

**BOARD ORDER: MGB 159/03**

**IN THE MATTER OF THE** *Municipal Government Act* being Chapter M-26 of the Revised Statutes of Alberta 2000 (Act).

**AND IN THE MATTER OF A COMPLAINT** pertaining to certain linear property assessments for the 2002 tax year filed on behalf of the following linear property owners/operators.

**BETWEEN:**

Atco Gas & Pipelines Ltd, Atco Gas [NUL], and Primewest Energy Inc., represented by AEC Valuations (Western) Inc. - a n d - Best Pacific Resources Ltd., Canadian Jorex Limited, Cigar Oil & Gas Ltd., Coastal Resources Limited, Defiant Energy Corporation, Del Roca Energy Inc, Fortune Energy Inc., Provident Energy Ltd., Search Energy Corp., Southward Energy Ltd., Spire Energy Ltd., The Wiser Oil Company of Canada, Tiverton Petroleums Ltd., Vintage Energy (Canada) Ltd., Vintage Petroleum Canada Inc., represented by the Assessment Advisory Group - Complainants

- a n d -

The Department of Alberta Municipal Affairs and the Designated Linear Assessor for the Province of Alberta - Respondent

**BEFORE:**

Members:

T. Robert, Presiding Officer  
L. Atkey, Member  
C. Bethune, Member

Secretariat:

A. Sjouwerman, Linear Complaints Administrator

Upon notice being given to the affected parties, a hearing was held in the City of Calgary, in the Province of Alberta on February 5, 2003 and concluded in the City of Edmonton, in the Province of Alberta on February 28, 2003.

These are complaints filed with the Municipal Government Board (MGB) by AEC Valuations (Western) Inc. (AEC) and the Assessment Advisory Group (AAG), on behalf of the above-noted Complainants, on the linear assessment notices issued by the Respondent Designated Linear Assessor

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(DLA) for the 2001 assessment year, 2002 tax year. The complaints relate to the assessments for the properties as identified by their respective Permanent Property Inventory Identifiers (PPI-IDs) in Appendix "C".

### **Consolidation of Complaints**

Some of the complaints filed by Complainants related to a similar issue and were, therefore, consolidated into one hearing.

### **Scheduling of Hearing**

On April 11, April 12 and April 15, 2002 complaints were received from AEC and AAG on behalf of the Complainants in relation to the 2001 assessment year, 2002 tax year for certain linear properties. On August 1, 2002 the MGB sent to all of the owners/operators who had filed complaints on the issue "pipeline attached to abandoned wells. With Notices of Hearing dated November 8 and November 15, 2002 the MGB provided notification of the hearing scheduled for January 20-31, 2003. In the Notices of Hearing sent on November 8 and 15 the affected municipalities were also given notice of the hearings and a final opportunity to seek Intervenor status in these matters. None of the affected municipalities filed a notice of intention with the MGB and, therefore, they did not receive any further notice of future hearings in these matters.

The scheduled hearing dates of January 20-31, 2003 were postponed pursuant to a request from the AAG and the Respondent to allow more time to exchange additional information.

The hearing was rescheduled for February 5-7, 2003, it was held in part and adjourned due to illness of the representative from AEC. The hearing continued on February 28 with AAG attending by way of telephone conference call and the other parties appearing in person. Written submissions and summations of legal argument were submitted on March 14, 2003. This Board Order represents the decision of the MGB in relation to the issues that were raised at the above hearings and through the written arguments of the parties. There were no submissions from the affected municipalities.

### **Withdrawals**

On August 30 and November 22, 2002 AEC withdrew certain PPI-IDs from the complaints of Atco Gas and Pipelines Ltd. and PrimeWest Energy Inc. These withdrawals were confirmed by Notices of Withdrawal dated September 3 and November 26, 2002 respectively. AAG withdrew certain PPI-IDs prior to the hearing which were confirmed in several Notices of Withdrawal issued by the MGB between May 22, 2002 and January 17, 2003. In addition, the following PPI-IDs were withdrawn by AAG at the hearing of February 5, 2003.

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<b>Acode</b>	<b>Assessee Name</b>	<b>Mcode</b>	<b>Municipality Name</b>	<b>PPI-ID #</b>
0PR1	Coastal Resources Limited	0305	Sturgeon County	604736
0PR1	Coastal Resources Limited	0305	Sturgeon County	604737
0TC5	Vintage Petroleum Canada Inc.	0481	M.D. of Greenview	588444
0TC5	Vintage Petroleum Canada Inc.	0482	Yellowhead County	816413
0WZ1	Del Roca Energy Inc.	0482	Yellowhead County	658553

The following complaints were returned to the Complainant because the MGB determined that it has no jurisdiction to hear complaints on linear property located on Indian Reserves and Metis Settlements.

<b>Acode</b>	<b>Assessee Name</b>	<b>Mcode</b>	<b>Municipality Name</b>	<b>PPI-ID #</b>
0PR1	Coastal Resources Limited	0426	Enoch Cree Nation	696698
0PR1	Coastal Resources Limited	0426	Enoch Cree Nation	716897

Several other PPI-IDs filed by AAG and related to the issue of Oil/Gas Conversion were decided in Board Order MGB 058/03 dated April 30, 2003.

### BACKGROUND

The DLA prepared the linear property assessment based on the records at the Alberta Energy and Utilities Board (AEUB). Pipe and well information is recorded separately at the AEUB. The parties to the complaint categorized the pipe into various scenarios in relation to the location of the pipe and various possible locations of an abandoned well. Five general categories were identified.

1. Pipe with a from facility code WE and the from location is within a Legal Subdivision (LSD) containing only an abandoned well. There is no other well in the LSD.
2. Pipe with a from facility code WE and the from location is within an LSD with an abandoned well, which is downstream from a producing well.
3. Pipe with a from facility code WE and the from location is within an LSD with an abandoned well that has a producing well tying into it downstream.
4. Pipe with a from facility code WE and the from location is within an LSD with a multizone well with one of the zones abandoned, which is downstream from an LSD with a producing well.
5. Pipe with a facility code WE and the from location is within an LSD with a producing well and an abandoned well.

The Complainants also provided five additional scenarios where the DLA applied 90% depreciation. These scenarios are outlined in the Complainants' position on equity.

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### OVERVIEW

The complaints arise due to disagreement between the parties as to the rate of depreciation that is applicable to the subject pipe, that is pipe associated with an abandoned well. Both parties agree that the subject properties are not exempt from assessment and that the *Municipal Government Act* (Act), regulations, 2001 Minister's Guidelines for the Assessment of Farmland, Linear Property, Machinery and Equipment, Railway (Guidelines), and 2001 Alberta Linear Property Assessment Manual (2001 Manual) govern the amount of depreciation that is applicable to particular PPI-IDs.

The 2001 Manual specifies that depreciation of 90% is applicable if the pipe has a from facility code of WE and the from location is within an LSD that has a "non-producing well". All of the subject pipelines have a WE facility code and all have abandoned wells in the same LSD. The crux of this issue is whether or not an abandoned well is to be treated the same as a non-producing well for assessment purposes in the 2001 assessment year, 2002 tax year. If an abandoned well is included in the definition of a non-producing well, then the subject pipes are entitled to additional depreciation of 90%.

The Complainants argue that the subject linear property should qualify for additional depreciation because pipe attached to an abandoned well is of similar utility to pipe attached to a suspended well or a non-producing well. Also, there are sufficient records at the AEUB to indicate that a well is non-producing and, therefore, the pipe carries the same non-operational characteristics. The Complainant argues the lack of application of additional depreciation is unfair when the subject pipe is non-operational and does not receive additional depreciation.

The Respondent argues that the subject linear property does not qualify for additional depreciation because the pipe is recorded as operational pipe at the AEUB. The legislation and procedures mandating the actions of the DLA have changed since the previous year. The Complainant cannot access the same benefit of additional depreciation as those who have filed up-to-date records with the AEUB. The Respondent also indicates that there may be flow in the subject pipe. As a result, this dispute requires the resolution of the following specific issues.

### ISSUES

This complaint requires the MGB to group the dispute into the following three key issues.

1. Meaning of the Changes from the 1999 to the 2001 Manual: The Complainants conclude that the meaning of the changes do not change the result that was achieved in MGB 168/01 where pipe attached to an abandoned well was given a 90% depreciation. The DLA argues that the changes in the 2001 Manual negate this result.

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2. Equity: The MGB must determine whether the scenarios presented by the Complainants are an inequity created directly within the regulations and the 2001 Manual or whether they are as a result of the inequitable or incorrect application of the regulations and the 2001 Manual by the DLA. Inherent in this issue is whether or not the practice of the DLA to look to just the registered status of the pipe at AEUB and not other records or reports is correct. The MGB must also determine what authority it has with respect to the origin of an inequity should one exist. The MGB must determine if the inequity is a result of legislative policy or if the inequity is self-induced due to the decision of the Complainants not to register the appropriate status of their pipe with the AEUB or if an inequity was created as a result of the DLA not applying the regulations in a fair manner.
3. Status of an Abandoned Well: Parties to the complaint dispute whether the DLA is required to assess an abandoned well, the source of the flow for the subject pipe. At issue is whether the well is linear property and whether or not it is then assessable and serves as an identifiable item to determine the status of the associated pipe.

### LEGISLATION

In deciding this matter, the MGB examined the legislative authority contained in the Act, the regulations, the Guidelines and the 2001 Manual.

#### *Municipal Government Act*

The source of the DLA's authority to prepare assessments for linear property is found in Part 9 of the Act.

Section 284 defines certain terms for, among other things, the purposes of linear property assessment. The definition of linear property includes pipe.

284(1) *In this Part and Parts 10, 11 and 12,*

...

(k) *“linear property” means*

...

(iii) *pipelines, including*

(A) *any continuous string of pipe, including loops, by-passes, cleanouts, distribution meters, distribution regulators, remote telemetry units, valves, fittings and improvements used for the protection of pipelines intended for or used in gathering, distributing or transporting gas, oil, coal, salt, brine, wood or any*

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*combination, product or by-product of any of them, whether the string of pipe is used or not,*

*(B) any pipe for the conveyance or disposal of water, steam, salt water, glycol, gas or any other substance intended for or used in the production of gas or oil, or both,*

*(C) any pipe in a well intended for or used in*

*(I) obtaining gas or oil, or both, or any other mineral,*

*(II) injecting or disposing of water, steam, salt water, glycol, gas or any other substance to an underground formation,*

*(III) supplying water for injection to an underground formation, or*

*(IV) monitoring or observing performance of a pool, aquifer or an oil sands deposit,*

*(D) well head installations or other improvements located at a well site intended for or used for any of the purposes described in paragraph (C) or for the protection of the well head installations,*

*(E) the legal interest in the land that forms the site of wells used for any of the purposes described in paragraph (C) if it is by way of a lease, licence or permit from the Crown, and*

*(E.1) the legal interest in any land other than that referred to in paragraph (E) that forms the site of wells used for any of the purposes described in paragraph (C), if the municipality in which the land is located has prepared assessments in accordance with this Part that are to be used for the purpose of taxation in 1996 or a subsequent year,*

*but not including*

*(F) the inlet valve or outlet valve or any installations, materials, devices, fittings, apparatus, appliances, machinery or equipment between those valves in*

*(I) any processing, refining, manufacturing, marketing, transmission line pumping, heating, treating, separating or storage facilities, or*

*(II) a regulating or metering station,*

*or*

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*(G) land or buildings;*

....

Section 285 states unequivocally that an assessment must be prepared for each property, excluding only specifically enumerated properties found in Section 298. There is no suggestion that the properties under complaint fall under Section 298. Section 298 is not duplicated in this order for brevity purposes.

*285 Preparing annual assessments*

*Each municipality must prepare annually an assessment for each property in the municipality, except linear property and the property listed in Section 298.*

The Act also specifies that no assessment is to be prepared for new improvements including linear property that is under construction. The MGB is required to examine section 291 to determine if the Complainants' allegation that the DLA used other reports than that of the AEUB for other linear properties is sufficient to establish an inequity.

*291 (2) No assessment is to be prepared*

*(a) for linear property that is under construction but not completed on or before October 31, unless it is capable of being used for the transmission of gas, oil or electricity.*

After mandating the assessment of all property within a municipality, the Act goes on to provide direction as to the method of assessment for specific types or property. The Act directs that a designated assessor must prepare assessments for linear property. Section 292 is the primary provision that sets out the DLA's authority for assessing linear property. It directs the DLA to the regulations for the valuation standard and imposes the requirement that the assessment must reflect both that standard and the specifics of the relevant linear property. Those specifics will be found by the DLA in the records of the AEUB or in a report supplied by the operator of the linear property at the DLA's request.

*292(1) Assessments for linear property must be prepared by the assessor designated by the Minister.*

*(2) Each assessment must reflect*

*(a) the valuation standard set out in the regulations for linear property, and*

*(b) the specifications and characteristics of the linear property on October 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the linear property, as contained in*

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(i) *the records of the Alberta Energy and Utilities Board, or*

(ii) *the report requested by the assessor under subsection (3).*

(3) *If the assessor considers it necessary, the assessor may request the operator of linear property to provide a report relating to that property setting out the information requested by the assessor.*

(4) *On receiving a request under subsection (3), the operator must provide the report not later than December 31.*

(5) *If the operator does not provide the report in accordance with subsection (4), the assessor must prepare the assessment using whatever information is available about the linear property.*

In the Act the DLA is an assessor appointed by the Minister.

284(1) *In this Part and Parts 10, 11 and 12,*

...

(d) *“assessor” means a person who has the qualifications set out in the regulations and*

(i) *is designated by the Minister to carry out the duties and responsibilities of an assessor under this Act, or*

....

As well, the Guidelines defines assessor.

**2001 Minister’s Guidelines for the Assessment of Farmland, Linear Property, Machinery and Equipment, and Railway.**

General Definitions

...

(c) assessor means:

i. *in respect of Linear Property, the person designated by the Minister to carry out the duties and responsibilities of an assessor under the Act.*

....

***Municipal Government Act***



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Section 293 of the Act is a directive to all assessors, including the DLA. It dictates a general mandatory methodology for the DLA that the assessment must be prepared in a fair and equitable manner, applying the valuation standards and procedures in the regulations. Where the regulations are silent as to procedure, subsection 2 directs the DLA to take into consideration assessments of similar property.

*293(1) In preparing an assessment, the assessor must, in a fair and equitable manner,*

*(a) apply the valuation standards set out in the regulations, and*

*(b) follow the procedures set out in the regulations.*

*(2) If there are no procedures set out in the regulations for preparing assessments, the assessor must take into consideration assessments of similar property in the same municipality in which the property that is being assessed is located.*

Accordingly, the relevant regulations must be examined, which in this case is the following.

### ***Alberta Regulation 289/99: Matters Relating to Assessment and Taxation Regulation***

The valuation standard and procedures referred to in Sections 292/293 above are found in Section 6 of the Regulation.

#### *Valuation standard for linear property*

*6(1) The valuation standard for linear property is that calculated in accordance with the procedures referred to in subsection (2).*

*(2) In preparing an assessment for linear property, the assessor must follow the procedures set out in the Alberta Linear Property Assessment Minister's Guidelines established and maintained by the Department of Municipal Affairs, as amended from time to time.*

It is readily observed that the “standard” in this case is the outcome of a calculation found in the Guidelines. While guidelines do not usually have the legal authority of legislation or regulations, in the case of linear property Section 6 of the Regulation prescribes them as having legal force. The valuation standard and procedures that the DLA must apply will accordingly be found therein.

### **2001 Minister’s Guidelines for the Assessment of Farmland, Linear Property, Machinery and Equipment, and Railway**

Section 1.001(f) explains that the Guidelines for linear property are comprised of the 2001 Manual.

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These guidelines are comprised of the following:

### 1.001 APPLICATION

(f) 2001 Alberta Linear Property Assessment Manual, in the case of linear property in a municipality, attached as Appendix II.

Section 3.002 contains the calculation for the assessment of linear property. The factors that are to be used in the calculation are set out in the 2001 Manual.

3.002 The assessed value of linear property in a municipality, excluding wellsite land, shall be calculated by:

- (a) Establishing the base cost as prescribed in Schedule A of the 2001 Alberta Linear Property Assessment Manual
- (b) multiplying the base cost by the appropriate Assessment Year Modifier prescribed in Schedule B of the 2001 Alberta Linear Property Assessment Manual, to adjust base cost to the assessment year;
- (c) multiplying the amount determined in clause (b) by the appropriate depreciation factor prescribed in Schedule C of the 2001 Alberta Linear Property Assessment Manual;
- (d) if applicable, adjusting the amount determined in clause (c) for additional depreciation as prescribed in Schedule D of the 2001 Alberta Linear Assessment Manual.

In the subject case it is the application of (d) which is in dispute between the parties. The Complainants argue that the DLA did not apply the depreciation correctly according to Schedule D.

### **2001 Alberta Linear Property Assessment Manual**

Section 1.005 of the 2001 Manual provides definitions for “discontinued” pipe, “non-producing well” and “operational pipe”. Each of these words has distinctive meaning. Accordingly, section 1.005 defines a non-producing well. There is no definition in any of the legislation for an abandoned well.

### 1.005 Pipeline (PL)

In this manual, the following definitions apply:

- (b) “Discontinued” is the status of pipe as determined by the record at the Alberta Energy and Utilities Board.

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- (g) “Non-producing well” means a well for which an assessment is prepared but did not produce for the period of 12 months before October 31 of the assessment year as determined by the record at the Alberta Energy and Utilities Board or as determined by the assessor.
- (h) “Operational” is a pipe status given to linear property by the Alberta Energy and Utilities Board or as determined by the assessor.

Section 3.000 of the 2001 Manual limits the discretion of the DLA in the application of depreciation to that prescribed in Schedule C and D.

### 3.000 SCHEDULE C – DEPRECIATION

The depreciation factors prescribed in Schedule C for linear property that is described in Schedule C are exhaustive.

No additional depreciation can be applied except as specified in Schedule D.

### 4.000 SCHEDULE D – ADDITIONAL DEPRECIATION

The additional depreciation for Linear Property described in Schedule C, as specified in Schedule D, is exhaustive. No further additional depreciation is to be given by the assessors.

Section 4.003.100 of Schedule D of the 2001 Manual deals with “additional depreciation”, which in this case is applicable when any of the three conditions listed thereunder are met. The question for the present case is whether or not additional depreciation is applicable to the properties because they have been discontinued and fall under the “D” code.

- 4.000 SCHEDULE D – ADDITIONAL DEPRECIATION
- 4.003 PIPELINE (PL)
- 4.003.001 Pipe

Additional depreciation of pipe shall be determined using the table below.

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<b>Code</b>	<b>Pipe</b>	<b>Depreciation Factor</b>
<b>W</b>	Pipe that has a facility code WE and the from location is within an LSD that has a Non Producing Well	<b>0.10</b>
<b>D</b>	Discontinued	<b>0.10</b>
<b>B</b>	Pipe Constructed prior to 1940*	<b>0.50</b>

\* Status declared by each company

In addition the MGB also referred to the regulations, procedures and depreciation tables referred to in Board Order MGB 168/01 to examine the differences referred to, however, the specific text of these sections of the previous legislation is not repeated for sake of brevity of this Order.

### SUMMARY OF COMPLAINANTS' POSITION

The Complainants submitted that for reasons of fairness and equity, pipelines that originate in an LSD in which there is an abandoned well should receive an additional depreciation of 90%, because the W code set out in the 2001 Manual is applicable in these situations. The above-noted situation correctly characterizes all of the subject properties in this complaint. All of the subject pipelines originate from wells that did not produce in the 12 months before October 31 of the assessment year. According to the definition in the 2001 Manual this is a non-producing well and, therefore, the pipelines with a WE facility code that originate in the same LSD as this well, attract additional depreciation of 90% under the "W" code.

In support of their argument, the Complainants referred to Board Orders MGB 168/01 and MGB 173/01. Board Order MGB 168/01 clearly determined that for the purposes of determining additional depreciation, an abandoned well is the same thing as a non-producing well. The definitions and arguments outlined in these orders are still applicable for the 2002 complaints and the same result, additional depreciation, should apply even with the changed definitions in the 2001 Manual.

All complaints relating to any pipes that were associated with a well that was found to have production were withdrawn prior to the hearing. It was submitted that the onus rested with the DLA to establish that any of the remaining abandoned wells associated with the subject pipelines had production and, therefore, did not qualify as non-producing. As this was not done, it should be evident that all the wells in question did not produce in the relevant time frame and all associated pipe should receive an additional depreciation of 90%.

### SUMMARY OF RESPONDENT'S POSITION

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The MGB should dismiss the Complaints on a number of grounds. The grounds of the complaint are in essence a disagreement with the legislated policy and are not a demonstration of the incorrect or inequitable application by the DLA of the regulations. The subject linear property is assessed based on regulated standards. The legislation does not provide the DLA or the MGB with the authority to apply depreciation where it is not expressly provided. The Respondent contends that the assessments reflect the specifications and characteristics of the subject property and also reflect a fair and equitable application of the regulations. There is no basis in the Regulation to apply additional depreciation to pipe attached to an abandoned well, which is registered as operational in the AEUB records. The 2001 Manual does not prescribe the application of additional depreciation to pipe attached to an abandoned well. Therefore, none can be applied by the DLA or by the MGB on appeal.

The 2001 Manual only allows for additional depreciation to be applied in very specific circumstances. The circumstances related to the subject linear property does not qualify for the additional depreciation. These complaints focus on the application of the “W” classification. The classification requires that for a pipe to have a facility code of “WE” and a from location within a legal subdivision that has a non-producing well, before it qualifies for additional depreciation.

The Respondent points out that there is a significant difference in its view in the 2001 Manual which results in a fundamental difference between pipe associated with an abandoned well and pipe attached to a non-producing well as the term “non-producing well” is defined differently in 2001. The definition of non-producing well only applies to a well for which an assessment has been prepared. Specifically, abandoned wells are not assessed by the DLA. In the 2001 Manual depreciation applies only to wells where an assessment is produced. As well, there is no pipe attached to an abandoned well.

An abandoned well has a very specific meaning in the Oil and Gas Conservation Act and in the oil and gas industry. Abandonment of a well amounts to the permanent dismantlement of a well. For assessment purposes there is a very important distinction between pipe leading to an abandoned well and pipe connected to a non-producing well. Pipe to a non-producing well is given 90% depreciation while abandoned wells are not assessed, thus, these terms are separate and distinct in the view of the Respondent.

Pursuant to the Oil and Gas Conservation Act, pipeline operators must notify the AEUB of the status of any well or pipe. The DLA in preparing the assessment is authorized by the Act to rely on these records to prepare the assessment. In this case, the DLA did rely on those records to produce the assessment and the subject pipe in question was registered as “operational” within the records of the DLA.

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The MGB cannot substitute its own criteria for that prescribed in the 2001 Manual. It is the position of the Respondent that it is improper to substitute pipeline attached to a non-producing well to include pipeline from an abandoned well.

In this specific case, the DLA determined that the subject pipe all had “operational” status according to the record of the AEUB. The DLA applied the proper depreciation as required by the 2001 Manual but, as stated, no additional depreciation was applied as the subject pipe did not qualify.

In the case of a regulated assessment fairness and equity can only be examined in how the regulations were applied and not if the regulations themselves are fair or equitable. It was submitted that the DLA did consistently apply the regulated standards to all pipe and, therefore, there is no question about a fair and equitable practice.

### **1. IMPACT OF CHANGES TO 2001 MANUAL**

#### **Complainants’ Position**

##### Board Order MGB 168/01

Even with the changes to the various definitions the Complainants argued that the principles from Board Order MGB 168/01 apply to the subject linear property. The focus of that decision was on the utility of the subject pipe and that should be the focus in this case as well. This pipe is similar to pipe which is discontinued and, therefore, should receive the same additional depreciation. The MGB found in that case that abandoned wells met the definition of a non-producing well in that they had not produced for the last 12 months. Thus the pipe attached or associated with the non-producing well qualifies for additional depreciation. Out in the field the pipe to an abandoned well is blocked off or is plugged and there is nothing that can run down the line.

##### Requirement For Pipe to Be Attached and Carry No Product

The Complainants argued that it is not a requirement of Section 4.003.100 of the 2001 Manual that the pipe be attached to the non-producing well or that the pipe carry no product at all in order to qualify for additional depreciation. The Complainants emphasize that in their opinion whether the pipe is attached or not or whether the pipe carries product or not is not relevant to the application of the W policy in Section 4.003.100. The description of the “W” code does not state that the pipeline has to be physically attached or not carry product. It only states that the pipeline must have a from facility code of WE and the from location must be within an LSD that has a non-producing well. In the opinion of the Complainants there is no implicit or explicit indication of physical attachment or requirement not to carry product as a requirement to qualify for additional depreciation.

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### **Respondent's Position**

#### Board Order MGB 168/01

The Respondent pointed out that the legislative scheme since Board Order MGB 168/01 has changed in several key areas, resulting in the principles of Board Order MGB 168/01 not being able to be applied to the case at hand. The preamble to Schedule C in the 2001 Manual now reads that the depreciation factors in Schedule C are exhaustive which is substantially different from the 1999 Alberta Linear Property Assessment Manual (1999 Manual). As well, the preamble to Schedule D also indicates that the depreciation in Schedule D is exhaustive which is different from the 1999 Manual. In addition, the definition of "abandoned" has been removed from the 2001 Manual in Schedule D.

The key difference in the legislation is the definition of a non-producing well. A non-producing well is now defined as a well for which an assessment has been prepared. That was not the case in Board Order MGB 168/01. In the subject case the linear property in question does not fall within this revised definition.

#### Requirement For Pipe to Be Attached and Carry No Product

Factually it was shown and admitted to by the Complainants that the pipe in question is not attached to the abandoned well. The Respondent indicated that MGB 168/01 focused on pipe attached to an abandoned well. It was further agreed that there was no assessment prepared for an abandoned well. As well, it was admitted by the Complainants that product did flow through these lines, albeit in small amounts.

### **FINDINGS**

Upon hearing and considering the representations and the evidence of the parties shown on Appendix "A", and upon having read and considered the documents shown on Appendix B attached, the MGB finds the matters to be as follows.

1. Board Order MGB 168/01 was adjudicated pursuant to a different set of regulations and directives compared to the regulations and directives in place for the 2001 assessment year for the subject properties.
2. The changes in the 2001 Manual remove additional depreciation from being applied to the subject pipe.

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3. Pipe has to have a from location within an LSD with a non-producing well to qualify for additional depreciation.

### **Reasons**

The MGB accepts the argument of the Respondent that the extensive changes to the 2001 Manual provide a different meaning to how additional depreciation is to be applied compared to the regulation and manual in place at the time of Board Order MGB 168/01. The MGB concludes that the result of the cumulative changes is to eliminate the application of additional depreciation to the subject pipe unless the pipe is registered as “discontinued” at the AEUB or if there is a non-producing well (excluding an abandoned well) within the LSD.

In addition, the change to the definition of “non-producing well” in which the words “a well for which an assessment has been prepared” has been added, the following changes convince the MGB that a clear intent for change has been executed.

Firstly, the MGB notices that there is no longer a definition for abandoned well in the Alberta Property Assessment Manual as illustrated below. This indicates to the MGB that the Legislator did not wish an abandoned well to be included in the definition of a non-producing well.

### **1999 Alberta Linear Property Assessment Manual**

Section 1.2.3

- a) “Abandoned” is the status of pipe determined on the record at the Alberta Energy and Utilities Board or as determined by the assessor designated by the Minister of Municipal Affairs.

### **2001 Alberta Linear Property Assessment Manual**

(no definition of abandoned)

As well, the 2001 Manual does not recognize an additional depreciation rate for abandoned pipe as illustrated below. The MGB accepts that this amendment, in combination with the other amendments, is a purposeful intent to require pipe to be registered as discontinued in the records of the AEUB before additional depreciation can be applied.

### **1999 Alberta Linear Property Assessment Manual**

4. SCHEDULE D – ADDITIONAL DEPRECIATION



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- 4.3 PIPELINE
- 4.3.1 Pipe

Additional depreciation of pipe shall be determined using the table below.

ADDITIONAL DEPRECIATION FACTOR TABLE

<b>Code</b>	<b>Pipe</b>	<b>Depreciation Factor</b>
PLW	Pipe that has facility code WE and the to or from location is within an LSD that has a non producing well	0.10
PLD	Discontinued	0.10
PLA	Abandoned	0
PLO	Pipe Constructed prior to 1940*	0.50

\*Status declared by each company.

**2001 Linear Property Assessment Manual**

- 4.000 SCHEDULE D – ADDITIONAL DEPRECIATION
- 4.003 PIPELINE
- 4.003.100 Pipe

Additional depreciation of pipe shall be determined using the table below.

<b>Code</b>	<b>Pipe</b>	<b>Depreciation Factor</b>
<b>W</b>	Pipe that has a from facility code WE and the from location is within an LSD that has a Non Producing Well	<b>0.10</b>
<b>D</b>	Discontinued	<b>0.10</b>
<b>B</b>	Pipe constructed prior to 1940*	<b>0.50</b>

\* Status declared by each company

In addition, the 2001 Manual has additional clauses in Schedule C and D, which indicate that the depreciation listed in the tables is exhaustive. This, in the view of the MGB, further indicates the placement of limitations on the application of additional depreciation.

**Schedule C**

## **BOARD ORDER: MGB 159/03**

The depreciation factors prescribed in Schedule C for linear property that is described in Schedule C are exhaustive

No additional depreciation can be applied except as specified in Schedule D.

### **Schedule D – Additional Depreciation**

The additional depreciation for Linear Property described in Schedule C, as specified in Schedule D, is exhaustive. No further additional depreciation is to be given by the assessors.

In addition, increased emphasis has been placed on the records of the AEUB as the definitions of “discontinued” and “suspended” refer only to the records of the AEUB.

### **2001 Alberta Linear Property Assessment Manual**

- (b) “Discontinued” is the status of pipe as determined by the record at the Alberta Energy and Utilities Board.
- (m) “Suspended” is the status of a well as determined by the record at the Alberta Energy and Utilities Board.

The MGB accepts that the combination of the following changes support the argument of the DLA that no additional depreciation is applied under the current legislation to the subject pipe:

- removal of the definition of abandoned;
- deletion of reference to report requested by DLA; and
- elimination of abandoned pipe from the depreciation table and the addition of exhaustive clauses.

As stressed by the Respondent, the new definition of “Non-producing well” takes on significant meaning and the addition of the words “a well for which an assessment is prepared” can be given the meaning as presented by the Respondent. That is, an abandoned well no longer falls within the definition of a non-producing well for assessment purposes.

Although the MGB agrees with the Respondent on this major point, the MGB does not agree with the Respondent that the pipe must be attached to the non-producing well to receive additional depreciation. On this matter the MGB accepts the argument of the Complainants and gives a plain meaning to the phrase “pipe that has a from facility code WE and the from location is within an LSD that has a Non-Producing Well”. The reference in this criteria is to “a” non-producing well and not “the” producing well.

## **2. EQUITY**

### **Complainants' Position**

Information Available From AEUB and/or Request for a Report.

The Complainants argue that the Respondent has not utilized the records of the AEUB in a proper fashion as outlined in Board Order MGB 168/01. If an abandoned well exists in the records of the AEUB and the pipe attached is recorded at the AEUB as operational, then it is incumbent on the DLA to request a report from the owner/operator or at least further search the records of the AEUB. The Complainants pointed out that there are other records at the AEUB which identify an abandoned well, these records are referred to as the "well tickets".

The Complainants established through questioning that the DLA does not always just rely on the records of the AEUB. The DLA admitted that in the case of new pipe the DLA will request a report from the property owner/operator to determine if the pipe is cable of being used.

An Inequity Exists

The DLA appears to be relying on an application of the 2001 Manual that will not provide for additional depreciation in certain cases and then in other cases allow for additional depreciation. The Complainants expressed this application as a "wash" which they indicated was not sufficient to treat all property owners/operators equitably, especially small operators.

The Complainants argued that an inequity exists in the application of the regulation by the DLA when pipe attached to an abandoned well is assessed as operational and receives no additional depreciation while pipe attached to a non-producing well with the same physical characteristics is given additional depreciation.

Therefore, fairness and equity can be achieved only if pipes running from an LSD with an abandoned well be given the same depreciation as pipes running from an LSD with a non-producing well. The Complainants argued that, if additional depreciation is applied by the DLA to pipe attached to suspended wells, it is only logical and fair to apply additional depreciation to pipe attached to an abandoned well. To support this assertion the Complainants provided five scenarios involving suspended wells to which the DLA applied 90% depreciation to the attached pipe. These scenarios involved the following situations.

## **BOARD ORDER: MGB 159/03**

- 1) Pipe with a facility code WE and the from location is within an LSD with only a suspended well and attached pipe.
- 2) Pipe with a facility code WE and the from location is within an LSD with a suspended well which is downstream from a producing well and attached pipe.
- 3) Pipe with a facility code WE and the from location is within an LSD with a suspended well with a producing well tying into it downstream and attached pipe.
- 4) Pipe with a facility code WE and the from location is within an LSD with a multizone well with one of the zones suspended, which is downstream from an LSD with a producing well (no additional depreciation is applied in this case).
- 5) Pipe with a facility code WE and the from location is within an LSD with a producing well and a suspended well and attached pipe.

The Complainants argued that the subject pipe was like the scenarios related to suspended wells and, therefore, should be treated like pipe attached to suspended wells.

### **Respondent's Position**

#### Information Available From AEUB and/or Request for a Report

It was clearly illustrated and admitted by the Complainants that the record at the AEUB described the subject pipe as "operational". During questioning it was admitted that the owners/operators of the subject pipe have chosen not to go through the process of abandonment or discontinuance of the subject lines. It was admitted by the Complainants that the lines might be used some time in the future and, therefore, it is the choice of the owner/operator not to abandon the lines. It was the position of the Respondent that the Complainants should not benefit from the lack of action to comply with a provincial regulatory authority.

The Respondent also pointed out that it is not practical to physically examine every wellhead and the attached pipe to determine the status of the pipe considering the vast amount of linear property in the province. Therefore, it is logical to rely on the records of the AEUB as directed by the Act.

It is only in the case of new pipe that the DLA requests additional reporting from the linear owner/operator to determine if the pipe is capable of use. However, even if an owner/operator would provide a declaration on the status of the pipe as discontinued and the records at the AEUB still show operational pipe, the DLA will rely on the record of the AEUB and assess the pipe as operational.

### **An Inequity Does Not Exist**

## **BOARD ORDER: MGB 159/03**

The Respondent emphasized that the DLA consistently applied the regulated standards for assessing linear property and, as a result, this consistent application has resulted in a fair and equitable application of the regulations to the subject property. The assessment of linear property is a regulated assessment. The Complainants are urging the MGB to substitute their perception of fairness and equity for that of the legislators. Neither the DLA nor the MGB has authority to take such action. As well, it is unfair to those owners/operators who properly file records with the AEUB to provide a benefit to those who do not properly file records with the AEUB and in this case do not register their lines as discontinued. This decision not to register was admitted to being a clear choice of the Complainants to achieve a benefit by not having to meet the regulatory obligations of abandoning a well.

### **Findings**

- 1) There is no discretion to apply additional depreciation when the specified requirements in the 2001 Manual are not met.
- 2) The practice of the DLA to require a report from the linear owners/operators for new pipe is sufficiently different from the circumstances of the subject pipe. The DLA can reasonably rely on the registered status of the subject pipe as operational at the AEUB.
- 3) There was no attempt by the linear property owners/operators to change the registered status of the subject pipe at the AEUB, nor was there any indication that there was an attempt to correct an error in the records at the AEUB.
- 4) The subject pipe does not have a from location within an LSD with a non-producing well.
- 5) There was no pipe associated with an abandoned well which was given a 90% depreciation for other linear property owners/operators.
- 6) The legislators have the right to change policy within the regulations and to even legislate an inequity if they so choose.
- 7) The MGB has no authority to change legislative policy.
- 8) If an inequity exists, it is a self-induced inequity since the linear property owners/operators did not register the pipe as discontinued at the AEUB.

### **REASONS**

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Clearly under the new definitions and depreciation schedule the pipe must be associated with a non-producing well, which does not include an abandoned well.

This returns the MGB back to the status of the pipe. Section 292 of the Act indicates that the linear assessment must reflect the specifications and characteristics of the property as reflected in the records of the AEUB or a report requested by the DLA. Section 292 qualifies how the specifications and characteristics are determined with reference to the AEUB records. With the changes to the 2001 Manual the specific records of the AEUB and the specific status of the pipe at AEUB become even more important.

The Complainants indicated one example where the DLA does not solely rely on the records of the AEUB and the DLA admitted that in that specific case the DLA did ask for a report from the linear property owner/operator on the status of new pipe to supplement the records of the AEUB. The MGB examines this practice related to new pipe in the context of the requirement of Section 291 (2)(a) of the Act, which is a mandatory provision which requires the DLA not to assess linear property that is under construction but not completed on or before October 31 unless it is capable of being used. This action of the DLA is a result of a mandatory requirement and not a discretionary requirement and, therefore, the MGB does not accept the argument of the Complainants that this action is sufficient to suggest that discretion should be applied to the circumstances around the subject pipe since the subject pipe is not new pipe under construction. This argument is not sufficient to illustrate an inequity applied by the DLA. No party referred to similar mandatory direction for the subject pipe. If there is an inequity, the inequity is self-induced in that the linear owner/operator did not register the pipe as discontinued at the AEUB.

This left the MGB with only the registered status of the pipe at the AEUB as “operational” to accept as the factual status of specifications and characteristics of the pipe as of October 31 of the assessment year. In the context of the changes to the regulations and the 2001 Manual, the MGB accepts there is increased onus on a linear property owner/operator to register the specific status of pipe with the AEUB before it can expect to have the benefits of any additional depreciation applied by the DLA according to the additional depreciation schedule. In this case, the MGB heard that it was clearly a free choice not to register the pipe as “discontinued” and that there were no errors or mistakes in the record of the pipe at the AEUB.

The Complainants did raise the issue as to why the DLA did not use “well ticket” records at the AEUB to determine the status of the well and then investigate the status of the associated pipe. Again, the MGB accepts that the changes to the 2001 Manual place greater onus on the linear property owner/operator to properly register the status of the pipe at AEUB if the linear property owner/operator expects to receive the advantage of additional depreciation. The specific record of the pipe at the AEUB has become the determinative evidence for the application of additional depreciation as a result of the changes in the 2001 Manual.

### **Application of the Depreciation Schedule**

The MGB looked carefully as to whether or not the DLA did apply the additional depreciation table correctly as the Complainants argued that the DLA did not, and thus created an inequity. Including the new definition of non-producing well in the definition, the additional depreciation clause would result in the following.

“Pipe that has a from facility code WE and the from location is within an LSD that has a Non-Producing Well (not including an abandoned well).”

This changed definition results in pipe associated with an abandoned well not qualifying for additional depreciation under this criteria since a non-producing well no longer includes an abandoned well for the application of additional depreciation. Thus, the MGB does not accept the allegation of the Complainants that the additional depreciation table was applied incorrectly by the DLA.

However, the MGB accepts the argument of the Complainants that the pipe does not have to be attached to the non-producing well by the plain reading of the clause since the reference is to the from location within an LSD that has “a” Non-Producing Well and not to “the” Non-Producing Well.

With the MGB having concluded that a non-producing well does not include an abandoned well, the Complainants did not provide evidence that the subject pipe had a from facility code within an LSD that had a non-producing well. The Complainants’ arguments rested solely on the basis of the relationship to an abandoned well. Again, under the existing 2001 Manual an abandoned well is not a non-producing well and if the specific status of the pipe is “operational” at the AEUB then the DLA can rely on this information to indicate the status of the pipe for application of depreciation.

### **Equity**

The MGB agrees with the Respondent that the thrust of the Complainants case is to request a change to legislation and to challenge the equity principles within the regulations and the 2001 Manual itself. One of the primary tenants of legislative interpretation is that the legislators had full knowledge and understanding of what they were adopting. If there is inequity within the legislative scheme then it can be undone only by an act of the legislators and not by the MGB. Even if pipe carrying product does get additional depreciation as a result of the change in the regulations, the MGB accepts that this was the intent of the legislators. There are vast amounts of linear property, wells and pipelines in various configurations within LSDs across the Province of Alberta. The MGB accepts that the legislators intended to adopt this record-based system recognizing that, in some cases, operational pipe would receive additional depreciation because the LSD included a non-producing well.

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The MGB, however, has full authority to determine if the DLA applied the regulations in a fair and equitable manner. After the MGB decided that an abandoned well is not a non-producing well for the application of additional depreciation, there was very little evidence, in fact none, submitted by the Complainants to illustrate that similar pipe associated with an abandoned well received additional depreciation.

The only indirect comparison was made to the application of the records of the AEUB to new pipe, however, as stated above this action of the DLA is subject to a mandatory clause in the Act. Thus, the MGB concluded that the DLA has applied the regulations and associated manuals in a fair and equitable manner.

The Complainants attempted to draw a comparison between the subject pipe and pipe attached to a suspended well which in certain circumstances received a 90% depreciation. However, this argument also fails once it has been determined that an abandoned well is not included in the definition of a non-producing well. A suspended well meets the definition of a non-producing well with respect to its production status and, therefore, the pipe associated with the suspended well qualifies for the additional depreciation. As well, if the pipe is registered as discontinued it qualifies for additional depreciation pursuant to Schedule D. This different treatment is anticipated in the 2001 Manual and the MGB accepts it as the direction of the legislators

In consideration of the above and having regard to the provisions of the Act, the MGB makes the following decision for the reasons set out below.

### **DECISION**

The complaints are denied and the assessments are confirmed.

It is so ordered.

### **REASONS - SUMMARY**

The MGB finds the circumstances in the subject case substantially different from the decisions referenced in Board Order MGB 168/01 where the MGB at that time found an abandoned well was a non-producing well and, therefore, pipe attached to an abandoned well met the criteria for additional depreciation. . The MGB is convinced that there were significant legislative changes in the 2001 Manual to give a different result from Board Order MGB 168/01. In general, and as described in the main body of the reasons, the MGB finds in this case the regulatory scheme for the preparation of a linear assessment for the subject pipe has changed sufficiently to come to a different conclusion. In the



## **BOARD ORDER: MGB 159/03**

context of the changes to this regulatory scheme, and specifically the definitions and the applied additional depreciation schedules, the MGB places greater weight on the requirement of the linear property owner/operator to receive advantage of additional depreciation only where the status of the pipe has been registered as “discontinued”. The MGB was convinced in this case that the DLA did consistently apply the Regulation and the 2001 Manual. There were no examples of other pipe associated with an abandoned well which was given a 90% depreciation.

The MGB does not accept that it is within its jurisdiction to change the substance of the 2001 Manual, that duty remains solely with the legislators. The MGB accepts the legislators have a right to make changes to the 1999 Manual, which resulted in a very different scheme under the 2001 Manual. The Alberta Linear Property Assessment Manual is impeded as part of the regulations, which sets out the valuation standard for linear property as authorized in the Act.

The MGB concludes that this case turns on the different results achieved by the changes included in the 2001 Manual and, therefore, need not address the argument about whether or not an abandoned well is linear property or not. The MGB leaves this question for another panel should this question still remain outstanding and necessary to address at a future date when the parties to the complaints provide extensive and full argument on this issue.

The MGB believes that the subject property was assessed correctly and in a fair and equitable manner. The evidence that was raised did not challenge the correctness of the assessment. There was no evidence raised that would suggest that the assessment of these properties did not meet the requirements of equity within a regulated system. Under the circumstances, the assessment is fair because the linear property owner/operator chose not to register the pipe as discontinued, as the Act requires that the characteristics and physical conditions of the subject property be reflected in the records of the AEUB. The MGB did not receive convincing evidence that the DLA did not apply the Regulation and 2001 Manual in a fair and equitable manner. It is the duty of the MGB to determine if the assessor, in preparing the assessment for the subject property, applied the legislation in a fair, equitable and correct fashion. It is not the role of the MGB to determine if the procedures that must be followed in the Act, 2001 Manual, or Guidelines are themselves fair or equitable.

No costs to either party.

Dated at the City of Edmonton, in the Province of Alberta, this 5th day of November 2003.

**MUNICIPAL GOVERNMENT BOARD**

**BOARD ORDER: MGB 159/03**

(SGD) T. Robert, Presiding Officer

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**APPENDIX "A"**

APPEARANCES

<b>NAME</b>	<b>CAPACITY</b>
Stephen Cobb	Assessment Advisory Group, representing various Complainants
Melodie Merrick	Assessment Advisory Group, representing various Complainants
Janelle Kochan	AEC Valuation (Western) Inc., representing various Complainants
Bill Jesse	AEC Valuation (Western) Inc., representing various Complainants
Gordon Sharek	Sharek Reay, representing the Respondent
Adrian Jewell	Sharek Reay, representing the Respondent
Harold Williams	Respondent
Greg Johnson	Respondent

**APPENDIX "B"**

DOCUMENTS RECEIVED FROM THE PARTIES AND CONSIDERED BY THE MGB

<b>NAME</b>	<b>CAPACITY</b>
Exhibit 1A	MGB Board Order 168/01
Exhibit 2A.	Letter Assessment Advisory Group to MGB dated November 21, 2003
Exhibit 3A	Scenarios as presented by the Assessment Advisory Group
Exhibit 4A	Listing of Assessment Advisory Group - PPI-IDs by category
Exhibit 5A	Disclosure of Evidence – Primewest Energy Inc.
Exhibit 5R	Brief of Legal Argument and Submission of the Respondent
Exhibit 6A	Disclosure of Evidence – Atco Gas & Pipelines Ltd.
Exhibit 7R	Telus Geomatics documents, Primewest Energy, PPI-ID 552833
Exhibit 8R	Telus Geomatics documents, Primewest Energy, PPI-ID 644239

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DOCUMENTS RECEIVED AFTER THE HEARING AND CONSIDERED BY THE MGB:

<b>NAME</b>	<b>CAPACITY</b>
	Summation and Legal Argument of the Respondent dated March 13, 2003
	Written submission of Primewest Energy Inc. dated March 14, 2003
	Written submission of Atco Gas & Pipelines Ltd. dated March 14, 2003
	Summation by Complainant, Assessment Advisory Group (AAG) dated March 12, 2003

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**APPENDIX “C”**

List of Linear Property Assessment Complaints filed by AEC Valuations (Western) Inc. and the Assessment Advisory Group on behalf of the Complainants and before the MGB in this matter.

**Primewest Energy Inc. – 0N00**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0118	County of Forty Mile	552833
0118	County of Forty Mile	582932
0118	County of Forty Mile	644239
0226	Mountain View County	562819
0226	Mountain View County	595323
0226	Mountain View County	595626
0226	Mountain View County	693881
0312	M.D. of Taber	23791
0312	M.D. of Taber	623797
0312	M.D. of Taber	623808
0312	M.D. of Taber	640038
0312	M.D. of Taber	808281
0376	Cypress County	623785
0376	Cypress County	623787
0376	Cypress County	623820
0377	Clearwater County	600323
0481	M.D. of Greenview	581268
0481	M.D. of Greenview	591424

**Atco Gas & Pipelines Ltd. - 0144**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0235	County of Newell	551967
0263	Red Deer County	626532

**Atco Gas (NUL) – 0021**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0049	County of Camrose	563640
0133	County of Grande Prairie	564203
0245	Parkland County	550587

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<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0258	M.D. of Provost	684458
0302	Strathcona County	551075
0302	Strathcona County	551078
0302	Strathcona County	554073
0302	Strathcona County	562284
0302	Strathcona County	570135
0329	County of Vermilion River	552849
0329	County of Vermilion River	552888
0329	County of Vermilion River	769422
0348	County of Wetaskiwin	563635
0348	County of Wetaskiwin	563640
0465	Special Areas Board #4	684458
0482	Yellowhead County	625643
0503	Saddle Hills County	690226

**Best Pacific Resources Ltd. – 0NZ8**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0193	Lac Ste. Anne County	697765
0299	County of Stettler	659902

**Canadian Jorex Limited – 0ED6**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0195	Lacombe County	636166

**Cigar Oil & Gas Ltd. – 0XF3**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0376	Cypress County	586496
0376	Cypress County	595801
0376	Cypress County	595802
0376	Cypress County	677583

**Coastal Resources Limited – 0PR1**

<b>Mcode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0142	Special Areas Board #2	623868

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<b>Mcode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0142	Special Areas Board #2	623870
0142	Special Areas Board #2	623872

**Defiant Energy Corporation – 0YK2**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0481	M.D. of Greenview	660766

**Del Roca Energy Inc. – 0WZ1**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0383	Brazeau County	609557
0383	Brazeau County	609563

**Fortune Energy Inc. – 0DM6**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0305	Sturgeon County	638181
0195	Lacombe County	650619
0512	M.D. of Opportunity	744887
0195	Lacombe County	631099

**Provident Energy Ltd. – 0TH2**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0191	Kneehill County	628317
0195	Lacombe County	670698
0464	Special Areas Board #3	689880
0464	Special Areas Board #3	689881
0464	Special Areas Board #3	689877
0195	Lacombe County	632014

**Search Energy Corp. (c/o Advantage) – 0TD9**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0195	Lacombe County	587008
0336	M.D. of Wainwright	667305

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**Southward Energy Ltd. – 0DR2**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0036	M.D. of Bonnyville	663248
0193	Lac Ste. Anne County	601514
0193	Lac Ste. Anne County	632014
0222	County of Minburn	570712
0222	County of Minburn	570718
0222	County of Minburn	570726
0222	County of Minburn	627314
0222	County of Minburn	633881
0323	County of Two Hills	629919
0323	County of Two Hills	700688
0507	M.D. of Lesser Slave River	644249
0507	M.D. of Lesser Slave River	644250
0507	M.D. of Lesser Slave River	644254
0507	M.D. of Lesser Slave River	644255

**Spire Energy Ltd. – 0RJ2**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0464	Special Areas Board #3	687988
0464	Special Areas Board #3	689232
0464	Special Areas Board #3	689235
0464	Special Areas Board #3	689237

**The Wiser Oil Company of Canada – 0TC1**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0465	Special Areas Board #4	687917

**Tiverton Petroleums Ltd. – 0R44**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0195	Lacombe County	897635

**Vintage Energy (Canada) Ltd. – 0AZ9**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
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<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0255	Ponoka County	552301
0348	County of Wetaskiwin	655966
0503	Saddle Hills County	648225

**Vintage Petroleum Canada Inc. – 0TC5**

<b>MCode</b>	<b>Municipality Name</b>	<b>PPI-ID</b>
0012	County of Athabasca	821014
0012	County of Athabasca	821021
0036	M.D. of Bonnyville	698228
0480	Woodlands County	649064
0480	Woodlands County	649066
0480	Woodlands County	698173
0480	Woodlands County	698174
0481	M.D. of Greenview	588447
0481	M.D. of Greenview	588455
0481	M.D. of Greenview	589263
0481	M.D. of Greenview	593945
0481	M.D. of Greenview	593947
0481	M.D. of Greenview	594092
0481	M.D. of Greenview	617689
0481	M.D. of Greenview	739187
0481	M.D. of Greenview	751966
0481	M.D. of Greenview	751967
0481	M.D. of Greenview	755310
0481	M.D. of Greenview	809089
0482	Yellowhead County	636040
0482	Yellowhead County	636050
0482	Woodlands County	745719
0482	Yellowhead County	755310