

across

THE BOARD

September 2007

Discovery Channel tunes into AGS

The work of the EUB's Alberta Geological Survey (AGS) has drawn the attention of one of cable TV's biggest players, the Discovery Channel.

In late May, the Discovery Channel visited Alberta to film stories on two distinct AGS initiatives for its show, *Daily Planet*, namely, the Turtle Mountain Monitoring Project and the diamond potential of Alberta.

AGS personnel first led a Discovery Channel team to the Buffalo Head Hills in north-central Alberta to give them a glimpse of diamond-bearing bedrock, followed by visits to the University of Alberta Rough Diamond Exhibit. The documentary is intended to promote awareness of the diamond potential of Canada—and specifically Alberta.

Next, a crew of AGS personnel and the Discovery Channel staff rode a helicopter to the summit of Turtle Mountain in the Crowsnest Pass. The AGS gave an overview of the rock slide hazard from South Peak, the emergency warning system, and the real-time sensor network located on the

mountain. This was followed by a tour of the debris from the last Turtle Mountain slide (known as the Frank Slide) and an overview of the history of instability on Turtle Mountain.

Since 2005, the AGS has worked with a network of high-resolution monitoring equipment to detect rock movement within the south peak of Turtle Mountain. This state-of-the-art equipment acts as an early warning system to help predict any possible rockslides.

The Frank Slide occurred on April 29, 1903, when 30 million cubic metres (82 million tonnes) of limestone fell from the summit of Turtle Mountain and buried a portion of the Town of Frank, resulting in about 70 deaths.

Daily Planet producers plan to air the reports in the fall. Details on show times and links to the Web segments are on the AGS Web site at www.ags.gov.ab.ca.

Plans are also in the works for future *Daily Planet* segments to be filmed on other AGS initiatives.



AGS Geologic Engineer Corey Froese (left) stands atop Turtle Mountain with cameraman Al Leader.

CBM Complex Well Technology Joint Industry Project Proposal

11:30-2:00 p.m.
September 11, 2007
Nexen Annex, Calgary

The Petroleum Technology Alliance of Canada (PTAC) and industry stakeholders present a technical information session to review a proposed joint-industry project designed to optimize coalbed methane exploitation using complex (non-vertical) well technology.

For details contact Lorie Frei at (403) 218-7707 or lfrei@ptac.org, or go to www.ptac.org

About the EUB

Our mission is to ensure that the discovery, development, and delivery of Alberta's energy resources and utilities services take place in a manner that is fair, responsible, and in the public interest. We regulate oil, natural gas, oil sands, coal, and electric energy, pipelines, and transmission line development.

On the utilities side, we regulate investor-owned and certain municipally owned natural gas, electric, and water utilities to ensure that customers receive safe and reliable service at just and reasonable rates. Regulation is done through two core functions: adjudication and regulation, information and knowledge.

Recent EUB publications

News Releases

August 8: News Release (NR 2007-33): EUB Issues Decision on West Energy Sour Oil Well Applications

August 7: News Release (NR 2007-32): EUB Approves North West Upgrading Inc. Oil Sands Upgrader with Conditions

July 30: News Release (NR 2007-31): Fire Extinguished; EUB Investigation Begins Into Fire at Sweet Gas Well Near Gleichen

July 29: News Release (NR 2007-30): EUB Working with Emergency Services Following Fire at Sweet Gas Well Near Gleichen

July 27: News Release (NR 2007-29): EUB Report Shows Continued Sulphur Reductions at Sour Gas Plants 2006

July 24: News Release (NR 2007-28): EUB Decision Protects Bitumen for Future Generations of Albertans

July 18: News Release (NR 2007-27): EUB Report: Solution Gas Flaring Down 71.5 per cent since 1996, Venting Down 56.4 per cent since 2000

Bulletins

August 13: Bulletin 2007-29: Electronic Proceeding Submission System - Interrogatory Process Requirements

August 8: Bulletin 2007-28: Consultation on Proposed Oilfield Waste Liability (OWL) Program and Changes to the Licensee Liability Rating (LLR) Program Based Orphan Fund Levy

August 8: Bulletin 2007-27: Special Well Spacing Applications: Guidance on Determining Appropriate Buffer Zones for Holdings and Units

July 24: Bulletin 2007-22: Compliance Information Updates to Various EUB Directives

July 20: Bulletin 2007-21: Revised Edition of Directive 012: Alberta Tariff Billing Code Issued

July 13: Bulletin 2007-20: 2007 Administration Fees Invoice Adjustment for Oil and Gas Sector Invoices

July 5: Bulletin 2007-19: ST50: Gas Processing Plants in Alberta List - System-Generated Documents

Publications

August 7: Directive 053: Rate Application Process for Small Water Utilities

July 27: ST101: Sulphur Recovery and Sulphur Emissions at Alberta Sour Gas Plants

July 27: Directive 028: Applications for Power Plants, Substations, Transmission Lines, and Industrial System Designations

July 26: ST 108: EUB Monthly Enforcement Action Summary

July 24: Directive 059: Well Drilling and Completion Data Filing Requirements

July 24: Directive 052: Standards for Requesting and Exchanging Site-Specific Historic Usage Information for Retail Electricity and Natural Gas Markets

July 24: Directive 033: Well Servicing and Completions Operations - Interim Requirement Regarding the Potential for Explosive Mixtures and Ignition in Wells

July 24: Directive 027: Shallow Fracturing Operations-Interim Controls, Restricted Operations, and Technical Review

July 24: Directive 020: Well Abandonment Guide

July 24: Directive 013: Suspension Requirements for Wells

July 20: Directive 012: Alberta Tariff Billing Code

July 18: ST60B: Upstream Petroleum Industry Flaring and Venting Report

Solution gas flaring and venting down from historic levels

A recent EUB report shows that solution gas flaring in Alberta has been reduced by 71.5 per cent since 1996, while solution gas venting fell by 56.4 per cent since 2000.

These reductions have kept about 8 million tonnes of greenhouse gas emissions (CO₂ equivalent) from being released into the atmosphere since 1996, or the equivalent of removing 1.7 million cars from Alberta roads for one year.

The EUB's *ST60B-2007: Upstream Petroleum Industry Flaring and Venting Report* also finds that the upstream oil

and gas industry conserved 96 per cent of all solution gas produced in Alberta last year for use or sale.

The report notes that 2006 saw slight increases in solution gas flaring and venting, the first since 1996 and 2000 respectively; solution gas flaring rose by 1.6 per cent, while venting increased by 5.2 per cent.

Increased service costs and lower natural gas prices made solution gas conservation less viable for many projects in 2006. There was also a sharp increase in the number of crude bitumen batteries

operating in areas of Alberta characterized by insufficient gas conservation infrastructure.

New regulations that went into effect on January 31, 2007, require oil and gas companies to allocate revenues from oil production—not just gas production—to make solution gas conservation viable by up to \$50 000 per facility. Companies are also required to carry out yearly evaluations of the potential for conserving solution gas at each facility.

EUB issues new utilities directive, revises another

The EUB has rolled out a new directive for small water utilities and a revised directive governing power projects and transmission lines.

Early last month, the EUB issued *Directive 053: Rate Application Process for Small Water Utilities*, which sets out the rate application process for small investor-owned water utilities, effective August 7, 2007. This process provides efficient regulation while ensuring that a utility's reasonable costs are recovered through just and reasonable rates charged to customers.

The costs incurred in the typical rate application process—generally used by larger utilities—can be onerous for users of small water utilities because the costs are borne by fewer customers.

In addition, small water utilities and their customers often lack the staffing and expertise required for the complex rate hearings of larger utilities.

The process detailed in *Directive 053* reduces costs by minimizing the need for parties to contract consultants and legal counsel and by providing access to the expertise of EUB Utilities' staff.

In late July, meanwhile, the EUB rolled out a revised version of *Directive 028: Applications for Power Plants, Substations, Transmission Lines, and Industrial System Designations*.

Directive 028 incorporates the latest requirements and the application process for approvals to construct/alter and operate power plants, substations, transmission lines, and industrial

systems pursuant to the *Hydro and Electric Energy Act*, and a Needs Identification Document, pursuant to the *Electric Utilities Act and Transmission Regulation* AR 86/2007.

Revisions to the directive reflect recent changes to legislation, process improvements, and clarification and enhancements regarding stakeholder consultation.

Also included in the revised directive are instructions on filing applications using the EUB's Electronic Application Submission system.

The two directives are on the EUB Web site www.eub.ca.

Overall sulphur emissions down

The EUB reports that industry is making headway in sulphur recovery from Alberta sour gas plants.

The recently released *ST101-2007: Sulphur Recovery and Sulphur Emissions at Alberta Sour Gas Plants*, shows improvements due to enhanced performance and lower sulphur throughput in grandfathered plants (plants that fail to meet *Interim Directive [ID] 2001-03: Sulphur Recovery Guidelines for the Province of Alberta* requirements for new plants in 2001) when compared to the 2000 baseline.

According to the report, sulphur emissions have decreased from 2000 to 2006 for both grandfathered acid gas flaring plants (down 66 per cent) and grandfathered sulphur recovery plants (down 27 per cent).

ST101 provides an annual progress report on industry's compliance with the EUB's *ID 2001-03*. The guidelines established stringent requirements for sulphur emissions, provided a schedule for existing plants to meet the same sulphur recovery requirements as new plants, and encouraged operators to take early action to improve performance.

Overall, total emissions have been reduced 34 per cent since 2000 and about 2 per cent from 2005 to 2006 for both grandfathered and non-grandfathered plants.

The report also reveals that emissions fell by about 28 per cent from 2000 to 2006 for non-grandfathered plants. Sulphur inlet at these plants went down about 21 per cent during that time period.

Together, emissions from grandfathered plants have fallen by about 35 per cent from 2000 through 2006, which represents a decrease of about 69 tonnes of sulphur emissions (138 tonnes of sulphur dioxide emissions) per day in Alberta.

Emissions increased by 2 per cent from 2005 to 2006 for grandfathered plants, primarily due to a major gas discovery near Rocky Mountain House, which resulted in increased inlets and emissions at one facility.

■ ■ ■ Upcoming Public Hearings

| Application No. | Applicant | Hearing Purpose |
|---|--|--|
| 1499025 1504928 1504963 | Burlington Resources Canada Limited | Application for a licences to drill three Level 2 critical wells (1499025, 1504928 & 1504963) Tomahawk Field |
| Start date: September 5, Causeway Bay Westwinds, 4225-50 Street, Drayton Valley, AB | | |
| 1514422 | EUB Proceeding | Application for review of Bears paw Petroleum Ltd. Complaint re Enforcement |
| Start date: September 11, West Hall, EUB Offices, 640 - 5 ave SW, Calgary, AB, 9 a.m. | | |
| 1428238 | Canadian Natural Resources Limited | Application to Amend Primary Recovery Scheme Approval No. 6280 - Cold Lake Oil Sands Area |
| Start date: September 11, Lakeland Inn, 5411-55 Street, Cold Lake, AB | | |
| 1480869 1486164 | Highpine Oil & Gas Limited | Application for two critical wells - Pembina Field |
| Start date: September 17, Causeway Bay Westwinds, 4225-50 Street, Drayton Valley, AB | | |
| 1487188 1499076 1500699 | Duvernay Oil Corporation | Application for a gas well, gas battery and pipeline - Edson Area |
| Start date: September 18, Edson & District Recreation Complex, #1 Golf Avenue Edson, AB | | |
| 1498479 1483571 | Shell Canada Ltd. | Application for a licence to drill a vertical sour gas well and construct two pipelines - Waterton Field |
| Start date: September 18, Pincher Creek Community Hall, 287 Canyon Drive, Pincher Creek, AB | | |
| 1486523 1498999 | Apache Canada Ltd. | Application for two coalbed methane wells and three natural gas pipelines - Bashaw Field |
| Start date: September 19, Ponoka Legion, 3911 Highway 2A, Ponoka, AB | | |
| 1483550 1483444 1507485 | Anderson Energy Ltd. | Application for two vertical wells and a pipeline - Gilby Field |
| Start date: September 25, Chateau Suites, #1, 5100 Lakeshore Drive, Sylvan Lake, AB | | |
| 1456596 1477294 1514341 | Canadian Natural Resources Ltd., Galleon Energy Inc., Murphy Oil Canada & Duvernay Oil Corp. | Applications to Produce Gas from the Oil Sands Strata within the Bluesky Sand in the Peace River Area |
| Start date: October 2, Govier Hall, EUB Office, 640 5 Avenue SW, Calgary, AB | | |
| 1481229 | Canetic Resources Inc. | Application for a Level 3 critical well - Pembina Field |
| Start date: October 2, Causeway Bay Westwinds, 4225-50 Street, Drayton Valley, AB | | |
| 1507039 | Talisman Energy Inc. | To enlarge Turner Valley Unit No. 5 (TVU 5) to include legal subdivisions. |
| Start date: October 4, TBD | | |

■ ■ ■ Pending Decisions

| Application No. | Applicant | Hearing Purpose |
|--------------------|--|--|
| 1508450 1508455 | EPCOR Distribution & Transmission Inc. | Inter-Affiliate Code of Conduct |
| 1485740 | ATCO Electric Ltd. | 2007 - 2008 General Tariff Application |

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For Alberta Geological Survey (AGS) documents on geological research, contact

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Questions, complaints, problems?

Utilities: For information or to file a consumer utility complaint, contact us at

EUB Utilities Branch, 10th floor, 10055-106 Street,
Edmonton, Alberta T5J 2Y2
Fax: (780) 427-6970
Complaints: (780) 427-4903*
E-mail: <utilities.concerns@eub.ca>

Oil and gas: For information or complaints about new or existing oil and gas developments and facilities, we recommend contacting the operating company first. If the company does not respond appropriately, you may contact the nearest EUB Field Centre.

| EUB Field Centres | (24-hour service) |
|-------------------|-------------------|
| Bonnyville | (780) 826-5352* |
| Drayton Valley | (780) 542-5182* |
| Grande Prairie | (780) 538-5138* |
| Fort McMurray | (780) 743-7214* |
| High Level | (780) 926-5399* |
| Medicine Hat | (403) 527-3385* |
| Midnapore | (403) 297-8303* |
| Red Deer | (403) 340-5454* |
| St. Albert | (780) 460-3800* |
| Wainwright | (780) 842-7570* |

*To call toll free from anywhere in Alberta, dial 310-0000 and enter the phone number, including area code, or press zero for a RITE operator.

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