



# Highpine Energy Ltd. and Highpine Oil and Gas Limited

Applications for Two Well Licences  
Pembina Field

February 9, 2007

**ALBERTA ENERGY AND UTILITIES BOARD**

Decision 2007-011: Highpine Energy Ltd. and Highpine Oil and Gas Limited, Applications for Two Well Licences, Pembina Field

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# ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

## HIGHPINE ENERGY LTD. AND HIGHPINE OIL AND GAS LIMITED APPLICATIONS FOR TWO WELL LICENCES PEMBINA FIELD

Decision 2007-011  
Applications No. 1458441 and 1461435

### 1 DECISION

Having completed a review of the applications, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Applications No. 1458441 and 1461435.

### 2 INTRODUCTION

#### 2.1 Applications

Highpine Energy Ltd. and Highpine Oil and Gas Limited (Highpine) applied to the EUB, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for licences to drill two level-2 critical wells. The purpose of both wells is to obtain production from the Nisku Formation.

Application No. 1458441 is for a licence to drill a level-2 critical sour oil well from a surface location in Legal Subdivision (LSD) 5, Section 33, Township 49, Range 8, West of the 5th Meridian, to a projected bottomhole location in LSD 12-33-49-8W5M. The well is expected to encounter a maximum hydrogen sulphide (H<sub>2</sub>S) concentration of about 220 moles per kilomole (mol/kmol) (22.0 per cent). The maximum cumulative drilling H<sub>2</sub>S release rate is 2.1 cubic metres per second (m<sup>3</sup>/s), with a corresponding calculated emergency planning zone (EPZ) of 3.77 kilometres (km).

Application No. 1461435 is for a licence to drill a level-2 critical sour oil well from a surface location in LSD 12-36-49-8W5M. The well is expected to encounter a maximum H<sub>2</sub>S concentration of about 217 mol/kmol (21.7 per cent). The cumulative drilling H<sub>2</sub>S release rate is 2.0 m<sup>3</sup>/s, with a corresponding calculated EPZ of 3.73 km.

The surface locations of the proposed wells are about 9 km northwest of Drayton Valley.

#### 2.2 Interventions

Area landowners, residing both within and outside the calculated EPZs for the proposed wells, filed interventions opposing one or both of Highpine's applications.

The parties expressed concerns related to health, public safety, the effectiveness of the emergency response plan (ERP), environmental impacts, property values, and the cumulative effects of oil and gas development in the local area.

### 2.3 Hearing

The Board was scheduled to hold a public hearing to consider the applications in Lodgepole, Alberta, on February 8, 2007, before Board Member J. R. Nichol, P.Eng. (Presiding Member) and Acting Board Members D. K. Boyler, P.Eng. and R. G. Evans, P.Eng.

## 3 DISCUSSION

Clovis Bouchard and Colleen Bouchard, Mike Mueller, and Dale Romanchuk reside within the EPZ for one or both of the proposed wells. They were therefore granted standing by the Board for the purpose of the public hearing. In a letter to the EUB dated January 27, 2007, the Bouchards and Mike Mueller withdrew their objections to the proposed wells. On February 1, 2007, Dale Romanchuk confirmed his intent not to participate in the hearing.

Four other parties submitted written objections to the EUB regarding the proposed wells. The Board dismissed the objections of Susan Kelly, Russ Kelly, Louise Mastre, and Garry Mastre by letters dated February 9, 2007, as the Board determined that these parties had not established the potential for direct and adverse impact as defined by the *Energy Resources Conservation Act*.

In light of the Bouchards' and Mr. Mueller's withdrawal of objection and Mr. Romanchuk's confirmation of his intent not to participate in the hearing, the Board finds that a hearing is not required for the consideration of these well applications.

The Board is satisfied that the applications are technically complete and compliant with all applicable EUB requirements. The Board hereby approves the applications and directs that the well licences be issued in due course.

Dated in Calgary, Alberta, on February 9, 2007.

### ALBERTA ENERGY AND UTILITIES BOARD

*[Original signed by]*

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

*[Original signed by]*

D. K. Boyler, P.Eng.  
Acting Board Member

*[Original signed by]*

R. G. Evans, P.Eng.  
Acting Board Member