Apache Canada Ltd.

Special Gas Well Spacing
Bashaw Area

July 19, 2005
ALBERTA ENERGY AND UTILITIES BOARD
Decision 2005-068: Apache Canada Ltd., Special Gas Well Spacing, Bashaw Area

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ALBERTA ENERGY AND UTILITIES BOARD
Calgary Alberta

APACHE CANADA LTD.
SPECIAL GAS WELL SPACING
BASHAW AREA

Decision 2005-068
Application No. 1302928

1 DECISION

Having considered the application, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Application No. 1302928.

2 INTRODUCTION

2.1 Application

Apache Canada Ltd. (Apache) applied, pursuant to Section 79(4) of the Oil and Gas Conservation Act and Section 5.190 of the Oil and Gas Conservation Regulations, to suspend the current well spacing and target areas and establish a holding constituting Section 18 of Township 41, Range 23, West of the 4th Meridian, for the production of gas from coals of the Edmonton Group. Apache also proposed that the holding be subject to the following provisions:

- Wells producing from the holding shall be at least 200 metres (m) from each other well producing from the same pool.
- Wells producing from the holding shall be at least 200 m from the boundaries of the holding.
- Well density within the holding is limited to four wells per section per pool.

2.2 Interventions

Rod and Brenda Snopek and Bill and Gloria Knight, who are landowners within the area of application, filed objections to the application. In addition, an objection was filed on behalf of Larry Walton, who has lands in the general area but not within the area of application.

The Board was scheduled to hold a public hearing in Lacombe, Alberta, on June 2, 2004, before Board Members G. J. Miller (Presiding Member) and J. R. Nichol, P.Eng., and Acting Board Member R. C. Clark.

At the applicant’s request, the hearing was postponed until further notice. The hearing was subsequently cancelled by the EUB for the reasons set out in the discussion below. The Board panel considers the record for this proceeding to have closed on June 14, 2005.

3 DISCUSSION

Rod and Brenda Snopek and Bill and Gloria Knight withdrew their objections to the application by letters dated May 4 and May 9, 2005, respectively. In addition, Larry Walton withdrew his
objection by an undated note received by the EUB on June 14, 2005. As there were no remaining objections to the application, the Board decided to cancel the hearing.

Dated in Calgary, Alberta, on July 19, 2005.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

G. J. Miller
Presiding Member

<original signed by>

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

<original signed by>

R. C. Clark
Acting Board Member