

## Contact Us



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## Current Regulations

[O&G Conservation Rules](#)

[Directive 065](#)

[Directive 051](#)

[Directive 007-1](#)

[AER Bulletin 2014-27](#)

[AER Well Spacing Map](#)

[Saskatchewan Guidelines](#)

[BC Guidelines](#)

[Manitoba Guidelines](#)

[BC Water Service Wells](#)

## **Inactive Well Compliance Program (IWCP)- Annual Compliance Review Reminder**

Last year, all inactive non-compliant wells were "locked-in" by the AER as of April 1st, 2015. This is a reminder that the deadline for licensees to bring 20% of their IWCP inventory into compliance is March 31, 2016.

An updated IWCP compliance report will be made available on April 1, 2016 by the AER. This report will contain the remaining noncompliant inventory and the target quota for the upcoming year. Operators who have not retired 20% of their IWCP inventory may be subject to enforcement action and/or penalties by the AER.

The AER's deemed liability of a well may help you decide which wells to bring into compliance this year, particularly if doing so can reduce your company's LMR security deposit, which may even result in a refund from the AER.

The IWCP and LMR programs should not be considered mutually exclusive. While a reduction of your company's 2016 IWCP inventory may seem costly (and it very well may be), any reduction in your LMR security deposit, by either a reduction in the deemed liabilities or an increase in the deemed assets, will help offset the economic burden.

BRC can assess, forecast and potentially amend an operator's liability management rating. BRC's LMR audit package can provide:

- A corroboration of the Regulator's LMR calculation
- A 12-month forecast of your company's LMR
- An assessment of the potential impact of an acquisition or divestiture
- A discussion of any LMR regulatory strategies to mitigate security deposits
- A geological review of a well or area and a summary of recommendations to increase your company's deemed assets
- A review of your company's land and regulatory approvals to ensure a favourable outcome for the LMR plan
- Evaluations of well performance, comparisons of completion techniques and tabulations of any economic upside to increase your company's deemed assets as part of the LMR program.

As part of this audit package, BRC can now provide production optimization and asset evaluation services through our engineering partners. If you would like more information on this service or the LMR and IWCP programs, please read AER [Bulletin 2014-19](#), or contact us. We'd be happy to help.

## **Terminating ER Schemes in Alberta**

We've had requests and have noticed through the AER's website that some operators are terminating their enhanced recovery schemes if they have not commenced injection within 3 months of receiving their D065 approval. Please note this is not your only choice of action. If it is your intention to eventually implement the ER scheme, but not at this time due to the current economic environment, a simple request can be submitted to the AER to extend the 3 month timeframe. Please let us know if this is something you are contemplating. We'd be happy to discuss the options with you.

## **AER's Integrated Compliance Assurance Framework**

On February 12, 2016, the AER released their Integrated Compliance Assurance Framework, which outlines the AER's vision and approach to assure compliance. To view Bulletin 2016-01 and Manual 013, please [click here](#) and [here](#), respectively.

The AER will be holding information sessions on this topic, so make sure you check the AER website to sign up for the next available session.

## **OGC- Submission of isotope Gas Analyses**

Changes outlined in Bulletin 2015-21 and Section 34 and 35 of the Drilling and Production Regulations outline new requirements for gas isotopic analysis. Bulletin 2016-07 explains and updates the rationale for this initiative and reminds operators that they have the opportunity to have their isotopic analysis performed free of charge under the Natural Gas Atlas Project. Links to details on this project are found in Bulletin 2016-07.

## **OGC- Water Sustainability Act in Effect**

Effective March 1, 2016, the water sustainability act is in effect in British Columbia, resulting in numerous changes to the surface and groundwater allocation processes. A copy of the Bulletin can be found [here](#).

If this newsletter isn't for you, please [unsubscribe here](#).

Until next month.....

Jason Benoit