

True Energy Inc.

Application for a Well Licence Corbett Field

March 28, 2006

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2006-031: True Energy Inc., Application for a Well Licence, Corbett Field

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Alberta Energy and Utilities Board 640 – 5 Avenue SW Calgary, Alberta T2P 3G4

Telephone: (403) 297-8311

Fax: (403) 297-7040

E-mail: eub.info_services@eub.gov.ab.ca

Web site: www.eub.gov.ab.ca

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

TRUE ENERGY INC.
APPLICATION FOR A WELL LICENCE
CORBETT FIELD

Decision 2006-031 Application No. 1426256

DECISION

The Alberta Energy and Utilities Board has considered the findings and recommendations set out in the following examiner report, adopts the recommendations, and directs that Application No. 1426256 be withdrawn.

Dated in Calgary, Alberta, on March 28, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

M. N. McCrank, Q.C., P.Eng. Chairman

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

EXAMINER REPORT RESPECTING TRUE ENERGY INC. APPLICATION FOR A WELL LICENCE CORBETT FIELD

Decision 2006-031 Application No. 1426256

1 RECOMMENDATION

The examiner panel recommends that the hearing scheduled to consider this matter be cancelled and that the withdrawal of Application No. 1426256 be approved, in accordance with Section 20 of the *Alberta Energy and Utilities Board Rules of Practice*.

2 INTRODUCTION

2.1 Application No. 1426256

True Energy Inc. (True) submitted an application in accordance with Section 2.020 of the *Oil and Gas Conservation Regulations* for a licence to drill a level-1 directional sour gas well from a surface location at Legal Subdivision (LSD) 1 of Section 9, Township 61, Range 7, West of the 5th Meridian, to a projected bottomhole location in LSD 8-9-61-7W5M. The maximum hydrogen sulphide (H₂S) concentration would be about 0.1 mole per kilomole (0.01 per cent) and the cumulative drilling H₂S release rate would be 0.0017 cubic metres per second (m³/s). The completion/servicing and suspended/producing release rates would be 0.0014 m³/s. The corresponding calculated emergency planning zones would be 0.05 kilometres (km) for the drilling release rate and 0.04 km for the completion/servicing and suspended/producing release rates. The purpose of the well would be to obtain gas production from the Viking Formation and Nordegg Member. The proposed well would be located about 16 km southwest of Fort Assiniboine.

2.2 Interventions

Bryan Radke is the landowner of LSDs 9, 10, and 16 of Section 9-61-7W5M and owns a seasonal residence on LSD 10-9-61-7W5M. He and Geraldine Radke reside on the northeast quarter of Section 5-61-3W5M. Mr. and Mrs. Radke filed objections to the application on June 19, June 20, November 21, and November 27, 2005.

Bruce Wierenga is involved with Mr. Radke in an outfitting business located at LSD 10-9-61-7W5M. Mr. Wierenga resides on the northwest quarter of Section 30-62-3W5M. He filed objections to the application on June 20 and November 27, 2005.

The Radkes and Mr. Wierenga cited concerns relating to the existing road and road use, health and safety, loss of business, noise, wildlife, water contamination, future plans, land value, the emergency planning zone, and egress.

3 DISCUSSION

The examiners note that True submitted a letter dated February 24, 2006, indicating that the interests related to the proposed well had been assigned to Vero Energy Inc. (Vero). As such, True requested that the application be withdrawn and indicated that Vero would be resubmitting the application at a later date. As a result, the examiners recommend that the withdrawal of the application be approved and the hearing cancelled.

Dated in Calgary, Alberta, on March 24, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>
R. L. Paulson, C.E.T.
Presiding Member

<original signed by>
G. Bentivegna
Examiner

<original signed by>
K. Fisher

Examiner