NEWFOUNDLAND & LABRADOR
ONSHORE

Administration

1. Agency regulating oil and gas exploration/production: Department of Natural Resources, Government of Newfoundland and Labrador, P. O. Box 8700, St. John's, Newfoundland, Canada A1B 4J6. Phone: (709) 729-2920; Fax: (709) 729-0059.

2. Contact for regulatory updates: Fred Allen, Director, Regulatory Affairs. Phone: (709) 729-2778.

3. Docketing procedure:


License

1. License required: Exploration Permit.


Bond/Surety

1. Purpose of surety: Petroleum Drilling Regulations, Section 14(a) and 14(b).

2. Plugging and restoration: Petroleum Drilling Regulations, Section 14(a) and 14(b).

3. Compliance bond required: Petroleum Drilling Regulations, Section 14(a) and 14(b).

4. Types of surety accepted: Petroleum Drilling Regulations, Section 14(a) and 14(b).

5. Conditions of bond:
a. Amount per well: Determined on well by well basis; irrevocable Letter of Credit or cash deposit.

b. Amount of blanket bond: Cdn. $10 million operators extra expense insurance.

Land Leasing Information

1. Leasing method: Work commitment (or as noted by the Minister in Request for Bids.)


3. Minimum bidding $ (per acre): None (or as noted by the Minister in Request for Bids.)

4. Qualification of the bidder: As noted in Request for Bids (Deposit of 20% of work commitment.)

5. State statutes: Petroleum and Natural Gas Act, Petroleum Regulations.

6. Maximum acres: 40,000 ha.


Setbacks

1. What rules/regulations/policies does your jurisdiction have regarding well setbacks from private residences and/or other habitable structures for use by humans or animals? N/A.

2. Are there other sources of information on this matter that you could identify? N/A.

Spacing

1. Spacing requirements
   a. Density: Not applicable; based on approved development plan.
   b. Lineal: Not applicable; based on approved development plan.
2. Exceptions
   b. Approval: Under review.

Pooling
1. Authority to establish voluntary: *Petroleum Regulations*. As per approved development plan.
2. Authority to establish compulsory: N/A

Unitization
1. Compulsory unitization of all or part of a pool or common source of supply: As per approved development plan.
2. Minimum percentage of voluntary agreement before approval of compulsory unitization:
   a. Working interest: As per approved development plan.
   b. Royalty interest: As per approved development plan.

Drilling Permit
1. Permits required for:
   a. Drilling a producing or service well: *Petroleum Drilling Regulations* – Drilling Program approval; Authority to Drill a Well. *Petroleum Regulations* “Permittee has right to….drill and test for petroleum”.
   b. Seismic drilling: *Exploration Survey Regulations*.
   c. Recompletion: *Petroleum Drilling Regulations*.
   d. Plugging and abandoning: *Petroleum Drilling Regulations*.
2. Permit fee:
a. Drilling: $1000 issuance fee for Exploration Permit.
b. Seismic drilling: $100 per seismic exploration survey license.
c. Recompletion: None.
d. Plugging and abandoning: None.

3. Require filing report of work performed: Yes.

4. Sundry notices used: N/A

**Vertical Deviation**

1. Regulation requirement:
   a. When is a directional survey necessary: During the drilling of a well at intervals not exceeding 150 m.
   b. Filing of survey required: Yes.
   c. Format of filing: Telex, telegram or by an equivalent means.

**Casing and Tubing**

1. Minimum amount required:
   a. Surface casing: Not less than 150 m.
   b. Production casing: At least 25% of the hole is cased during all drilling operations.

2. Minimum amount of cement required:
   a. Surface casing: 30% greater than the estimated annular volume or if estimate is based on a reliable caliper log, at least 10% greater than estimated annular volume.
   b. Production casing: 30% greater than the estimated annular volume or if estimate is based on a reliable caliper log, at least 10% greater than estimated annular volume.
   c. Setting time: In no case less than 6 hours; 12 hours minimum unless acceptable testing shows compressive strength of at least 3500 kilopascals.

3. Tubing requirements:
a. Oil wells: Regulations being developed.

b. Gas wells: Regulations being developed.

Hydraulic Fracturing

Note: Production and Conservation Regulations for onshore production are being developed. Hydraulic fracturing would be reviewed on a case by case basis and be reviewed through an Environmental Assessment process. Prior approval is required to conduct hydraulic fracturing.

1. Permitting:
   a. Before drilling: See note above.
   b. Before fracing: See note above.
   c. How long before: See note above.

2. Reporting requirements:
   a. Where reported: See note above.
   b. When reported: See note above.
   c. Source water requirements: See note above.

3. Mechanical integrity:
   a. Cementing log required: See note above.
   b. Pressure testing: See note above.
   c. Pressure monitoring: See note above.
   d. Blowout preventer required: See note above.

4. Disposal of flowback fluids:
   a. Retaining pits: See note above.
   b. Tanks: See note above.
   c. Approved discharge to surface water: See note above.
   d. Underground injection: See note above.

5. Chemical disclosure requirement:
a. Mandatory: See note above.

b. Where disclosed: See note above.

c. When disclosed (pre-fracing, post-fracing, both): See note above.

d. Time limit to disclose: See note above.

e. Information required to be disclosed: See note above.

f. Trade secret protection: See note above.

g. Required disclosure to health/emergency personnel: See note above.

Underground Injection

1. Agencies that control the underground injection of fluid by well class: Department of Natural Resources.

Completion

1. Completion report required:

   a. Time limit: Well Termination Record is required within 21 days of the rig release. A detailed Final Well Report is due within 90 days of rig release for an exploratory well and within 45 days for a development well.


2. Well logs required to be filed

   a. Time limit: Submit by the most rapid and practical means.


   c. Confidential time period: Two years after rig release date in the case of an exploration well, or 60 days after rig release date in the case of a development well.

   d. Available for public use: As part of the Final Well Report.

   e. Log catalog available: List of final well reports.

3. Multiple completion regulation:

   a. Approval obtained: Regulation being developed.
4. Commingling in well bore:
   a. Approval obtained: Regulation being developed.

Oil Production

Note: Production and Conservation Regulations for onshore production are being developed. In the interim, oil production is based on approved development plan as required in the Petroleum Regulations.

1. Definition of an oil well: See note above.

2. Potential tests required:
   a. Time interval: See note above.
   b. Witness required: See note above.

3. Maximum gas-oil ratio:
   a. Provision for limiting gas-oil ratio: See note above.
   b. Exception to limiting gas-oil ratio: See note above.

4. Bottom-hole pressure test reports required:
   a. Periodical bottom-hole pressure surveys: See note above.

5. Commingling oil in common facilities: See note above.


7. Production reports:
   a. By lease: See note above.
   b. By well: See note above.
   c. Time limit: See note above.

Gas Production

Note: Production and Conservation Regulations for onshore production are being developed. In the interim, gas production is based on approved development plan as required in the Petroleum Regulations.

1. Definition of a gas well See note above.
2. Pressure base _______ psia @ _______ degrees F. See note above.

3. Initial potential tests:
   a. Time interval: See note above.
   b. Witness required: See note above.

4. Bottom-hole pressure test reports required:
   a. Periodical bottom-hole pressure surveys: See note above.

5. Commingling of gas in common facilities: See note above.


7. Production reports:
   a. By lease: See note above.
   b. By well: See note above.
   c. Time limits: See note above.