Ltd.

Applications for Well Licences Pembina Field

December 20, 2005

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2005-142: Dominion Exploration Canada Ltd. Application for Well Licences, Pembina Field

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

DOMINION EXPLORATION CANADA LTD. APPLICATIONS FOR WELL LICENCES PEMBINA FIELD Decision 2005-142 Applications No. 1403470, 1403471, 1403473, and 1403474

1 DECISION

Having completed a review of the applications, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Applications No. 1403470, 1403471, 1403473, and 1403474.

2 INTRODUCTION

2.1 Applications, Interventions, and Hearing

Dominion Exploration Canada Ltd. (Dominion) applied pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations* for four licences to drill four level-3 critical sour wells from two surface locations. Dominion proposed to drill three wells from a surface location in Legal Subdivision (LSD) 10 of Section 22, Township 47, Range 10, West of the 5th Meridian (the 10-22 location) to bottomhole locations in LSD 8-22-47-10W5M (Application No. 1403470), LSD 14-22-47-10W5M (Application No. 1403471), and LSD 16-22-47-10W5M (Application No. 1403473). Dominion also proposed to drill one well from a second surface location in LSD 8-27-47-10W5M (the 8-27 location) to a bottomhole location in LSD 8-27-47-10W5M (Application No. 1403474). For all four wells, the maximum hydrogen sulphide (H₂S) concentration would be 266.7 moles per kilomole (26.67 per cent) and the cumulative H₂S release rate for the drilling, completion, and operating phases of the wells would be 5.00 cubic metres per second, with a corresponding emergency planning zone of 6.87 kilometres (km). The purpose of all four wells is to obtain oil production from the Nisku Formation. The three proposed wells at the 10-22 location would be about 5.0 km southwest of Lodgepole, Alberta. The proposed well at the 8-27 location would be about 2.5 km southwest of Lodgepole.

By letter dated September 12, 2005, the Board determined that a hearing was necessary to determine the disposition of Dominion's applications because there were objections to the applications by parties that might be directly and adversely affected by the Board's decision. The Board was scheduled to hold a public hearing in Lodgepole, Alberta, on December 12, 2005, before Board Members J. R. Nichol, P.Eng. (Presiding Member), J. D. Dilay, P.Eng., and Acting Board Member C. A. Langlo, P.Geol. Following further negotiations between Dominion and the parties, the EUB cancelled the hearing because the parties granted standing indicated that they were not prepared to proceed to the hearing scheduled to commence on December 12, 2005.

3 DISCUSSION

As the applications meet all of the EUB's regulatory requirements, the Board approves the applications and directs that the licences for the wells be issued.

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

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

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

<original signed by>

J. D. Dilay, P.Eng. Board Member

<original signed by>

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