

# Application for Approval of an Innovative Technology Special Project

## Background

Section 75(1)(b) of the Oil and Gas Activities Act (OGAA) allows the Commission to designate, by order or in a permit, a special project for the application of innovative technology, as defined by regulation.

Approval from the Commission for the special project must be obtained before the project is carried out. Innovative Technology special projects were titled experimental schemes under former legislation.

Upon approval of the project, well records and well data relating to a well forming part of an innovative technology project are maintained under confidential status for three years from the date of the approval order, or the remaining period of well classification, whichever is later, as per Section 17(1)(f) of the Oil and Gas Activities Act General Regulation (OGAAGR). Upon application to the Ministry of Energy, Mines and Petroleum Resources, petroleum and natural gas tenure within the project area may be continued.

## When to Make this Application

Section 10(1) of OGAAGR defines “innovative technology” as technology that is unproven to produce petroleum, natural gas or both in a particular application. A project may qualify as innovative technology if one or more of the following are satisfied:

1. The project is planned and directed towards testing a novel process, technique or procedure or applying a new or established process, technique or procedure to a new reservoir situation;
2. The scale of the project is no larger than necessary to test the process, technique, or procedure, and is small relative to what would be the case if the method is applied throughout the pool;
3. The time required for completion of the project is short relative to the expected life of a commercial scheme using the process, technique or procedure.

## Application requirements

The following information must be included in all application for innovative technology projects:

1. A statement indicating the nature of the project.
2. A generalized overview of the geological considerations of the project.
3. A legal description of the area to be included in the project.
4. A map showing the area referred to in the application, together with the registered holders of the PNG rights within the project area and in spacing areas adjacent to the project area.
5. Letters of authorization from registered holders of the PNG rights within the project area, if other than the applicant.
6. Applicable information contained within the confidential addendum section below.

The Commission will require information and details of the innovative technology project proposal which would not normally be considered part of the public record. This information may be submitted separately from the main application as a Confidential Addendum. The addendum will be held confidential by the Commission for the minimum confidential period of the innovative technology project. Details regarding confidentiality can be found in the *Reporting Requirements and Data Release* section of this document. Where applicable, the following information should be provided:

1. An outline of proposed development strategy, including number of wells to be drilled, special analyses, cores, seismic information and specialized well logging techniques and any other information required by the Commission to assist in its understanding.
2. A detailed discussion of the methodology to be used to develop the project, identifying the methods that are untried and unproved in the particular application.
3. A detailed summary of the geological consideration of the project including reservoir characteristics, petro-physical parameters, regional setting, structure and fluid properties. These should be supported by relevant mapping and cross sections.
4. A prediction of resources potential or hydrocarbons in place and expected ultimate recovery of hydrocarbons.
5. A discussion of the pressure production history of the **pool** in which the innovative technology project is proposed, including isobaric maps and a graphic history, showing production rates and cumulative production volumes, together with appropriate gas-liquid and water-oil ratios.
6. Graphical presentation of the production histories for all **wells** in the area, showing production rates and cumulative volumes, together with appropriate gas-liquid and water-oil ratios.
7. A discussion of how the release of information regarding the process, technique or procedure could affect the competitive advantage (or business interests) of the company.

8. A general discussion of the broad economics of the scheme, including the potential for improved hydrocarbon recovery if the process, technique or procedure is successful.

## Submission of the Application

A copy of the application should be submitted address to the Supervisor, Reservoir Engineering, and submitted electronically to [reservoir@bcogc.ca](mailto:reservoir@bcogc.ca).

Notice of an application may be posted to the Commission website at: <https://bcogc.ca/industry-zone/notices/current>, normally for a period of 3 weeks. The applicant is responsible to provide a copy of the application; without the confidential addendum, upon request during the notice period. Following the notice period the application; without the confidential addendum, is available from Commission Records.

## Approval Considerations

A key consideration for the Commission in evaluating applications for approval of an innovative technology project is whether the application satisfies the test of using methods that are untried and unproved in the particular application. Proponents should place considerable focus on the details of the methodology or techniques being used to exploit the resource in the project area. Exploration in an unconventional resource play and/or a lack of commerciality, although taken into account when making decisions, is not in and of itself justification for approving an innovative technology project. Furthermore, the Commission may consider the existence of similar projects in similar pools or play types, when making a determination.

In making an application, the Commission expects proponents to request a project area limited to a suitable size and consistent with the proposed work commitment (number of wells drilled, or re-completion program) that will occur during the 3-year initial confidential period. The Commission may approve a reduced approval area where deemed necessary.

In the event of a dispute between the applicant for an innovative project and another holder of petroleum and natural gas rights regarding the proposed project before the Commission has decided the application, the Commission will facilitate a process to resolve the dispute.

Upon demonstrated success of the innovative technology project, the operator may require a separate Section 75 approval for the balance of the pool within which the innovative technology project was conducted. This may be a Good Engineering Practice (GEP) project or Pressure Maintenance, for which separate application guides are published. The Commission may terminate the innovative technology project upon approval of a GEP or other special project, if the Commission is satisfied that the innovative technology project is completed or no longer serves the intended purpose.

A refusal of an application for innovative technology or the cancellation of an innovative technology project approval under Section 75 of OGAA does not preclude an operator from re-applying. The Commission expects

that an operator may re-apply in situations where new or additional information is presented regarding the novel process, technique or procedure being employed.

## **Reporting Requirements and Data Release**

Innovative technology project approval requires the submission of Progress Reports as stipulated or referenced in the approval order. Such reports will be held confidential by the Commission for a period of time not less than the minimum confidential period of the innovative technology project. Upon conclusion of the confidential period, if the permit holder had concerns about confidentiality, the Commission would not proactively release the information. Any request for disclosure would be reviewed in accordance with the provisions of the Freedom of Information and Protection of Privacy Act (FOIPPA). Confidential information may be exempt from disclosure if the information would reveal third party trade secrets or the commercial, financial, labour relations, scientific or technical information of the operator; the information was supplied in confidence; and the disclosure could be harmful to the business interests of the operator. Information about what constitutes harm to third party business interests under FOIPPA can be found [here](#) as well as related [Orders](#) made by the BC Office of the Information and Privacy Commissioner (OIPC). A similar process applies to withholding the Confidential Addendum, referenced on page 2, beyond the project confidential period.