

# Milestone Exploration

Section 39 Review Request of Well License No. 0377264 Vulcan Field

November 6, 2007

## ALBERTA ENERGY AND UTILITIES BOARD

Decision 2007-087: Milestone Exploration, Section 39 Review Request of Well Licence No. 0377264, Vulcan Field

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#### ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

MILESTONE EXPLORATION SECTION 39 REVIEW REQUEST OF WELL LICENCE NO. 0377264 VULCAN FIELD

Decision 2007-087 Proceeding No. 1522494

#### 1 DECISION

Having accepted Milestone Exploration's (Milestone's) request for the cancellation of Well Licence No. 0377264, the Alberta Energy and Utilities Board (EUB/Board) hereby directs that the licence be cancelled. As such, the Board finds that the public hearing that had been scheduled to reconsider Well Licence No. 0377264 is unnecessary and directs that the hearing be cancelled. The Board also expects Milestone to conduct any necessary site reclamation activities.

#### 2 INTRODUCTION

#### 2.1 Background

On May 16, 2007, the Board approved Application No. 1512283 and issued Well Licence No. 0377264 to Milestone. The licence permitted Milestone to drill a directional well from a surface location at Legal Subdivision 3, Section 24, Township 16, Range 24, West of the 4th Meridian. Site preparation had been completed following the Board's approval of Well Licence No. 0377264. However, Milestone voluntarily suspended all drilling operations pending a decision on the review request.

### **2.2** Application No. 1518066

On July 2 and July 30, 2007, the EUB received letters from Larry Graff and Barbara Graff (the Graffs), landowners adjacent to the proposed well location, requesting that the Board conduct a review hearing relating to the above-mentioned well licence, pursuant to Section 39 of the *Energy Resources Conservation Act*. The request for the review was based on concerns related to health impacts, improper notification, and land devaluation. The EUB registered this request as Application No. 1518066.

## 2.3 **Proceeding No. 1522494**

On August 7, 2007, the EUB granted the request for a review hearing and registered the hearing as Proceeding No. 1522494. The hearing was granted on the basis that the Graffs had raised facts that warranted a further examination by the Board to ensure the appropriateness of its decision to grant the well licence.

## 2.4 Hearing

The Board was scheduled to hold a public hearing in Nanton, Alberta, on November 14, 2007, before Board Members J. R. Nichol, P.Eng. (Presiding Member) and J. D. Dilay, P.Eng., and

Acting Board Member E. A. Shirley, P.Geol. The hearing was cancelled by the EUB for the reasons set out below.

#### 3 DISCUSSION

On September 25, 2007, subsequent to the issuance of the Notice of Hearing, a written request was received by the Board from Milestone to cancel its licence, pursuant to Section 25(d) of the *Oil and Gas Conservation Act*, and to cancel the review hearing.

As the well was not drilled, the Board has agreed to cancel the licence and is satisfied that a review hearing is no longer required.

As Milestone has conducted site preparation at the proposed well location, the Board expects Milestone to conduct any necessary site reclamation activities. The Board will refer the matter to Alberta Environment for the appropriate follow-up.

Dated in Calgary, Alberta, on November 6, 2007.

#### ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>
J. R. Nichol, P.Eng.
Presiding Member

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

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