

March 6, 2008

INFORMATION LETTER #OGC 08-07

Subject: Submission Requirements for Initial Completion and Flaring Notification

To: Industry Clients

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.

This Information Letter summarizes the changes to application, notification and reporting requirements as a result of the recent release of the Flaring, Incinerating and Venting Reduction Guideline for British Columbia (the Guideline). In order to support the material contained within the Guideline, the Oil and Gas Commission (OGC) has restructured several of its existing forms and amended procedures accordingly.

Requirements:

New Form: Notice of Operations

Effective immediately, the “Notice of Operations” form replaces the “Initial Completion Notification” and the “Fax-in Notice of Equipment Move, Completion, Workover, Maintenance” forms.

Initial Completion

The flaring volume associated with initial completion will no longer be $500 \times 10^3 \text{ m}^3$. Flaring must meet the volume allowance threshold or the approved requested volume as defined within the Guideline.

An “Application to Alter a Well - Completion/Workover” form is not required for initial completion of a non-special sour¹ well, provided a detailed “Notice of Operations” form is submitted within 90 days of drilling rig release. The “Notice of Operations” form must be submitted at least 24 hours prior to the start of operations. Initial completion operations are restricted to those geologic formations to which the operator holds the petroleum and natural gas rights.

The “Notice of Operations” form provides key operational information including:

- The date operations will commence;
- The geological formation(s) to be worked;
- A summary of the operations that will be performed.

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All applicable information requested on the “Notice of Operations” form must be included. If the completion work falls outside of the above listed criteria, an “Application to Alter a Well – Completion/Workover” form must be submitted.

Flaring Procedure

A “Notice of Temporary Flaring, Incinerating and In-Line Testing” form must be submitted 24 hours prior to the beginning of temporary flaring, incinerating and in-line testing. Notice is not required for volumes less than $2 \times 10^3 \text{ m}^3$.

For wells classified as Special Sour, a “Notice of Temporary Flaring, Incinerating and In-Line Testing” form must be submitted 48 hours prior to temporary flaring, incinerating or in-line testing.

An “Application for Flaring/Incinerating Approval” is required when flaring gas with an H_2S concentration of five percent or more and for wells which are classed as Special Sour.

An “Application for Flaring/Incinerating Approval” is no longer required for operations that meet the conditions outlined in Section 3 of the Guideline (Temporary and Well Test Flaring and Incinerating). If the conditions of the Guideline cannot be met, the operator must submit an “Application for Flaring/Incinerating Approval”.

After receiving approval of an “Application for Flaring/Incinerating Approval”, the well operator must also submit a “Notice of Temporary Flaring, Incinerating and In-Line Testing” form 24 hours prior to the beginning of operations.

Data Submission Requirements

Reporting requirements remain unchanged:

- “Completion/Workover” reports must be submitted to the Resource Conservation Team in Victoria within 30 days of completion of operations.
- “Well Deliverability Test Report” forms must be submitted to the Resource Conservation Team in Victoria within 60 calendar days of completing the test. This requirement applies to any volumes flared including clean-up flows, well tests or under-balanced drilling operations.

Copies of the referenced forms are available on the OGC website at:
[Forms and Guidelines - Operations Engineering](#).

The Guideline is available on the OGC website at:
[Flaring, Incinerating and Venting Reduction Guideline for British Columbia](#).

Those operators not in compliance with any notification process and subsequent data submission requirements will be required to submit applications until proven capable² of meeting regulatory requirements.

In the near future, the OGC will be implementing online submissions of “Notice of Operations” forms. An update will be released to keep industry apprised of these developments.

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¹ A Special Sour well as defined in the Oil and Gas Handbook is a designation that reflects the proposed wells proximity to populated centers and its maximum potential H₂S release rate.

1. any well with an H₂S release rate between 0.01m³/s and 0.1m³/s and which is located within 500 meters of the corporate boundaries of an urban centre
2. any well with an H₂S release rate between 0.1m³/s and 0.3m³/s and which is located within 1.5 kilometers of the corporate boundaries of an urban centre
3. any well with an H₂S release rate between 0.3m³/s and 2.0m³/s and which is located within 5 kilometers of the corporate boundaries of an urban centre
4. any well that has an H₂S release rate of 2.0m³/s and greater
5. any other well deemed by the OGC

² Applications will be required for an initial one month period. If the applications are found to be incomplete or late during this trial period, applications will continue to be required.