

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

APPLICATIONS FOR SEVEN WELL LICENCES
AEC WEST LTD.
VALHALLA FIELD

Examiner Report E 96-8
Applications No. 960468, 960469, 960470,
960514, 960515, 960516, and 960517

1 INTRODUCTION

1.1 Applications

AEC West Ltd (AEC West) applied to the Alberta Energy and Utilities Board (EUB), pursuant to section 2.020 of the Oil and Gas Conservation Regulations, for seven well licences as follows:

Application No.	Well Location
960468	Lsd 12-26-75-9 W6M ¹
960469	Lsd 6-34-75-9 W6M
960470	Lsd 8-34-75-9 W6M
960514	Lsd 14-26-75-9 W6M
960515	Lsd 4-34-75-9 W6M
960516	Lsd 10-34-75-9 W6M
960517	Lsd 16-34-75-9 W6M

The applied-for purpose of all of the wells is to obtain oil production from the Montney Formation.

1.2 Intervention

Gary and Iris Conrad, the owners of the surface land on which the wells are to be located, objected to the locations of the wells and/or the associated access roads.

1.3 Hearing

A public hearing to concurrently consider the well licence applications was convened on 17 July 1996 in Grande Prairie, Alberta before examiners appointed by the Board. The examiner panel consisted of J. R. Nichol, P. Eng., E. A. Shirley, P. Geol., and F. G. Sorenson.

The hearing included a site visit to the proposed well sites. Those who appeared at the hearing are listed in the following table.

¹ Legal Subdivision 12 of Section 26, Township 75, Range 9, West of the 6th Meridian

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THOSE WHO APPEARED AT THE HEARING

Principals and Representatives (Abbreviations Used in the Report)

Witnesses

AEC West Ltd. (AEC West)
P. Bruce Brander
JoAnn Ellis

G. Caswell
S. Christiansen, P. Eng.
M. Duckett, P. Geol.
G. Hart
D. Metcalfe
K. Woldum, P. Eng.

Gary and Iris Conrad
J. Darryl Carter, Q.C.
Tracy King

Alberta Energy and Utilities Board staff
L. D. Wilson
A. E. Wiechert, P. Geol.
V. J. Vogt

2 DISCUSSION

Immediately after the opening of the hearing on 17 July 1996 and the filing of AEC West's applications and other pertinent information as exhibits to the hearing, the participants of the hearing adjourned to the field to conduct site inspections of the proposed well locations. During the course of the day, it became apparent that agreement between AEC West and the Conrads may be reached on some of the well locations if further negotiation were to occur. Thus, nothing more than the site inspections occurred during the first day of the hearing.

At the commencement of the second day of the hearing, AEC West advised the examiner panel that it had reached an agreement respecting wells to be located in Lsd 6-34, Lsd 8-34, Lsd 10-34, and Lsd 16-34-75-9 W6M. AEC West also indicated that an agreement had also been reached respecting an additional well to be located in Lsd 15-34-75-9 W6M. This agreement was confirmed by the Conrads, and the hearing was resumed respecting the applications for the well locations in Lsd 12-26, Lsd 14-26, and Lsd 4-34-75-9 W6M.

As the second day of the hearing progressed, negotiations continued between AEC West and the Conrads. At 7:00 p.m. that day, AEC West advised the examiner panel that an agreement had been reached respecting wells to be located in Lsd 14-26 and Lsd 4-34-75-9 W6M. AEC West also withdrew the application for the well located in Lsd 12-26-75-9 W6M and indicated that it would be filing instead an application for a well to be located in Lsd 9-27-75-9 W6M. The agreement was confirmed by the Conrads.

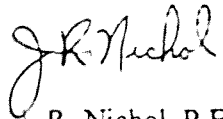
3 VIEWS OF THE EXAMINERS

The examiners accepted that the parties reached a voluntary resolution to the outstanding matters and closed the hearing. The examiners acknowledged the efforts of AEC West, the Conrads, and their representatives in negotiating a settlement.

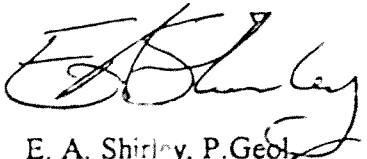
4 CONCLUSION

The examiners conclude that once the appropriate material has been filed and all EUB requirements have been met, the staff can proceed with the processing of the applications.

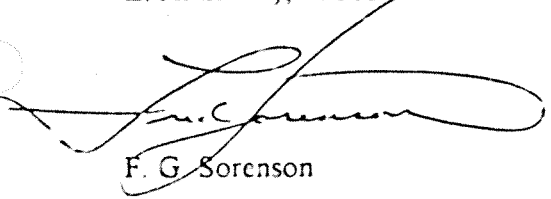
DATED at Calgary, Alberta, on 30 July 1996.



J. R. Nichol, P. Eng.



E. A. Shirley, P. Geol.



F. G. Sorenson