

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

**TALISMAN ENERGY CANADA
ENLARGEMENT OF TURNER VALLEY UNIT NO. 5
TURNER VALLEY FIELD**

**Decision 2002-090
Application No. 1274215**

DECISION

The Alberta Energy and Utilities Board has considered the findings and recommendations set out in the following Acting Board Member report, adopts the recommendation, and directs that Application No. 1274215 be approved.

DATED at Calgary, Alberta, on November 5, 2002.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

Neil McCrank, Q.C.
Chairman

**BOARD MEMBER REPORT RESPECTING
TALISMAN ENERGY CANADA
ENLARGEMENT OF TURNER VALLEY UNIT NO. 5
TURNER VALLEY FIELD**

**Decision 2002-090
Application No. 1274215**

1 RECOMMENDATION

The Acting Board Member recommends that the Alberta Energy and Utilities Board (EUB/Board) approve Application No. 1274215 to add Legal Subdivisions 2 and 7 of Section 6 of Township 19, Range 2, West of the 5th Meridian (LSDs 2 and 7 respectively) to the area of the Turner Valley Unit No. 5.

2 INTRODUCTION

2.1 Application, Interventions, and Hearing

Talisman Energy Canada (Talisman) applied pursuant to Section 6 of the Turner Valley Unit Operations Act (the Act) to add LSDs 2 and 7 to the area of Unit 5.

The existing Unit 5 and the proposed area to be added are shown on the attached figure.

The application was considered by means of a hearing as required by Clause 6(1) of the Act (see Background below). The hearing was conducted through a written proceeding by Acting Board Member Michael J. Bruni, Q.C., pursuant to Section 11 of the Energy Resources Conservation Act.

No submissions were received by the EUB in response to the issuance of notice of hearing.

2.2 Background

The Act came into force in 1958 and provided the means to force unitization. After a series of public hearings, seven units were formed, including the subject Unit 5, which was established by Order No. TVU 5.

Clause 6 of the Act specifically states that

- (1) On application by the unit operator or the owner to add a tract to an adjacent unit, the Board **after a hearing** [emphasis added] may add the tract to the unit and amend the unit operation order accordingly if the tract is not included in an existing unit.
- (2) An amending order made under subsection (1) must not vary the ratio of allocation of production between unit tracts established under the unit operation order.

3 ISSUES

The Board Member considers the issues respecting the application to be

- whether the requested enlargement to Unit 5 is in accordance with the provisions of the Act, and
- whether there are any adverse impacts associated with enlarging Unit 5.

4 CONSIDERATION OF THE APPLICATION

4.1 Views of Talisman

Talisman, the operator of Unit 5, indicated that it had received the unanimous approval of the other owners of Unit 5 to enlarge the unit so as to include the two legal subdivisions involved. The applicant also noted that the legal subdivisions were purchased by the unit owners in the same percentage as the unit ownership, and therefore enlargement of Unit 5 will not affect each owner's share of unit production, as required by Section 6(2) of the Act.

4.2 Views of the Board Member

The Board Member notes that the proposed enlargement is in accordance with Section 6(2) of the Act in that it would not result in any change to the ratio of allocation of production between tracts in Unit 5.

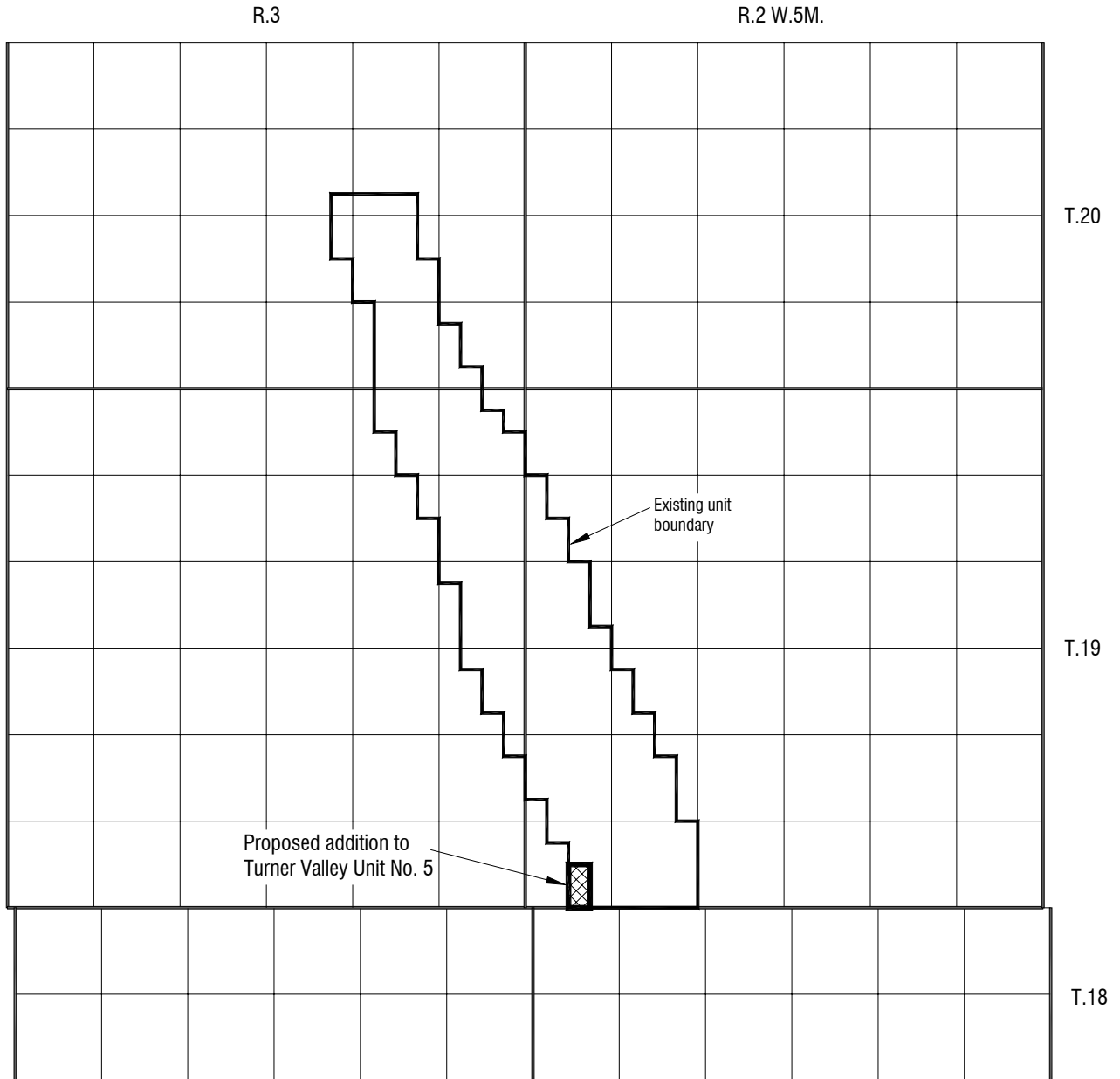
The Board Member also notes the applicant's statement that it has obtained the unanimous approval of other Unit 5 owners to add LSDs 2 and 7 to Unit 5. Furthermore, the EUB did not receive any submissions raising concerns regarding the proposed enlargement of Unit 5 in response to the issuance of notice of hearing.

The Board Member concludes that the application meets the requirements of the Act and that there are no adverse impacts associated with the proposed enlargement to Unit 5. The EUB continues to encourage efforts by owners of oil and gas interests to combine interests for the efficient development of resources, and therefore the Board Member is of the view that the application should be approved.

DATED at Calgary, Alberta, on October 28, 2002.

<original signed by>

Michael J. Bruni, Q.C.
Acting Board Member



Proposed Addition to Turner Valley Unit No. 5
 Application No. 1274215
 Talisman Energy Canada

Decision 2002-090

