

**Draft Drilling and Production Regulations**  
**Comments from the Canadian Association of Petroleum Producers**  
**Project Working Group response dated December 4, 2007**

Section (NL/NS/CAN)	Draft Regulation Text (5 April 2007)	CAPP Preliminary Comments (7 June 2007)	CAPP Proposed Change, if any	Project Working Group (PWG) Initial Response (20 July 2007)	FINAL CAPP COMMENTS (17 August 2007)	PWG reply to CAPP's final comments (4 December 2007)
<b>PART 1 REQUIREMENTS AND APPROVALS FOR AUTHORIZATION- Management System</b>						
4(1) (NL) (CAN)	The applicant 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, he 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. The ability of an operator to manage "contractor" systems, procedures and equipment is a concern when ensuring compliance with the Act and Regulations.	The applicant shall develop an effective management system that integrates operations and technical systems with the management of financial and human resources to facilitate compliance with the Act and these Regulations.	<p>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.</p> <p>Once an applicant has received an authorization and operating license, it would be an 'operator' as defined in the draft regulations.</p> <p>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.</p> <p>Accordingly, the draft DP Regs uses the wording "The applicant shall" and "The operator shall ensure".</p>	CAPP acknowledges the PWG's initial response but has significant concerns regarding the prescriptive requirements of the management system as outlined in CAPP's cover letter.	<p>The draft provision provides clarity about the required elements of the management system without prescribing an existing standard to be used or the specific ways to achieve each of the elements.</p> <p>With this structure, the PWG considers that the draft provision is consistent with the goal-oriented approach that has been followed in the preparation of the draft regulations.</p> <p>For additional comments on the draft requirements regarding management system, please refer to the PWG's letter to CAPP dated 29 October 2007.</p>
4(2) (NS)	The management system shall include: (b) processes for setting goals for the improvement of safety, protection of the environment and prevention of waste and for attainment of those goals;	The Regulations should suggest targets/goals – perhaps indicating that these should be challenging, yet achievable. CAPP requests that additional clarity be included in the guidance notes as opposed to this detail in the regulation.				<p>Sections 4 and 20 should be read together to see the implementation aspects of the management system requirements.</p> <p>Section 4 requires that a management system be developed to ensure compliance and that it contain elements such as processes, documents and arrangements.</p> <p>With respect to CAPP's comment on target and goals, the company (applicant or operator) would use the processes in paragraph 4(2)(b) to set the goals and targets appropriate to its operations and setting.</p> <p>Section 20 requires that the operator maintain the management system to ensure that it is effective during all operations and activities.</p>

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4(2) (NS)	(c) processes for identifying hazards and for evaluating and managing the associated risks		processes for identifying hazards and for evaluating and managing the associated risks and <u>incorporating mitigating measures, as and when appropriate;</u>			<p>The PWG notes that "managing the associated risks" could include the "incorporation of mitigative measures" and does not need to be explicitly stated in the draft regulations.</p> <p>There could be additional ways to manage risks; each company would identify the ways through the implementation of the processes in the management system.</p>
4(2) (NS)	(d) processes for ensuring that personnel are trained and competent to perform their duties;		processes for ensuring that personnel are trained and competent to perform their <u>assigned duties;</u>			<p>The PWG considers 'their duties' and 'their assigned duties' to have the same meaning and intends to retain "their duties".</p>
4(2) (NS) (CAN)	(e) processes for ensuring and maintaining the overall integrity of all facilities, structures, installations, support craft and equipment necessary to ensure safety, the protection of the natural environment and prevention of waste;	<p>CAPP requests further clarification as to the definition of "prevention of waste" as the discharge of all wastes offshore can not be prevented.</p> <p>CAPP disagrees with the inclusion of "support craft" in the list as this equipment is owned and operated by contractors, who will enter into a contractual arrangement with an Operator to provide these services. Operators do not have direct control for maintaining the integrity of this equipment, unlike facilities and structures. Operators will however ensure, through the contractor management elements of their management system, that processes are implemented to cover the due diligence aspects of the chartering of this equipment.</p>				<p>"Waste" is used throughout the draft DP Regs as defined in the Act. Prevention of waste is a goal related to achieving one of the purposes of the Acts: conservation of oil and gas resources.</p> <p>In many instances throughout the draft regulations (as is done here), 'prevention of waste' is mentioned in combination with 'safety' and 'protection of the environment'. This is consistent with the purpose of the Acts, which includes safety, protection of the environment and conservation of oil and gas resources.</p> <p>With respect to 'support craft', the PWG confirms that the responsibility and accountability to ensure compliance with the regulations rests with the operator. The PWG notes CAPP's reference to arrangements that an operator could make with a contractor. This would be consistent with the intent of paragraph 4(2)(j) of the draft regulations.</p>
4(2) (NS)	(f) processes for the internal reporting and analyzing of hazards, incidents and accidents and for taking corrective actions to prevent their recurrence.		"processes for the internal reporting and analyzing of hazards, incidents and accidents and for taking corrective actions <u>in a timely manner</u> to prevent their recurrence."			<p>The PWG has considered CAPP's suggested wording and does not feel that the added words are necessary.</p> <p>The PWG recognizes that the priority and necessary timelines to take corrective actions may vary and that the procedures referred to in this provision should include the processes by which such decisions would be made.</p> <p>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.</p> <p>Please note the removal of the definition of 'accident' and the change to the definition of 'incident' (see comments at section 79)</p> <p>Accordingly, this draft provision has been revised to read "... analyzing of hazards and incidents..".</p>

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4(2) (NS)	(g) documents containing all management system processes and processes for making personnel aware of their responsibilities with respect to them;		documents containing all management system processes and processes for making personnel aware of their <u>roles and responsibilities</u> with respect to them;			The PWG agrees with CAPP's suggestion and will revise the draft regulations accordingly.
4(3) (CAN)	The management system shall correspond to the size, nature and complexity of the operations, activities, hazards and risks associated with the operations of the applicant for an authorization or the operator.	Possible numbering sequence error-suggest this clause should read 4(4).  CAPP suggests that the addition of the word "reflect" more accurately describes how the scope and detail of the management system relates to size, nature and complexity of operations etc.	The management system shall <del>correspond</del> <u>reflect</u> the size, nature and complexity of the operations, activities, hazards and risks associated with the operations of the applicant for an authorization or the operator.			The PWG has considered CAPP's suggestion and has decided to keep "correspond to" as it more clearly links the list of elements in the draft provision to the intent.
4(4) (CAN)	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.	There appears to be a numbering sequence error-suggest this clause should read 4(5).  CAPP has concerns with personal liability. Legal advice has indicated that naming the executive is in accordance with the legislation but CAPP believes the identifying role would simplify the administration. Since people change roles continuously, this requirement will add to the administrative burden. The provision in the regulation should specify the accountable position and not the name. Key documentation such as Authorizations has signatures which identify the accountable person.	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.....			The PWG continues to be of the view that the management system must identify the name of the executive that is accountable for the system and the name of the person responsible for its implementation.  The intent of this requirement was not to require the operator to notify the Board of a change in name; only to ensure that the management system identifies the name of the persons.  To improve clarity, the PWG has taken subsection 4(5) and added it to the list in 4(2) - as that subsection contains the elements that would be required to be included in the system.  The PWG agreed with CAPP with respect to adding the role within the organization, and decided to add 'the position' into the provision.
4(5) (NL) & (NS)	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.	CAPP has concerns with personal liability. Legal advice has indicated that naming the executive is in accordance with the legislation but the identifying role would simplify the administration. Because people change roles continuously, this requirement will add to the administrative burden. The provision in the regulation should specify the accountable position and not the name. Key documentation such as Authorizations has signatures which identify the accountable person.	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.....	The PWG agrees with CAPP's comment and further consideration will be given to this issue once all stakeholder comments have been received.	CAPP awaits further response from the PWG.	The revised draft provision is as follows:  4(2)(k) the name <u>and position</u> of the executive accountable for the management system and the name <u>and position</u> of the person responsible for implementing the management system.
<b>PART 1 - REQUIREMENTS AND APPROVALS FOR AUTHORIZATION - Documents to be Provided with Application for Authorization</b>						

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5 (CAN)	<p>The application for authorization shall be accompanied by</p> <p>(a) description of the scope of the proposed activities;</p> <p>(b) an execution plan and schedule for undertaking the proposed activities;</p> <p>(c) a safety plan that meets the requirements of section 7;</p> <p>(d) an environmental protection plan that meets the requirements of section 8;</p> <p>(e) information on any proposed flaring or venting of gas, including the rationale and the rate, quantity and period of time of such flaring or venting;</p> <p>(f) information on any proposed burning of oil, including the rationale and the quantity of oil proposed to be burnt;</p> <p>(g) in the case of a drilling installation, a description of the drilling and well control equipment;</p> <p>(h) in the case of a production installation,</p> <p>i) a description of the process facilities and control system; and</p> <p>ii) a field data acquisition program that allows for sufficient pool pressure measurements, fluid samples, cased hole logs and well tests to be obtained to enable a comprehensive assessment to be made of the performance of development wells, pool depletion schemes and the field;</p> <p>(9) contingency and emergency response plans that are developed to mitigate the effects of any reasonably foreseeable event that could compromise safety or the protection of the natural environment, which shall</p> <p>a) provide for coordination with any relevant municipal, provincial, territorial or federal emergency response plan.</p> <p>b) in an offshore area where oil is the target or reasonably expected to be encountered, identify the scope and frequency of the field practice exercise of oil spill countermeasures.</p>	<p>Nowhere in this clause, or elsewhere in the draft DP Regulations, is the disposal of drilling waste, specifically by means of cuttings injection, mentioned. As an example, there are several development applications presently before the NEB proposing cuttings injection as the prime drilling waste disposal method however there are no present NEB regulations covering this method and none are proposed or discussed in this draft Regulation (there is barely a mention in the present Offshore Waste Treatment Disposal Guidelines). This draft is the opportunity for the NEB to propose draft regulations for the evaluation and approval of disposal of drilling waste by cuttings injection, in the absence of any other present 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>	<p>There appears to be an error in the numbering sequence in the COGOA Draft Regs: 5(9)a) and b) should probably read 5(i) i) and ii) – review for NL and NS Regs as well for consistency-it appears that in NS and NL regs, 5(j) should be 5(i).</p> <p>The definition of waste in Section 18 of the Act states that "<b>in addition to its ordinary meaning...waste [is]...</b>" This indicates that waste is defined in the general way (presumably indicating to spread waste, such as trash, etc, or perhaps to waste timber or habitat... though apparently as a verb, see COGOA sub-section 18(1)) <b>AND</b> in relation to the conservation of hydrocarbon resources.</p> <p>The PWG indicates that the definition of waste in the Act is related to resource management - which is only partially correct, given the definition.</p> <p>CAPP requests that because of the broad definition of waste in the Act, that it be clear in the Regulation when the word is used to refer specifically to waste in the oil and gas conservation context, rather than to pollution, or some other subject matter connected to the "ordinary meaning" of the word. CAPP suggests the PWG should consider inserting the actual definition from the Act in the comments table to indicate this point - COGOA Sub-section 18(2).</p>	<p>The PWG will ensure consistency in the numbering and structure of the regulations.</p> <p>With respect to waste, the PWG has considered CAPP's comments and is satisfied that 'waste', in each instance throughout the draft regulations, is used in the context of conservation of oil and gas resources.</p> <p>Consistent with current legal drafting principles, definitions that are present in the Act are not duplicated in associated regulations. Acts and regulations should be read together.</p>
5(h) (CAN)	<p>The application for authorization shall be accompanied by</p> <p>(h) in the case of a production installation,</p> <p>i) a description of the process facilities and control system; and</p> <p>ii) a field data acquisition program that allows for sufficient pool pressure measurements, fluid samples, cased hole logs and well tests to be obtained to enable a comprehensive assessment to be made of the performance of development wells, pool depletion schemes and the field;</p>	<p>5 h) appears to cover a very broad range of potential applications with respect to a production installation. In not all cases will i) or ii) be applicable. Paragraph ii) is more applicable to the development plan application. CAPP suggests specifying this paragraph under a development plan heading. The specific items of interest can simply be included in the guidance notes.</p>			<p>5 h) ii) remove and place in new subheading of this Regulation as written below:</p> <p>5 k) <u>in the case of a development plan, a field data acquisition program.</u></p>	<p>The PWG agrees with the proposed structural and wording changes and will revise the draft regulations accordingly.</p> <p>Of note, the PWG has changed 'well test' to 'formation flow test' in this draft provision.</p>
5 (NL)	<p>The application for authorization shall be accompanied by...</p>	<p>It is unclear if the Application for Authorization could be submitted and approved as a stand-alone approval/authorization? For example, could the Data Acquisition program be submitted as a separate program from the Safety Plan or the Flaring Authorization.</p>				

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5(e)(f) (NS)	(e) information on any proposed flaring or venting of gas, including the rationale and the rate, quantity and period of time of such flaring or venting; (f) information on any proposed burning of oil, including the rationale and the quantity of oil proposed to be burnt;	CAPP suggests adding in the words routine (continuous solution gas flaring/venting) and regular planned maintenance as it will make it clearer that both need to be anticipated, not just routine flaring, since no allowances are given in the regulation for non-routine planned flaring/venting.			CAPP suggests that the PWG consider the following proposed wording: "information on any proposed <u>routine or regular planned maintenance</u> flaring or venting of gas, including the rationale and the <u>estimated</u> rate, <u>estimated</u> quantity and <u>estimated</u> period of time of such flaring or venting;  It is further suggested that (e) and (f) be merged to cover flaring (or venting) of hydrocarbons from the reservoir.	The PWG has considered CAPP's comments and has changed 'proposed' to 'planned' and has added the word 'estimated'.  The PWG considers that 'planned' covers CAPP's suggested 'proposed 'routine and regular planned maintenance' as well as 'estimated period of time of such flaring and venting'.  The PWG decided to retain the division between gas and oil resources, as this wording is consistent with the use of oil and gas in COGOA (petroleum is used in the Offshore Accord Acts).
5(h)(ii) (NS)	(h) in the case of a production installation, i) a description of the process facilities and control system; and ii) a field data acquisition program that allows for sufficient pool pressure measurements, fluid samples, cased hole logs and well tests to be obtained to enable a comprehensive assessment to be made of the performance of development wells, pool depletion schemes and the field;	Some of this information cannot be completed from an offshore production installation. Some of this information would also apply for (g) in the case of a drilling installation. Ease of access to the wellbore needs to be considered during the production phase with limited access to wellbore.				The PWG notes that an operator may, under the Act, apply for an exemption from any requirement of the regulations.  The Boards will consider CAPP's comment during the development of guidance materials.
5(j)(ii) (NS)	(j) contingency and emergency response plans that are developed to mitigate the effects of any reasonably foreseeable event that could compromise safety or the protection of the natural environment, which shall i) provide for coordination with any relevant municipal, provincial, territorial or federal emergency response plan. ii) in an area where oil is the target or reasonably expected to be encountered, identify the scope and frequency of the field practice exercise of oil spill countermeasures.	This is better defined as hydrocarbons; condensate and produced water need to be considered. Also the reference to target is confusing.			CAPP suggests that the PWG consider the following propose wording: "in an area where <u>hydrocarbons</u> are expected to be encountered, identify the scope and frequency of the field practice exercise of oil spill countermeasures."	The PWG notes that this provision was intentionally specific to oil.  In addition, the PWG has decided to delete 'the target or' as it is covered by the existing phrase "'where oil is reasonably expected to be encountered'"

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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 Canada's New Government, The Budget Plan 2007: Aspire to a Stronger, Safer, Better Canada (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 Onshore Pipeline Regulations, 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> <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 DP 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 Canada Oil and Gas Installation Regulations, 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 Canada Oil and Gas Installation Regulations, which the Draft DP 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 "Installation" regulations definitions, in particular, inter-relate in a complex manner and currently could be considered deficient in regard to their treatment of pipelines.</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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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 could be 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>	<p>CAPP hopes that the Boards follow the practice as outlined in the PWG response in the development of the guidance notes and further suggests that the PWG consider this general comment with regard to the regulations:</p> <p>The industry welcomes the inception of "goal oriented" regulations; however, it is unclear from any of the documentation currently available how the PWG will implement the complete regulatory regime where there is a mix of goal oriented and prescriptive regulations. A good example of where compliance confusion is likely to prevail is with the very prescriptive requirements of the Oil and Gas Occupational Safety and Health (OGOSH) regulations and the safety requirements embedded in the DP regulations.</p> <p>A further example of where regulations need to be streamlined and clarified is in the area of "safety reporting". Both the DP regs and OGOSH have a requirement to report accidents, when they occur and annually. CAPP would prefer that there be a "single window" approach to reporting, such that these types of reports be submitted to the Boards, who in turn would disseminate the required information, on an as needed basis.</p> <p>CAPP also notes that in the area of safety, there are 2 sets of regulations, under 2 separate acts, Canada Oil and Gas Operations Act (COGOA) and Canada Labour Code, (CLC Part 2) which govern oil and gas activities under federal jurisdiction. Each act allows for the appointment of a "safety officer"; however, under S. 21 (2) of the CLC there is the opportunity for other approved persons to be designated as "safety officers". CAPP requests that the PWG or the Boards confirm that they will invoke such a clause so that their inspectors are also designated as Board safety officers, under the CLC.</p>	<p>The PWG thanks CAPP for these comments and has forwarded them to the FORRI Steering Committee for consideration.</p> <p>The PWG has considered CAPP's comments regarding the single window between OGOSH and the draft DP Regs regarding 'safety reporting' and has found that this is not possible at this time.</p> <p>The PWG notes that CAPP's comments regarding the designation of safety officers under the Canada Labour Code (Part 2) is a matter that can be dealt with by the National Energy Board.</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.	Allocation was intended to be done on a pool basis; zone not included in allocation determination.  The use of "pool" and "zone" needs to be clarified.	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".	<p>CAPP strongly protests the proposed wording to this section of the draft Regulations and requests that the references to "zones" be removed from the relevant sections.</p> <p>Both "pool" and "zone" are defined by the legislation as follows:</p> <p><i>"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. (Accord Acts)</i></p> <p><i>"zone" means any stratum or any sequence of strata to which a name has been designated by the Chief Conservation Officer pursuant to section 17. (draft DP Regulations)</i></p> <p>Based on the definitions it can be concluded that a "pool" is a separate distinct entity whereas a "zone" simply refers to a strata or layer... a label for an interval with no requirement for separation. The inclusion of the word "zones" into these specific regulations is significant and problematic. It implies that zones are to be treated as distinct separate entities for reporting purposes even though they are not defined as such. CAPP suggests that these sections as written not only add unnecessary detail and complexity from a measurement and reporting perspective but would be practically impossible to implement accurately. Removal of reference to "zone(s)" should address industry concerns.</p>	<p>The following is an excerpt from the PWG's letter to CAPP dated 29 October 2007.</p> <p>The PWG recognizes the high level of concern with respect to the inclusion of 'zone' in sections 69(2), 66 and 69 of the draft DP Regs. The PWG has considered the comments and provides the following comments, clarification and intended revisions to the draft regulations.</p> <p>Both 'pool' and 'field' are defined in the <i>Canada Oil and Gas Operations Act</i> and the Offshore Accord Acts (Acts). 'Zone' and "Production Zone" are currently defined and used in the existing <i>Production &amp; Conservation Regulations</i>, with those definitions being clear that 'zone' refers to a stratum, or sequence of strata, within a pool.</p> <p>It is recognized that not all zones contain hydrocarbons and not all zones can or should be used for production or injection purposes. However, in some circumstances, management of certain zones may be required to ensure proper management of oil and gas resources and prevent waste. It is intended that the draft regulations apply to those specific zones.</p> <p>Accordingly, it was intended that section 17 of the draft regulations would reflect that only zones that have been designated by the Board would be subject to the requirements in the regulations. Based on this approach, 'zone' was included in sections 6(2), 17, 66 and 69 as well as to the definition of "flow allocation procedure".</p> <p>To ensure clarity, the PWG has revised the definition as follows:</p> <p>'zone' means any stratum or any sequence of strata which has been designated by the Board as a zone for the purposes of these Regulations pursuant to section 17.</p> <p>Section 17 contains provisions by which the Boards may designate the name and delimit the location of pools, zones and fields. The PWG acknowledges that the wording could be clearer and, accordingly, has revised section 17 as follows:</p> <p><b>17. (1)</b> The Board may designate a zone for the purposes of these regulations.</p> <p>(2) The Board shall assign a name to, or may change the name of a pool or field.</p> <p>(3) The Board may define the boundaries of a pool, zone or field for the purpose of identifying it.</p>

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7(a) (NL)	The safety plan shall set out the procedures, practices, resources, sequence of activities and monitoring to ensure the safety of persons engaged in the proposed work or activity and include.....	CAPP is concerned with the wording "sequence of activities" as it relates to planning for safety. This reads like an extensive procedure that is not realistic. Safety guidelines may be a better method for addressing this concern. Step-by-step procedures for safe work are not always practical and can be counter productive. CAPP suggests that providing examples of activities would be helpful in increasing understanding.	Delete: "sequence of activities"			The PWG has edited the draft provision for clarity as follows:  "... procedures, practices, resources, <u>sequence of key safety-related activities.</u> "
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>	CAPP concurs with the PWG's response.	
7(f) (NL) (NS) (CAN)	The safety plan shall set out the procedures, practices, resources, sequence of activities and monitoring to ensure the safety of persons engaged in the proposed work or activity and include f)a description of the organizational structure for the proposed work or activity and the command structure on the installation, which clearly explains i)their relationship to each other, ii)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. One way of addressing this concern could be to identify only the position of the safety personnel in charge of the site or implementation of the safety plan, not the name. Key documentation such as Authorizations has signatures which identify the accountable person.		The PWG agrees with CAPP's comment and further consideration will be given to this issue once all stakeholder comments have been received.	CAPP offers this proposed change for consideration: "The safety plan shall set out the procedures, practices, resources, sequence of activities and monitoring to ensure the safety of persons engaged in the proposed work or activity and include f)a description of the organizational structure for the proposed work or activity and the command structure on the installation, which clearly explains i)their relationship to each other, ii)the <u>contact information for the person accountable for the safety plan and the position of the person responsible for implementing the safety plan;</u> "	The PWG has considered CAPP's comments and has revised the draft provision [as well as a similar on in 8(e)(ii)] to read:  7(f)(ii) the contact information and position of the person accountable for the safety plan and of the person responsible for implementing the safety plan.

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7(g) (CAN)	if the possibility of pack sea ice, drifting icebergs or ice island exists at the drill or production site, the measures to address the protection of the installation, including systems for ice detection, surveillance, data collection, reporting, forecasting and, if appropriate, ice avoidance or deflection; and	Objective of Regulation is unclear with respect to the term "ice island". CAPP suggests that a definition of "ice island" be provided.				The PWG notes that 'ice island' can be deleted (and has done so) as the purpose of its inclusion is covered by the definition of 'artificial island' that is included in the draft regulations.
8 (CAN)	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:	The sequence of activities appears inflexible and cumbersome as a procedure for most work. This is typically part of the execution plan for a task or project and is usually flexible and meant as a guide.	The environmental protection plan shall define the procedures, practices, resources, <del>sequence of activities</del> and monitoring to manage hazards to and protect the environment from the proposed work or activity and include			As with subsection 7(a), above, the PWG agrees with CAPP's suggestion and has revised the draft provision accordingly.
8(b)	a summary of the studies undertake to identify environmental hazards and hazards to the environment and to evaluate environmental risks;	There appears to be a spelling error.	Change "undertake" to "undertaken"	The PWG agrees with CAPP's comment and the editorial error will be addressed.	CAPP concurs with the PWG's response.	
8(e) (NL) (NS) (CAN)	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 description of the organizational structure for the proposed work or activity and the command structure on the installation, which clearly explains i) their relationship to each other; and the name of the executive accountable for the environmental protection 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. CAPP suggests that the Regulation should specify position and not a name. Key documentation such as Authorizations has signatures which identify the accountable person.		The PWG agrees with CAPP's comment and further consideration will be given to this issue once all stakeholder comments have been received.	CAPP concurs with the PWG's response and awaits further consideration.	The PWG has revised this provision consistent with paragraph 7(f)(ii) above.  8(e)(ii) the contact information and position of the person accountable for the environmental protection plan and the person responsible for implementing the environmental protection plan.
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.	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.  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.  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.	CAPP understands and agrees with the PWG response and therefore "providing additional clarity" is not necessary.	

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8(j) (NS)	the system for monitoring and ensuring compliance with the discharge limits identified in paragraph (h) including the sampling and analytical program to ensure that discharges are within the specified limits; and		the system for monitoring and ensuring compliance with the discharge limits identified in paragraph (h) including the sampling and analytical program to ensure that discharges are <u>maintained</u> within the specified limits; and			The PWG notes that 'maintained' is not needed as it is implicit in the wording of the draft provision.
8(k) (CAN)	a description of decommissioning and abandonment of the site, including methods for environmental restoration of the site after abandonment.	CAPP requests clarification as we assume this is asking for a "high level" description and is expected to change with changing technologies, project progression / evolution, and evolving regulatory requirements. An abandonment plan is acceptable, but it must be considered a guideline for developments with a long life, as 20-30 years of operation and likely regulatory change will almost certainly change the actual plan. Generally, there needs to be more recognition of the differences between production and exploration activities.				<p>The PWG notes that a general description of abandonment should accompany every application for an authorization. If the application for an authorization is specifically related to the abandonment of an installation, a higher level of information would be appropriate.</p> <p>While considering CAPP's comment, the PWG noted information on abandonment could include engineering and safety considerations, in addition to environmental considerations. Therefore, the draft provision was moved section 5, as follows:</p> <p>NEW 5 l) a description of decommissioning and abandonment of the site, including methods for restoration of the site after abandonment.</p> <p>The Environmental Protection Plan should include the relevant procedures, practices, resources and monitoring, as described in section 8.</p>
<b>PART 1 - REQUIREMENTS AND APPROVALS FOR AUTHORIZATION – Well Approval</b>						
9(1) (NL)	Subject to subsection (2), the operator who wishes to drill a well, perform a well test, re-enter, workover, complete, recomplete, suspend or abandon a well must obtain a well approval.	A well approval should not be required for a well test to a production facility.  Well test as referenced in this regulation should be formation flow test.	Change well test to formation flow test	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.  The PWG will also consider ways to clarify 're-enter' in relation to the other activities in the draft provision.	CAPP concurs with the PWG's response and awaits further consideration.	The PWG notes that 'perform a well test' can be removed from this draft provision and has done so.  Well testing is adequately covered by section 6 which requires approval of the well allocation procedures. A production allocation test would be part of such these procedures.
9(1) (CAN)	Subject to subsection (2), the operator who wishes to drill a well, perform a well test, re-enter, workover, complete, recomplete, suspend or abandon a well must obtain a well approval.	Re-enter should be defined somewhere in the regulations.		The PWG does not agree that 're-enter' needs to be defined, as it is a well understood industry term.		<p>The PWG has also added, for clarity, "... abandon a well <u>or part of a well</u>...". This is consistent with the current <i>Drilling Regulations</i> which refers to the abandonment of a portion of a well through plugging the lower part of a well.</p> <p>The PWG looked at ways to improve clarity regarding 're-enter' but considers that it is well understood in relation to the other terms in the provision. Therefore, the PWG did not change the wording.</p> <p>Additional discussion can be provided in guidance notes.</p>

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9(2) (CAN) (NS)	<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> <p>i) alter the completion interval,</p> <p>ii) adversely affect recovery of oil or gas, or</p> <p>iii) result in damage to the completion equipment or pressure-retaining barriers; and</p> <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>	<p>CAPP acknowledges that additional detail can be placed in the guidance notes but suggests that clarification be provided in the Regulation as to why a subsea development requires approval but a "dry tree" development does not require approval.</p>	<p>The PWG notes that this provision is in the current <i>Drilling Regulations</i>.</p> <p>In general, a subsea development is a unique situation with higher risks to safety and the environment. This provision ensures appropriate regulatory oversight of proposed subsea activities through a well approval (ie is not exempt).</p> <p>Of note, the PWG decided to add 'slick line' to the list in subsection (2) for which a well approval would not be required. Accordingly, a definition of 'slick line' was added to ensure clarity.</p> <p>"slick line" means a single steel cable used to run tests in a well"</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>	<p>CAPP suggests that the portion of the section which reads "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" may be more appropriately placed in guidance notes than in the Regulation.</p>	<p>The PWG has restructured this draft provision to read:</p> <p>(a) a detailed description of the drilling program; and</p> <p>(b) 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>

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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.	Concerned about the lack of distinction between exploration, development and infill wells in this and several other instances in the regs.  Some of these requirements seem onerous for just infill wells.		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).  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".  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.  Guidance notes will discuss both the drilling program and the well data acquisition program.	CAPP concurs with the PWG's response and awaits further clarification during guidance notes development.  It should also be noted that the distinction between well types and purposes needs to be recognized in this section. Clearly dry holes, the initial discovery well, appraisal and delineation wells, development wells and infill wells support different data acquisition programs. The second part of the section should be pushed to the guidance document where this distinction can be addressed comprehensively.  CAPP suggests this proposed change in the Regulation: If the well approval sought is to drill a well, the application shall contain a detailed description of the drilling program, including the well data acquisition program.	The list in (b) provides the objectives/goals, clarity and is consistent with the goal-oriented approach taken with these draft regulations.  Operators can, in their application, explain any omissions from their data acquisition program and request an exemption (under the Act) from the portion of the provision.  Lastly, the PWG has removed 'well tests' from (b), consistent with subsection 9(1).
11(1) (CAN) (NS)	If the well approval sought is to perform a well test, re-enter, work over, complete, recomplate, 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.	If the well approval sought is to perform a well test, re-enter, work over, complete, recomplate, 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.	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).  The PWG does not agree that 're-enter' needs to be defined, as it is a well understood industry term.	CAPP suggests that the PWG consider this proposed change: "If the well approval sought is to perform a well test, re-enter, work over, complete, recomplate, suspend or abandon a well; the application shall contain a detailed description of the well, the proposed work or activity <u>to be carried out</u> and the rationale for conducting it."	The PWG considers that 'proposed work or activity' covers 'to be carried out' and therefore the suggested edit is not required.  Also, consistent with sections 9 and 10, above, 'well test' has been removed from this draft provision.
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.	CAPP concurs with the PWG's response and awaits further clarification during guidance notes development.	
12(1) (CAN)	The Board shall grant the well approval if the operator demonstrates that the work or activity will be conducted safely, without waste and without polluting the natural environment.	As per the definition of waste in the Act, there will always be some waste generated. The Regulation could note that proper waste management is required – but cannot require lack of waste. Elsewhere in the draft Regulations, it explicitly recognizes the production of "waste materials". Also there is no definition of "natural" environment and CAPP suggests that the definition of "pollute" be drafted to make this clear.	The Board shall grant the well approval if the operator demonstrates that the work or activity will be conducted safely, without waste of oil or gas and without polluting the natural environment.			As noted above, the addition of "of oil and gas" is not required to qualify waste, as its use in the draft provision is consistent with its meaning in the Act.  With respect to deleting "the natural environment", the PWG agrees and has revised the draft provision accordingly.

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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.	CAPP concurs with the PWG's response.	The PWG has removed subsection (2) from the draft regulations.
<b>PART 1 - REQUIREMENTS AND APPROVALS FOR AUTHORIZATION – Suspension and Revocation</b>						
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.	CAPP concurs with the PWG's response and awaits further clarification.	The PWG notes that the approvals in section 6(2) – field data acquisition program; 55(2) – part of a well or field data acquisition program; 57(1) & 57(5) - formation flow test; and 72(2) – co-mingled production; are the approvals referred to as the "approvals other than the well approval" in this draft provision.  The PWG has listed these these approvals in the draft provision to ensure clarity.
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, without waste or without polluting; or 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.	It is unclear which action that the operator is 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, once all stakeholder comments have been received.  For both 13(1) and 13(2), the processes associated with either suspension or revocation or a well approval would be administrative in nature.	CAPP is also seeking clarity on whether this activity can be handled by an order from a Chief Conservation Officer.  Further comments: 13(1)a) It is assumed that the term "waste" is referring primarily to waste in the oil and gas conservation sense. "Pollution" should capture unauthorized release of waste material.  b) ii) While environmental conditions encountered may be more severe than predicted they may be well within the capabilities of the operation to withstand and continue operating successfully. CAPP believes that this clause intends to speak to environmental conditions being more severe than those within the bounds of safe and / or prudent operations.  CAPP suggests this wording be considered: 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, without waste of oil or gas, or without polluting; or 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 <u>the onsite equipment is designed to withstand</u> ; or	This draft provision would provide the Board with the authority to suspend a well approval and contains the criteria upon which the Board would make this decision. The inclusion of criteria for approvals is consistent with modern drafting principles. For example, see also subsections 6(2), 13(2), 57(5) and 72(2).  A Board could, administratively, delegate this authority to the Chief Conservation Officer.  As noted above, "waste" in the draft regulations is as per defined in the Acts and therefore "of oil and gas" is not required.  Regarding CAPP's suggested revision of 13 (b)(ii), the PWG has revised the draft provision as follows (emphasis added):  13(1)(b)(ii) the physical environmental conditions encountered in the area of the activity for which the well approval was granted are more severe <u>than the equipment's operating limits as specified by the manufacturer</u> ; or

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13(2) (NL) (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.	Potentially confusing wording. Intent is unclear. Which action is the operator required to take after revocation of the well approval and within which timeframe?	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.  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 that resulted in the suspension".	CAPP concurs with the PWG's response and awaits further clarification during guidance notes development.	
<b>PART 1 - REQUIREMENTS AND APPROVALS FOR AUTHORIZATION – Development Plans</b>						
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.	CAPP concurs with the PWG's response and awaits further clarification during guidance notes development.	
15 (CAN)	For the purposes of subsection 5.1(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.	The requirements for the contents of a Development Plan that are in the current regulations have, generally, been abandoned in the draft Regulations. CAPP wonders if there are plans for specific guidance for producing Development Plans.  CAPP is also seeking clarity as to whether a resource/reservoir management plan should be defined in the Regulations.	For the purposes of subsection 5.1(3) of the Act, Part II of the development plan relating to a proposed development of a pool or field shall contain a <del>resource</del> <u>reservoir</u> management plan.			As outlined in the Acts, the Boards may fix the form of an application for a development plan as well as the information that it must contain. Accordingly, such requirements were not included in the draft DP Regs.  The PWG continues to prefer 'resource' rather than 'reservoir' as it is consistent with the purpose of the Act regarding the "conservation of oil and gas resources".
<b>PART 2 – GENERAL PROVISIONS – Names and Designations</b>						
16 (NL) (CAN) (NS)	The Board may at any time designate or change the name, classification or status of any well.	No change should occur until there is dialogue between the Board and the operator and due notice is given.  Is it to be understood that the Board may change the status of the well even after permanent abandonment has been approved, for example, 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.	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.	CAPP believes that this wording in the Regulation is acceptable as long as there is no harm or additional costs incurred by the operator (e.g. different taxation).	The PWG reiterates its previous comments. For proper resource management, the well status should reflect its actual purpose/use. This is independent of issues of taxation.  As previously stated, the operator is currently consulted prior to such a change.

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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	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.	<p>CAPP strongly protests the proposed wording to this section of the draft Regulations and requests that the references to "zones" be removed from the relevant sections.</p> <p>Both "pool" and "zone" are defined by the legislation as follows:</p> <p><i>"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. (Accord Acts)</i></p> <p><i>"zone" means any stratum or any sequence of strata to which a name has been designated by the Chief Conservation Officer pursuant to section 17. (draft DP Regulations)</i></p> <p>Based on the definitions it can be concluded that a "pool" is a separate distinct entity whereas a "zone" simply refers to a strata or layer... a label for an interval with no requirement for separation. The inclusion of the word "zones" into these specific regulations is significant and problematic. It implies that zones are to be treated as distinct separate entities for reporting purposes even though they are not defined as such. CAPP suggests that these sections as written not only add unnecessary detail and complexity from a measurement and reporting perspective but would be practically impossible to implement accurately. Removal of reference to "zone(s)" should address industry concerns.</p>	Please refer to the PWG's comments above, section 6(2).
<b>PART 2 – GENERAL PROVISIONS – Availability of Documents</b>						
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 an 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.	<p>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.</p> <p>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.</p>	CAPP concurs with the PWG's response and awaits further clarification during guidance notes development.	
<b>PART 2 – GENERAL PROVISIONS – Management System</b>						

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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 NL version as compared to COGOA. PWG 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."	CAPP concurs with the PWG's response.	
21 (NS)	The operator shall ensure that a survey is used to confirm the surface location of every well.	CAPP suggests that the physical location of the production facility be addressed.	CAPP offers this proposed change for consideration: "The operator shall ensure that a survey is used to confirm the surface location of every well <u>and the physical location of production facility were applicable.</u> "			<p>The PWG noted that it had missed including a requirement to provide a copy fo the survey to the Board and therefore added a new subsection (2). Also, as suggested by CAPP, the PWG has edited subsection (1) to include surface facilities, which would be covered by the definition of 'installation'.</p> <p>The revised draft provision is as follows:</p> <p>21(1). The operator shall ensure that a survey is used to confirm the surface location of every well <u>and every installation</u></p> <p><u>(2) the operator shall ensure that a copy of the survey is provided to the Board.</u></p> <p>Lastly, "where applicable" is not necessary in the draft provision.</p>
<b>PART 2 – GENERAL PROVISIONS – Safety and Environmental Protection</b>						
22 (CAN)	The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including a) any operation necessary for the safety of persons at an installation or on a support craft has priority, at all times, over any work or activity at that installation or support craft; b) safe working methods are followed during all drilling, well or production operations; c) there is an effective shift hand-over system that ensures communication of any conditions, mechanical or procedural deficiencies or other problems that could have an impact on the safety of persons or the protection of the natural environment; d) differences in language or other barriers to effective communication do not jeopardize safety or the protection of the natural environment; e) 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; f) any drilling or well operation is conducted in a manner that maintains full control of the well at all times; g) 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	Without appropriate changes to definitions, none of this section would likely capture any pipeline or 'stand-alone' processing facilities.				<p>The PWG thanks CAPP for its comments regarding pipelines and has forwarded them to the FORRI Steering Committee for consideration.</p> <p>The PWG is unclear on what is meant by 'stand alone processing facility' but offers the following comments.</p> <p>In the <i>Installations Regulations</i>, processing facilities are included in the definition of "production facility" which is, in turn, is part of the definition of "installation". Therefore, any reference to 'installation' in the draft DP regulations would include processing facilities.</p>

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	<p>out of control is secured;</p> <p>h) plans have been made and equipment is available to deal with all abnormal situations that may be anticipated;</p> <p>i) all equipment required for safety and protection of the natural environment is available for use and in an operable condition;</p> <p>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;</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>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>m) any operational procedure that is unsafe for persons or the natural environment is corrected and all affected persons are informed of the alteration.</p>					
22(e) (NL) (NS) (CAN)	<p>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;</p>	<p>Some of the installation specific instruction is done upon arrival at the installation.</p>	<p>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.</p>	<p>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.</p>	<p>When the PWG further considers this issue please note that this is not limited to the offshore as written but it should be. Site-specific safety orientation and evacuation procedures are reviewed as soon as a person comes onto the installation. Including "in transit to or from an installation" seems to include an employee for example, who is traveling from Calgary to an on-shore installation in the NWT.</p> <p>CAPP suggests that the PWG should consider this proposed wording: "...or in transit to or from an <u>offshore</u> installation have received instruction and are familiar with safety and evacuation procedures and with their <u>roles and</u> responsibilities in contingency and emergency response plans;..."</p>	<p>The PWG has considered CAPP's comments and the draft provision and notes that this draft provision, as currently drafted, would allow employees to receive instructions relevant to the transit activity prior to the transit and be provided with further instruction upon arrival at the installation. Therefore, no revisions have been made.</p> <p>The PWG considers this provision appropriate to both onshore and offshore installations.</p> <p>The PWG agrees that 'roles and' can be added to the provision and has revised the draft provision accordingly.</p>

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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 NL version as compared to COGOA. PWG 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 concern and further consideration will be given to the appropriate wording for this section once all stakeholder comments have been received.  The PWG will ensure consistency among the three versions of the draft DP Regs and notes that section 22(g), at left, is worded as intended.	CAPP concurs with the PWG's response and awaits further clarification.	The PWG has considered CAPP's comments and remains of the view that the draft provision reflects the normal response to loss of well control.  Operators can, pursuant to the Acts, apply for an exemption or equivalency to this provision. The PWG recognizes that operators may have specific contingency measures in their plans or procedures to ensure safety and protection of the environment in the event of loss of well control.
22(h) (NL) (CAN)	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 <i>Drilling Regulations</i> (e.g. see section 100(6) of the COGOA version).	CAPP acknowledges the PWG's initial response but suggests that a regulation calling for equipment being available to deal with all abnormal situations that may be anticipated covers an extremely wide scope. CAPP suggests that the PWG consider this edit:  "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 any normal and foreseeable emergency condition that may have a material adverse impact on the environment or on safety."	The PWG was not persuaded by CAPP's comments to revise this draft provision.  The PWG notes that the operator's management system should, as part of identifying hazards and evaluating and managing risks, contain procedures to identify (and therefore anticipate) abnormal situations and ensure that appropriate plans and equipment are available.
22(i) (NL)	The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including all equipment required for safety and protection of the natural environment is available for use and in an operable condition;	If the intent that "waste" should mean "waste material" as per the COGOA guidance notes the the paragraph should be reworded as waste material will be produced under normal circumstances.	Add... safely and without causing pollution or <i>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.	CAPP concurs with the PWG's response as it does relate to 22 (l).  The original comment under 22(i) has been moved to 22.(l) and the proper text added here for PWG comment.  The current wording does not 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.  CAPP suggests this edit: "... or necessary mitigation measures have been taken to ensure that there is no adverse impact on safety and protection of the natural environment".	The PWG has considered CAPP's comments and refers CAPP to the preamble of section 22 which includes "take all reasonable measures" and refers to all of the subsections from a) through m).  Mitigation could be a reasonable measure; the operator is responsible for identifying the measures to be used.  With respect to CAPP's comment with respect to out of service equipment, section 22(i) clearly states that all equipment <u>necessary for safety and protection of the natural environment</u> is available for use and in operable condition (emphasis added).

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22(j) (NL)	The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including 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.	The comments here should have been captured under 22(i) and have been included in that section for PWG comment.	
22(k) (NL)	The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including 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;	What is the intent or goal of this paragraph?  CAPP requests clarification.		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.	CAPP concurs with the PWG's response.	
22(l) (NL)	The operator shall take all reasonable precautions to ensure protection of the natural environment and safety, including 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.	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 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.  The PWG agrees that subsection (l) could be ended after the word 'pollution' and will consider this issue once all stakeholder comments are received.	CAPP concurs with the PWG's response and suggests that as the PWG considers revisions to this section, they consider this further suggested wording: "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 of <u>oil or gas</u> :"	The PWG has decided to remove the last portion of the draft provision "or waste" as section 22 is in relation to safety and protection of the environment and other draft provisions contain general duties related to preventing waste.
23(2) (NL)	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.	Clarify "applicability".  Is this within the Board's jurisdiction?	Add to read "...comply with all applicable safety regulations "while in C-NLOPB jurisdiction".	The PWG considers this provision to be within the jurisdiction of the Act and regulations.  Of note, this provision comes from the existing Drilling Regulations (e.g. see section 154 of the COGOA version).  The PWG may edit this provision to ensure consistency with the defined terms 'drilling program' and 'production project'.  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).	CAPP concurs with the PWG's response and awaits further consideration.	The PWG has edited subsection (2) as follows to ensure consistency with defined terms:  (2) A passenger on a helicopter, supply vessel or any other support craft engaged in a <u>drilling program or production project</u> shall comply with all applicable safety instructions.

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24(1) (NL) (NS)	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 should have a defined policy and procedures in place to prevent individuals from smoking and dealing with individuals found to be contravention of the policy.	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.	CAPP awaits further PWG consideration of this issue and also suggests making this edit: The operator shall ensure that no person smokes on an installation except in those areas set aside by the operator for that use <u>and all personnel onboard the installation shall abide by this requirement.</u>	The PWG has considered CAPP's additional suggestion and is of the view that it is not needed. Regulations are legal requirements that must be complied with.
24(2) (NL) (NS) (CAN)	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. 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.	No person shall smoke on an installation except in those areas set aside by the installation owner for that use.		It is assumed that (2) is a formality to state that it is noncompliant to smoke (individual's responsibility) versus clause (1) that also makes it operator's responsibility. Otherwise both of these sections are redundant.  CAPP suggests that 24 (2) is a duplication of 24(1) and suggests that 24 (2) be deleted.	The PWG acknowledges that this draft provision includes responsibilities on the individual as well as on the operator.  In this case and in the case of section 23(1), these individual duties have been retained to reflect the severity of the consequence of these individual actions.
<b>PART 2 – GENERAL PROVISIONS – Handling of Consumables</b>						
25(a) (CAN)	The operator shall ensure that fuel, potable water, spill containment, safety related chemicals, drilling fluid materials, cement and other consumables are a) readily available and in sufficient quantities to meet any normal and foreseeable emergency condition; and	CAPP suggest that adding the word reasonable makes the statement more realistic and achievable.	The operator shall ensure that fuel, potable water, spill containment, safety related chemicals, drilling fluid materials, cement and other consumables are a) readily available and in sufficient quantities to meet any normal and <u>reasonably</u> foreseeable emergency condition; and			The PWG agrees with CAPP's suggested addition of 'reasonably' and has revised the draft provision accordingly. Of note, this use is consistent with paragraph 5(j) with respect to contingency and emergency response plans.
<b>PART 2 – GENERAL PROVISIONS – Handling of Chemical Substances, Waste Material and Oil</b>						
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.	CAPP concurs with the PWG's response and awaits further consideration.	The PWG continues to look at this issue and will provide a response at a later date.
<b>PART 2 – GENERAL PROVISIONS – Cessation of a Work or Activity</b>						
27(1) (CAN)	The operator shall ensure that any work or activity ceases as soon as possible if the continuation of that work or activity a) endangers or may endanger the safety of persons; b) endangers or may endanger the security of the well or the integrity of the installation; or c) causes or may cause pollution.	In theory any activity <u>may cause</u> pollution as defined. Strictly speaking then, any such activities could never be performed under this regulation. CAPP suggests that the PWG consider using wording similar to "causes or is expected/likely to cause pollution" – which would speak to equipment that is not operating properly or procedures that appear not to be adequate once work is initiated.	The operator shall ensure that any work or activity ceases as soon as possible if the continuation of that work or activity a) endangers or may endanger the safety of persons; b) endangers or may endanger the security of the well or the integrity of the installation; or c) causes or <u>will</u> cause pollution.			With respect to paragraphs [a] through [c], the PWG has changed 'may to 'is likely to'.  The PWG has edited paragraph (b) as follows:  (b) endangers or is likely to endanger the safety or integrity of the well or of the installation; or
<b>PART 3 – EQUIPMENT AND OPERATIONS – Installations, Equipment, Facilities and Support Craft</b>						

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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.	CAPP concurs with the PWG's response and refers the PWG to a suggested edit in 28 (Can).	
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.	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.	CAPP concurs with the PWG's response.	
28 (CAN)	The operator shall ensure that a) 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; and b) records of maintenance, tests and inspections are kept.	CAPP reiterates that the requirement that all facilities and equipment not produce waste is impossible and needs to be removed.	The operator shall ensure that a) all installations, equipment, facilities and support craft are designed, constructed, tested, maintained and operated to prevent accidents, incidents, pollution and waste of <u>oil and gas</u> under the maximum load conditions that may be reasonably anticipated during any operation; and b) records of maintenance, tests and inspections are kept.  CAPP is also seeking clarity as to whether "support craft" is the same as "support vessels".			The PWG refers CAPP to the comments about "waste" above (section 5).  The PWG has added "wells" to the list in subsection 28(a).  The PWG has removed all references to support vessels from Part 8 and notes that the definition of support craft includes support vessels. Please see the PWG comments at section 76.
29 (NL) (NS)	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.  A testing period of 5 years may not apply to all equipment listed and does not adequately define the goal.  Inspection intervals need to be adequate to meet the intent of the regulations i.e. continued safe operation.	The <u>installation owner</u> shall ensure that a comprehensive ...  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 performed in accordance with recognized codes, standards, practices or engineering recommendations clearly outlining scope and intervals for inspection. Such inspections shall be documented and auditable.	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.	CAPP acknowledges the PWG's initial response but seeks additional clarity on how the term "critical joints and members" is to be interpreted. Does this include primary steel?  CAPP also suggests that this clause needs to specify that the inspection be done by qualified personnel and that the PWG should consider this proposed wording: "...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 by <u>appropriately qualified personnel</u> and a report prepared in respect of that inspection."	The PWG notes that the operator would be responsible to identify which parts of its project would be "critical joints and structural members". In general, the PWG considers that primary steel would be included.  Regarding the qualifications of personnel, the draft regulations contain 2 provisions that would cover CAPP's suggested addition - please see subsection 22(l) and section 78.

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30(a) (NL) (NS)	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.	CAPP suggests the removal of 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.	CAPP views that additional clarity is required in the regulation as opposed to the guidance notes. For example, it is impractical to monitor the corrosion of the tubing installed in a producing well and subsea systems are not able to be monitored for corrosion and erosion. In addition to wellheads, the Christmas tree needs to be referenced.  CAPP suggests this wording be changed to the following:  The operator shall ensure that corrosion and erosion of the components of an installation and of well tubulars and <u>Christmas trees and</u> wellheads at an installation are <u>operated</u> in accordance with good engineering <u>and</u> <u>maintenance/inspection</u> practices.	The PWG has revised section 30 as follows:  30. (1) The operator shall ensure that components of an installation and well tubulars, Christmas trees and wellheads are operated in accordance with good engineering practices;  (2) The operator shall ensure that any part of an installation that may be exposed to a sour environment is designed, constructed and maintained to withstand such an environment.  The PWG considers that a Christmas tree is part of a wellhead.
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? Also additional clarity is needed as to whether work may continue, provided involved equipment is not used (ref. Section 27 Comments)		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.	CAPP suggests that wording be changed as below to acknowledge that hidden defects cannot be rectified and that immediate rectification is often not possible. If a part is required or a specific trade specialty etc., then the hazard cannot be immediately repaired. Immediate steps to make the defect safe are possible and are the appropriate way to respond to such an issue.  CAPP suggests this wording: "The operator shall ensure that <u>steps are immediately taken to ensure that any known</u> defect in the installation, equipment, facilities and support craft that may be a hazard to safety or the natural environment is rectified without delay."	The PWG has considered CAPP's suggested wording and does not feel that the added words are necessary.  The operator, by definition, holds the operating license and authorization, and is therefore both accountable and responsible to ensure compliance with the Act and regulations.  Should an operator be unable to ensure that the type of defects (as qualified in the draft provision) are immediately rectified then an application may be made to the Board for an exemption or equivalency.
<b>PART 3 – EQUIPMENT AND OPERATIONS – Drilling Fluid System</b>						
32 (b) (NS)	The indicators and alarms associated with the drilling fluid monitoring equipment are strategically located on the drilling rig to alert drilling supervisors and drillers; and	Key operations personnel can include derrickman, drilling mud supervisor, etc.	The indicators and alarms associated with the drilling fluid monitoring equipment are strategically located on the drilling rig to alert <u>onsite personnel</u> ; and			The PWG agrees with CAPP's suggestion and has revised the draft provision accordingly.  Of note, subsection c) has been removed as it is covered by section 26.
<b>PART 3 – EQUIPMENT AND OPERATIONS – Marine Riser</b>						
33(2) (NL) (CAN)	Every marine riser shall be supported in a manner that effectively isolates it from the forces caused by the motion of the installation.  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.  Where a marine riser is in use a compensator will always be used. CAPP wonders if it is necessary to state this?	CAPP suggests that the word "isolates" be replaced 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.	CAPP concurs with the PWG's response and awaits further consideration.	The word "isolates" has been changed to 'compensates'.
<b>PART 3 – EQUIPMENT AND OPERATIONS – Drilling Practices</b>						

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34(2) (CAN)	(2) 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.	<p>With regard to 34(2):            It is conceivable that bit and mud selection will produce cuttings that are insufficient to detect the desired properties.</p> <p>It is conceivable that drilling may take place without continuous returns to surface.</p> <p>Generally CAPP finds this section over prescriptive for a goal-oriented approach, and it can be construed to include techniques that we do not believe are the intent of this regulation.</p> <p>CAPP believes the intent of this section is safe drilling practices that provide for recognition and control of normal and abnormal pressures resulting in safe, controlled drilling operations and the prevention of pollution. In the context of goal based regulation, CAPP believes this can be stated more directly.</p>	CAPP suggests the deletion of section 34(2)			<p>Subsection 34 has been revised as follows:</p> <p>34. The operator shall ensure that adequate equipment, procedures and personnel are in place to effectively recognize and control normal and abnormal pressures and allow for safe, controlled drilling operations and prevent pollution.</p> <p>The PWG has deleted subsection (2), noting that monitoring should be included in the procedures and captured in the draft provision as revised.</p> <p>In addition, monitoring of each well should be covered in the well evaluation provisions in Part 4.</p>
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>	<p>CAPP acknowledges the PWG's initial response but suggests that operators sometimes drill up to 1500 m without taking returns to the rig.</p> <p>CAPP suggests that the sentence start with: "When taking drilling fluid returns to the installation, the operator shall....."</p>	
<b>PART 3 – EQUIPMENT AND OPERATIONS – Directional and Deviation Surveys</b>						
36 (1) (NS) (CAN)	The operator shall ensure that directional and deviation surveys are taken at intervals that allow the well bore to be determined accurately.	This phrase is unclear. There is no text around the criteria for the word accurately, such as 'sufficient for anti-collision planning or intersection for well control'.	<p>The operator shall ensure that directional and deviation surveys are taken at intervals that allow the well bore <u>trajectory</u> to be determined accurately.</p> <p>Or alternatively the section can be reworded as follows::</p> <p>The operator shall ensure that directional and deviation surveys are taken at intervals that <u>allow the down hole position of the well bore</u> to be determined accurately.</p>			<p>Subsection 36(1) has been revised as follows:</p> <p>36 (1). The operator shall ensure that direction and deviational surveys are taken at intervals that allow the position of the well bore to be determined accurately.</p>
<b>PART 3 – EQUIPMENT AND OPERATIONS – Formation Leak-off Test</b>						

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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.	CAPP concurs with the PWG's response and awaits further clarification during guidance notes development.  In addition CAPP suggests there is a typo in 37(1)(b) and should read: "the formation leak-off test or the formation integrity test is conducted to a value that allows for <u>safely</u> drilling to the next planned casing depth."	The word 'safely' has been changed to 'safe'.
<b>PART 3 – EQUIPMENT AND OPERATIONS – Formation Flow and Well Testing Equipment</b>						
38(2) (CAN) (NS)	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.	CAPP suggests that the PWG consider this further wording change: "The operator shall ensure that the rated working pressure of formation flow test equipment upstream of and including the well testing manifold exceeds the maximum anticipated shut-in pressure." Or alternatively consider this wording: The operator shall ensure that the rated working pressure of formation flow test equipment and related equipment upstream of the choke manifold is at least equal to the maximum anticipated shut-in formation pressure. Equipment downstream of the choke manifold may have lower pressure ratings provided it is sufficiently protected against overpressure.	The PWG has revised subsection 38(2) as follows:  38(2) the rated working pressure of formation flow test equipment <u>upstream of, and including the well testing manifold,</u> exceeds the maximum anticipated shut-in pressure; and
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.	CAPP remains concerned with PWG's position on this issue for we feel that the risk in undertaking this activity outweighs the perceived benefits. CAPP would appreciate if the PWG would review our initial comments and the suggested proposed change.	The PWG has revised paragraph 38(4)(ii) as follows:  38 (4) (ii) <u>automatically closes when required to prevent uncontrolled well flow;</u> and
<b>PART 3 – EQUIPMENT AND OPERATIONS – Well Control</b>						
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 Xmas 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.	CAPP concurs with the PWG's response and awaits further consideration.	The PWG has revised subsection 40(2) to end after the words 'in place', as follows:  40(2) After setting the surface casing, the operator shall ensure that during all well operations, there are at least two independent and tested well barriers <u>in place</u> .
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.	CAPP concurs with the PWG's response and awaits further consideration.	The PWG has removed the word 'operations' from subsection 40(4) as follows:  40 (4). During drilling, except when drilling underbalanced, one of the two barriers to be maintained shall be the drilling fluid column.

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42 (CAN)	If the well control is lost or the safety of any person, the protection of the environment or the conservation of resources is at risk, the operator shall immediately take the necessary action, notwithstanding any condition to the contrary in the well approval.	There appears to be some redundancy in this section. Also CAPP notes the use of the term "environment" rather than "natural environment" in draft and "conservation of resources" rather than "prevention of waste". CAPP suggests revisiting these words for consistency throughout the document.	CAPP suggests that the PWG consider this proposed wording: "If the well control is lost or the safety of any person, the protection of the environment or the conservation of resources is at risk, the operator shall <u>take the action necessary to rectify the situation immediately</u> , notwithstanding any condition to the contrary in the well approval."			The PWG agrees with CAPP's suggested wording and has revised the draft provision accordingly.
<b>PART 3 – EQUIPMENT AND OPERATIONS – Casing and Cementing</b>						
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.	CAPP concurs with the PWG's response and awaits further consideration.	The PWG has revised section 43 and broken it into 2 draft provisions, as follows:  <b>43.</b> The operator shall ensure that the well and casing are designed so that  (a) the well is safely drilled, the targeted formations are evaluated and waste is prevented;  (b) all anticipated stresses are withstood;  (c) when they serve as a well barrier, uncontrolled flow is prevented; and  (d) the integrity of permafrost, potable water zones in the case of an onshore well, and gas hydrate zones is protected.
44 (CAN)	The operator shall ensure that the casing a) is installed at a depth that provides for i) the evaluation of the formation ii) production in a manner that prevents waste, and iii) adequate kick tolerances and safe, constant bottom hole pressure well control operations; and b) ensures the protection of i) the integrity of permafrost, ii) potable water zones in the case of an onshore well, and iii) gas hydrate zones.	Note: wellbore casing does not necessarily "protect" the permafrost or gas hydrates, if present. The circulation of drilling fluids at temperatures higher than the point of permafrost thaw (-1 to -2C, or even lower in the Mackenzie Delta) will result in permafrost thaw. Similarly, circulation of drilling fluids at temperatures higher than the gas hydrate temperature at a particular interval will result in liberation of gas hydrates. This "thawing" continues during the producing life of the wells. The casing design must take into account the incremental loads associated with permafrost thaw (due to soil movement) and gas hydrate liberation.  In addition in many development scenarios it will not be possible or necessary to entirely protect the integrity of the permafrost over its whole thickness. Permafrost thaws as a result of the drilling process and will, in most cases, be subject to limited thaw or warming as a result of the production process.	Replace with: " The operator shall ensure that the casing design (casing weight, grade and metallurgical properties) and installation of the casing a)include appropriate seating depths for each wellbore interval to provide for i)the evaluation of the formation ii)production in a manner that prevents waste iii)adequate kick tolerances and safe, constant bottom hole pressure well control operations iv)protection of potable water zones in the case of an onshore well; and b)shall take into account i)if permafrost is present, incremental loads resulting from any permafrost thaw and associated near-wellbore soil subsidence during drilling and production operations; and ii)if gas hydrates are present, incremental loads resulting from any liberation of gas hydrates during drilling and production operations"		An alternative wording suggestion is as follows: The operator shall ensure that the casing a) is installed at a depth that provides for i) the evaluation of the formation ii) production in a manner that prevents waste, and iii) adequate kick tolerances and safe, constant bottom hole pressure well control operations; and b) ensures the protection of i) the integrity of the casing and the wellbore within any permafrost or gas hydrate zones.	<b>44.</b> The operator shall ensure that the well and casing are installed at a depth that provides for adequate kick tolerances and safe, constant bottom hole pressure well control operations.  The PWG continues to be of the view that the casing design must protect the integrity of permafrost. The PWG is of the view that paragraph (a) covers CAPP's suggested edit that the design should protect the integrity of the casing within permafrost or gas hydrate zones.

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45(a) (NL)	The operator shall ensure that cement slurry is designed and installed in a manner that meets the following objectives: (a) 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.	CAPP disagrees with the PWG.  The regulation is open to widespread interpretation as to how the means to "ensure the isolation" is to be achieved: it needs to be clearly stated that such means to ensure does not mean that there is a mandatory requirement to run cased holed cement evaluation logs. CAPP proposes the following additional wording: "Provided there is no significant evidence during execution of the installation that the objective of the slurry design and installation has not been met then it shall not be necessary to perform any form of cased hole cement evaluation logging to ensure the isolation objectives have been achieved."	The PWG has revised paragraph 45(a) as follows:  45(a) prevent the movement of formation fluids in the casing annuli and, <u>where required for safety, resource evaluation or prevention of waste</u> , ensure the isolation of the oil, gas and water zones.
45(c) (CAN)	The operator shall ensure that cement slurry is designed and installed in a manner that meets the following objectives: [c] 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.	CAPP suggests that the PWG consider these further comments:  Cement does not retard corrosion; it provides a barrier between the casing and more corrosive fluids that would be located across the casing for uncemented intervals.  Replace c) with the following suggested wording: The operator shall ensure that cement slurry is designed and installed in a manner that meets the following objectives: <u>reduces</u> the corrosion of the casing, <u>as compared to uninhibited fluids</u> ; and	The PWG has revised paragraph 45 c) as follows:  [c] retard corrosion of the casing <u>over the cemented interval</u>  With respect to subsection 45(d), the draft provision has been revised as follows:  (d) protect the integrity of permafrost, gas hydrate zones and, in the case of an onshore well, potable water zones.  Please note that permafrost and potable water zones appear in the COGOA version of the draft regulations only.  Also, please see the PWG comments regarding section 44.
45(d) (CAN)	The operator shall ensure that cement slurry is designed and installed in a manner that meets the following objectives: protect the integrity of the permafrost.	"Permafrost" cement slurries do not protect the permafrost. Rather, they are designed to set up prior to the slurry freezing. In some cases they may have a lower heat of hydration as compared to some other slurries, thereby reducing the heat transferred to the permafrost, and the amount of permafrost thaw.	Replace with d) in permafrost areas, slurry specifications allow for cement to set prior to slurry freezing"  Or as an alternative: "The operator shall ensure that cement slurry is designed and installed in a manner that meets the following objectives: protect the integrity of the <u>casing and wellbore within the permafrost interval.</u> "			
<b>PART 3 – EQUIPMENT AND OPERATIONS – <i>Waiting on Cement Time</i></b>						
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.	CAPP acknowledges the PWG's initial response and suggests that the PWG also consider this wording: "After the cementing of any casing or liner and before drilling out the casing shoe, the operator shall ensure that the cement has reached a minimum compressive strength sufficient to support the casing and provide zonal isolation."	The PWG agrees with CAPP's suggested revision and has revised section 46 accordingly.
<b>PART 3 – EQUIPMENT AND OPERATIONS – <i>Casing Pressure Testing</i></b>						

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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 <del>resuming any drilling or undertaking any down hole operations</del> , <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 section once all stakeholder comments have been received.	CAPP concurs with the PWG's response and awaits further consideration.  CAPP believes the intent of this Regulation is to ensure the shoe is not drilled out before the casing has been pressure tested. Inclusion of the phrase " any downhole operations" restricts operations within the wellbore that could be conducted without violating that intent.	The PWG has revised section 47 as follows:  47. After running casing and cementing <u>and before 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.
<b>PART 3 – EQUIPMENT AND OPERATIONS – <i>Monitoring and Control of Process Operations</i></b>						
49 (3) (NS)	The operator shall ensure that all appropriate persons are informed of any applicable alarm, safety, monitoring, warning or control system associated with the processing, transportation, storage, re-injection and handling of hydrocarbons that is taken out of service.		The operator shall ensure that all appropriate persons are informed of any applicable alarm, safety, monitoring, warning or control system associated with the processing, transportation, storage, re-injection and handling of hydrocarbons that is taken out of service <u>and advised when they are returned to service.</u>			The PWG agrees with CAPP's suggestion, and has added "informed when they are returned to service" to subsection 49(3).
<b>PART 3 – EQUIPMENT AND OPERATIONS – <i>Well Completion</i></b>						

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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'.	CAPP strongly protests the proposed wording to this section of the draft Regulations and requests that the references to "zones" be removed from the relevant sections.  Both "pool" and "zone" are defined by the legislation as follows:  "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. (Accord Acts)  "zone" means any stratum or any sequence of strata to which a name has been designated by the Chief Conservation Officer pursuant to section 17. (draft DP Regulations)  Based on the definitions it can be concluded that a "pool" is a separate distinct entity whereas a "zone" simply refers to a strata or layer... a label for an interval with no requirement for separation. The inclusion of the word "zones" into these specific regulations is significant and problematic. It implies that zones are to be treated as distinct separate entities for reporting purposes even though they are not defined as such. CAPP suggests that these sections as written not only add unnecessary detail and complexity from a measurement and reporting perspective but would be practically impossible to implement accurately. Removal of reference to "zone(s)" should address industry concerns.	Please refer to the PWG's comments above, section 6(2).
50(1)(c) (NL)	The operator who completes a development well shall ensure that: (c) 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.	CAPP concurs with the PWG's response and awaits further consideration.	The PWG has removed the words 'reservoir' and 'efficiently' from paragraph 50(1)(c).
50(1)(d) (NL)	The operator who completes a development well shall ensure that: (d) productive formations are stimulated in a manner that is safe and that permits evaluation of production characteristics; and	Productive formations needs 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 section once all stakeholder comments have been received.	CAPP concurs with the PWG's response and awaits further consideration.	The PWG has removed paragraph 59(1) (d).

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50(1)(e) (NL) (CAN)	The operator who completes a development well shall ensure that if applicable, the amount of sand flowing into the well are measured and controlled.			<p>At the June 13th 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.</p> <p>Further consideration of this provision will be given after receipt of the information and once all stakeholder comments have been received.</p>	<p>CAPP suggests that the PWG consider these further comments:</p> <p>Operators cannot measure and control the amount of sand into the wellbore. It is not necessarily practical to control the amount of sand flowing into the well. In many situations, sand is produced and sand control or zonal isolation of sand production is initiated only when sand production is problematic.</p> <p>As a suggestion section e) could be reworded as follows: "The operator who completes a development well shall ensure that if applicable, the potential for sand production is addressed through either the initial well completion or a sand management plan".</p>	<p>The PWG has revised paragraph 50(1)(e) as follows:</p> <p>59(1)(e) if applicable, sand production is controlled and does not create a safety hazard or cause waste</p> <p>Please note that (e) will be re-numbered to (d).</p>

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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;	<p>This is incompatible with conventional artificial lift for oil wells and incompatible with dually completed (tubing –annulus) gas wells.</p> <p>Prescriptive and does not allow for future technological advances that may make the requirement obsolete.</p> <p>Regulation should ensure packer is pressure tested adequately.</p>	<p>Remove "at least 4000kPa" add under production "or injection" conditions.</p> <p>Delete entire 50(2).</p>	<p>The PWG notes that this provision is performance-based rather than prescriptive and does not agree with the suggested removal of the provision.</p> <p>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.</p> <p>If CAPP wishes to suggest appropriate goals or objectives in its comments, the PWG will consider the suggestions.</p> <p>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.</p>	<p>Given the unique case of gas lift for sub sea wells it is difficult and sometimes impossible to comply with the regulation of testing the packer to 4000 kPa greater than the maximum pressure differential it may see.</p> <p>There is a stress analysis pressure testing case that involves the following specifications;</p> <ul style="list-style-type: none"> <li>- annulus fluid filled with kill weight fluid</li> <li>- gas lift enabled</li> <li>- tubing subject to reservoir pressure</li> </ul> <p>Sub sea offshore wells have the potential of high pressure gas being injected into the annulus which is filled with kill fluid. If the gas lift valve is plugged or partially plugged, the high pressure on the annulus side is essentially close to the limits of pressures allowed by the casing and tubing. If this case is used for the base case loads for the well, then the pressure testing of the packer has to be 4000 kPa above this base case condition as per the regulation. This increment of 4000 kPa pressure testing requirement of the packer will not be able to be executed as the limits of the equipment and tubulars have been exceeded.</p> <p>In addition, in horizontal wells with gas lift which have been perforated prior to completion, the ability to pressure test below the packer element does not exist.</p> <p>The re-design of completion equipment and heavier weight tubulars will require increased hole size resulting in more complex well design and essentially excess cuttings and fluids and more waste product. This is all driven by the regulation stating the increment of 4000 kPa above the expected conditions. It is suggested that the regulation remove the 4000 kPa requirement and essentially state that the "pressure testing of the packer to a differential pressure that is the maximum differential pressure anticipated under production conditions."</p> <p>In addition to the above, the proposed text inadequately addresses potential completion configurations and takes the prescriptive approach that a production packer is always installed, for example:</p> <ul style="list-style-type: none"> <li>- a well may, and often is, completed with a seal assembly stung into a liner top below a production packer such that the production packer itself cannot be definitively tested at all;</li> <li>- a well may, and often is, completed without any production packer e.g. the lower end of the completion could comprise of only a seal assembly that is stabbed into a liner top polished bore receptacle.</li> </ul> <p>Since these types of completions are not rare, they need to be addressed in the</p>	<p>The PWG has revised subsection 50 (2) as follows:</p> <p><u>50(2) 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 is greater than the maximum differential pressure anticipated during production or injection conditions.</u></p>

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50(3) (NL) (CAN)	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.  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.	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).  The PWG considers that, in this provision, cost and safety would be considerations in evaluating the effect of the mechanical well condition on production.	CAPP concurs with the PWG's response.	
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.	CAPP refers the PWG to comments on the term "waste".	As noted above (section 5), the PWG considers the use of 'waste' in the draft DP Regs to be appropriate. 'Waste' is used in the draft regulations with the same meaning as in the Acts.
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.	CAPP feels that this provision could be less prescriptive. Please consider wording as follows..."an operator of a multi-pool well should have a plan in place to manage segregation."	The PWG has revised subsection 50(6) as follows:  50(6) The operator of a segregated multi-pool well shall,  (a) after the well is completed, confirm that segregation has been established within and outside the well casing; and  (b) if there is reason to doubt that segregation is being maintained, conduct a segregation test without delay.
50(7) (CAN) (NL)	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.	CAPP awaits further consideration.	The PWG has removed subsection 59(7) as the objectives of this provision are covered by sections 43 to 48. The PWG further notes that the information in this deleted provision can be discussed in guidance.
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.	Section 50(8) calls for pressure testing of the Christmas tree, production casing and tubing string after every workover. Conversely to the above, the configuration of a vertical Christmas tree allows you to remove the Christmas tree without removal of the completion tubing. This means that a vertical Christmas tree can be removed without affecting the barrier status of your completion tubing or production casing. In many (most) cases, a pressure test of the completion tubing will require the installation of a deep set plug. This is a costly and potentially risky operation, particularly on a sub-sea well and CAPP feels it is not necessary, provided you have not affected the barrier status below the Christmas tree.	The PWG has revised subsection 50(8) as follows:  50(8). The operator shall ensure that  (a) after initial completion all barriers are tested to the maximum pressure to which they are likely to be subjected; and  (b) following any workover, any affected barriers are pressure tested.
<b>PART 3 – EQUIPMENT AND OPERATIONS – Annulus Between Well Tubulars</b>						

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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;	Cannot hydraulically test the annulus on gas lift wells.  Would the installation of gas lift equipment contravene the intent of this regulation?  This is incompatible with conventional artificial lift for oil wells and incompatible with dually completed (tubing –annulus) gas wells. Furthermore, as a prescriptive statement it is completely contrary to the spirit of “goal oriented” regulations.	Needs to be reworded to account for gas lift wells.  Need clarity on intent before wording can be agreed.  Delete entire clause 51.	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.	It is CAPP's preference that the PWG address this issue in the regulations. The preferred option is to delete the entire Section 51 because the regulator can improve this activity at the program level. This is not necessarily satisfied by gas lift and pumping, or dually completed wells. An exemption for gas lift and pumping wells should be part of the regulation.  CAPP wonders if the word "production" only refers to a production well or does it also include injection wells. If so, a statement needs to be included concerning dual concentric water injector wells, where there is a completion zone between the production casing and the tubing.	The PWG has removed section 51, noting that the objectives of this draft provision are covered by the 2 barrier requirements in section 40(2) and by the well completion requirements in section 50.
52(1)(2) (CAN)	(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	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.	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).  Additional clarity can be provided in guidance notes.	CAPP fundamentally disagrees with the prescriptive requirement that an offshore well must always have a surface controlled subsurface safety valve. Subsurface-controlled subsurface safety valves are proven safety devices and widely used in the offshore industry, particularly in water injection applications. Provided such valves can be designed for the application and adequately tested on a periodic basis in a similar manner to surface-controlled subsurface safety valves, there is no reason why such valves should not be permitted to be used offshore. The ability to control a subsurface safety valve from surface does not assure the continuous integrity of the sealing mechanisms in such a valve any more than if the valve is controlled subsurface.	The PWG has revised subsection 52 (1) as follows:  52(1) the operator of an offshore development well capable of flow shall ensure that the well is equipped with a failsafe subsurface safety valve that is designed, installed, operated and tested to prevent uncontrolled well flow when activated; and
	(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.	Hydrates zones can exist within and below the permafrost. In general, the objective of this clause is to provide a requirement for installing a SSSV in the tubing at a setting depth which is below permafrost or hydrate zones (or any others) where the casing may be prone to significant damage or deformation. If hydrates begin to dissociate, large external pressures can develop (exceeding frac pressure at the particular depth) and this creates increased potential for casing collapse. If the zone is massively ice rich, the hydrate dissolution can create a fairly thick unsupported casing interval that could conceivably lead to subsidence and casing deformation. Hydrates and/or permafrost may be present in small quantities, so it is important to provide an operator the ability to complete an assessment.	Replace with “52 (2) If a development well is located in a zone where permafrost and/or gas hydrates are present in unconsolidated sediments, the operator shall ensure that a surface-controlled subsurface safety valve is installed in the tubing below the lowermost of the base of the permafrost or the deepest zone containing gas hydrates. The SC-SSV setting depth is thereby located below the depth where the casing may be prone to significant damage or deformation.  An operator can select a higher (or lower) SC-SSV setting depth based on an engineering assessment of casing damage potential.”		CAPP awaits the PWG's response.	The PWG has revised subsection 52 (2) as follows:  COGOA version only: (2) if a development well is located in a zone where permafrost is present in unconsolidated sediments, the operator shall ensure that a subsurface safety valve is installed in the tubing below the base of the permafrost.
<b>PART 4 – EVALUATION OF WELLS, POOLS AND FIELDS – Formation Flow Testing</b>						

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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.	Does the Board determine the criteria for "substantial geological and reservoir evaluation"?  If the well is e.g. tight, wet, non-prospective, the need for testing and evaluation should be waived.  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.		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.  The PWG does not intend to revise sections 56 and 57 or the definition of formation flow test.  The PWG notes that subsection 57(4) is specific to development wells.	CAPP acknowledges the PWG's initial response but believes this issue should be addressed in the Regulation.  CAPP would be pleased to discuss alternatives to re-draft this section. As a suggestion, in exploration wells, zones not of interest to the operator will not be tested. In development wells no zones other than the completion zones intended for production should be required to be tested.	The PWG has not changed its views on this issue, and they remain as communicated previously (see column at left - PWG comments dated 20 July 2007 regarding CAPP's preliminary comments).
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.	Concerned about the lack of distinction between exploration, development and infill wells.  Request clarification.		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.	This wording is unclear-request clarification.  Why does the Board need to approve a flow test?				
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".			
58 (CAN)	The operator shall ensure that all cutting samples, fluid samples and cores are a) transported and stored in a manner that prevents any loss or deterioration; b) delivered to the Board within 60 days of the well termination date unless analyses are ongoing, in which case they, or the remaining parts, are to be delivered on completion of the analyses; and c) stored in durable containers properly labelled for identification.	The use of "all" is too inclusive. Frequently back up samples are taken and then disposed of once final samples are taken.  Some testing is destructive.  Further, companies may take samples for their own purposes. These cannot be included.	"The operator shall ensure that cutting samples, fluid samples and cores required to be submitted are"			The PWG has revised section 58 as follows:  58. The operator shall ensure that cutting samples, fluid samples and cores collected as part of the field data and well data acquisition programs are  [no changes to a) and b)]
<b>PART 4 – EVALUATION OF WELLS, POOLS AND FIELDS – Submission of Samples and Data</b>						
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.	CAPP concurs with the PWG's response.	
<b>PART 5 – WELL TERMINATION – Suspension or Abandonment</b>						

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61 (CAN)	<p>The operator shall ensure that every well that is abandoned or suspended can be readily located and is left in a condition that</p> <p>a) provides for isolation of all</p> <p style="padding-left: 20px;">i) hydrocarbon bearing zones,</p> <p style="padding-left: 20px;">ii) discrete pressure zones, and</p> <p style="padding-left: 20px;">iii) potable water zones;</p> <p>b) prevents any formation fluid from flowing through or escaping from the well bore.</p>	<p>Assuming the wellhead has been removed from an abandoned well, the only way to "readily" locate the well is to keep the coordinates on record, unless this implies a requirement for some kind of transponder.</p> <p>Acceptable permanent barriers could vary from operator to operator.</p>	<p>It is proposed to remove the words "abandoned or".</p> <p>Acceptable permanent barriers should be defined.</p>	<p>The PWG notes that the draft provision contains clear goals/objectives and is of the view that the current wording is appropriate.</p> <p>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.</p> <p>Additional clarity can be provided in guidance notes.</p>	<p>CAPP concurs with the PWG's response and awaits further clarification during guidance notes development.</p>	
62 (CAN)	<p>The operator of a suspended well shall ensure that the well is monitored and inspected to maintain its continued integrity and to prevent pollution.</p>	<p>What is the required frequency for monitoring and inspection and what kind of monitoring and inspection is intended?</p> <p>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.</p>		<p>The PWG notes that the draft provision contains clear goals/objectives and is of the view that the current wording is appropriate.</p> <p>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.</p> <p>Additional clarity can be provided in guidance notes.</p>	<p>CAPP concurs with the PWG's response and awaits further clarification during guidance notes development.</p>	
<b>PART 6 – MEASUREMENTS - Measurements</b>						
65(1)(a)&(b) (NL)	<p>The operator shall ensure that the rate of flow and the volume of the following fluids, are measured and recorded:</p> <p>(a) the fluid that is produced from each well;</p> <p>(b) the fluid that is injected into each well;</p>	<p>Cannot always measure individual well rates on subsea field. Allocation is required.</p> <p>Believe intent is to ensure that flow is continually monitored in group lines as opposed to individual well; a &amp; b should be covered under well testing.</p>	<p>Remove (a) and (b).</p>	<p>The PWG does not agree with CAPP's comments.</p> <p>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.</p>	<p>CAPP awaits further consideration of additional wording referring to section 66.</p>	<p>The PWG has revised section 66 as follows:</p> <p><u>66. Unless otherwise provided in the approval issued pursuant to subsection 6(2), the operator shall ensure..... (no other changes).</u></p> <p>Also, paragraphs c) and d) have been revised to specifically refer to produced fluids.</p> <p>Of note, the approval issued under section 6(2) refers to the flow system, flow calculation procedure and flow allocation procedure. Subsection 66 (2) and section 66 have also been modified to refer to these approvals, for clarity and consistency.</p>

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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".	CAPP strongly protests the proposed wording to this section of the draft Regulations and requests that the references to "zones" be removed from the relevant sections.  Both "pool" and "zone" are defined by the legislation as follows:  <i>"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. (Accord Acts)</i>  <i>"zone" means any stratum or any sequence of strata to which a name has been designated by the Chief Conservation Officer pursuant to section 17. (draft DP Regulations)</i>  Based on the definitions it can be concluded that a "pool" is a separate distinct entity whereas a "zone" simply refers to a strata or layer... a label for an interval with no requirement for separation. The inclusion of the word "zones" into these specific regulations is significant and problematic. It implies that zones are to be treated as distinct separate entities for reporting purposes even though they are not defined as such. CAPP suggests that these sections as written not only add unnecessary detail and complexity from a measurement and reporting perspective but would be practically impossible to implement accurately. Removal of reference to "zone(s)" should address industry concerns.	Please refer to the PWG's above comments regarding 'zone' – see section 6(2) and the PWG letter to CAPP dated 29 October 2007.
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.	CAPP concurs with the PWG's response.	
<b>PART 6 – MEASUREMENTS – Testing, Maintenance and Notification</b>						
67(4) (NL)(CAN)	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.	CAPP acknowledges the PWG's initial response and further suggests that this requirement will be difficult to adhere to in operation. CAPP suggests that section 67(4) be deleted.  In addition, the PWG should consider dealing with the measurement system in the guidance notes or leaving it up to the operator's management system.	The PWG has revised subsection 67(4) as follows:  67(4) The operator shall ensure that a conservation officer is notified without delay of any malfunction or failure of any flow system component that may have an impact on the accuracy of the flow system and of the correction measures taken.

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68(1) (NL) (NS) (CAN)	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.	CAPP acknowledges the PWG's initial response and further suggests that the planned maintenance calibration programs can be submitted, but there will be occasions when 14 days notice cannot be given (e.g. measurement errors are observed and need to be corrected ASAP). CAPP suggests that section 68(1) be deleted.	The PWG was not persuaded and notes that an operator may, under the Act, apply for an exemption from any requirement of the regulations.
68(2) (CAN)	The operator shall ensure that a copy of the calibration certificate is submitted to the Chief Conservation Officer without delay following completion of the calibration.	Current Reg only requires submittal upon request.	CAPP suggests that the PWG consider this wording: "At the request of the Chief Conservation Officer, the operator shall ensure that a copy of the calibration certificate is submitted without delay."			The PWG notes that, in most cases, operators would be required to submit a copy of the calibration certificate to the Board. Therefore, this provision was left unchanged as it provides clarity and transparency of requirements.  An operator may, under the Act, apply for an exemption from any requirements of the regulations.
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".	CAPP strongly protests the proposed wording to this section of the draft Regulations and requests that the references to "zones" be removed from the relevant sections.  Both "pool" and "zone" are defined by the legislation as follows:  <i>"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. (Accord Acts)</i>  <i>"zone" means any stratum or any sequence of strata to which a name has been designated by the Chief Conservation Officer pursuant to section 17. (draft DP Regulations)</i>  Based on the definitions it can be concluded that a "pool" is a separate distinct entity whereas a "zone" simply refers to a strata or layer... a label for an interval with no requirement for separation. The inclusion of the word "zones" into these specific regulations is significant and problematic. It implies that zones are to be treated as distinct separate entities for reporting purposes even though they are not defined as such. CAPP suggests that these sections as written not only add unnecessary detail and complexity from a measurement and reporting perspective but would be practically impossible to implement accurately. Removal of reference to "zone(s)" should address industry concerns.	Please refer to the PWG's above comments regarding 'zone' – see section 6(2).  Also, this draft provision has been edited as follows:  <b>69.</b> The operator of a development well that is producing oil or gas shall ensure that <u>sufficient well tests are performed to permit reasonably accurate determination of allocation of production of oil, gas, and water on a pool and zone basis.</u>

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<b>PART 7 – PRODUCTION CONSERVATION – Reservoir Management</b>						
70 (NL) (NS)	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 comments and further consideration will be given to determining the appropriate wording for this section once all stakeholder comments have been received.	CAPP awaits further consideration.	The PWG has revised section 70 as follows:  70(1). The operator shall ensure <u>that</u> maximum recovery from a pool <u>is achieved</u> in accordance with good oilfield practices.  Please note that 'recovery' is a defined term in the draft regulations which includes specific reference to oil and gas.  Please also note that 'pool' is defined in the Act.  Finally, the PWG has removed subsection 71(1) as it is covered by section 70, and subsections 71(2) and (3) have been added to section 70.
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 an outside party.		Additional information is required to clarify the nature of CAPP concerns.	An infill or enhanced recovery project in almost all cases would increase the recovery rate. There are other factors such as economics, slot constraints, etc that may preclude these projects. CAPP believes this regulation needs to be expanded to indicate some wording around economics, feasibility, etc. CAPP suggests that word "economic" be inserted before the word "recovery".	The PWG notes that 'recovery' is a defined term in the draft regulations that includes "under reasonably foreseeable economic and operational conditions".  Therefore, these concepts do not need to be added to the draft provision.
<b>PART 7 – PRODUCTION CONSERVATION – Flaring and Venting of Gas</b>						
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 what is 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.  CAPP suggests that the PWG consider this proposed wording: "No operator shall flare or vent gas in excess of the authorized limit with exception of emergency situations."	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.  The PWG will consider adding a reference in this draft provision to the formation flow test (see section 57).	With reference to second paragraph of PWG response, CAPP feels this issue could be better addressed in the guidance notes as opposed to the Regulations.	The PWG is of the opinion that clarity with respect to information requirements related to planned flaring is appropriate for inclusion in section 5 of the draft regulations (information that must accompany an application for an authorization).  Also, the PWG has added "or approval issued under subsection 57(5)" to subsection (1) of this draft provision, which refers to the approval of the formation flow testing program.  The PWG continues to be of the opinion that subsection (2) clearly provides the exception for emergency situations, where flaring occurs other than as approved in the authorization or the formation flow testing program approvals.

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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.	<p>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.</p> <p>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.</p> <p>The PWG will consider adding a reference in this draft provision to the formation flow test (see section 57).</p>	It appears from the PWG response that there is a misunderstanding of CAPP's comments; please review CAPP's original comments and the PWG's response.	
<b>PART 7 – PRODUCTION CONSERVATION – <i>Burning of Oil</i></b>						

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74(1) (NL) (NS) (CAN)	Unless otherwise permitted in the authorization, no operator shall burn oil.	<p>Adjust paragraphs as per 73(1) above.</p> <p>Performing a flow test of an oil well without the burning of oil offshore Canada could be very costly.</p> <p>What about burning of natural gas; does this need to be included in the authorization as well?</p>		<p>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.</p> <p>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.</p> <p>The PWG will consider adding a reference in this draft provision to the formation flow test (see section 57).</p>	<p>It appears from the PWG response that there is a misunderstanding of CAPP's comments; please review CAPP's comments and the PWG's response.</p> <p>In addition, please provide further clarification on the issue of the burning of natural gas and whether it needs to be included in the authorization as well.</p> <p>The regulations permit the burning of oil in an emergency situation. CAPP seeks assurance that the use of In Situ Burning, as an oil spill countermeasure, will be permitted under these circumstances.</p> <p>For example, there are many locations in the North, particularly the Arctic Islands, where it will not be possible to transport test oil to the south for disposal, due to (air, shipping) safety and / or access constraints. Clause 56 requires the operator to "ensure that every formation in a well is tested"..... These two clauses are inconsistent and in conflict. The 'requirement' for testing in clause 56 results in the 'requirement' for oil burning therefore the authorization required in clause 74 cannot be withheld. Clause 74 should be reworded to provide additional clarity.</p>	<p>The PWG is of the opinion that clarity with respect to information requirements related to planned flaring is appropriate for inclusion in section 5 of the draft regulations (information that must accompany an application for an authorization).</p> <p>Also, the PWG has added "or approval issued under subsection 57(5)" to subsection (1) of this draft provision, which refers to the approval of the formation flow testing program.</p> <p>The PWG continues to be of the opinion that subsection (2) clearly provides the exception for emergency situations, where flaring occurs other than as approved in the authorization or the formation flow testing program approvals.</p>
<b>PART 8 – SUPPORT OPERATIONS – Support Craft</b>						

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75 (NL) (CAN)	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.	CAPP believes this issue can be best dealt with in the Regulation as opposed to guidance notes.  Suggest changing wording to "The operator shall ensure that a support craft is capable of operating safely and efficiently to 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."  As a general statement, ensuring appropriate licensing is the operator's duty with respect to equipment the operator does not own. Operators do not evaluate design or construction for non-owned equipment, and this is part of the duty of a licensing body. For example, the operators look for appropriate licensing of helicopters and suitability for desired purpose. Operators do not evaluate the design or the construction of the helicopter. These are functions of the licensing body.	The PWG has revised sections 75 and 76 as follows:  <b>75.</b> The operator shall ensure that all support craft are 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.  <b>76 (1).</b> The operator of a manned installation shall ensure that at least one support craft is  a) available at a distance that is not greater than that required for 20 minutes return time; and  b) suitably equipped to provide necessary emergency services including rescue and first aid treatment for all personnel on the installation in the event of an emergency.  (2) if the support craft referred to in this section exceeds the distance set out in paragraph 1(a) <del>without the consent of the installation manager</del> , both the installation manager and the person in charge of the support craft shall log this event stating the reason why the distance or time was exceeded.  (3) under the direction of the installation manager, the support craft referred to in this section shall attend closely to the installation, maintain open communication channels with the installation and stand ready to conduct rescue operations during any activity or condition that presents an increased level of risk to the safety of personnel or the installation.  Please note that 'support craft' is a defined term in the draft regulations.  These revisions have removed the use of 'standby vessel' in the provisions themselves (including sections 76 & 77); the definition of support craft includes standby vessels.  The PWG notes that there could be more than one support craft working at a time, but at least one of them would be required for section 76 [see revisions to c) and d)]

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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.	<p>Why do the Boards need to maintain some sort of time criteria?</p> <p>20 minutes is the time from when the person enters the water. The goal should be stated. Survival times will differ depending on location &amp; time of year &amp; type of immersion suit.</p> <p>Open to enhancements to these criteria.</p> <p>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.</p>	<p>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".</p> <p>The operator of a manned installation shall ensure that a <del>standby vessel</del> support craft is...</p>	<p>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.</p> <p>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.</p>	<p>CAPP acknowledges the PWG's initial response but further suggests that the PWG consider the following comments:</p> <p>The operator should be permitted to apply acceptable criteria based on vessel response time and survival time incorporating the use of acceptable safety factors for survival and response.</p> <p>Given the likelihood of oil and gas development in ice infested areas, like the Beaufort Sea or High Arctic, the requirement for a Standby Vessel is no longer relevant. CAPP suggests that the role and function of a Standby Vessel be re-visited under these circumstances.</p> <p>This section is applicable only to the offshore. CAPP suggests this proposed wording:</p> <p>76. (1) The operator of a single manned installation shall ensure that a standby vessel or rescue/support craft approved by the regulator for this purpose is:</p> <p>(a) equipped and operated to provide an effective means of rescue, evacuation and first aid treatment of all personnel in the event of an emergency at an installation; and;</p> <p>(b) available at a distance that is not greater than that required for 20 minutes return time.</p> <p>(2) The operator of a grouping of manned installations shall ensure that shared stand by vessel or approved rescue/support craft are:</p> <p>(a) equipped and operated to provide an effective means of rescue, evacuation and first aid treatment of all personnel in the event of an emergency at an installation; and;</p> <p>(b) available such that for any installation in the grouping, standby vessel or approved rescue/ support craft are at a distance that is not greater than that required for 20 minutes return time.</p> <p>(3) If the standby vessel, or rescue/ support craft, exceeds the distance set out in subsections (1) &amp; (2) without the consent of the installation manager, both the installation manager and the master of the standby vessel or rescue/support craft shall log this event stating the reason why the distance or time was exceeded.</p>	<p>The PWG was not persuaded to remove the performance measure of 20 minutes return time.</p> <p>An operator may, under the Act, apply for an exemption or equivalency for any of the requirements in the regulations.</p>

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<b>PART 8 – SUPPORT OPERATIONS – Safety Zone</b>						
77(1)(a) (NS)	For the purposes of this section, the safety zone around an installation consists of the area within a line enclosing and drawn at a distance of 500 m from the perimeter of the installation; and	This needs to be updated to consider or incorporate subsea wells/systems, not just an installation.  Section 77.1 specifically refers to an "offshore installation" for the Safety Zone requirement; however, in sections 75 and 76 there is no such specificity. Please confirm there is no requirement for a Support Craft at an onshore installation.				The PWG confirms that a support craft is required for onshore installations.
<b>PART 8 – SUPPORT OPERATIONS – Qualifications and Training</b>						
78 (NL) (CAN)	(1)The operator shall ensure that all personnel shall, before assuming their duties, have the necessary experience, training and qualifications and are able to conduct their duties safely, competently and in compliance with these Regulations. (2)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.	CAPP awaits further consideration but also feels this issue can be addressed in the section dealing with management systems.  In addition, given the valuable experiences gained by the oil and gas industry and the East Coast Offshore regulators, CAPP recommends that a similar document to the Canadian East Coast Offshore Petroleum Industry "Standard Practice for the Training and Qualification of Personnel" be developed for NEB regulated onshore facilities.	The PWG notes that subsection 78(1) is a general duty clause with very clear objectives.  The PWG agrees that, as required by subsection 4(d), the management system would contain the "processes for ensuring that personnel are trained and competent to perform their duties".  The PWG considers that these two provisions, along with subsection 22(l), provide for adequate regulatory 'coverage' of the various aspects of training and competency and are all appropriate in the draft DP Regs.
<b>PART 8 – SUPPORT OPERATIONS – Rest Period</b>						

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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).	CAPP concurs with the PWG's response.	
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.		
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.		The PWG notes that operators and installation owners have developed practical risk assessment tools for many work situations. One good example is 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.  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".  With regard to emergencies, the ability to deal with emergencies is inherent in the legislation and need not be specifically stated in every section.		

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79 (NS/NL)	<p>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</p> <p>(a) any shift in excess of 12.5 continuous hours; or</p> <p>(b) two successive shifts of any duration unless that person has had at least eight hours rest between the shifts.</p> <p>(2) 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 natural environment or the security of the well outweighs that risk.</p> <p>(3) 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.</p>	<p>Incidents, Accidents and Pollution.</p> <p>This clause refers to "significant incident and significant pollution event", neither of which is defined. CAPP suggests that the PWG consider providing additional definitions.</p> <p>There is a conflict between the requirements of this section and S. 16.4 (2) of OGOSH concerning the timing of accident reports. The latter requires that the report be submitted within 14 days, while the S. 79.2b requires a report within 21 days</p>				<p>The PWG has revised the definitions below as well as subsection 79(2):</p> <p>79(2) The operator shall ensure that</p> <p>a) each incident is investigated; and</p> <p>b) for each injury and for each significant incident, including spills, loss of containment and near miss event, a copy of an investigation report identifying root cause(s), causal factors and corrective actions is submitted to the Board as soon as possible, and in any event, no later than twenty-one days following the incident.</p> <p>The PWG has also:</p> <p>1. revised the definition of incident:</p> <p>"Incident" means any event that caused, or that under slightly different circumstances would likely have caused, a:</p> <p>(a) lost or restricted workday injury</p> <p>(b) death</p> <p>(c) fire or explosion</p> <p>(d) loss of containment of any fluid from a well</p> <p>(e) imminent threat to the safety of the installation,</p> <p>(f) pollution</p> <p>or an event that caused a:</p> <p>(g) missing person</p> <p>(h) impairment of the function of any equipment or system critical to the safety of persons, the safety and integrity of the installation or safety of support craft; or</p> <p>(i) impairment of equipment critical to the protection of the natural environment</p> <p>2) Has replaced "Reportable Injury" with:</p> <p>"Lost or Restricted Workday Injury" means an injury that prevents an employee from reporting for work or from effectively performing all the duties connected with the employee's regular work on any day subsequent to the day on which the injury occurred, whether or not that subsequent day is a working day for that employee.</p> <p>3. Has added a new definition</p> <p>NEW "Minor Injury" means an employment injury for which medical treatment or first aid is provided and excludes a lost or restricted workday injury.</p> <p>Also, to ensure consistency in terminology, this updated wording has also been used in sections 4(2)(f), 28(a), 49, 90 and 91.</p>

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<b>PART 10 – RECORDS, NOTIFICATIONS AND REPORTS – Incidents, Accidents and Pollution</b>						
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>	CAPP will revisit this issue with the Boards during the guidance notes development.	
80(1)(a) and (b) (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 our 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.	<p>During the guidance notes development with the Boards, CAPP can further address this issue. For example, as defined an "incident" is subject to interpretation and may lead to inconsistent reporting.</p> <p>It is unclear whether "near miss" is included in the "incident" definition. Perhaps removing the term "incident" might be a better alternative.</p> <p>CAPP also suggests that the PWG also consider this comment:          "This appears to be a change to an existing regulation. The current timeframe is "simultaneously" rather than 24 hours."</p> <p>The included time of 24 hours is entirely arbitrary and not relevant to any particular situation. Events in an emergency are dealt with as the need arises. Operators must be able to conduct business, including any contact with the media, as the need arises.</p> <p>CAPP recommends returning to the simultaneous nature of the current regulation. If there are other concerns the Boards wish the operator to consider, these should be included in the guidance.</p> <p>CAPP suggest that the PWG consider this proposed wording:          "the Board is notified simultaneously with any press release or press conference held by the operator concerning any incident, accident or pollution in any activity to which these regulations apply."</p>	<p>Please see the PWG's comments above with respect to the revisions to subsection 79(2) and the associated definitions.</p> <p>The PWG notes that the same report of investigation could be used by the operator to satisfy both the requirements in the draft DP Regs as well as any separate and applicable health and safety legislation.</p> <p>-----          The PWG notes that that issue of 24 hours is in relation to subsection 79(1) and has been discussed at CAPP-PWG meetings (e.g. see the meeting notes from the 13 July 2007) meeting as well as being previously responded to by the PWG (see column at left).</p> <p>Therefore, the PWG remains of the opinion that 24 hours notice is both reasonable and required.</p> <p>Paragraph 79(1)(b) clearly states that the 24 hours does not apply in an emergency situation.</p>

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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 word "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>	<p>CAPP acknowledges the PWG's response but requests clarity on what is meant by "investigated" because not all incidents may require investigation.</p> <p>CAPP also suggests that the PWG consider this comment: 21 days may be too tight a timeframe depending on the severity of the incident and the complexity of the investigation. Many operators' incident investigation processes prescribe one month or, as severity and complexity dictate.</p> <p>CAPP suggest that the PWG consider this proposed wording: "and a copy of an investigation report identifying causal factors and corrective actions for each accident and significant incident or pollution event is submitted to the Board as soon as possible, and no later than one month following the accident, significant incident or significant pollution event unless approved by the Board."</p>	
80(1)(a) (NL)	The operator shall ensure that (a) the Board is notified as soon as possible of any incident, accident or pollution; and	CAPP requests that the PWG confirm whether this section does not restrict when the press release can be issued.				
80(1)(b) (NL) (NS)	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.		<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>	CAPP notes the PWG response and suggests that a requirement be added that the Board will not issue an independent press release related to incident, accident or pollution without notifying the operator.	
80(2)(b) (NS)	and a copy of an investigation report identifying causal factors and corrective actions for each accident and significant incident or pollution event is submitted to the Board as soon as possible, and in any event, no later than twenty-one days following the accident, significant incident or significant pollution event.		and a copy of an investigation report identifying <u>root cause(s)</u> , causal factors and corrective actions for each accident and significant incident or pollution event is submitted to the Board as soon as possible, and in any event, no later than twenty-one days following the accident, significant incident or significant pollution event.			

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<b>PART 10 – RECORDS, NOTIFICATIONS AND REPORTS – Submission of Data and Analysis</b>						
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 comments and further consideration will be given to determining the appropriate wording for this section once all stakeholder comments have been received.	CAPP awaits further consideration.	The PWG has revised paragraph 80(1)(b) to read "Part 4" (rather than Part 6).  Subsection (2) has been revised to clearly link the timing to the activity, as follows:  (2) Unless otherwise indicated in these Regulations, the results, data, analyses and schematics shall be submitted within 60 days after the completion of the measurement, the core or fluid sampling, the test or well operation.
<b>PART 10 – RECORDS, NOTIFICATIONS AND REPORTS – Daily Records</b>						
81 (CAN)	The operator shall ensure that a daily summary record is kept on each installation of a) all persons arriving, leaving or on the installation; b) the location and movement of support craft, the emergency drills and exercises, pollution events, accidents and incidents, the quantities of consumable substances that are required to ensure the safety of operations and other observations and information critical to the safety of persons on the installation or the protection of the natural environment; c) daily maintenance and operating activities, including any activity that may be critical to the safety of persons, the protection of the natural environment or the prevention of waste; and d) in the case of a production installation i) the inspection of any installation and related equipment for corrosion and erosion and any resulting maintenance, ii) pressure, temperature and flow rate data for compressors, treating facilities and processing equipment, iii) the calibration of meters and instruments, iv) the inspection of surface and subsurface safety valves, v) the status of each well and the status of well operations, and vi) the status of the equipment and systems critical to safety and protection of the natural environment, including any unsuccessful test result or equipment failure leading to an impairment of the system.	81b) Not practical to keep such a record – these "consumable substances" are not defined. CAPP is concerned that this could be interpreted to include such things as earplugs (consumable PPE-is a substance that is required to ensure the safety of operations) and fire suppression/retardant foams, breathing air, etc. Also existing processes currently exist to ensure inspection and management integrity for these items (such as checking for expiry dates, sufficient quantities, etc.). Other than daily summary records for these items being impractical in operation, this is unnecessary duplication with no value added. If the concern is the integrity of containment for these "substances". Other control processes are already in place, such as secondary containment and other loss of containment checks.  81(d) iv) The inspection of a subsurface safety valve will generally not be possible.	CAPP suggests that the PWG consider removing the following wording from section 81(b): "the quantities of consumable substances that are required to ensure the safety of operations ". If the concern of the PWG is the integrity of containment for these "substances", CAPP notes that other control processes are already in place, such as secondary containment and other loss of containment checks".  CAPP also suggests that the PWG consider this proposed wording for 81(d)iv): "the inspection or testing of surface safety and subsurface safety valves,"			The PWG has revised section 81 to ensure that records are kept (as opposed to stipulating that they must be in the form of a daily summary record), as follows:  <b>81.</b> The operator shall ensure that records are kept of  Subsection 81(b) has been revised as follows:  81(b) the location and movement of support craft, the emergency drills and exercises, pollution events, accidents and incidents, the quantities of consumable substances that are required to ensure the safety of operations and other observations and information critical to the safety of persons on the installation or the protection of the natural environment;  The PWG has revised paragraph 81(d)(iv) as follows:  81(d)(iv) the <u>testing</u> of surface safety and subsurface safety valves

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81(d)(iv) (CAN) (NS)	The operator shall ensure that a daily summary record is kept on each installation (d) 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 comments and further consideration will be given to determining the appropriate wording for this section once all stakeholder comments have been received.	During PWG's consideration, it should be noted that a daily summary record for many of these requirements (installation inspection, equipment data, calibration of meters and instructions, inspection of surface and subsurface safety valves) is not practical. It is not done daily.	
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.	CAPP concurs with the PWG's response and awaits further consideration.	
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 comments and further consideration will be given to determining the appropriate wording for this section once all stakeholder comments have been received.	CAPP concurs with the PWG's response and awaits further consideration.	
<b>PART 10 – RECORDS, NOTIFICATIONS AND REPORTS – Daily Production Record</b>						
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.	CAPP acknowledges the PWG's response, but wonders if this has to be in the form of a record or is maintaining the availability of the data sufficient.	The PWG considers 'record' to be the appropriate word in this provision, as opposed to data. Please see the PWG's previous comments with respect to 'record' [section 80 (NL)]  The preparation and retention of a daily production record is consistent with current regulatory requirements.
<b>PART 10 – RECORDS, NOTIFICATIONS AND REPORTS – Formation Flow Test Reports</b>						
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	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.  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.	CAPP concurs with the PWG's response and awaits further consideration.	The PWG has removed the word 'daily' from this draft provision.  Information regarding content of the formation flow test reports and frequency of reporting can be discussed in guidance notes.
<b>PART 10 – RECORDS, NOTIFICATIONS AND REPORTS – Summary Reports</b>						

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87 (CAN)	The operator shall ensure that a copy of the following is submitted to the Board daily as soon as possible 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.	In 87(b) the requirement for the daily geological report to include formation evaluation logs and data may be too onerous as it is often not practical to report these items on a daily basis.  It is unclear why this is being changed to daily reporting of production in addition to monthly. In addition, submitting <u>daily</u> records, which include all the requirements in Sec 81 such as all person arriving on the installation and inspection/calibration data is completely impractical and its purpose is unclear.	The PWG has removed 'as soon as possible' from this draft provision.
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.	CAPP concurs with the PWG's response.	
<b>PART 10 – RECORDS, NOTIFICATIONS AND REPORTS – Annual Production Report</b>						

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90 (NL) (NS)	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. There is no added value.</p> <p>A breakdown of reporting by zone is more prescriptive  "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.	CAPP stands by its original comment and is seeking a legal opinion on this matter and will engage governments on this issue at a later date.	<p>The following is an excerpt from the PWG letter to CAPP dated 29 October 2007.</p> <p>It is recognized that a high level of concern has been expressed with respect to the inclusion of requirements to report operating and capital expenditures in the Annual Production Report and to report cost of well operations in the Well History Report (sections 90 and 95(3)(d) respectively in the Nova Scotia and Newfoundland and Labrador versions of the draft DP Regs).</p> <p>The PWG continues to consider the inclusion of these reporting requirements to be appropriate and provides the following information for clarity. The purpose of the Acts includes the promotion of, in respect of the exploration for and exploitation of petroleum resources, conservation of the petroleum resources. Preventing waste is critical to conserving the resource.</p> <p>The PWG continues to consider the inclusion of these cost reporting requirements to be appropriate. These requirements will continue to be included in the draft DP Regs to ensure that:</p> <ul style="list-style-type: none"> <li>• The Boards obtain the information necessary to provide regulatory oversight of an operator's operations;</li> <li>• Operations are being conducted in a manner that prevents "waste" (as defined in the Act); and</li> <li>• Maximum recovery (section 79 of the draft DP Regs) is achieved having regard to sound economic and engineering principles.</li> </ul> <p>The definition of recovery" in the draft regulations "means, in respect of oil and gas, the recovery of oil and gas under reasonably foreseeable economic and operational conditions".</p> <p>To fully assess economics and the application of sound economic principles, cost information is required for drilling wells, work-over operations and production operations.</p> <p>As cost information would be required in every case for developments subject to the Offshore Accord Acts, the requirement to provide the information was included in the relevant versions of the draft DP Regs to improve regulatory clarity and certainty.</p> <p>In considering CAPP's comments, the PWG decided to move the requirement for cost of well operations from section 95 and compile all cost-related requirements in section 90 of the Accord Act versions, which has been revised as follows:</p>

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<b>PART 10 – RECORDS, NOTIFICATIONS AND REPORTS – Other Reports</b>						
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 s submitted to the Board is upon request	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.  Concern over having to provide research studies to the Boards.	Delete this section or provide clarification on the goal.	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.  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).  Additional clarification will be provided in guidance, such as the timing for providing such a list.	CAPP acknowledges the PWG's response and awaits further clarification during the guidance notes development with the Boards.  In addition, CAPP is seeking clarity from the PWG as to whether the information being provided can be held under some confidentiality provisions.  Also CAPP suggests that the PWG consider the following additional comments: This section is excessively broad in scope and may be interpreted to cover 'activities' which are not relevant to the authorized activity or within the regulatory scope of the Boards.  This clause should be rewritten to apply only to a defined list of activities pertaining to wells or installations or the operator's relevant production operations, not the "activities of the operator."	The PWG notes that the scope of regulations is limited to the scope of the Act and therefore within the authority of the Board.  As stated previously, the studies referred to in the draft provision would be those relevant to activities of the operator (and therefore regulations – safety, conservation of the resource and protection of the environment).  As previously noted, additional information can be provided in guidance.
<b>PART 10 – RECORDS, NOTIFICATIONS AND REPORTS – Well History Report</b>						
94(1) a)(CAN)	The operator shall ensure that a well history report is prepared for every well drilled by the operator and the report submitted to the Board within a) 90 days after the rig release date in the case of an exploratory well or a delineation well; and b) 45 days after the rig release date in the case of a development well.	90 days is becoming very onerous given the required environmental reporting that is to include analyzed and interpreted data from many sources including ROV's. CAPP suggests 180 days.  CAPP assumes that development wells will not require the extensive reporting required on exploration wells. If this assumption is incorrect, the 45 days will also have to be adjusted to 180 days.	180 days after the rig release date in the case of an exploratory well or a delineation well; and  Furthermore, development well activities that would be relevant to such a report may often be performed after rig release e.g. perforating or post-completion production logging operations and initial production testing may take place without the use of an active rig. Well histories would be more complete and useful if the reporting timelines accommodated such activities. Therefore, CAPP suggests wording should be amended to: "b) 180 days after rig release or 180 days after all operations associated with the initiation of production, injection or reservoir monitoring and initial data acquisition have been completed, whichever occurs last or, alternatively, as a minimum: "b) 180 days after rig release or 180 days after all operations associated with placing the well in a state ready for production, injection or reservoir monitoring have been completed, whichever occurs last.			The PWG notes that the draft well history report provision does not include reporting of environmental matters. Further, the Environmental Reports provision (section 90 COGOA version and 91 NL and NS versions) does not include environmental monitoring reporting. Reporting of specific environmental monitoring (e.g. ROV) may be the subject of project-specific requirements, such as timing.  With respect to the well history report, the draft provision has been revised to remove (a) and (b) which pertain to timing. The PWG considers that the timing of submission of the report can be dealt with administratively or project-by-project by each Board and does not need to be stipulated in regulation.

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94(3) (CAN)	The operator shall ensure that a report including the following information is submitted to the Board, within 30 days of the completion of a well operation: a) a schematic of and relevant engineering data on the down hole equipment, tubulars, Christmas tree and production control system; b) a description of the completion fluid properties; and c) a summary of the well operation, including any problems encountered during the well operation.	In (c) major or significant problems are worthy of noting, not all problems.	c) a summary of the well operation, including any <u>significant</u> problems encountered during the well operation; and		In (a) the reference to "relevant engineering data" is extremely vague. CAPP proposes that a summary that defines the basic operating envelope of the well and its configuration would meet the intent of subsection a) and that this should be reworded to: "a) a schematic of the well that identifies the depth, size, material-type and where applicable, pressure/temperature rating of the downhole equipment, tubulars, christmas tree and production control system."	The PWG does not agree with CAPP's comment with respect to 'relevant engineering data' in the Well History Report, as it is clearly related to the equipment listed in the paragraph.  Of note, the existing <i>Drilling Regulations</i> contain prescriptive requirements in respect of the information to be provided in the report.
<b>COVER</b>	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".	CAPP concurs with the PWG's response.	
<b>PLEASE NOTE: BELOW ARE THE COMMENTS CONCERNING THE INTERPRETATION/DEFINITIONS AT THE BEGINNING OF THE REGULATIONS:</b>						
	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> .	CAPP awaits further consideration.	The PWG notes that:  a) the definition of support craft includes a standby vessel and that the draft provisions no longer refer to standby vessel. A separate definition is therefore not needed.  b) a separate definition of pollute is not required. As described in section 33(3) of the federal <i>Interpretation Act</i> , "where a word is defined, other parts of speech and grammatical forms of the same word have corresponding meanings."  c) as communicated during the 13 July 2007 CAPP-PWG meeting in Toronto, guidance notes can contain information about 'hazard', as well as 'hazard analysis', 'risk' etc. As previously noted, the PWG will provide a response regarding 'hazard' at a future date (see comments in section 26, above).  d) The PWG considers terms such as 'spudding well', and 'regular pressure tested' to be well understood industry terms that do not need definitions in regulation.  e) The PWG notes that 'permanently plugged' is used only in the definition of 'abandon' in the draft regulations. This is consistent with its use in the definition of 'abandoned' in the existing <i>Drilling Regulations</i> .

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1.(1)	"abandoned" in relation to a well, means a well that has been permanently plugged.	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.	CAPP awaits further clarification during guidance notes development.	
	<p>"accident" means any event that causes an injury that:</p> <p>(a) prevents an employee from reporting for work or from effectively performing all the duties connected with the employee's regular work on any day subsequent to the day on which the disabling injury occurred, whether or not that subsequent day is a working day for that employee;</p> <p>(b) results in a loss by an employee of a body member or part thereof or in a complete loss of its usefulness; or</p> <p>(c) results in the permanent impairment of a body function of an employee. "Act" means the <i>Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act</i>.</p>	<p>The term "accident" is not typically used in this context; incident is more often used. Do we need to clarify "incident", "near miss", and "accident"?</p> <p>Is this definition aligned with the Board's reporting requirements?</p> <p>Delete this definition. This definition of "accident" is not in either the DR (old drilling regulations) or PR (old production regulations) and does not cover accidents that damage equipment only.</p> <p>For example, the use of the term "accident" for the reporting of a personal injury is inconsistent with the definition described in Part 15.4 of NL Occupational Health and Safety Regulations as well as the application of the term by general industry which interpret an accident to include any loss event including injury, environmental impact, property/asset damage or security event.</p>	<p>Recommend the use of the term "Reportable Injury" be added as described in the C-NLOPB Guidelines for the Reporting and Investigation of Safety related Incidents.</p> <p>The definition within the draft regulations for "incident" describes what industry would define as a "near miss". The definition within the draft regulations for "accident" describes what industry would define as an "incident". CAPP understands the desire to maintain consistency with previous definitions of accident and incident, but feel that outdated terminology is being used. The term "accident" should be eliminated and replaced with the word "incident". The word "incident" within the regulations should be replaced with "near-miss". Otherwise we will have regulations that do not reflect industry terminology, with the only benefit of being consistent with some historical definitions that are no longer used.</p> <p>Consideration should be given to these definitions:</p> <p>Accident – Change to "Disabling Injury" to be consistent with the definition in OGOSH</p> <p>Or</p> <p>New definition of Accident – "An unplanned or undesired event that results in a loss:"</p> <p>These are two possible suggestions. The definition currently in the draft regs should be renamed to "Disabling Injury" in line with the definition in OGOSH.</p>			The PWG has revised several definitions (and added a definition) – please see comments at section 79(2), above.

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	"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.	CAPP awaits further clarification during guidance notes development and notes that in the definition it should be included that any fluid that exerts sufficient hydrostatic pressure to counterbalance the reservoir pressure that can be monitored.	
	"barrier" (a) any remotely-operated valve or set of valves installed for the purpose of preventing flow that can be regularly pressure tested;	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.	During the PWG's further consideration, consideration should be given as to whether a manual valve is included in the definition.	
	"barrier" (a) any remotely-operated valve or set of valves installed for the purpose of preventing flow that can be regularly pressure tested;	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.	CAPP awaits further consideration.	The PWG has revised the definition of 'barrier' as follows:  "barrier" means any fluid or any plug or seal that prevents hydrocarbons or any other fluid from flowing unintentionally from a formation, into another formation, or unintentionally flowing from a well".  As previously mentioned, additional discussion can be provided in guidance notes.
	"barrier" (b) any fluid that exerts sufficient hydrostatic pressure to counterbalance the reservoir pressure;	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.			
	"barrier" (c) any cement plug placed in the well-bore; or	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.			
	"barrier" (d) any mechanical equipment installed in the well-head or Christmas tree or in the production tubing, annulus or well-bore or any other pressure sealing mechanism installed for the purpose of preventing the flow of fluids from a well.	Mechanical barriers can only be regarded as barriers if they have been pressure tested. Mechanical barriers should not be considered permanent barriers.				
	"commingled production" means production of oil and gas from more than one pool through a common well-bore or flow line without separate measurement of the oil and gas.	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.	CAPP acknowledges the PWG's response and refers the PWG to CAPP comments on the definition of "zones".	Please refer to the PWG's above comments regarding "zone" at section 6(2), above.
	"completed" in relation to a well, means a well that has a completion interval.	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.	CAPP concurs with the PWG's response and awaits further consideration.	The PWG has revised the definition of 'completion' as follows:  "completed" in relation to a well, means a well that is prepared for production or

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	<p>"completion interval" means a section within a well that is prepared to permit the</p> <p>a) production of fluids from the well;  b) observation of the performance of a reservoir; or  c) injection of fluids into the well.</p>	<p>Reference comment to the definition of "completed".</p>		<p>The PWG acknowledges CAPP's comment and will consider the wording of this definition once all stakeholder comments have been received.</p>	<p>During the PWG's further consideration, it should be noted that the definition in the current Regulation has the following clause that is not included in the draft DP Regulations). CAPP wonders if (c) is meant to include (d) below.</p> <p style="padding-left: 40px;">(d) disposal of fluids into the well;</p> <p>CAPP also proposes that the definition should also include the following: "A completion interval is a section of the wellbore whereby reservoir fluids are enabled to pass from the reservoir into the wellbore or injected into the reservoir through the absence of a barrier" (e.g. perforations through, or the lack of casing at all).</p>	<p>injection operations.</p> <p>Injection could include disposal and this issue can be discussed in guidance.</p> <p>The PWG considered CAPP's proposed addition to the definition (at left) but notes that not all completed intervals are into reservoirs. Therefore, no further changes to the draft definition have been made.</p>
	<p>"conductor casing" means casing that is installed in a well to facilitate well control during drilling of the hole for the surface casing.</p>	<p>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.</p>		<p>The PWG acknowledges CAPP's comment and will consider the wording of this definition once all stakeholder comments have been received.</p>	<p>During the PWG's further consideration please note that conductor casing does not provide for well control in the traditional sense - capability to safely circulate out a kick while maintaining a constant bottomhole pressure. In many applications the conductor casing may be installed in a well and drilling operations proceed to the surface casing setting depth with no diverter. In other situations, such as where the potential for shallow gas exists prior to the surface casing setting depth, a diverter may be installed. The diverter does not allow for well shut-in, simply the diverting of the influx away from the rig floor. The surface casing is the first casing string on which the full BOP stack is installed, with full well control capabilities.</p> <p>CAPP suggests the following proposed change to the definition:</p> <p>"conductor casing" means casing that is installed in a well to provide adequate integrity to allow drilling to the surface casing point. If required, a diverter assembly will be installed on the conductor casing to divert any influx of formation fluids away from the rig floor in the event of a kick."</p>	<p>The PWG notes that the definition of 'conductor casing' in the draft DP Regs is identical (ie comes from) the existing <i>Drilling Regulations</i>.</p> <p>CAPP's suggested addition to the definition may be discussed in guidance notes in relation to the provision(s) in which 'conductor casing' appears.</p>

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	drilling program" means the program for the drilling of one or more wells within a specified area and time using one or more drilling installations and includes any work or activity related to the program.	<p>This definition, in combination with the provisions for well approvals, appears to indicate that where an operator intends to drill multiple wells within a specified "area and time", there is no requirement to submit a single application for approval of all the wells at once, or a "collective" drilling program. An operator may choose to submit an application for well approvals for a number of wells at once, or for each individually.</p> <p>CAPP wonders if the suggested interpretation is reflective of the intent of the provisions.</p>				<p>The PWG notes that 'drilling program' is used in the existing <i>Drilling Regulations</i>. In particular 'drilling program' is used in Part 1 of the Drilling Regulations that discusses the need for a drilling program authorization.</p> <p>As previously discussed by the PWG, the requirement for an authorization is in the Act (not the regulations) and therefore has not been included in the draft DP Regs.</p> <p>'Drilling program' in the draft DP Regs is only used in section 23(2) of the draft DP Regs. The PWG notes that the number of wells is not relevant to the current use of the term in section 23.</p>
	"environmental protection plan" means the plan submitted to the Board under section 5.	Points clearly to expected EPP outline.	"environmental protection plan" means the plan <u>described in section 8</u> and submitted to the Board under section 5.			The PWG notes that the current wording of the definition is correctly drafted and does not need to reference section 8.

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	"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".	<p>CAPP strongly protests the proposed wording to this section of the draft Regulations and requests that the references to "zones" be removed from the relevant sections.</p> <p>Both "pool" and "zone" are defined by the legislation as follows:</p> <p><i>"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. (Accord Acts)</i></p> <p><i>"zone" means any stratum or any sequence of strata to which a name has been designated by the Chief Conservation Officer pursuant to section 17. (draft DP Regulations)</i></p> <p>Based on the definitions it can be concluded that a "pool" is a separate distinct entity whereas a "zone" simply refers to a strata or layer... a label for an interval with no requirement for separation. The inclusion of the word "zones" into these specific regulations is significant and problematic. It implies that zones are to be treated as distinct separate entities for reporting purposes even though they are not defined as such. CAPP suggests that these sections as written not only add unnecessary detail and complexity from a measurement and reporting perspective but would be practically impossible to implement accurately. Removal of reference to "zone(s)" should address industry concerns.</p>	Please refer to the PWG's above comments regarding 'zone' – see section 6(2).
	"fluid" means gas, liquid or a combination of the two.	Does this definition include drilling mud or just formation fluids? This definition has an impact on the definition of "well control".	Clarification is requested.			<p>The PWG has removed the definition of "fluid", noting that its use in the draft regulations includes context that provides clarity as to its meaning (e.g. drilling fluid).</p> <p>To ensure clarity, the PWG has edited subsection 65(1) (see section 65, above).</p> <p>Of note, the lack of a definition of fluid is consistent with the existing <i>Drilling Regulations</i> and <i>Production &amp; Conservation Regulations</i>: where 'fluid' is used throughout but is not defined.</p>

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	"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>	<p>CAPP acknowledges the PWG's response and feels that the definition should include the following: "The fluid does not always flow to the surface but it will flow into the wellbore".</p> <p>This can be further discussed during the guidance notes development with the Boards.</p>	<p>As previously communicated (see section 56 &amp; 57), the definition of 'formation flow test' will not be revised as part of the updating/modernization of these regulations.</p> <p>As noted, CAPP's suggestion can be discussed during the development of the guidance notes.</p>
	"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.	CAPP awaits further response.	As previously noted, the PWG will provide a response regarding 'hazard' at a future date (see comments in section 26, above).
	"incident" means any event that under slightly different circumstances could have caused an accident, loss of containment of any fluid from a well or pollution event or any event that impairs the function of any equipment or system critical to the safety of persons, the integrity of an installation or support craft or any event that impairs the function of equipment critical to the protection of the natural environment.	<p>This is a definition often associated with a near-miss incident and not an incident; an incident indicates that an accident has already occurred.</p> <p>Incident – Needs to be generic enough to include all incidents such as: loss of well control, diving related, vessel collision and lifting equipment</p>	The definition within the draft regulations for "incident" describes what industry would define as a "near miss". The definition within the draft regulations for "accident" describes what industry would define as an "incident". Industry understands the desire to maintain consistency with previous definitions of accident and incident, but feel that outdated terminology is being used. The term "accident" should be eliminated and replaced with the word "incident". The word "incident" within the regulations should be replaced with "near-miss". Otherwise we will have regulations that do not reflect industry terminology, with the only benefit of being consistent with some historical definitions that are no longer used.			Please see the PWG's comments at section 79, above, regarding the removal of the term 'accident' and the definition of 'incident'.

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	"multi-pool well means a well that is completed in more than one pool.	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.	CAPP concurs with the PWG's response and no additional review is required.	
	"oil pool" means a pool that contains hydrocarbon components primarily in a single phase liquid state.	CAPP suggests that the word "oil" be deleted and the term becomes "pool".				The PWG has removed the definitions of 'oil pool' and 'gas pool' as these terms are not used in the draft regulations.

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	<p>"pollute" means to introduce into the natural environment any substance or form of energy outside the limits established in the authorization.</p>	<p>Upon checking the lists of definitions in the Accord Implementation Act and the old P&amp;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&amp;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>	<p>CAPP acknowledges the PWG response but feels additional clarity is needed around the terms "pollute" and "waste".</p> <p>In the earlier revision and in the Offshore Waste Treatment Guidelines (OWTG), 2002, these discharges were referred to as either a spill, authorized discharge or unauthorized discharge.</p> <p>The word pollute now seems to capture both a produced water exceedence and produced water spill, and could also capture a chemical spill, air emission and noise.</p> <p>CAPP feels that multiple conditions, regulations and guidelines could apply and suggests that the Regulation needs to be clear in order that the appropriate authority ultimately defines "pollution" in accordance with their guidelines.</p> <p>CAPP is also unclear as to the term "natural environment".</p> <p>Additionally, the language of this provision appears to be either overbroad or too narrow; i.e., either the release of <u>any</u> substance that is not specifically referenced and provided limits in the applicable authorization would be pollution; or to the contrary, substances not specifically referenced and given limits in the applicable authorization would not be pollution because there are no applicable limits for them to be "outside".</p> <p>CAPP suggests that the PWG consider the following proposed wording:  <u>"waste material or other substance or form of energy deleterious to the environment unless within the limits established in the applicable authorization."</u></p>	<p>The PWG reiterates its previous comments with respect to the meaning of 'waste' as used in the draft regulations.</p> <p>The PWG does not agree that the use of "pollution" in the regulations need be consistent with non-statutory instruments.</p> <p>The PWG notes that subsection 8(h) required that the EPP contain a summary of all discharge streams and proposed limits for any discharge into the natural environment, including any waste material.</p>
	<p>"rig release date" means the date on which a rig last conducted operations on a well in accordance with the well approval issued for that well.</p>	<p>This definition should include the following scenario: In the offshore environment, a rig release usually occurs when i) for a floater, the last anchor is racked and the rig is under tight tow ii) for a jack up, when the rig is jacked down and under tight tow for and iii) when the rig is underway to the next location for a DP vessel and iv) for a land rig, when the last cement plug has been run and the BOPs have been nipped down.</p>				<p>The PWG has revised this definition to clearly link it with the defined term 'well operations', which contains a specific list of activities. Therefore, the PWG does not consider that the proposed edits are necessary:</p> <p>"Rig release date" means the date on which a rig last conducted well operations in accordance with the well approval issued for that well.</p>

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	"support craft" means a vessel, vehicle, aircraft, standby vessel or other craft used to provide transportation for or assistance to persons on the site where a work or activity is conducted.	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.	CAPP concurs with the PWG's response and awaits further clarification during the guidance notes development with the Boards.	
	"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.	This is a radical change from the current regulations – need clarification.  CAPP requests clarity on the term "useless" material" as there are major assumptions behind that language, particularly with regard to federal policy on sustainable development in general.	CAPP suggests that the PWG consider this proposed wording: "waste material" means any garbage, refuse, sewage or <del>waste</del> -well fluids or any other <del>useless</del> -material that is generated during drilling, well or production operations, including used or surplus drilling fluid and drill cuttings and produced water <u>of which the release to the environment would be pollution.</u>			The PWG considers the words 'waste' and 'useless' in this definition to be easily understood and add clarity to the definition. They therefore should be retained.  The context in which this defined term is used within the regulations should be noted.  In each instance in the draft regulations, 'waste material' is used within the context of discharge, disposal or handling. Therefore, the suggested added text is not needed.
	"well operation" means the operation of drilling, completion, re-completion, workover, suspension, or abandonment of a well.	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.	CAPP awaits further consideration and also requests that the PWG consider including production well operations in the definition.	The PWG has revised this draft definition to add 'intervention' and 're-entry', as follows:  "well operation" means the operation of drilling, completion, re-completion, intervention, re-entry, workover, suspension, or abandonment.
	"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.	CAPP acknowledges the PWG's response and feels that the definition should include production well test. This definition should also include defined conditions including pressure and rate.	In this draft definition, the PWG has replaced 'in a pool' with 'for allocation purposes'.

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	<p>"wireline" means a line that is used to run survey instruments or other tools in a well and that is made of (a) steel; or (b) several wires made of steel, copper or other metals together with electrical insulation.</p>	<p>Some technologies require fibre-optics within the cable.</p>	<p>Fibre-optics should be included in the definition</p>	<p>Additional details can be placed in guidance notes.</p>	<p>CAPP acknowledges the PWG's response and feels that the definition should also include the following: Wireline is also used to conduct wellbore surveys and carry out wellbore intervention activities.</p> <p>CAPP proposes this wording: "wireline" means a line that is used to run survey instruments or other tools in a well and that is made of a single or several wires made of steel, copper or other metals together with electrical insulation.</p> <p>In addition, CAPP feels that a definition for "slickline" should also be added to this regulation.</p>	<p>The PWG has revised the definition of 'wire line' as follows:</p> <p>"wire line" means a line that is used to run survey instruments or other tools in a well</p> <p>The PWG has added a definition of 'slickline' as follows:</p> <p>"Slick line" means a single steel cable used to run tools in a well.</p>
	<p>"workover" means any work or activity that requires the removal of the Christmas tree.</p>	<p>The definition should also include removal of downhole tubulars. With horizontal christmas trees, workovers can be performed without removal of the Christmas tree.</p>	<p>Definition should be revised as follows: "Workover is a term used to describe operations on a completed production or injection well to clean, repair and maintain the well for the purposes of increasing or restoring production. In order to carry out this activity, the wellhead must be temporarily removed except when a simulation is conducted through the wellhead."</p> <p>Christmas tree term should be replaced by wellhead. (See comment provided with definition of "barrier".)</p>	<p>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.</p>	<p>During the PWG's further consideration CAPP notes that the definition of workover should also include removal of downhole tubulars. With horizontal trees, workovers can be performed without removal of the Christmas tree.</p> <p>Definition of workover is given as "any work or activity that involves removal of the Christmas tree". CAPP notes that operators are capable of performing a workover without removal of the tree. A better definition would be "operations on a completed production well to clean, repair and maintain the well for the purposes of increasing or restoring production".</p> <p>In the context of this and other comments and/or definitions relating to "intervention", "re-entry" and "recompletes", the definition of "workover" offered above would be inadequate since there does not appear to be a clear distinction between through-tubing workovers and major workovers where completion equipment is actually removed from the well. Furthermore, there is a lack of clarity as to where operations such as stinging into wellhead voids to check for pressure or to inject lubricants for maintenance purposes and removing individual valves from a christmas tree rather removing the christmas tree entirely are captured in the definitions and since such operations are relatively routine these should be addressed within the body of the regulations rather than by exception.</p> <p>Suggest definitions along the lines of:</p> <p>"workover": any work that requires removal of tubing and/or the christmas tree;  "well intervention": any work that involves inserting tools or any other devices into the producing bore of the well"</p>	<p>The PWG has revised the definition of 'workover' as follows:</p> <p>"work over" means an operation on a completed well that requires removal of the Christmas tree or the tubing.</p>

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					<p>"well-entry": any work that involves the potential to open up communication to any pressure-retaining components within a well to the atmosphere or alternatively, some means of distinguishing between through-tubing workovers, workovers that involve removing completion equipment from the well and wellwork which does not involve entering the production bore (or annulus bore in the case of dual bore subsea christmas tree) of the well.</p>	
	<p>"zone" means any stratum or any sequence of strata to which a name has been designated by the Board pursuant to section 17.</p>	<p>CAPP notes that there has been significant consternation from its members on the use of "Zone" within the draft DP Regulations. So far the PWG response has been that "Zone" is defined in the draft regulations. It is our observation that the PWG may not entirely understand the concern. CAPP's concern is that "Zone" has not been defined in previous regulations and the introduction of this concept into the new regulations significantly changes the regulations. CAPP does not understand the reasons for its introduction into these draft DP Regulations and is not satisfied that this is a necessary inclusion.</p>				<p>Please refer to the PWG's above comments regarding 'zone' – see section 6(2).</p>

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1(2)(3)(4) (CAN)	<p>2) In these Regulations, "delineation well", "development well" and "exploratory well" have the same meaning as in section 101 of the <i>Canadian Petroleum Resources Act</i>.</p> <p>3) In these Regulations, "drilling installation", "drilling rig", "drill site", "drilling unit", "installation", "production installation", "production operation", "production site" and "subset production system" have the same meaning as in section 2 of the <i>Canada Oil and Gas Installation Regulations</i>.</p> <p>4) For the purposes of paragraph 5(4)(c) of the Act,</p> <p>a) "production facility" means equipment for the production of oil or gas located at a production site, including, separation, treating and processing facilities, equipment and facilities used in support of production operations, landing areas, heliports, storage areas or tanks and dependent personnel accommodations, but not including any associated platform, artificial island, sub sea production system, drilling equipment or diving system; and</p> <p>b) "production platform" means a production facility and any associated platform, artificial island, sub sea production system, offshore loading system, drilling equipment, facilities related to marine activities and dependent diving system.</p>				<p>3) In these Regulations, "drilling installation", "drilling rig", "drill site", "drilling unit", "<u>flowline</u>", "installation", "production installation", "<u>production facility</u>", "production operation", "production site" and "subsea production system" have the same meaning as in section 2 of the <i>Canada Oil and Gas Installations Regulations</i>.</p> <p>4) For the purposes of paragraph 5(4)(c) of the Act,</p> <p>e) "<u>production facility</u>" means equipment for the production of oil or gas located at a production site, including, separation, treating and processing facilities, equipment and facilities used in support of production operations, landing areas, heliports, storage areas or tanks and dependent personnel accommodations, but not including any associated platform, artificial island, sub sea production system, drilling equipment or diving system; and</p> <p>4) "production platform" means a production facility and any associated platform, artificial island, sub sea production system, offshore loading system, drilling equipment, facilities related to marine activities and dependent diving system.</p>	<p>With respect to CAPP's comments with respect to section 5(4) of COGOA, the PWG offers the following comments:</p> <ul style="list-style-type: none"> <li>'approvals as the NEB determines' can include terms or conditions that form part of an authorization.</li> <li>approvals 'granted in accordance with the regulations' refers, in the case of the draft DP Regs, those approvals that are prescribed in the draft regulations: field data acquisition program [subsection 6(2)]; well approval [section 12], the formation flow test approval [subsection 57(1)], approval to co-mingle [subsection 72(2)].</li> </ul> <p>Also see the PWG comments about approvals at section 13(1), above.</p> <p>The PWG has forwarded CAPP's comments about pipelines to the FORRI Steering Committee for consideration.</p> <p>With respect to subsection 1(3),</p> <ul style="list-style-type: none"> <li>the PWG notes that CAPP did not suggest where 'flowline' should be added to the draft DP Regs. Currently, "flowline" is not used in the draft DP Regs. In its absence, it cannot be added to the definitions in the draft regulations.</li> <li>Similarly, 'production facility' and 'production platform' do not need to be added to subsection 1(3) as they are not used in the draft regulations.</li> </ul> <p>Where subsection 1(3) defines terms for the purposes of the draft DP Regs, subsection 1(4) prescribes two terms for the purposes of paragraph 5(4)c) of the Act: "production facilities" and "production platform". For that reason, paragraph 1(4)(a) and (b) must remain as currently drafted.</p> <p>Of note, the specific reference to the Act [e.g. 5(4)c)] will vary in the respective version of the draft DP Regs. The above example is the COGOA version.</p>
		<p>A suggested possible change: "production facility" means equipment for the production or <u>processing</u> of oil or gas located at a production site, including separation, treating and processing facilities, equipment and facilities used in</p>				

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1(4)(b) (NS)	For the purposes of paragraph 142(4)(c) of the Act, a "production platform" means a production facility and any associated platform, artificial island, subsea production system, offshore loading system, drilling equipment, facilities related to marine activities and dependent diving system.	<p>support of production operations, landing areas, heliports, storage areas or tanks and dependent personnel accommodations, but not including any associated platform, artificial island, sub sea production system, drilling equipment or diving system;</p> <p>"production installation" means <u>any pipeline, or any production facility</u> and associated platform, artificial island, subsea production system, <u>flowline</u>, offshore loading system, drilling equipment, facilities related to marine activities and dependent diving system; ( installation de production ).</p> <p>"production operation" means an operation that is related to the production, processing or transportation of oil or gas from a pool or field; These changes could be sufficient to link pipelines and "stand-alone" processing plants to the definition of "production site".</p> <p>See also comments to draft DP regs, Section 2.</p> <p>This can be addressed during the guidance notes development but CAPP feels that the definition needs to be expanded to incorporate floating production installations.</p>	A suggested proposed change to address this issue in the regulations is as follows: (b) "production <del>platform</del> installation" means <u>an</u> offshore production facility and any associated platform <u>or structure/vessel</u> , artificial island, subsea production system, offshore loading system, drilling equipment, facilities related to marine activities and dependent diving system.			
<b>INTERPRETATION - Prescribed Installation for Installation Manager</b>						

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2 (NL) (NS) (CAN)	For the purpose of section 58.2 of the Act, an onshore or offshore installation is prescribed as an installation.	CAPP requires clarity as to 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>	<p>Installation in the Certificate of Fitness (COF) Regs means drilling, production, <b>diving or accommodation</b> installation. This seems to create confusion.</p> <p>As a goal based regulation, this appears to expand the prescription for an installation manager (IM) from offshore to onshore. While appropriate for an offshore installation, CAPP does not believe there should be a requirement for an IM in onshore installations. In addition, the draft DP regs do not contain a definition of "offshore installation" (there is a definition for this in the <i>Installations Regs</i>) or "onshore installation".</p> <p>Suggested wording:  For the purpose of section 58.2 of the Act, an <del>onshore or</del> offshore installation is prescribed as an installation.</p>	<p>The PWG will consider CAPP's comments regarding the definition of "installation" when it identifies any required revisions to the <i>Certificate of Fitness Regulations</i>.</p> <p>The PWG confirms that an installation manager would be required for onshore installations.</p>
INTERPRETATION - Spacing						

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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	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.  Operators should ensure that they are aware of any applicable Spacing Orders and related requirements.	CAPP concurs with the PWG's response.	