

Bulletin 2007-08

April 17, 2007

Application Requirements for Battle Lake Area and Revised Edition of *Directive 056: Energy Development Application and Schedules*

Introduction

The Alberta Energy and Utilities Board (EUB) is advising all companies that *Directive 056: Energy Development Applications and Schedules* will be amended to require the submission of nonroutine applications for oil and gas development within specified lands in the Battle Lake area of central Alberta. This requirement comes into effect on May 1, 2007.

In addition to the application requirements specific to Battle Lake, changes related to other EUB directives issued since the September 2005 edition of *Directive 056* have been incorporated into the directive. Notable among these were the release of *Directive 019: EUB Compliance Assurance—Enforcement*, *Directive 026: Setback Requirements for Oil Effluent Pipelines*, and *Directive 035: Baseline Water Well Testing Requirement for Coalbed Methane Wells Completed Above the Base of Groundwater Protection*.

As a result, the EUB will be releasing an updated version of *Directive 056* effective May 1, 2007. This release will incorporate clarification documents and errata currently posted on the *Directive 056* Web page, as well as providing further clarity in other areas within the directive.

Summary

The following is a summary of the key updates contained in the May 2007 edition of *Directive 056*:

- Section 4: Application Audit Process has been updated to reflect current enforcement risk categorization and policy set out in *Directive 019*.
- Section 5: Facility Licence Application has had Table 5.3 removed to coincide with the electronic application system.
- Section 6: Pipeline Licence Application has incorporated the requirements for sour oil effluent pipelines set out in *Directive 026* and removed the nonroutine submission requirement for pipeline abandonment where surface facilities will not be removed.
- Schedule 3: Pipeline Licence Application has been modified to add questions related to emergency planning zones.
- Section 7: Well Licence Applications has been modified to include water well testing requirements for CBM wells as set out in *Directive 035*.
- Section 8: Additional Application Requirements (Special Circumstances) has been added to capture specific application requirements.
- Appendix 10: Surface Equipment Scenarios has been updated to include two new case scenarios.
- Appendix 11: EUB Public Documents has been updated to include required *EnerFAQs 14: Public Health and Safety: Roles and Responsibilities of Agencies That Regulate Upstream Oil and Gas* and *EnerFAQs 15: All About Appropriate Dispute Resolution (ADR)*.
- Appendix 13: Baseline Water Well Testing Requirements for Coalbed Methane Wells Completed Above the Base of Groundwater Protection has been added.

Complete details of updates and clarifications are contained in Appendix 1 of the May 2007 edition *Directive 056*.

Requirement for Battle Lake Tier 1 Area Nonroutine Applications

Subsequent to EUB *Decision 2005-129: Ketch Resources Ltd. Review of Well Licence No. 0313083 and Application for Associated Battery and Pipeline Application No. 1407749, Pembina Field* (released December 1, 2005), the EUB engaged Battle Lake area stakeholders in a pilot project to address upstream oil and gas development issues. This process concluded that further disturbance within 100 metres of surface water features, the steep slopes that parallel the lake, and designated county and provincial natural areas in the Battle Lake watershed should be avoided where feasible. As a result, the EUB has determined that licence applications for oil and gas facilities located in the designated Tier 1 area will be considered through the *Directive 056* nonroutine application licensing process. The Battle Lake Tier 1 area is located in Townships 45 and 46, Ranges 2 and 3, West of the 5th Meridian, and is illustrated in Attachment 1.

The Battle Lake review also addressed facility application considerations for other parts of the watershed, including the adoption of recommended practices for areas not designated as Tier 1. Proposed surface facility development within Battle Lake Tier 2 (undisturbed and forested lands) and Tier 3 (lands disturbed by agricultural, residential, or other industrial development) areas may continue to be filed in the routine application stream, provided that the application meets all *Directive 056* requirements for such applications.

The EUB recognizes that it may not be feasible for mineral rights holders to access remaining oil and gas resources within the Tier 1 area unless some additional disturbances are permitted. Effective **May 1, 2007**, *Directive 056* applications for upstream oil and gas facilities in Tier 1 areas of Townships 45 and 46, Ranges 2 and 3, West of the 5th Meridian, must be submitted as nonroutine applications and meet the requirements set out in the new Section 8 of *Directive 056*.

Additional Information

Directive 056 (May 2007 edition) will be available electronically on the *Directive 056* Web page and for purchase in print through Information Services on April 23, 2007. This edition of the directive will become effective May 1, 2007.

The EUB will continue to post Frequently Asked Questions (FAQs) and updates on its *Directive 056* Web page and encourages industry to monitor this site for future changes, enhancement, and clarifications. Questions regarding *Directive 056* (May 2007 edition) may be directed to

Facilities Applications Help Line: (403) 297-4369

Facilities Applications Fax: (403) 297-4117

E-mail: Directive56.help@gov.ab.ca

Facility Applications Representatives:

Dale Schafer: (403) 297-8189

Gavin McClenaghan: (403) 297-6847

Further information on the Battle Lake planning pilot project and the project report is available on the EUB Web site www.eub.ca under What's New/Current Projects.

[Original signed by]

Earle Shirley, P.Geol.
Executive Manager
Applications Branch

Attachment 1: Battle Lake Tier 1 Nonroutine Application Area

