

Arr Resources Ltd.

Application to Change a Zone Designation Gilby Field

February 6, 2007

Alberta Energy and Utilities Board

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2007-008: Arr Resources Ltd., Application to Change a Zone Designation, Gilby Field

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Published by

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ALBERTA ENERGY AND UTILITIES BOARD Calgary Alberta

ARR RESOURCES LTD. APPLICATION TO CHANGE A ZONE DESIGNATION GILBY FIELD

Decision 2007-008 Application No. 1453401

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set out in the following examiner report, adopts the recommendations, and directs that Application No. 1453401 be withdrawn and the public hearing to consider the application be cancelled.

Dated in Calgary, Alberta, on February 5, 2007.

ALBERTA ENERGY AND UTILITIES BOARD

[Original signed by]

B. T. McManus, Q.C., Board Member

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

EXAMINER REPORT RESPECTING ARR RESOURCES LTD. APPLICATION TO CHANGE A ZONE DESIGATION GILBY FIELD

Decision 2007-008 Application No. 1453401

1 RECOMMENDATIONS

Pursuant to Section 20 of the *Alberta Energy and Utilities Board Rules of Practice*, the examiner panel recommends that the Alberta Energy and Utilities Board (EUB/Board) accept Arr Resources Ltd.'s (Arr's) request to withdraw Application No. 1453401 and that the hearing scheduled to consider it be cancelled.

2 INTRODUCTION

2.1 Application

Arr applied to the EUB, pursuant to Section 33 of the *Oil and Gas Conservation Act*, for authorization to change the pool designation of the Gilby Field 0412, Basal Mannville BBB Pool 0320602.

By letter dated May 11, 2006, the EUB advised the parties that although the application filed with the EUB was for a change in pool designation, it is the geological interpretation of the strata (i.e., zone designation) that determines the pool designation. Therefore, the subject application is more specifically a request to change the zone designation for the 100/08-28-040-01W5M (08-28) well.

2.2 Interventions

Provident Energy Ltd., the licensee of the 08-28 well, filed an intervention in opposition to changing the zone designation of the well.

In addition, Talisman Energy Inc. filed an intervention in opposition to changing the zone designation of the 08-28 well.

2.3 Hearing

A public hearing was scheduled to be held in Calgary, Alberta, on January 30, 2007, before examiners E. A. Shirley, P.Geol. (Presiding Member), J. R. MacGillivray, P.Geol., and R. A. Marsh, P.Geol.

3 DISCUSSION

Subsequent to the issuance of Notice of Hearing, discussions between the parties resulted in an agreement. On January 25, 2007, the examiners received a request from Arr to withdraw Application No. 1453401.

In light of Arr's request to withdraw its application, the examiners are satisfied that a hearing is not necessary for the Board to make a disposition on the subject application.

Dated in Calgary, Alberta, on February 6, 2007.

ALBERTA ENERGY AND UTILITIES BOARD

[Original signed by]

E. A. Shirley, P.Geol. Presiding Member

[Original signed by]

J. R. MacGillivray, P.Geol. Examiner

[Original signed by]

R. A. Marsh, P.Geol. Examiner