



# Devon Arl Corporation

Application for Sour Gas Well  
Dimsdale 7-20-71-7W6

Cost Awards

**ALBERTA ENERGY AND UTILITIES BOARD**

Energy Cost Order 2005-004 : Devon Arl Corporation  
Application for Sour Gas Well; Dimsdale 7-20-71-7W6  
Application No. 1348060

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# ALBERTA ENERGY AND UTILITIES BOARD

Calgary, Alberta

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File No. 8000-1348060-01

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## 1 INTRODUCTION

On June 2, 2004 the Alberta Energy and Utilities Board (EUB/Board) received an application for a Sour Gas Well from Devon Arl Corporation (Devon) at 7-20-71-7W6.

By way of letter dated May 19, 2004, Landcore International Corp. (Landcore), on behalf of their clients Danny and Maureen Diederich, advised the EUB that Mr. and Mrs. Diederich had been notified of the application and objected to the same. On June 7, 2004 the EUB wrote to Landcore and Mr. and Mrs. Diederich to advise that their objection had been received, however their letter of objection did not contain enough information for the EUB to determine whether or not they would be directly and adversely affected by the proposed well licence application. By way of letter dated June 16, 2004 Landcore submitted additional information regarding its clients' concerns.

Between June 21, 2004 and September 7, 2004 correspondence was exchanged between Landcore and Devon. As well, on July 13, 2004 representatives of Devon met with Mr. and Diederich to discuss their concerns.

On September 21, 2004 the EUB advised Mr. and Mrs. Diederich that Devon had withdrawn the subject application.

On October 20, 2004 the EUB received a cost claim from Landcore in the amount of \$5,204.13 and by way of letter dated November 4, 2004 Devon submitted comments regarding the cost claim. Landcore was invited to submit a response to Devon's comments by November 22, 2004, however no response was received. On March 17, 2005 the EUB wrote to Landcore requesting that supplemental detail to the cost claim be filed with the EUB by March 24, 2005. Accordingly, for the purposes of this Order the Board considers the cost process to have closed on March 24, 2005.

## 2 VIEWS OF THE BOARD – Authority to Award Costs

In determining local intervener costs, the Board is guided by its enabling legislation. In particular, by section 28 of the *Energy Resources Conservation Act* (ERCA), which reads as follows:

- 28(1) In this section, “local intervener” means a person or a group or association of persons who, in the opinion of the Board,
- (a) has an interest in, or
  - (b) is in actual occupation of or is entitled to occupy

land that is or may be directly and adversely affected by a decision of the Board in or as a result of a proceeding before it, but, unless otherwise authorized by the Board, does not include a person or group or association of persons whose business includes the trading in or transportation or recovery of any energy resource.

It is the Board's position that a person claiming local intervener costs must establish the requisite interest in land and provide reasonable grounds for believing that such an interest may be directly and adversely affected by the Board's decision on the project in question.

When assessing costs, the Board will have reference to Part 5 of the *Rules of Practice* and to its *Scale of Costs*.

Section 55(1) of the *Rules of Practice* reads as follows:

- Section 55(1) The Board may award costs in accordance with the Scale of Costs, to a participant if the Board is of the opinion that:
- (a) the costs are reasonable and directly and necessarily related to the proceeding and;
  - (b) the participant acted responsibly in the proceeding and contributed to a better understanding of the issues before the Board.

### **3 VIEWS OF THE BOARD – Intervener Standing**

#### Local Intervener Status

In considering the cost claim filed by Landcore International (Landcore) the Board must first consider whether the landowners, Mr. and Mrs. Diederich, qualify as local interveners pursuant to section 28(1) of the ERCA. In that regard, the Board notes that the location of the application is for 7-20-71-7 W6M. Mr. and Mrs. Diederich's land is located at the SE  $\frac{1}{4}$  20-71-7W6.

In cases where applications do not proceed to a hearing the Board is challenged when determining if local intervener status exists, especially where limited information surrounding a claimant's circumstances has been filed with a cost claim. With respect to this particular claim, the Board considers that the completion of the required cost forms and accompanying Landcore invoices did not provide sufficient detail such that the Board could determine whether or not Mr. and Mrs. Diederich meet the requirements set out in section 28(1) of the ERCA.

In a letter dated March 17, 2005 to Landcore, the Board afforded Landcore the opportunity to submit supplemental detail describing how Mr. and Mrs. Diederich meet the requirements set out in section 28(1) of the ERCA. In addition, the Board also requested details as to how Mr. and Mrs. Diederich may have been directly and adversely affected by a decision of the EUB with respect to Devon's application. The Board requested that the supplemental detail be filed by no later than March 24, 2005. The letter also stated that should no response be received from Landcore the cost claim would be processed based on the information that the Board had received to date. As noted earlier, the Board did not receive a response to its letter.

After considering Mr. and Mrs. Diederich's cost claim, as well as the response submission of Devon, the Board finds that there is insufficient information before it to determine that Mr. and Mrs. Diederich meet the requirements set out section 28(1) of the ERCA. As a result, the Board

finds that Mr. and Mrs. Diederich do not meet the definition of a “local intervener” and therefore the Board denies Mr. and Mrs. Diederich’s cost claim in full.

**4 ORDER**

IT IS HEREBY ORDERED THAT:

- (1) The cost claim filed by Landcore International on behalf of Mr. and Mrs. Diederich is denied.

Dated in Calgary, Alberta on this 10 day of May, 2005.

**ALBERTA ENERGY AND UTILITIES BOARD**

*Original Signed By Thomas McGee*

Thomas McGee  
Board Member