

# **ALBERTA ENERGY AND UTILITIES BOARD**

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Calgary Alberta

## **PRE-HEARING MEETING**

### **APPLICATIONS TO REVIEW ABANDONMENT COSTS ORDER ACO 98-1**

**GREG JUSTICE**

**693040 ALBERTA LTD. AND MARC DAME**

**Memorandum of Decision**

**Proceedings No. 980654 and 980655**

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## **1 INTRODUCTION**

Mr. Greg Justice, 693040 Alberta Ltd. and Marc Dame, are parties named in Abandonment Costs Order No. ACO 98-1 (ACO 98-1 or the Order) issued by the Alberta Energy and Utilities Board on 5 October 1998. By way of letters dated 29 October 1998 and 4 November 1998, Mr. Justice, 693040 Alberta and Mr. Dame, (the Interveners) requested the Board to review its decision regarding ACO 98-1 pursuant to section 43 of the *Energy Resources Conservation Act*. The Board was satisfied that the Interveners were affected parties and ordered on 1 February 1999, that a hearing under section 43 of the *Energy Resources Conservation Act* be held.

In order to ensure that the hearing process is both effective and fair to all parties involved, the Board held a pre-hearing meeting to canvass the issues to be considered at the public hearing, the proposed order and timing of submissions for the hearing, potential timing of the hearing, and any other matters as necessary. The pre-hearing meeting was held in Calgary, Alberta, on 28 April 1999, before Board Members, B. F. Bietz, Ph.D., P.Biol. T. McGee, and Acting Board Member, M. J. Bruni. A list of those who registered at the pre-hearing Meeting is shown on the attached table.

## **2 PRELIMINARY MATTERS**

The question of who the applicant would be in this proceeding was raised by Ms. Brezina, counsel for the EUB's Corporate Compliance Group, Enforcement Section (Enforcement Section). Ms. Brezina requested that the Board clarify which party it viewed as the applicant to this proceeding. The Board was of the view that, in this particular case, it was an action taken by the EUB's Enforcement Section that caused the potentially affected parties to request a public hearing under section 43 of the *Energy Resources Conservation Act*. As a result, the Board was of the view that, in this particular instance, the EUB's Enforcement Section is the applicant.

## **3 ISSUES CONSIDERED AT THE PRE-HEARING MEETING**

### **3.1 Views of the Interveners**

The following points were raised by the Interveners as issues to be discussed at the pre-hearing meeting:

- issues to be considered at the hearing,
- the proposed order and timing for filing of submissions, and
- potential timing for the hearing

### **3.2 Views of Mr. Greg Justice**

Ms. Burke, counsel for Mr. Justice, stated that there were two issues that should be addressed at the hearing. First, Mr. Justice was opposed to having been named in ACO 98-1. Ms. Burke's position was that her client was wrongly deemed to be a person in control in accordance with section 20 of the *Oil and Gas Conservation Act*. Counsel for Mr. Justice also expressed concern that the Board did not consider all of the relevant evidence in that regard. Second, Ms. Burke questioned whether the costs incurred by the EUB in the abandonment of the wells and facilities were reasonable.

Ms. Burke concurred with the proposed order and procedure for filing of submissions whereby the Enforcement Section would file first, to be followed by a submission on behalf of her client, with the submission of Mr. Dame and 693040 Alberta Ltd. filed last.

Ms. Burke indicated that she was not in position to proceed to a hearing in either May, June, July, or September, but concurred with a potential hearing date in October.

### **3.3 Views of Mr. Marc Dame and 693040 Alberta Ltd.**

Mr. Mudie, Counsel for Mr. Dame and 693040 Alberta Ltd., also put forth the position that his client and the client's company, 693040 Alberta Ltd., were wrongly named in the Order, as neither had acquired the assets of South Alberta Energy Corp. Therefore, this was an issue they believed would need to be addressed at the hearing.

Counsel for Mr. Dame did not express any comments with respect to the amount of the costs incurred by the EUB in carrying out the abandonments.

Mr. Dame's counsel indicated that a hearing in either June or October would be best suited to them and requested that they be allowed to file their submission after both the Enforcement Section and Ms. Burke.

### **3.4 Views of the Enforcement Section**

Ms. Brezina, on behalf of the Enforcement Section, stated that it was in agreement with the proposed order of appearance and filing of submissions, including a potential hearing date in October.

The Enforcement Section indicated that in the interim prior to the hearing, it would not be proceeding with transforming the Order into a judgement and that no execution proceedings would be taken.

#### 4 VIEWS OF THE BOARD

The Board notes that there appeared to be general agreement between the parties on the issues to be considered at the public hearing. These would include the information that the EUB relied on in reaching its decision regarding ACO 98-1, which named certain corporations and individuals, and the appropriateness of the costs associated with the abandonment of the subject wells and facilities. The Board notes that this does not in any way preclude other relevant issues from being raised at the hearing.

Based on the views expressed at the pre-hearing meeting, the Board will require submissions from the parties on the following dates:

- EUB Corporate Compliance Group, Enforcement Section 30 June 1999<sup>1</sup>
- Mr. Greg Justice 31 August 1999
- 693040 Alberta Ltd. and Mr. Marc Dame 30 September 1999

Subject to the availability of the parties, the Board will select a hearing date in October 1999 and will notify all of the affected parties in due course.

DATED at Calgary, Alberta, on 25 May 1999.

ALBERTA ENERGY AND UTILITIES BOARD

*(Original signed by)*

B. F. Bietz  
Board Member

*(Original signed by)*

T. McGee  
Board Member

*(Original signed by)*

M. J. Bruni  
Acting Board Member

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<sup>1</sup> Subsequent to the pre-hearing meeting, the EUB Enforcement Section requested an extension of their filing date to 16 July 1999. This extension was granted by way of letter dated 11 May 1999.

**THOSE WHO REGISTERED AT THE PRE-HEARING MEETING**

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Participants	Representatives
Greg Justice	Ms. Judy Burke Mr. Greg Justice
693040 Alberta Ltd. and Marc Dame	Mr. Michael Mudie Mr. Marc Dame
Alberta Energy and Utilities Board Corporate Compliance Group Enforcement Section	Ms. Danielle Brezina Ms. Valerie Vogt
Alberta Energy and Utilities Board staff	Mr. Doug Larder, Board Counsel Mr. Paul Ferenowicz Ms. Judy Dawson

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