

ALBERTA  
ENVIRONMENTAL APPEAL BOARD

Report and Recommendations

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Date of Mediation Meeting– February 26, 2003  
Date of Report and Recommendations – March 6, 2003

**IN THE MATTER OF** sections 91, 92 and 95 of the  
*Environmental Protection and Enhancement Act*, R.S.A. 2000, c.  
E-12;

**-and-**

**IN THE MATTER OF** an appeal filed by Murphy Oil Company  
Limited with respect to the decision of the Inspector, Northern  
Region, Regional Services, Alberta Environment, to refuse to issue  
a Reclamation Certificate to Murphy Oil Company Limited for the  
Murphy Pica 4-29-84-5 W6 well near Fairview, Alberta.

Cite as: *Murphy Oil Company Limited v. Inspector, Northern Region, Regional Services,  
Alberta Environment* (6 March 2003), Appeal No. 02-088-R (A.E.A.B.).

**MEDIATION MEETING BEFORE:** Mr. Ron V. Peiluck.

**APPEARANCES:**        **Appellant:** Mr. Martin Steel and Mr. Jeff Biegel, Sharp Environmental (2000) Ltd., representing Murphy Oil Company Limited.

**Inspector:** Ms. Carrie Fuson, Inspector, Northern Region, Regional Services, Alberta Environment and Mr. Doug Beddome, Alberta Environment, represented by Ms. Michelle Williamson, Alberta Justice.

**Board Staff:** Ms. Marian Fluker, Senior Research Officer.

## **EXECUTIVE SUMMARY**

Alberta Environment refused to issue a Reclamation Certificate to Murphy Oil Company Limited for the Murphy Pica 4-29-84-5-W6 well near Fairview, Alberta.

The Board received a Notice of Appeal from Murphy Oil Company Limited appealing Alberta Environment's decision.

The Board held a mediation meeting in Peace River, Alberta, on February 26, 2003, following which a resolution was reached by the parties. The Board recommends that the Minister of Environment accept the resolution.

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## **I. BACKGROUND**

[1] On November 1, 2002, the Inspector, Northern Region, Regional Services, Alberta Environment (the “Inspector”) refused to issue a Reclamation Certificate (the “Certificate”) to Murphy Oil Company Limited with respect to the Murphy Pica 4-29-84-5-W6 well near Fairview, Alberta.

[2] On December 2, 2002, the Environmental Appeal Board (the “Board”) received a Notice of Appeal, dated November 30, 2002, from Mr. Martin Steel of Sharp Environmental (2000) Ltd., on behalf of Murphy Oil Company Limited (the “Appellant”) appealing the Inspector’s decision.

[3] On December 3, 2002, the Board wrote to the Appellant and the Inspector (collectively the “Parties”) acknowledging receipt of the Notice of Appeal and notifying the Inspector of the appeal. In the same letter, the Board also requested the Inspector provide the Board with a copy of the record relating to this appeal (the “Record”) and requested that the Parties provide the Board with available dates for a mediation meeting or hearing.

[4] According to standard practice, the Board wrote to the Natural Resources Conservation Board and the Alberta Energy and Utilities Board asking whether this matter had been the subject of a hearing or review under their respective legislation. Both Boards responded in the negative.

[5] On December 17, 2002, the Board received a copy of the Record from the Inspector, and on December 18, 2002, forwarded a copy to the Appellant.

[6] On December 18, 2002, the Board wrote to Mr. Darryl and Ms. Romona Kobbert (the “Landowners”) notifying them of the appeal. The Board requested the Landowners notify the Board by December 20, 2002 if they wished to participate in the appeal. As a response was not received from the Landowners, Board staff contacted the Landowners on December 20, 2002 by telephone and was advised that they did not wish to participate in the appeal.

[7] On January 10, 2003, in consultation with the parties, the Board scheduled the mediation meeting for February 26, 2003 to be held in Peace River, Alberta.

## II. THE MEDIATION MEETING

[8] Pursuant to section 11 of the Environmental Appeal Board Regulation, A.R. 114/93, the Board conducted a mediation meeting in Peace River, Alberta, on February 26, 2003 with Mr. Ron V. Peiluck as the presiding Board Member (the “Mediator”).

[9] In conducting the mediation meeting, the Mediator reviewed the appeal and mediation process and explained the purpose of the mediation meeting. He then circulated copies of the Participants’ Agreement to Mediate. All parties signed the Agreement and discussions ensued.

[10] Following productive and detailed discussions, a Resolution evolved at the January 17, 2003 mediation meeting and is attached as page 3.

## III. RECOMMENDATIONS

[11] In accordance with section 99 of the *Environmental Protection and Enhancement Act*, R.S.A. 2000, c. E-12 (the “Act”), the Board recommends that the Minister of Environment order that the November 1, 2002 decision of the Inspector, Northern Region, Regional Services, Alberta Environment, be varied. Attached for the Minister’s consideration is a draft Ministerial Order implementing the recommendation.

[12] Further, with respect to sections 100(2) and 103 of the Act, the Board recommends that copies of this Report and Recommendations, and of any decision by the Minister be sent to the following Parties:

- Mr. Martin Steel, Sharp Environmental (2000) Ltd., representing Murphy Oil Company Limited;
- Ms. Michelle Williamson, Alberta Justice, representing Ms. Carrie Fuson, Inspector, Northern Region, Regional Services, Alberta Environment; and
- Mr. Darryl and Ms. Romona Kobbert.

Dated on March 6, 2003, at Edmonton, Alberta.

“original signed by”

Ron V. Peiluck

#### IV. RESOLUTION

**RESOLUTION OF APPEAL NO. 02-088 REGARDING THE DECISION DATED NOVEMBER 1, 2002, OF THE INSPECTOR, NORTHERN REGION, REGIONAL SERVICES, ALBERTA ENVIRONMENT, TO REFUSE TO ISSUE A RECLAMATION CERTIFICATE TO MURPHY OIL COMPANY LIMITED FOR THE MURPHY PICA 4-29-84-5 W6M WELL NEAR FAIRVIEW, ALBERTA.**

**All parties to the appeal have agreed to the following terms and conditions:**

1. THE Director agrees to substitute the decision of the inspector to refuse to issue a reclamation certificate to Murphy Oil Company Limited for the Murphy Pica 4-29-84-5 W6M well, for a decision to allow an additional waiting period for Sharp Environmental (2000) Ltd. to conduct further sampling of the well site.
2. MURPHY Oil Company Limited agrees to discuss with the Inspector and Director the sampling methodology to be used and timelines for doing so prior to conducting the sampling.
3. THAT in consideration of the foregoing, the Appellant, Murphy Oil Company Limited, agrees to withdraw their Notice of Appeal.

RESOLUTION AGREED TO BY:

“original signed by”  
Martin Steel, Sharp Environmental  
(2000) Ltd. representing Murphy Oil  
Company Limited

Date: February 26, 2003

“original signed by”  
Carrie Fuson, Inspector,  
Northern Region, Regional Services  
Alberta Environment  
Represented by Michelle Williamson  
Alberta Justice

Date: February 26, 2003

**V. DRAFT ORDER**

**Ministerial Order  
/2003**

*Environmental Protection and Enhancement Act*  
R.S.A. 2000, c. E-12

**Order Respecting Environmental Appeal Board  
Appeal No. 02-088**

I, Dr. Lorne Taylor, Minister of Environment, pursuant to section 100 of the *Environmental Protection and Enhancement Act*, make the order in the attached Appendix, being an Order Respecting Environmental Appeal Board Appeal No. 02-088.

Dated at the City of Edmonton, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2003.

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Honourable Dr. Lorne Taylor  
Minister of Environment



**Draft Appendix**

Order Respecting Environmental Appeal Board Appeal No. 02-088

With respect to the decision of the Inspector, Northern Region, Regional Services, Alberta Environment (the "Inspector") to refuse to issue a Reclamation Certificate under the *Environmental Protection and Enhancement Act*, R.S.A. 2000, c. E-12, to Murphy Oil Company Limited for the Murphy Pica 4-29-84-5 W6 well, I, Dr. Lorne Taylor, Minister of Environment:

1. Order that the Inspector's decision of November 1, 2002, be varied to allow for an additional waiting period to permit a further evaluation of the conservation and reclamation.

**Ministerial Order  
40/2003**

*Environmental Protection and Enhancement Act*  
R.S.A. 2000, c. E-12

**Order Respecting Environmental Appeal Board  
Appeal No. 02-088**

I, Dr. Lorne Taylor, Minister of Environment, pursuant to section 100 of the *Environmental Protection and Enhancement Act*, make the order in the attached Appendix, being an Order Respecting Environmental Appeal Board Appeal No. 02-088.

Dated at the City of Edmonton, in the Province of Alberta this 10th day of MARCH, 2003.

“original signed by”  
Honourable Dr. Lorne Taylor  
Minister of Environment

## Appendix

### Order Respecting Environmental Appeal Board Appeal No. 02-088

With respect to the decision of the Inspector, Northern Region, Regional Services, Alberta Environment (the "Inspector") to refuse to issue a Reclamation Certificate under the *Environmental Protection and Enhancement Act*, R.S.A. 2000, c. E-12, to Murphy Oil Company Limited for the Murphy Pica 4-29-84-5 W6 well, I, Dr. Lorne Taylor, Minister of Environment:

1. Order that the Inspector's decision of November 1, 2002, be varied to allow for an additional waiting period to permit a further evaluation of the conservation and reclamation.