



December 8, 2008

INFORMATION LETTER # OGC 08-22

Subject: Changes to Suspended Well Inspections Form and Reporting Process

To: Industry Clients

Effective Date: Immediately

Background:

Regarding the OGAA Implementation:

All necessary regulations, documents and background information on OGAA can be found at www.ogc.gov.bc.ca/OGAA/

For any questions pertaining to the status of this document, please contact the Commission representative listed at the bottom.

In July 2007, the BC Oil and Gas Commission (Commission) released a new internet-based reporting database system for use by industry. This system, called KERMIT (Knowledge, Enterprise, Resource, Management, Information and Technology) allows for the submission of reports such as Suspended Well Inspection Reports.

The current version of the Inspection of Suspended Well form utilized by industry identifies a total of 18 possible deficiencies associated with the wellsite and access road. The Commission recently reviewed the form and determined the regulation being quoted for 11 of these deficiencies refers to Section 48(1) of the Drilling and Production Regulation which is only applicable to abandoned wells and not suspended wells. A further two deficiencies refer to the *Pipeline Act* and thus have no legal basis for suspended wells. As a result, the total number of deficiencies have been corrected and reduced from 18 to 5. While there are another 8 possible deficiencies associated with the wellhead itself, those deficiencies remain unchanged.

In respect to any operators who have reported these corrected deficiencies as part of their inspections of suspended well locations, the Commission is in the process of removing these from their database. All operators affected will be notified of this change.

Requirement:

While industry is now required to perform suspended well inspections using the updated form, all data entry of Suspended Well Inspections has been discontinued into KERMIT.

The Commission (in consultation with the Canadian Association of Petroleum Producers) is reviewing the Suspended Well Inspection process itself. Industry is requested to retain their Suspended Well Inspection information and will be notified of any process changes upon completion of the review. It is anticipated that the review and any recommended changes will be finalized this fiscal year.

Please direct any questions regarding proposed process changes to:

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For Further Information regarding this Information Letter:

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BC Oil and Gas Commission