



Alberta Regulatory Actions and Issues

Presentation to the Interstate Oil and Gas Compact Commission

Dan McFadyen, Chairman
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Outline

Regulatory Challenges and Opportunities

Alberta Context

ERCB Strategic Plan

- Oil sands strategic initiatives
 - Unconventional gas and oil regulatory framework
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Regulatory Enhancement Project



Alberta Regulatory Opportunities and Challenges

Shift to single industry sector regulator

- Comprehensive and integrated approach
 - Life cycle oversight
 - Effective and efficient
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Sophisticated stakeholders expecting more say in regulatory decision making

Industry expectation for reduced regulatory burden

- High activity levels
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Competition for educated and skilled technical personnel



The Alberta Context

ERCB is the primary regulator

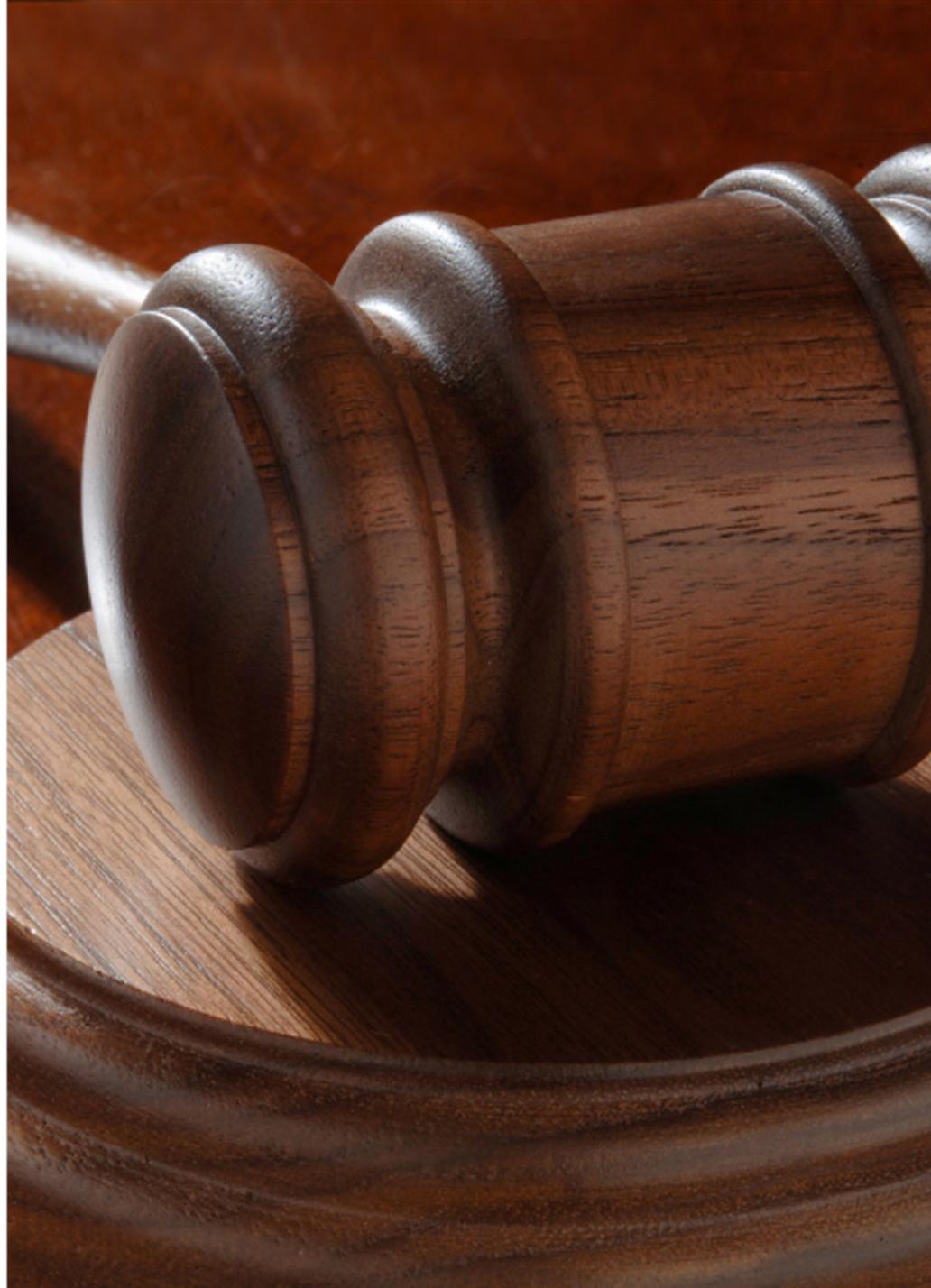
- Independent, quasi-judicial agency of the Government of Alberta
 - 950 staff with strong oil, gas and oil sands technical expertise
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A license is a privilege which can be suspended or revoked

Due process and natural justice set out in legislation

- Courts only deal with matters of law and jurisdiction
 - Intervener funding available
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Front-end regulatory oversight





ERCB Strategic Plan

Emphasis is on regulatory efficiency and modernization

Building a culture of talent, technical competence, performance and innovation

Fostering proactive engagement with external stakeholders at all organizational levels

Developing a leading-edge regulatory framework for all hydrocarbon resources

- Oil sands strategic initiatives
- Unconventional gas and oil regulatory framework

Oil Sands Update

Comprehensive oil sands regulatory regime

- Restructured Oil Sands Branch
 - Geological and engineering expertise
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Recent regulatory developments

- Oil sands inspection manual
- Tailings management
- Streamlined process for approval amendments
- Application requirements

Oil Sands Update

Reservoir Containment

- Assessment of caprock integrity (geology and operations)
 - Challenges with shallow in situ thermal projects
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Thermal in situ oil sands water management and measurement

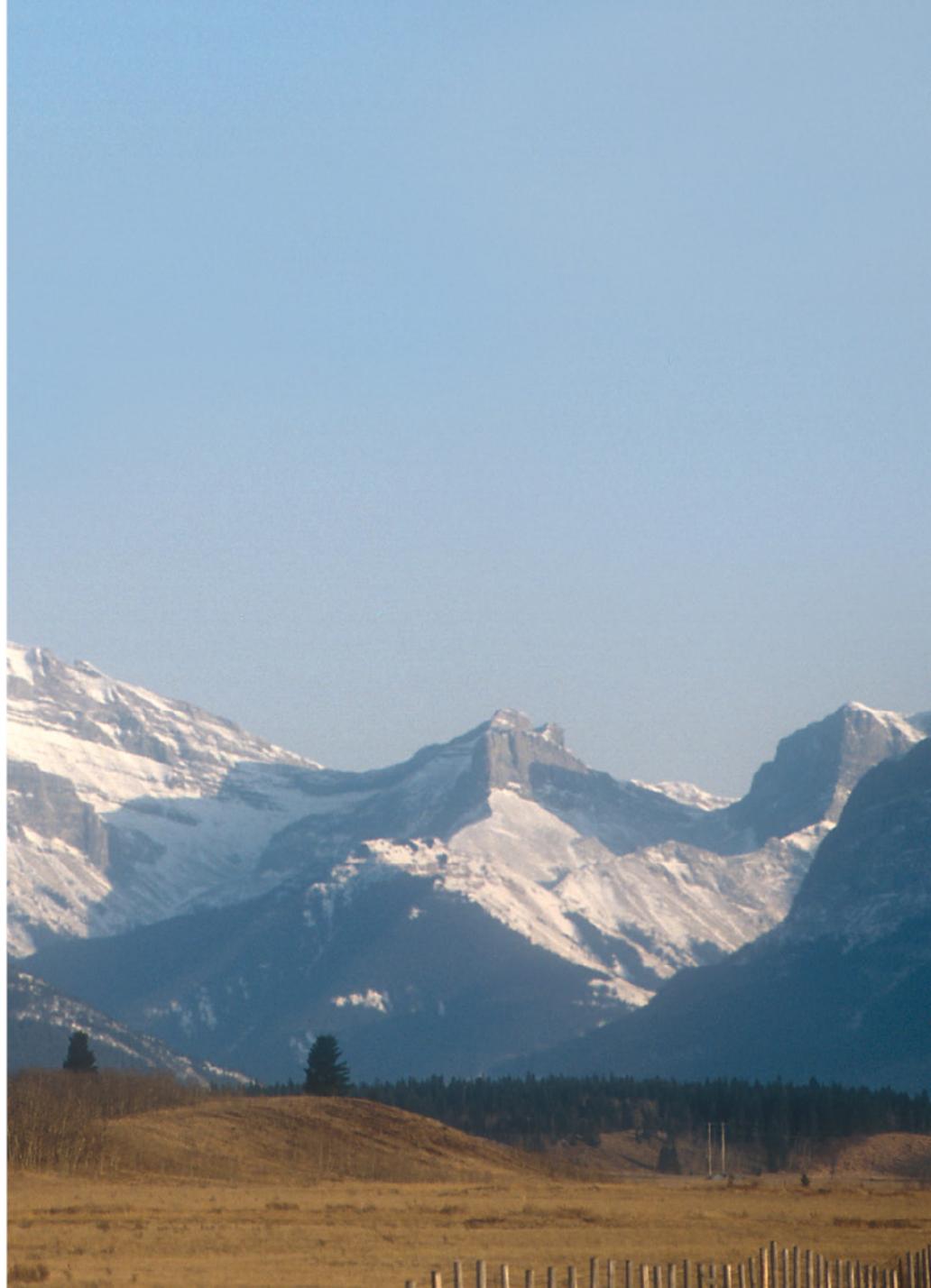
- Draft completed and industry consultation underway



Unconventional Gas and Oil Regulatory Framework (URF)

Responding to the unique nature of emerging unconventional oil and gas resources developments

- ERCB completed jurisdictional review report on unconventional gas regulation
- Approach is based on two concepts:
 - Risk based
 - Adapt regulation to unique features of specific oil and gas plays or play types
- Planning pilots to test concepts

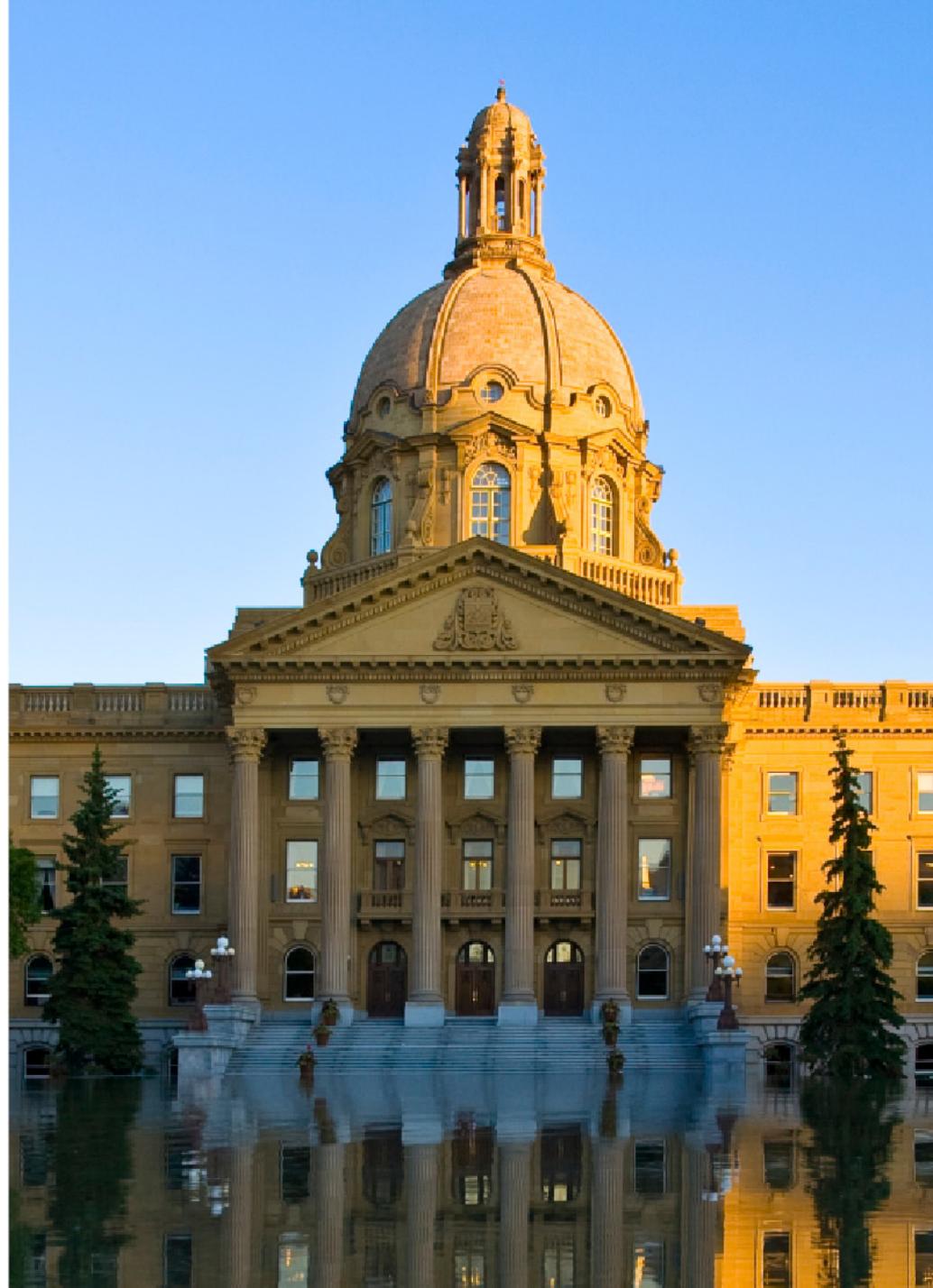


Regulatory Enhancement Project

**Government of Alberta
initiative to modernize
Alberta's energy
resource development
regulatory system**

***“Enhancing Assurance:
Developing an Integrated
Energy Resource Regulator”
released in May 2011***

- Document sets out intention to move to a single oil, gas and oil sands regulator
- GoA seeking stakeholder feedback in June
- Legislative package under development



Conclusion

Alberta's regulatory regime is integrated and comprehensive

The framework is flexible, responsive and tackles issues

Strong results based on expert application of science

Commitment to improvement

Albertans care about the legacy for future generations



A low-angle photograph of a modern glass skyscraper with two prominent spires. The building's facade is composed of a grid of blue-tinted glass panels. The sky is a clear, light blue. A white rectangular box is overlaid on the left side of the image, containing the text 'Questions?'. Another white rectangular box is overlaid in the bottom right corner, containing the website address 'www.ercb.ca'.

Questions?

www.ercb.ca