



across

THE BOARD

April/May 2007

EUB success in reducing flaring and venting featured in BBC documentary, "Billion Dollar Bonfire"

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For more information contact Wes Scott at 403-209-3555 or wesscott@dmgworldmedia.com. You can also visit the Website at www.petroleumshow.com.

About the EUB

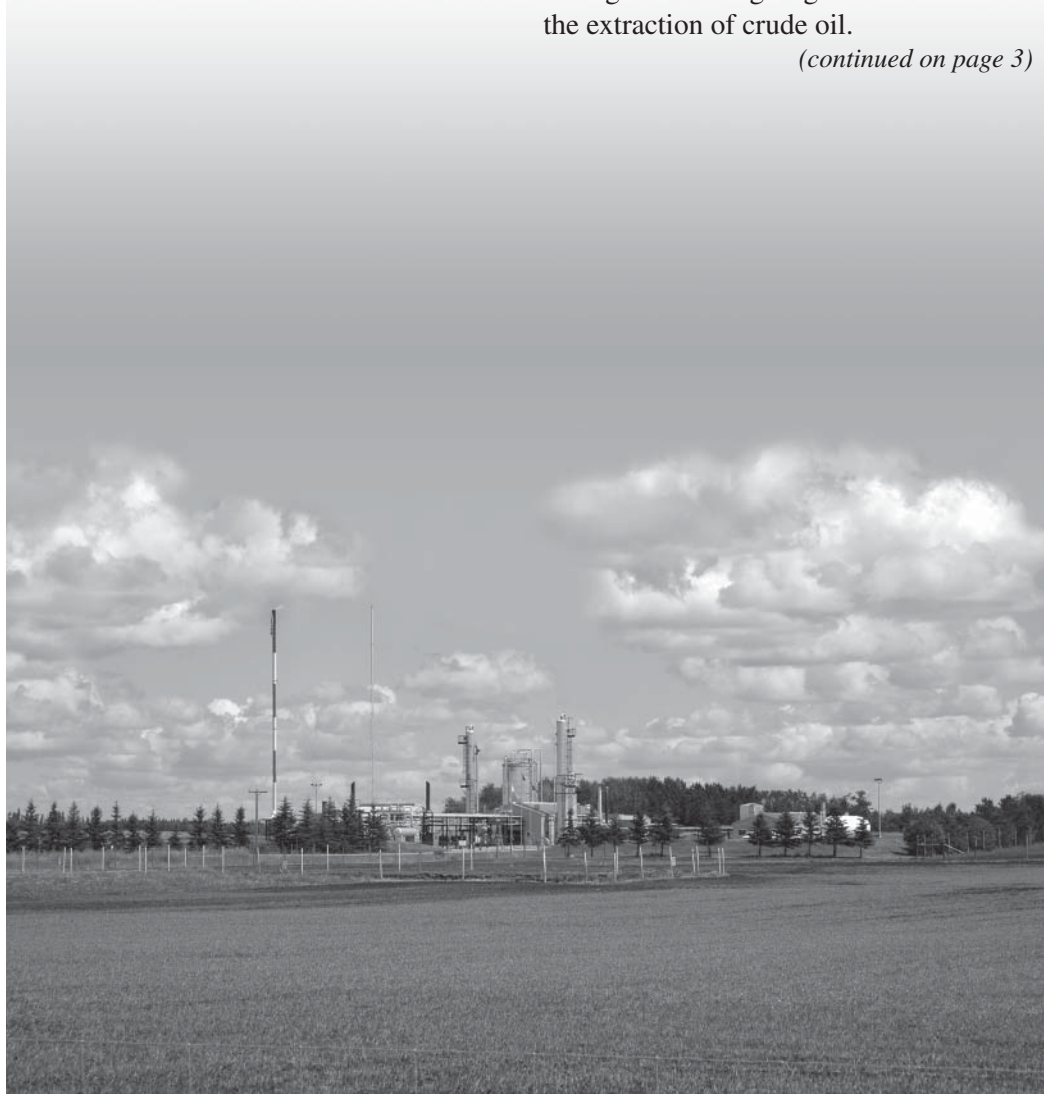
Our mission is to ensure that the discovery, development, and delivery of Alberta's energy resources and utilities services take place in a manner that is fair, responsible, and in the public interest. We regulate oil, natural gas, oil sands, coal, and electric energy, pipelines, and transmission line development.

On the utilities side, we regulate investor-owned and certain municipally owned natural gas, electric, and water utilities to ensure that customers receive safe and reliable service at just and reasonable rates. Regulation is done through two core functions: adjudication and regulation, information and knowledge.

The EUB was featured in a BBC-produced documentary 'Billion Dollar Bonfire' in early May. "Billion Dollar Bonfire" detailed the World Bank's efforts to reduce solution gas flaring and venting from the petroleum industry throughout the world.

According to the World Bank, flaring gas adds about 350 million tonnes of CO₂ in annual emissions worldwide. The World Bank's Global Gas Flaring Reduction Partnership (GGFR) supports governments and companies in their efforts to reduce the flaring and venting of gas associated with the extraction of crude oil.

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■ ■ ■ Recent EUB publications

■ News Releases

May 22: News Release (NR 2007-19): EUB Completes Investigation into Drayton Valley Odour Complaints

May 20: News Release (NR 2007-18): EUB Investigating Energy Facility Fire on Enoch Reserve

May 15: News Release (NR 2007-17): EUB Approves Rates and Final Revenue Requirement for ATCO Gas

May 11: News Release (NR 2007-16): EUB Success in Reducing Flaring and Venting Featured in BBC Documentary

May 10: News Release (NR 2007-15): EUB approves EPCOR transmission rates for June-August of 2007

May 3: News Release (NR 2007-13): EUB Issues Pre-Hearing Meeting Decision of Merchant Transmission Line Applications

April 23: News Release (NR 2007-12): EUB Moves to Written Process for AltaLink Transmission Line Hearing

April 18: News Release (NR 2007-11): EUB adjourns AltaLink transmission line for security reasons

March 28: News Release (NR 2007-10): EUB Issues Decision on Legal Entitlement of Coalbed Methane

■ Bulletins

May 8: Bulletin 2007-14: Integrated Applications Program - Electronic Proceedings

May 7: Bulletin 2007-13: Revised Edition of Directive 017: Measurement Requirements for Upstream Oil and Gas Operations Issued - Implementation of Section 6: Conventional Oil Measurement - Clarifications in Sections 1-5

May 3: Bulletin 2007-12: Directive 017: Measurement Requirements for Upstream Oil and Gas Operations - Draft of Five New Sections and Associated Appendices for Stakeholder Review

May 2: Bulletin 2007-11: Report 2007-A: Pipeline Performance in Alberta, 1990-2005 Issued

April 24: Bulletin 2007-06: Streamlining the Review of Applications for Oilfield or Industrial Waste Fluid (Class I) Disposal Schemes

April 19: Bulletin 2007-10: ST55-2007: Alberta's Base of Groundwater Protection (BGWP) Information

April 19: Bulletin 2007-09: Deferral of Implementation of Revised Directive 071: Emergency Response Requirements for the Petroleum Industry

April 17: Bulletin 2007-08: Application Requirements for Battle Lake Area and Revised Edition of Directive 056: Energy Development Application and Schedules

March 28: Bulletin 2007-07: Processing of Applications Involving Objections Relating to the Legal Entitlement of Coalbed Methane

■ Decisions

May 22: Decision 2007-040: Northrock Resources Application for Compulsory Pooling, Judy Creek Field

May 15: Decision 2007-036: ATCO Gas 2005-2007 General Rate Application Phase I Third Compliance Filing to Decision 2006-004 Part B

May 8: Decision 2007-037: ATCO Electric Ltd. Construct Updike Substation 886S and 144-kV Transmission Line 7L34

May 8: Decision 2007-035: NAL Resources Limited Application for a Well Licence and Associated Pipeline Licence Richdale Field

May 2: Decision 2007-033: Montana Alberta Tie Ltd., Alberta Electric System Operator, AltaLink Management Ltd. 240-kV International Merchant Transmission Line from Lethbridge Area to USA Border - Prehearing Meeting

May 1: Decision 2007-034: Rockyview Energy Inc., Application for a Well Licence, Leduc-Woodbend Field

EUB issues decision on legal entitlement of coalbed methane

On March 28, 2007, the EUB issued *Decision 2007-024* which reviewed EUB coalbed methane (CBM) licenses held by Bears paw Petroleum Ltd., Devon Canada Corporation, and Fairborne Energy Ltd. in the Clive, Ewing Lake, Stettler, and Wimborne Fields and concluded that the companies are entitled to develop the resource under EUB regulations.

The 28 well licences and related approvals were challenged by EnCana Corporation and Carbon Development Partnership, who own coal rights in the

areas where the companies produced or intended to produce CBM. The Board's decision confirms that the licences were properly issued.

This issue arose on split title Freehold mineral lands, where one party owns the coal, another party has leased natural gas rights and both parties claim legal entitlement to the CBM. The EUB considered the matter at a public hearing that concluded with a final submission filed on February 12, 2007.

The decision also triggered the immediate issuance of *Bulletin 2007-07: Processing of Applications Involving Objections Relating to Legal Entitlement of Coalbed Methane*. The decision also set aside the directions in *Bulletin 2006-019: Applications Involving Objections Relating to the Legal Entitlement of Coalbed Methane*, which governed all applications and well licenses where legal entitlement of the CBM was at issue. Two companies have petitioned the Alberta Court of Appeal for leave to appeal this decision.



“Billion Dollar Bonfire”

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In the documentary, former GGFR Head Rashad Kaldany stated: “Eliminating gas flaring and venting worldwide would reduce more CO₂ emissions than all the projects currently registered under the Kyoto Protocol’s Clean Development Mechanism—these flares are so big they can be studied from space.”

The BBC documentary highlighted the success of the EUB’s flaring and venting reduction efforts. In Alberta, solution gas flaring has been reduced by 72 per cent since 1996, and solution gas venting has been reduced by 59 per cent since 2000. Overall, 96.3 per cent of all solution gas produced in Alberta last year was conserved for use or sale, rather than being flared and vented.

Those reductions have kept 7.2 million tonnes of greenhouse gas emissions (CO₂ equivalent) from being released into the atmosphere since 1996. According to Climate Change Central, that is the equivalent of taking about 1.5 million cars off of Alberta’s roads for one year.

“In the case of Alberta, which is the largest producing province in Canada, our agency was created in 1938 to reduce flaring. There was a lot of flaring going on at the time, in fact it was referred to as ‘Hell’s Half Acre’. In Alberta, over 96 per cent of the associated gas is conserved,” said EUB Board member Arden Berg in the documentary.

Berg added that the GGFR global flaring and venting reduction initiative is “an opportunity to provide some poverty alleviation benefits and it reduces a greenhouse gas.”

For more information on the BBC *Earth Report’s* “Billion Dollar Bonfire”, go to: <http://www.tve.org/earthreport/index.cfm?cat=thisweek>

EUB completes base of groundwater protection study

EUB regulations updated based on study

The EUB’s Alberta Geological Survey (AGS) has completed a two-year study into ground water quality and protection in Alberta.

The study provides the EUB, the Alberta government, the public, and the energy industry with scientific information related to the depth of useable groundwater in Alberta.

Scientific information gathered from the study was used to strengthen existing EUB regulations related to drilling and the protection of Alberta’s water resources through the issuance of *Bulletin 2007–10: ST 55-2007: Alberta’s Base of Groundwater Protection (BGWP) Information*.

The information will also be used to update the EUB’s *ST 55: Base of Groundwater Protection* document, which was first released in 1995.

The first phase of the project involved data collection and included a water quality assessment and an exploration of water formation chemistry in Alberta. A database based on the findings to date has been developed and consists of over 169 000 records and over 4 000 digital logs.

The second phase of the study was to analyze and interpret data gathered and determine how to best reflect the additional knowledge in EUB regulations.

Since the original *ST 55* was released, drilling activity in the province has increased, new information on water chemistry has been obtained, and new computer technology has been developed to analyze and manage significant amounts of data.

BGWP is an assigned depth above which groundwater is useable without treatment. This water is suitable for domestic and agricultural purposes.

In Alberta, useable groundwater is protected through legislation and the EUB’s role is to ensure that resource development through drilling or mining activities does not compromise Alberta’s useable water supplies.

Groundwater protection information is currently available through the AGS. Between April 4, 2005, and March 15, 2006, the AGS received 2 476 requests for information for 6 148 well locations. It has generated 2 443 responses for 5 830 well locations.

Alberta Environment commissioned the Alberta Geological Survey (AGS) to complete the provincial BGWP information as part of the Water for Life Initiative, aimed at better understanding groundwater in Alberta. AGS updated and completed ST55-2007 using a geo-statistical mapping process, with stratigraphic information as the basis for the interpretation. This method was adopted to ensure consistency in the manner in which the BGWP was established across the province. This has resulted in some changes to previously defined depths in some areas. The BGWP was moved to the base of the formation as a conservative measure to ensure that nonsaline groundwater is protected.

AGS will be holding information sessions in the future to discuss the findings of the two year study. Please check the AGS Web site for further information at <http://www.ags.gov.ab.ca/>

Upcoming Public Hearings

Application No.	Applicant	Hearing Purpose
1491262	AltaGas Utilities	2005/2006 GRA-Phase 2
Start date: June 11, EUB Edmonton Office, 10055 - 106 St., 12th Floor Hearing Room, Edmonton, AB		
1486287	Defiant Resources Corporation	Applications for a well and pipeline (Defiant); Application to construct and operate a Level 1 sour gas pipeline
1504712	(1486287 & 1504712)	(Standard) Grande Prairie Field
1471540	Standard Energy Inc. (1471540)	
Start date: June 11, Location TBA		
1498479	Shell Canada Ltd.	Application for a licence to drill a gas well and construct two pipelines - Waterton Field - Pre-Hearing
1483571		
Start date: June 15, Heritage Inn, 919 Waterton Ave, Pincher Creek, AB		
1470139	Talisman Energy	Application for a licence to construct two pipelines
1473871		
Start date: June 14, Foothills Centennial Centre, #4 - 204 Community Way, Okotoks, AB		
1492697	Direct Energy Regulated Services	2007-2008 Default Rate Tariffs and Regulated Rate Tariffs
Start date: June 18, EUB Calgary Office, 640 - 5th Avenue SW, Govier Hall, Calgary, AB		
1481349	Canadian Superior Energy Inc.	Application for compulsory pooling - Drumheller Field
Start date: June 21, EUB Calgary Office, Calgary 640 - 5 ave S.W., Calgary, AB		
1500878	ATCO Electric Ltd.	Approval of 2008 Phase II Distribution Tariffs Terms and Conditions
Start date: June 25, EUB Edmonton Office, 10055 - 106 St., 12th Floor Hearing Room, Edmonton, AB		
1462172	1486686 Intrepid Energy Corporation	Application for 3 natural gas wells with no H2S, 3 single well gas batteries with compression and 4 pipelines - Tindastoll Field
1486688	1491537	
1491541	1493237	
1500670	1507656	
1507707	1507722	
Start date: June 27, Capri Center, 3310 50th Avenue, Red Deer AB 9:00 a.m.		
1475525	Taylor Processing Inc.	Application for three natural gas pipelines and to amend Licence No. 4285 - Harmattan Elkton Fields
1499441		
Start date: July 19, Cremona Community Centre, 302 Centre Street Cremona, AB		
1480869	Highpine Oil & Gas Limited	Application for two critical wells
1486164		
Start date: July 16, Town of Drayton Valley Omnplex, 5737 - 45 Avenue, Drayton Valley, AB		
1475827	Montane Resources Ltd.	Application for Compulsory Pooling, Common Carrier & Common Processor - Beauvallon and Mannville Fields
1497233		
Start date: July 24, EUB Calgary Office, 640 - 5th Avenue SW, Govier Hall, Calgary, AB 9:00 a.m.		
1458443	Montana Alberta Tie Ltd.	240-kV International Merchant Transmission Line from Lethbridge Area to USA Border
1475724	Alberta Electric System Operator	
1492150	AltaLink Management Ltd.	
Start date: July 24, Hearing Location: TBA		

Pending Decisions

Application No.	Applicant	Hearing Purpose
1501391	West Energy Ltd.	Section 39 Review Request of Decision 2006-058 by West Energy Ltd.
1394112	EnCana Oil & Gas Partnership	Applications to shut in gas production and to produce gas
1409180	CNRL Husky	
1487310	Canadian Natural Resources Limited	Application for compulsory pooling - Bellis Field
1473797	Inter Pipeline Extraction Ltd.	Application to amend Licence No. 20329 (Cochrane Extraction Plant)
1444141	North West Upgrading Inc.	Application to construct, operate and reclaim a bitumen Upgrader; North West Upgrader Project, Sturgeon County
1459453	West Energy Ltd.	Application for licences to drill two crude oil wells targeting Nisku Formation - Pembina Field
1451106		
1509515	FortisAlberta Inc.	Application for 2008 Transmission Adjustment Rider and Securitization of 2006 AESO charges Deferral Account

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For Alberta Geological Survey (AGS) documents on geological research, contact

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Questions, complaints, problems?

Utilities: For information or to file a consumer utility complaint, contact us at

EUB Utilities Branch, 10th floor, 10055-106 Street,
Edmonton, Alberta T5J 2Y2
Fax: (780) 427-6970
Complaints: (780) 427-4903*
E-mail: <utilities.concerns@eub.ca>

Oil and gas: For information or complaints about new or existing oil and gas developments and facilities, we recommend contacting the operating company first. If the company does not respond appropriately, you may contact the nearest EUB Field Centre.

EUB Field Centres	(24-hour service)
Bonnyville	(780) 826-5352*
Drayton Valley	(780) 542-5182*
Grande Prairie	(780) 538-5138*
Fort McMurray	(780) 743-7214*
High Level	(780) 926-5399*
Medicine Hat	(403) 527-3385*
Midnapore	(403) 297-8303*
Red Deer	(403) 340-5454*
St. Albert	(780) 460-3800*
Wainwright	(780) 842-7570*

*To call toll free from anywhere in Alberta, dial 310-0000 and enter the phone number, including area code, or press zero for a RITE operator.

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