

Bulletin 2004-08

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Sour Gas Development Planning and Proliferation Assessment

This bulletin introduces industry *Recommended Practices for Sour Gas Development Planning and Proliferation Assessment*, in response to the Public Safety and Sour Gas (PS&SG) recommendations 7, 32, and 33. The Alberta Energy and Utilities Board (EUB) believes that the recommended practices address the intent of these recommendations.

Recommendation 7 called for the EUB to require developers to conduct proliferation assessments for critical sour wells, pipelines, and facilities. The intent is to reduce impact on people by using existing facilities where possible and ensuring that there is no unnecessary proliferation of facilities.

Recommendations 32 and 33 called for disclosure of existing and future development plans where sour gas is involved near people and encouraged applications for wells and related facilities to be filed together. The intent of these recommendations is to reduce impacts through improved planning and coordination of sour gas development and more effective communication between developers and landowners.

Recommended practices were proposed for consideration following a lengthy consultation process on options for addressing recommendations 7, 32, and 33. Stakeholders included representatives of the Provincial Advisory Committee on Public Safety and Sour Gas, people in sour gas areas, sour gas developers, and local government representatives. An industry task group with representation from the Canadian Association of Petroleum Producers, the Small Explorers and Producers Association of Canada, and the Canadian Association of Petroleum Landmen worked with the EUB to document the recommended practices.

The recommended practices apply to all new sour gas well, pipeline, and facility developments where there are people in the emergency planning zone or adjacent to it who desire planning information and an assessment of proliferation to understand potential impacts. The recommended practices document provides examples of development situations ranging from basic to complex to illustrate the level of planning information that should be prepared to address public interests and issues.

The EUB has found that having applicants share planning information with the public increases public knowledge of a specific application and makes subsequent consultation more effective. Disclosure of proliferation assessments allows people to understand the options considered, their potential impacts, and the opportunities to integrate new facilities with existing sour gas infrastructure.

The EUB expects that

- applicants for sour gas wells that are part of a larger project will disclose the project and, to the extent possible, the full development;
- applicants within a common area will evaluate and implement feasible alternatives to minimize sour gas development impacts¹ by sharing information, pooling efforts and resources, and using

¹ The EUB's objective of minimizing the overall impacts of sour gas development does not necessarily mean that use of existing infrastructure over constructing new facilities is preferred in all circumstances. There are situations

common roads, pipelines, utility rights-of-way, processing facilities, and other general infrastructure;

- existing operators will cooperate with applicants for new facilities to minimize the impacts of sour gas development on people; and
- applicants will consider changes to their development plans in response to public input.

These recommended practices are in keeping with the EUB's desire to see continuous improvement in the following areas:

- public consultation and understanding of the broad implications of proposed sour gas development near people;
- understanding of potential impacts of sour gas development on individual landowners and communities;
- communication with local authorities; and
- integration of proposed sour gas projects with existing production, transportation, and processing infrastructure in a way that minimizes the impact on the public.

The implementation of recommended practices requires an effective communication and awareness program. The EUB will promote awareness with staff, industry, and public stakeholders and participate in opportune public and industry forums for communication and awareness purposes. The EUB expects industry associations and individual companies to communicate the recommended practices to their members, employees, and contractors and to work with the EUB to monitor and evaluate its use and effectiveness.

The use of the recommended practices will be monitored for a two-year trial period commencing June 1, 2004. The EUB envisages a monitoring process involving representatives of the Provincial Advisory Committee on Public Safety and Sour Gas, industry, public, and EUB staff to evaluate the effectiveness of the recommended practices in addressing the Provincial Advisory Committee's recommendations. Once the trial is complete, recommendations from the monitoring process will be considered by the EUB and may result in changes to EUB policy and/or regulation.

The EUB encourages sour gas developers to use the recommended practices. EUB staff will support trial implementation by providing clarification of EUB expectations with respect to planning and proliferation assessments when requested by applicants or the public and by facilitating consultation and resolution of issues.

The EUB believes that compliance with existing requirements, coupled with the use of the industry *Recommended Practices on Sour Gas Development Planning and Proliferation Assessment*, will facilitate greater understanding and collaboration among proponents and the public where sour gas development is proposed near people. *Recommended Practices for Sour Gas Development Planning and Proliferation Assessment* is available on the Web at www.capp.ca.

http://www.capp.ca/default.asp?V_DOC_ID=763&PubID=74373

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where new sour gas facilities may have lower emissions, result in less surface disturbance, and/or affect fewer residents than use of existing infrastructure. In assessing proliferation, the EUB recommends that developers compare these three factors in selecting appropriate development alternatives.