

September 2008

UPCOMING EVENT

Synergy Alberta Conference 2008

October 27-29, 2008
The Capri Centre
Red Deer

This year's conference aims to foster and support mutually satisfactory resource development outcomes in communities by providing information, mutual learning, communication, skills development, facilitation, and resources to synergy groups across Alberta. The conference features keynote presenters and offers participants the opportunity to participate in break-out sessions from expert presentations from leaders in the areas of water, air, land, and safety.

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ABOUT THE ERCB

The Energy Resources Conservation Board (ERCB) is an independent, quasi-judicial agency of the Government of Alberta. We regulate the safe, responsible, and efficient development of Alberta's energy resources: oil, natural gas, oil sands, coal, and pipelines.

Sulphur emissions, flaring and venting in downward trend

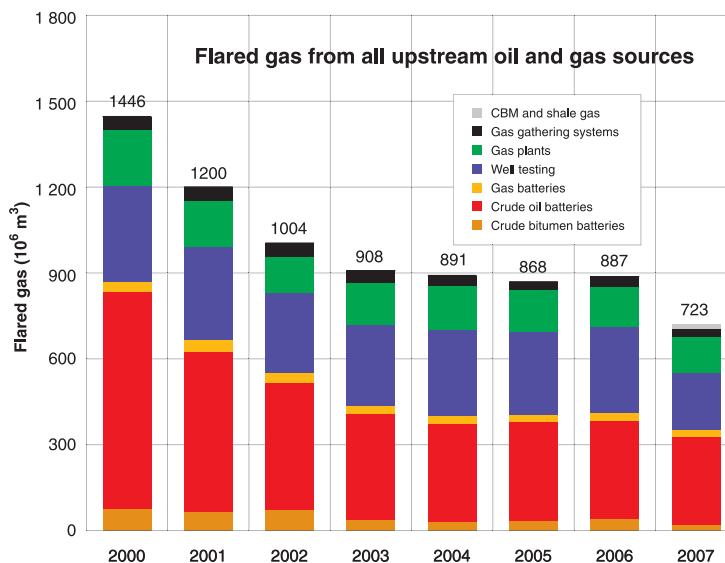
ERCB recognizes Martha Kostuch's lasting contributions to guidelines

Two ERCB reports highlight long-term reductions in the flaring and venting of solution gas, as well as sulphur emissions.

The recently issued *ST101-2008: Sulphur Recovery and Sulphur Emissions at Alberta Sour Gas Plants* showed that overall for both nongrandfathered and grandfathered plants, total sulphur emissions fell 45 per cent since 2000 and about 17 per cent from 2006 to 2007. *ST101* summarizes sulphur recovery results for sour gas plants across Alberta for the years 2000 through 2007 and provides an annual progress report on industry's

compliance with the ERCB's *Interim Directive (ID) 2001-03: Sulphur Recovery Guidelines for the Province of Alberta*.

The 2008 report reveals improvements due to better performance and lower sulphur throughput in grandfathered plants (plants that did not meet *ID 2001-03* requirements for new plants in 2001) when compared to the 2000 baseline. According to the report, sulphur emissions have decreased since 2000 for both grandfathered acid gas flaring plants, down 73 per cent, and grandfathered sulphur recovery plants, down 40 per cent.



(continued on page 3)

RECENT ERCB PUBLICATIONS

DECISIONS

September 18: Decision 2008-083: Canadian Natural Resources Limited Applications for Two Facility Licences Sullivan, Lake Field

September 16: Decision 2008-087: Devon Canada Corporation, Class II Oilfield Waste Management Landfill, Manatokan Application No. 1508760

September 16: Decision 2008-086: MEG Energy Corp., Determination of Standing of the Métis Nation of Alberta Local 1935 and Métis Nation of Alberta Region One, Christina Lake Regional Project

September 15: Decision 2008-070 + Addendum: Compton Petroleum Corporation Complaint Respecting EUB Enforcement Action

September 2: Decision 2008-082: West Energy Ltd. Applications for Well Licences, Pembina Field (Applications 1451106 and 1459453)

September 2: Decision 2008-081: Bears paw Petroleum Ltd. Application for a Pipeline Licence Drumheller Field (Application No. 1565199)

September 2: Decision 2008-080: Response Energy Corporation Application for Compulsory Pooling and Paramount Resources Ltd. Application for Special Gas Well Spacing, Kakwa Field

September 2: Decision 2008-078: Husky Oil Operations Limited Application for a Well Licence, Bondiss Field

September 2: Decision 2008-077: Nexen Inc. Application for a Pipeline Licence, Honeysuckle Field

August 19: Decision 2008-072: Quicksilver Resources Canada Inc., Application for a Well Licence Amendment, Honeysuckle Field

August 12: Decision 2008-068: Crew Energy Inc., Applications for a Well Licence and a Pipeline Licence, Strachan Field

August 12: Decision 2008-067: Echoex Ltd., Application for a Pipeline Licence, Provost Field

BULLETINS

September 24: Bulletin 2008-36: Electronic Submission of Applications for Exceptions to Coalbed Methane (CBM) Control Well Requirements

August 11: Bulletin 2008-35: Notice of Service Disruptions to Microfiche Availability from Information Services

NEWS RELEASES

September 8: NR 2008-24: ERCB Investigation abandoned sweet oil well leak on CFB Suffield

September 2: NR 2008-23: ERCB Accepts West Energy Request to Withdraw Two Applications

August 15: NR 2008-22: ERCB investigating sulphur fire at gas plant in Zama area

PUBLICATIONS

September 18: Regulatory Change Report: One-stop source for industry and public to find out about ERCB's regulatory initiatives

September 4: Investigation Report 2008-09-02: MEG Energy Corp. Steam Pipeline Failure Licence No. P 46441, Line No. 001 May 5, 2007

Committee awarded for work in public safety

The work of a committee on public health in the energy industry that included the participation of ERCB employees has garnered a national award.

The Technical Advisory Committee on Public Health and the Oil and Gas Industry received the Alexander Officer Award at a ceremony held at the National Education Conference of the Canadian Institute of Public Health Inspectors this past summer in St. John's, Newfoundland.

ERCB staffers Jim Benum and Greg Gilbertson were members of the committee that developed the Environmental Public Health Field Manual for Oil and Gas Activities in Alberta. The manual was released in April 2007.

The Alexander Officer Award is issued to an organization or agency for outstanding and meritorious achievements in the field of public or environmental health. Criteria for the award include:

- innovation and excellence in program development and/or management
- leadership and development of community participation in environmental health programs; and
- leadership and innovation in planning, prioritization and management of environmental health concerns using risk management evaluations, such as prioritization of program activities with limited manpower and resources.

Sulphur emissions, flaring and venting in downward trend *(continued from page 1)*

Emissions also fell 37 per cent from 2000 to 2007 for nongrandfathered plants, while sulphur inlet at these plants dropped by 29 per cent during that time period.

Overall, emissions from grandfathered plants have fallen by about 47 per cent from 2000 to 2007. This represents a decrease of about 90 tonnes of sulphur emissions (180 tonnes of sulphur dioxide emissions) per day in Alberta.

Nongrandfathered plants are those with an approved sulphur inlet greater than one tonne per day meeting the requirements for new plants, as listed in *ID 2001-03*. This includes both sulphur recovery plants and acid gas injection plants. Since 2000, 15 plants have made upgrades to meet the new requirements, 12 plants have been relicensed, and 7 plants have ceased operating.

Meanwhile, flaring of solution gas fell 14.9 per cent in 2007, as revealed in the *ST60B-2008: Upstream Petroleum Industry Flaring and Venting Report*, released in July. In total, 325 million cubic metres of solution gas were flared in 2007, compared to 382 million cubic metres in 2006.

Venting of solution gas increased 15.4 per cent in 2007. In total, 347 million cubic metres of solution gas were vented in 2007, compared to 307 million cubic metres in 2006. This jump is primarily attributed to an increase in the number of new crude bitumen wells that on an individual basis produce small volumes of solution gas. These smaller volumes are not sufficient to keep a flare stack lit and do not meet the ERCB's test for conservation given the prevailing market conditions.

Although the volume of solution gas vented per facility is small, the growth in the number of crude bitumen operations across Alberta in 2007 was sufficient to increase the overall amount of solution gas vented in Alberta.

Solution gas flaring in Alberta has been reduced by 76 per cent since 1996, and solution gas venting has been reduced by 50.7 per cent since 2000. Of the 16 127 million cubic metres of solution gas produced in 2007, 672 million cubic metres were flared and vented compared to 689 million cubic metres in 2006, a 2.4 per cent decrease.

Those reductions have kept about 8.5 million tonnes of greenhouse gas emissions (carbon dioxide equivalent) from being released into the atmosphere since 1996.

The Clean Air Strategic Alliance (CASA) Flaring/Venting Project Team, which consists of environmental groups, the petroleum industry, the ERCB, Alberta Energy, Alberta Environment, and other government agencies, is working on a number of regulatory initiatives to reduce solution gas venting in crude bitumen production operations and other facilities across the oil and gas sector in 2008.

With the release of this year's *ST101* and *ST60B*, the ERCB notes its appreciation for the important role Dr. Martha Kostuch played in helping to develop regulatory guidelines on flaring and venting and sulphur recovery. Kostuch, who died earlier this year, was a Rocky Mountain House-based veterinarian and environmental activist whose relationship with the ERCB dated back more than a decade.

Kostuch played a key part in driving the adoption of new flaring and venting regulations resulting in *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting*, which has allowed the province to become a world leader in this area. Later she was a member of the advisory group that provided recommendations used for the current sulphur recovery guidelines, *ID 2001-03: Sulphur Recovery Guidelines for the Province of Alberta*. These directives committed the ERCB to publish the annual ST101 and ST60B.

The many ERCB employees and Board members who worked with Kostuch over the years remember her as a person committed to protecting the environment and to preserving the health of people and animals alike. ERCB staff also recall that she displayed a tireless work ethic, recognized the importance of working closely with all stakeholders, and worked hard to reach consensus in order to move issues forward. She was also a tremendous supporter of the recommendations and successes coming from the many groups she worked on.

"Even if Martha didn't agree with your point of view, you knew that she would respect what you brought to the table if you put an effort into it and were prepared to speak to it; she was always one to encourage and participate in vigorous discussion to bring about a better solution," says ERCB Senior Engineer Jim Spangelo, who added that she demanded accountability and follow through from all parties involved in an issue, herself included.

UPCOMING PUBLIC HEARINGS

Application No.	Applicant	Hearing Purpose
1521704 1520574 1521626 1577611	Highpine Oil & Gas Ltd.	Application for three oil wells with 16% H ₂ S and review of a well licence, Tomahawk Field
Hearing Date:	Oct 1 – 10, Tomahawk & District AgriCentre, 51122 Secondary Highway 759, Tomahawk AB	
1435831	Encana Corporation	Applications for the first three well locations of a 1275 well infill project, Suffield
Hearing Date:	Oct 6 – 31, ERCB Calgary Office, Govier Hall	
1550490 1550706 1559022	ConocoPhillips Canada Ltd.	Application for two oil wells and two pipelines to transport oil effluent with 30% H ₂ S, Pembina Field
Hearing Date:	Oct 8 – 9, Lodgepole Mutiuse Complex, 459-52 Ave, Lodgepole AB	
1516336	Burlington Resources Canada	Application for a pipeline to transport natural gas, Bonanza Area
Hearing Date:	Oct 21 – 23, Beaverlodge Community Centre, 1014-4 Ave, Beaverlodge AB	
1547037	West Energy Ltd.	Application for a well with 16.02% H ₂ S, Pembina Field
Hearing Date:	Oct 28 – 31, Tomahawk & District AgriCentre, 51122 Secondary Highway 759, Tomahawk AB	
1548356 1574425	Trilogy Blue Mountain Ltd.	Application for a gas well from an existing surface lease and a pipeline to transport natural gas with 3.5% H ₂ S, Pembina Field
Hearing Date:	Oct 29 – 31, Lakedell Agricultural Society Hall, Lakedell Road, Westeros AB	
1556255	Compton Petroleum Corporation	Application for a Pilot Gas Well Spacing, High River Field
Hearing Date:	Oct 29 – 30, ERCB Office Calgary, Govier Hall	

PENDING DECISIONS

Application No.	Applicant	Hearing Purpose
1490956	Petro-Canada Oil Sands Inc.	Application for Approval of Proposed Sturgeon (Fort Hills) Upgrader
1477662 1477688 1477700 1477711 1477721 1477768 1477775 1483737 1483742 1505748 1505775 1505801 1505807 1507801 1507803 1510484 1510487 1510791 1510877 1513260 1529676	Standard Energy Inc.	Applications for sixteen CBM wells and five pipelines, Ghost Pine Field
1513726	EUB Initiated	Inquiry into the issues related to Natural Gas Liquids Extraction
1543589	Standard Energy Inc.	Application for a crude oil multiwell pad, Grande Prairie Field
1519973	OMERS Energy Inc.	Application for a pipeline to transport natural gas, Royal Field
1518483 1525506 1525527 1525629	CNRL	Applications for a crude bitumen well, four pipelines and a multiwell oil battery, Bentley Field

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Questions, complaints, problems?

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 ERCB Field Centre.

ERCB Field Centres (24-hour service)

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Drayton Valley	780-542-5182*
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