

RESERVOIR ENGINEERING PROJECTS NOTIFICATION AND OBJECTIONS PROCESS

Notification

An application to the Reservoir Engineering Department of the BCER for a Special Project under section 75 of the Energy Resource Activities Act, such as Good Engineering Practice, Pressure Maintenance Waterflood or Produced Water Disposal, triggers the BCER to post a Notice of Application on the BCER website [here](#), for a period of 21 days.

Publication of a Notice that an application has been made to the BCER provides an opportunity for owners of subsurface tenure and/or wells in proximity to the area of application to consider potential impacts to their interests.

The notice identifies the;

- ☐ company of ownership making application
- ☐ application type
- ☐ formation or specific pool of interest
- ☐ specific application area(s), or specific well in the case of a disposal well application
- ☐ applicant contact details
- ☐ end date for objections to be filed, close of business day, concluding the 21-day notice period.

Upon publication of the Notice the application becomes part of the public record. During the notice period, the applicant is obligated to provide a copy of the application to a requesting party, demonstration of tenure interest is not required. Failure to provide the application in a timely manner may be registered by the 3rd party with the Regulator, potentially nullifying the notice process, requiring a new or extended advertising period. After the notice period the applicant is no longer obligated to respond to 3rd party requests, a copy of the application may be obtained from the Regulator records department [through this link](#).

Direct notification of offsetting tenure owners by the applicant regarding the application, and their consent (via [letters of non-objection](#)), is required where existing wells are completed for oil or gas from the same pool as mapped by the Regulator, regardless of the current production status of the well. Wells which have been zonally abandoned are exception from this consideration. Where a pool is of large areal size with potentially hundreds of wells involved, only wells that will be contacted by fluids or pressure from the project operation are considered. If the applicant is not able to obtain a reply from the other owners in the pool, they may provide a copy of their dated letter sent to the company, as proof of trying to obtain non-objection.

For other cases, this notification and consent is not required. However, where an objection may reasonably be expected, it is advised good practice to provide a notice of intent with a copy of the application to the offsetting owner(s), to begin direct discussions toward resolution of potential issues before involving the Regulator. This can avoid the filing of an objection, delaying the approval process.

NOTES

- ❖ Surface stakeholder concerns are addressed through the BCER consultation and notification process for wells and facilities.
- ❖ A notice may not be posted, at the discretion of the Reservoir Engineering Department. Examples include an application for a minor amendment to an existing approved project, where competitive interests are demonstrated in the application to not be a concern, such as adding a minor area of land to a project of large area, or an additional injection well in a waterflood project.
- ❖ Where a 21 calendar day Notice period includes a statutory holiday the posting period may be extended.

Where a 3rd party consulting company is submitting the application on behalf of a well permit holder, the application contact in the Notice may be listed as the submitting consulting company, however final BCER approval correspondence will be addressed to the permit holder.

Objections

An objection to a Reservoir Engineering application must be filed before the close of business on the date specified in the Notice to ensure consideration by the Regulator prior to rendering a decision. Objections must be in written format to the Regulator's Supervisor, Reservoir Engineering, and must be copied to the applicant. Email attachments are acceptable delivery.

An objection to an application for a reservoir project must;

- (1) contain valid technical information with supporting documents, and
- (2) demonstrate the potential for a negative impact on effected tenure or wells, generally on hydrocarbon recovery, environment or safety, to have merit.

The objector is expected to have demonstrated interest in wells or tenure that would be potentially affected.

The applicant has opportunity to file a rebuttal to any objection. The applicant is expected to address each of the points raised, with bearing on;

- ☐ the rationale for granting an approval
- ☐ the impact on specific conditions of an approval, should it be granted.

Response to the objection must be addressed to the Regulator, and cc'd to the objecting party. Conversely, the applicant may choose to withdraw the application, with written notice to the Regulator.

Once an objection is filed, and is deemed by the Regulator to have merit, the Regulator will not proceed with an approval until such time as a response from the applicant is reviewed. If significant new data or interpretation is presented by either party, counter-argument may be made within 14 days of receiving the new submission. A reasonable number of iterations may occur so long as new information is being brought forward, however the BCER reserves the right to make a decision at any time. There is no formal hearing process.

An objection may be deemed by the Regulator to not have merit, in whole or in part, requiring rebuttal only to the pertinent technical points raised. An approval may be granted, incorporating specific conditions tailored to address valid specific concerns (example: a

requirement that a waterflood injection well be at least 'x' meters from a lease line boundary).

Notes:

- ❖ Copies of financial agreements between parties that resolve potential objections, such as production sharing agreements, are not required as part of a reservoir project application.