

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER

NUMBER COM-6-81

## 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 COM-4-80, COM-5-80, COM-6-80, COM-13-80 and U-COM-1-80

BEFORE:

D.B. Kilpatrick, Chairman; J.D.V. Newlands, Commissioner; and B.M. Sullivan, Commissioner

May 13, 1981

## ORDER

WHEREAS the British Columbia Petroleum Corporation ("B.C.P.C.") was declared a common purchaser of natural gas from the Rigel Dunlevy "F" Pool ("Pool") by Orders COM-4-80, COM-5-80, COM-6-80 and COM-13-80 (the "Common Purchaser Orders"); and

WHEREAS the British Columbia Utilities Commission issued Order U-COM-1-80 which varied the Common Purchaser Orders and included the following clause, amongst others:

"2. That portion of total pool production allocated to the new producer 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 new producer, by such method and timing as may be agreed upon by the interested parties to achieve that result."; and

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WHEREAS the B.C.P.C. has advised the Commission that it has been unable to negotiate an allocation of contract volumes with existing producers to allow the production of natural gas in accordance with the Common Purchaser Orders as varied by U-COM-1-80; and

WHEREAS the Commission concludes that in order to ensure that the intent of the Common Purchaser Orders is met it must order the variation of the contracts of the producers subject to the Common Purchaser Orders.

NOW THEREFORE the Commission hereby orders as follows:

- 1. The obligation of B.C.P.C. to purchase gas from each contract providing for delivery of gas from the Pool shall be reduced at the time that the first effective date (determined pursuant to Order U-COM-1-80) occurs in respect of the Pool. The reduction shall apply to each contract in force at that time and shall be a percentage of the maximum volume of gas which B.C.P.C. 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 the percentage 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.
- 2. The obligation of B.C.P.C. to purchase gas from each contract providing for delivery of gas from the Pool shall be further reduced at the time that the second and each subsequent effective date occurs in respect of the Pool. The reduction shall apply to all contracts (other than contracts entered into pursuant to the Common Purchaser Orders) in force at the time of each such effective date. The provisions of paragraph 1 shall apply mutatis mutandis in determining the amount of the reduction.
- 3. B.C.P.C. shall forward a copy of this order to each person who is a party to a contract which provides for delivery of gas from the Pool.

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DATED at the City of Vancouver, in the Province of British Columbia, this 13 day of May, 1981.

BY ORDER

Chairman, Pursuant to

Utilities Commission Act Section 5.(5)