

REGULATORY REVIEW

Enhancing Effective Regulations

In 2008, the ERCB carried out or was in the process of completing a number of regulatory initiatives to make energy regulation more effective. These initiatives aim to correspond with changes to activities in the Western Canadian Sedimentary Basin, particularly those relating to unconventional resources, such as production from the oil sands. And they reflect the ERCB's commitment to all Alberta stakeholders, be they members of the public, energy companies, or other government agencies.

ERCB Drafts Major Oil Sands Directives

Last year the ERCB worked on two major oil sands directives. *Directive 073: Requirements for Inspection and Compliance of Oil Sands Mining and Processing Plant Operations in the Oil Sands Mining Area*, issued in December, details regulatory requirements that operators of oil sands mining projects must follow and the expectations of ERCB field inspectors. *Directive 074: Tailings Performance Criteria and Requirements for Oil Sands Mining Schemes*, issued early in 2009, sets new industry-wide criteria for managing oil sands tailings.

More information on these two directives is on page 17.

Directive 071 Strengthened

The ERCB updated *Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry* in 2008, following extensive feedback from a broad group of stakeholders. The changes significantly enhance Alberta's

already strict emergency preparedness and response requirements.

Details on the changes to *Directive 071* are on page 20.

Regulatory Change Report

In 2008, the ERCB created the Regulatory Management Program to help improve the regulatory framework and increase stakeholder awareness of regulatory changes. As part of the program, the ERCB developed the Regulatory Change Report, a one-stop source that provides information to industry and the public about the ERCB's regulatory initiatives.

The report divides regulatory changes into four categories:

- Planned—regulatory changes anticipated to start within the calendar year
- In progress—regulatory changes in development
- Open for comment—regulatory changes for which the formal consultation and comment period is open
- Closed for comment—regulatory changes for which the formal consultation and comment period is over

New Regulations for Auditing Volumetric Data

The ERCB issued *Bulletin 2008-40: Proposed Enhanced Production Audit Program*, which lays out proposed changes for auditing oil and natural gas volumetric data to better meet ERCB requirements.

The Enhanced Production Audit Program (EPAP) aims to increase compliance with ERCB measurement recording and reporting requirements, be cost effective for both the

operators and the ERCB, and be practical for industry and the ERCB.

The ERCB has sought input from operators on a wide range of topics related to the design and implementation of the proposed EPAP process. The ERCB also will work with the Petroleum Registry of Alberta to investigate the potential for improvements to enable operators to become aware of risks associated with inaccurate data entered into the Registry.

Well Spacing Initiative

In 2008, the ERCB collaborated with energy industry associations to get feedback for the next phase of the ERCB's Well Spacing Initiative. The ERCB and industry met several times to review the new well spacing electronic application forms, the decision trees defining the application process pathways, and associated application requirements. Feedback from industry was very positive.

Well spacing regulations define the number of subsurface drainage locations necessary to maximize oil or gas recovery from a specific pool. This is determined from an analysis of reservoir rock characteristics, fluid properties, and production behaviour. ✦