

Regulatory Bulletin for the Oil & Gas Industry July 2020



WATER | WASTE | ENERGY

FEDERAL

Fisheries and Oceans Canada Water Licence Application Review

Fisheries and Oceans Canada (DFO) staff have indicated that they are aware of the differences in review and approval criteria for short term and long term water licencing projects in Alberta, with respect to provincial and federal guidelines. The Alberta Energy Regulator (AER) has indicated that they will be continuing to review short term and long term water licencing projects based on provincial guidance documents. As a result, the DFO will continue to require proponents who are applying for short term and long term water withdrawal licences with a provincial regulator to submit their project information to the DFO for federal review. Failure to submit the project information for DFO review and approval may result in contravention of the federal *Fisheries Act* and *Species at Risk Act*, based on fish species presence.

ALBERTA

Feedback Requested for Draft Directive

Earlier this month, the AER released [Draft Directive XXX: Well Integrity Management](#), which is open for public comment and feedback. The Draft Directive replaces *Interim Directive ID 2003-01* and outlines testing, reporting and repair requirements for isolation packers, surface casing vent flows, gas migration and casing failures. Public comment is open until 17 August 2020 and must be submitted using the [comment form](#) and emailed to WellIntegrity@aer.ca or mailed to the AER Calgary office.

Phase 3 of the Site Rehabilitation Program

Alberta Environment and Parks (AEP) opened [Application Period 3](#) for the Alberta Site Rehabilitation Program on 17 July 2020. In addition to the existing [guidelines](#) released during Application Period 1, AEP has released [Supplemental Information and Guidelines](#) that applicants are expected to reference when preparing their applications. A few changes implemented during Application Period 3 include:

- Up to a maximum of \$139,000 of grant funding per licensee, where multiple applications can be submitted either from one or multiple contractors
- The requested grant total must not exceed the allocation of \$139,000 per licensee
- A separate application is to be submitted for all stages of closure (i.e. abandonment, Phase 1 and Phase 2 Environmental Site Assessment, remediation, reclamation)

Additional application requirements and a list of eligible licensees are available on [AEP's website](#). Applications for Period 3 will be accepted until 31 March 2021.



Updated Packer Isolation Test Reports Submission Process

Effective 27 July 2020, the British Columbia Oil and Gas Commission (BC OGC) requires [packer isolation test \(PIT\) reports](#) to be submitted using an electronic form available in the eSubmission online portal and will no longer accept reports submitted to WellDataMail@bcogc.ca. The [eSubmission User Guide](#) has been updated to reflect these changes and will include guidance for PIT report submissions. To submit PIT reports, eSubmission users must have the DRILL COMP PROD REP or DCP ADMIN role listed under their account. Questions regarding changes to the PIT report submission process can be directed to Linan Zhang at Linan.Zhang@bcogc.ca or (250) 980-6068.

Regulatory Requirements for Well Drilling, Operation and Groundwater Use

The BC OGC has provided [guidance](#) for permit holders of [Oil and Gas Activities Act \(OGAA\)](#) water source wells (WSWs) under the OGAA and [Water Sustainability Act \(WSA\)](#). WSW users permitted under the OGAA must:

- Obtain an OGAA Well Permit
- Comply with the requirements of the [Drilling and Production Regulation \(DPR\)](#)

Proponents accessing non-deep groundwater must apply under the WSA for authorization to pump/store/use groundwater for oil and gas activities. Requirements include:

- Prior to pumping, a WSA licence or use approval is required
- WSWs operating prior to 01 March 2016 must apply for a WSA authorization by 01 March 2022 to maintain their date of precedence
- WSWs are subject to the water reporting requirements under Section 72 of the DPR. Groundwater users must report water production volumes to the BC OGC via Petrinex

More detailed information on WSWs is available on the [BC OGC's website](#).

Did You Know?

Although a release date has not been established, the AER intends to provide additional guidance on submission of reservoir, dam, and wetland activity applications within OneStop. It is the AER's standard that Dam Safety approvals are to be issued for a maximum term length of 10 years. Prior to the expiry, operators are expected to submit an amendment to their Dam Safety approval to extend the date if they intend to operate the reservoir beyond the 10 year period. Currently, there are no expiry date restrictions in the Dam Safety activity tab within OneStop, however, the AER has noted that this error will be corrected in a future update. Furthermore, the AER has indicated that a review of existing reservoirs will be conducted to determine compliance with the Alberta Dam Safety Regulation at a later date.

To assist with meeting requirements of the Dam Safety Regulation, Integrated Sustainability conducts consequence of failure classification assessments for reservoirs and can provide services for engineering inspections, annual performance reviews, safety reviews and risk assessments. For more information on reservoir application requirements or Dam Safety requirements please contact Tanya Cairns at (403) 617-5743 or Tanya.Cairns@integratedsustainability.ca.

