

IN THE MATTER OF THE UTILITIES
COMMISSION ACT, SBC 1980, c. 60

and

IN THE MATTER OF AN APPLICATION BY
WESTGROWTH PETROLEUMS LTD.

DECISION

October 23, 1981

Before D.B. Kilpatrick, Division Chairman,
and B.M. Sullivan, Commissioner

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APPEARANCES

R.J. LUDGATE	for the British Columbia Utilities Commission
J.W. STEPHURE	for the Applicant
T.C. PIPER	for Getty Oil (Canada) Ltd.
J.G. FITZPATRICK	for the British Columbia Petroleum Corporation
A.C. MICHELSON	Hearing Officer
W.J. GRANT	Commission Staff
B.T. BARBER R. STEWART	Ministry Staff
ALLWEST REPORTING LTD.	Court Reporters

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WESTGROWTH PETROLEUMS LTD.

DECISION DATED OCTOBER 23, 1981

INTRODUCTION

On June 18, 1981, Westgrowth Petroleums Ltd. ("Westgrowth") made application to the British Columbia Utilities Commission ("the Commission") for an Order of the Commission declaring the British Columbia Petroleum Corporation ("BCPC") to be a common purchaser of natural gas in the Jedney Baldonnel 'A' and Jedney Halfway 'A' pools. The Application was set down for public hearing on September 17, 1981, by Order COM-11-81. Notice of public hearing was published by the Applicant and the Commission mailed copies of the notice to designated interested parties. A submission from Getty Oil (Canada) Ltd. ("Getty") proved to be the only formal intervention at the proceedings.

The Application was heard on September 17, 1981 in the Hearing Room of the Commission.

DECISION

The Commission was faced with determining if the Westgrowth well, Westgrowth et al Jedney b-50-F/94-G-8 was in the Jedney Baldonnel 'A' or the Jedney Halfway 'A' pools and, hence, being drained. The appropriate allocation of future production from the pools was also an issue at the hearing.

Jedney Baldonnel 'A' Pool

The Commission believes that the evaluation of the pressure measurements made in February 1981 on the Baldonnel zone in the well b-50-F indicates that the pressure has declined from that originally determined in the well in 1966 and therefore provides evidence that drainage of gas from the spacing area of the well has occurred. This drainage is due to production of gas by other wells in the pool.

The Commission has considered the intervention by Getty suggesting that the short shut-in times for pressure build-up were insufficient to give a correct extrapolation and that, based on the pressure differences between Getty's a-39-F well and the b-50-F well, a barrier may exist between the wells. In the opinion of the Commission, having regard to the short clean-up flow period prior to shut-in on February 4, 1981, the shut-in period was adequate to establish a build-up pressure, and pressure gradients between wells are not uncommon in this type of reservoir as may be observed on the isobaric map presented by Getty.

The Commission also notes that the maps placed in evidence by the Applicant (Exhibit 6) and by the intervenor, Getty, (Figure 13 attached to Exhibit 12) both locate the well Westgrowth et al Jedney b-50-F/94-G-8 in the Baldonnel 'A' pool.

The Commission therefore concludes that the Applicant's well is completed in the Jedney Baldonnel 'A' pool and drainage is occurring. The Applicant presented adequate evidence and testimony that they were unsuccessful in attempts to obtain a gas purchase contract for the subject well. Accordingly the Commission will order that BCPC is found to be a common purchaser of natural gas in the Jedney Baldonnel 'A' pool.

For the purpose of allocating a contract share to the Applicant's well the Commission has adopted the map of the Jedney Baldonnel 'A' pool published by the Ministry of Energy, Mines and Petroleum Resources to designate the lands involved.

In testimony, Westgrowth accepted the formula for allocation of Pool production based on volumetric daily gas allowables (DGA) as used in previous common purchaser applications, and there was no objection by other parties. The Commission therefore concludes that the volumetric gas allowables method is the most appropriate method of allocating pool production.

The respective shares of the contracts in the Jedney Baldonnel 'A' pool are as follows:

	DGA <u>10^3 m^3</u>	<u>%</u>
Westgrowth et al Jedney b-50-F	180.5	4.05
Sum of all wells	4458.1	100.00

Jedney Halfway 'A' Pool

During cross-examination Westgrowth stated that the build-up pressure at datum in the Halfway zone underlying the spacing area of the well Westgrowth et al Jedney b-50-F/94-G-8 was 11,336 KPa (abs.), as determined from measurements during the period January 31 to February 1, 1981.

In their initial Application dated June 18, 1981 Westgrowth stated that they had determined the build-up pressure by extrapolating the last two points of the build-up curve. Getty argued that the extrapolation of a straight line determined by the last two points of the build-up does not provide a reliable pressure determination.

Since the evidence to support the Applicant's claim of drainage depends on the 1981 pressure of 11,336 KPa being lower than the Halfway A Pool initial pressure of 11,687 KPa, it is essential that the reliability of the 1981 pressure should not be in doubt. The Commission is not satisfied that the 1981 pressure is reliable and, consequently, finds that Westgrowth has not proved that drainage has occurred.

The Application to have BCPC declared a common purchaser of natural gas in the Jedney Halfway 'A' Pool is therefore denied.

DATED at the City of Vancouver, in the Province of
British Columbia, this *23rd* day of October, 1981.



D.B. KILPATRICK, Division Chairman



B.M. SULLIVAN, Commissioner



BRITISH COLUMBIA UTILITIES COMMISSION	
ORDER	
NUMBER	COM-12-81

PROVINCE OF BRITISH COLUMBIA
BRITISH COLUMBIA UTILITIES COMMISSION

IN THE MATTER OF the Utilities Commission
Act, SBC 1980, c. 60

and

IN THE MATTER OF an Application by West-
growth Petroleums Ltd. for an Order
declaring the British Columbia Petroleum
Corporation a common purchaser of natural
gas in the Jedney Baldonnel 'A' Pool

BEFORE: D.B. Kilpatrick,)
Division Chairman; and) October 23, 1981.
B.M. Sullivan,)
Commissioner)

O R D E R

WHEREAS Westgrowth Petroleums Ltd. ("Westgrowth")
applied June 18, 1981 for an Order of the Commission declar-
ing the British Columbia Petroleum Corporation ("BCPC") a
common purchaser of natural gas from the Jedney Baldonnel
'A' Pool; and

WHEREAS pursuant to Order COM-11-81 the British
Columbia Utilities Commission ("the Commission") considered
the application at a public hearing in Vancouver, on
September 17, 1981; and

WHEREAS from the evidence with respect to well
pressures and the geology of the area, the Commission
concludes that the Applicant's well, Westgrowth et al
Jedney b-50-F/94-G-8, is capable of production of natural
gas from the Jedney Baldonnel 'A' Pool; and

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WHEREAS it appears that Westgrowth has made reasonable efforts to arrange a gas sales contract for the subject well with BCPC without success; and

WHEREAS the evidence further establishes that Westgrowth is suffering drainage of natural gas because of an inability to bring the subject well into production.

NOW THEREFORE the Commission hereby orders as follows:

1. The British Columbia Petroleum Corporation is declared a common purchaser of natural gas from the Jedney Baldonnel 'A' Pool effective the date of this Order.
2. The Applicant's well, Westgrowth et al Jedney b-50-F/94-G-8 is capable of production from the said Pool.
3. The contract quantity applicable to the production of natural gas from the said well shall be the lesser of the volume determined on the basis of the ratio of the daily gas allowable of the said well for the Pool to the sum of the daily gas allowables determined for the Pool, or the actual production capability. The term daily gas allowable refers to the volumetric allowable for natural gas wells and designated areas approved and issued from time to time by the Ministry of Energy, Mines and Petroleum Resources, exclusive of the minimum of 60,000m³ set for some wells. The gas pool boundary is that determined by the said Ministry.

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4. The effective date on which the Applicant is entitled to share in the production and revenues from the Pool shall be the date on which the Applicant has completed all required of him to effect delivery of specification gas from the new well. If within thirty days of this effective date, the Applicant has failed to negotiate actual connection and makes a common carrier application, the said application, if successful, will establish his entitlement to share in the production and revenues from the Pool as of the effective date.
5. That portion of total Pool production allocated to the Applicant will be taken from the existing contracts in the Pool in such proportions as will maintain the relative share of Pool production of each existing producer prior to the effective date applicable to the Applicant, by such method and timing as may be agreed upon by the interested parties to achieve that result.
6. If, by the effective date of the Applicant, existing producers in the Pool and the BCPC are unable to agree on a satisfactory method of reducing the gas volume purchase obligation of each existing contract in the Pool, the obligation of BCPC to purchase gas from each contract providing for delivery of gas from the Pool shall be reduced. The reduction shall apply to each contract in force at that time and shall be a percentage of the maximum volume of gas which BCPC is obliged at the time of reduction to purchase each day or each year (whichever is specified in the contract) applicable to lands within the Pool. The percentage shall be the same as that which the daily gas allowables of the wells or designated areas of the contract of the new producer is of the total of the daily gas allowables for the Pool. The effective date for all reductions to contracted volumes shall be the effective date of entitlement determined for the new producer.
7. Where the new well, Westgrowth b-50-F, proves unable to produce the gas volume allocated, the volume which the well fails to deliver

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shall be reallocated back to the producers whose contracts were reduced to accommodate the new well. Such reallocations will be made so as to maintain the relative share of Pool production of each existing producer prior to the effective date applicable to the new well, by such method and timing as may be agreed upon by the interested parties to achieve that result.

8. Compliance with this Order shall not require the British Columbia Petroleum Corporation to purchase natural gas from the Pool in a greater total amount or at a greater rate than required under gas purchase contracts for such Pool.

DATED at the City of Vancouver, in the Province
of British Columbia, this 23rd day of October, 1981.

BY ORDER

D. B. Kilpatrick
Division Chairman



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ORDER NUMBER	COM-13-81

PROVINCE OF BRITISH COLUMBIA
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IN THE MATTER OF the Utilities Commission
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IN THE MATTER OF an Application by West-
growth Petroleums for an Order declaring
the British Columbia Petroleums Corporation
a common purchaser of natural gas in the
Jedney Halfway 'A' Pool

BEFORE: D.B. Kilpatrick,)
Division Chairman; and) October 23, 1981.
B.M. Sullivan,)
Commissioner)

O R D E R

WHEREAS Westgrowth Petroleums Ltd. ("Westgrowth")
applied June 18, 1981 for an Order of the Commission declar-
ing the British Columbia Petroleum Corporation ("BCPC") a
common purchaser of natural gas from the Jedney Halfway
'A' Pool; and

WHEREAS pursuant to Order COM-11-81 the British
Columbia Utilities Commission ("the Commission") considered
the application at a public hearing in Vancouver, on
September 17, 1981; and

WHEREAS the evidence with respect to well
pressures is not sufficiently reliable to establish that
drainage of gas is occurring from the Applicant's well,

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Westgrowth et al Jedney b-50-F/94-G-8, to other wells in
the Jedney Halfway 'A' Pool.

NOW THEREFORE the Commission hereby orders
as follows:

1. The Application by Westgrowth Petroleums
Ltd. to have the British Columbia Petro-
leum Corporation declared a common pur-
chaser of natural gas in the Jedney
Halfway 'A' Pool is denied.

DATED at the City of Vancouver, in the Province
of British Columbia, this 23rd day of October, 1981.

BY ORDER

D.B. Kilpatrick

Division Chairman