

Vault Energy Inc.

Application for a Well Licence Wimborne Field

March 11, 2008

ENERGY RESOURCES CONSERVATION BOARD

Decision 2008-020: Vault Energy Inc., Application for Well Licence, Wimborne Field

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

VAULT ENERGY INC. APPLICATION FOR A WELL LICENCE WIMBORNE FIELD

Decision 2008-020 Application 1511094

DECISION

The Energy Resources Conservation Board has accepted the applicant's request to withdraw Application 1511094.

Dated in Calgary, Alberta, on March 10, 2008.

ENERGY RESOURCES CONSERVATION BOARD

D. McFadyen, P.Eng. Chairman

ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

EXAMINER REPORT RESPECTING VAULT ENERGY INC. APPLICATION FOR A WELL LICENCE WIMBORNE FIELD

Decision 2008-020 Application 1511094

1 RECOMMENDATION

Having considered the applicant's request to withdraw the application, the examiner panel recommends that Application 1511094 be withdrawn.

2 DISCUSSION

Vault Energy Inc. (Vault) applied to the Alberta Energy and Utilities Board (EUB) pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations* for a licence to drill a well from a surface location at Legal Subdivision 5, Section 9, Township 35, Range 26, West of the 4th Meridian (5-9 well) to the same projected bottomhole location. The maximum hydrogen sulphide (H₂S) concentration would be 352.8 moles per kilomole (35.3 per cent). The H₂S release rate for the drilling case would be 0.9518 cubic metres per second with a corresponding emergency planning zone (EPZ) of 2.22 kilometres (km). The purpose of the proposed well would be to obtain crude oil from the Leduc Formation. The proposed well would be located about 18 km east of Innisfail.

Effective January 1, 2008, the EUB was replaced by the Energy Resources Conservation Board (ERCB) and the Alberta Utilities Commission. In accordance with the transition provisions of the *Alberta Utilities Commission Act*, this application has been addressed by the ERCB.

McMullen A.G. Enterprise Ltd. owns a rental home within the EPZ on the southeast quarter of Section 9-35-26W4M. It also owns the southeast and northwest quarter sections of Section 9-35-26W4M. Dale McMullen, on behalf of McMullen A.G. Enterprise Ltd., filed an objection to the proposed 5-9 well, stating concerns regarding proximity, property value, future subdivision plans, safety, and impact on ability to rent out its residence.

On February 20, 2008, a letter was sent to the ERCB from Penn West Energy Trust (Penn West) indicating that Penn West acquired the assets of Vault on January 10, 2008, which included the acquisition of the rights for the proposed 5-9 well. In that letter, Penn West also requested that the subject application be withdrawn as Penn West required more time to review the project.

Dated in Calgary, Alberta, on March 11, 2008.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

F. Rahnama, Ph.D. Presiding Member

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C. A. Langlo, P.Geol. Examiner

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