

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**RANGER OIL LIMITED
COLD LAKE OIL SANDS AREA
PRIMARY RECOVERY SCHEME**

**Memorandum of Decision
Pre-Hearing Conference
Applications No. 1025853, 1025855 and 1025857**

1 INTRODUCTION

The Alberta Energy and Utilities Board (Board) received applications from Ranger Oil Limited to amend Approval No. 8043 for a primary recovery scheme for the recovery of crude bitumen from the Mannville Formation in the Cold Lake Oil Sands Area. Ranger proposed to amend Approval No. 8043 by adding the area identified in the attached figure and reducing the drilling spacing units to 4 hectares within the proposed amendment area and the existing approval area.

After reviewing the submissions filed by various parties in response to the Notice of Hearing issued 19 April 1999, the Board identified the need to reschedule the hearing and conduct a pre-hearing conference to consider various matters preliminary to the hearing. The pre-hearing conference was held on 15 June 1999 at the Lakeland Inn, Cold Lake South, Alberta, before Acting Board Members J. R. Nichol, P.Eng., M. J. Bruni, and R. H. Houlihan, P.Eng., Ph.D.

The names of the participants who registered at the meeting are shown on the attached list.

2 ISSUES CONSIDERED AT THE PRE-HEARING CONFERENCE

The following issues were considered at the pre-hearing meeting:

- a) qualification as local interveners pursuant to Section 31 (1) of the *Energy Resources Conservation Act* for the purpose of costs,
- b) approval of advance funding of local intervener costs,
- c) the major issues to be examined at the hearing, and
- d) the timing of the hearing and filing of submissions.

3 VIEWS OF THE INTERVENERS

All interveners identified air quality (regional and cumulative impacts), water quality (cumulative and regional impacts), surface impacts, and quality of life as issues to be considered at the hearing.

The Cold Lake First Nations (CLFN) stated that its Reserve, in particular the Cold Lake Indian Reserve #149B, was directly impacted as it borders the Ranger Oil leases. The CLFN also identified drainage and economic benefit issues. CLFN indicated it was flexible on the hearing date.

The Marie Lake Landowners Association (MLLA), which Mr. Savard represents, comprises 34 landowners, primarily around Marie Lake, which is north of the Ranger development. Mr. Savard is the only member who owns property within or adjacent to the area of application. At the pre-hearing conference, Mr. Savard amended his request by requesting funding on his own behalf. Mr. Savard indicated that the estimated costs for retaining a technical expert would be from \$10 000 to \$15 000 and legal representation would be approximately \$5000. Mr. Savard submitted that, provided the information from Ranger is complete and received by the end of June 1999, a hearing held in late September 1999 would be acceptable.

The Bodnar residence is located on the southeast quarter of section 10-62-4W4 and is within 2 miles of Ranger's Cold Lake Oil Treating Battery at section 16-15-62-4W4. The Bodnars indicated that they would be impacted by Ranger's development and specifically by the proximity of Ranger's cleaning facility. Advance intervener funding was requested to retain a consultant to review air and water quality issues. The Bodnars' budget was revised to approximately \$40 000 from \$25 000 based on a hearing of longer duration. The Bodnars suggested an appropriate hearing date would be July 2000, in order to complete an environmental impact assessment, which had not been presented with the application.

Mr. Pernarowski owns property approximately 6 kilometres from Ranger's development area; he indicated that his health and safety would be impacted by Ranger. He requested advance funding to retain technical experts to assist with reviewing the technical issues associated with the application. His request for funding was \$25 000, although he indicated that duplication of expert witnesses and legal counsel may reduce the amount requested. Mr. Pernarowski suggested that a hearing in September 1999 would provide a very short time frame and that any submissions should be filed six weeks to two months before the actual hearing.

The STOP group, represented by Ms. Ulfsten, comprises members who own property from the north side of Marie Lake to Muriel Lake. At the proceeding, Ms. Ulfsten identified two members, Mr. Paul Ulfsten and Ms. Connie Axell, with lands inside or immediately adjacent to the application areas. STOP's preliminary funding request was \$60 000 and did not include Ms. Ulfsten's fee as a consultant or her personal expenses.

4 VIEWS OF RANGER

Ranger stated that it had no objections to the Board conferring local intervener status on CLFN and on Mr. Savard on a personal basis, as they are potentially directly affected as contiguous surface owners. Ranger would like to reserve the right and the opportunity to review and comment on the cost submissions when they are made.

Ranger objected to the Bodnars' and Mr. Pernarowski's status as local interveners and to any advance of costs. Ranger asserted that these interveners had not demonstrated any direct personal

impact, given the distance of their property from the proposed development. Ranger conceded the Bodnars would be affected by the operation of the cleaning facility; however, the cleaning facility is not dependent on this application but is operated under a separate approval.

Ranger submitted that STOP had not provided sufficient evidence to indicate whether it would be participating in the hearing as an organization or as individuals with concerns. Ranger wished to reserve comments if Ms. Ulfsten chooses to act as a representative for Mr. Paul Ulfsten, who is within the area of application. If Mr. Paul Ulfsten chooses to become an intervener, Ranger would review the situation.

With respect to advance of costs, Ranger did not see sufficient detail in any of the requests to justify the advance of costs. The interveners have not established a need for financial assistance or the validity of the amounts requested.

Ranger has commissioned several environmental studies dealing with the major issues identified, which would be forwarded to the interveners by the end of June 1999. Ranger submitted that a hearing in the third week of September 1999 or in October 1999 is appropriate, with a liberal deadline for the interveners to file submissions to the Board.

5 VIEWS OF THE BOARD

In considering whether a person or a group or association of persons qualifies as local interveners pursuant to Section 31(1) of the *Energy Resources Conservation Act*, the Board must be satisfied that the party in question has an interest in or is in actual occupation or is entitled to occupy land that is, or may be, directly and adversely affected by the subject matter of the application before the Board. The Board must be satisfied that a person, group or association qualifies as a local intervener and has established the need for an advance before awarding any funds in advance of the hearing to assist with the preparation of a submission. With respect to the need for advance funding, the Board must be satisfied that an advance is required to allow preparation and participation at the hearing, that the proposed budget is reasonable, and that the issues to be put forth in the intervention are germane to the application under consideration and within the jurisdiction of the Board.

As in all advance intervener cost decisions, each of the decisions contained in this report is a preliminary decision and subject to a final cost application following the hearing based on submissions received and evidence presented. At that time the Board will review the claim and may deny a claim, in whole or in part. This may result in direction to a local intervener requiring a repayment of an advance made by the Board. All of the parties to this review are directed to the legislation and regulation governing the local intervener funding process.

The Board agrees that not all effects from development schemes such as that proposed by Ranger are limited to the boundaries of the project lands. Therefore, the Board's preliminary conclusion is that interveners that have lands within or immediately adjacent to the area of the application qualify as local interveners. As such, the Board finds that the CLFN and Mr. Savard are eligible as local interveners. The CLFN has not asked for advance funding, and the Board will consider any claim for funding made following the hearing in accordance with the its local intervener

funding regulation. The Board is prepared to advance funds to Mr. Savard to allow him to retain technical expertise and prepare a submission for presentation in this review that will assist the Board in obtaining an understanding of the incremental effects associated with the project. The Board did receive a submission from Mr. Savard after the pre-hearing conference that contains more detail concerning his proposed submission. Ranger has not had the opportunity to comment on this filing, and the Board did not have regard for that filing in reaching the conclusions contained in this decision.

Based on the information available at this time, the Board is not satisfied that the Bodnars would experience direct and adverse effects from Ranger's proposed operations conducted within the application lands. However, the Board is satisfied that the Bodnars are eligible as local interveners with respect to the potential effects associated with the Ranger battery in section 16-15-62-4W4. Ranger's use of this facility to treat production from the area of application will, in the Board's opinion, have the potential to cause adverse effects on the Bodnars. The Bodnars' written submission filed in advance of the pre-hearing conference contained a long list of concerns that would principally relate to the application lands. The Board is prepared to advance funds to the Bodnars to assist with the preparation of a submission focusing on incremental impacts associated with the operation of the battery. The Board would caution that any final funding award will be limited to assistance that can be attributed to a submission related to the direct and adverse effects that may be experienced by the Bodnars should the project proceed.

Given the distance of Mr. Pernarowski's land and residence from the project area and the nature of the development proposed by the applicant, and having considered all of the evidence presented by Mr. Pernarowski, the Board is not prepared to designate Mr. Pernarowski as a local intervener. The Board will therefore defer its decision on whether Mr. Pernarowski is likely to be directly and adversely affected by the proposed project until it considers the evidence presented at the hearing.

Based on the limited information available to the Board, the Board is not satisfied that the STOP group is a local intervener. The Board is, however, of the opinion that three individuals represented by STOP are eligible and that these individuals have chosen to have their concerns brought forward at the hearing by Ms. Sally Ann Ulfsten. Mr. Paul Ulfsten (SW/4 25-63-3W4), Mr. George R. David (NW/4 19 and NW/4 20-63-2W4) and Ms. Connie J. Axell (NE/4 23-63-3W4) each have lands within the application area and have the potential to be directly and adversely affected should the project proceed.

To assist local interveners with hearing preparation, the Board is willing to advance \$9000 each to the Bodnars, Mr. Savard, and the local interveners represented by STOP. This advance must be accounted for in a final cost claim following the completion of the hearing. The Board repeats its caution that all advances and final claims for costs will be reviewed following the completion of the hearing in accordance with the criteria established in the *Local Intervener's Costs Regulation*. The Board encourages the parties receiving funding to coordinate the focus of their submissions so that expertise is not duplicated.

The Board notes that there was general agreement on the issues to be considered at the hearing and therefore will not comment any further on this aspect of the pre-hearing conference.

In considering the scheduling of the hearing, the Board had regard for the information that has been filed to date and the need to afford each of the participants with adequate time to prepare and file submissions. The hearing will be scheduled to commence on 23 November 1999, with a filing date for submissions three weeks in advance of the actual hearing date. The Board has asked EUB staff to make the necessary arrangements to book facilities. Once this has been done, all of the registered participants will be notified confirming the hearing date and the deadline for filing submissions.

DATED at Calgary, Alberta, on 29 July 1999.

ALBERTA ENERGY AND UTILITIES BOARD

[Original signed by]

J. R. Nichol, P.Eng.
Acting Board Member

[Original signed by]

M. J. Bruni
Acting Board Member

[Original signed by]

R. H. Houlihan, P.Eng, Ph.D.
Acting Board Member

THOSE WHO APPEARED AT THE HEARING

Principals and Representatives (Abbreviations Used in Report)

Ranger Oil Limited (Ranger)

T. R. Owen
S. Thomas

Witnesses

M. Langley
C. D. Flanagan
J. Newman
P. Weiler
P. Carson
D. Callbeck

William and Henrietta Bodnar (The Bodnars)

J. W. Bodnar

W. Bodnar

Ron and Carol Pernarowski

(The Pernarowskis)

R. Pernarowski

Cold Lake First Nations (CLFN)

L. Mandomin

Marie Lake Land Owners Association (MLLA)

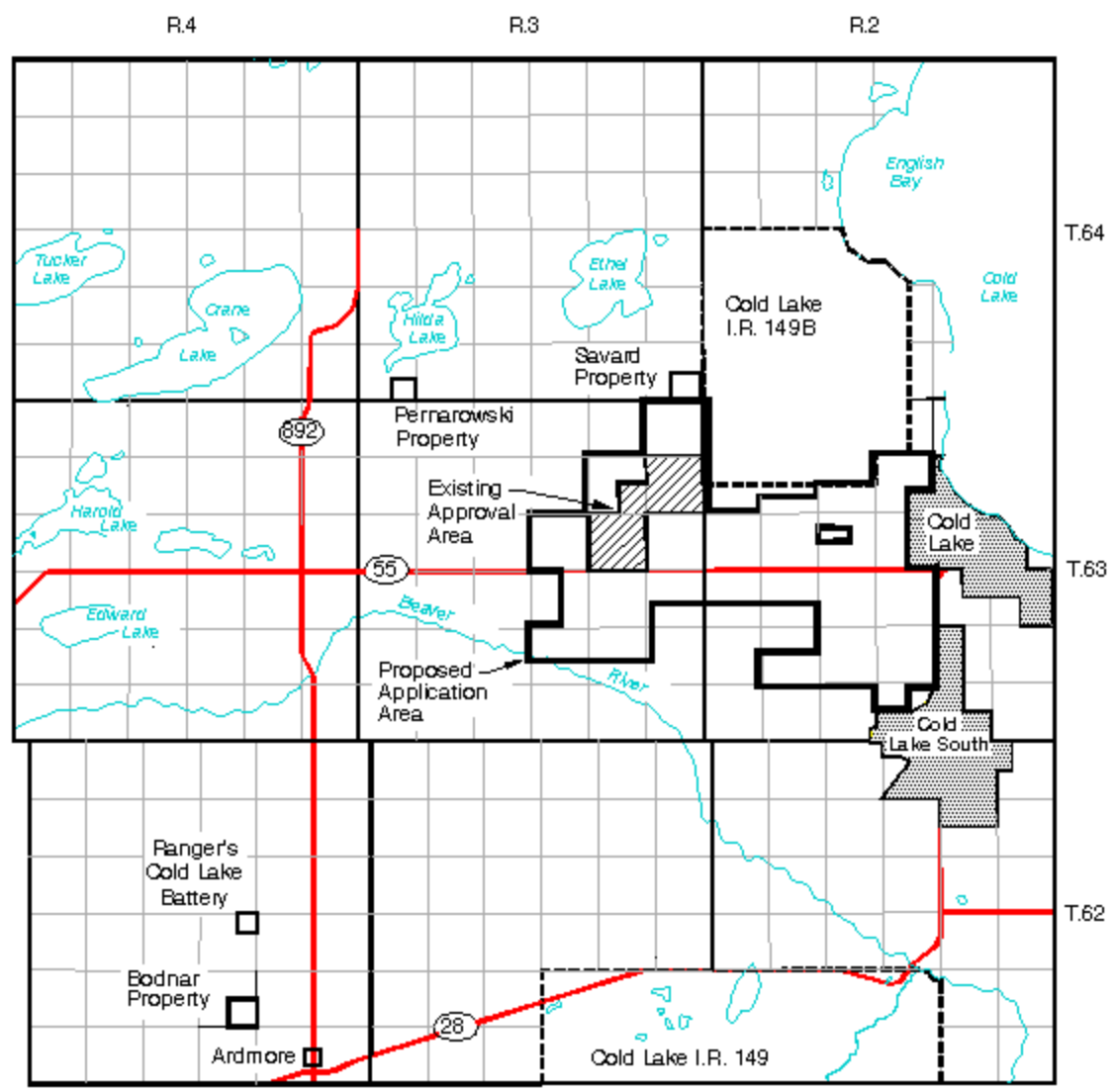
D. Savard

Stop and Tell Our Policiticans (STOP)

S. A. Ulfsten

Alberta Energy and Utilities Board staff

W. Y. Kennedy
K. W. Sadler
J. Baker
A. Louie



Cold Lake Area
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Ranger Oil Limited