

# Minutes



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## Flaring and Venting Project Team meeting #45

Date: Wednesday, May 27, 2009

Time: 10:00 am to 3:30 pm

Place: CASA, 10<sup>th</sup> floor, 10035 108 Street, Edmonton

### In attendance:

**Name**

Andrew Higgins  
Anna Maslowski  
Bob Barss  
Chris Severson-Baker  
James Vaughan  
Jim Spangelo  
Jolene Shannon  
Krista Phillips  
Randy Dobko  
Robyn Jacobsen

**Stakeholder group**

CAPP/CNRL  
Alberta Energy  
Alberta Association of Municipal Districts and Counties  
Pembina Institute  
Alberta Energy Resources Conservation Board  
Alberta Energy Resources Conservation Board  
Pembina Agricultural Protection Association  
CAPP  
Alberta Environment  
CASA Secretariat

### With regrets:

**Name**

Doreen Rempel  
John Squarek  
Ian Peace  
Karina Thomas  
Ralph Smith  
Rudy Sundermann  
Wayne Hillier

**Stakeholder group**

MGV Energy Inc./CSUG  
Small Explorers and Producers Association of Canada  
RAPID  
Alberta Health and Wellness  
Wildrose Agricultural Producers  
CAPP/EnCana  
Husky Energy

### Guest:

**Name**

Neil Wells  
Dale Swyripa  
Dave Gamracy

**Stakeholder group**

County of Vermillion River  
County of Vermillion River  
Councillor, County of Vermillion River

Andrew Higgins chaired the meeting, which convened at 10:00 a.m. Quorum was achieved.

## Action Items:

Action items	Who	Due
41.1: Distribute aggregate information on fugitive emissions once it is available.	Krista Phillips	Update at next meeting.
42.7: Investigate how many new facilities have started conserving (since the date that the new economic methods were introduced).	James and Michael (ERCB)	Next meeting – Sept 14
43.2: Prepare a research question for the RFP on potential other fluids being emitted from the stack.	John Squarek	As soon as possible
43.4: Find out the volume of gas flared and vented during testing and tie-in.	James	Next meeting – Sept 14
43.5: Ensure that the website updates discussed will be completed as soon as possible.	Robyn	As soon as possible
44.3: Review the previous report on duration of well tests and consider how to design a new survey.	Krista, John, and Wayne	Next meeting – Sept 14
44.5: Contact Bruce Peachey to see if he has any further information on gas composition analysis.	Andrew and Wayne	Update at next meeting – Sept 14
44.7: Prepare a brief report on each battery flaring alternative, including a classification based on technical feasibility and commercial viability.	?? (reassign)	Next meeting – Sept 14
45.1: Contact Wayne Hillier to see if he is still interested in participating on the team as a Husky rep.	Robyn	As soon as possible
45.2: Pursue new members to fill the vacant positions on the team.	CAPP (Krista)	As soon as possible
45.3: Provide an update of the Royalty Waiver Program, including level of utilization.	Anna	Next meeting – Sept 14
45.4: Update team on Climate Change and Emissions Management Fund (or organize presentation from AENV).	Randy	Next meeting – Sept 14
45.5: Bring information on the distribution of wells above/below the 900 m3 threshold.	James	Next meeting – Sept 14
45.6: Organize presentations on the County of Vermillion River initiative with interested members of the AAMD&C.	Bob Barss	Update at next meeting.
45.7: Update on proposal that Husky and CNRL have submitted to AENV regarding a GHG offset protocol.	Andrew	Next meeting – Sept 14
45.8: Draft new work plan for discussion.	Robyn	Next meeting – Sept 14

## 1) Administration

- a. Agenda and Meeting Objectives were approved by consensus.
- b. Minutes from meeting #44 were approved by consensus.

c. Review action items from Meeting 44:

Action items	Who	Due
41.1: Distribute aggregate information on fugitive emissions once it is available.	Krista Phillips	Carry forward
42.7: Investigate how many new facilities have started conserving (since the date that the new economic methods were introduced).	James and Michael (ERCB)	Carry forward
43.2: Prepare a research question for the RFP on potential other fluids being emitted from the stack.	John Squarek	Carry forward
43.4: Find out the volume of gas flared and vented during testing and tie-in.	James	Carry forward
43.5: Ensure that the website updates discussed will be completed as soon as possible.	Robyn	Carry forward
44.1: Select a new government co-chair to take Mike's place on the team.	Government caucus	Done. James Vaughan is the new gov't co-chair.
44.2: Provide the report from the well test flaring initiative (Red Deer) to Robyn to be distributed to the team.	ERCB (James)	Done
44.3: Review the previous report on duration of well tests and consider how to design a new survey. <i>- Krista reported that she will work with ERCB to see what data is available, or make a recommendation for an updated survey.</i>	Krista, John, and Wayne	Carry forward
44.4: Provide Matt with some analysis on venting gas composition.	Andrew	Done
44.5: Contact Bruce Peachey to see if he has any further information on gas composition analysis.	Andrew and Wayne	Carry forward
44.6: Forward any further battery flaring alternatives to Rudy.	All team members	Done. No further information was forwarded.
44.7: Prepare a brief report on each battery flaring alternative, including a classification based on technical feasibility and commercial viability.	Wayne and Rudy	Carry forward
44.8: Organize a presentation about a situation in the County or Vermillion where the operator is giving their non-conserved gas away.	James	Done

d. Team Membership

- The team was advised that Rudy Sundermann has changed positions within Encana and will no longer participate as a CAPP representative on the team.
- The team was advised that, since Husky has withdrawn from CAPP, Wayne Hillier will no longer participate as a CAPP representative on the team.

**Action Item 45.1: Robyn will contact Wayne Hillier to see if he is still interested in participating on the team as a Husky representative.**

**Action Item 45.2: CAPP will pursue new members to fill the vacant positions on the team.**

## 2) ERCB Update

James updated the team on the 2008 data for flaring and venting. This information will appear in “ST60B: Upstream Petroleum Industry Flaring and Venting Report: Industry Performance for the Year Ending December 31”. This publication will be released by the ERCB at the end of June.

### *General Summary:*

- Solution gas flaring was at an all time low.
- Solution gas venting has significantly increased.
- Well test flaring decreased
- Well test venting increased.
- Flaring from gas plants, gas gathering systems and gas batteries increased.

### *Questions:*

- Royalty Waiver Program
  - A comment was that people aren't making use of the program due to administrative hassles.
  - It was noted that the intent of the program is to provide an incentive to conserve at sites with marginally uneconomic gas volumes by waiving royalties on the conserved gas.

**Action Item 45.3: Anna will provide an update of the Royalty Waiver Program at the next meeting, including level of utilization.**

- The team did not identify any short term actions that could be implemented to improve the 2009 ST60B report. However, there was some discussion on what actions this team can take to have a positive impact on the 2010 ST60B report.
  - One suggestion was more pressure and more incentives for companies to conserve.
  - Another comment was that the problem is with the economics. Some potential economic levers include improvements to the royalty program or credits for reducing greenhouse gas emissions.
  - Another suggestion was to provide incentives for companies to implement new technologies.

**Action Item 45.4: Randy will update the team on the Climate Change and Emissions Management Fund (or organize a presentation from AENV) at the next meeting.**

**Action Item 45.5: James will bring information on the distribution of wells above/below the 900 m3 threshold.**

- There was some discussion on what should be presented to the ERCB regarding this team's progress. The team agreed to provide the ERCB with a preliminary report on their work-to-date in October, with plans to complete their final report before March 2010. The co-chairs of the FVPT agreed to make a presentation to the ERCB in mid-October.

## 3) FVPT Sub-Group Update

- Robyn updated the team some funding has been received, but to date, not all funding is in place. Robyn is working with the remaining stakeholders to finalize the details. In the meantime, the project has been split into “parts” so that Golder can begin work on “Part A” of the project, using funds that have already been received. With the current schedule, Golder should be able to deliver the final report by November 2009.

## 4) Presentation from County of Vermillion River

The County of Vermillion River recently won an Emerald Award for their innovative gas pipelines. The team invited the County to do a presentation on this project.

- The County developed a plan to gather the heavy oil casing gas that is usually vented and mix it with other natural gas to be used by customers. Through cooperation with industry partners, oil wells were connected to the County's pipeline network to capture the gas. The County gathers enough gas to fuel 7,500 homes year round, which reduces greenhouse gas emissions by 490,000 CO<sub>2</sub>E tonnes/year.
- The County experiences some issues with:
  - Excess gas during the summer months, when people aren't using their furnaces.
  - Marginal economics of gathering and processing.
  - Royalty rates.
  - Lack of capital funding to assist with this type of project.
- There was a question about issues with sweet gas turning sour. The County reps indicated that they hadn't faced this particular issue yet. However, they did have a problem with some wet gas. They are now working with Husky to find better monitoring equipment.
- There was some discussion about what is happening in Saskatchewan. Andrew sits on the Saskatchewan Flaring and Venting Reduction Committee and indicated that they are creating their own version of Directive 60.
- The County of Vermillion River representatives said they would be interested in opportunities to promote their initiative to other counties.

**Action Item 45.6: Bob will organize presentations with interested members of the AAMD&C.**

## 5) Work Plan and Timeline

The team discussed their work plan and timeline. Robyn will update the work plan as appropriate.

After reviewing their terms of reference, the team agreed on the following topics that require further discussion:

- Feasibility of eliminating routine flaring and venting (i.e. requiring 100% conservation).
  - This will be part of the work done with Golder.
- Consider the NPV and 900 m<sup>3</sup> threshold – could revising these lead to reduced flaring and venting?
- Royalty programs.
- Greenhouse Gas offsets protocol.
- Climate change technology fund.
- Information sharing and promoting innovative economic solutions.
- Duration of well tests.
- New and emerging technologies.
  - Some of this information has already been gathered (Matt Johnson's presentation; County of Vermillion presentation).
  - Evaluation of technology options for battery flaring alternatives – this work needs to be reassigned since Rudy has left the team.

**Action Item 45.7: Andrew will update the team on the proposal that Husky and CNRL have submitted to AENV regarding a GHG offset protocol.**

**Action Item 45.8: Robyn will draft a new work plan for discussion at the next meeting.**

## 6) CASA Update

Robyn updated the team on the work of the other project teams at CASA.

## **7) Next Meeting**

- The next team meeting is **Monday, September 14 in Calgary at the CAPP office.**
- The team set a tentative date for a 2-day workshop for October 19 and 20 in Edmotnon.
  - The first day will be spent with Golder, to review their draft report.

## **8) Adjournment – The meeting was adjourned at 3:30 p.m.**