




**Enhanced Production Audit Program**  
Industry Information Session



20 January 2010

## Outline

- ❑ **EPAP overview**
- ❑ **Introduction to controls**
- ❑ **Introduction to evaluation of controls**
- ❑ **Overview of EPAP system**
- ❑ **Implementing EPAP**
- ❑ **Question Period**



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## EPAP Overview



## New Directive 076

- ❑ Title: “Operator Declaration Regarding Measurement and Reporting Requirements”
- ❑ Effective January 4, 2010
- ❑ Directive available for download at: [www.ercb.ca](http://www.ercb.ca)
- ❑ Operator’s Handbook



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## Two Main Goals

- ❑ **Raise level of assurance over compliance with ERCB measurement and reporting requirements**
- ❑ **Raise level of compliance with ERCB measurement and reporting requirements**

## 5 Major Components

- ❑ **Declarations**
- ❑ **Controls & Evaluation of Controls**
- ❑ **Compliance Assessment**
- ❑ **Action Items**
- ❑ **Escalation**

# EPAP Philosophy

**“Trust, but verify”**  
- Ronald Reagan



Trust → Operator Declaration  
Verify → Compliance Assessment Process



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# Introduction to Controls

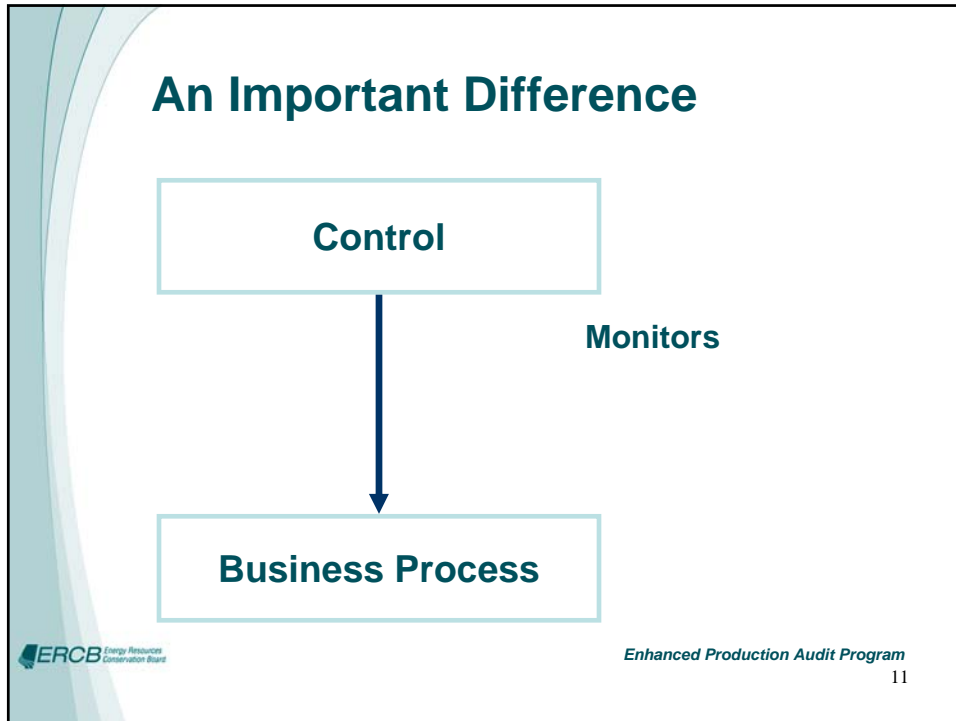



## Outline

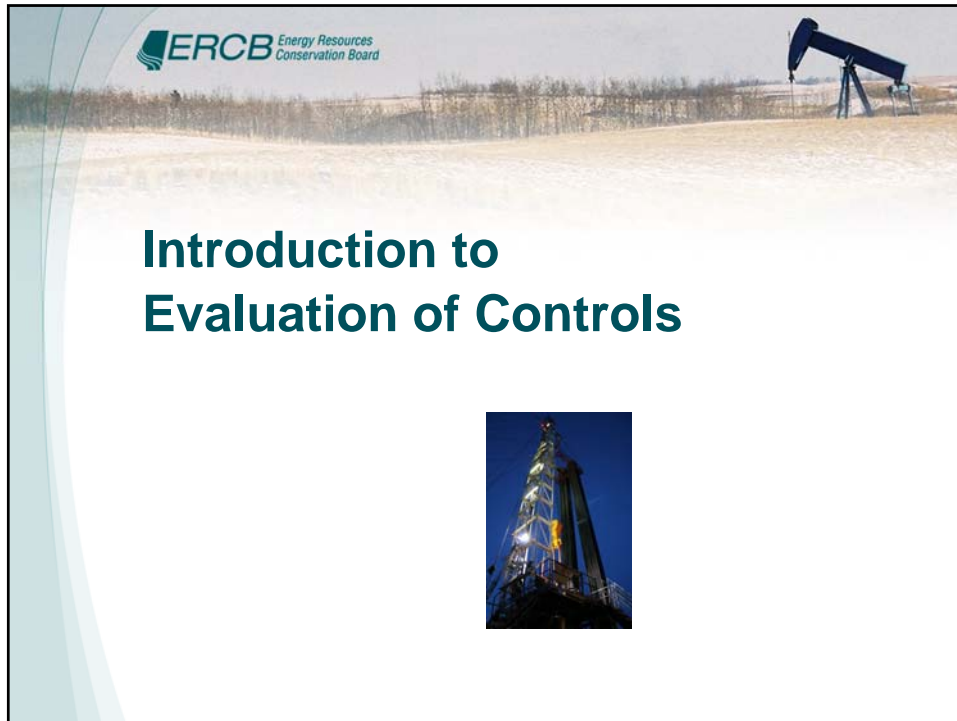
- ❑ Control basics
- ❑ Business processes vs. controls
- ❑ Why have controls?

## Control Basics

- ❑ Definition
- ❑ Recognizing controls
- ❑ Appropriate framework

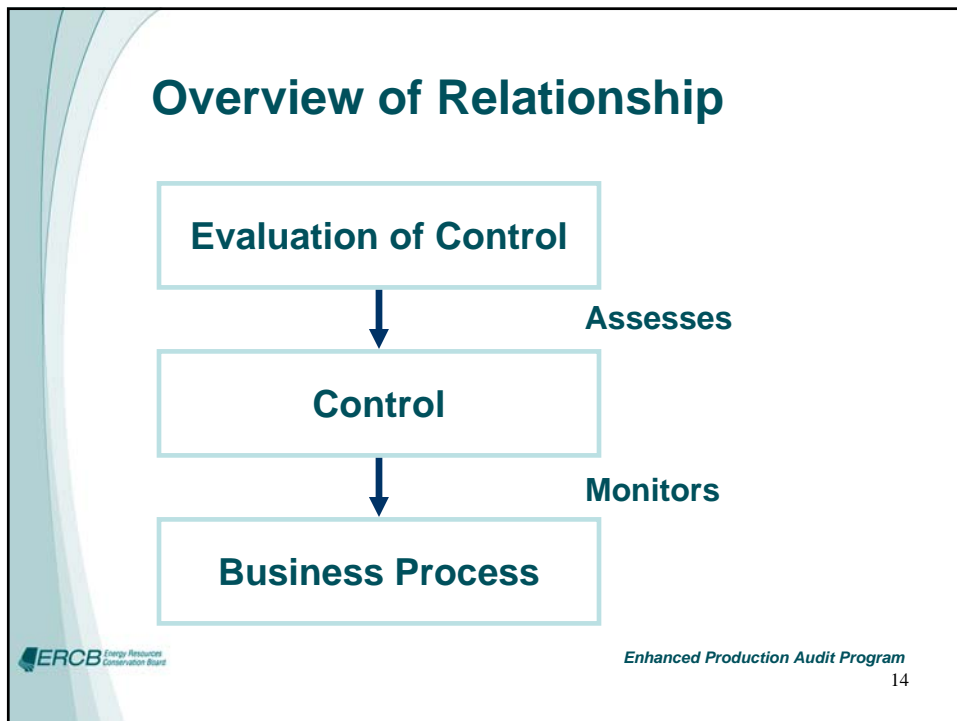


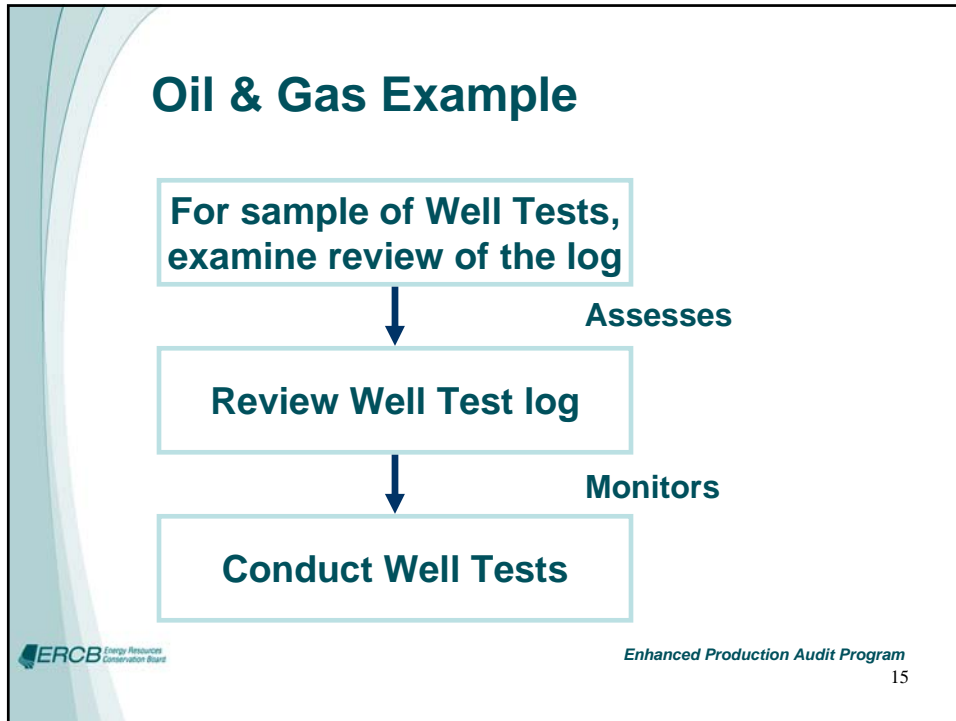
- ## Why Have Controls?
- Proactive**
  - Efficient**
  - Informative**
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**ERC** Energy Resources Conservation Board

# Introduction to Evaluation of Controls






- ### Steps in the Evaluation of Controls
- Planning
  - Conducting
  - Reporting the results
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## Overview of EPAP system



## EPAP System

- Access
- Notification
- Features



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## Access: Industry Zone

ERCB Energy Resources Conservation Board

ABOUT THE ERCB WHAT'S NEW PUBLICATIONS MEDIA ROOM CAREERS CONTACTS PUBLIC ZONE **INDUSTRY ZONE**

- Rules, Regulations, Requirements
- Applications
- Compliance and Enforcement
- Industry Activity and Data
- Decisions
- Alberta's Energy Resources & Statistics
- Data Submission and Reporting

We are your energy partner  
We are the ERCB



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## Access: Digital Data Submission

ERCB Energy Resources Conservation Board

Digital Data Submission (DDS) System

ERCB HOME DDS HELP HIDE MENU

User ID:   
 Password:    
[Forgot Password](#)

Digital Data Submission Home  
 ERCB  
 Applications  
 Incidents  
 Casing Failure  
 Surface Casing Vent Flow/Gas Migr  
 Inspections  
 Notifications  
 Reports  
 Submissions  
 Audit  
 Production Audit

**Production Audit**

The EPAP system supports the Enhanced Production Audit Program (EPAP) of the ERCB.

The principal functions of the EPAP system are used by operators to

1. View and export their monthly Compliance Assessment Report.
2. Submit their annual declaration that describes an operator's state of their controls over compliance with measurement and reporting requirements.
3. Collaborate with the ERCB Production Audit Team (PAT) on Action Items and Voluntary Self-Disclosures.

The EPAP system is also used by the members of the ERCB PAT to operate EPAP and to review operator submissions.

For additional information about EPAP, click here to visit the EPAP section of the ERCB website. Feedback on or questions about the Enhanced Production Audit Program, or the EPAP system can be sent to [epap@ercb.ca](mailto:epap@ercb.ca).

Help on using the EPAP system is available here [make this a link to our help system - which doesn't exist yet]. Specific requests for help in using the EPAP system can be sent to [epasupport@ercb.ca](mailto:epasupport@ercb.ca).

**System Requirements**

The services delivered by the EPAP system place special demands on the capabilities of your Internet Browser. To ensure that the EPAP system performs correctly, please ensure that you are using Internet Explorer version 6 or version 7. Other versions of Internet Explorer and other Browsers may not be able to provide the service capabilities you require.

The EPAP system requires version 3 of the Microsoft XML Parser (MSXML) for correct operation under IES or IET. Please contact your IT department to investigate and address this Active "X" modification.

**Contact Information**


For questions relating to the EPAP system please contact [EPAPSupport@ercb.ca](mailto:EPAPSupport@ercb.ca)



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## Notification

- ❑ **Business Associates have CMSAs**
  - **Company Master Security Administrator**
- ❑ **Small operators – same person**
- ❑ **Large operators – someone else**
- ❑ **New Roles**
  - **EPAP Editor**
  - **EPAP Viewer**



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## EPAP System Home Page

Home
Assessments
Manage
Findings
Dashboards
Reports
Search
Logout

**Operator: BP Canada Energy Company**


General
BA Information
Compliance Assessment
Declarations
Voluntary Self Disclosures
Sign...

**Your Authorized Contacts**

Name	Phone	EMail	FAX	Role(s)
				EPAP Editor, EPAP Viewer
				EPAP Editor, EPAP Viewer

**Your Assigned PAT Member**

name	EMail
Shelley Weyman	shelley.veyman@ercb.ca

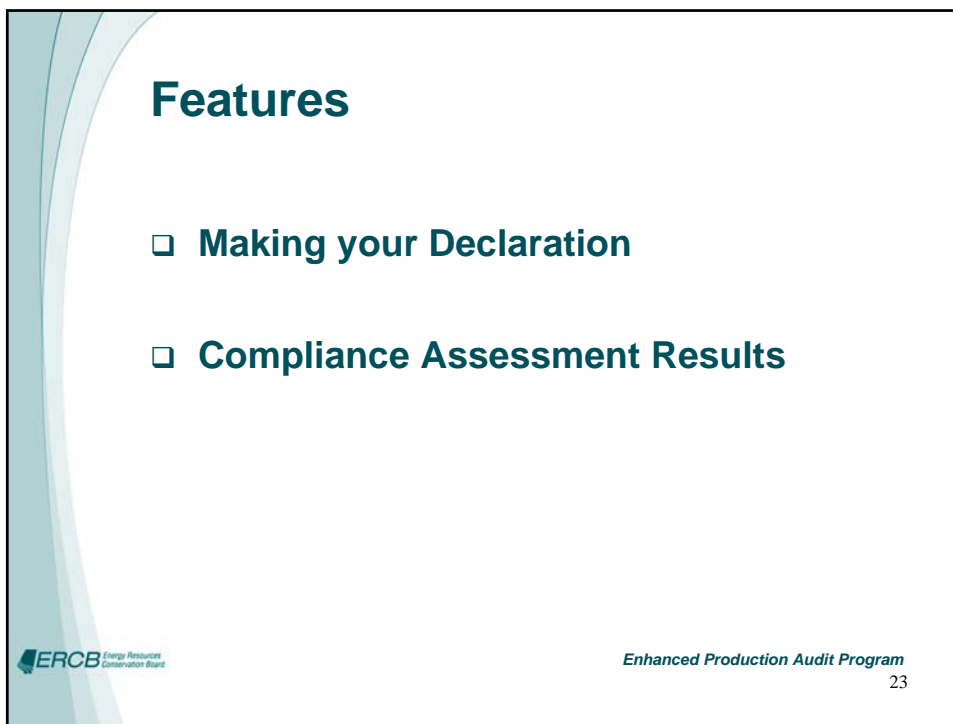


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## Features

- ❑ Making your Declaration
- ❑ Compliance Assessment Results

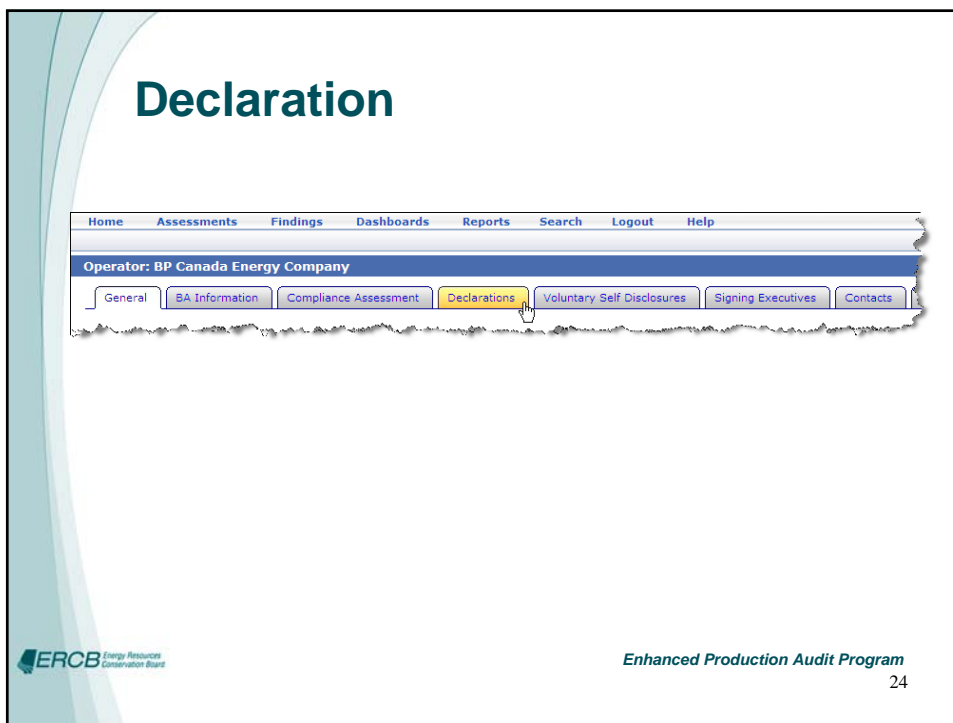


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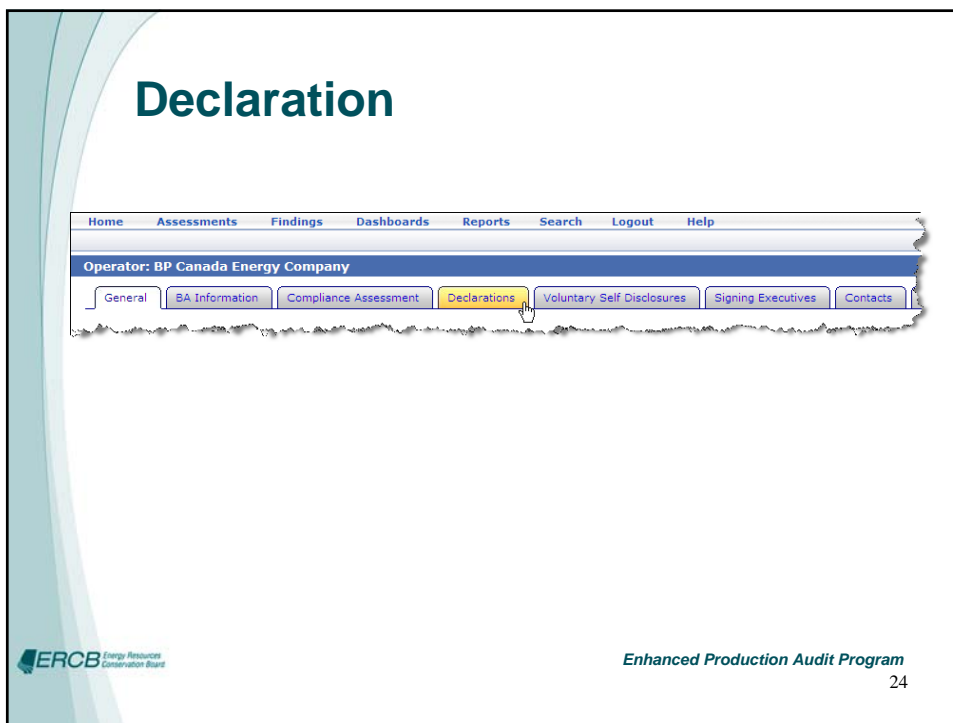
## Declaration



Home Assessments Findings Dashboards Reports Search Logout Help

Operator: BP Canada Energy Company

General BA Information Compliance Assessment **Declarations** Voluntary Self Disclosures Signing Executives Contacts



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## Declaration Details

General SA Information Compliance Assessment **Declarations** Voluntary Self Disclosures Signing Executives Contacts Facilities Related Site

**Instructions**

All annual Declarations for your company are listed below.

- To add the signing executives, double-click on the Declaration line.
- To see the list of associated Themes, click on the (+) icon to the left of the Declaration line.
- To update your evaluation results for each Theme, double-click on the Theme line.

**Declarations** Open Add Delete Action User Assignment

State	Declaration Period	Declaration Year	Declaration Due By
Declaration Reviewed: March	2011	04/30/2011	
Declaration Not Ready: March	2012	04/30/2012	

State	Theme Name	FL Facil	FL Eval	FL ER	OA Pop	OA Facil	OA Eval	OA Eff
	Theme Incomplete Facility & Measurement System Design/Installation/Documentation							
	Theme Incomplete Measurement Device Maintenance (Calibration, Inspection and Proving)							
	Theme Incomplete Measurement Device Operation							
	Theme Incomplete Sampling & Analysis							
	Theme Incomplete Oil Well Testing							
	Theme Incomplete Gas Well Testing							
	Theme Incomplete EPH Records							
	Theme Incomplete Field Production Records							
	Theme Incomplete Trucked Production							
	Theme Incomplete Fuel/Water/venting							
	Theme Incomplete Schematics/Config							
	Theme Incomplete Production Accounting Master Data Set Up							
	Theme Incomplete Production Accounting Periodic Calculation Factor updates							
	Theme Incomplete Production Accounting Monthly Data Reporting							
	Theme Incomplete Exemptions							

## Entering Evaluation Results

**Facilities with Facility-level Controls**

Number of facilities in which Controls were evaluated

Number of facilities where Controls are effective

Number of Operating Areas

Number of facilities within these Operating Areas

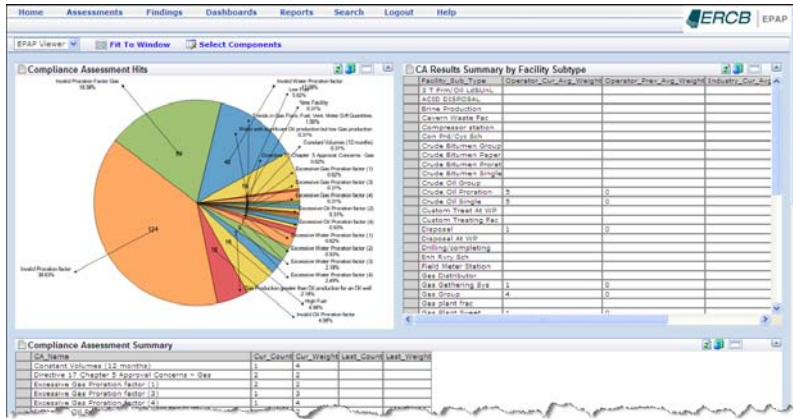
Number of Operating Areas in which Controls were evaluated

Number of Operating Areas with effective Controls

**Facilities with Company-level Controls**

Were the Company-level Controls evaluated?

## Compliance Assessment Results



## Downloading Compliance Assessment Results

The screenshot displays the EPAP web application interface showing a list of compliance assessment results. The interface includes a navigation menu, a search bar, and a table of results. The table has columns for Finding Type, Object Name, Finding Workflow State, Related Facility, CA Name, and CA Description. The table is titled 'Search Complete: 321 Records Found' and shows a list of assessment findings with their corresponding descriptions.

Finding Type	Object Name	Finding Workflow State	Related Facility	CA Name	CA Description
Compliance Assessment Indicator	Invalid Proration Factor Gas				For a Prorated Gas facility, factor is exactly 1
Compliance Assessment Indicator	Invalid Proration factor				For a Prorated Oil facility, factor is exactly 1
Compliance Assessment Indicator	Invalid Water Proration factor				For a Prorated Oil facility, factor is exactly 1
Compliance Assessment Indicator	Invalid Proration factor				Proration factor reported for facility not a prorated facility out
Compliance Assessment Indicator	High Fuel				Maximum expected fuel use at a battery is 5.5 E3x3 for eve
Compliance Assessment Indicator	Invalid Proration factor				If fuel is greater than Total Well Count * 5 = 45
Compliance Assessment Indicator	Invalid Proration factor				Proration factor reported for facility not a prorated facility out
Compliance Assessment Indicator	Invalid Proration factor				Proration factor reported for facility not a prorated facility out
Compliance Assessment Indicator	High Fuel				Maximum expected fuel use at a battery is 5.5 E3x3 for eve
Compliance Assessment Indicator	Invalid Proration factor				If fuel is greater than Total Well Count * 5 = 45
Compliance Assessment Indicator	Invalid Proration factor				Proration factor reported for facility not a prorated facility out
Compliance Assessment Indicator	Excessive Water Proration factor (3)				For a Prorated Oil facility, and factor is between .50 and .80
Compliance Assessment Indicator	Excessive Water Proration factor (3)				For a Prorated Oil facility, and factor is between .50 and .80
Compliance Assessment Indicator	Invalid Proration Factor Gas				For a Prorated Gas facility, factor is exactly 1





## Implementing EPAP



## Implementation Schedule


Phase	Planned Dates
Directive 076 took effect	January 4, 2010
<b>Implementation Phase</b>	
Trial declaration period	2010
First declaration period	2011
Ongoing operation	From January 2012



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## Creating Your Plan - 1

- Select your declaration month**
- Meet with senior executives**
- Build understanding of the controls-based audit approach**
- Build understanding of current work**
- Deliver a communication presentation about EPAP**


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## Creating Your Plan - 2

- Create an evaluation plan**
- Strengthen business processes and controls**
- Perform trial evaluations of controls**
- Act on the Compliance Assessment Report**


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## Implementation Resources


- ❑ **Questions:**
  - [www.ercb.ca](http://www.ercb.ca)
  - [epap@ercb.ca](mailto:epap@ercb.ca)
  - Assigned PAT member
- ❑ **IMG – Industry Measurement Group**
- ❑ **CAPPA – Canadian Association of Petroleum Production Accounting**
- ❑ **IIA – Institute of Internal Auditors**


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## Future EPAP Related Events

- ❑ **CSHM Conference – April 2010**
- ❑ **IMG EPAP Course – later in 2010**
- ❑ **EPAP Industry briefing – later in 2010**
- ❑ **CAPPA Conference – October 2010**


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