

West Energy Ltd.

Applications for Well Licences Pembina Field

September 2, 2008

ENERGY RESOURCES CONSERVATION BOARD

Decision 2008-082: West Energy Ltd., Applications for Well Licences, Pembina Field

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

WEST ENERGY LTD.
APPLICATIONS FOR WELL LICENCES
PEMBINA FIELD

Decision 2008-082 Applications No. 1451106 and 1459453

1 DECISION

Having considered a request from West Energy Ltd. (West) to withdraw Applications No. 1451106 and 1459453, the Energy Resources Conservation Board (ERCB/Board) hereby accepts West's request.

2 DISCUSSION

On August 8, 2007, the Board issued *Decision 2007-061*, wherein the Board determined that West's proposed project was in the public interest and conditionally approved Applications No. 1451106 and 1459453, applications to drill two sour crude oil wells in the Pembina area. Given that conditions were required to be fulfilled by West prior to licensing, well licences were not issued by the Board. One of the conditions was that a new egress road committed to by West must be constructed prior to commencement of drilling the first well.

Subsequently, the Board received a letter from Behr Energy Services Ltd. on behalf of West that proposed a different route from the original road referred to in *Decision 2007-061*. Given the change in circumstance with regard to the original road and the concerns with the change from intervening parties, the Board initiated a Section 39 proceeding under the *Energy Resources Conservation Act* to consider the proposed updated road. As a result of the Board-initiated review hearing, *Decision 2008-040* was issued on May 20, 2008, in which the Board directed that *Decision 2007-061* remain unchanged and directed West to meet its commitment and condition in *Decision 2007-061* regarding the original road.

On August 14, 2008, West notified the ERCB that it was withdrawing Applications No. 1451106 and 1459453, as it was not able to fulfill its commitment and the Board's subsequent condition to construct a second egress road prior to drilling the first well. West indicated that a feasibility study had determined that the road was not technically or economically feasible. West stated that it would submit new applications in the fourth quarter of 2008. Pursuant to Section 21 of the *Energy Resources Conservation Board Rules of Practice*, the Board accepts the withdrawal of the applications.

Dated in Calgary, Alberta, on September 2, 2008.

ENERGY RESOURCES CONSERVATION BOARD

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Dan McFadyen Chairman