

across the board

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EUB's world-class core research centre

LIKENED TO THE WAREHOUSE in the final scene in *Raiders of the Lost Ark* where the crated ark is carried away, the EUB's Core Research Centre (CRC) is a massive, 18 000 square metre (m²) (200 000 square foot) facility where core samples are stacked up to 8.5 m (28 feet) high.

The CRC contains the most complete drilling history of any area in the world. If laid end to end, the core samples would stretch for 1.5 million metres (1500 kilometres).

system embedded in the floor. This prevents the lifts from bumping into the shelving units and allows lift operators to safely handle the core samples with the care they require.

The vast majority of the collection is accessible to the public on a user fee basis. However, some samples are

The Core Research Centre is a cavernous space that hosts the largest single collection of geological samples in the world, and is visited by over 100 people on an average business day.

Nestled on a 4 hectare site in Calgary's University Research Park, the CRC has hosted the province's cores and cuttings in this location since 1962. Three minor expansions and a major expansion completed in 1982 saw the CRC grow from 3500 m² (37 660 sq. ft.) to its present size.

The CRC contains the most complete drilling history of any area in the world. If laid end to end, the core samples would stretch for 1.5 million metres (1500 kilometres). This is the equivalent to taking a single, solid core sample by drilling almost halfway through the moon at its equator.

Just as impressive is the CRC's collection of nearly 14 million vials of cuttings. With samples dating back to 1911, the cuttings represent drilling activity that is equivalent to drilling through the moon at its equator 16 times or through the Earth at the equator 4.5 times. In fact, there are cuttings from nearly one-third of all wells ever drilled in the province, including Imperial Leduc No. 1.

Managing and keeping track of all the samples is no easy task. The CRC uses a computer tracking system, along with seven custom forklifts to locate samples and deliver them to the core research tables quickly and efficiently. To conserve space and improve safety, the forklifts operate on a wire guidance

held confidentially for up to one year before being released to the public, as they are commercially sensitive. To accommodate these samples and provide additional privacy, the CRC has seven confidential research areas for analyzing sensitive materials. Research tables are located in separate rooms that may also be used for instruction, seminars and meetings.

In addition to providing flexible research solutions for clients, the CRC has faced the challenge of the changing nature of core samples themselves. The majority of core samples collected in the past 5 years have been from oil sands development. Since oil sand is not solid rock, it is recovered and preserved differently from regular core samples. Oil sands core is made of loose sand that is cored into a plastic tube inside the drill pipe. This plastic tube is removed from the drill hole and is frozen to preserve the condition of the sand and to make it solid, for easier handling. The tube is then cut down the middle while frozen, making two semi-circular columns of core. It is then stored and available for analysis and viewing.

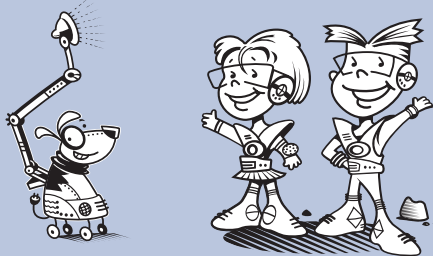
Those with an interest in oil and gas exploration are not the only groups with an interest in conducting research at the CRC. The Alberta Geological Survey (AGS) – also part of the EUB – uses the CRC to gather more detailed information about Alberta's geology. Of particular interest have been Alberta's non-energy mineral resources, such as

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Kids explore the world of oil and gas on line

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Log onto <www.eubkidzone.gov.ab.ca> and encourage your kids to start exploring the world of oil and gas.



About the EUB

Our mission is to ensure that the discovery, development, and delivery of Alberta's resources take place in a manner that is fair, responsible, and in the public interest. We regulate oil, natural gas, oil sands, coal, hydro and electric energy, pipelines, and transmission line development. On the utilities side, we regulate investor-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 four core functions: adjudication and regulation, applications, surveillance and enforcement, and information.

For Your Information...

Recent EUB publications

General bulletins

January 3: GB 2003-01: Draft *Guide 60* (2002) available on EUB Web site for stakeholder comment

Publications

January 21: Alberta Drilling Activity Monthly Statistics (ST-59) for November 2002

January 16: EUB Synergy Group Survey: The EUB is creating a database of active community groups in the province. We believe that such a listing will help to connect groups and to maintain an ongoing dialogue with communities that share their land base with energy development. *Survey submission deadline: February 14, 2003*

January 13: Role of the EUB – 5-minute video clip highlighting the roles and responsibilities of the EUB

January 10: Guide 52, Appendix D: Service Company Abbreviations (updated to Jan. 9, 2003)

January 10: Guide 52: Electronic Capture of Well Test Data (Jan 1999) (Updated to incorporate Appendix D revisions to Jan 9, 2003)

January 3: Draft Guide 60 (2002): Upstream Petroleum Industry Flaring, Incinerating, and Venting Guide

January 3: Billing Accuracy Deficiency Correction Regulation: EUB Tariffs, Rules, Practices and Procedures - Schedule

Recent decisions

January 21: Decision 2003-006: The EUB issues a decision regarding ATCO Gas South's General Rate Application with respect to its 2001 and 2002 revenue requirement, or the revenue needed to cover all costs, including a fair return on investment.

January 21: Decision 2003-005: The EUB issues a decision regarding a negotiated settlement between ATCO Pipelines and its industrial/producer transportation customers to recover costs that accumulated in 2001 and 2002 associated with deferred accounts for transportation exchange service.

January 21: Decision 2003-003: The EUB issues a decision for EnCana Corporation regarding its application for reduced gas well spacing and associated holding, well licences, and pipeline permits.

January 17: Decision 2003-007: Memorandum of Decision Hearing Stage One, Battle River REA

January 17: Decision 2003-004: EPCOR Energy Services (Alberta) Inc. Securitization of 2001 Regulated Rate Option Collection Shortfall; Final Collection Shortfall Charges

January 14: Decision 2003-002: The EUB issues a decision for ATCO Electric Ltd. in response to an application filed as directed in two earlier EUB decisions. The decision addresses adjustments to an asset transfer, certain 2001/02 outsourcing arrangements, and General Rate Application issues involving affiliated companies.

January 14: Decision 2003-001: The EUB issues a decision for ExxonMobil Canada Ltd. and ExxonMobil Resources Ltd. regarding an application for two sour gas wells in the Crossfield area. The decision focuses on access road routing.

December 31: Decision 2002-119: The EUB issues a decision for Nova Gas Transmission Ltd. regarding 2003 Interim Rates for service effective January 1, 2003.

December 31: Decision 2002-118: The EUB issues a decision for ATCO Pipelines North and South regarding amendments to exchange fees and mechanisms. The Exchange Service is offered by ATCO Pipelines when gas is intended for delivery to Nova Gas Transmission Ltd. (NGTL). To ensure that customers (producers) do not have to pay toll charges on both pipelines, gas that would otherwise be physically delivered to NGTL through an interconnection is exchanged through an inventory transfer.

Customers who use Exchange Service to have their gas delivered to the NGTL system are assessed an exchange fee. Exchange fees are credited to an Exchange Revenue Deferred Account. The balance in the Exchange Revenue Deferred Account may be used to fund facility infrastructure, as approved by the Industry Committee.

News releases

January 21: NR 2003-03: EUB Approves a One-Time Refund for ATCO Gas South Customers

January 17: NR 2003-02: EUB Approves Reduction to EPCOR Rate Rider

January 14: NR 2003-01: EUB Reduces ATCO Electric Revenue Requirements

Recent AGS publications

January 21: GEO 2002-18: Satellite Imagery Catalogue

December 18: SPE 55: Petrography of Ardley Coals, Alberta – Implications for Coalbed Methane Potential

December 17: GEO 2002-11: Sampling of Formation Water from Wells in the Athabasca Oil Sands (In Situ) Area, Alberta, 1999-2002 – A Compilation of Protocols and Methods

EUB's world-class core research centre

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base and precious metals, gemstones, and industrial minerals.

And it's not just Albertans who take advantage of all the CRC has to offer. A quick browse through CRC's guest book reveals that over the years there have been geologists and other guests from dozens of countries, including Madagascar, Japan, China, the former Soviet Union, Brazil, and more. Many groups have travelled to Alberta specifically to study the collection; however, Harrison Ford is yet to stop in.

To learn more about the EUB's Core Research Centre, its facilities, and its fees, visit the EUB Web site at <www.eub.gov.ab.ca> or call the Core Research Centre at (403) 297-6400. ❖

Core Research Centre Quick Facts

- Cores are slender pieces of solid rock taken at various depths from a well while it is being drilled. They are the most accurate source of geological data that can be collected.
- On an average business day over 100 people visit the CRC.
- Cuttings are small chips of rock recovered during the drilling of a well.
- Number of boxes of core samples: approaching 1.25 million
- Number of cuttings: approaching 14 million
- Oldest well represented by core: October 1925
- Oldest well represented by cuttings: November 1911
- Size of CRC: 18 000 square metres (200 000 square feet)
- Height of storage area: 8.5 metres (28 feet)
- Core research tables: 60
- Confidential core research rooms: 7
- Cuttings analysis cubicles: 50
- Seminar rooms: 2

Field Surveillance Inspection System

ANNUALLY, THE EUB RECEIVES from industry up to 45 000 notifications that drilling activity (spuds), flaring, venting, pipeline construction and testing, and other operations are taking place. These

notifications were routinely submitted to the Field Centres by phone, fax or email and subsequently entered into numerous

spreadsheets and databases. This process resulted in significant duplicate effort by industry and the EUB. Once entered into the EUB's systems, the information could be compiled and shared within the EUB and with the public when they called us about activities in their communities.

A new tool called the Field Surveillance Inspection System (FIS) allows industry to notify the EUB electronically of their activities. Electronic reporting benefits many people, including the citizens of Alberta.

When Albertans see oil and gas activities in their communities, they often call the EUB to find out what is going on and to look for assurances that the activities are safe and controlled. Now that industry notifies the EUB of certain activities electronically, there is no need to wait for the data to be input into databases. All Field Surveillance staff can immediately access the information through their computers and answer public inquires more responsively.

Because information is submitted electronically and no additional data entry is required, information accuracy is maintained. It also allows us to better manage inspections, as notifications are

used by field staff to flag when an inspection is appropriate. Rig inspections may result from a well spud or re-entry notification; facility inspections may result from new facility, incident, flaring or venting notifications, and pipeline inspections may result from new pipeline construction or pipeline test notifications.

FIS was introduced in September 2002. By the end of 2002, 85 per cent of industry notifications were made electronically through the new system.

Notifications are just Phase 1 of the Field Surveillance Inspection System. Looking ahead, Phase 2 will focus on incidents; for example, if there is a release of gas, then industry will report the release and EUB staff will enter the information into the system and monitor the incident. In Phase 3, all inspection work will operate under the FIS system. Inspection information will be captured in real time using handheld computers, GPS, and digital cameras. Inspection records on the handheld computers will include all related information, such as reports, letters, pictures, and analysis. This technology will also allow licensees to track their own compliance on line.

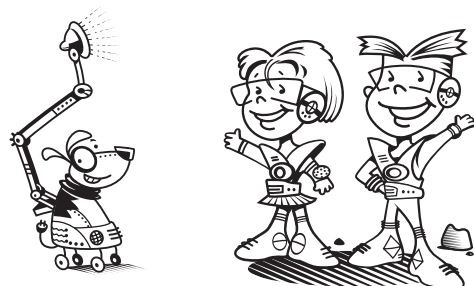
So far, FIS has helped the EUB be more responsive to Albertans' inquiries, while we streamline processes and enhance data accuracy. These benefits ultimately foster the EUB's mission of ensuring that the discovery, development, and delivery of Alberta's resources take place in a manner that is fair, responsible, and in the public interest. ❖

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Kids explore the world of oil and gas on line

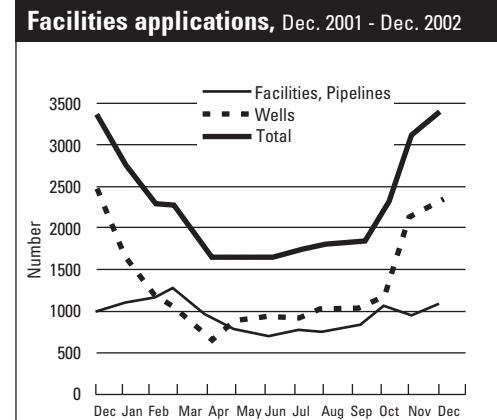
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Applications summary

Facilities applications, 2002	December
Production facilities	.158
Pipelines	.957
Wells	.2350
Total received	.3465
Total approved	.3767
Closed	.41
Withdrawn	.57



Resource applications, 2002	December
Equity (rateable take, common carrier, common purchaser, common processor, compulsory pooling, special spacing)	.78
Conservation (resources - oil, gas, and in situ bitumen; gas removal, enhanced recovery, water disposal, concurrent production, underground storage, commingled production, reserves)	.112
Depletion administration (good production practice, penalty relief)	.18
Corporate (transfer)	.6
Mining (coal and mineable oil sands)	.2
Total received	.216
Total completed	.209

Utilities applications, 2002	December
Electric	.24
Gas	.14
Facilities	.10
Franchises and others	.9
Total received	.57
Total completed	.50

Corporate transfers and name change applications, 2002	December
Well licence transfers	.2123
Well licence name changes	.1127
Pipeline licence transfers	.162
Facility licence transfers	.88
Total received	.3500
Total completed	.3607

This list is subject to change at any time, so please check the complete list of upcoming public hearings on the EUB Web site at <www.eub.gov.ab.ca/bbs/applications/hearings/hearings.pdf>. If you do not have Internet access, contact EUB Information Services at (403) 297-8190.

Upcoming public hearings

Application No.	Applicant	Hearing Purpose
1275466	ATCO Gas North and ATCO Gas South	Combined 2003-2004 General Rate Application
Start Date: March 4 at EUB Edmonton Office, 12th Floor, 10055-106 Street, Edmonton (first 2 weeks in Edmonton, last 2 weeks in Calgary)		
1277912	South Alta Rural Electrification Association Ltd.	Application to amend the service area boundary
Start Date: March 12 at Lethbridge Travelodge, 526 Mayor Magrath Drive, Lethbridge		
1289995	AltaCanada Energy Corp.	Compulsory pooling - Donalda Field
Start Date: March 18 at West Hall, Energy and Utilities Board Building, 640 5th Avenue SW, Calgary		
1284230	ATCO Electric Ltd.	Applications for a transmission project, including
1284228		240 KV transmission lines from Dover to McMillan,
1284240		McMillan to Charron, and Charron to Deerland
Start Date: March 19 at EUB Edmonton Office, 12th Floor, 10055-106 Street, Edmonton		
1271058	Dynamic Oil & Gas Inc.	Application for a well licence, St. Albert, Big Lake Area
Start Date: March 19 at St. Albert Inn, 156 St. Albert Road, St. Albert		
1250512	Petro-Canada	Meadow Creek In-situ Oil Sands Project, Athabasca Oil Sands Area
Start Date: March 25 at Oak Room, Sawridge Hotel, 530 Mackenzie Boulevard, Fort McMurray		

Pending decisions

Application No.	Applicant	Hearing Purpose
1058461 et al.	Anderson Exploration Ltd.	Approval to produce gas
1078980	Anderson Exploration Ltd.	Section 43 review Applications 1069381 and 1069382 - Approval to produce gas
1086353	Franco-Nevada Mining Corporation	Section 42 review Applications 1039410 and 1047055 - Approval to produce gas
1073875	Anderson Exploration Ltd.	Review of the impact of continued gas production on bitumen recovery
1062688 et al.	AEC Oil and Gas (AEC)	Approval to produce gas
1085736 et al.	BP Canada Energy Company	Approval to produce gas - Leismer field
1085793	Petro-Canada Oil and Gas	Shut-in gas production - Chard area
1089982 et al.	Paramount Resources Limited	Approval to produce gas
1090128 et al.	Rio Alto Exploration Ltd.	Approval to produce gas
1256085	PanCanadian Resources Corporation	Application to shut in gas - Christina Lake
1097090	EUB Staff Submission Group	Potential impact of gas production on bitumen recovery
1253701	Elk Point Resources Inc.	Applications for sour gas wells, facilities and pipelines - Wildwood Field
1253703		
1261233		
1261514	Prince Resource Corporation	Review request of Abandonment Cost Order No. ACO 2001-06, pursuant to section 40 of the ERCA
1285476	Aquila Networks Canada (Alberta) Ltd.	2001 Deferral Accounts
1286912	ATCO Gas	Determination of fair market value of uncontracted Carbon storage for 2003-2004
1285072	ATCO Electric	RROT exit-entry fee compliance refile pursuant to Decision 2002-051
1271597	City of Calgary	Generic cost of capital hearing - standardized approach module
2000234	ATCO Electric Ltd., ATCO Gas	Part B: Code of Conduct
2000198	and Pipelines Ltd., Northwestern Utilities Limited	

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For Alberta Geological Survey (AGS) documents on geological research:

Information Sales
4th Floor, Twin Atria, 4999-98th Avenue
Edmonton, Alberta T6B 2X3
Telephone: (780) 422-1927* Fax: (780) 422-1918
E-mail: <EUB.AGS-InfoSales@gov.ab.ca>
Web: <www.ags.gov.ab.ca>

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.gov.ab.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*
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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