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# National Energy Board

*Canadian Flaring and Venting Regulators  
Forum*

Yellowknife, NWT

June 19, 2009

Canada 

# Outline

- ❖ NEB in the North
- ❖ Northern Synopsis
- ❖ Northern Regulation of upstream flaring and venting
- ❖ In Closing



# NEB in the North

- An independent federal energy regulatory agency
- **Main functions are established in the *National Energy Board Act***
- **Most northern regulatory responsibilities fall under the *Canada Oil and Gas Operations Act***





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# NEB in the NORTH

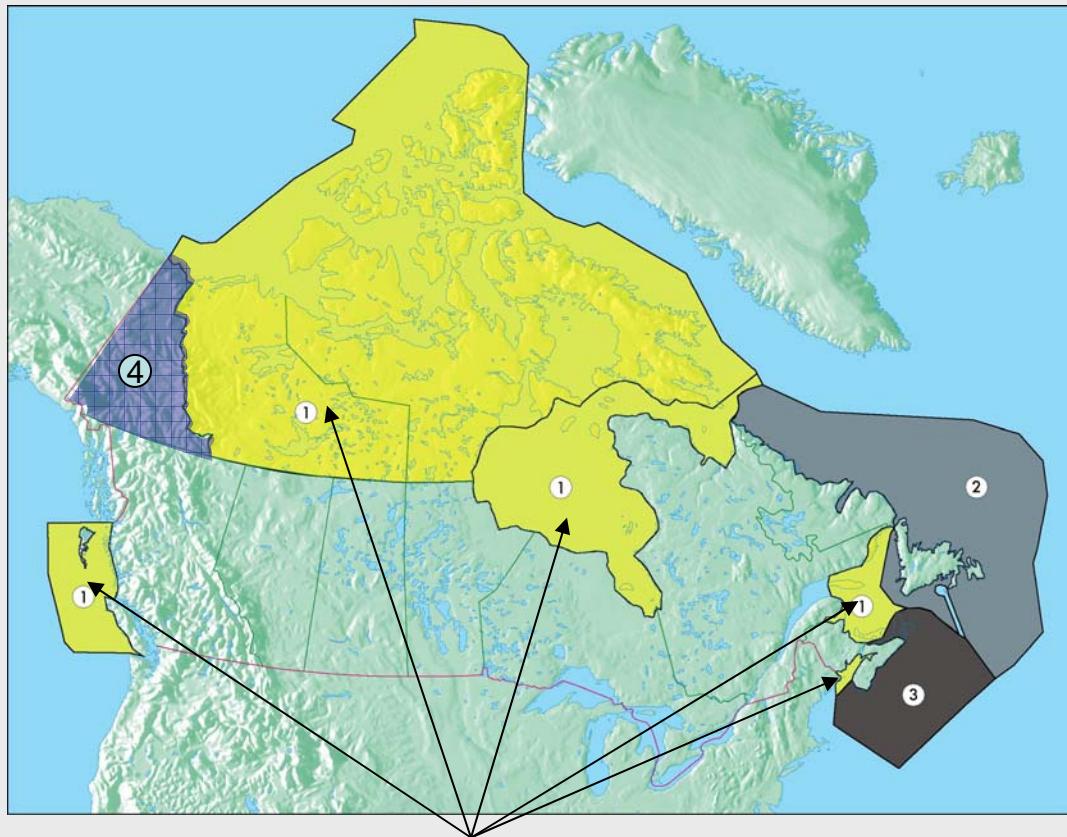


*The NEB regulates oil and gas activities in Canada's North and in offshore areas not under the jurisdiction of a federal/provincial shared management agreement*

## NEB Responsibilities

- Regulate exploration, development and production, pipelines, tolls and tariffs
- Enhance worker safety
- Protect the environment
- Ensure conservation of oil and gas resources

# Frontier Lands



## Non-Accord Frontier Lands

1. NEB
2. CNLOPB
3. CNSOPB
4. Yukon



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# Northern Synopsis – General Trends

- Overall reduction in flaring in 2008
- No new producing areas - general reduction in production
- Limited exploration drilling (MGM West Delta)



# Operating Fields

- Production at Ikhil and Paramount Cameron Hills continuing, no new wells
- Paramount Resources Ft. Liard Operations have been suspended since early 2008
- Production declined in Norman Wells resulting in decrease in volume flared from 2007- planned waste heat recovery project will further reduce flaring and GHG emissions – continual production decline



# Northern Synopsis – Exploration 2008-09

- Very limited flaring in the exploration stage
- MGM West Delta Drilling Program (2008/2009 drilling season) – only one out of 3 wells were tested
- Imperial Oil drilled 1 additional oil well in the Proven Area in the summer of 2008 (no flaring reported) & 1 well in 2009
- Offshore licences have seen significant seismic exploration in 2008 & 2009
- New interest in eastern Arctic seismic exploration

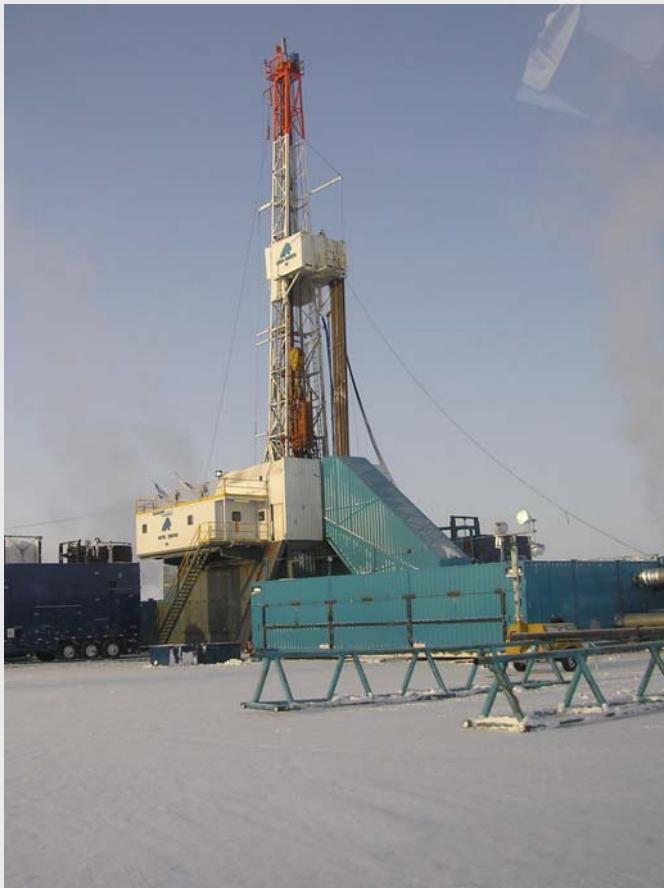


# Northern Regulation of Upstream Flaring and Venting

- Onus is on the companies to develop, implement and demonstrate methods for reducing flaring
- The COGOA allows for the cessation or suspension of the production of oil or gas if a waste of resource is occurring (waste includes the escape or flaring of gas that could be economically recovered and processed or economically injected into an underground reservoir)



# New Drilling and Production Regulations



- Expected to be promulgated this fall

“Regulation continues to be required to ensure that activities related to the drilling for, or production of, oil and gas are carried out in a manner that is safe, protects the environment and ensures that resources are not wasted.”



# New Drilling and Production Regulations

- Amalgamation and modernization of existing *Drilling Regulations* and the *Production and Conservation Regulations*
- Administered by 3 regulators: CNLOPB, CNSOPB and the NEB
- Goal oriented style
- Provide improved flexibility to develop regulatory process efficiencies
- Guidance documents coming (D & P regs, EPP)



# New Drilling and Production Regulations

- Requires applicants to develop a Management System that shall include...*the processes for ensuring and maintaining the integrity of all facilities, structures, installations, support craft and equipment necessary to ensure safety, environmental protection and waste prevention...*



# New D & P Regs - Gas Flaring and Venting

- No operator shall flare or vent gas unless...
  - It is otherwise permitted in the Authorization or Approval...
  - It is necessary to do so because of an emergency situation....



# Canada Oil and Gas Operations Act

## Other Regulations:

- *Geophysical Operations Regulations*
- *Oil and Gas Occupational Safety and Health Regulations*
- *Spills and Debris Liability Regulations*
- *Diving Regulations*
- *Installations Regulations\**
- *Certificate of Fitness Regulations\**

\* will require amendments as a result of new D & P regs



# In Closing

- NEB is supportive of the CFVRF
- NEB regulates upstream O&G activities and flaring in northern & non-Accord Frontier areas
  - O&G exploration and production & flaring declining
  - Increasing exploration interest in eastern & western Arctic offshore
  - Drilling and Production Regulations, with management system requirements, being readied
- NEB looks forward to other regulators taking a lead role in CFVRF

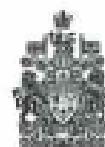


# Thank You



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