

Quicksilver Resources Canada Inc.

Applications for 14 Well Licences and 20 Pipeline Segments Ferrybank Field

April 28, 2009

ENERGY RESOURCES CONSERVATION BOARD

Decision 2009-033: Quicksilver Resources Canada Inc., Applications for 14 Well Licences and 20 Pipeline Segments, Ferrybank Field

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

QUICKSILVER RESOURCES CANADA INC. APPLICATIONS FOR 14 WELL LICENCES AND 20 PIPELINE SEGMENTS FERRYBANK FIELD Decision 2009-033 Applications No. 1577547, 1577566, 1577573, 1577619, 1577620, 1577621, 1577632, 1578011, 1578015, 1578023, 1578024, 1578025, 1578085, 1579107, 1579115, 1579116, 1579117, 1579118, 1579119, and 1586550

1 DECISION

The Energy Resources Conservation Board (ERCB/Board) received a request from Quicksilver Resources Canada Inc. (Quicksilver) to withdraw its 20 applications listed above (Applications No. 1577547 et al.), has accepted the applicant's request, and has cancelled the public hearing scheduled to consider them.

2 INTRODUCTION

2.1 Applications

Quicksilver applied to the ERCB, pursuant to Section 2.020 of the *Oil and Gas Conservation Regulations*, for licences to drill 14 vertical wells. The purpose of the proposed wells was to obtain coalbed methane from the Edmonton Group from all the wells and to produce natural gas from the Belly River Group in 5 of the 14 wells. The wells were not expected to encounter any hydrogen sulphide (H₂S). The details of the well applications are in Appendix 1.

Quicksilver also filed 6 pipeline applications, pursuant to Part 4 of the *Pipeline Act*, for approval to construct and operate 20 pipeline segments. The purpose of the proposed pipelines was to tie in the proposed 14 wells with existing and future wells and pipelines, and to transport the natural gas (no H_2S). The details of the pipeline applications are in Appendix 1.

The nearest urban centre is Wetaskiwin, about 5 kilometres northeast of the proposed development area.

2.2 Interveners

Several area landowners filed objections opposing one or more of Quicksilver's applications. The parties expressed concerns related to safety, the environment, farm operations, locations, water supply, weed contamination, and the cumulative effects of oil and gas development in the local area.

2.3 Hearing

The Board scheduled a public hearing in Wetaskiwin, Alberta, on May 12, 2009, before Board Members B. T. McManus, Q.C. (Presiding Member), G. Eynon, P.Geol., and Acting Board Member T. L. Watson, P.Eng.

3 DISCUSSION

On February 20, 2009, Quicksilver notified the ERCB that it was withdrawing the applications, pursuant to Section 21 of the *Energy Resources Conservation Board Rules of Practice*, as a result of recent economic circumstances. The Board accepted the withdrawal of the applications and on March 24, 2009, issued a Notice of Cancellation of Hearing. Accordingly, the applications will not be considered at a public hearing.

Dated in Calgary, Alberta, on April 28, 2009.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

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

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G. Eynon, P.Geol. Board Member

<original signed by>

T. L. Watson, P.Eng. Acting Board Member

APPENDIX 1 DESCRIPTION OF EACH OF THE PROPOSED WELL AND PIPELINE APPLICATIONS

Well Applications

- Application No. 1577547, for a licence to drill a vertical well from a surface location at Legal Subdivision (LSD) 16, Section 4, Township 45, Range 26, West of the 4th Meridian
- Application No. 1577566, for a licence to drill a vertical well from a surface location at LSD 16-34-44-26W4M
- Application No. 1577573, for a licence to drill a vertical well from a surface location at LSD 5-36-44-27W4M
- Application No. 1577619, for a licence to drill a vertical well from a surface location at LSD 9-36-44-27W4M
- Application No. 1577620, for a licence to drill a vertical well from a surface location at LSD 6-30-44-26W4M
- Application No. 1577621, for a licence to drill a vertical well from a surface location at LSD 16-11-45-26W4M
- Application No. 1577632, for a licence to drill a vertical well from a surface location at LSD 12-34-44-26W4M
- Application No. 1578011, for a licence to drill a vertical well from a surface location at LSD 6-36-44-26W4M
- Application No. 1578015, for a licence to drill a vertical well from a surface location at LSD 6-2-45-26W4M
- Application No. 1578023, for a licence to drill a vertical well from a surface location at LSD 16-36-44-26W4M
- Application No. 1578024, for a licence to drill a vertical well from a surface location at LSD 16-30-44-25W4M
- Application No. 1578025, for a licence to drill a vertical well from a surface location at LSD 16-14-45-26W4M
- Application No. 1578085, for a licence to drill a vertical well from a surface location at LSD 6-6-45-26W4M
- Application No. 1586550, for a licence to drill a vertical well from a surface location at LSD 16-3-44-26W4M

Pipeline Applications

- Application No. 1579107, for a licence to construct and operate 3 pipeline segments:
 - Line 18 from a well at 16-12-45-26W4M to a pipeline at 6-13-45-26W4M. The proposed pipeline would have been 1.52 kilometres (km) in length, with a maximum outside diameter of 88.9 millimetres (mm).
 - Line 19 from a well at 16-14-45-26W4M to a pipeline at 15-14-45-26W4M. The proposed pipeline would have been 0.34 km in length, with a maximum outside diameter of 88.9 mm.

- Line 20 from a well at 6-13-45-26W4M to a pipeline at 7-22-45-26W4M. The proposed pipeline would have been 4.43 km in length, with a maximum outside diameter of 114.3 mm.
- Application No. 1579115, for a licence to construct and operate 2 pipeline segments:
 - Line 21 from a well at 6-16-45-26W4M to a pipeline at 11-15-45-26W4M. The proposed pipeline would have been 1.52 km in length, with a maximum outside diameter of 88.9 mm.
 - Line 22 from a well at 12-14-45-26W4M to a pipeline at 10-15-45-26W4M. The proposed pipeline would have been 0.85 km in length, with a maximum outside diameter of 88.9 mm.
- Application No. 1579116, for a licence to construct and operate 1 pipeline segment:
 - Line 7 from a well at 16-11-45-26W4M to a pipeline at 16-11-45-26W4M. The proposed pipeline would have been 0.17 km in length, with a maximum outside diameter of 88.9 mm.
- Application No. 1579117, for a licence to construct and operate 5 pipeline segments:
 - Line 23 from a well at 16-36-44-26W4M to a pipeline at 6-36-44-26W4M. The proposed pipeline would have been 2.06 km in length, with a maximum outside diameter of 114.3 mm.
 - Line 24 from a well at 6-36-44-26W4M to a pipeline at 16-3-45-26W4M. The proposed pipeline would have been 3.86 km in length, with a maximum outside diameter of 219.1 mm.
 - Line 25 from a well at 6-2-45-26W4M to a pipeline at 6-2-45-26W4M. The proposed pipeline would have been 0.06 km in length, with a maximum outside diameter of 88.9 mm.
 - Line 26 from a well at 16-30-44-25W4M to a pipeline at 8-36-44-26W4M. The proposed pipeline would have been 2.43 km in length, with a maximum outside diameter of 88.9
 - Line 27 from a well at 4-31-44-25W4M to a pipeline at 5-31-44-25W4M. The proposed pipeline would have been 0.50 km in length, with a maximum outside diameter of 88.9 mm.
- Application No. 1579118, for a licence to construct and operate 3 pipeline segments:
 - Line 28 from a well at 12-34-44-26W4M to a pipeline at 16-4-45-26W4M. The proposed pipeline would have been 3.77 km in length, with a maximum outside diameter of 114.3 mm.
 - Line 29 from a well at 16-34-44-26W4M to a pipeline at 14-34-45-26W4M. The proposed pipeline would have been 0.75 km in length, with a maximum outside diameter of 88.9 mm.
 - Line 30 from a well at 6-4-45-26W4M to a pipeline at 16-4-45-26W4M. The proposed pipeline would have been 1.48 km in length, with a maximum outside diameter of 88.9 mm.
- Application No. 1579119, for a licence to construct and operate 6 pipeline segments:

- Line 31 from a well at 16-6-45-26W4M to a pipeline at 12-6-45-26W4M. The proposed pipeline would have been 2.23 km in length, with a maximum outside diameter of 88.9 mm.
- Line 32 from a well at 6-30-44-26W4M to a pipeline at 15-1-45-27W4M. The proposed pipeline would have been 5.21 km in length, with a maximum outside diameter of 114.3 mm.
- Line 33 from a well at 16-30-44-26W4M to a pipeline at 14-30-44-26W4M. The proposed pipeline would have been 0.70 km in length, with a maximum outside diameter of 88.9 mm.
- Line 34 from a well at 9-36-44-27W4M to a pipeline at 12-31-44-26W4M. The proposed pipeline would have been 0.20 km in length, with a maximum outside diameter of 88.9 mm.
- Line 35 from a well at 5-36-44-27W4M to a pipeline at 5-31-44-26W4M. The proposed pipeline would have been 1.61 km in length, with a maximum outside diameter of 88.9 mm.
- Line 36 from a well at 6-6-45-26W4M to a pipeline at 11-6-45-26W4M. The proposed pipeline would have been 0.07 km in length, with a maximum outside diameter of 88.9 mm.