

# Regulatory Bulletin for the Oil & Gas Industry in Western Canada

## April 2019



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SUSTAINABILITY

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## FEDERAL

### Order Amendment to the *Species at Risk Act* (SARA) Schedule 1

The Committee on the Status of Endangered Wildlife in Canada (COSEWIC) established under SARA, assessed the [status of 32 aquatic species](#) as being at risk. The results of the assessment will be provided to the Minister of the Environment, where a recommendation will be made to do one of the following:

- 1) Accept the assessment and add the species to the List of Wildlife Species at Risk
- 2) Not add the species
- 3) Refer material back to COSEWIC for further information or consideration

The suggested changes to Schedule 1 of the SARA may further restrict projects that can be self assessed through the Department of Fisheries and Oceans (DFO) self-assessment process, increasing the review period for some projects near waters that have documented. [The Order Amending Schedule 1](#) to the SARA was opened to consultation from 23 March 2019 to 22 April 2019.

## ALBERTA

### Provincial Election – United Conservative Party (UCP) Platform

Following the recent election of the UCP in Alberta, their [election platform](#) is likely to impact oil and gas operators. Some of the UCP election promises include:

- Reducing the general business income tax rate from 12% to 8% over the next four years
- Repealing the Alberta carbon tax (possibly replaced by a federal tax)
- A legislated Royalty guarantee (that the regime in place when a well is permitted will remain in place for that project in perpetuity)
- Appointment of a new Board of Directors to the Alberta Energy Regulator (AER), that will focus on having the fastest approvals in North America
- Numerous changes to employment law
- Development of a 'Red Tape Reduction Act' Rules eased for drill rig certification and operation
- Stronger focus on natural gas development
- Hastening of abandonment and reclamation of oil and gas infrastructure
- Introduction of a 'Technology Innovation and Emissions Reduction' (TIER) regime for large industrial emitters in the province

### Water Use Performance Report

The AER has released their [Water Use Report](#), which illustrates the volume of water used for oil and gas activities. The report provides a break down of the estimated water used during oil sands mining and in situ operations, enhanced oil recovery, and hydraulic fracturing. The full report can be found on the [AER's website](#).

# ELECTION RESULTS 2019





## Wellsite Clean-Up to Cost up to \$70 Billion

The [Alberta Liabilities Disclosure Project \(ALDP\)](#), an independent and non-partisan initiative, estimated that it will cost up to \$70 billion to clean up [old and unproductive wells](#) throughout the province. Based on data provided by the AER, the ALDP determined that about 3,000 wells are due for reclamation, whereas over 100,000 unproductive/inactive wells require clean-up. A review of 2014 to 2018 data shows that only 277 audits were completed for the [9,400 reclamation certificates](#) issued during this period. These assessments were primarily completed at a 'desktop' level, as opposed to completing an on-site inspection. It is projected that the number of [inactive well sites will double by 2030](#).

## BRITISH COLUMBIA

### Area-Based Analysis Status Update

Effective 01 May 2019, the BC Oil and Gas Commission (BC OGC) completed the 2019 update to the [Area-Based Analysis \(ABA\)](#). The ABA is an operational program that monitors incremental cumulative disturbance on the land base from multiple sectors. Following the update, there has been no significant change to the Riparian Reserve Zones (RRZ), Old Growth Management Areas (OGMA), Ungulate Winter Range or Wildlife Habitat Area. Applicants are reminded to include all ABA enhanced management and regulatory policy areas on construction plans.

### Changes to Notice of Construction Submission Process

On 24 April 2019, the BC OGC implemented a new process for submitting a [Notice of Construction Start](#) for a well, road, associated oil and gas activity (AOGA), stream crossing or National Energy Board (NEB) ancillary activity. Information related to these activities must now be submitted via the [eSubmission online portal](#). The new process will increase efficiency by reducing the number of forms that must be submitted via email, centralizing additional operational submission requirements in the eSubmission system, and creating additional consistency across activity types. There are no changes to the existing process for submitting a Notice of Construction Start for activities not noted above, including pipelines and facilities.

## DID YOU KNOW?

Integrated Sustainability has received updates from the AER regarding the late 2018 changes to dam safety provisions under the [Water Ministerial Regulation](#) (the Regulation), and how they apply to applications for water storage submitted using OneStop. The AER is in the process of aligning OneStop with the Regulation and the [Alberta Dam and Canal Safety Directive](#).

However, the AER has noted that OneStop presently does not automatically trigger a dam safety review for all dams that require it. Consequently, proponents should be aware of dam safety requirements when applying for dams or water storages.

The AER also provided Integrated Sustainability with additional information regarding the submission of reservoir applications, including application content requirements and the sequencing of the submission of certain information.

To learn more, please contact Tom Parker at (587) 228-8084 or [Tom.Parker@integratedsustainability.ca](mailto:Tom.Parker@integratedsustainability.ca)



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