

## Value Added Subcommittee – Alberta

### **Objective of the Subcommittee:**

Since March 2013 the objective of the subcommittee is to identify and resolve discrepancies within the regulations along with attaining value-added changes. We also are lobbying for the harmonization of the regulations across the provinces.

### **Current Committee Members:**

Kevin Boyce – chairman  
Colby Ruff - AER  
Berni Brunsch  
Gary Fiselier  
Pascal Bonnet  
Mark Flynn  
Renee Deveau  
Wayne Olsen  
Jonathan Wasylik  
Bill Cheung  
Phil Barg  
Bert Gano  
Darren Pineau  
Alison Dolter  
Kim Deck  
Rob Denholm  
Osama Barahim  
Dafne Chacon

### **Successes:**

Over the years the successes have been numerous. The most significant being:

- Effluent measurement of high LGR gas wells.
- Group and test of high LGR gas wells.
- Effluent measurement of oil wells producing into a gas effluent proration battery.
- Several changes to the effluent wells testing decision tree which reduced testing frequency for low producing wells.
- Allow for high LGR wells that drop below  $0.28 \text{ m}^3/\text{e}^3\text{m}^3$  to decrease the well testing frequency based upon the Well Testing Decision tree.
- Increase gas measurement by difference measured to group ratio from 35% to 75%.
- Increase oil measurement by difference measured to group ratio from 25% to 50%.

- Added reporting requirements for reporting recombined condy to an oil proration battery or a gas proration battery where the battery condy is produced to a tank and sold without further processing.
- Several changes to CBM and shallow gas well's testing and analysis frequency.
- Five-year calibration frequency for digital smart devices that are non-delivery point meters.
- Seven-year calibration of non-delivery point rotary fuel gas meters.
- Allow for two phase separators with three phase measurement instead of requiring three phase battery group measurement.
- Allow for single well or multiwell group gas batteries to employ a disposition equals production accounting methodology for wells that produce less than 2.0 m<sup>3</sup>/d of total liquids (condy and water).

CAPP estimates the annual cost savings to industry due to the November 2018 revisions to Directive 017 to be \$164.2 million/year. They include the following:

- Ultrasonic meter installation requirements – does not require a temperature transmitter for flare meters: 3.0M
- Effluent Correction Factor (ECF) testing frequency in Montney and Duvernay: 12.0M
- Flash Liberation Analysis (FLIB) of High LGR Gas Wells and Oil Wells in the Duvernay and Montney: 2.0M
- Requirements for gas measurement – compressibility correction and pressure correction: 0.6M
- Split load liquid volume thresholds: 0.5M
- Gas well sampling and analysis frequency for gas proration batteries: 0.1M
- Production Accounting (PA) allocation items: 2.0M
- Tag sample locations at facilities: 2.5M
- Section 7.5 well testing requirements of high LGR/Oil wells in the Duvernay/Montney: 3.5M
- Tie in of non-Duvernay wells into Duvernay battery: 100.0M
- Reducing the number of test vessels after initial flow back of wells: 37.5M
- Compressibility calculation period change: 0.5M

**Opportunities:**

- Effluent measurement of high LGR gas wells producing to an oil proration battery.
- Request the AER document the split between effluent gas wells and effluent oil wells producing to an effluent proration gas battery within section 7.5.
- Extend the shallow gas well's testing frequency.
- Incorporate more allocation requirements within the regulations.
- Outline midstream measurement and reporting requirements.