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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

PACE OIL AND GAS LTD.
APPLICATION FOR INCREASE IN OIL
ALLOWABLE PRODUCTION
RAINBOW FIELD

2011 ABERCB 023 Application No. 1674881

DECISION

The Energy Resources Conservation Board (ERCB/Board) has considered the recommendation made by the examiners, adopts the recommendation, and directs that Application No. 1674881 be closed.

Dated in Calgary, Alberta, on July 25, 2011.

ENERGY RESOURCES CONSERVATION BOARD

<Original signed by>

Dan McFayden Chairman

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1 RECOMMENDATION

The examiner panel recommends that the Board accept the applicant's request to withdraw its application and direct that the application be closed.

2 APPLICATION

Pace Oil and Gas Ltd. (Pace) applied to the ERCB pursuant to Section 10.060 of the *Oil and Gas Conservation Regulations*, to amend the penalized oil allowable rate for the production of oil from Rainbow Keg River O2O Pool in the 02/07-14-108-07W6/0 well (the 02/7-14 well). Objection to the application was filed by Servant Energy Inc.

3 DISCUSSION

The Board appointed examiners R. J. Willard, P.Eng., T. Keelan, P.Eng., and R. Marsh, P.Geol., to consider the application at a public hearing. On July 11, 2011, prior to a hearing being scheduled, the applicant notified the ERCB that the parties had resolved their equity issues in the Keg River O2O Pool and it was withdrawing Application No. 1674881, pursuant to Section 21 of the *Energy Resources Conservation Board Rules of Practice*. The examiner panel finds no regulatory reasons not to accept the request to withdraw the application.

Dated in Calgary, Alberta, on July 25, 2011.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

R. J. (Bob) Willard, P.Eng Presiding Member