

Echoex Ltd.

Applications for Three Well Licences on a Multiwell Pad and Two Single-Well Licences Trochu Field

November 25, 2008

ENERGY RESOURCES CONSERVATION BOARD

Decision 2008-119: Echoex Ltd., Applications for Three Well Licences on a Multiwell Pad and Two Single-Well Licences, Trochu Field

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

ECHOEX LTD. APPLICATIONS FOR THREE WELL LICENCES ON A MULTIWELL PAD AND TWO SINGLE-WELL LICENCES TROCHU FIELD

Decision 2008-119 Applications No. 1571910, 1571914, and 1571919

1 DECISION

Having received Applications No. 1571910, 1571914, and 1571919, noting that they meet Energy Resources Conservation Board (ERCB/Board) requirements, and noting the receipt of a confirmation of nonobjection from the sole intervening party, the Board hereby approves Applications No. 1571910, 1571914, and 1571919.

2 INTRODUCTION

2.1 Applications

Echoex Ltd. (Echoex) submitted three applications in accordance with Section 2.020 of the *Oil and Gas Conservation Regulations* for five well licences: the first to drill three wells from a multiwell pad surface location in Legal Subdivision (LSD) 5 of Section 19, Township 32, Range 21, West of the 4th Meridian to projected bottomhole locations in LSD 3-19-32-21W4M, 12-19-32-21W4M, and 6-19-32-21W4M; the second to drill a well from a surface location in LSD 12-30-32-21W4M to a projected bottomhole location in LSD 10-30-32-21W4M; and the third to drill a well from a surface location in LSD 6-30-32-21-W4M to a projected bottomhole location in LSD 10-30-32-21W4M; and the third to drill a well from a surface location in LSD 6-30-32-21-W4M to a projected bottomhole location supplies concentration would be about 0.0 moles per kilomole (0.0 per cent). The purpose of the wells would be to obtain coalbed methane gas production from the Horseshoe Canyon Formation. The proposed wells would be located about 12.5 kilometres (km) east, 11.7 km northeast, and 12 km northeast of Rowley respectively.

2.2 Intervention

Joseph and Luella DeBeaudrap and Robert and Lori DeBeaudrap (the DeBeaudraps), owners of lands where the proposed wells would be located, filed an objection to the subject applications dated May 29, 2008. Their concerns related to initial consultation, information provided with respect to the project description, environmental sensitivity, impact on farming operations, flaring, safety during drilling and production, increased traffic, and protection of groundwater.

3 DISCUSSION

Echoex engaged in negotiations with the DeBeaudraps and their representative Paul Vasseur on November 6, 2008. The meeting resulted in an agreement between the parties, and on November 11, 2008, the ERCB received a signed withdrawal of objection.

Dated in Calgary, Alberta, on November 25, 2008.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

G. J. Miller Presiding Member

<original signed by>

J. G. Gilmour Acting Board Member