

Grizzly Holdings Inc.

Application for a Well Licence Pembina Field

April 1, 2008

ENERGY RESOURCES CONSERVATION BOARD

Decision 2008-025: Grizzly Holdings Inc., Application for a Well Licence, Pembina Field

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

GRIZZLY HOLDINGS INC. APPLICATION FOR A WELL LICENCE PEMBINA FIELD

Decision 2008-025 Application No. 1530893

1 DECISION

Having completed a review of the application, the Energy Resources Conservation Board (ERCB/Board) hereby directs that Application No. 1530893 be closed.

2 DISCUSSION

Grizzly Holdings Inc. (Grizzly) applied to the Alberta Energy and Utilities Board (EUB), pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for a licence to reenter an abandoned well from a surface location in Legal Subdivision 8, Section 27, Township 46, Range 7, West of the 5th Meridian, to the same bottomhole location. The maximum hydrogen sulphide (H₂S) concentration expected to be encountered in the well would have been 72.3 moles per kilomole (7.23 per cent). The cumulative drilling and completion/servicing H₂S release rates would have been 1.73 cubic metres per second (m³/s), with a corresponding emergency planning zone (EPZ) of 3.34 kilometres (km). The cumulative suspended/producing H₂S release rate would have been 0.45 m³/s, with a corresponding EPZ of 1.34 km. The purpose of the proposed reentry well would have been to obtain gas production from the Pekisko Formation. The proposed reentry well would have been located about 7.1 km north of Alder Flats.

Effective January 1, 2008, the EUB was replaced by the ERCB and the Alberta Utilities Commission. In accordance with the transition provisions of the *Alberta Utilities Commission Act*, this application has been addressed by the ERCB.

Rhonda Miller and Harvey Miller reside on the northeast quarter of Section 33-46-7W5M. Ryan Miller resides on the northwest quarter of Section 27-46-7W5M. Both parties filed an objection to Grizzly's proposed reentry well stating concerns regarding qualifications of the operator and future land development.

On February 19 and March 12, 2008, the ERCB sent correspondence to Grizzly requesting it to clarify its intentions regarding participation in a public hearing of the well licence application. The letter of March 12, 2008, also indicated that failure to provide a response to this request by March 17, 2008, would result in closure of the application. No response was received from Grizzly.

On March 24, 2008, the ERCB sent letters to Grizzly, Rhonda Miller and Harvey Miller, and Ryan Miller stating that due to the lack of response by Grizzly, the subject application would be closed. As such, the Board will not schedule a public hearing to consider the application and has directed that Application No. 1530893 be closed in due course.

Dated in Calgary, Alberta, on April 1, 2008.

ENERGY RESOURCES CONSERVATION BOARD

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