

Zapata Energy Corporation

Application for Special Oil Well Spacing Provost Field

July 4, 2006

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2006-067: Zapata Energy Corporation, Application for Special Oil Well Spacing, Provost Field

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ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

ZAPATA ENERGY CORPORATION APPLICATION FOR SPECIAL OIL WELL SPACING PROVOST FIELD

Decision 2006-067 Application No. 1436341

DECISION

The Alberta Energy and Utilities Board has considered the recommendations set out in the following examiner report and adopts the recommendations.

Dated in Calgary, Alberta, on July 4, 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
ZAPATA ENERGY CORPORATION
APPLICATION FOR SPECIAL OIL WELL SPACING
PROVOST FIELD

Decision 2006-067 Application No. 1436341

1 RECOMMENDATION

The examiners appointed by the Alberta Energy and Utilities Board (EUB/Board) recommend that the hearing scheduled for Application No. 1436341 be cancelled and that the application be approved.

2 INTRODUCTION

2.1 Application and Intervention

Zapata Energy Corporation (Zapata) 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 amend an existing holding that suspended the drilling spacing units and target area provisions for the production of oil from the Lloydminster Formation in the west half of Section 13 of Township 40, Range 4, West of the 4th Meridian. The applicant proposed that the holding be subject to the following provisions:

- A producing well shall be at least 100 metres (m) from each other well producing from the same pool.
- A producing well shall be at least 50 m from the boundaries of the holding.
- A maximum of four wells per pool per legal subdivision may be produced within the holding.

Enterra Energy Corporation (EEC), which owns a producing well at 00/16-14-040-04W4/0, adjacent to the area of application, filed an objection to the application. However, on June 15, 2006, EEC withdrew its objection, stating that its issues had been resolved.

2.2 Hearing

By Notice dated May 30, 2006, the Board had scheduled a public hearing on Zapata's application in Calgary, Alberta, on July 4, 2006, before G. W. Dilay, P.Eng. (Presiding Member), G. A. Habib, and R. J. Willard, P.Eng.

3 DISCUSSION

Since EEC has withdrawn its objection to Application No. 1436341, the examiners believe that a hearing is not necessary for the Board to make a disposition of the application and therefore

recommend cancellation of the hearing and approval of the application consistent with *Directive 065: Resources Applications for Conventional Oil and Gas Reservoirs*.

Dated in Calgary, Alberta, on July 4, 2006.

ALBERTA ENERGY AND UTILITIES BOARD

<original signed by>

G. W. Dilay, P.Eng. Presiding Member

<original signed by>

R. J. Willard, P.Eng. Examiner

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G. A. Habib Examiner