



BRITISH COLUMBIA UTILITIES COMMISSION	
ORDER NUMBER	COM-1-82

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
Husky Oil Operations Ltd. for an Order
declaring the British Columbia Petroleum
Corporation a common purchaser of natural
gas in the Silver Bluesky "A" Pool

BEFORE:	D.B. Kilpatrick,	)	
	Division Chairman; and	)	March 15, 1982
	B.M. Sullivan,	)	
	Commissioner	)	

O R D E R

WHEREAS Husky Oil Operations Ltd. ("Husky")
applied October 20, 1981, pursuant to Section 83 of the Act,
for an Order of the Commission declaring the British Columbia
Petroleum Corporation ("BCPC") a common purchaser of natural
gas from the Silver Bluesky "A" Pool; and

WHEREAS pursuant to Order COM-14-81 the British
Columbia Utilities Commission ("the Commission") considered
the Application at a public hearing in Vancouver on
February 8, 1982; and

WHEREAS from the evidence with respect to well
pressures and the geology of the area, the Commission
concludes that the Applicant's well, Husky Pembina Silver
c-92-K/94-H-6, is capable of production of natural gas from
the Silver Bluesky "A" Pool; and

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WHEREAS it appears that Husky 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 Husky 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 Silver Bluesky "A" Pool effective the date of this Order.
2. The Applicant's well, Husky et al Pembina Silver c-92-K/94-H-6 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 60,000 m³ set for some wells. The gas pool boundary is that determined by the said Ministry.
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.

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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 entitlements determined for the new producer.
7. Where the new well, Husky Pembina Silver c-92-K/94-H-6, proves unable to produce the gas volume allocated, the volume which the well fails to deliver 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 15th day of March, 1982.

BY ORDER

D. B. Kilpatrick
Division Chairman