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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

GLENCOE RESOURCES LTD.
APPLICATION FOR SPECIAL OIL WELL SPACING
CHIGWELL FIELD

2011 ABERCB 026 Application No. 1680344

DECISION

The Energy Resources Conservation Board (ERCB/Board) has considered the recommendation made by the examiners, adopts the recommendation, and directs that Application No. 1680344 be approved.

Dated in Calgary, Alberta, on September 6, 2011.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

Dan McFadyen Chairman

ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

GLENCOE RESOURCES LTD. APPLICATION FOR SPECIAL OIL WELL SPACING **CHIGWELL FIELD**

2011 ABERCB 026 **Application No. 1680344**

1 RECOMMENDATION

Having considered Application No. 1680344, noting that it meets ERCB requirements and having received a withdrawal of the objections from the intervening parties that met the test under Section 26(2) of the Energy Resources Conservation Act (ERCA), the examiners recommend the cancellation of the scheduled public hearing and the approval of Application No. 1680344.

2 APPLICATION AND INTERVENTIONS

Glencoe Resources Ltd. applied to the ERCB, pursuant to Section 79(4) of the Oil and Gas Conservation Act and Section 5.190 of the Oil and Gas Conservation Regulations to establish special spacing for unit lands for the production of oil from the Viking Formation in the Chigwell Field in the following areas:

Northwest quarter of Section 25 and north half of Section 26, Area 1:

(Portions of Unit 1) Township 42, Range 26, West of the 4th Meridian

Area 2: Southeast quarter and north half of Section 34-42-26W4M

(Unit 2)

Northwest quarter and south half of Section 1, Section 2, and South

half of Section 11-43-26W4M

The special spacing provisions requested by the applicant are that producing wells would be a minimum of 200 metres from the south and east boundaries of the unit and two wells per pool per quarter section could be produced.

The ERCB received two objections to the application respecting Section 35-42-26W4M, which is adjacent to the area of application. Woodland Resources Ltd. (Woodland) filed an objection, on behalf of Ms. Marsha Turney, who owns the mineral rights in this section. After filing the objection, Ms. Turney leased her mineral rights to Richfield Oils Inc. which also filed an objection. After the hearing was scheduled, both objections were withdrawn.

The ERCB also received an objection from Woodland, on behalf of Ms. Turney, respecting the north half of Section 27-42-26W4M, which is also adjacent to the area of application and for which Ms. Turney owns the mineral rights. However, upon the review of this objection and

associated information, the ERCB determined that Ms. Turney did not meet the test under Section 26(2) of the ERCA with respect to the north half of this section.

3 DISCUSSION

The Board scheduled a public hearing in Calgary, Alberta, on October 5, 2011, before Board-appointed examiners B. C. Hubbard, P.Eng. (Presiding Member), K. Fisher, and R. A. Marsh, P.Geol., to consider the application and objections.

As there are no outstanding objections to the application that meet the test under Section 26(2) of the *ERCA*, the examiners recommend that the scheduled hearing be cancelled. The examiners have considered the application and are satisfied that it is complete with respect to the requirements of *Directive 065: Resources Applications for Conventional Oil and Gas Reservoirs*. The examiners also note that the provisions of the requested units are consistent with special spacing previously approved in the area and with the standard buffer zones for this type of special spacing. The examiners therefore recommend that Application No. 1680344 be approved.

Dated in Calgary, Alberta, on September 6, 2011.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

B. C. Hubbard, P.Eng. Presiding Member