

Penn West Petroleum Ltd.

Application for a Pipeline Licence Wainwright Field

August 23, 2005

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2005-090: Penn West Petroleum Ltd., Application for a Pipeline Licence, Wainwright Field

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

PENN WEST PETROLEUM LTD. APPLICATION FOR A PIPELINE LICENCE WAINWRIGHT FIELD

Decision 2005-090 Application No. 1377698

1 DECISION

Having completed a review of Application No. 1377698 and noting the receipt of a confirmation of nonobjection from interested parties, the Alberta Energy and Utilities Board (EUB/Board) hereby approves Application No. 1377698.

2 INTRODUCTION

2.1 Application

On December 23, 2004, Penn West Petroleum Ltd. (Penn West) made an application in accordance with Part 4 of the *Pipeline Act* for approval to construct and operate a pipeline for the purpose of transporting natural gas from a well located in Legal Subdivision (LSD) 13 of Section 4, Township 45, Range 6, West of the 4th Meridian to a battery located in LSD 7-4-45-6W4M. The proposed pipeline would be about 1.47 kilometres (km) in length, with a maximum outside diameter of 88.9 millimetres (mm), and would transport natural gas with a maximum hydrogen sulphide (H₂S) concentration of 0.00 moles per kilomole (0.00 per cent H₂S). The proposed pipeline would be located approximately 2.5 km northeast of Wainwright, Alberta.

2.2 Intervention

Allan Spady and Spady Farming Ltd. (collectively, the interveners) are the registered owners of the southeast and northeast quarter of Section 4-45-6W4M respectively. The interveners filed an objection with the EUB on November 17, 2005, raising concerns with respect to project timing, construction techniques, environmental issues, land conservation, and reclamation matters, as well as liability concerns.

2.3 Hearing

The Board issued Notice of Hearing on June 9, 2005, and Notice of Cancellation of Hearing on July 25, 2005, for a public hearing that was scheduled in Wainwright, Alberta, on July 27, 2005, before Board Members G. J. Miller (Presiding Member) and T. M. McGee and Acting Board Member R. J. Willard, P.Eng.

3 DISCUSSION

Penn West and the interveners met on several occasions between December 2004 and July 2005. Penn West engaged in EUB field facilitation with the interveners on June 29, 2005. Subsequently, the interveners withdrew their objection to Penn West's application. On July 25,

2005, the EUB received a written confirmation of nonobjection dated July 23, 2005, from the interveners. As there were no other objections submitted to the EUB, the hearing was cancelled.

Dated in Calgary, Alberta, on August 23, 2005.

ALBERTA ENERGY AND UTILITIES BOARD

[Original signed by]

G. J. Miller Presiding Member

[Original signed by]

T. M. McGee Board Member

[Original signed by]

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