

**Contact Us**

Jason Benoit, C.E.T.,  
Manager  
Dir: 403.874.6789



Robyn Swanson,  
P.Eng., C.E.T.,  
Technical Advisor  
Dir: 587.436.4250

**Current Regulations**[O&G Conservation Rules](#)[Directive 065](#)[Directive 051](#)[Directive 057-1](#)[AER Bulletin 2014-27](#)[AER Well Spacing Map](#)[Saskatchewan Guidelines](#)[B.C. Guidelines](#)[Manitoba Guidelines](#)[B.C. Water Service Wells](#)[AER Well Classification](#)**Bulletin 2016-29: Issuance of Subsurface Order No. 6 Regarding the Cardium Formation**

On September 29, 2016, the AER issued [Bulletin 2016-29](#) regarding spacing changes and rate control changes in the Cardium Formation. This bulletin details the release of Subsurface Order No.5, which removes all well density restrictions, sets the target area for both oil and gas drilling spacing units to 100 meters from the sides of the drilling spacing unit and removes any requirement for good production practice applications in the future (if applicable) for development in the Cardium Formation, primarily west of the 5th meridian (Williesden Green, Ferrier and Garrington Areas). [Subsurface Order No.5](#) came into effect on October 7, 2016.

As discussed in our last [newsletter](#), to take advantage of a subsurface order well density relaxation, both the existing holding/unit spacing as well as the underlying special drilling spacing unit must be rescinded. Please contact us if you would like to discuss this new AER order and/or if you would like some help rescinding the existing spacing on your company's lands. We'd be happy to help.

**Bulletin 2016-28: Issuance of Subsurface Order No. 4 Regarding Coalbed Methane Within the Edmonton and Belly River Groups**

On September 29, 2016, the AER issued [Bulletin 2016-28](#). This bulletin details the release of [Subsurface Order No.4](#), which allows for:

- Exemption from CBM control well designation requirements as specified in section 7.025 of the OGCR.
- Exemption from CBM control well testing and reporting requirements as specified in section 11.145 of the OGCR.
- Exemption from standard well testing requirements set out in Directive 040: Pressure and Deliverability Testing Oil and Gas Wells, including annual flow meter logging tests, initial segregated pressure tests, and gas analysis tests.

Licensees of designated control wells within the Edmonton and Belly River Groups need to apply to have their control well designations rescinded if they wish to take advantage of the terms of the order.

**Are you interested in our Well Spacing Course?**

With the recent industry downturn, BRC presently has no scheduled courses on the horizon. However, with the release of Subsurface Order No. 5, let us know if you would be interested if one was made available.

Please visit [here](#) for more information on our Well Spacing Course and let us know if you are interested.

**AER MRL Order**

A reminder that the AER is continuously monitoring and amending the MRL order. Wells producing from pools which historically have been restricted due to a maximum rate limitation and/or the base GOR may be granted GPP without an application. As such, it is important to check the monthly MRL issued at the beginning of each month as the AER does not issue notification letters to individual companies for such changes.

If you would like to review the MRL order for a specific pool, please follow [this link](#), or feel free to contact us to discuss.

**Saskatchewan CCP vs. GPP**

Please note that GPP status in Saskatchewan does not allow for the GOR to exceed 3500 m<sup>3</sup>/m<sup>3</sup>, as described in Section 49 of the OGCR. In these situations, a concurrent production approval is required to avoid shut-in. If your company has a well in this situation, please contact us to discuss.

**AME's Non-Compliance Penalty Assessment Program**

This initiative is an automated program which covers any unfulfilled well data submission obligations through the Integrated Resource Information System (IRIS). The program will be phased in between October 5 and December 31, 2016. Non compliance with well data submission requirements will result in automatic penalties of \$100/well/day. The industry tips web page is available [here](#).

**Saskatchewan ECON: A new version of IRI3 has been released**

On October 5, 2016, Version 5.4 of IRI3 was released. For details on the release, please click [here](#).

**OGC Industry Bulletin 2016-30: Change of Suspension Requirements for Inactive Wells**

Effective Jan. 1, 2017, completed low risk inactive or suspended wells for at least 10 consecutive years must be suspended following Options A or B, as described in [Chapter 9 of the Oil and Gas Operations Manual](#).

The Commission does not require permit holders to suspend currently compliant wells as per the new standard; however, the Commission does expect the new guidelines to be followed starting Jan. 1, 2017.

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

Until next month...

-Jason Benoit