

Directive 062 Stakeholder Feedback and ERCB Response, January 2010

Stakeholder Feedback – Issue	ERCB Response
1. Feedback source requested clarification of the meaning of flow with regard to the 30-day flow period.	Section 5.1 of <i>Directive 062</i> has been edited to indicate gas flow.
2. Re Completions in area drilled out to maximum well density – consider revising desorption requirements.	The ERCB has identified an area and specific coal zones with sufficient desorption data, as included in revised <i>Directive 062</i> , Appendix A: Area Exempt from Additional Desorption Control Wells Requirement for Specified Coal Zones. The ERCB has not seen sufficient data for other areas but will continue to monitor desorption data and consider expanding the existing area or creating new areas as appropriate.
3. Desorption testing is expensive and should be eliminated/reduced.	Gas content and reservoir characteristics are critical components from the desorption profile and are used by the ERCB and industry in evaluation of the CBM resource. The ERCB has identified an area and specific coal zones with sufficient desorption data, as included in revised <i>Directive 062</i> , Appendix A.
4. Feedback states Section 5.3 describing horizontal legs and coverage - change "it" to "the intersecting well."	Section 5.3 of <i>Directive 062</i> has been edited accordingly.
5. Desorption validation requires data for all leg(s) of horizontal or multilateral completions, when only one leg is applied for.	Section 5.3.1 of <i>Directive 062</i> has been edited accordingly. The ERCB requires these data to adequately evaluate desorption control wells.
6. There is a discrepancy between allowing some non-coal lithologies for pressure and flow control wells and Section 5.4 of <i>Directive 062</i> describing single seam coal zone that is wet.	Section 5.4 of <i>Directive 062</i> has been edited for consistency with Section 5.4.3.
7. Deferrals - need for a process that gives industry a long-term operational plan for an exploratory area and recognizes that projects are typically larger than a single well.	A limited number of wells can be applied for in the same deferral application, but each well requested for deferral must be identified. Section 6 of <i>Directive 062</i> has been edited to provide clarification.
8. No deferral given for control well in Development Entity No. 1.	Deferrals are for exploratory areas. There is knowledge of the area and stratigraphic interval of Development Entity No. 1, and so CBM development is not considered exploratory, other than production from the Taber and MacKay coal zones. This has been clarified in the revised <i>Directive 062</i> .
9. Clarify the minimum pressure and flow control well testing that may be required for a deferral. This does not work for Mannville CBM development.	The ERCB will specify any testing requirements as a condition of approval. Clarification was made to Section 6 of <i>Directive 062</i> .

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10. Clarify that variability of coal seams within a coal zone is what defines discontinuous.	The variability of coal seams within a coal zone is not the only criterion defining discontinuous coals. Clarification regarding discontinuous coal zone criteria was made to Section 7.2 of <i>Directive 062</i> .
11. "Control well obligations continue for the life of the CBM development that the control well supports"—industry comment stated that this sentence is unnecessary.	This statement is necessary, as it provides clarification on the duration of control well requirements as indicated in the regulations.
12. A feedback source indicated concern that a 30-day flow period is not long enough to provide adequate information.	The introduction of the 30-day flow period is meant as a tool to assist industry in planning CBM developments and has been positively received by industry. It is the ERCB's view that the 30-day flow period can facilitate CBM development while still maintaining the integrity of the control well program.
13. Allow continued CBM production past the 30-day flow period while application is still under review.	The 30-day flow period allows collection of initial flow data on a CBM well for evaluation purposes prior to meeting control well requirements and is not intended as authorization to commence permanent production. The ERCB does not prejudge the outcome of any application.
14. Uncorrected source data are required for cuttings when corrected data are what is compared by industry.	The ERCB continues to compare both the raw and corrected data for desorption cuttings validation.
15. Cuttings calibration will not be validated for only one coal seam taken from a coal zone with multiple seams present. This does not work for Mannville CBM development.	The ERCB will consider applications for validation of a Mannville coal zone containing multiple coal seams based on cuttings being sampled on only one coal seam. The ERCB uses its judgement and has and will continue to validate a control well for only one coal seam where gas trends are established.
16. Confidentiality of geophysical logs should be the same for control wells as for conventional wells.	Geophysical logs are required to be submitted with an application for control well validation and information filed to support an application is nonconfidential, in accordance with the <i>Energy Resources Conservation Board Rules of Practice</i> . Also, industry requires these geophysical logs to correlate coal zones in offset-producing CBM wells to determine control well coverage.
17. Statements regarding coals being thinner than 0.3 metres not requiring desorption control wells coverage in Section 5.3.2 contradict each other.	To clarify, completed coals > 0.3 metres require control wells. Coals < 0.3 metres do not require control wells but if sampled with a full diameter core may be validated as a control well.
18. Words such as “severe” and “excessive” need to be quantified.	These words cannot be quantified, as they are related to situations that are subjective and case specific.
19. There should be rules written about cased hole logging.	Cased hole logging is allowed upon application to and approval from the ERCB Geology and Reserves Group. Otherwise, open hole logs are required. Also refer to Section 5.4.2 of <i>Directive 062</i> .
20. Consider other methods, such as high-definition bulk density log, as alternative desorption methods.	The ERCB is aware of other methods to obtain gas content. The direct data from desorption testing provides an actual measured value, as opposed to a value

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	calculated from log interpretation, in order to obtain the most accurate understanding of the resource.
21. Pressure and flow control well must be on production within 4 months of validation—this timeframe is “too tight” and control well production should not be required unless a desorption control well is in place and CBM wells within the control well radius are on production.	A well-thought-out plan should be made before drilling occurs. Strategic planning of a CBM development should incorporate compliance with regulations and directives as one of the components.
22. For a single coal zone that is wet, observation wells cannot produce and yield meaningful data and horizontal producing legs cannot be drilled 100% within a coal seam.	The ERCB has accepted a small amount of completions in strata of indeterminate lithology or non-carbonaceous shales adjacent to coals in pressure and flow control wells. See Section 5.4.3 of <i>Directive 062</i> .
23. Deferrals need to include Mannville coal zones.	The Mannville coal zones have always been eligible for deferral throughout the province.
24. Exploratory deferral application information is nonconfidential, which may result in loss of competitiveness for deferrals.	Information filed to support an application is nonconfidential, in accordance with the <i>Energy Resources Conservation Board Rules of Practice</i> ; however, the <i>Rules of Practice</i> do allow for certain application information to be held confidential in limited cases.
25. Adjust the system to allow adjacent lands to be grouped together for exception applications.	EAS does not allow for more than one township to be submitted. The EAS system was specifically developed with the 1 township limit based on the ERCB's experience that really large applications unduly complicate processing and thereby create delays in processing times.
26. Exceptions from control well requirements for depleted CBM zones and poor CBM production wells are not addressed.	Section 7.2 of <i>Directive 062</i> provides some circumstances where exceptions may be submitted. It also states, "Such circumstances include, but are not limited to..." The ERCB will consider any properly prepared application that has a sound basis for the request.
27. Allow for exception application prior to completion for CBM development.	ERCB IT systems require well completions to identify zones approved for exception.
28. Exceptions do not address the standing well issue. Consider these wells as "test" or "exploratory."	Standing wells may qualify for exploratory deferrals within the criteria described in <i>Directive 062</i> , and all wells with new completions in coal are handled in the same manner with respect to control well exceptions.
29. Discontinue testing requirements while rescission application is being processed.	The ERCB will not prejudice the outcome of any application. Until the rescission application is approved, compliance with control well requirements must be met.
30. Concerns about meeting control well requirements for recompletions in MacKay/Taber/Lethbridge coal zones in southern Alberta.	At this time the ERCB does not have an adequate understanding of these coal zones in this area and is not prepared to exempt all recompletions from control well requirements.

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31. Failure to test CBM pressure and flow control wells results in a High Risk enforcement, unlike for conventional gas wells.	These tests were risk assessed through <i>Directive 019</i> and deemed High Risk. It is anticipated that the risk assessment for CBM control well testing will align with conventional testing in the future.
32. Confusion exists due to assigning circular control well on rectangular grid.	This issue is out of the scope of <i>Directive 062</i> , as this regulation was established prior to the issuance of <i>Directive 062</i> . The control well radius requirements have already been established and are too complex to change without increasing confusion.
33. Annual testing on pressure and flow control wells should be eliminated/ reduced.	This issue is out of the scope of <i>Directive 062</i> , which did not establish these data requirements. The regulations and <i>Directive 040: Pressure and Deliverability Testing Oil and Gas Wells</i> , which deal with the data requirements, will be reviewed in the future.
34. Provide dates of when annual control well pressure and flow testing was done.	This issue is out of the scope of <i>Directive 062</i> , which did not establish data requirements. The ERCB anticipates control well pressure testing schedules to be incorporated onto the Web site www.ercb.ca on the existing page Well Testing - Pressure Survey Schedule by early 2010. However, there are no current systems that would allow a report to be generated to show the date when annual control well pressure and flow tests were conducted.
35. Desorption data should not be held confidential for one year and should be provided in digital format.	This issue is out of the scope of <i>Directive 062</i> , which did not establish data confidentiality regulations. The ERCB plans to consider digital format at a later date.
36. Clarify whether Section 4.6 of <i>Directive 040</i> can be used for control well pressure surveys in mature CBM developments.	Section 4.6 of <i>Directive 040</i> does not apply to CBM wells; Section 11.145(8) of the <i>Oil and Gas Conservation Regulations</i> allows the ERCB to grant relief from any or all of the requirements relating to CBM control wells upon application. <i>Directive 040</i> relates to the data requirements of CBM control wells and is one of the directives being considered for review and amendment by the ERCB.
37. Feedback states posting a list of risk assessed noncompliance events could alarm the public.	This issue is out of the scope of <i>Directive 062</i> . It involves ERCB corporate compliance policies. This comment will be forwarded to the appropriate ERCB department.
38. Obtaining a paper copy of validated control well data through Information Services not possible.	This issue is out of the scope of <i>Directive 062</i> , as this is a data issue. Data related to control wells that are nonconfidential are accessible through Information Services or the Digital Data Submission system on the ERCB Web site.