



# INDUSTRY BULLETIN

## 2012-12

July 30, 2012



### Reporting Water Production from Oil and Gas Wells

**TO:** Industry Clients

**EFFECTIVE DATE:** Immediately

The BC Oil and Gas Commission (Commission) reminds operators that all water production from oil and gas wells that have received hydraulic fracture stimulation treatments must be reported as per [Directive 2010-07](#). Reporting load fluid as water production enables characterization of well performance in regard to rate and volume of completion fluid recovery.

For the purposes of Section 8 of the Petroleum and Natural Gas Royalty and Freehold Tax Regulation (reporting) and Section 70 of the Drilling and Production Regulation (metering) water production includes water-based completion fluids.

BC-S1 and BC-S2 Monthly Production and Disposition Statements must include all produced water, regardless if the source is formation water or slickwater flowback. However, where produced water is being held for reuse on the surface in a temporary container, such as a C-ring, without an associated facility code, BC-S2 reporting is not required. There is no royalty impact associated with water production, other than for water handling from well events in coalbed methane projects.

The well linkage process is unchanged where a Commission Schedule 1 submission is required with the pipeline or facility permit prior to flowing the well into a pipeline.

The BC-11 (Notice of Commencement or Suspension of Operations) process remains unchanged where a BC-11 form is required any time the status of a well changes.

**Should you have any questions regarding this Industry Bulletin, please contact:**

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