

Minutes



Flaring and Venting Project Team meeting #48

Date: Wednesday, November 18, 2009
Time: 10:15 am to 3:30 pm
Place: Husky, 707 8th Avenue SW, Calgary

In attendance:

Name	Stakeholder group
Wayne Hillier	Husky Energy
James Vaughan	Alberta Energy Resources Conservation Board
Andrew Higgins	CAPP/CNRL
John Squarek	Small Explorers and Producers Association of Canada
Jim Spangelo	Alberta Energy Resources Conservation Board
Randal McNeill	Husky Energy
Randy Dobko	Alberta Environment
Jolene Shannon (at 11:00)	Pembina Agricultural Protection Association
Chris Severson-Baker (on phone for certain agenda items)	Pembina Institute
Robyn Jacobsen	CASA Secretariat

Guests

Name	Stakeholder group
Jill Hume	ERCB
Grant Stoughton	Husky

With regrets:

Name	Stakeholder group
Krista Phillips	CAPP
Anna Maslowski	Alberta Energy
Bob Barss	Alberta Association of Municipal Districts and Counties
Doreen Rempel	MGV Energy Inc./CSUG
Ian Peace	RAPID

James chaired the meeting, which convened at 10:30 a.m. Quorum was achieved once Jolene arrived.

Action Items:

Action items	Who	Due
41.1: Distribute aggregate information on fugitive emissions once it is available.	Krista Phillips	Update when available
43.2: Prepare a research question for the RFP on potential other fluids being emitted from the stack.	John Squarek	Distributed before next meeting

44.7: Prepare a brief report on each battery flaring alternative, including a classification based on technical feasibility and commercial viability.	Wayne	Review progress at next meeting
45.6: Organize presentations on the County of Vermillion River initiative w/ interested members of the AAMD&C.	Bob Barss	Update at next meeting
46.4: Talk to CAPP and SEPAC members to find why they aren't participating more fully in the Royalty Waiver program.	Krista	Update at next meeting – December 16
47.2: Evaluate the impact of reducing 6 month testing/tie-in period in the heavy oil areas for anything in production in 2008 at Husky.	Wayne	Update at next meeting – December 16
47.6: Provide a summary of the research studies on technological limits to conserving low volumes of gas.	Anna	Before next meeting – December 16
48.1: Organize a half day meeting with Golder on December 15 or 16.	Robyn	ASAP
48.2: Contact Golder to ask if they foresee requiring any additional data/information from team members.	Robyn	Update at next meeting
48.3: Get feedback from Board representative at the ERCB regarding reviewing a draft report in March, before it is approved by the CASA Board.	James	Update at next meeting
48.4: Draft a revised timeline to reflect the team's conversation.	Co-chairs (with Robyn)	Agenda item for next meeting
48.5: Revise Figure 8 to show the number of batteries in each size category.	ERCB (Jim)	Update at next meeting
48.6: Make a list of the top 50 batteries and wells (in Figure 5) that were responsible for (a) the increases from Dec/07 to Jan/08 and (b) the decreases from July to Aug/08. The ERCB will forward this information to industry reps who will investigate possible reasons.	ERCB	Update on progress at next meeting

1) Administration

- a. The meeting objectives were accepted. With some changes, the agenda was approved.
- b. Some changes were suggested to the minutes. With these changes, the minutes from the Golder workshop and meeting #47 were approved by those present. The minutes will be forwarded to the NGOs for their approval.
- c. Review action items from Meeting 47:

Action items	Who	Due
41.1: Distribute aggregate information on fugitive emissions once it is available.	Krista Phillips	Carry forward
43.2: Prepare a research question for the RFP on potential other fluids being emitted from the stack. <i>- John has started gathering the information and will be finished by next meeting.</i>	John Squarek	Carry forward.
43.4: Find out the volume of gas flared and vented for heavy during testing and tie-in.	James	Done. See Figure 5 in meeting attachments.

Action items	Who	Due
44.7: Prepare a brief report on each battery flaring alternative, including a classification based on technical feasibility and commercial viability.	Wayne	Carry forward. On agenda.
45.6: Organize presentations on the County of Vermillion River initiative w/ interested members of the AAMD&C.	Bob Barss	Carry forward. Robyn to follow-up with Bob.
46.3: Contact operator of the co-gen. project (in OFSG program) to see if they are willing to share information w/ the team. <i>- It was reported that the operator was unable to present to the team at this time. The team agreed that this was not a priority and the action item should be considered complete.</i>	Anna	Done.
46.4: Talk to CAPP and SEPAC members to find why they aren't participating more fully in the Royalty Waiver program.	Krista	Carry forward
46.6: Find out if Husky can provide any funding to support the Golder research project.	Wayne Hillier	Done.
<i>Wayne reported that Golder's performance to date would make it difficult to justify Husky funding the project. If there is an acceptable conclusion to Golder's work, Husky would be more willing to contribute to the project. Robyn highlighted the risk of using the money currently designated for team wrap-up to cover the Golder contract. If we don't receive additional funding, we won't have money to write or print a final report, etc.</i>		
The team agreed to use the money currently designated for team wrap-up costs to cover the shortfall of \$5,000 on the Golder contract.		
47.1: Evaluate how much flared and vented gas was due to 'new' vs. 'old' batteries in 2008. This should include the conservation levels of new vs. old batteries. (The intent is to determine the impact of and how important it is to focus on new development.)	Jim (ERCB)	Done. See Figure 1 in meeting attachments.
47.2: Evaluate the impact of reducing 6 month testing/tie-in period in the heavy oil areas for anything in production in 2008.	Wayne and Andrew	Carry forward.
<i>Andrew reported that 14% of total annual venting from heavy oil was from sites that were in testing and tie-in phase (i.e. from project kick-off until conservation). This was equal to 19,000 e3m3 out of 136,000 e3m3. The conclusion was that there may not be a significant impact from reducing testing and tie-in times. Wayne is still gathering information about Husky.</i>		
47.3: Contact Red Deer office to see if they would be willing to redo the duration of well tests survey.	James	Done.
<i>James reported that the Red Deer office has expressed willingness to redo the provincial survey on duration of well tests. However, they couldn't start this project until 2010 and, the last time this survey was done, it took 10 months to complete. The team felt there was still interest in doing the study and that the information could be used by the next Flaring and Venting team. The team would like to record in their report that they support the completion of this study.</i>		
47.4: Contact Golder and ask them to wait until they meet w/ co-chairs before proceeding with any work.	Robyn	Done
47.5: Organize a technical presentation on the feasibility of technology solutions for conserving low volumes of gas.	Wayne	Done. On agenda

Action items	Who	Due
47.6: Provide a summary of the research studies on technological limits to conserving low volumes of gas.	Anna	Carry forward
47.7: Find out what the lowest volume is for a site that is conserving.	Wayne and Andrew	Done. In presentation from Action Item 47.5

Routine vs. Non-Routine Flaring

- The ERCB reported that routine flaring is approximately 14% of the total volume flared.

2) Presentation from Husky

- Grant Stoughton from Husky presented to the team. (I am waiting for the presentation to be forwarded from Wayne.)
- The conclusion of the presentation was that operators are basically doing the best they can possibly do, based on the challenges they are faced with.

3) Golder Update

- The co-chairs updated the team on their discussion with Golder. Golder has agreed to hold weekly update conference calls to ensure that their work continues to align with the team's expectations. Golder has also updated the team that they expect to have a draft report complete by mid-December. The team would like Golder to present the draft report when it is ready. The team would also like to be prepared in advance for any data/information that Golder will request.

Action Item 48.1: Robyn will organize a half day meeting with Golder on December 15 or 16.

Action Item 48.2: Robyn will contact Golder to ask if they foresee requiring any additional data or information from team members.

4) Timeline

- The team discussed whether having a final report to present to the CASA Board in March 2010 was realistic. The main task that could delay the finalization of the report is the process of team members getting feedback from their stakeholder groups on the draft report and recommendations. The team agreed that if they could share a draft report with their stakeholder groups in March, the report could be finalized for the June 2010 CASA Board meeting.
- Basically, the team will develop draft recommendations over December 2009 and January 2010 and then write and review a draft report during February 2010. Stakeholder groups will have the opportunity to review the draft report in March 2010. In April 2010, there will be a final team meeting to discuss stakeholder input and finalize the report.

Action Item 48.3: James will get feedback from his Board representative of the ERCB regarding reviewing a draft report in March, before it is approved by the CASA Board.

Action Item 48.4: The co-chairs (with Robyn) will draft a revised timeline to reflect the team's conversation.

5) Battery Flaring Alternatives

- Wayne presented what he has envisioned for the next steps on completing a review of battery flaring alternatives. His suggestion was to fit each option into the appropriate space in the following table:

✓ Tech. Feasibility ✓ Economic Feasibility	✓ Tech. Feasibility ✗ Economic Feasibility	✗ Tech. Feasibility ✗ Economic Feasibility

- A team member noted that it would also be of interest to know what makes the projects uneconomic. Is it gas price? Cost of equipment? Etc.
- Action Item 47.6, for Anna to provide a summary of the research studies on technological limits to conserving low volumes of gas, will also be useful when reviewing these battery flaring alternatives.
- The team felt that this work should be included in the final report.

6) Potential Areas for Recommendations

Economic Tests

- Figure 8 in the meeting attachment shows the average flare and vent volumes for 0 m³/day to >900 m³/day. This information could help the team to discern where an appropriate threshold might be.

Action Item 48.5: The ERCB will revise Figure 8 to show the number of batteries in each size category.

Duration of Well Testing and Tie-In

- Figure 5 in the meeting attachment shows the amount of flaring and venting due to bitumen well tests. There were some questions about why there may have been a peak after D60 came into force.

Action Item 48.6: The ERCB will make a list of the top 50 batteries and wells (in Figure 5) that were responsible for (a) the increases from Dec/07 to Jan/08 and (b) the decreases from July to Aug/08. The ERCB will forward this information to industry reps who will investigate possible reasons.

- The team agreed that this issue should be separated into (1) heavy oil testing and tie-in and (2) gas well testing.
- The team feels that the well test survey (to be undertaken by the ERCB office in Red Deer) would provide some valuable input to this issue. However, this survey will not be complete in time for the team's final recommendations.
- A member noted that the duration for tie-in is the area where there is most likely 'room to move'.

Absolute Volume Threshold

- The team discussed the idea of setting an absolute volume threshold for venting across the province. There is currently a volume threshold for flaring, but the actual volume is far below the threshold.
- Some thoughts were to add a volume threshold for venting or to have a combined threshold for flaring and venting.
- A team member explained that the previous team set this volume threshold as a back-up if their recommendations didn't achieve the percent reduction. If this overall volume threshold was exceeded, then the ERCB could limit flaring at individual sites.
- The team discussed the difficulties of coming up with a defensible target for a province-wide venting threshold. There were also concerns about how a provincial cap would drive reduction at individual sites. Others raised concerns about needing a "back-up plan" if we don't see the expected reductions

from our recommendations. A provincial threshold sets a clear backstop. There was a suggestion that perhaps the best way to approach this issue is to set caps by region, rather than provincially.

- For right now, the team is not sure how to proceed with this issue.

Conservation Efficiency by Area

- A map of Alberta was distributed that identifies the top 10 townships with the lowest conservation rates.
- Some thoughts on this issue is that it may be an effective way to deal with the biggest problems in the province. A member noted that how you deal with each area would differ based upon the operations in that area.
- One team member made the observation that a township could have a high overall volume of flaring and venting because it has many wells with small volumes of gas. Perhaps it is uneconomic to conserve at these wells. Based on this observation, some members felt that it would be better to go after individual sites with high volumes rather than target townships. For the policy to be equitable, perhaps it is not viable to group flaring and venting volumes by township.
- A member suggested that a potential way to reduce volumes at sites that are currently considered uneconomic is to focus on improving project economics. An example was to use GHG offsets.

7) Next Meeting

- The next Flaring and Venting meeting will be with Golder on December 15 or 16. The strawdog sub-group will attempt to meet at least once before that meeting to make progress on some draft recommendations.

Agenda for next meeting:

- Golder presentation on draft report.
- Review work of sub-group.
- Review draft table of contents for report.
- Review timeline

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