

## **1 INTRODUCTION**

### **1.1 Applications and Interventions**

On 8 October 1996, Renaissance Energy Ltd. (Renaissance) applied to the Alberta Energy and Utilities Board (EUB) pursuant to part 4 of the Pipeline Act, for permits to construct pipelines in the Taber and Taber North Fields. Application No. 1002927 is for pipelines to transport oil well effluent from pipeline tie-in points and a proposed well at Legal Subdivision (Lsd) 3 of Section 5, Township 10, Range 17 West of the 4th Meridian to pipeline tie-in points at Lsd 16 of Section 32, Township 9, Range 17, West of the 4th Meridian and Lsd 13 of Section 4, Township 10, Range 17, West of the 4th Meridian. Application No. 1002928 is for pipelines to transport salt water from pipeline tie-in points at Lsd 13 of Section 4, Township 10, Range 17, West of the 4th Meridian and Lsd 16 of Section 32, Township 9, Range 17, West of the 4th Meridian to pipeline tie-in points and a proposed well at Lsd 3 of Section 5, Township 10, Range 17, West of the 4th Meridian. Application No. 1002929 is for pipelines to transport sweet natural gas from a pipeline tie-in point at Lsd 13 of Section 4, Township 10, Range 17, West of the 4th Meridian to a pipeline tie-in point at Lsd 3 of Section 5, Township 10, Range 17, West of the 4th Meridian, and from a pipeline tie-in point at Lsd 16 of Section 32, Township 9, Range 17, West of the 4th Meridian to a well at Lsd 12 of Section 32, Township 9, Range 17, West of the 4th Meridian.

On 15 October 1996, Renaissance applied to the EUB pursuant to Section 2.020 of the Oil and Gas Conservation Regulations for well licences for wells to be drilled in the Taber North Field. Application No. 960906 is for a well proposed to be drilled at an existing well location at Lsd 8 of Section 5, Township 10, Range 17, West of the 4th Meridian (the 8-5 wellsite). Applications No. 960907, 960908 and 960909 are for wells proposed to be drilled from an existing well location at Lsd 16 of Section 5, Township 10, Range 17, West of the 4th Meridian (the 16-5 wellsite). The purpose of the wells would be to obtain oil production from the Taber Formation.

Objections to the applications were received by the EUB from the surface owners of the well locations and of portions of the proposed pipeline routes. James and Ella Nachay are the surface owners of the northeast quarter of Section 5, Township 10, Range 17, West of the 4th Meridian, which includes the 16-5 wellsite. Darrell James Nachay is the surface owner of the west half of the Northeast quarter of Section 32, Township 9, Range 17, West of the 4th Meridian, and a portion of the southeast quarter of Section 5, Township 10, Range 17, West of the 4th Meridian, which includes the 8-5 wellsite (see attached figure).

The objections of the surface owners to the proposed pipelines were based on the impact that portions of the lines could have on surface drainage, groundwater flow, surface erosion, development setbacks, property values and land development. The objections to the proposed wells were based on the impact the existing wells have had on irrigation and crop production, and the history of fire, spills, poor weed control and unfulfilled commitments by

the operator.

## 1.2 Hearing

A public hearing of the pipeline applications was originally scheduled for 11 December 1996. Upon receipt of the well licence applications and a request from the surface owners for an adjournment of the hearing, the hearing was postponed to allow more time for the surface owners to prepare. A public hearing of the applications was convened on 21 January 1997 in Taber, Alberta before Board appointed examiners M. L. Asgar-Deen, P.Eng., R. L. Paulson, C.E.T. and T. R. Keelan, P.Eng. Those who appeared at the hearing are listed in the following table.

### THOSE WHO APPEARED AT THE HEARING

Principals and Representatives (Abbreviations Used in Report)	Witnesses
Renaissance Energy Ltd. (Renaissance) B. Roth	S.A. Smith, P.Eng. J. Clark D.A. Stromberg, P.Eng. J. C. Winton D.M. Colborne B. Houchin
Darrell and James Nachay Farms (the Nachays) H. R. Beswick, Q.C.	D. J. Nachay J. Nachay
Alberta Energy and Utilities Board staff C. S. Richardson, C.E.T.	

## 2 Preliminary Matters

At the opening of the hearing a request was made by the Nachays that the examiners conduct a site visit of the proposed wells and pipeline routes. The Nachays believed that this would assist the examiners in understanding the topography and land uses in the area and to better understand their concerns. Renaissance agreed that a site visit would be helpful. The examiners granted the request and a site visit was attended by all hearing participants. The site visit was conducted after the presentation of Renaissance's direct evidence and prior to cross-examination of its witnesses.

## 3 Issues

The examiners consider the issues with respect to the applications to be:

- the need for the wells and pipelines
- the location and impact of the wells and pipelines

## **4 Consideration of the Applications**

### **4.1 Views of Renaissance**

Renaissance submitted that it should be allowed to drill and produce the proposed wells because it held valid petroleum and natural gas rights for the purpose of obtaining oil production from the Taber Formation in Lsd 8 and Lsd 16 of Section 5, Township 10, Range 17, West of the 4th Meridian. It stated that the wells were needed in order to prove up its minerals. It believed that the wells were needed on such close spacing (up to 4 wells per Lsd) in order to effectively drain the Taber zone because water coning significantly reduces the drainage area of each well. It stated that the wells would also provide benefits to the Province of Alberta through employment and the payment of royalties and taxes.

Renaissance stated that it chose to drill the proposed wells at existing sites because this would result in the least impact to the land surface and allow for directional drilling to the bottom hole locations. In addition, its policy of "zero disturbance" drilling means that the 8-5 and 16-5 wellsites would not be stripped of topsoil for the drilling of the proposed wells and would be returned to agricultural use as soon as possible after drilling and completion operations. Renaissance would also landspread its drilling fluids at a different land location approved by the surface owner, thus eliminating the need for a drilling sump on the proposed locations. With zero disturbance, there would not be the common problem of waiting until the spring thaw to recontour the sites and return the soil. Spring farming operations therefore would not be hindered. Renaissance proposed to enlarge the existing sites by .165 hectare (ha) for the 8-5 wellsite and .259 ha for the 16-5 wellsite. It stated the additional room would be required only during drilling, was necessary for directional drilling the additional wells and would provide for greater crew safety. Renaissance concluded that the proposed locations represented the best choice that would allow it to drill the wells with minimal impact to the land surface and to farming operations.

Renaissance submitted that the proposed pipelines were needed as part of its development plans for the area. It stated that the construction of the pipelines would result in the removal of currently existing production facilities at the 16-5 wellsite and other well locations in the area. This would have the positive effect of returning some of the lease areas to agriculture. The approval of application no. 1002927 for the construction of oil well effluent lines would allow for the removal of oil production facilities from the 16-5 wellsite and reduce the potential for spills and fires at that location. Approval of application no. 1002928 would allow for the transport of produced salt water from a multi-well battery located at Lsd 13-4-10-17 W4M and from the 16-5 wellsite to a disposal well to be located at Lsd 3-5-10-17 W4M. Approval of application no. 1002929 would allow construction of natural gas pipelines from Lsd 13-4-10-17 W4M to Lsd 1232-9-17 W4M and from Lsd 16-32-9-17 W4M to Lsd 12-32-9-17 W4M. The natural gas lines would provide for conservation of natural gas that is currently flared.

Renaissance stated that the proposed pipelines would be placed within the same right-of-way along their common routes. The lines would be a minimum .3 metre (m) apart to allow for cathodic protection and the trenching would be approximately 3 m wide where all lines are in a common ditch.

Renaissance acknowledged Darrell Nachay's concerns regarding setback distances to the

pipeline right-of-way and surface and groundwater drainage along the portion of the pipeline route in the northeast quarter of Section 32-9-17 W4M. It stated that its initial preferred route for this portion was to go directly west of the existing 16-32-9-17 W4M well site along the south side of Darrell Nachay's farm buildings. However, it chose an alternative route farther south of the buildings in order to provide Darrell Nachay more room for any future farm building construction. Its proposed route would be approximately 160 m south of the north boundary of the section. It stated that there would not be any development setbacks from its pipeline and thus farm buildings could be constructed up to the edge of the 15 m wide right-of-way. Under examination, Renaissance stated that in the past, where a landowner had development plans for his land, it has agreed to bury the pipeline deeper, move it, or in the extreme case where subdivision would be denied because of the pipeline, terminate the pipeline. It also stated that the revenues from lease sites increase property values when the land is sold and that the removal of the surface facilities due to pipelines should improve property values. Renaissance did not agree with the Nachays that the pipeline would have any impact on surface or groundwater drainage. Renaissance discounted the Nachay's suggested alternative route for this portion of the pipelines. It stated that locating the pipelines farther south as Nachays proposed would add another \$85,000.00 to the cost of construction. It did not believe that the impacts of the proposed route warranted the relocation of this portion of the line.

With regard to the portion of the proposed pipeline on the northeast quarter of Section 5-10-17 W4M, Renaissance stated the route it chose would not create any undue impacts. It did not agree with the Nachays that the construction of the pipelines would exacerbate the erosion problem at the nearby coulee and it believed that the pipeline right-of-way would be far enough away from the coulee such that it would be many years before erosion posed a problem for the pipelines, if at all. Renaissance stated that it has other pipelines in the area that are constructed in similar situations near or within a coulee and it has not experienced erosion problems that it could not control with erosion stabilizers. It stated that the operating life of the proposed pipelines would be about 12 years and it would visually monitor the erosion annually. It would be able to react to an erosion problem well in advance of any threat posed to the lines. On the question of surface and groundwater drainage, Renaissance stated that its normal practice is to construct drainage blocks along the completed pipeline right-of way in order to prevent water erosion and ponding in low areas. Further, it would roach, or build up the soil on top of the completed pipeline in anticipation of soil subsidence. It also believed that the subsurface compaction within the pipeline ditch would not alter or affect groundwater drainage. It believed that its construction practices effectively prevent any changes to surface or groundwater drainage.

In response to examination at the hearing, Renaissance undertook to provide the examiners and the Nachays information as to when the regional conservation and reclamation inspector for Alberta Environment Protection (AEP) was notified of the proposed pipelines, and any concerns that AEP expressed with respect to the proposal. Subsequent to the hearing, Renaissance confirmed that AEP had not been notified and that this was done on 22 January 1997. AEP reviewed the information it requested from Renaissance, and on 23 January 1997 inspected the portion of the pipeline right-of-way adjacent to the coulee in the northeast quarter of section 510-17 W4M. Renaissance thereafter advised the EUB that after AEP completed its review, it had no objections to the proposed pipelines.

#### **4.2 Views of the Interveners**

The Nachays did not dispute the need for the proposed wells and pipelines. They did however, dispute the locations of the pipelines and stated certain concerns regarding the operation of the proposed wells and construction of the pipelines.

The Nachays did not express specific concern for the locations of the proposed wells. They expressed concern for the impacts the additional wells may have for irrigation of their lands and the potential for spills or other production problems. They stated that the additional lands that Renaissance required for the drilling of the wells would remove land from their beet contract. However, under examination, the Nachays indicated that the beet contracts would only be affected if Renaissance did not follow through on its promise to finish drilling and return portions of the drilling lease to agriculture before the growing season commences. They were concerned that past experience had shown them that Renaissance could not be trusted to carry out its promises. Their preference was for no additional wells drilled at all on their lands.

The Nachays identified 2 locations along the proposed pipeline route that they had specific concerns about. They stated that the portion of the proposed route located on the northeast quarter of Section 5-10-17 W4M caused concern because it is near the edge of a coulee. They stated that the coulee is prone to seasonal slumping and it erodes from 3 metres (m) to 6 m each spring. Mr. James Nachay stated that he has spent in the order of \$20,000.00 over the years in an effort to control the erosion but it continues to erode each year. They expressed concern that the construction of the pipeline would exacerbate the erosion problem by altering the groundwater flow. They contended that disturbing the land surface would facilitate the movement of surface water along the pipeline route, causing erosion and greater infiltration of water into the ground. They were concerned that in any event, the erosion would affect the pipeline right-of-way at some point during the operating life of the pipelines. The Nachays suggested an alternative location for this portion of the pipeline right-of-way would be to move it south to the south boundary of the northeast quarter of section 5. They stated this alternative would remove the pipelines from the coulee area and alleviate their concerns regarding erosion and slumping.

With respect to the portion of the proposed pipeline route located on the northeast quarter of section 32-9-17 W4M, Mr. Darrell Nachay expressed concern for its proximity to his residence. He expressed concern for the potential negative effects the pipeline route may have on property values and future subdivision plans. He further believed that the proposed route would impose a setback restriction for any future buildings that he may propose. He stated that his present plans are to construct a shop near his farmstead, however he must meet the municipal setback of 53 m. (175 feet) from the centre of the municipal road. He believed that with a pipeline setback on the south side and the municipal setback on the north side, he would not have enough room to legally build his shop. Mr. Darrell Nachay was concerned about the potential effects on groundwater. Flooding in his basement had been a common occurrence in the past and any changes to surface drainage could compound this problem. Mr. Nachay proposed that an alternative location farther south and adjacent to the Telus right-of-way would give him the additional room he would need for his shop and for a feedlot he may build in the future. Further, by having the pipeline and Telus right-of-ways together, this would avoid separating the land into 8 ha (20 acre) parcels. This alternative would also move the pipelines farther from his residence thus reducing the potential for drainage problems in his yard.

### 4.3 Views of the Examiners

The examiners accept the need for the proposed wells based on the potential for small drainage areas due to water coning in the Taber zone heavy oil pools. Although the current spacing for Taber oil at these locations is 2 wells per pool per Lsd, the examiners note that additional wells could be drilled but would not be allowed to produce unless the required reduced spacing is applied for and approved by the EUB. The examiners note that the need for the wells and pipelines was not disputed by the Nachays.

With respect to the location and impact of the proposed wells, the examiners believe that Renaissance's use of existing well sites and its policy of zero disturbance will minimize any impact that the additional wells have on the Nachays' land. It is apparent that the nature of the Nachays' concerns with the well locations has to do with past operational practices and a perception of unfulfilled commitments, which in turn has led to a lack of trust, reduced communication, and some ill feeling between the Nachays and Renaissance. These issues will be discussed further in the following section dealing with "Other Matters". The examiners find that the well locations are acceptable as applied for by Renaissance.

The examiners believe that whenever pipelines can be built to conserve gas that would otherwise be flared, or to eliminate single-well oil batteries, it is in the public interest to allow them to be built. Such pipelines eliminate surface facilities and flaring operations, reduce local emissions and return land to agricultural use. The examiners accept Renaissance's submission that these positive results would be achieved by the construction of the proposed pipelines, therefore, unless the examiners find unacceptable aspects of the pipeline construction and operation that cannot be mitigated, they will recommend the pipelines be approved.

With respect to the proposed pipeline route on the northeast quarter of section 32-9-17 W4M, the examiners note that Renaissance has stated there would not be any setback distances from its pipeline. In addition the Pipeline Act does not impose a setback restriction for residences or buildings for the subject pipelines. The examiners believe that the approximately 110 m distance between the edge of the pipeline right-of-way and the municipal road setback, is reasonably sufficient to allow for the construction of a shop or residence.

Regarding the Nachays' concerns with the impact of the proposed pipeline on future subdivision of Mr. Darrell Nachay's land and on property values, the examiners observe that no evidence was presented to suggest that subdivision or development is currently in the planning or approval stages. In addition, no evidence in the form of data or studies was presented by either Renaissance or the Nachays to quantify the effect that the proposed pipeline would have on property values. The examiners believe it would be unreasonable to deny the proposed pipeline based on the possibility that property values or a hypothetical future development may be adversely affected. Nevertheless, the examiners note Renaissance's statements regarding past corporate practice when a landowner's development plans are adversely affected by the presence of a Renaissance pipeline. In keeping with this stated practice the examiners expect Renaissance to assist Mr. Darrell Nachay should he experience any difficulties in the future in getting approval to subdivide his land due to the presence of the proposed pipeline. This would include, in the absence of alternative

remedies, the termination of the pipeline in the extreme case where a subdivision application would be denied due to the presence of the pipeline.

Regarding Mr. Darrell Nachay's concern that his basement may be subject to renewed flooding due to this portion of the proposed pipeline, his concern was based on previous flooding that occurred that he attributed to an open drainage ditch located by his property. Since the previous flooding involved substantially different circumstances, the examiners do not believe it is relevant to the current situation and cannot accept that the proposed pipeline would contribute to increased flooding of Mr. Darrell Nachay's basement. However, the examiners expect Renaissance to ensure that any disturbance to groundwater and surface water flow due to the proposed pipelines would be minimized.

With respect to the portion of the proposed pipeline route on the northeast quarter of section 5-10-17 W4M, the examiners believe the pipeline right-of-way is sufficiently far away from the coulee that its construction and operation is unlikely to affect the rate of erosion of the coulee. Additionally, the examiners note that this portion of the right-of-way was inspected by AEP on 23 January 1997 and that AEP indicated it does not object to Renaissance's proposal. The examiners expect Renaissance to monitor the site and take appropriate action if in the future it appears that erosion of the coulee may affect the integrity of the pipelines. Given the above, the examiners do not believe that relocation of the pipelines to the south boundary of the northeast quarter of section 5, as suggested by the Nachays, is necessary. The examiners note that the 16-5 wellsite would be tied into the proposed pipelines and that relocation as proposed by the Nachays would increase the total distance of the pipelines and would also intersect the middle of an irrigated field.

The examiners find that the pipeline routes are acceptable as applied for by Renaissance.

## **5 Other Matters**

A number of issues were raised by the Nachays during the hearing and site visit that the examiners believe are not directly relevant to the need, location or impact of the proposed wells and pipelines. In addition, the examiners have serious concerns regarding the incorrect completion of the routine checkbox schedules submitted to the EUB and the repercussions on the application and hearing process. The examiners believe these issues warrant discussion and comment.

### **5.1 Operational Concerns and Commitments**

#### **5.1.1 Previous Oil Spills and Fire**

The Nachays stated that there had been previous oil spills at the 8-5 well site that had damaged crops and that were not properly cleaned up by Renaissance. In addition, damages to their irrigation equipment caused by an oil spill and fire at the 16-5 well site in January 1996 had yet to be repaired or replaced at the time of the hearing. The Nachays expressed frustration that they had the responsibility of monitoring their lands to ensure that the oil operations were in order. Mr. James Nachay stated that monitoring the oilfield activity is particularly troublesome for him because he lives several miles away and operates a full time business in Taber.

Renaissance acknowledged that there had been past operational problems at both the 8-5 and 16-5 wellsites. It stated that on one occasion at the 8-5 wellsite, a small oil spill due to carryover to the flarestack had been immediately cleaned up and the Nachays were then notified of the problem. In another incident at the 8-5 wellsite, a mist of oil had damaged a small portion of the adjacent bean crop. At that time the occupant farmer and the Nachays were notified and the occupant was reimbursed for his crop loss. In an incident at the 16-5 wellsite in January 1996, oil spray from the flarestack had set fire to some nearby irrigation equipment. The fire damage and spill were not noticed by Renaissance until the Nachays inquired about them in February 1996. At that time Renaissance thought it was agreed that the Nachays would repair the damage and Renaissance would pay the costs. Renaissance stated that it learned in July 1996 that the Nachays had expected it to repair the equipment. Due to problems with the contractor chosen to do the repairs, Renaissance had still not repaired the irrigation equipment at the time of the hearing.

The examiners believe that Renaissance was inattentive to the off-lease oil spill and fire at its 16-5 wellsite until the Nachays contacted Renaissance about it the following month. In addition, Renaissance's failure to repair the fire-damaged irrigation equipment over a period of one year indicates a lack of due diligence. The Nachays have a right to expect that Renaissance will be aware of oil spills from its facilities and be proactive in dealing with the cleanup and damage repair. Accordingly, the examiners expect Renaissance to take immediate steps to replace the irrigation equipment that was damaged by its fire.

The examiners further note that Renaissance was deficient in not notifying the EUB Medicine Hat area office regarding the off-lease oil spills and fire. These items must be reported in accordance with section 8.050 (2)(a) of the Oil and Gas Conservation Regulations. The examiners will refer this matter to the EUB's Field Surveillance Group for appropriate follow-up action.

### **5.1.2 Poor Weed Control**

The Nachays stated that Renaissance's weed control program at its wellsites and access roads was not effective, and that it should not be the Nachays' responsibility to see that it is done right. Renaissance stated that it typically sprays the weeds before they go to seed, but that the local contractors they use may be busy and therefore delays can occur. The EUB requires all licensees to implement effective weed control throughout the operating life of their respective oil and gas sites. The examiners expect Renaissance to fulfil this requirement and to contact the Nachays periodically to ensure that they are satisfied with the control measures.

### **5.1.3 Past And Future Commitments**

The Nachays stated that they are at the point of disbelieving any commitments that Renaissance might make because of the company's noncompliance with its past commitments. In this regard, the Nachays stated that a culvert was to be installed under the access road to the 8-5 wellsite, a locked gate was to be located at the entrance to the 16-5 wellsite, and the 16-5 wellsite was not to interfere with the irrigation of their lands. The culvert and the locked gate were never installed and the Nachays cannot irrigate lands to the north of the 16-5 wellsite. In addition the Nachays stated that the 16-5 access road makes it impossible to irrigate a portion of the land to the east of the wellsite, and it would prefer that



the road be moved alongside the fence line to the south. The Nachays stated that, while wellsite fencing is desired to keep cattle contained, they would like the fencing to be moved as close to the wells as possible to maximize the amount of land that could be returned to agricultural use.

Renaissance stated that the past commitments or understandings referred to by the Nachays involved previous operators. In addition, Renaissance stated that many of the concerns expressed by the Nachays at the hearing had not been brought to its attention prior to the hearing. It believed that the Nachays were not entirely open in their communications and did not always advise Renaissance when problems arose. Renaissance stated that it would install the culvert at the 8-5 access road subject to getting approval from the Municipal District of Taber, it would install the locked gate at the 16-5 wellsite and would examine the possibility of moving the 16-5 access road to the south along the fence line. Renaissance stated that the approval of the pipelines to the 16-5 wellsite would allow removal of much of the 16-5 surface facilities, and that it is Renaissance's policy to allow the farmer to utilize any unused portion of the lease.

The examiners expect Renaissance to follow through on its commitments to install a locked gate at the approach to the 16-5 wellsite and a culvert at the 8-5 approach as soon as practically possible. Upon completion of drilling operations at the 8-5 and 16-5 wellsites, the fenced areas around the wells shall be downsized as much as possible. In addition the examiners expect Renaissance to work with the Nachays to examine ways to allow irrigation of the land to the east of the 16-5 wellsite, including the possibility of moving the wellsite access road to the south. The examiners also believe there is an onus on the Nachays to discuss with Renaissance any concerns they may have as soon as they arise so that they can be attended to by Renaissance without delay.

## **5.2 Incorrect Statements On Applications**

In response to examination at the hearing, Renaissance undertook to provide the examiners and the Nachays with the details of its notification process for the proposed wells and pipelines. It responded to the EUB and the Nachays on 22 January 1997 stating that it provided notification of its applications to all affected landowners along its pipeline right-of-ways and to all other affected parties, those being: Canadian Western Natural Gas Company Limited, Telus Communications Inc., TransAlta Utilities, Taber Irrigation District and the Municipal District of Taber No. 14. It also stated that there were no concerns expressed by other area operators. With respect to the proposed wells, it stated that there were no other parties that it felt required notification other than the surface owners. The nearest residence to the wells is approximately 600 m from the 8-5 wellsite on an adjacent quarter section. Renaissance also confirmed that, contrary to the statement in its pipeline applications, the regional conservation and reclamation inspector was not notified prior to the applications being made. Renaissance provided that notification on 22 January 1997 and met AEP's requirements on 29 January 1997. It also stated that the Nachays did not provide the name of the farm occupant of their lands in order for it to provide notification. It confirmed, as part of its undertakings, that the occupant was advised of the pipeline applications, however, it did not provide specific details to the EUB regarding notification to the occupant of the well licence applications.

The examiners have serious concerns regarding the timing of Renaissance's notification to AEP's regional reclamation inspector. They note that this was not done by Renaissance until

after the hearing and that Renaissance stated in its pipeline applications that this had been done prior to making application. The EUB application process relies on correct information being submitted in order for an accurate evaluation of the application and to ensure an appropriate decision is rendered. Incorrect submissions undermine the integrity of the application process and may result in safety and environmental problems, wasted time processing and/or bringing to hearing an incomplete or erroneous application, and an inappropriate decision. The examiners note that AEP did respond to Renaissance whereby it requested information that would either confirm the stability of the coulee or would outline Renaissance's plans to ensure that the pipeline construction would not cause or worsen an erosion problem. The examiners note that in this case, once AEP had the opportunity for input, it did not express any objection to the proposed pipeline route and so the consequence of Renaissance's misinformation did not become a serious problem. However, the examiners will refer the matter to the EUB Application Audit Group for appropriate follow-up action.

With regard to notification of the well licence applications, to the occupant of the Nachays' lands, the examiners acknowledge that the Nachays may have been unwilling to provide this information to Renaissance. However, the examiners expect all applicants to be diligent in their efforts to search out land ownership and occupancy. The examiners note that there is no indication that Renaissance pursued this matter in other ways such as asking adjacent landowners to identify the Nachays' occupant, nor did it contact the EUB to explain that there was a problem. Instead, Renaissance indicated on its application that all affected parties had been contacted. The examiners are not assured that the occupant of the Nachays' lands was fully advised of the well licence applications and therefore of the public hearing. Therefore, the examiners will send the occupant a copy of their report and indicate that any questions or concerns the occupant may have as a result of reading the report should be sent to the EUB for its consideration. Prior to spud, Renaissance shall notify the farming occupant of its plans to drill the proposed wells.

## **6 Recommendation**

The examiners recommend that Applications No. 960906, 960907, 960908, 960909, 1002927, 1002928 and 1002929 be approved.

DATED at Calgary, Alberta on 11 March 1997.

M. L. Asgar-Deen, P.Eng.

R. L. Paulson, C.E.T.

T. Keelan, P.Eng.