



National Energy
Board

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de l'énergie



Objective

- To share some regulatory insights; and
- Invitation to partner in some opportunities.



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Overview

- National Energy Board
- Exploration and Production Regulation
- Some Current Issues & Opportunities



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National Energy Board

- Independent tribunal established in 1959
- Reports to Parliament through the Minister of Natural Resources
- Staff complement of ~300, all in Calgary
- Budget of ~33 million dollars
- 90 % of cost recovered



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Regulatory Context:

- *National Energy Board Act*
- *Canada Petroleum Resources Act*
- *Canada Oil and Gas Operations Act*
- *Canada Labour Code* (Part 2 and **OGOSH**)

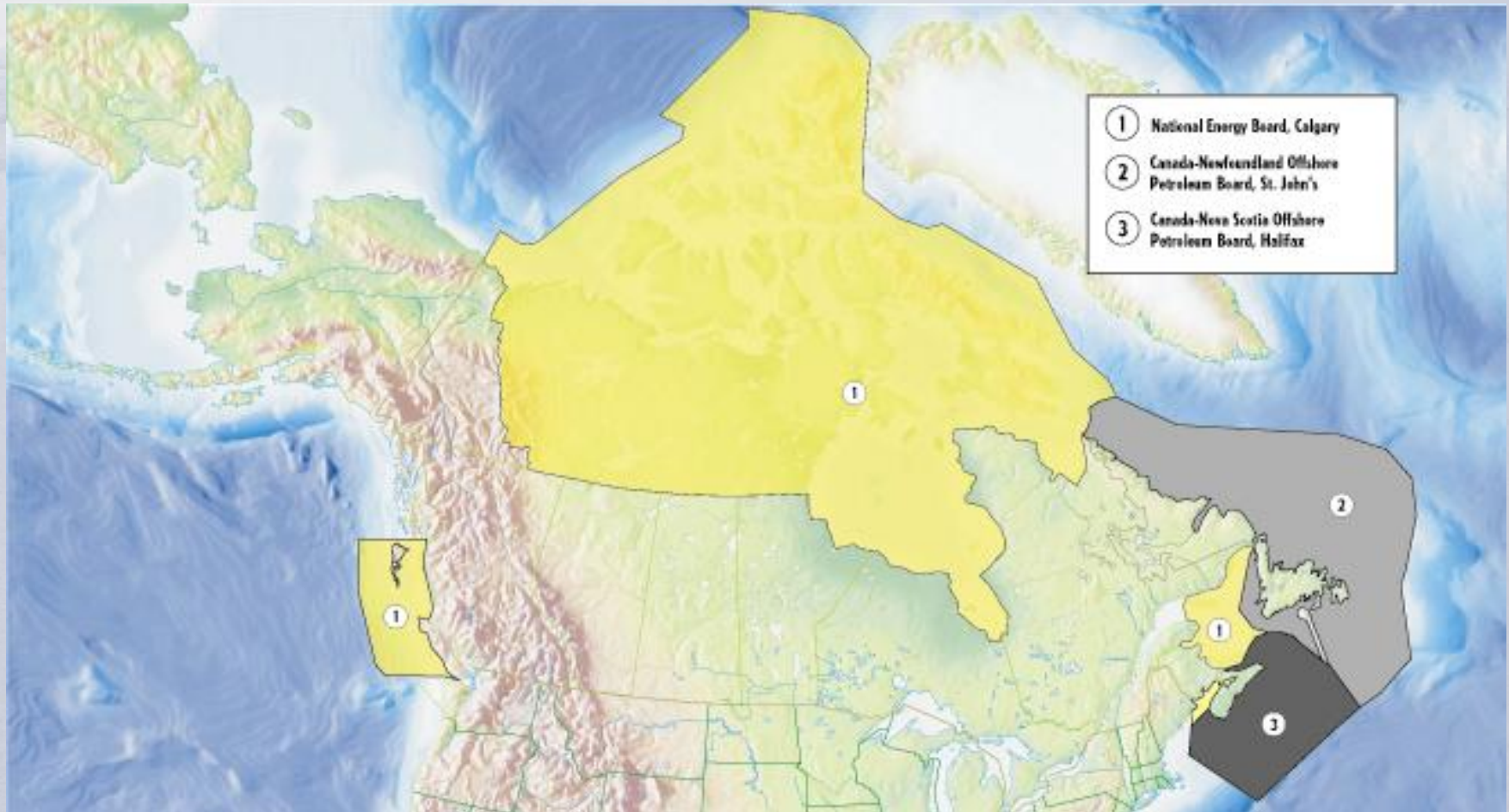


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Frontier Lands





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Canada Petroleum Resources Act

- NEB
 - Commercial and Significant Discovery Declarations
 - Advice on basin assessments
 - Administration of Environment Studies Research Funds
- DIAND
 - Issues
 - Exploration Licences
 - Significant Discovery Licences
 - Production Licences
 - Manages royalties



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Canada Oil and Gas Operations Act

- NEB regulates
 - geological and geophysical data gathering
 - oil and gas well drilling
 - production facilities and operations
 - pipelines in Frontier areas not otherwise under the NEB Act



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Northern Activities Summary

	2003-04	2004-05	2005-06	2006-07	2007-08
Wells	40	39	23	25	20
Geological	14	12	19	16	23
Declarations	4 SDD	8 SDD 3 CDD	2 SDD	3 SDD	2
Others	2	8	4	2	2



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Some Opportunities

- Regulatory Renewal
- Same-season relief well capabilities
- Drilling Fluid Disposal
- Safety



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Regulatory Renewal

- Current regulations – prescriptive
- Towards goal-oriented regulations
 - Regulators identify intent
 - Operators demonstrated how
 - Compliance verification
- Drilling and Production Regulations
 - Guidance Notes



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Same Season Relief Well

- Requirement from Cabinet Order in 1976
- Risk Threshold Depth
- Viable relief-well drilling system is available and suitable for the proposed well
- Pre-built ice pad - in some cases
- Alternates or equivalencies



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Same Season Relief Well



Ice pad



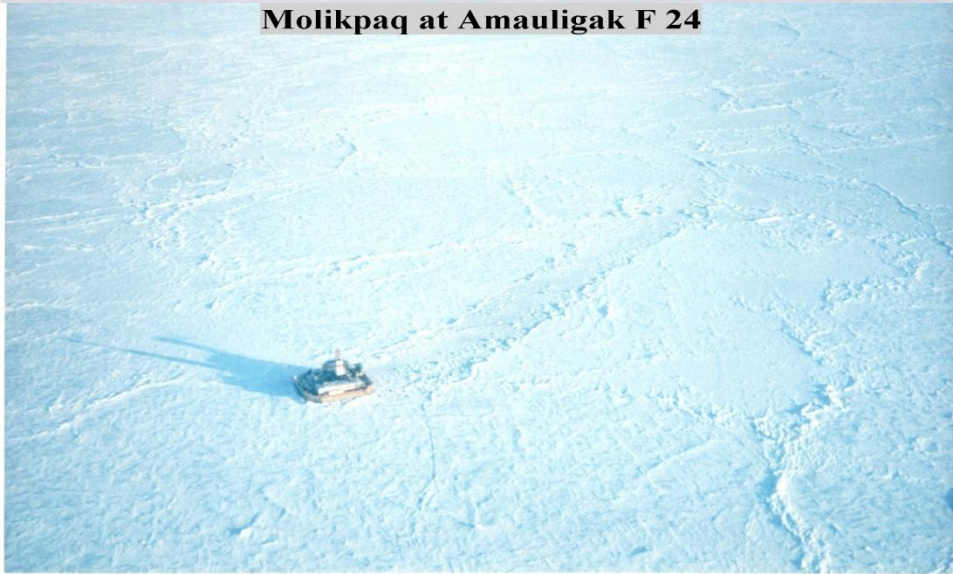
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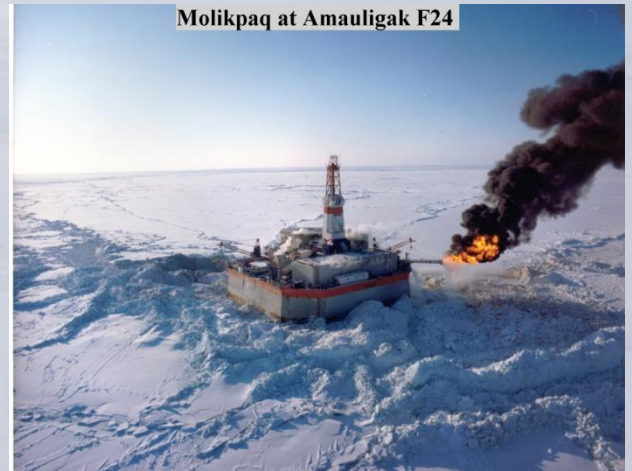


Same Season Relief Well

Molikpaq at Amauligak F 24



Molikpaq at Amauligak F24



No Ice pad



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Drilling Fluids Disposal

- Types of fluids
 - Mud and drill fluids
 - Cuttings (slurry)
 - Produced fluids
 - Sanitary fluids



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Drilling Fluids Disposal

- Exploratory Wells - small quantities
 - Sumps
 - Transport out
 - Injection (drilling related fluids) (<500 m³)
- Production Wells - large volumes
 - Injection (drilling fluids, produced water, cuttings-slurry)
 - Dedicated Wells
 - Annular injection



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Drilling Fluids Disposal

- Surface disposal of drilling and camp fluids
- Sump size range 30 - 50 m by 3 m
- Administered by water board
- Inspected by DIAND on behalf of boards
- Desire for alternatives to Sumps



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Drilling Fluids Disposal



Sumps

Canada

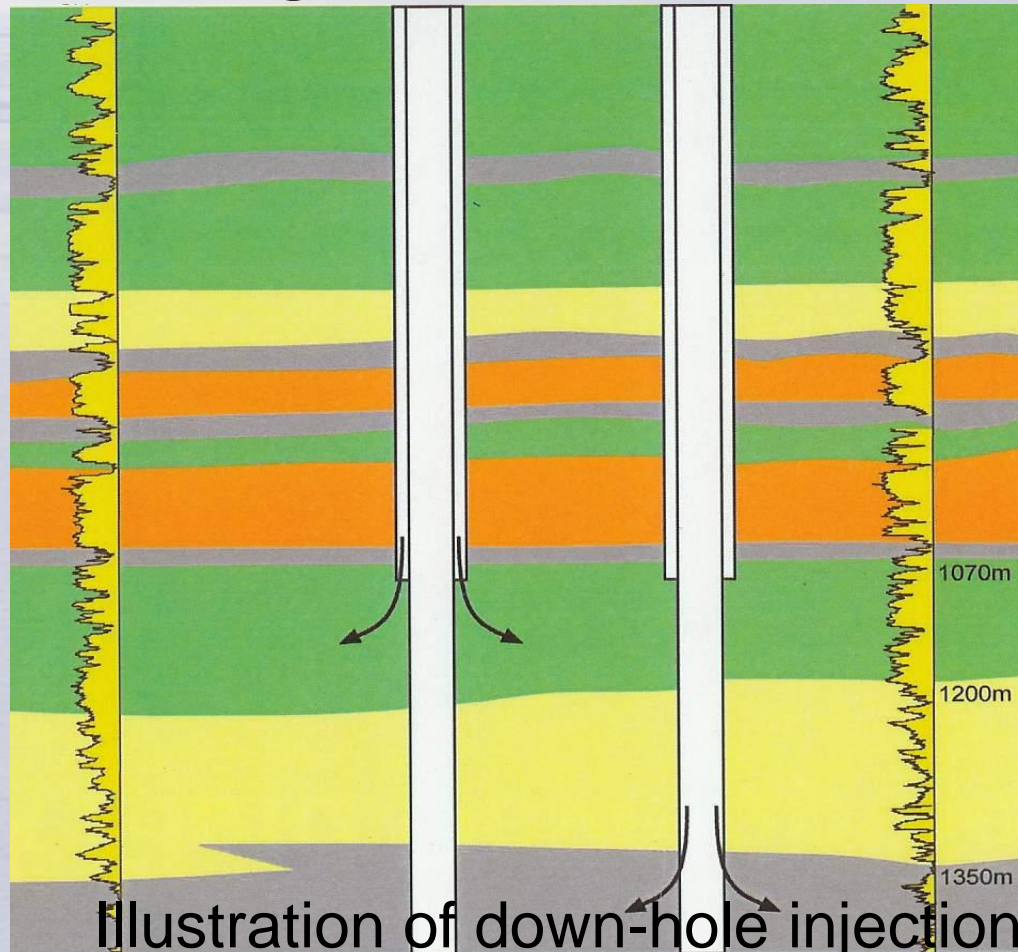


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Drilling Fluids Disposal





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Safety

- Performance Indicators
 - Lagging Indicators
- Culture of safety
 - Operators
 - Contractors



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Key Messages

Opportunity to partner in:

- Regulatory Renewal
- Same-season relief well capabilities
- Drilling Fluid Disposal
- Safety culture



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Canada