



DATE: February 7, 2008

INFORMATION LETTER # OGC 08-01

SUBJECT: Flaring, Incinerating and Venting Reduction Guideline for British Columbia

EFFECTIVE DATE: March 5, 2008

To: Industry Clients

BACKGROUND:

The British Columbia Flaring, Incinerating and Venting Reduction Guideline (Guideline) sets out regulatory requirements and guidance for flaring, incinerating, and venting in British Columbia. Procedural information for flare approval requests, dispersion modelling, and the measuring and reporting of flared, incinerated, and vented gas are also captured in the Guideline. The Guideline generally applies to flaring, incineration and venting of natural gas at any wellsite, facility or pipeline regulated under the *Petroleum and Natural Gas Act* and the *Pipeline Act*.

Additionally, the BC Energy Plan set a goal of reducing routine flaring at producing wells and production facilities by 50 percent by 2011 and eliminating all routine associated gas flaring by 2016.

REQUIREMENTS:

This Guideline combines existing British Columbia flaring legislation and policy requirements, and provides for consistency in the regulatory approach with neighbouring jurisdictions.

There are five major activities where flaring is reported to the British Columbia Government. These are:

1. Underbalanced drilling,
2. Well testing,
3. Oil production (solution gas),
4. Gas gathering systems, and
5. Gas processing (plants).

The Oil and Gas Commission (OGC) expects, over the long term, an overall improvement in total gas utilization, particularly with regard to solution gas production.

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The following is a list of significant changes captured by the Guideline:

- Solution gas economic analysis,
- Flaring duration limits,
- Flaring duration shut-in requirements,
- Requirement to assess well test flares between 1 percent and 5 percent H₂S,
- Requirement to assess low pressure facility flares and incinerators for H₂S > 1 percent,
- Well test volume allowances,
- Gas plant flaring volume limits,
- Temporary facilities for in-line tests, and
- Flare gas minimum heating value.

The OGC recognizes that several new requirements have been introduced in this Guideline necessitating a staged approach to compliance. Therefore, the following compliance deadlines must be met;

- economic evaluation of all new solution gas flares after March 5th, 2008;
- economic evaluation of existing solution gas flares by August 31st, 2008;
- flare logging procedure by December 31st, 2008; and,
- evaluation of all other existing flare sources using the flaring/venting decision tree by December 31st, 2009.

The OGC further recognizes that evolving technologies and practices may not be addressed by these guidelines. The OGC is prepared to accept innovative solutions, practices and technologies that meet the goals set out in this Guideline and the Province of British Columbia's goal as stated in the Energy Plan to "eliminate all routine flaring at oil and gas producing wells and production facilities by 2016 with an interim goal to reduce flaring by 50 percent by 2011".

Introduction of this Guideline has resulted in several Information Letters (IL's) and guidelines being rescinded. Effective March 5th, 2008 the following guideline and IL's will no longer be valid;

- Interim guideline # OGC 00-01 – "Natural Gas Flaring During Well Testing",
- IL # OGC 02-09 – "Application to Alter a Well, and Application for Flaring Approval – Changes to Requirements for Submission",
- IL # OGC 03-06 – "Reporting Requirements for Gas Flaring During Underbalanced Drilling operations",
- IL # OGC 03-23 – "Well Test and Maintenance Flaring Public Notification Requirements".

For further information, please contact:

Richard Slocomb
Supervisor, Reservoir Engineering
Oil and Gas Commission
Phone: (250) 952-0366
Email: Richard.Slocomb@gov.bc.ca

Original signed by:

Alex Ferguson
Commissioner
BC Oil and Gas Commission