

Draft minutes

Canadian Flaring and Venting Regulators Forum

Meeting

Date: Friday June 18, 2010

Time: 0800 – 1600 CST

Place: Hotel Saskatchewan, Regina, Saskatchewan

In Attendance:

Name	Group
Todd Han	Saskatchewan Energy and Resources
Brad Wagner	Saskatchewan Energy and Resources
Dean Pylypuk	Saskatchewan Energy and Resources
Mike Layer	CanmetENERGY - NRCan
Kevin Parsonage	BC Oil and Gas Commission
Todd Paget	Government of Northwest Territories
Fannie Lalonde	Environment Canada
James Vaughan	Energy Resources Conservation Board
David Campbell	CSA
Jim Spangelo	Energy Resources Conservation Board

By Teleconference:

Name	Group
Paul Molloy	Government of Newfoundland and Labrador
Randy Dobko	Alberta Environment
Jennifer Abel	Manitoba Science, Technology, Energy and Mines

The meeting convened at approximately 0830 CT and was chaired by James Vaughan.

Action Items

	Who	Due
10-06-A: Responses back to James on agreement for the CFVRF to become a sub-committee under the CAMPUT Energy Resources Committee.	All	September 15
10-06-B: Relay response from the CFVRF as to becoming a sub-committee of the CAMPUT ERC	James	End of September
10-06-C: Is it possible to get Energy Resources Committee information on the CAMPUT website?	James	ASAP
10-06-D: Send user name and password for the CFVRF link.	James	ASAP
10-04-E: Check with ERC to see if financial resources would be available for CFVRF website.	James	ASAP
10-06-F: Ask NACE for permission to post presentation on CFVRF website	James	ASAP
10-06-G: Work on Fuel, Purge, Blanket etc. gas definitions	Paul, Jim S. Kevin	Teleconference meeting in the fall
10-06-H: Chat with Dave Picard regarding Fuel, Purge, Blanket etc. gas definitions.	Mike L.	ASAP
10-06-I: Set up teleconference for October/November	James	ASAP

1) Administration

- The meeting convened at approximately 0730 PT; 0830 MT; 0930 CT; 1030 ET and 1200 NT.
- A round of introductions was conducted.

Previous Action Items:

	Who	Due
10-04-A: If the Energy Resources Committee has a website – pass on the link to the team.	James	Done
10-04-B: Provide feedback form the Montreal ERC meeting to the rest of the team – specifically how would the team fit into the ERC?	James	Done
10-04-C: Forward Paul links to the GGFR website.	James	Done
10-04-D: Send user name and password for the CFVRF link.	James	Done
10-04-E: Team to look at website and provide any comments back to James	Team	Ongoing
10-04-F: Do we share the website publically? Please consider.	Team	Done
10-04-G: Invite Roger Fernandez of Methane to Markets to next meeting.	Mike L.	Done
10-04-H: Invite a representative from the GGFR to the next CFVRF meeting.	James	Done

2) James gave an update and presentation from the GGFR.

- GGFR is now in its 3rd Phase 2010-2012
- Updates from Kazakhstan, Russia, Indonesia, Mexico and Qatar.
- Pemex and Mexico's SENER joined the GGFR in March 2010.
- Presentation is available on CFVRF website.

3) Update from CAMPUT ERC meeting in Montreal – May 2, 2010

- ERC has no intention to dilute the CFVRF.
 - ERC sees value in what we do – we identify emerging issues such as fugitive emissions.
 - The ERC would endorse the CFVRF as a sub-committee of the ERC.
 - The ERC could be a vehicle for wider national support.
 - The ERC may be able to provide further resources to aid the CFVRF.
- Feedback:
- Seemed to be general support amongst the CFVRF for this relationship.
 - Need time to take back to member jurisdictions.
 - Still don't fully understand how ERC fits into CAMPUT.
 - Would like more information on ERC, perhaps in its own website.
 - CAMPUT's website: www.camput.org

4) Roundtable update from member jurisdictions

British Columbia Oil and Gas Commission

- BC is in the midst of major regulatory change. Expect that the new Oil and Gas Activities Act will be in force this fall. The Act and draft regulations can be viewed here: <http://www.ogc.gov.bc.ca/OGAA/training.aspx>
- There was a 30% reduction in flaring from 2008 to 2009, including:

- a 40% reduction in solution gas flaring, resulting from full implementation of the flare reduction guideline
- 97% of solution gas is conserved.
- a 28% reduction in well test and cleanup flaring, due to increases in inline testing in the Montney and Horn River plays
- an 85% reduction in UBD flaring, resulting from Encana's system to recover and sell gas produced during UBD.
- Facility flaring is unchanged. Flaring reductions have been offset by an increase in new facilities.
- The primary flaring issue in BC is well cleanup and well test flaring in proximity to residents in the Montney play (Dawson Creek area).
- Total gas flared in 2009 was 203.2 million cubic metres.

Energy Resources Conservation Board

- The ERCB is restructuring. New focus on Non Conventional. Aiming to be the best Non-Conventional regulator in the world by 2013.
- Preliminary numbers show both flaring and venting down in Alberta in 2009 across all categories.
- Preliminary conservation percentage at 95.5%, up from 95.1 in 2008.
- Found problems in last year's report. A lot of CO₂ was reported as vented. Originally reported a 26% increase in venting. Now the increase is 16%.
- Continue to work with Dr. Matthew Johnson at Carleton University. He's doing some work that may help us identify further gas conservation opportunities.

Saskatchewan Energy and Resources

- Similar issues as Alberta with heavy oil and bitumen.
- S10 Regulation just released. Not enforced until October 1, 2011.
- (See update from Sk. Regarding S-10)

Manitoba Science Technology Energy and Mines

- No gas wells in Manitoba. Under pressured and low gas content oil reservoirs. Most solution gas in province is collected at facilities and used as fuel gas where possible and vented or flared otherwise (based on Ambient Air Quality Guidelines.)
- One solution gas collection and sales line has been operational in Pierson, Manitoba since 2008. The gas is directed to Saskatchewan for processing and sale.
- Several companies are investigating options on how to conserve solution gas.
- Petroleum Branch is in the process of reviewing our Act and regulations but there are no proposed changes to any of the existing flaring or venting regulations.
- Manitoba Petroleum Branch is investigating the Alberta Petroleum Registry.

Government of Northwest Territories

- ENR/GNWT is not the Regulator of oil and gas activities in the NWT.
- ENR acts as technical support to the NEB in its screening and permitting of upstream oil and gas activities that involve flaring and venting in the NWT.

- Due to the relative youth in maturity of the oil and gas sector in the NWT, the development of standards and other initiatives related to conservation of resources through the reduction of flaring and venting are not as developed as those in other regions of the country that have a more mature oil and gas sector.
- ENR is excited to continue its partnership and open sharing of information with the NEB and other members of the CFVRF to help facilitate the development and advancement of standards in the NWT that are relatively consistent with expectations across the country.

Government of Newfoundland and Labrador

- Drilling and Production Guidelines to be published in December
- Additional drilling activity
- Re-drafting Drilling Guidelines
- Reviewing Offshore Waste Treatment Guidelines

NRCan

- Collaborative work with ERCB
- On the international front working with China and Mexico to develop protocols for emissions reduction and inventories
- Involvement with CSA

Environment Canada

GHG Framework:

- Minister has indicated harmonization with US.
- US Cap and Trade Bills not getting much traction in Senate. Some discussion on Energy Bills. Energy or Cap & Trade Bills unlikely to pass before Fall mid-term elections

AP Framework:

- Since last CFVRF meeting, additional discussions on applicability of BLIERs to Offshore sector and VOC quantification for VOC based measures.
- CAMS process has concluded for now.
- Proposals have been brought forward to management for decision. Once decision is made, will be shared with CFVRF.
- Stakeholders in the UOG sector subgroup proposed seven BLIERs for the largest sources of NOx, SO2 and VOCs.
 - NOx: New and existing reciprocating engines
 - SO2: Sour gas processing and flaring
 - VOCs: Fugitive equipment leaks, storage tanks and venting
- EC is working with AECOM to develop a fugitives emissions code of practice for the Oil and Gas sectors. Background report is being drafted. EC can update the CFVRF team during the Fall call.

5) Update on CFVRF website

- Web address is: <http://www.nr.gov.nl.ca/nr/CFVRF/default.htm>
- User name is: nrforum The Password is: F0rum\$2009
- The team would like hyperlinks to member sites.
- Heading of 'Technical Papers' changed to 'Resources'.

- Heading of 'Past Meetings' changed to 'Meetings'.
- Discussion: One user name and password for all? Or individual user names and passwords?
 - Decided on one user name and password.
 - Need the ability to register individual email addresses for updates.
- For administration: Email to James? Or Website based inbox?
 - James prefers a website based inbox.
- Continue to send comments or suggestions on the website to either James or Paul.
- Need a link to the Clean Air Strategic Alliance (CASA) in Alberta.
(www.casahome.org).

6) Discussion: Purge gas, blanket gas, instrumentation gas – is this venting?

- Purge gas, blanket gas, fuel gas, instrumentation gas, flare gas all dealt with a little differently in each jurisdiction.
- Desire amongst jurisdictions to standardize the terms across the country.
- Paul, Kevin and Jim to work on the definitions.
- Teleconference in the fall to work on this issue.
- Mike L. to contact Dave Picard for his input.

7) Update from Saskatchewan on flaring and venting Directive S-10.

- S-10 is intended to standardize flaring and venting regulations with Alberta.
- The committee to develop S-10 was comprised of members from CAPP, SEPAC, Sask. ER, Trans Gas, Sask. Power.
- Draft s10 and S20 document. Phase in period – not enforced until October 1, 2011.
 - Gives companies one year preparation.
- Existing wells have until 2014 to come into compliance.
- 2004 numbers: Sask oil and gas represents 33% of GHG emissions – largest sector in Saskatchewan.
- S-10 expectation is up to 61% reduction in flaring and venting.
- Up to 49% GHG reduction.
 - Worst case is a 21% reduction.
- Saskatchewan is still struggling with accurate and verifiable reporting.
- Sask. Needs more field enforcement officers.
- Reductions in 2008 vs. 2009:
 - 2008 – flare and vent = 0.56 BCM
 - 2009 – flare and vent = 0.351 BCM
- 2009 fuel gas to flare = 0.72 BCM
- New compressors at Cenovus Weyburn reduced flaring by 50%
- Introduced (ERCB) Directive 60 values, i.e.: 900 m³/d threshold.
- 2004 – Markedly reduced drilling activity in Saskatchewan.

8) Presentation from David Campbell, CSA

- Presentation available on the CFVRF website.

9) Fugitive Emissions presentation from Jim Spangelo (ERCB)

- Presentation available on CFVRF website.

10) Presentation Methane to Markets – Michael Layer (NRCan)

-Presentation available on CFVRF website.

11) CFVRF – Next Steps

- Next meeting – Winnipeg or Ottawa?
- Teleconference in October or November 2010
- Wrap up.