IOGCC

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AER
Who we are

The Alberta Energy Regulator is a regulatory body with a mandate to provide for the efficient, safe, orderly, and environmentally responsible development of Alberta’s energy resources

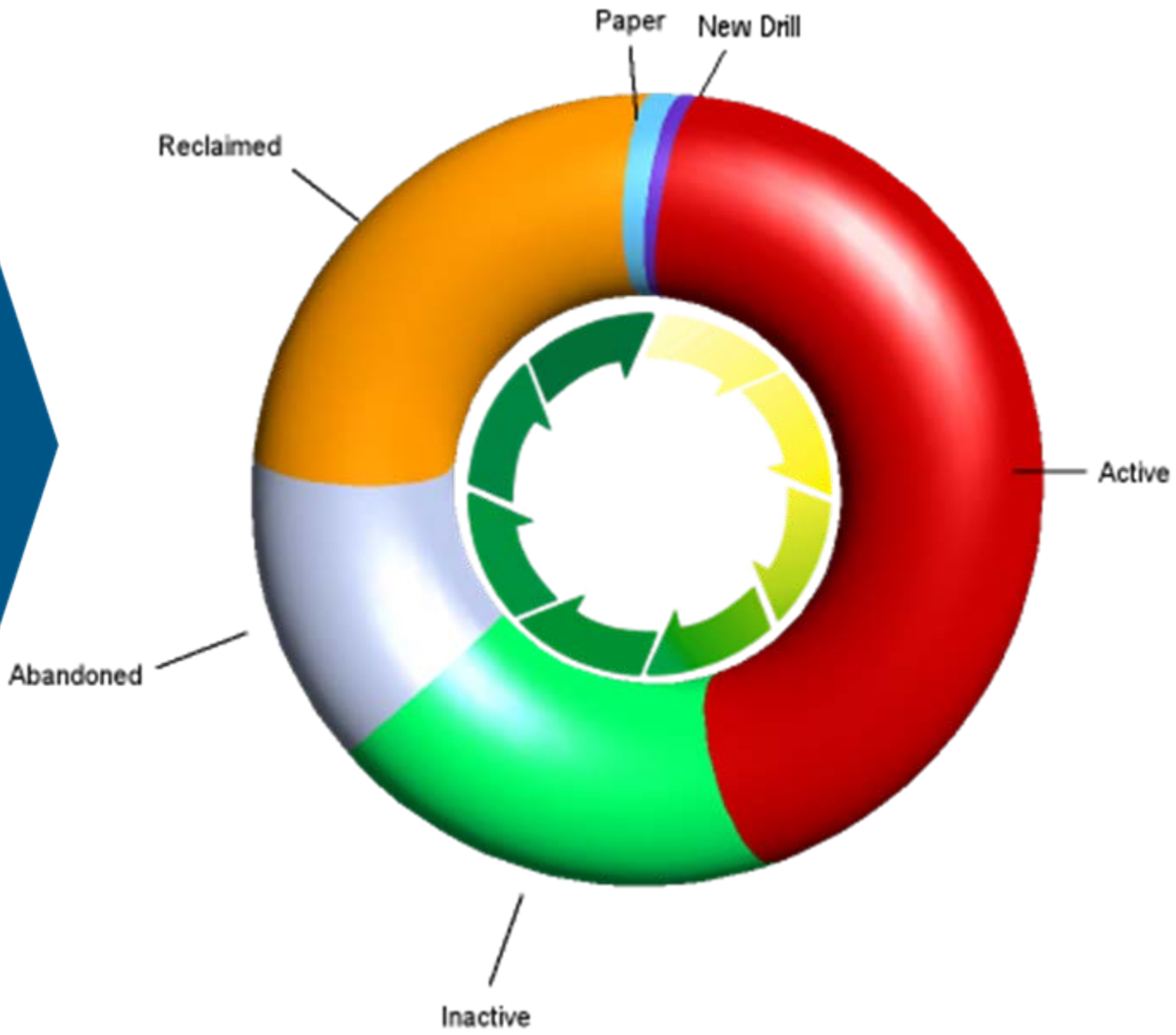
AER
What we do

The Alberta Energy Regulator is responsible for regulating the life cycle of oil, oil sands, natural gas, and coal projects in Alberta from application and construction to production, abandonment, and reclamation.

Aging Sector

How is Alberta’s sector aging?

Alberta's Well Inventory



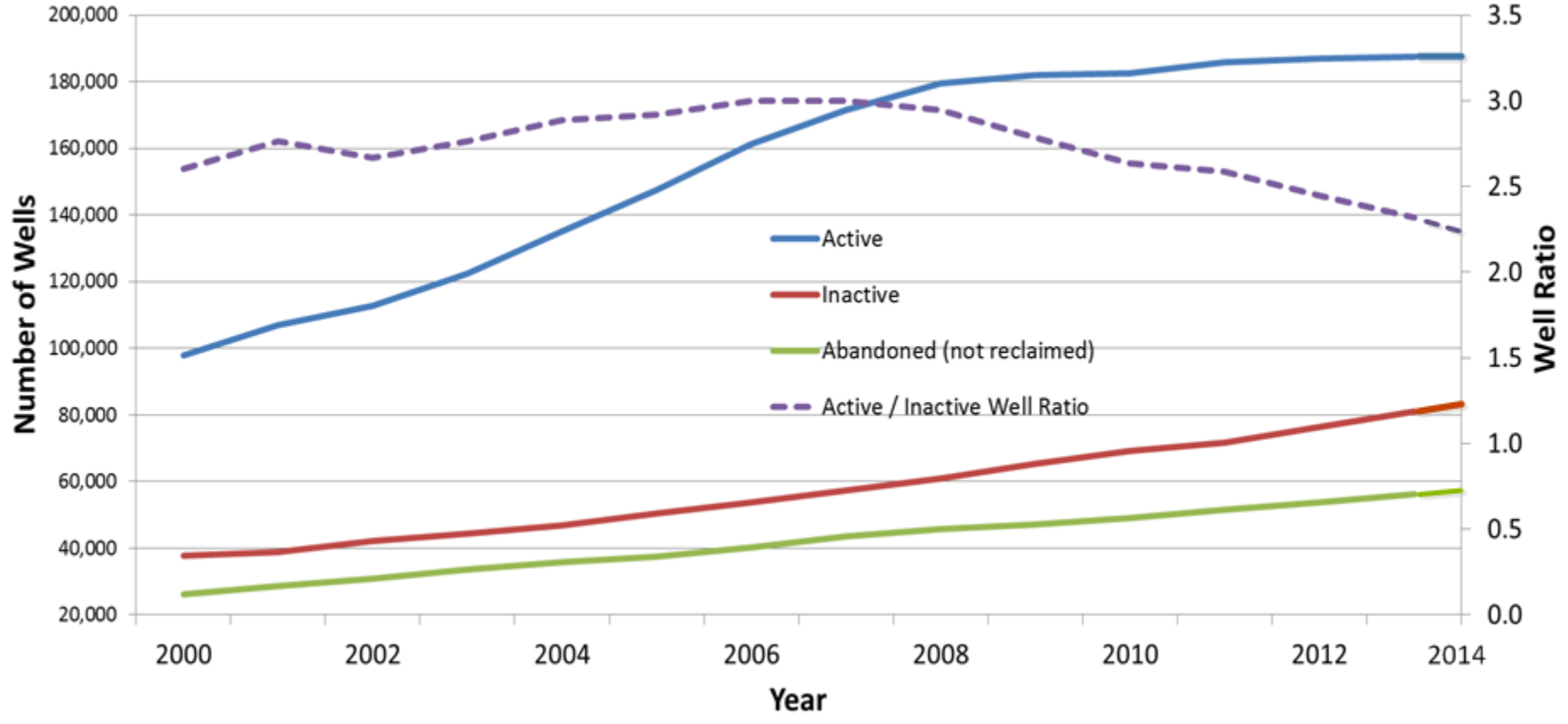
Risks

- Inventory
- Integrity
- Financial Liability
- Reputation

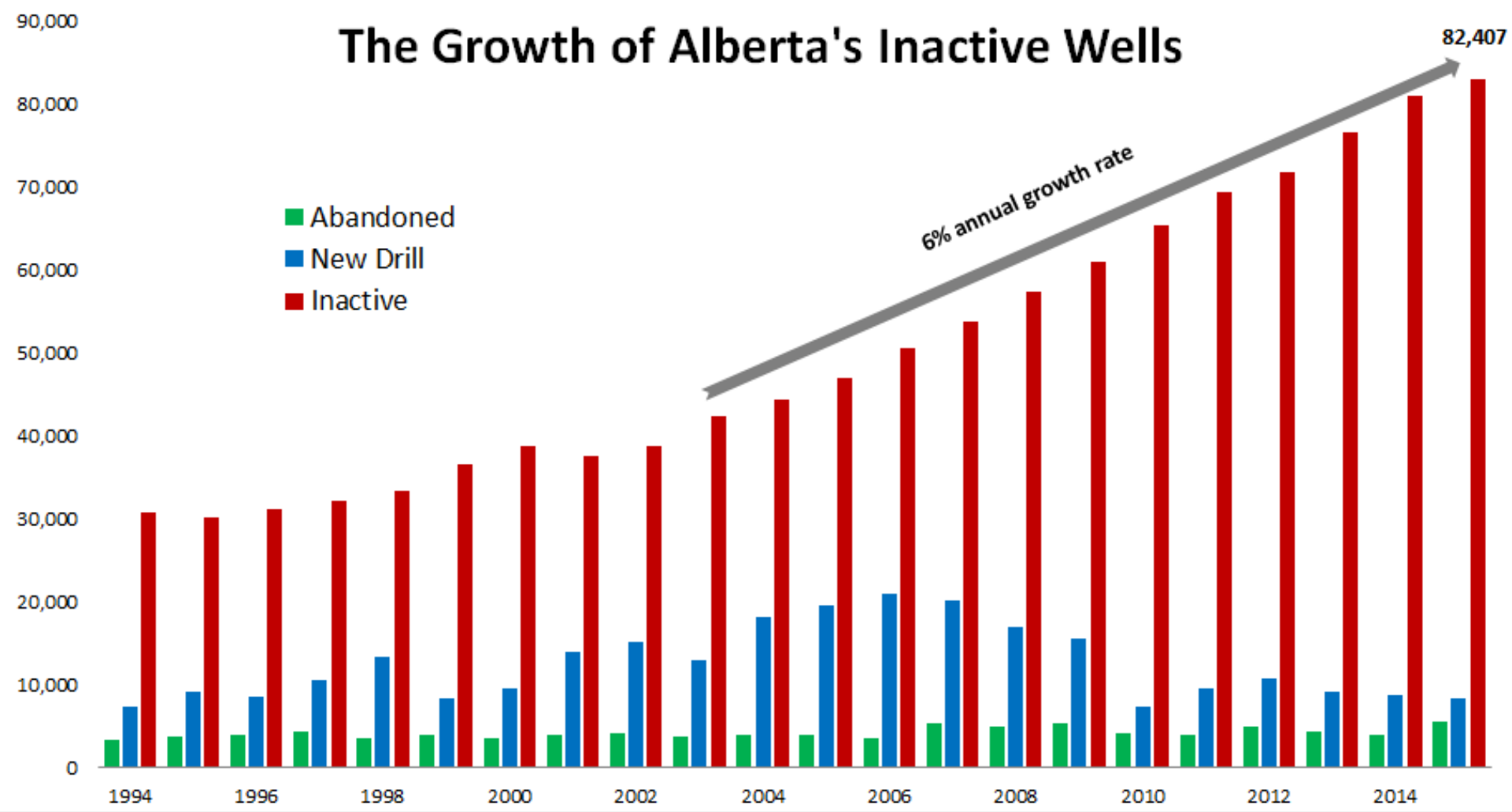
Information and Trends

What is the information telling us?

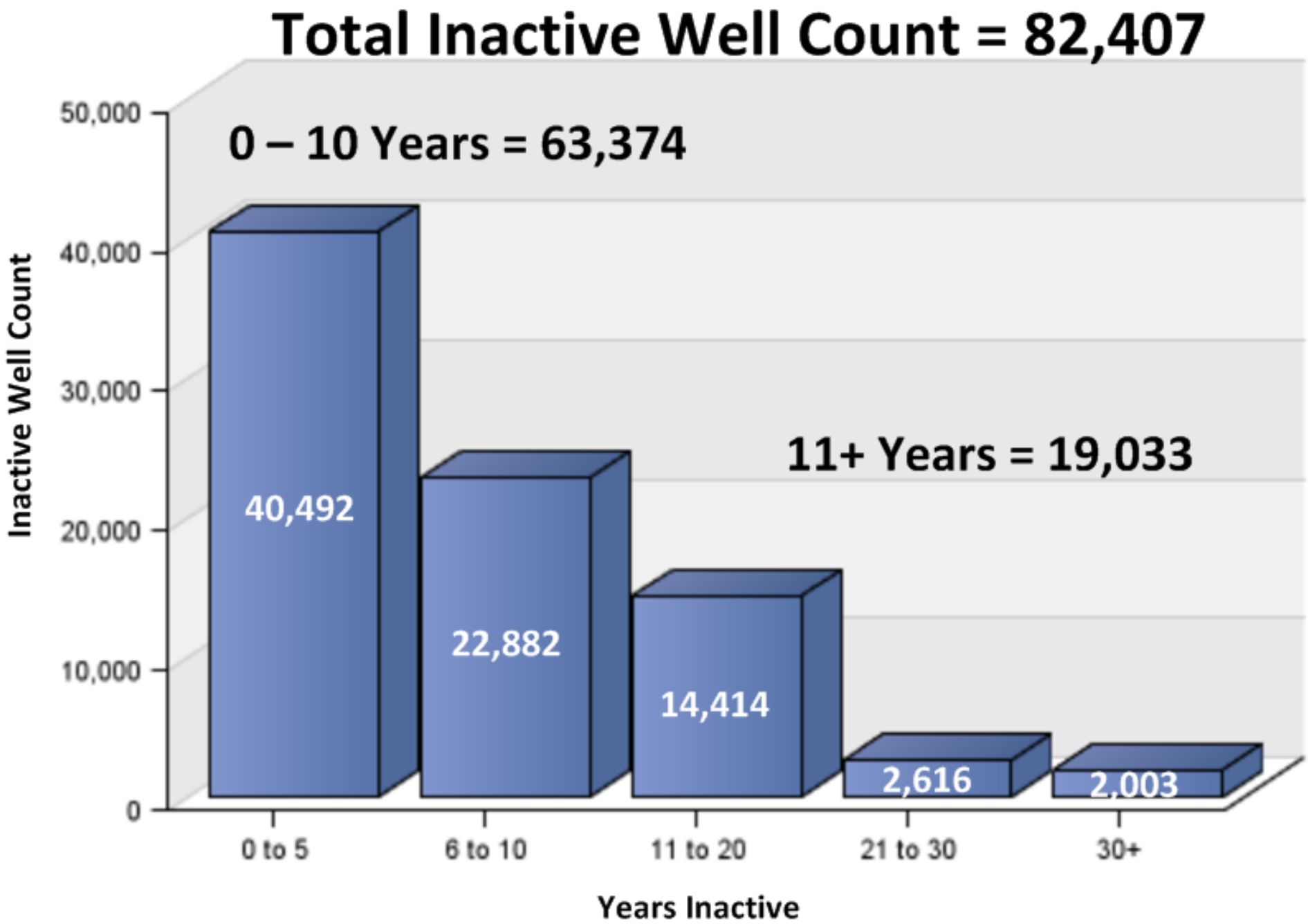
Maturing Basin Well Trends



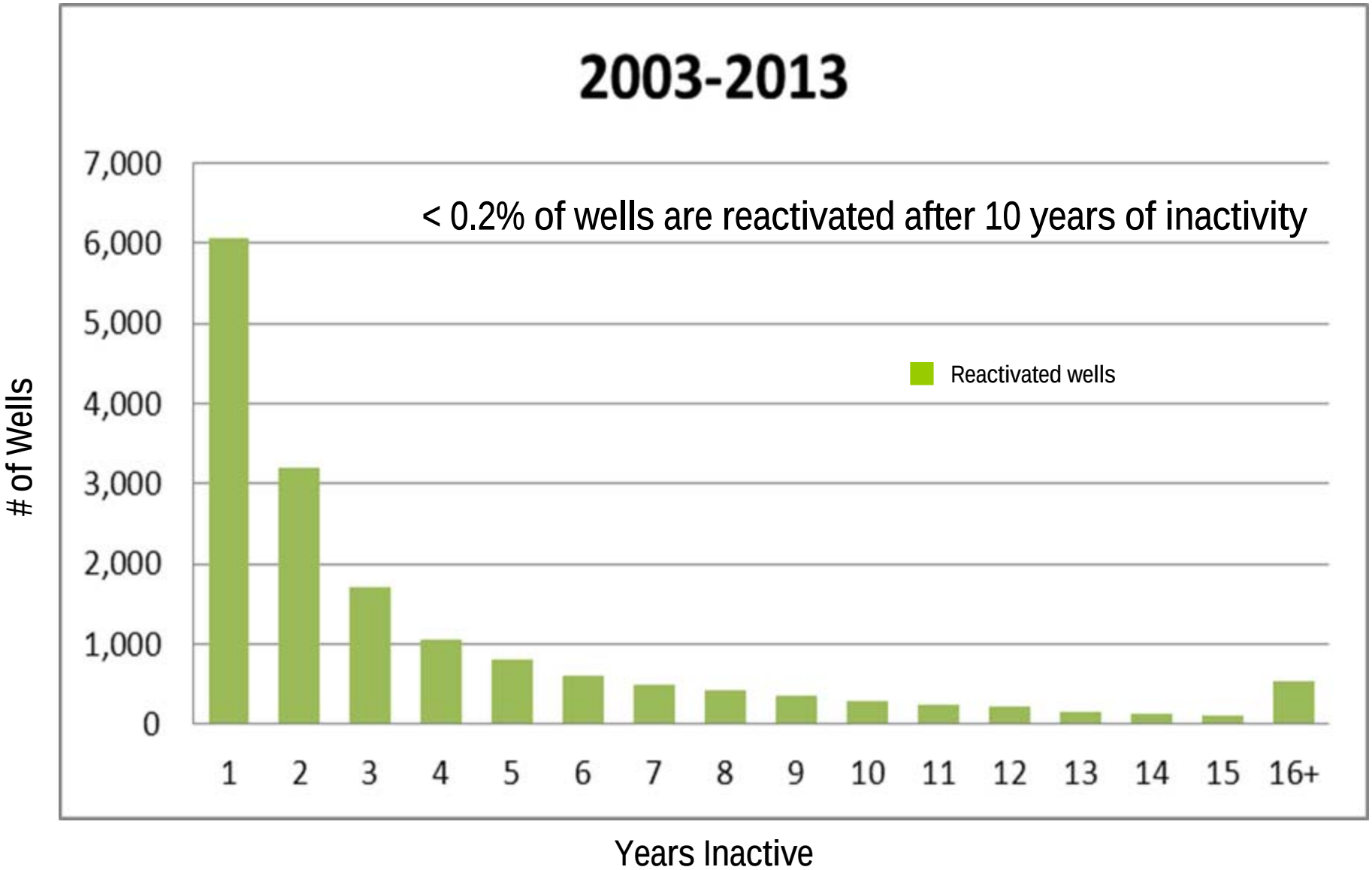
Alberta Energy Regulator



Alberta Energy Regulator

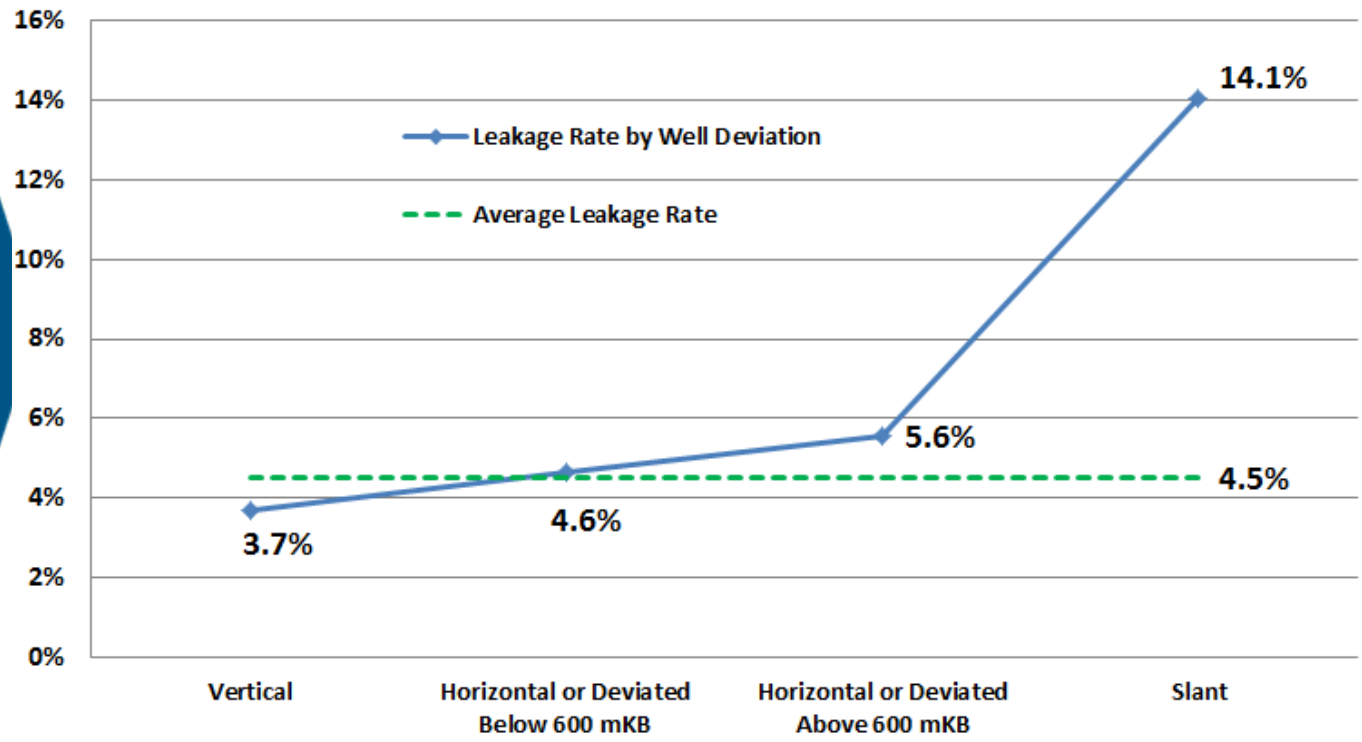

Total Inactive Well Count = 82,407
0 – 10 Years = 63,374
11+ Years = 19,033
40,492
22,882
14,414
2,616
2,003
50,000
40,000
30,000
20,000
10,000
0
Inactive Well Count
0 to 5
6 to 10
11 to 20
21 to 30
30+
Years Inactive

Reactivation of Wells



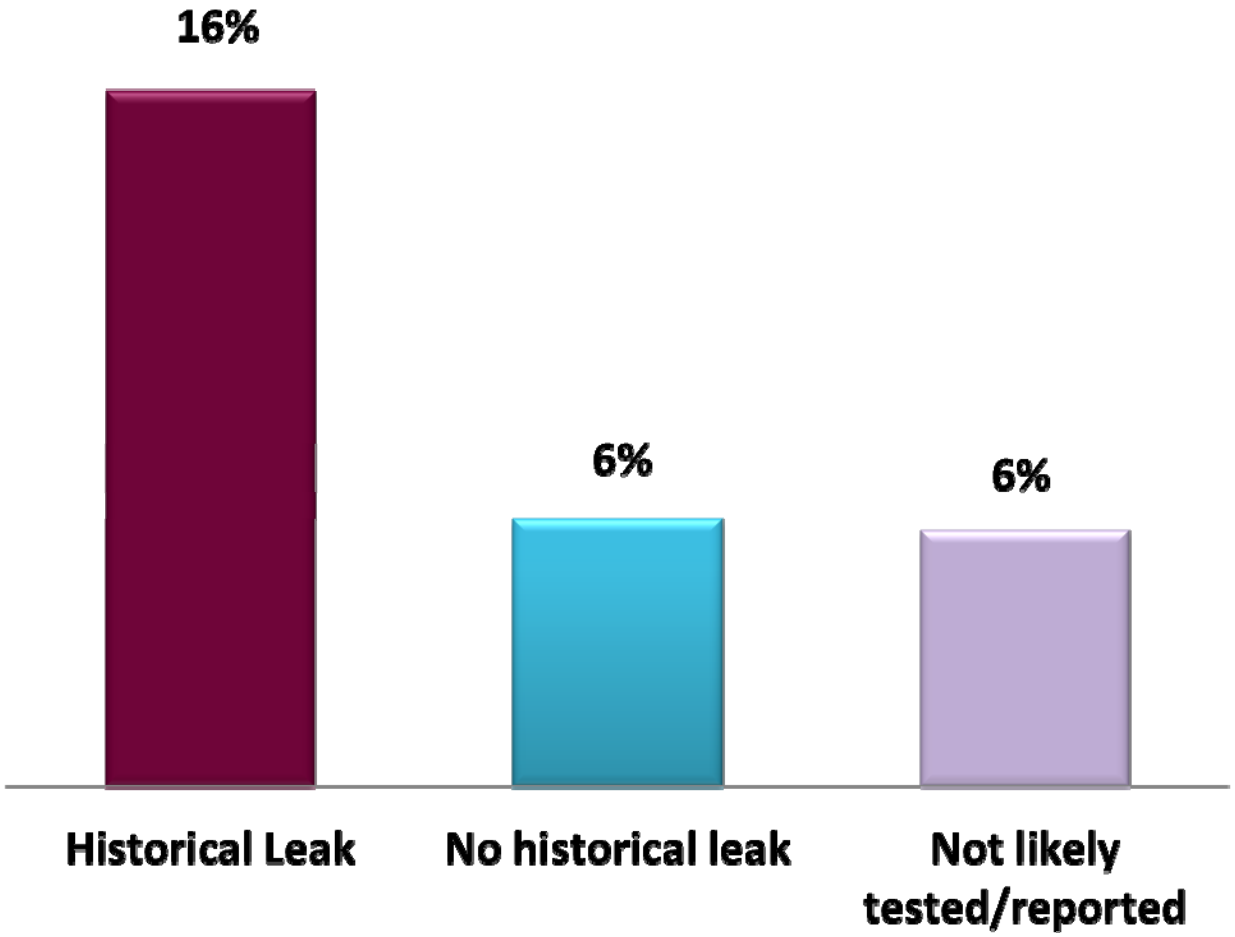
Active & Inactive Wells

Influence of Well Deviation with Cement to Surface



SCVF/GM History

Post Abandonment Leakage



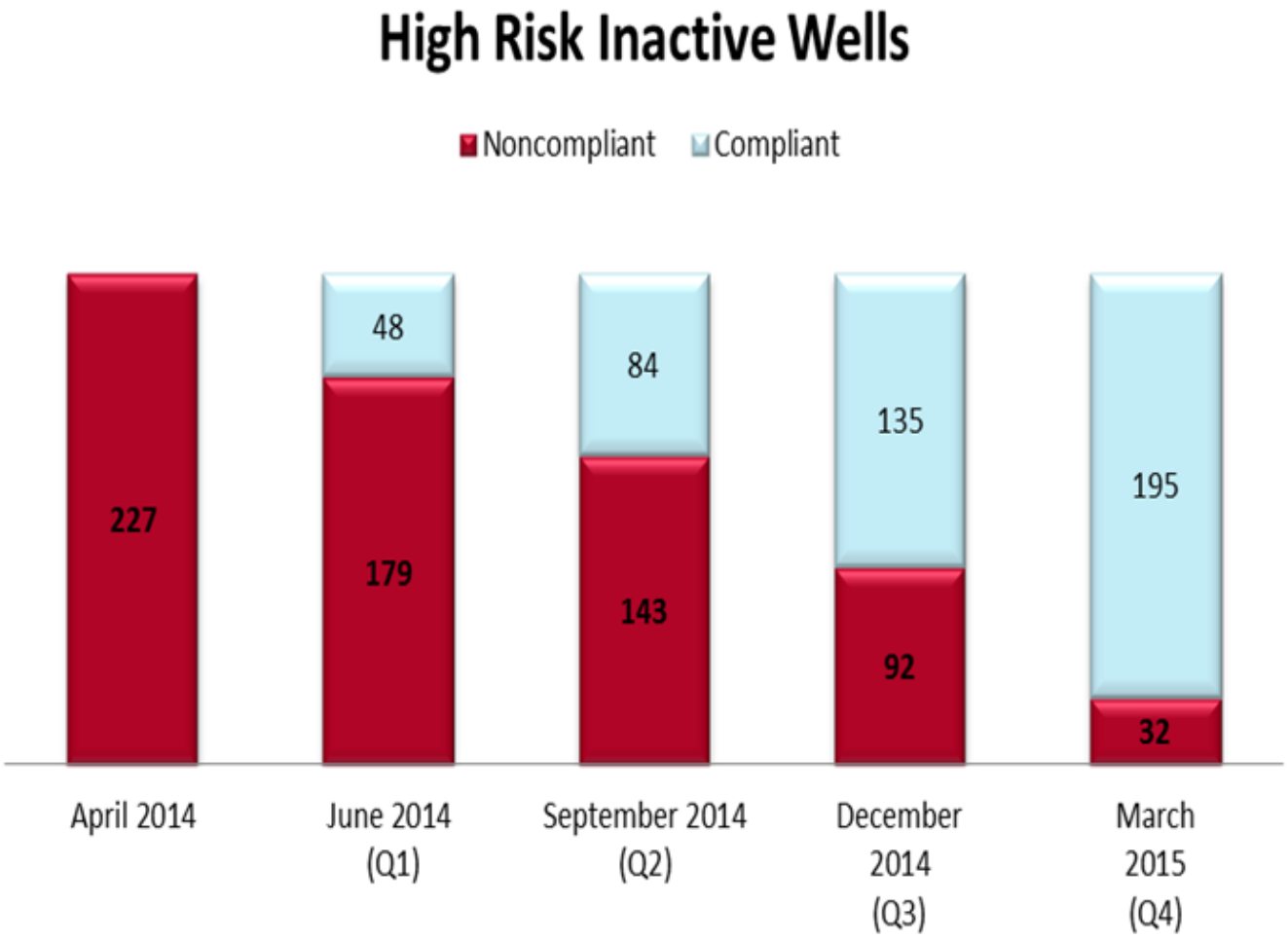
Data collected between 2009 and 2014

- ~1000 wells tested through Directive 079 & abandoned well integrity assessment project
- 84 wells were identified to be leaking (7.7%)

Risk Mitigation

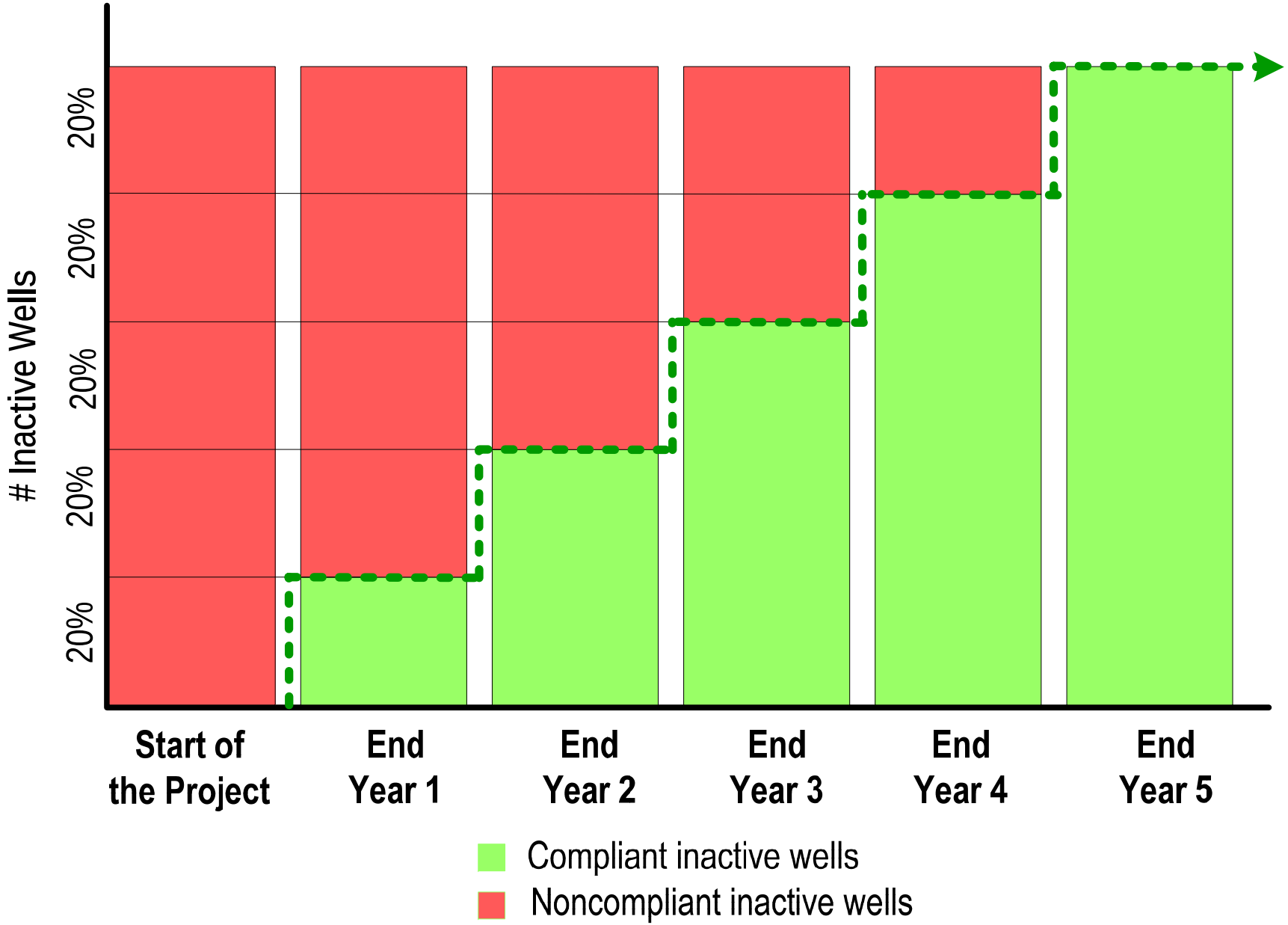
What Are We Doing To Mitigate The Risks?

Current Initiatives

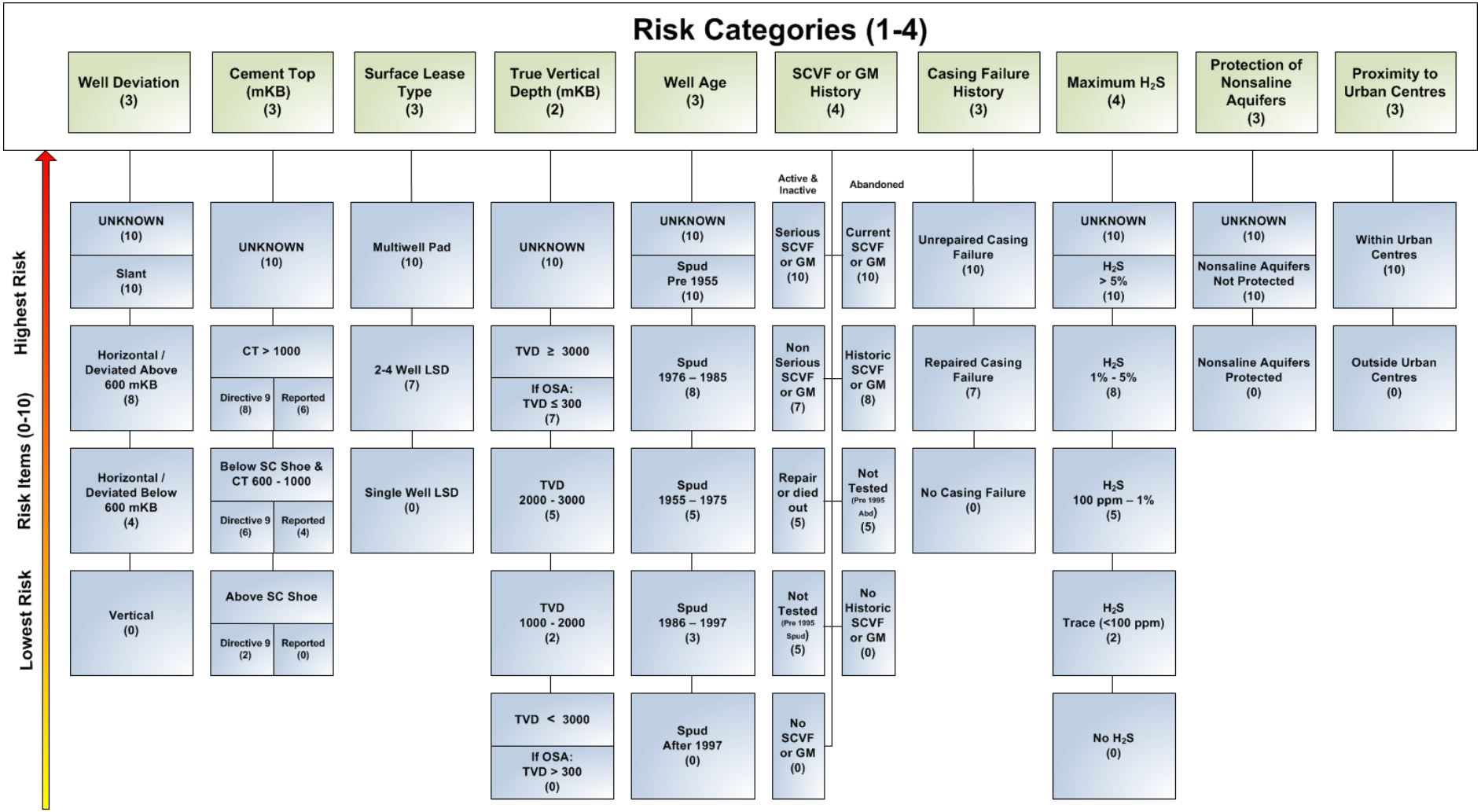


AER

Inactive Well Compliance Program



Well Integrity Risk Assessment Model



Well Risk = Sum (Risk Category Weighting x Risk Item Weighting)

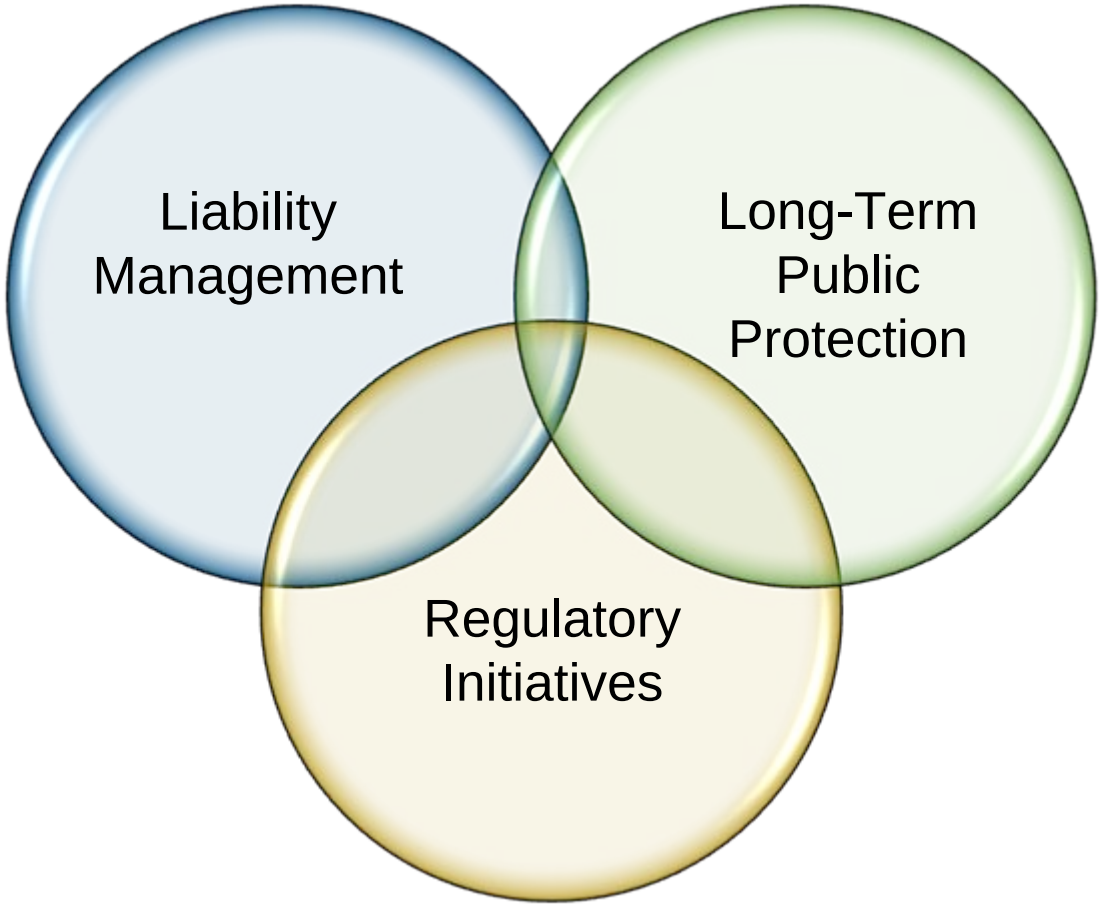
Liability Programs

- Objective: to protect the Alberta public from paying for orphan liabilities arising from wells, facilities and pipelines
- Compares assets to liabilities
  - Security collected when liabilities (abandonment/reclamation) exceed assets (production)

Orphan Well Association

- Legally & financially separate organization
- Industry funded by annual levy (AER has levied $15 million in fiscal 2015-16)
- Conducts closure activities where licensee is defunct.

Healthy and Sustainable Sector



Leading the next era in energy regulation

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