

**Canadian Association of Petroleum Producers
Preliminary Comments on Petroleum Drilling and Production Regulations, dated 7 June 2007
Project Working Group response - July 20, 2007**

Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
PART 1 - REQUIREMENTS AND APPROVALS FOR AUTHORIZATION-MANAGEMENT SYSTEM				
4(1) (CAN)	The applicant for shall develop an effective management system that integrates operations and technical systems with the management of financial and human resources to ensure compliance with the Act and these Regulations.	The phrase "the operator shall ensure" or similar phrasing is used many times throughout the document, starting with 4(1). In some places this seems appropriate. For example section 21 "the operator shall ensure that a survey is used..." In this case, the operator can achieve this requirement, for if the first attempt(s) are unsuccessful, the operator can re-run the survey until the requirement is met. In other cases, it is not possible to guarantee certainty. For example, in section 22, the phrase "the operator shall take all reasonable precautions" is used. This recognises that it is impossible to guarantee performance in all situations. On the other hand, immediately above this, section 20 states "the operator shall.....ensure that it is effective during all operations and activities". As an absolute, this is clearly impossible, requiring the operator achieve perfection, without regard to unforeseen circumstances. Any failure to do so would be a contravention of the regulations, without regard to circumstances. Request clarification on the particular rationale behind the use of the absolute phraseology "shall ensure" in clauses that refer to..... These include 4.1 ... This issue was raised in Toronto in May and a comment/explanation has been promised for June 13 th .	The applicant for shall develop an effective management system that integrates operations and technical systems with the management of financial and human resources to ensure <u>facilitate</u> compliance with the Act and these Regulations.	The PWG notes that there are missing words in the draft provision and that it should read "The applicant for <u>an authorization</u> shall develop an effective....." thereby ensuring that the applicant makes the appropriate links to its management system in its application and plans. Once an applicant has received an authorization and operating license, it would be an 'operator' as defined in the draft regulations. The operator, as the holder of the operating license and authorization, is both accountable and responsible to ensure compliance with the Act and the regulation. Accordingly, the draft DP Regs uses the wording "The applicant shall" and "The operator shall ensure".

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4(5) (NL)	The operator shall identify the name of the executive accountable for the management system and the name of the person responsible for implementing the management system.	<p>Concerns with personal liability.</p> <p>People change roles continuously. This will add to the reporting burden. Should specify position and not a name. Key documentation such as Authorizations has signatures which identify the accountable person.</p>	<p>Request clarification.</p> <p>The operator shall identify the position (or "role within the organization") of the person accountable for the management system, and the position (as above) of the person responsible for.....</p>	The PWG agrees with CAPP's comment and further consideration will be given to this issue once all stakeholder comments have been received.
5 (CAN)	<p><i>Documents to be Provided with Application for Authorization</i></p> <p>The application for authorization shall be accompanied by...</p>	<p>Nowhere in this section, or elsewhere in the Draft Regulations, is the disposal of drilling waste, specifically by means of cuttings injection, mentioned. There are several land based development applications presently before the NEB proposing cuttings injection as the prime drilling waste disposal method; however, there are presently no NEB regulations covering this method and none are proposed or discussed in this Draft. There are, similarly, no references to cuttings injection in the Preliminary Draft of the Guidance Notes. Operational and regulatory analogues are available from many sources around the world; however, there is no proposed regulatory framework for the disposal of drilling waste in the north.</p> <p>In the most recent version of the Offshore Waste Treatment Guidelines, cuttings injection receives only a single mention and that relates only to a feasibility evaluation. Nothing is said with respect to the criteria for evaluation of an Application for cuttings disposal. This is particularly important where it relates to the criteria for assessment of protection of potential groundwater sources, permafrost and the environment in general. Discharge to the sea as a means for disposing of drilling waste is not available to those seeking to develop land based resources in the north. Given the strong feelings, locally and in the Northwest Territories generally, concerning the construction and management of drilling waste sumps in the north, there are few options left for drilling waste disposal for northern operators.</p> <p>These Draft Regulations and Guidance Notes are the opportunity for the NEB to propose draft regulations, and open up the discussion with industry and stakeholders, for the evaluation and approval of disposal of drilling waste by cuttings injection, in the absence of any other regulatory framework.</p>		<p>The PWG notes that the appropriate method for disposal of waste can vary by geographic region and project circumstances (offshore, onshore, oil, gas, technical issues etc).</p> <p>Subsection 8(h) requires that the Environmental Protection Plan includes "a summary of all discharge streams and proposed limits for any discharge into the natural environment including any waste material".</p> <p>The definition of "waste material" in the draft DP Regs includes cuttings:</p> <p>"waste material" means any garbage, refuse, sewage or waste well fluids or any other useless material that is generated during drilling, well or production operations, including used or surplus drilling fluid and drill cuttings and produced water.</p> <p>Further, as outlined in section 9 of the draft regulations, operators who wish to drill an injection well, would be required to obtain a well approval:</p> <p>Identification of various options, methods and industry practices for disposal of drilling waste can be efficiently dealt with administratively through an application process or in guidance notes.</p>

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(CAN)	Draft Regulations and Guidance Notes with respect to pipelines	<p>The COGOA definition of "pipeline" in section 2 and the references to processing and transportation in section 4 of the Act make it clear that a variety of pipelines and their construction and operation are intended to be regulated under the COGOA.</p> <p>In addition, in <i>Canada's New Government, The Budget Plan 2007: Aspire to a Stronger, Safer, Better Canada</i> (Ottawa: Department of Finance, Her Majesty the Queen in Right of Canada, 2007), at page 186, the Government of Canada states that:</p> <p>The Canada Oil and gas Operations Act currently does not provide the National Energy Board with the authority to regulate pipeline access, tolls and tariffs. The Board does exercise this authority in relation to pipelines regulated under the national Energy Board Act. The Government will develop, for consultation, legislative amendments to address the discrepancy in the regulatory powers of the Board under these two Acts.</p> <p>The above referenced sections of the COGOA and the quotation indicating the current Government's intention to amend the COGOA and/or the NEB Act to deal with the issue of NEB regulation of access, tolls and tariffs on pipelines the NEB regulates under COGOA make it clear that there is a need for the Draft Drilling and Production Regulations to address expressly various pipeline related matters.</p> <p>At present, though, operators making application to construct such lines are sometimes referred to the provisions of the <i>Onshore Pipeline Regulations</i>, which are not intended to deal with COGOA regulated pipelines. As the drilling of wells for production is pointless unless there is a system to take the product from the field to a processing facility (usually) and then directly to market or, where the product is not to be used within the Frontier lands, to a pipeline regulated under the NEB Act, there needs to be express guidance to operators and potential operators of such pipeline facilities. Regulations providing such guidance would be in accordance both with the clear provisions of COGOA and the intentions of the Government of Canada, as indicated in the excerpt above.</p>		The Frontier and Offshore Regulatory Renewal Initiative (FORRI) is considering this issue separately from the draft DP Regs and will consider the comments provided.

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		<p>The Draft Drilling and Production Regulations and the Draft Guidance Notes, however, are not very explicit with regard to matters concerning the construction and operation of COGOA regulated intra-field pipelines and gathering lines among fields and between production sites and COGOA or NEB Act regulated processing facilities, or inter-jurisdictional pipelines. The Draft Drilling and Production Regulations do not expressly mention pipelines at all. Even section 65 of the Draft Regulations, on Measurement, is silent with respect to pipelines, unless "installations" is interpreted to include them. Achieving that interpretation, however, because of the language of the definitions intended to be incorporated from the <i>Canada Oil and Gas Installation Regulations</i>, may not be straightforward. The Draft Guidance Notes provide express reference to pipelines only at pages 15 (referring the reader to the notes for sections 28 through 31), 41 (where the references are somewhat more helpful but still relatively general), and 86 (with respect to the requirements for an "Annual Production Report").</p> <p>Relevant definitions currently found in the <i>Canada Oil and Gas Installation Regulations</i>, which the Draft Regulations propose to incorporate (per section 1(3)), should be amended to include explicit reference to pipelines regulated under COGOA, as should be the proposed definition of "production facility" and, perhaps, "production platform" in the Draft Drilling and Production Regulations sub-sections 1(4) (a) and (b). The "<i>Installation</i>" regulations definitions, in particular, inter-relate in a complex manner and currently could be considered deficient in regard to their treatment of pipelines.</p>		
6.1 (CAN)	COGOA Draft Guidance Notes-related to section 6	Guidance notes refer to existing guidelines that are prescriptive eliminates the intent of the "Goal Oriented" approach.	Develop guidance notes that adhere to the principle of "Goal Oriented".	<p>Goal-oriented refers to a style of regulations that combines goal-based, performance-based and prescriptive elements.</p> <p>Guidance notes are administrative documents that are not mandatory (as are regulations) and can vary in terms of level of detail. Guidance notes promote clarity by describing a way, or ways, that compliance <u>could be</u> achieved. Guidance notes often vary in terms of the level of detail depending upon the issue.</p> <p>Operators can identify and use approaches other than those described in guidance and are responsible for demonstrating how compliance with the regulations and the Act is achieved.</p>

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6(2) (NL)	The Board shall approve the flow system, the flow calculation procedure and the flow allocation procedure if the applicant demonstrates that they permit the reasonably accurate determination of measurements and, on a pool or zone basis, the production from and injection into individual wells.	<p>What is definition of "zone"? This will be very onerous for allocation. Intent of how this will be used is unclear.</p> <p>Allocation was intended to be done on a pool basis; zone not included in allocation determination.</p> <p>"flow allocation procedure" definition (related to zones)</p>	Remove "Zone" from regulation	The PWG does not agree with CAPP's comment. Zone is defined in the draft DP Regulations as, "any stratum or any sequence of strata to which a name has been designated by the Board pursuant to section 17"
7(b) (NL)	Provide a summary of studies undertaken to identify hazards	There could be a large number of studies, clarify what level (i.e. QRA vs. PHA) is required to satisfy this requirement.	Should read major hazards	<p>The PWG does not agree with CAPP's suggestion.</p> <p>As described in subsection 4 c), the management system must contain processes to identify hazards and to evaluate and manage associated risks. Studies carried out to identify hazards related to an applied-for project could be carried out as part of such processes.</p> <p>Subsection 7(b) requires that the Safety Plan (and similarly in section 8(b), the Environmental Protection Plan) provide a <u>summary</u> of the studies undertaken to identify hazards for the applied-for project [emphasis added]. This summary would be considered along with the information required in 7(c) and 7(d) as part of the application review process.</p> <p>The PWG notes that an operator's management system may contain criteria or other methods to rank or prioritize aspects of safety or the environment and/or potential hazards. Such rankings may be provided in the studies or in the information provided pursuant to 7(c).</p>
7(f)ii (NL)	The name of the executive accountable for the safety plan and the name and position of the person responsible for implementing the safety plan.	People change roles continuously. This will add to the reporting burden. Should specify position and not a name. Key documentation such as Authorizations has signatures which identify the accountable person.	Same wording as in 4(5) for the safety plan.	The PWG agrees with CAPP's comment and further consideration will be given to this issue once all stakeholder comments have been received.

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8(b) (NL)	a summary of the studies undertaken to identify environmental hazards and hazards to the environment and to evaluate environmental risks;	spelling	Change "undertake" to "undertaken"	The Project Working Group agrees with CAPP's comment and the editorial error will be addressed.
8(e)ii (NL)	The name of the executive accountable for the environmental program and the name and position of the person responsible for implementing the environmental protection program.	People change roles continuously. This will add to the reporting burden. Should specify position and not a name. Key documentation such as Authorizations has signatures which identify the accountable person.	Same wording as in 4(5) for the safety plan.	The Project Working Group agrees with CAPP's comment and further consideration will be given to this issue once all stakeholder comments have been received.
8(h) (NL)	The environmental protection plan shall define the procedures, practices, resources, sequence of activities and monitoring to manage hazards to and protect the environment from the proposed work or activity and include a summary of all discharge streams and proposed limits for any discharge into the natural environment including any waste material;	Treated sewage is not currently and should not have to be calculated in future.	The definition of Waste Material would have to change, or exempted in these regulations.	<p>The PWG notes CAPP's concern. Waste material, as defined in the existing P&C Regs and these draft DP Regs, includes sewage. It should also be noted that the current P&C Regs (e.g. section 57 of the COGOA version) is in relation to sewage treatment.</p> <p>The PWG notes that the draft provision does not require a calculation of the quantity of waste material or that each stream be necessarily measured/analyzed; rather the draft provision requires the identification of the discharge stream and the proposed limits for any discharge to the natural environment.</p> <p>It is suggested that CAPP provide additional clarity around the nature of the concern about the inclusion of sewage, along with any suggested modifications and rationale.</p>
9(1) (NL)	Subject to subsection (2), the operator who wishes to drill a well, perform a well test, re-enter, workover, complete, recomplate, suspend or abandon a well must obtain a well approval.	<p>A well approval should not be required for a well test to a production facility.</p> <p>Well test as referenced in this regulation should be formation flow test.</p>	Change well test to formation flow test	<p>The PWG will consider ways to clarify the use of 'well test' in this provision. Please note that the approval related to a formation flow test is pursuant to section 57.</p> <p>The PWG will also consider ways to clarify 're-enter' in relation to the other activities in the draft provision.</p>
9(1) (CAN)	Subject to subsection (2), the operator who wishes to drill a well, perform a well test, re-enter, workover, complete, recomplate, suspend or abandon a well must obtain a well approval.	Re-enter should be defined somewhere in the regulations.		<p>The PWG does not agree that 're-enter' needs to be defined, as it is a well understood industry term.</p>

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9(2) (CAN)	<p>A well approval is not necessary to conduct a wire line or coiled tubing operation through a Christmas tree located above sea level if</p> <p>a) the work does not</p> <ol style="list-style-type: none"> i) alter the completion interval, ii) adversely affect recovery of oil or gas, or iii) result in damage to the completion equipment or pressure-retaining barriers; and <p>b) the equipment, operating procedures and qualified persons exist to conduct the wire line or coiled tubing operations as set out in the authorization.</p>	<p>(2) Normally wire line or coiled tubing work would constitute a re-entry.</p> <p>(2) What about through tubing work with other tools than wire line or coiled tubing (e.g. jointed tubulars/snubbing)? In principle there is no difference between a re-entry with a wire line, coil tubing or snubbing unit or even jointed tubulars, assuming that the necessary barriers are in place.</p> <p>(2) There should be a minimum common industry level for cutting capabilities.</p> <p>(2) (a) (iii) Such damage would be unintentional and not planned for at the time when an approval would be sought.</p>	<p>(2) The regulations should contain some requirements to cutting capabilities of the well control system in the case of re-entries/interventions.</p> <p>(2) (a) (iii) An alternative formulation would be to state that the planned operation should not negatively affect the barrier integrity of the well.</p>	<p>The PWG is of the view that this draft provision is appropriate. Additional details can be placed in guidance notes.</p>
10 (NL)	<p>If the well approval sought is to drill a well, the application shall contain a detailed description of the drilling program, including a well data acquisition program that allows for the collection of sufficient cutting and fluid samples, logs, conventional cores, side wall cores, pressure measurements and formation flow and well tests, analyses and surveys to enable a comprehensive geological and reservoir evaluation to be made.</p>	<p>Request clarification-it appears that this is a step back from the current regulations.</p>		<p>The PWG does not agree with CAPP's comment.</p> <p>The PWG notes that this provision contains 2 broad requirements: i) a detailed description of the drilling program including ii) the well data acquisition program.</p> <p>No prescription is present related to the drilling program, as the PWG recognized that information requirements often vary from project to project (including well type) and can be effectively dealt with administratively (such as through the application process or in guidance notes).</p>

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10 (CAN)	If the well approval sought is to drill a well, the application shall contain a detailed description of the drilling program, including a well data acquisition program that allows for the collection of sufficient cutting and fluid samples, logs, conventional cores, side wall cores, pressure measurements and formation flow and well tests, analyses and surveys to enable a comprehensive geological and reservoir evaluation to be made.	<p>Concerned about the lack of distinction between exploration, development and infill wells in this and several other instances in the regs.</p> <p>Some of these requirements seem onerous for just infill wells.</p>		<p>With respect to the well data acquisition program, as background, this draft provision is based in the current P&C Regs and was one of the original goal-oriented provisions (please see section 95(1) of the April 2005 draft goal-oriented sections).</p> <p>CAPP's comments on the original 95(1) submitted that not every well drilled (exploration, appraisal or production well) needs to conduct or collect all of the data acquisition information. The PWG acknowledged this in its March 2006 response when it noted that, "if the gathering of a certain type of data is not required or necessary, then not collecting that data would be "sufficient".</p> <p>Upon further consideration, the PWG moved the well data acquisition program requirement to Part 1 (application for a well approval) to improve regulatory efficiency. With this structure, operators would be able to 'tailor' the well data acquisition program to the type of well being applied for rather than requesting an exemption from certain parts of the provision.</p> <p>Guidance notes will discuss both the drilling program and the well data acquisition program.</p>
11(1) (CAN)	If the well approval sought is to perform a well test, re-enter, work over, complete, recompleat, suspend or abandon a well; the application shall contain a detailed description of the well, the proposed work or activity and the rationale for conducting it.	Re-enter is not included in definitions and appears ambiguous.	Re-enter should be defined somewhere in the regulations.	<p>The PWG will consider ways to clarify 're-enter' in relation to the other activities in the draft provision and ensure consistency with section 9(1).</p> <p>The PWG does not agree that 're-enter' needs to be defined, as it is a well understood industry term.</p>

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11(2) (CAN)	If the well approval sought is to suspend a well, the application shall contain the time period within which the suspended well be abandoned or completed.	Bearing in mind that most development wells have a defined design life, it may be reasonable to set the maximum time relative to this. Other wells do not normally have a design life, but unless permanent barriers such as cement plugs are used, there should be some consideration as to the life of the barriers.	There should be a maximum time for well suspension, depending on the barriers put in place.	The PWG is of the view that this draft provision is appropriate. The approach provides flexibility as it allows the operator to specify the proposed time period in its application for a well approval, based on the specific project circumstances. Additional clarity can be provided in guidance notes.
12(2) (NL)	The operator shall ensure that the Board is notified at least 48 hours before the time the operator intends to conduct a well operation for which a well approval has been granted.	Increased reporting. There are currently many means that the board is kept up to speed with schedules for activity.	Delete	The PWG agrees with CAPP that this draft provision could be removed and be effectively dealt with administratively. The PWG notes that the daily drilling report (section 88) should include this type of information.
13(1)(c) (NL)	The Board may suspend the well approval if the operator has failed to comply with any approval issued by the Board under these Regulations, other than the well approval.	Potentially confusing wording. Intent is unclear.	Delete "other than the well approval".	The PWG acknowledges CAPP's comment and will re-evaluate the wording of this draft provision to ensure clarity, once all stakeholder comments have been received.

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13(1) (CAN)	The Board may suspend the well approval if a) the operator fails to comply with the conditions of the approval and the work cannot be conducted safely, b) the safety of the work or activity becomes uncertain because i) the level of performance of the rig, service or ancillary equipment or any support craft is demonstrably less than the level of performance indicated in the application; or ii) the physical environmental conditions encountered in the area of the activity for which the well approval was granted are more severe than those predicted by the operator; or c) the operator has failed to comply with any approval issued by the Board under these Regulations, other than the well approval.	Which action is the Operator required to take after suspension of the well approval; i.e. will he be allowed to continue progress on the well while working to remedy the situation?		The PWG acknowledges CAPP's comment and will re-evaluate the wording of this draft provision to ensure clarity on requirements following suspension, once all stakeholder comments have been received. For both 13(1) and 13(2), the processes associated with either suspension or revocation of a well approval would be administrative in nature.
13(2) (NL)	The Board may revoke the well approval if the operator fails to remedy the situation resulting in the suspension within 120 days of the date of the suspension.	Potentially confusing wording. Intent is unclear.	Delete "resulting in the suspension".	This provision provides the Board with the authority to revoke the well approval with clear criteria and timeframe. Processes and actions required from an operator associated with well revocation would be administrative in nature.
13(2) (CAN)	The Board may revoke the well approval if the operator fails to remedy the situation resulting in the suspension within 120 days of the date of the suspension.	Which action is the operator required to take after revocation of the well approval and within which timeframe?		Additional clarity can be provided in guidance notes. The PWG acknowledges the editorial issues with the draft provision and notes that it should read "remedy the situation <u>that resulted</u> in the suspension".

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15 (NL)	For the purposes of subsection 139(3) of the Act, Part II of the development plan relating to a proposed development of a pool or field shall contain a resource management plan.	More onerous with addition of Resource Management Plan; a definition of Resource Management Plan is required.	Should be subsection specifying content of such a plan.	The PWG does not agree with CAPP's proposal of adding an additional subsection. Additional details on the content of a reservoir management plan can be dealt with administratively. Additional clarity can be provided in guidance notes.
PART 2 – GENERAL PROVISIONS				
16 (NL) (CAN)	The Board may at any time designate or change the name, classification or status of any well.	<p>No change should occur until there is dialogue between the Board and the operator and due notice is given.</p> <p>Is it to be understood that the Board may change the status of the well even after permanent abandonment has been approved? E.g. after a license has been relinquished. What is the legal responsibility of the operator if a leak should develop after permanent abandonment has been approved? May have considerable economic consequences for the operator.</p>	Request clarification	The PWG notes that the ability of the Board to designate or change a name of a well is consistent with current legislation and is necessary for proper resource management. Currently, the operator is consulted prior to such a change.
17(1) (NL)	The Board may designate or change the name of a pool, zone or field.	Need to ensure that it is only the name of a zone/pool and not the reservoir interval designated as belonging to a particular zone or pool that can be changed; there needs to be dialogue between the Board and the operator and changes cannot be arbitrary.	Request clarification	

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19(1) (NL)	The operator shall keep a copy of the authorization, well approval, the Act and the regulations made there under, safety plan and environmental protection plan at the installation and make them available for examination at the request of any person at the installation.	Clarify if electronic copy is acceptable.	A copy of the authorization, well approval, the Act and the regulations made there under, safety plan and environmental protection plan are to be made readily available for examination at the request of any person at the installation.	The PWG notes that the medium in which the copy is maintained should allow for examination, as required by the draft provision, while allowing for changes in technology. Therefore, guidance notes can be used to communicate information about appropriate media. In general and at present, the medium could be paper, magnetic, electronic or optical computer disc, photograph or master sample, or a combination thereof.
20 (NL)	The operator shall maintain the management system referred to in section 4 to ensure that it is effective during all operations and activities.	Wording is different in C-NLOPB version as compared to COGOA. NEB to please explain differences.		The PWG will ensure consistency among the three versions of the draft DP Regs and notes that section 20, at left, should say "The operator shall <u>ensure that the management system is maintained</u> etc.".
22(e) (NL)	The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including all persons at an installation or in transit to or from an installation have received instruction and are familiar with safety and evacuation procedures and with their responsibilities in contingency and emergency response plans;	Some of the installation specific instruction is done upon arrival at the installation.	All persons at an installation or in transit to or from an installation have received instruction and are familiar with safety and industry evacuation procedures. Installation specific evacuation procedures and personal responsibilities in contingency and emergency response plans will be addressed upon arrival at the installation.	The PWG agrees with CAPP's concern and further consideration will be given to the appropriate wording for this section once all stakeholder comments have been received.
22(g) (NL)	The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including if there is loss of control of a well at an installation, all other wells at that installation are shut in until the well that is out of control is secured;	It may not always be appropriate to shut in all wells-environmental impact could also be reduced by producing offset wells to deplete reservoir pressure quicker and thus establish well control quicker. Wording is different in C-NLOPB version as compared to COGOA. NEB to please explain differences.	Replace "all other wells at that installation are shut in ..." with "appropriate reservoir management controls are established to bring the well under control and minimize environmental impact".	The PWG acknowledges CAPP's comment and further consideration will be given to this issue once all stakeholder comments have been received. The PWG will ensure consistency among the three versions of the draft DP Regs and notes that subsection 22(g), at left, is worded as intended.

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22(h) (NL)	The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including plans have been made and equipment is available to deal with all abnormal situations that may be anticipated;	This is a very broad statement and sets an expectation that plans and equipment will be "available" for activities outside "normal".	Suggest removal of this regulation.	The PWG does not agree with this comment and notes that the second half of this provision is from the current Drilling Regulations (e.g. see section 100(6) of the COGOA version).
22(i) (NL)	The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including (i) all equipment required for safety and protection of the natural environment is available for use and in an operable condition;	If the intent is that "waste" should mean "waste material" as per the COGOA guidance notes then the paragraph should be reworded as waste material will be produced under normal circumstances.	Add...safely and without causing pollution <i>or unauthorized disposal of waste material.</i> Alternatively, this sentence could end after pollution as this adequately covers the goal.	The PWG wonders if CAPP's comments at left were intended for subsection 22(l), below, rather than subsection (i). If so, please see 22(l), below. If not, please provide additional clarity and explanation about the nature of CAPP's concerns and the rationale for any suggested revisions.
22(j) (NL)	The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including (j) the inventory of all equipment identified in the safety plan and the environmental protection plan is updated after the completion of any significant modification or repair to any major component of the equipment;	Doesn't allow for mitigation measures to achieve the goal of safety and environmental protection. The regulation should allow for equipment to be out of service as long as measures are adopted to mitigate the impact.	Add... <i>or necessary mitigation measures have been taken to ensure that there is no adverse impact on safety and protection of the natural environment.</i>	The PWG notes that the operator is responsible for ensuring compliance with the regulations and the Act, including the identification and implementation of any necessary mitigative measures. With respect to CAPP's second comment about out of service equipment, the PWG refers CAPP to section 31 of the draft DP Regs. Additional clarity on the nature of CAPP's concerns and the rationale for any suggested changes is requested.

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22(k) (NL)	<p>The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including</p> <p>(k) the administrative and logistic support that is provided for drilling, well or production operations includes accommodation, transportation, first aid and storage, repair facilities and the communication systems suitable for the area of operations;</p>	<p>What is the intent or goal of this paragraph?</p> <p>Request clarification</p>		<p>The PWG considers that the wording of subsection (k) is clear. Please provide additional information about the nature of CAPP's concern and the rationale for any suggested modifications.</p>
22(l) (NL)	<p>The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including</p> <p>(l) that a sufficient number of trained and competent individuals are available to complete the authorized work or activities and carry out any work or activity safely and without causing pollution or waste.</p>	<p>If the intent is that "waste" should mean "waste material" as per the COGOA guidance notes then the paragraph should be reworded as waste material will be produced under normal circumstances.</p>	<p>Add...safely and without causing pollution or unauthorized disposal of waste material.</p> <p>Alternatively, this sentence could end after pollution as this adequately covers the goal.</p>	<p>The PWG wishes to clarify that 'waste' as used throughout in the draft DP Regs (including this provision) refers to the definition of waste in the Acts and is in relation to resource management/conservation. It should be distinguished from the use of 'waste material' which has a different meaning as defined in the draft DP Regs.</p> <p>The PWG agrees that subsection (l) could be ended after the word 'pollution' and will consider this issue once all stakeholder comments are received.</p>
23(2) (NL)	<p>A passenger on a helicopter, supply vessel or any other support craft engaged in a drilling or production operation shall comply with all applicable safety instructions.</p>	<p>Clarify "applicability".</p> <p>Is this within the Board's jurisdiction?</p>	<p>Add to read ...comply with all applicable safety instructions "while in C-NLOPB jurisdiction".</p>	<p>The PWG considers this provision to be within the jurisdiction of the Act and regulations.</p> <p>Of note, this provision comes from the existing Drilling Regulations (e.g. see section 154 of the COGOA version).</p> <p>The PWG may edit this provision to ensure consistency with the defined terms 'drilling program' and 'production project'.</p> <p>The PWG considers that the use of 'applicable' provides adequate clarity that the instructions being referred to are those that are applicable to the passengers (as opposed to any/all safety instructions).</p>

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Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
24(1) (NL)	The operator shall ensure that no person smokes on an installation except in those areas set aside by the operator for that use.	Operator may not always have contractual powers to change this on an installation that it does not own. The installation owner (contractor) should be responsible.	The operator shall <i>have a defined policy and procedures to prevent smoking</i> on an installation except in those areas set aside by the operator for such use <i>and to adequately address contravention to this policy</i> . The installation owner shall ensure that no person smokes on an installation except in those areas set aside by the installation owner for that use.	The PWG acknowledges CAPP's comment and further consideration will be given to this issue once all stakeholder comments have been received. Of note, the operator, by definition, holds the operating license and authorization, and is therefore both accountable and responsible to ensure compliance with the Act and regulation.
24(2) (NL)	No person shall smoke on an installation except in those areas set aside by the operator for that use.	It is impractical for an operator to ensure that no person smokes on the installation outside of the specific areas.	No person shall smoke on an installation except in those areas set aside by the installation owner for that use.	
24(1&2) (CAN)		Adherence to safety and working environment requirements in general is the responsibility of the operator and will be included in his management system. This particular article is detailed and prescriptive and only targets one particular item. There will be a large number of applicable rules at any installation and this is just one of them. What makes this so special that it has to be specifically stated? In today's Canadian society it appears to be an obvious statement.	It is proposed to remove this article.	
26 (NL)	The operator shall ensure that all chemical substances, including process fluids and diesel, waste material, drilling fluid and drill cuttings generated at an installation do not create a hazard to the safety of persons or to the natural environment.	"Hazard" needs to be defined. There could be a large degree of subjectivity applied to the actions required in response to this regulation.	A definition for the word "hazard" should be provided as noted under definitions.	The PWG acknowledges CAPP's comment and is continuing to look at this in the context of the proposed OHS Accord Act amendments. The PWG will provide a response after the close of the stakeholder comment period.
PART 3 – EQUIPMENT AND OPERATIONS				

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Preliminary Comments on Petroleum Drilling and Production Regulations, dated 7 June 2007
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Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
28(a) (NL)	The operator shall ensure that all installations, equipment, facilities and support craft are designed, constructed, tested, maintained and operated to prevent accidents, incidents, pollution and waste under the maximum load conditions that may be reasonably anticipated during any operation	In cases where the installation is not owned by the operator (e.g. MODU's), the legal responsibility for contractors to maintain and operate their equipment as specified will be removed by this regulation.	The installation owner shall ensure that all installations, equipment, facilities and support craft are designed, constructed, tested, maintained and operated to prevent accidents, incidents, pollution and waste under the maximum load conditions that may be reasonably anticipated during any operation	The operator, by definition, holds the operating license and authorization, and is therefore both accountable and responsible to ensure compliance with the Act and regulation.
28(b) (NL)	The operator shall ensure that records of maintenance, tests and inspections are kept	In cases where the installation is not owned by the operator (e.g. MODU's), the legal responsibility for contractors to maintain and operate their equipment as specified will be removed by this regulation.	The installation owner shall ensure that records of maintenance, tests and inspections are kept.	
29 (NL)	The operator shall ensure that a comprehensive inspection that includes non-destructive examination of critical joints and structural members of an installation and any critical drilling or production equipment is made at least once in every five-year period and a report prepared in respect of that inspection.	In cases where the installation is not owned by the operator (e.g. MODU's), the legal responsibility for contractors to maintain and operate their equipment as specified will be removed by this regulation. Testing period of five years may not apply to all equipment listed and does not adequately define the goal associated with the interval.	The installation owner shall ensure that a comprehensive.....	
30(a) (NL)	The operator shall ensure that corrosion and erosion of the components of an installation and of well tubulars and wellheads at an installation are monitored in accordance with good engineering practices.	Not practical to monitor corrosion or erosion of subsea wellheads, tubulars. Subsea wellheads and tubulars need to be designed for erosion/corrosion.	Remove well tubulars and wellheads OR reword to highlight need for design.	The PWG is of the view that the existing wording is appropriate. Guidance notes can assist in providing additional clarity for monitoring corrosion and erosion. Please note that section 28 addresses design requirements.
31 (CAN)	The operator shall ensure that any defect in the installation, equipment, facilities and support craft that may be a hazard to safety or the natural environment is immediately rectified.	What is the definition of immediately and may work continue, provided involved equipment is not used (ref. Item 27)?		The PWG is of the view that the existing wording is appropriate and that 'immediately' is an understood term. Guidance notes can assist in providing additional clarity.

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Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
33(2) (CAN)	Every marine riser shall be supported in a manner that effectively isolates it from the forces caused by the motion of the installation	Although the riser suspension system reduces the forces from installation movement, it is not possible to completely eliminate the forces.	It is proposed to replace the word "isolates" by "protects" or "compensates".	The PWG agrees with CAPP's comments and further consideration will be given to the appropriate wording for this draft provision once all stakeholder comments have been received.
33(2) (NL)	Every marine riser shall be supported in a manner that effectively isolates it from the forces caused by the motion of the installation.	Where a marine riser is in use a compensator will always be used. Is it necessary to state this?		
34(2) (NL)	The operator shall ensure that the fluid content and the characteristics of the lithology of the formations being drilled are continuously monitored during drilling and that the monitoring techniques can detect the pressure transition zone between normally and abnormally pressured formations.	There is an expectation that the monitoring and prediction process "can detect pressure transition zone...". Monitoring is acceptable, however cannot guarantee the result.	".....monitoring techniques are utilized to detect the pressure transition zone between normally and abnormally pressured formations where practicable."	<p>The PWG does not agree with CAPP's suggested modification and considers that an abnormal detection program is good oilfield practice.</p> <p>Operators are responsible to ensure compliance with the regulations and demonstrating how they have achieved compliance.</p> <p>It should be noted that the draft provision requires that the monitoring techniques allow for the detection of the pressure transition zone (can detect). Failure to detect would not necessarily result in non-compliance with regulations. Should the techniques fail to detect a pressure transition zone, the operator would be responsible for demonstrating the adequacy and effectiveness of its techniques in relation to the circumstance.</p>
37.1 (NL)	The operator shall ensure that (a) a formation leak-off test or a formation integrity test is conducted before drilling no more than 10 m below the shoe of any casing other than the conductor casing; and (b) the formation leak-off test or the formation integrity test is conducted to a value that allows for safety drilling to the next planned casing depth.	Naming casing strings is sometimes confusing. Deepwater wells can have secondary conductor.	(a) the formation leak off test or formation integrity test is conducted.....of any casing string where the BOP stack is in place..	The PWG is of the view that the existing wording is appropriate. Guidance notes can assist in providing additional clarity.

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Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
38.(2) (CAN)	The operator shall ensure that the rated working pressure of formation flow test equipment and related equipment is at least equal to the maximum anticipated shut-in formation pressure.	Typically, the separator and other temporary flow test equipment have a pressure rating of 1440 psi or less. Imposing higher pressure ratings would make the dimensions and cost of such equipment prohibitive.	It is proposed to add: "This applies to the high-pressure equipment upstream of the choke manifold. Equipment downstream of the choke manifold may have a lower pressure rating, provided it is sufficiently protected against over-pressure."	The PWG agrees with CAPP's concern and further consideration will be given to the appropriate wording for this section once all stakeholder comments have been received.
38(4) (CAN)	The operator shall ensure that any formation flow test equipment used in testing an offshore well that is drilled with a floating drilling unit has a sub-sea test tree that includes a) a valve that i) may be operated from the surface, and ii) automatically closes if there is a failure in any part of the formation flow test equipment; and b) a release system that permits the test string to be hydraulically or mechanically disconnected within or below the BOP	(38) (4) (a) (ii) There are typically different shut-down levels, depending on where in the flow test equipment the failure occurs. E.g. if there is a leak downstream of the surface flow-head, it will be just as effective to close the surface flow valve and/or surface safety valve. In cases where wire line or coiled tubing is positioned across the sub-sea test tree it will a considerable advantage to close anything but the sub-sea test tree. (38) (4) If a sub-sea tree is unable to cut and seal wire or coil, then it may be rendered ineffective if and when obstructed by these items during a flow test.	(38) (4) (a) (ii) It is proposed to replace the word "any" with "relevant". (38) (4) It is proposed to add requirements to cutting capability if wire line or coil tubing is run through the sub-sea tree.	The PWG considers that the current wording in the draft provision is appropriate and that the details suggested by CAPP can be effectively dealt with administratively on a project by project basis as well as in guidance notes.
40(2) (CAN)	After setting the surface casing, the operator shall ensure that during all well operations, there are at least two independent and tested well barriers in place except when working in unperforated cased hole that has been pressure tested.	This exception would imply that it is acceptable to work with a single barrier in a cased hole. E.g. when pulling the BOP to run a sub-sea christmas tree. There are case histories of liner laps and casing having developed leaks with time, even after positive pressure tests. In addition to the pressure tested casing, a plug should be installed prior to removing the BOP.	It is proposed to delete the exception to the dual barrier principle.	The PWG agrees with CAPP's comment. Further consideration will be given to the appropriate wording for this section once all stakeholder comments have been received.
40(4) (CAN)	During drilling operations, except when drilling under balanced, one of the two barriers to be maintained shall be the drilling fluid column.	"Drilling operations" is not defined and is too wide of a term, that may be applied e.g. to tripping in a cased hole. There may be instances when all or parts of the well bore are displaced to a lighter fluid, without violating the dual barrier principle.	It is proposed to delete the word "operations".	The PWG acknowledges CAPP's comment. Further consideration will be given to the appropriate wording for this section once all stakeholder comments have been received.

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Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
43(3) (CAN)	The operator shall ensure that the design of the casing takes into account the casing's metallurgical properties, as well as the type of well, potential for high pressure zones, the potential for corrosion.	The regulations may want to take into account casing wear in 43(3).		The PWG agrees with CAPP's comment and further consideration will be given to incorporating casing wear into the draft regulations.
45(a) (NL)	The operator shall ensure that cement slurry is designed and installed in a manner that meets the following objectives: prevent the movement of formation fluids in the casing annuli and ensure the isolation of the petroleum and water zones;	May not always want to isolate oil/water zones within reservoir. Should not include zones that are already in communication with each other.	Prevent the movement of formation fluid in the casing annuli and ensure the isolation of pools.	The PWG considers isolation of water zones to be important and is of the view that the wording in the draft provision is appropriate. Operators can, pursuant to the Act, apply for an exemption or equivalency on a case by case basis.
45(a) (CAN)	The operator shall ensure that cement slurry is designed and installed in a manner that meets the following objectives: prevent the movement of formation fluids in the casing annuli and ensure the isolation of the oil, gas and water zones;	This implies that it is up to the operator to decide the quantity and quality of the cement to achieve the desired objective. Good.		
45(c) (CAN)	The operator shall ensure that cement slurry is designed and installed in a manner that meets the following objectives: retard the corrosion of the casing;	Many casing strings are not cemented over the entire length and the cement will not provide any corrosion protection in the uncemented intervals.	It is proposed to add the qualifier: "over the cemented interval".	The PWG acknowledges CAPP's comments and further consideration will be given to the appropriate wording for this draft provision once all stakeholder comments have been received.
46 (CAN)	After the cementing of any casing or liner and before resuming any down hole operations, the operator shall ensure that the cement has reached a minimum compressive strength sufficient to support the casing and provide zonal isolation.	It is assumed that the intention is not to drill out of the casing until it has been pressure tested. Other operations may be carried out safely; e.g. tripping, clean-out trips, cased hole logging etc., provided the dual barrier principle is upheld.	It is proposed to replace the phrase "any down hole operations" with "drilling".	The PWG agrees with CAPP's comments and further consideration will be given to determining the appropriate wording for this section once all stakeholder comments have been received.

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47 (CAN)	After running casing and cementing and before resuming any drilling or undertaking any down hole operations, the operator shall ensure that the casing is pressure tested to a value required to confirm its integrity for maximum anticipated operating pressure.	This change permits operations such as drillout liner lap or stage tools before cement reaches full compressive strength.	After running casing and cementing and before resuming any drilling or undertaking any down hole operations , <u>drilling out the casing shoe</u> , the operator shall ensure that the casing is pressure tested to a value required to confirm its integrity for maximum anticipated operating pressure.	The PWG agrees with CAPP's comments and further consideration will be given to determining the appropriate wording for this draft provision once all stakeholder comments have been received
50(1)(b) (NL) (CAN)	The operator who completes a development well shall ensure that: except in the case of commingled production zones, each completed reservoir interval is isolated from any other porous and permeable interval penetrated by the well;	It is assumed that "production zones" are not the same as "pools"? Commingled production definition is for pools, not zones. Reservoir interval is not defined.	Replace "zones" with "pools", replace "reservoir interval" with "pool".	The PWG notes that 'zone' is a defined term in the draft DP Regs as meaning "any stratum or any sequence of strata to which a name has been designated by the Board pursuant to section 17". The PWG intends to retain 'zone' in this draft provision and will consider the deletion of 'reservoir'.
50(1)(c) (NL)	The operator who completes a development well shall ensure that: the testing and production of any completed reservoir interval is conducted safely and efficiently and does not cause pollution;	Definition required for "efficiently". Reservoir interval not defined.	Reword interval, define efficiently	The PWG recognizes CAPP's concerns and notes that 'completion interval' is a defined term in the draft DP Regs. The PWG will therefore consider removing the words 'efficiently' and 'reservoir' from this draft provision.
50(1)(d) (NL)	The operator who completes a development well shall ensure that: productive formations are stimulated in a manner that is safe and that permits evaluation of production characteristics;	Productive formations need to be defined. Implies that all formations must be stimulated. Should be operator's decision on stimulation requirement and/or technique.	Remove or reword by replacing "productive formations are stimulated" with "any planned stimulation of productive formations be done"	The PWG agrees with CAPP's concern and further consideration will be given to determining the appropriate wording for this draft provision once all stakeholder comments have been received.
50(1)(e) (NL)	The operator who completes a development well shall ensure that if applicable, the amount of sand flowing into the well are measured and controlled.		Remove	At the June 13 th meeting, CAPP members undertook to provide additional information about the nature of the concern, examples of when this issue has occurred, and suggested modifications with rationale. Further consideration of this provision will be given after receipt of the information and once all stakeholder comments have been received.

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Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
50(2) (NL) (CAN)	The operator who completes a development well shall ensure that each packer is set as close as practicable to the top of the interval to be completed and the pressure testing of that packer to a differential pressure that is at least 4,000 kPa greater than the maximum differential pressure anticipated under production conditions;	Prescriptive and completely contrary to the spirit of "goal oriented regulations" and does not allow for future technological advances that may make the requirement obsolete. Regulation should ensure packer is pressure tested adequately. This is incompatible with conventional artificial lift for oil wells and incompatible with dually completed (tubing –annulus) gas wells.	Remove "at least 4000 kPa" add under production " <u>or injection</u> " conditions. Delete entire 50(2).	The PWG notes that this provision is performance-based rather than prescriptive and does not agree with the suggested removal of the provision. On 13 June, CAPP undertook to provide a more complete description of why the current draft provision (with the 4000 kPa) does not work effectively, with examples, for consideration by the PWG. If CAPP wishes to suggest appropriate goals or objectives in its comments, the PWG will consider the suggestions. The PWG agrees with the addition of 'or injection' and will further consider the wording of this provision, including rewording it using a goal or objective-based approach, once all stakeholder comments have been received.
50(3) (NL)	The operator of a development well shall if practicable, correct any mechanical well condition that may have an adverse effect on production of petroleum from or the injection of fluids into the well.	The comment "may have an adverse effect" is ambiguous.	Replace "may" with "will".	The PWG considers 'may' to be appropriate and notes that it is consistent with the current P&C Regs (e.g. see section 18(2) of the COGOA version).
50(3) (CAN)	The operator of a development well shall if practicable, correct any mechanical well condition that may have an adverse effect on production of oil and gas from or the injection of fluids into the well.	It is assumed that practicable in this context means cost effective and/or safe? There may be cases when remedial action may ruin the economics of the well or jeopardize its integrity.		The PWG considers that, in this provision, cost and safety would be considerations in evaluating the effect of the mechanical well condition on production.
50(4) (CAN)	The operator of a development well shall improve the injection or production profile of the well or alter the completion interval of the well if it is necessary to do so to avoid waste.	It is assumed that "waste" in this context means lost production/injection.		'Waste' is defined in the Act in the context of resource conservation.

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Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
50(6)(b) (NL) (CAN)	The operator of a segregated multi-pool well shall conduct a segregation test without delay if the operator has reason to doubt that segregation is not being maintained.	Double negative. What is the definition of "without delay"?	Replace "doubt" with "believe".	The PWG agrees that there is a double negative in this draft provision and will remove the word 'not' near the end of the sentence. Consistent with the current P&C Regulations (e.g. see section 18.5 of the COGOA version), the PWG considers 'doubt' to be appropriate. Please note that the word 'forthwith' in the P&C Regs was updated to 'without delay' in this draft provision.
50(7) (CAN)	The operator shall ensure that the maximum injection pressure used during any development well stimulation operation does not exceed the lesser of a) the burst pressure resistance of the weakest joint in the casing or tubing used for the injection; or b) the rated working pressure of the well-head, or tree-saver, whichever is the lesser.	Considering the design requirements listed in Articles 43-48, this operational constraint should be superfluous. Well stimulation should be one of the load cases used for the design. If necessary to operate out-with the design parameters for any reason, than the design should be reviewed and the operation treated as a deviation.	It is proposed to remove this article.	The PWG acknowledges CAPP's concern and further consideration will be given to the future of this draft provision once all stakeholder comments have been received.
50(8) (CAN)	After initial and after every work over, the operator shall ensure that the christmas tree, production casing and tubing string are tested to the maximum pressure to which they are likely to be subjected.	Bearing in mind the definition of "workover", it would not be expected that a vertical christmas tree removal would affect the barrier status of the down-hole components such as tubing or casing. In such a case, there may be a considerable risk and economic impact from e.g. testing the tubing and/or production string when a gas lift valve has been installed.	This should read "initial completion" and be generalized to include all barriers, such as safety valves and production packers. In a work-over case however, it should be limited to potentially affected barriers.	Additional clarity on CAPP's comment is required to understand the nature of the concern and the suggested modifications.

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Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
51(a)&(b) (NL) (CAN)	The operator shall ensure that a well is not placed in production unless the annulus between the production casing and tubing is effectively isolated from the completion interval; and the annulus between the production casing and tubing is effectively isolated and if continuous monitoring is not possible, tested regularly for hydraulic isolation;	<p>Cannot hydraulically test the annulus on gas lift wells.</p> <p>Would the installation of gas lift equipment contravene the intent of this regulation?</p> <p>This is incompatible with conventional artificial lift for oil wells and incompatible with dually completed (tubing –annulus) gas wells.</p> <p>Furthermore, as a prescriptive statement it is completely contrary to the spirit of “goal oriented” regulations</p>	<p>Needs to be reworded to account for gas lift wells.</p> <p>Need clarity on intent before wording can be agreed.</p> <p>Delete entire clause 51.</p>	The PWG will further consider CAPP's comments to determine whether exemption of a gas lift well should be included in the draft D&P regulations or addressed administratively with additional clarity provided in guidance notes.
52(1)(2) (CAN)	<p>(1)The operator of an offshore development well capable of flow shall ensure that the well is equipped with a surface-controlled subsurface safety valve that is designed, installed, operated and tested to prevent uncontrolled well flow when activated; and</p> <p>(2) If a development well is located in a zone where permafrost is present in unconsolidated sediments, the operator shall ensure that a surface-controlled subsurface safety valve is installed in the tubing below the base of the permafrost or gas hydrates zone.</p>	These are fundamental design requirements which should not be left to choice.	It should be a requirement for the sub-sea safety to be fail-safe closed and to be set at a depth sufficient to prevent failure in the case of a catastrophic failure of the wellhead barrier.	<p>The PWG does not agree with CAPP suggested modifications. The PWG considers that the objective of the draft provision is clear and notes that, with such a goal-based approach, the operator is responsible for identifying and implementing the practices and procedures to ensure compliance with the regulations (including preventing uncontrolled well flow as described in this draft provision).</p> <p>Additional clarity can be provided in guidance notes.</p>
PART 4 – EVALUATION OF WELLS, POOLS AND FIELDS				

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Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
56 (NL)	The operator shall ensure that every formation in a well is tested and sampled in a manner to obtain reservoir pressure data and fluid samples from the formation, if there is an indication that such data or samples would contribute substantially to the geological and reservoir evaluation.	<p>Does the Board determine the criteria for "substantial geological and reservoir evaluation"?</p> <p>If the well is e.g. tight, wet, non-prospective, the need for testing and evaluation should be waived.</p> <p>Broad statement "every formation" should be any hydrocarbon bearing zone with 10m of net thickness. Operators could be exposed to evaluate intervals that are not of interest to them.</p>		<p>The PWG notes that Section 56 and 57 are largely identical to the recent amendments to the Nova Scotia and Newfoundland and Labrador Drilling Regulations (December 2006) which underwent extensive stakeholder engagement as well as the formal regulatory process.</p> <p>The PWG does not intend to revise sections 56 and 57 or the definition of formation flow test.</p> <p>The PWG notes that subsection 57(4) is specific to development wells.</p>
57(4) (CAN)	The operator shall ensure that no development well is put into production unless the Board has approved a formation flow testing program in respect of the development well.	<p>Concerned about the lack of distinction between exploration, development and infill wells.</p> <p>Request clarification.</p>		Guidance notes can provide clarity with respect to the types of information that could be required in different circumstances as well as criteria that could be used to evaluate when a formation flow test could be required other than the first well on a geological feature.
57(5) (CAN)	The Board shall approve the formation flow testing program if the operator demonstrates that it will induce the flow of formation fluids to the surface of the well for the purpose of procuring samples and determining reservoir characteristics.	<p>This wording is unclear-request clarification.</p> <p>Why does the Board need to approve a flow test?</p>		
57(6) (NL)	The operator shall ensure that, where a development well is subjected to a well operation that could change the deliverability, productivity or injectivity of the well, the operator shall ensure that, immediately after the well operation is completed, a formation flow test is completed to determine the effects of the well operation on the deliverability, productivity or injectivity of the well.	Not all well operation situations require an immediate formation flow test to be conducted; have tested where it was necessary before rig left.	Change "immediately" to "within a reasonable timeframe".	

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Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
60 (NL)	Before disposing of cutting samples, fluid samples, cores or evaluation data under these Regulations, the operator shall ensure that the Board is notified in writing and is given an opportunity to request delivery of the sample, core or data.	More onerous than current practice. Allows Board discretion to take additional material but is it at their expense?	Suggest removal OR add "at their expense" at end.	The PWG is of the view that the current wording is appropriate.
61 (CAN)	The operator shall ensure that every well that is abandoned or suspended can be readily located and is left in a condition that a) provides for isolation of all i) hydrocarbon bearing zones, ii) discrete pressure zones, and iii) potable water zones; b) prevents any formation fluid from flowing through or escaping from the well bore.	Assuming the wellhead has been removed from an abandoned well, the only way to "readily" locate the way is to keep the coordinates on record, unless this implies a requirement for some kind of transponder. Acceptable permanent barriers could vary from operator to operator.	It is proposed to remove the words "abandoned or". Acceptable permanent barriers should be defined.	The PWG notes that the draft provision contains clear goals/objectives and is of the view that the current wording is appropriate. The operator is responsible to identify the methods (e.g. permanent barrier) appropriate to the circumstances that would meet the objective of the provision and ensure compliance. It is expected that the operator's management system would include relevant processes. Additional clarity can be provided in guidance notes.
62 (CAN)	The operator of a suspended well shall ensure that the well is monitored and inspected to maintain its continued integrity and to prevent pollution.	What is the required frequency for monitoring and inspection and what kind of monitoring and inspection is intended? Once every 20 years is just as regular as once every year. Frequent inspection and/or monitoring of sub-sea wells could lead to high costs.		The PWG notes that the draft provision contains clear goals/objectives and is of the view that the current wording is appropriate. The operator would be responsible for identifying the methods (including, for example, parameters such as frequency) appropriate to the circumstances that would meet the objective of the provision and ensure compliance. It is expected that the operator's management system would include relevant processes. Additional clarity can be provided in guidance notes.
PART 6 – MEASUREMENTS				

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65(1)(a)&(b) (NL)	The operator shall ensure that the rate of flow and the volume of the following fluids, are measured and recorded: (a) the fluid that is produced from each well; (b) the fluid that is injected into each well;	Cannot always measure individual well rates on subsea field. Allocation is required. Believe intent is to ensure that flow is continually monitored in group lines as opposed to individual well; a & b should be covered under well testing.	Remove (a) and (b).	The PWG does not agree with CAPP's comments. The PWG will consider adding 'subject to section 66' to this draft provision as it would provide a reference to the appropriate flow calculation procedure.
66(2) (NL)	If a well is completed over multiple pools and zones, the operator shall ensure that prorated production or injection volumes for the well are allocated on a pro rata basis to the pools and zones in accordance with the approved flow allocation procedure.	What is the definition of a "zone"? This will be very onerous for allocation. Intent of how this will be used is unclear. "flow allocation procedure" definition (related to zones)	Remove "Zone" from regulation.	The PWG does not agree with CAPP's comment. Zone is defined in the draft DP Regulations as, "any stratum or any sequence of strata to which a name has been designated by the Board pursuant to section 17".
67(3) (NL)	The operator shall ensure that any component of the flow system which is not functioning in accordance with manufacturer's specifications is repaired or replaced without delay.	The use of the term "any" and "without delay" is too stringent and does not account for the criticality of the component failed or mitigation measures that may have been put in place.	The operator shall ensure that any component of the flow system which is not functioning <i>is repaired, replaced or if necessary mitigating measures put in place to minimize the impact on the accuracy and integrity of the flow system while the repair or replacement is proceeding.</i>	The PWG is of the view that the current wording is appropriate. Critical spare parts should be readily available for repair or replacement of the flow system.
67(4) (NL)	The operator shall ensure that a conservation officer is notified without delay of any malfunction or failure of any flow system component and of the corrective measures taken.	In line with the above only failures impacting the accuracy or integrity need be reported. (i.e. redundant transmitter failure is not a reportable item)	... or failure of any flow system component <i>that will have an impact on the accuracy of the flow system ...</i>	The PWG understands CAPP's concern and further consideration will be given to developing the appropriate wording for this draft provision once all stakeholder comments have been received.
68(1) (NL)	The operator shall ensure that a conservation officer is notified at least 14 days before calibrating any transfer meter prover or master meter used in conjunction with a transfer meter.	Clarify why 14 days was selected.		14 days was selected as it provides the Boards with the time needed to find appropriate personnel to witness calibration.

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69 (NL)	The operator of a development well that is producing petroleum shall ensure that the well is tested as often as necessary to permit reasonably accurate determination of allocation of production of petroleum and water on a pool and zone basis.	What is the definition of a "zone"? This will be very onerous for allocation. Intent of how this will be used is unclear "flow allocation procedure" definition (related to zones)	Remove "Zone" from regulation	The PWG notes that 'zone' is a defined term in the draft DP Regs as meaning "any stratum or any sequence of strata to which a name has been designated by the Board pursuant to section 17".
PART 7 – PRODUCTION CONSERVATION				
70 (NL)	The operator shall ensure the maximum recovery of petroleum from a pool or field in accordance with good oilfield practices to achieve maximum recovery of petroleum from the pool or field.	Potentially confusing wording.	Remove "to achieve maximum..."	The PWG agrees with CAPP's comment and further consideration will be given to developing the appropriate wording for this draft provision once all stakeholder comments have been received.
71(3) (CAN)	If there is reason to believe that infill drilling or implementation of an enhanced recovery scheme could result in increased recovery of oil and gas from a pool or field, the operator shall ensure that studies on these methods be carried out and submitted to the Board.	Concerned about providing studies on recovery/reserves to the Board.		Additional information is required to clarify the nature of CAPP concerns.
73(1) (NL)	Unless otherwise permitted in the authorization, no operator shall flare or vent gas.	This is a prohibitive clause and not achievable. The "goal" being no flaring. This will result in continuous non-compliance and negative reporting. It is acknowledged permission can be granted to flare under the authorization. This is the process that should be defined in the regulation. As there will always be an authorization requirement for flaring and venting the wording should reflect this.	The authorization must contain a flare strategy and annual flare allowance will be agreed..... <i>No operator shall flare or vent gas in excess of the authorized limit with exception of emergency situations.</i>	The PWG does not agree with CAPP's comments. Every attempt should be made to achieve zero venting or flaring of gas and burning of oil. The PWG considers that exceptions in the case of emergencies are clear as outlined in subsection 2. The PWG notes that an authorization would include the specific project design and operation and could include requirements or limits associated with flaring, venting or burning of hydrocarbons. Please note that section 5 requires that information on proposed flaring, venting or burning of hydrocarbons be provided in the application for an authorization.

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73(2) (NL)	The operator may, without permission in the authorization, flare or vent gas if necessary because of an emergency situation on condition that the Board is notified of the amount flared or vented as soon as possible.	If a blow down occurs due to an emergency situation and the operators flaring limit has not been exceeded why is reporting necessary? In addition most flare measurement systems are not capable of accurately measuring an emergency relief scenario.	Delete this section - and modify 73(1) to account for emergency scenarios.	The PWG will consider adding a reference in this draft provision to the formation flow test (see section 57).
74(1) (NL)	Unless otherwise permitted in the authorization, no operator shall burn oil.	Adjust paragraphs as per 73(1) above. Performing a flow test of an oil well without the burning of oil offshore Canada could be very costly.		
PART 8 – SUPPORT OPERATIONS				
75 (NL)	The operator shall ensure that a support craft is designed, constructed and maintained to efficiently provide the support functions assigned to it and operate safely in the foreseeable physical environmental conditions prevailing in the vicinity of the installation that it is intended to support.	Clarify what is expected to demonstrate this goal. Are 3rd party certificates of the vessel with operator auditing acceptable? The level of operator verification is not clear.		The PWG is of the view that this section is appropriate. Additional clarity can be provided in guidance notes.
76(1)(b) (NL) (CAN)	The operator of a manned installation shall ensure that a standby vessel is available at a distance that is not greater than that required for 20 minutes return time.	Why do the Boards need to maintain some sort of time criteria? 20 minutes is the time from when the person enters the water. The goal should be stated. Survival times will differ depending on location & time of year & type of immersion suit. Open to enhancements to these criteria. This wording reflects that in certain conditions (e.g. 10/10 broken ice cover or solid ice, a conventional standby vessel is of limited use, whereas other units may be more useful.	Section 76(1) (b), remove 20 minutes response time and insert "response time is based on survival time for any person entering the sea with approved immersion suit". The operator of a manned installation shall ensure that a standby vessel <u>support craft</u> is	The PWG does not agree with removing the 20 minute return time. The intent of this section is to have a performance measure in place that helps to ensure escape, evacuation and rescue efforts can be made in a timely manner. If CAPP is aware of alternative measures that would achieve the same result the PWG would encourage CAPP to provide this information as part of their comments during the stakeholder engagement period. The PWG notes that the purpose of the 'standby vessel' is clearly described in subsection 76 (3) and that it differs from the definition of 'support craft' in the draft DP Regs. The PWG considers that 'standby vessel' is appropriate in section 76.

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78(2) (NL)	The operator shall ensure that records of the experience, training and qualifications of all personnel are maintained in a manner suitable for review by the Board upon request.	" a suitable manner is subjective" and can be different among safety officers	Reword to: "maintained and available"	The PWG acknowledges CAPP's comments and suggested modification and further consideration will be given to the appropriate wording for this draft provision once all stakeholder comments have been received.
79(1)(a) (NL)	Subject to subsection (2), the operator shall ensure that no person shall work when their ability to function is impaired and that no person is required to work any shift in excess of 12.5 continuous hours;	Concern is raised with having to get regulatory approval to go beyond 12.5 hrs. The regulations do not contemplate emergency situations.	Section 79(1)(a) should be deleted.	The PWG does not agree with CAPP's comment and notes that section 79 does not require that the operator get regulatory approval to go beyond 12.5 hours. Indeed, subsection (2) specifically states that the operator is required to assess the risk when individuals work beyond 12.5 hours (see the PWG comments on subsection (2) below).
79(2) (NL)	The operator may allow a person to work in excess of the hours or without the rest period referred to in subsection (1) if, pursuant to the safety plan, the operator has assessed the risk associated with the person working the extra hours and determined that the benefit to the safety of persons or the installation, the protection of the environment or the security of the well outweighs that risk.	This would otherwise imply that over-time can only be worked in an emergency situation, whereby safety, environment or well security is threatened. This poses an impractical restriction on utilization of the work force.	It is proposed to replace the phrase "the benefit to the safety of persons on the installation, the protection of the environment or the security of the well outweighs that risk" with "such work can be carried out without increased safety, environmental protection or well security risk."	The PWG agrees that the "test" as currently laid out in this draft provision could be overly onerous and will consider revising the wording once all stakeholder comments have been received. The objective of the "test" should be that the risk remains as low as is reasonably practicable. The PWG notes that operators and installation owners have developed practical risk assessment tools for many work situations. One good example is

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79(3) (NL)	If an operator allows a person to work in excess of the hours or without the rest period referred to in subsection (1), the operator shall ensure that a description of the work, the names of the persons performing the work, the hours worked and the risk assessment referred to in subsection (2) are recorded.	It is assumed that the risk assessment referred to is not intended to be a formal risk analysis. It would not be practical to perform formal risk analyses for each person working over-time.		<p>the tools used to assess risk when issuing various work permits on installations. The PWG sees no impediment to industry developing a practical tool to assess and document the risk associated with "overtime" requests.</p> <p>Guidance notes will such factors as the work environment (cold, heat, noise, etc.), the nature of the tasks, the total time worked during a rotation and on consecutive days, etc. The PWG suggests that current legislation and good management already dictate that these factors be considered before approving "overtime".</p> <p>With regard to emergencies, the ability to deal with emergencies is inherent in the legislation and need not be specifically stated in every section.</p>
PART 10 – RECORDS, NOTIFICATIONS AND REPORTS				
80 (NL)	Records, Notifications and Reports	Generally, the term "Record" should be defined and preferably include electronic storage of data.		<p>The PWG considers that 'record' is a well understood industry term in addition to being used and defined in current international management system standards. Accordingly, it does not need to be defined in the regulations.</p> <p>The PWG notes that the draft provision should allow for changes in technology.</p> <p>In general and at present, medium could be paper, magnetic, electronic or optical computer disc, photograph or master sample, or a combination thereof. This type of detail is best dealt with administratively and can be discussed in guidance materials.</p>

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80(1)(a) (NL) Note 79(1)(a) (CAN)-same comment	The operator shall ensure that the Board is notified as soon as possible of any incident, accident or pollution;	The term "any incident" is too broad. (This would be a near miss in some operators' terms)	Add the word "significant" to incident in line with 80(2)(b)	The PWG does not agree with CAPP's proposed change. Additional clarity can be provided in guidance notes.
79(2)(a) (CAN)	The operator shall ensure that each incident, accident and pollution event is investigated	Bearing in mind the all encompassing definition of incident, some guidelines are required as to which level of severity requires a formal investigation.	It is proposed to replace the word "incident" by the work "significant incident", supplemented by guidelines as to what constitutes a significant incident	<p>The PWG does not agree. The PWG considers that internal investigations are essential to ensuring safety, protection of the environment and preventing waste.</p> <p>It is expected that an operator's management system contain processes for investigations to ensure compliance with the regulations and for implementing corrective and preventative actions to support continual improvement.</p>
80(1)(b) (NL)	The operator shall ensure that the Board is notified at least 24 hours in advance of any press release or press conference held by the operator concerning any incident, accident or pollution in any activity to which these regulations apply, except in an emergency situation, when notice shall be given as soon as possible before the press release or press conference.	24 hrs is prescriptive and may not be possible in all situations.	Reword to: timely notification	<p>The PWG notes that this was discussed at the 10 May 2007 meeting with CAPP members.</p> <p>The PWG notes that when notification would be expected could be dealt with in guidance notes and that such procedures should also be identified in the operator's management system. It is recognized that the type of operation can vary by jurisdiction which supports addressing regional considerations administratively through guidance.</p> <p>The PWG notes that immediacy is the emergency (ie paragraph a) notification) and, for press-related activities that are planned and occur later, 24 hours notice would be required (paragraph b, at left). For paragraph b), the expectation is that there would be advance notice of any event that is planned (e.g. press release, press conference), and that the 24 hours would provide more than just a head's-up.</p>

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81(1) (NL)	The operator shall ensure that a final copy of the results, data, analyses and schematics obtained from the following sources is submitted to the Board; (a) any measurement, core or fluid sample required under Part 6; and (b) any segregation test or well operations.	This is extremely broad since it covers day to day measurements as defined by Part 6. The necessary information as part of Production reporting. Also note Part 6 does not cover fluid or core sampling.	Delete this section or provide rationale/goal for the information required.	The PWG agrees with CAPP's comment and further consideration will be given to developing the appropriate wording for this draft provision once all stakeholder comments have been received.
81(d)(iv) (CAN)	The operator shall ensure that a daily summary record is kept on each installation of in the case of a production installation the inspection of surface and subsurface safety valves,	Inspection of a subsurface safety valve after installation will generally not be possible	It is proposed to replace the work "inspection" with "and/or testing".	The PWG agrees with CAPP's comment and further consideration will be given to developing the appropriate wording for this draft provision once all stakeholder comments have been received.
82 (NL)	The operator shall ensure that a daily summary record is kept on each installation of....	The data/information is what is important not a summary report.	The operator shall ensure that <i>data and information associated with the following is available.</i>	The PWG will consider removing the word 'summary' from this draft provision.
82(a) (NL)	The operator shall ensure that a daily summary record is kept on each installation of all persons arriving, leaving or on the installation;	Define record, is it paper and/or electronic media. Is there flexibility in the format and location? Records may also be required onshore.	Change to "The operator shall ensure that a daily summary record of all persons arriving, leaving or on the installation is to be readily available."	The PWG agrees with CAPP's comment and further consideration will be given to developing the appropriate wording for this section once all stakeholder comments have been received.
84 (NL)	The operator shall ensure that a daily production record, which includes the metering records and other information relating to the production of petroleum and other fluids in respect of a pool or well is retained and readily accessible until the field or well in which the pool is located is abandoned and the record offered to the Board before destroying it.	Do these records exist??? Or is this data only accessible?		These records do exist.

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86(a) (NL)	The operator shall ensure that a daily report of formation flow test results is provided to the Board;	Potential confusion between "formation flow test" and "well test"; need to clarify that these tests do not apply to development wells under an approved development plan; prescriptive and more onerous if it applies to development wells.	Remove (a) or clarify distinction between development wells and other wells	<p>The PWG recognizes CAPP's comment and notes that this draft provision is specific to a formation flow test. Please refer to section 57 for when a formation flow test would be required.</p> <p>The PWG will consider removing the word 'daily' from the draft provision. The PWG recognizes that the frequency of reporting could vary with well type and therefore can be effectively dealt with administratively through the approval of the formation flow test and/or described in guidance notes.</p>
87 (CAN)	<p>The operator shall ensure that a copy of the following is submitted to the Board daily as soon as possible</p> <ul style="list-style-type: none"> a) the daily drilling report; and b) the daily geological report including any formation evaluation logs and data; and c) in the case of a production installation, a summary, in the form of a daily production report, of the daily record and the daily production record. 	Why are daily reports required for all of these operations – especially daily production reports?		These reports are required to monitor operations for compliance and administrative purposes.
88(a) (NL)	The operator shall ensure that a copy of the following is submitted to the Board daily as soon as possible the daily drilling report;	It appears that this requirement will mean a large increase in the information that is currently being provided.		The PWG notes that these reports are consistent with what operators are already providing to the Board's and therefore do not impose additional reporting requirements on the operator.

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90 (NL)	The operator shall ensure that, not later than March 31 of each year, an annual production report relating to the preceding year for a pool, field or zone is submitted to the Board, including the performance, production forecast, reserve revision, reasons for significant deviations in well performance from predictions in previous annual production reports, gas conservation resources, efforts to maximize recovery and reduce cost, details of the operating and capital expenditures for the preceding year, the current year and the projections for the next two years, and any other information required to demonstrate how the operator has managed and intends to manage the resource.	<p>Concern was raised at the CAPP/PWG meeting that expenditure details should not be provided.</p> <p>A breakdown of reporting by zone is more prescriptive.</p> <p>"reduce cost" is more onerous</p> <p>Request clarification (related to costs)</p> <p>"flow allocation procedure" definition (related to zones)</p>	Remove "reduce cost" and zone.	The PWG disagrees with CAPP's comment. The Authority to request the well cost data is found in all three Acts. The specific statement of requesting cost data is given under the section which outlines the requirements for a Development Plan submission. The equivalent sections are subpara 5.1(3)(a)(ii) in COGOA; subpara 139(3)(ii) in the Newfoundland Accord Act and subpara 149(3)(a)(ii) in the Nova Scotia Act. Cost information is required by some jurisdictions for administrative reasons and is consistent with what is provided in the UK and Norwegian sectors of the North Sea.
93 (NL) Note: Same as 92 (CAN)	The operator shall ensure the Board is made aware of any report regarding applied research work or studies obtained or compiled by the operator containing information relevant to activities of the operator as soon as the report is available and that a copy is submitted to the Board is upon request	<p>The intent for wanting this information is unclear and extremely broad. Studies are on-going on a daily basis and would be of little value to the Board.</p> <p>Concern over having to provide research studies to the Board.</p>	Delete this section or provide clarification on the goal.	<p>The PWG is of the view that this section is appropriate. As clarified at the June 13th meeting with CAPP members, this provision does not require the submission of the studies, but rather that the Board be made aware of the studies and a copy submitted upon request.</p> <p>It was noted at the 13 June meeting that the studies would be those relevant to activities of the operator (and therefore regulations – safety, conservation of the resource, protection of the environment).</p> <p>Additional clarification will be provided in guidance, such as the timing for providing such a list.</p>

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COVER	Title of Regulations Draft Newfoundland Offshore Petroleum Drilling and Production Regulations		Suggest title include "Newfoundland and "Labrador"	The name of the draft regulations is consistent with the title of the Act, which is "Canada-Newfoundland Atlantic Accord Implementation Act".
PLEASE NOTE: THERE ARE A NUMBER OF COMMENTS REGARDING THE DEFINITIONS WITHIN THE REGULATIONS AND THEY ARE AS FOLLOWS: INTERPRETATION-Definitions				
A	General comment on definitions.	Lack of clear definition can impact terms of contract	Suggest adding the following additions to the list of definitions (see comments below where applicable): "spudding well", "hazard", "permanently plugged", "standby vessel", "pollute", "regular pressure tested"	The PWG understands CAPP's concern and further consideration will be given to providing additional definitions once all stakeholder comments have been received. As a general comment, the Act and the regulations should be read together. This section of the draft <i>Drilling and Production Regulations</i> contains numerous definitions, while others that are relevant are contained within the Act. For example, the Act contains definitions of 'well', 'oil', 'gas', 'pool', 'field', 'spill' and 'waste'. Also, as noted in subsections 1(2) and 1(3), certain terminology used in the draft regulations has the same meaning as terminology in the <i>Canadian Petroleum Resources Act</i> and the <i>Canada Oil and Gas Installation Regulations</i> .
B	"abandoned"	It is understood from this and the subsequent definition of "suspension" that "abandoned" refers to permanent abandonment only. Temporary abandonment is not a term used in these regulations. There should be minimum requirements to the type, position and quantity of permanent barriers, as different operators may have different opinions and this can have a significant cost- and environmental impact if not done properly. Mechanical devices that are subject to detrimental effects with time should not be considered permanent barriers.		The PWG is of the view that the current definition of "abandoned" is appropriate. Additional clarity can be provided in guidance notes.

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C	"barrier"	Regulations should distinguish between temporary and permanent barriers in relation to well abandonment.		The PWG is of the view that the current definition of "barrier" is appropriate. Additional clarity can be provided in guidance notes.
D	"barrier" means a) any remotely operated valve;	Does remote mean "automated" or "ROV operated" - definition is ambiguous.	Remove "remotely operated"	The PWG acknowledges CAPP's comment and will consider the wording of this definition once all stakeholder comments have been received.
E	"barrier" (a)	Once every 20 years is just as regular as once every year.	The frequency of "regularly pressure tested" should be defined	The PWG agrees with CAPP's comments and will consider the wording of this definition, once all stakeholder comments have been received. Additional clarity can be provided in guidance notes.
F	"barrier" (b)	Both losses and settling of solids may reduce the hydrostatic pressure exerted by the fluid column over time.	Fluid can only be regarded as a barrier when its level (and density) can be monitored.	
G	"barrier" (c)	Cement can only be regarded as a barrier if it has been pressure tested.	Cement can only be regarded as a barrier if it has been pressure - and/or load tested.	
H	"barrier" (d)	Mechanical barriers can only be regarded as barriers if they have been pressure tested. Mechanical barriers should not be considered permanent barriers.	Mechanical devices can only be regarded as barriers if pressure tested.	
I	"commingled production"	According to the Atlantic Accord Implementation Act, "pool" means a natural underground reservoir containing or appearing to contain an accumulation of petroleum that is separated or appears to be separated from any other such accumulation; From this, it is assumed that a "pool" in this context refers to a completely different reservoir and not individual layers within the same reservoir, even if they are separated by impermeable barriers.		The PWG acknowledges CAPP's comments and notes that 'pool' is defined in the Act. Please also note that 'zone' is defined in the draft DP Regs and that 'layers' is not used.
J	"completed"	Somewhat ambiguous. In addition, a completed well should also be in a state ready for production and/or production. A well may have a "completion interval" without being completed.		The PWG acknowledges CAPP's comment and will consider the wording of this definition, once all stakeholder comments have been received.
K	"completion interval"	Reference comment to the definition of "completed".		The PWG acknowledges CAPP's comment and will consider the wording of this definition, once all stakeholder comments have been received.

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L	"conductor casing"	If "well control" is meant as pressure control, then this definition is incorrect. During drilling of the hole for the surface casing, there is normally no BOP or marine riser installed. The conductor casing acts as a foundation for further well construction only.		The PWG acknowledges CAPP's comment and will consider the wording of this definition, once all stakeholder comments have been received.
M	"flow allocation procedure" includes "zone" along with pool allocation.	This will be very onerous for allocation. Intent of how this will be used is unclear.	Remove "Zone" from regulation	The PWG does not agree with CAPP's comment. Zone is defined in the draft DP Regulations as, "any stratum or any sequence of strata to which a name has been designated by the Board pursuant to section 17".
N	"formation flow test" to include the flow of formation fluid....determining reservoir flow characteristics	What does "reservoir flow characteristics" mean? This could be open to interpretation.	Define reservoir flow characteristics expect flow periods to be short <24 hrs to determine skin, Kh	<p>The PWG considers that, although 'reservoir flow characteristics' is a well understood industry term, flow characteristics and parameters could be discussed in guidance notes.</p> <p>In general, reservoir flow characteristics are derived from an assessment of flow behavior (i.e. homogeneous infinite-acting reservoir with wellbore storage and skin) resulting from pressure transient analysis from which basic flow characteristic of transmissibility (kh/uB), and completion efficiency (s) are derived. Additional deviations evident in flow behavior observed should be noted (i.e. single or multiple boundaries) in any resulting analysis submitted to the Board.</p> <p>For clarity, the PWG notes that the formation flow testing sections of the draft DP Regs (see sections 56 and 57 and associated definitions) are largely identical to the recent amendments to the Nova Scotia and Newfoundland and Labrador Drilling Regulations (December 2006) which underwent extensive stakeholder engagement as well as the formal regulatory development process. Accordingly, the PWG does not intend to revise sections 56 and 57 or the definition of 'formation flow test'.</p>

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O	"Hazard" is not defined but is used frequently throughout the regulations.	A clear definition of this term is required.		The PWG acknowledges CAPP's comment and is continuing to look at this in the context of the proposed OHS Accord Act amendments. The PWG will provide a response after the close of the stakeholder comment period.
P	"multi-pool well"	According to the Atlantic Accord Implementation Act, "pool" means a natural underground reservoir containing or appearing to contain an accumulation of petroleum that is separated or appears to be separated from any other such accumulation; From this, it is assumed that a "pool" in this context refers to a completely different reservoir and not individual layers within the same reservoir, even if they are separated by impermeable barriers.		Additional clarity on the comment is required in order to understand the nature of CAPP's concerns. The PWG notes that 'pool' as used in the draft regulations is as defined in the Act.

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Q	"pollute"	<p>Upon checking the lists of definitions in the Accord Implementation Act and the old P&C and Drilling and Installation Regs to confirm the word "pollute" (as a verb) did not occur and was not, therefore, defined. On checking the recent draft combined P&C/Drilling Regs it was found that it makes its appearance there for the first time. This indicates that the boards' have chosen to expand the net here beyond the original definitions of spills and debris in the Implementation Act. The intent seems to be that any thing (substance or energy) that is not specifically approved in the context of an "authorization" or released in excess of an amount defined in an "authorization" is de facto to have "polluted".</p> <p>Refer to the definitions of spill and debris in the Atlantic Accord Implementation Act (AAIA).</p> <p>The assumption is that this was created to eliminate the grey area which occurs when large percentages of oil comes thru the produced water system. In the past this could have been called an exceedence and not a spill.</p> <p>The word pollute now seems to capture both a produced water exceedence and PW spill.</p>		<p>This issue was discussed during the 13 June meeting with CAPP members. The PWG notes that 'protection of the environment' is one of the three purposes in the regulations with a common thread throughout. 'Pollute' (or preventing pollution as defined as a discharge outside the limits in the authorization) is one way to clearly indicate what is considered to be protecting the environment.</p> <p>The PWG notes that 'spill' is defined in the Act. Pollution, or pollute as defined in the draft DP Regs, could include a spill.</p>

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Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
R	"support craft"	The requirements of SBV are different from other support vessels	Suggest changing definition for "support craft" to exclude standby vessels and suggest adding a definition for "standby vessel" as a separate definition.	The PWG does not agree with CAPP's comment. Standby vessels and support craft differ in purpose. The purpose of the 'standby vessel' is clearly described in subsection 76 (3) and differs from the purpose of 'support craft' as described in its definition. The PWG notes that standards for standby vessels can be discussed in guidance notes.
S	"well operation"	The definition should include intervention and/or re-entry. Re-entry is used elsewhere in the regulations and intervention is a commonly used industry term.		The PWG acknowledges CAPP's comment and will consider the wording of this definition once all stakeholder comments have been received.
T	"well test" means, in respect of a development well, a test conducted...from a well in a pool	How is testing impacted with approved commingled production where two pools are produced together in one well; of pools are separate, then individual flow paths may be provided within one well; may be appropriate to use different words than "pool"	Remove "in a pool" or use different wording The definition "well test" should be expanded to cover exploration and appraisal (delineation) wells.	The PWG will consider the removal of 'in a pool' once all comments have been received from stakeholders. Please note that operators would require approval to engage in commingled production as described in section 72 of the draft regulations. The PWG does not agree with CAPP's proposed change regarding the expansion of 'well test' definition. The PWG notes that when an exploratory well or delineation well come on stream it becomes a producing well; and a well test is required for all producing wells.
U	"wireline" (b)	Some technologies require fibre-optics within the cable.	Fibre-optics should be included in the definition	Additional details can be placed in guidance notes.
V	"workover"	The definition should also include removal of downhole tubulars. With horizontal christmas trees, workovers can be performed without removal of the christmas tree.		The PWG understands CAPP's concern and further consideration will be given the wording of the draft definition once all stakeholder comments have been received.

INTERPRETATION - Prescribed Installation for Installation Manager

**Canadian Association of Petroleum Producers
Preliminary Comments on Petroleum Drilling and Production Regulations, dated 7 June 2007
Project Working Group response - July 20, 2007**

Section (NL/NS/CAN)	Regulation	CAPP Comments	CAPP's Proposed change	PWG Response
2. (CAN)	For the purpose of section 58.2 of the Act, an onshore or offshore installation is prescribed as an installation.	What does this section actually mean?		<p>This provision imposes no requirement on the operator.</p> <p>Under the Act, the regulations may prescribe certain installations for purposes of triggering the application of specific provisions of the Act: section 58.2 is one of these provisions. The draft DP Regs prescribes installations for which an "installation manager" who is responsible for the safety of the installation, may be named.</p> <p>"Installations" is defined in the <i>Canada Oil and Gas Installations Regulations</i>; please refer to section 1(3) of the draft DP Regs.</p>
INTERPRETATION - Spacing				
3. (NL)	The Board is authorized to make orders respecting the allocation of areas, including the determination of the size of spacing units, and the well production rates for the purpose of drilling for or producing petroleum and to exercise such powers and perform such duties as may be necessary for the management and control of petroleum production.	Spacing is flexible and based on the ability of wells to drain an area; therefore, a producing area spacing in an offshore field is likely dictated by bounding faults while non-productive lands are dictated by section. These two may be in conflict in producing areas where land relinquishment potential exists so spacing needs to be dictated by the producing area first.	clarify "determination of...the well production rates..."; reword, if needed, to handle other situations	<p>This provision does not impose any <i>Drilling and Production Regulations</i>-based requirement on an operator. Under section 14 (1)(c) of the Act, Governor-in-Council may make regulations authorizing the Board to make such orders as may be specified in the regulations and to exercise such powers and perform such duties as may be necessary for the management and control of oil or gas production. This provision provides the Board with the authority to deal with spacing by way of an order.</p> <p>Operators should ensure that they are aware of any applicable Spacing Orders and related requirements.</p>