

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**APPLICATIONS FOR WELL LICENCES,
TEMPORARY BATTERY AND SATELLITE
PRODUCTION FACILITIES, PIPELINE
PERMIT, AND SPECIAL DRILLING SPACING
UNITS AND HOLDING
ARMISIE FIELD
TAPPIT RESOURCES LTD.**

**Memorandum of Decision
Pre-hearing Meeting
Applications No. 950999, 951102,
960174, 960175, 960176, 960177,
960178, 960279, and 960180**

1 INTRODUCTION

Tappit Resources Ltd. (Tappit) applied to the Alberta Energy and Utilities Board (the Board) for five well licences, related production facilities, a pipeline permit, and special drilling spacing units including the establishment of a holding. The proposed wells would be for the purpose of obtaining oil production from the Bazal Quartz zone to be drilled from a pad location in Legal Subdivision 16 in Section 27, Township 51, Range 23, West of the 4th Meridian. The Board had been made aware that objections and concerns to the applications had been submitted from individuals, the City of Edmonton, and commercial entities in the area of the application.

In order to afford all parties the opportunity to state their position on matters related to the consideration of the applications and the possible public hearing of the applications, the Board decided to hold a pre-hearing meeting. The meeting was held at the Board's offices in Edmonton, Alberta on 25 June 1996 with Board Member J. D. Dilay, P.Eng., presiding. The transcripts of that meeting were subsequently reviewed by A. Calista Barfett and Dr. B. F. Bietz, P.Biol., Board Members. The following major topics were discussed at the hearing:

- (1) the scope of a hearing,
- (2) timing of a hearing, and
- (3) costs.

THOSE WHO APPEARED AT THE HEARING

Principals and Representatives (Abbreviations Used in Report)	Witnesses
Tappit Resources Ltd. (Tappit) S. M. Munro	W. Boddy, P.Eng.
City of Edmonton (the City) M. Sherk	
401261 Alberta Limited (Alberta Limited) R. C. Faser, Q.C.	
A. J. Hendriks (Mr. Hendriks)	A. J. Hendriks
Energy and Utilities Board staff M. Craig N. F. Lord	

2 VIEWS OF THE APPLICANT

Tappit submitted that with respect to the scope of the hearing, the relevant issue for consideration by the Board was whether or not the proposed resource development meets the standards and criteria that have been established for drilling wells in the Edmonton area. These issues would be primarily technical and related to Tappit's ability to meet these criteria.

Tappit submitted that mid-August to early September would be appropriate for the hearing of the applications. Tappit also stated that an appropriate filing date for submissions would be approximately 2 weeks prior to the commencement to the hearing.

Respecting cost issues, Tappit submitted that if a hearing were required, Tappit would invite participants to forward cost claims directly to Tappit for consideration. This could avoid the necessity of filing a cost claim application with the Board.

3 VIEWS OF THE INTERVENERS

The City stated it agreed with Tappit that the scope of the hearing should be to consider if the applications meet established guidelines. The timing of the hearing as proposed by Tappit was also acceptable to the City.

Respecting costs, the City said that it would submit any statements directly to Tappit.

Alberta Limited concurred with the other participants that the scope of the hearing should address the technical criteria for such applications. As well, the time and pace of exploration within the Edmonton city limits should also be an issue. Alberta Limited also concurred with Tappit on timing of the hearing and the manner of dealing with costs.

Mr. Hendriks submitted that the Board should carefully consider the question of exploration activity within the Edmonton city limits. Mr. Hendriks also concurred with other participants that August or September would be suitable for a hearing.

4 VIEWS OF THE BOARD

Having considered the submissions of the pre-hearing meeting participants, the Board believes that the scope of any hearing held must consider the technical merits and potential impacts of the specific applications the Board has before it.

The Board notes Tappit's offer to have any associated cost claims submitted directly to Tappit for consideration and would encourage participants to do so. If this process proves unsatisfactory, the Board would expect the parties to follow the procedures set out in Guide G-31 "Guidelines Respecting Applications for Local Interveners' Costs Awards".

With respect to timing, the Board proposes to commence the hearing on 4 September 1996, at its Edmonton offices with a filing date of 21 August 1996 for submissions. Notice of the hearing will be issued in due course.

DATED at Calgary, Alberta, on 17 July 1996.

(Original signed by)

J. D. Dilay, P.Eng.
Presiding Member

(Original signed by)

A. Calista Barfett
Board Member

(Original signed by)

B. F. Bietz, Ph.D., P.Biol.
Board Member