



Stratagem Energy Corp.

Well Licence Application

Cost Awards

ALBERTA ENERGY AND UTILITIES BOARD
Energy Cost Order 2005-011: Stratagem Energy Corp.
Well Licence Application
Application No. 1396962
Cost Application No. 1405844

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1 INTRODUCTION

On April 19, 2005 Stratagem Energy Corp. (Stratagem) applied to the Alberta Energy and Utilities Board (Board/EUB) for approval to drill a well from a surface location at Legal Subdivision 9 of Section 3, Township 57, Range 11, West of the 4 Meridian.

The Board received an objection to this application from Julian Bodnar, on behalf of his client Mr. Mike Bodnar and by way of letter dated May 20, 2005 the Board advised that the objection was dismissed and the licence/approval would be issued in due course.

The Board received a cost claim from Julian Bodnar on June 14, 2005. By way of letter dated June 20, 2005, the EUB advised Mr. Bodnar and Stratagem that comments to the cost claim were to be filed by July 4, 2005 and a response to those comments by July 18, 2005. The EUB received and considered comments from Stratagem however no response was received from Julian Bodnar. For the purposes of this Order, the Board considers the cost process to have closed on July 18, 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 – Cost Claim

Julian Bodnar's cost claim consists of legal fees in the amount of \$1,400.00, disbursements in the amount of \$37.00, and GST of \$100.59 for a total claim of \$1,537.59.

The Board has reviewed the cost claim, the supporting material, and the correspondence and submissions filed throughout the course of Stratagem's application.

In considering the application for cost recovery the Board must recognize that by way of letter dated May 20, 2005 the Board advised Mr. Julian Bodnar that his client had not established the potential for direct and adverse impact as defined in the ERCA and as such his objection was dismissed and the licence approved.

It is the Board's view that as Mr. Mike Bodnar has not met the requirements set out in section 28 of the ERCA for the purposes of cost recovery the Board does not find it appropriate to approve the cost claim in this instance.

4 ORDER

IT IS HEREBY ORDERED THAT:

- (1) The cost claim filed by Mr. Julian Bodnar is denied in full.

Dated in Calgary, Alberta on this 26 day of September, 2005.

ALBERTA ENERGY AND UTILITIES BOARD

<Original Signed by Thomas McGee>

Thomas McGee
Board Member