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Our File: 33

EUB Spacing Application Review
Resource Applications Group
640-5th Avenue SW
Calgary, Alberta T2P 3G4

Via Email: eub.spacing@gov.ab.ca

To whom it may concern,

RE: Bulletin 2005-08/Consultation Regarding Proposed Changes to Reservoir-Related Well Spacing Regulations, Application Requirements, and Application Review Process

The Environmental Law Centre (“ELC”) is pleased to provide some brief comments regarding the Bulletin 2005-08 (“Bulletin”) on the proposed changes to reservoir-related well spacing regulations, application requirements and application review process.

About the Environmental Law Centre

The ELC is a registered charitable organization established in 1982 to provide Albertans with an objective source of information about environmental and natural resources law and policy. The ELC’s mission is to ensure that laws, policies and legal processes protect the environment.

This mission requires that the public is given the opportunity to participate in decision making and regulatory processes that have an affect on the environment.

The proposed changes to notification and the related reduced spacing fail to adequately reflect this principle of public participation. Further concerns regarding the Bulletin are outlined below.

Consultation Timing

It appears that Bulletin 2005-08 is, at least in part, focused on the coal bed methane (natural gas in coal) (“CBM”) activity that is increasing in intensity in the area to which the Bulletin applies. The ELC would encourage the EUB to differ decisions regarding reduced spacing until the government has had an opportunity to review recommendations of the CBM Multi-stakeholder Advisory Committee (“MAC”).

Moving forward with reduced spacing initiatives in the absence of government consideration of the MAC recommendations undermines the consultation that took place.

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Notification should be Maintained

Notification requirements for surface owners and occupants of applications for reduced well spacing, as per Guide 65, should be maintained. This is particularly the case where subsurface spacing is likely to lead to increased surface impacts.

The Bulletin states that subsurface well locations do not predispose decisions on surface access applications. Nevertheless optimal resource recovery, as reflected by the reduced spacing, will often require similar increased surface access to facilitate recovery from subsurface locations (particularly in shallow formations).

For this reason, notification requirements should not be removed; however there may be a way of altering the notification process to allow for streamlined subsurface well spacing reductions in particular circumstances.

The trigger for notification that is proposed is based on connecting the subsurface spacing to implications on the surface. As such, notification of the surface owner/occupant would be required if the proponent is not able to commit to accessing all subsurface well locations from a single well site.

For example, reduced applications for reduced spacing would be accompanied by a description of proposed surface access. Where the proponent is able show that they will only require a single surface disturbance, i.e. a single well pad that enabled access to all subsurface locations, no notification of the reduced spacing would be required. If, on the other hand, more than one surface disturbance is necessary, either due to technical or geological features, than notification of the surface owner/occupier would be required.

This triggering notification system would ensure that surface impacts are addressed at the earliest stage possible and would allow all parties to avoid revisiting subsurface locations should surface restrictions arise.

Furthermore this triggering system would give assurance to the landowner that they needn't expect more than a single surface disturbance where they have not been notified of a reduced spacing application.

One difficulty with this proposal is that the single surface location may still be problematic, particularly when the single surface location is geographically or technically limited by requirements regarding access to subsurface locations. In this way some flexibility on locating the multi-well pad may be lost. This difficulty is most easily be addressed by maintaining the current notification requirements.

Potential Aquifer Impacts: Further Reasons to Maintain Notification

Notification must also be maintained where subsurface well locations have the potential to adversely effect water aquifers under the land in question. This is particularly the case where the wells proposed run through or adjacent to operational water wells. This precautionary approach to aquifer protection is supported by the potential for adverse effects on aquifers that may arise through completion activities or through hydrological related impacts of CBM resource production.

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Application Processing Paths

The proposed processing paths fail to adequately encourage minimizing surface impacts on the landscape. The proposed routine path and the related streamlining of applications for areas adjacent to those with previously approved reduced spacing is likely to lead to increased surface impacts and increased cumulative effects (from all related facilities, such as compressors, pipelines, etc.) on the landscape (both locally and regionally). Rather than facilitating and promoting constant improvement and reduction of the surface footprint the resulting process facilitates and supports the status quo. This in turn may fail to adequately reflect environmental (and landowner) concerns.

Process Automation

The ELC supports the proposal to further the automation and web based well spacing information so long as the information is made readily available to the public. In this way the streamlining of applications would act as a tool for increased transparency, an evaluation tool to determine standards and practices, and to evaluate possible correlations between subsurface spacing and surface impacts.

One Stop Application Process

The Bulletin also begs the question as to why subsurface and surface allocations are dealt with separately. A single application process, outlining subsurface and surface allocations in one instance, would increase the efficiency of the approval process and integrate subsurface and surface concerns in a transparent and strategic manner.

Integrating landowner and affected individuals input early in the process may also result in a decrease in the number of objections and hearings being initiated, further saving the EUB and the public time and money.

Conclusion

The changes proposed in the Bulletin should not proceed as they fail to adhere to important principles of involving affected stakeholders at the earliest point possible and further undermine planning to minimize surface impacts.

Furthermore, no action should be taken pursuant to the Bulletin until the government has had the opportunity to consider the MAC recommendations.

Please do not hesitate to contact the writer with any questions you may have.

Yours truly,

Jason Unger
Staff Counsel

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