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Alternative Data Collection Option to Shale Gas Control Well Requirements

The Energy Resources Conservation Board (ERCB) began an initiative in July 2009 to develop a new regulatory framework for unconventional gas. This initiative is consistent with the ERCB's commitment to improve its regulatory processes. As part of this initiative, the ERCB is reviewing the need for control wells and the associated data requirements for shale gas development.

Section 7.025(2) of the *Oil and Gas Conservation Regulations (OGCR)* requires that pressure and flow and desorption control wells be in place prior to production from shales. Given the early stage and limited amount of shale gas development in Alberta and uncertainties with respect to appropriate data collection requirements for this emerging resource, the ERCB is prepared to consider, on a program-specific basis, data collection alternatives to the current requirements for control wells. The ERCB expects to continue to make this option available until the overall review of shale gas requirements is completed, which is anticipated to be by early 2011.

Shale gas developers are requested to contact the ERCB as early as possible in their project planning to enable the expedient processing of their request for alternative data collection and to facilitate the collection of the data in an efficient and effective manner. Shale gas developers that choose to follow the alternative option versus compliance with current shale gas control well requirements should contact the ERCB in advance of drilling to establish a set of mutually agreeable, program-specific data requirements. Shale gas developers currently producing from ERCB-identified shale gas zones that choose to follow an alternative option are also required to contact the ERCB to establish a set of mutually agreeable, program-specific data requirements. All projects following the alternative data collection option will require a written submission of data commitments from the proponent, and the ERCB will issue a letter indicating the acceptable alternative data requirements.

In no case shall shale gas production proceed without either a written agreement from the ERCB of alternative data collection requirements or standard control well requirements being met.

Any pressure, desorption, or other tests conducted on any shale zone must continue be submitted to the ERCB in accordance with the *OGCR*.

Questions regarding the alternative data requirement process should be directed to Sharleen Ramos, Energy Resources Conservation Board, 640 – 5 Avenue SW, Calgary, Alberta T2P 3G4; telephone: 403-297-2190; fax: 403-297-2592; e-mail: sharleen.amos@ercb.ca.

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