



Canyon Oil and Gas Corporation

Application for a Well Licence
Pembina Field

March 10, 2009

ENERGY RESOURCES CONSERVATION BOARD

Decision 2009-026: Canyon Oil and Gas Corporation, Application for a Well Licence, Pembina Field

March 10, 2009

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

**CANYON OIL AND GAS CORPORATION
APPLICATION FOR A WELL LICENCE
PEMBINA FIELD**

**Decision 2009-026
Application No. 1548019**

DECISION

The Energy Resources Conservation Board has considered the recommendation set out in the following examiner report, adopts the recommendation, and directs that Application No. 1548019 be approved.

Dated in Calgary, Alberta, on March 10, 2009.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

Dan McFadyen
Chairman

ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

EXAMINER REPORT RESPECTING CANYON OIL AND GAS CORPORATION APPLICATION FOR A WELL LICENCE PEMBINA FIELD

Decision 2009-026
Application No. 1548019

1 RECOMMENDATION

Having received Application No. 1548019, noting that it meets Energy Resources Conservation Board (ERCB/Board) requirements, and noting the withdrawal of the objection from the intervening party, the examiner panel recommends that the hearing be cancelled and that Application No. 1548019 be approved.

2 INTRODUCTION

2.1 Application

Canyon Oil and Gas Corporation (Canyon) applied, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for a licence to reenter a well from a surface location in Legal Subdivision (LSD) 8 of Section 5, Township 50, Range 5, West of the 5th Meridian, to a projected bottomhole location in LSD 8-5-50-5W5M. The maximum hydrogen sulphide concentration would be about 0.00 moles per kilomole (0.0 per cent). The purpose of the well would be to obtain gas production from the Basal Colorado Sands. The proposed well would be located about 18.6 kilometres northeast of Drayton Valley.

2.2 Intervention

Alfred Young and Elaine Young filed an objection to the application with the ERCB. Their concerns included initial consultation, future implications on residential development, interference with current business operations, location of the access road, the further introduction of noxious weeds and recreational enjoyment of the property. The respective concerns were expressed during Canyon's public consultation and notification process and through the ERCB process leading up to a scheduled hearing.

2.3 Hearing

Board-appointed examiners H. W. Knox, P.Eng. (Presiding Member), L. P. Touchette, and H. L. Longworth, P.Eng., were scheduled to hold a public hearing in Drayton Valley, Alberta, on January 13, 2009.

3 DISCUSSION

Canyon engaged in the ERCB's Appropriate Dispute Resolution process with Mr. Young in the months leading up to and on the day prior to the hearing. The meetings resulted in an agreement between the parties, and on January 12, 2009, a statement was issued from both parties that an

agreement had been reached and the hearing was no longer necessary. The examiner panel concluded that the hearing was no longer necessary and postponed it on January 12, 2009. A formal request to withdraw the objection was received by the Board on February 24, 2009.

Dated in Calgary, Alberta, on March 2, 2009.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

H. W. Knox, P.Eng.
Presiding Member

<original signed by>

L. P. Touchette
Examiner

<original signed by>

H. L. Longworth, P.Eng.
Examiner