

Apache Canada Ltd.

Special Gas Well Spacing Nevis Field

March 29, 2005

Alberta Energy and Utilities Board

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2005-023: Apache Canada Ltd., Special Gas Well Spacing, Nevis Field March 29, 2005

Published by

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

APACHE CANADA LTD. SPECIAL GAS WELL SPACING NEVIS FIELD

Decision 2005-023 Application No. 1327929

1 DECISION

Having considered the application, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Application No. 1327929.

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 comprising Sections 29, 30, and 32 of Township 40, Range 21, West of the 4th Meridian (Sections 29, 30, and 32 respectively) for the production of gas from coals of the Edmonton Group. Apache also proposed that the holding be subject to the following provisions:

- There shall be an interwell distance of a minimum of 200 metres (m) at the producing horizon.
- Wells producing within the holding shall be at least 200 m from the boundaries of the holding.

2.2 Interventions

Robert and Kathryn Stevenson (landowners in portions of all three sections subject to the application), Walt Stevenson (on behalf of landowner 596550 Alberta Ltd.), and Allan Radke and Claude Radke (adjacent freehold mineral owners) filed objections to the 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 February 16, 2005.

3 DISCUSSION

Robert and Kathryn Stevenson, Walt Stevenson for 5966550 Alberta Ltd., and Claude Radke withdrew their objections to the application by letters dated December 15, 2004, September 20, 2004, and September 27, 2004, respectively. Allan Radke withdrew his objection by an undated

letter which was received by the Board on November 12, 2004. As there were no remaining objections to the application, the Board decided to cancel the hearing.

Dated in Calgary, Alberta, on March 29, 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