

Frequently Asked Questions

Directive 040 – Initial and Annual Compliance

September 2021

- Q1. Why is my well still identified on the AER Outstanding Initial Pressure and Deliverability Testing Requirements List when I have a successful submission response from the WTC system?**
- A1. There can be several reasons for this. One could be that the data were submitted just before or just after the list was updated. This list is updated every Friday; however, there could be a timing issue between when the submission was made and when the list was updated. Another reason could be that the PAS file submitted does not pass certain edit rules for fulfilling the initial or annual testing requirement (e.g., incorrect tested interval [TTOPL/TBASL] or test purpose flag [PRPS]). Please refer to the PAS V4.0 file formats (Business Rules and Edits) document on the Well Testing webpage under Well Test File Formats.
- Q2. Once the successful submission message has been received, can I assume that all outstanding requirements have been met?**
- A2. Not necessarily. There are specific business rules incorporated in the Information Collection Compliance database with respect to actually fulfilling either initial or annual requirements. For example:
- The PRPS (test purpose field) must be flagged as “I” for initial and “A” for annual fulfillment. Any file submitted as PRPS = O does not fulfil any requirement.
 - The gross completion intervals reported at Petrinex should correspond with the tested intervals in the file.
- Q3. Why does the Outstanding Initial Well Test Requirements list indicate that I still have a fluid analysis requirement outstanding when I’ve already submitted an analysis?**
- A3. The problem may be that the Tested Top Interval and Tested Base Interval in the PAS file that you submitted does not match the gross completion interval (GCI) reported in Petrinex. These two values should match. To resolve this, amend the values within Petrinex or the PAS file and PDF image submitted to the AER, whichever applies. If the PAS file is incorrect then you must amend and resubmit to the AER Well Test System (WTC).

Q4. I submitted annual pressure data but the annual schedule still says “outstanding,” why?

A4. There could be a number of reasons for this. One could be that the submission did not pass specific business rules to fulfil the requirement (e.g., test purpose = O, tested top and base intervals in PAS file do not correspond to the gross completion interval (GCI) reported in Petrinex, incorrect well fluid type reported in the PAS file compared to the Resource Type provided on the annual schedule). Testing has been conducted outside of an approval area (if applicable) or not conducted on specific wells identified on the appendix.

Q5. Why do we need two hours on bottom for static gradients?

A5. The two-hour requirement is to establish that a stable reservoir pressure has been reached when the test is intended to fulfil either an initial or an annual requirement AND there is less than 14 days of shut-in.

Q6. I have a static gradient and flow and buildup to submit to fulfil annual or initial requirements and have analysis data for the buildup. How would I submit the static gradient to fulfil the requirements if the pressure is still building?

A6. Only one test is required to fulfil the requirements. Submit the flow and buildup with your Pr or P* as test purpose [PRPS] = (A)nnual or (I)nnial to fulfil and submit the GRD as [PRPS] = (O)ther.

Q7. If my pressure test is failing because the pressure is still building (i.e., >2.5 kPa/hr), how can I get the data into the AER?

A7. If this is to fulfil initial or annual requirements, the pressure must either indicate stabilization (i.e., building <2.5 kPa/hour over the last six hours of the test) or an extrapolated pressure (preferably from a pressure transient analysis [PTA]) must be conducted. Tests that are conducted only for information purposes and are to be submitted to fulfil section 11.102(1) of the *Oil and Gas Conservation Rules* can be submitted as a Test Purpose “Other” to avoid the edits.

Q8. How much time do we have before results of test data need to be submitted?

A8. Sections 3.7 of *Directive 040* set out the submission timeframe for specific test data. Confidential well data are required to follow the same timeframe, but be assured that these data will not be released to the public domain until confidential status is removed.

- Q9. If it is not possible to achieve a stable flow rate due to liquid slugging, how do we get this requirement removed from the Outstanding Initial Pressure and Deliverability Testing Requirements list?**
- A9. If for whatever reason you are not able to achieve a stable flow rate, send an email to the welltest-helpline@aer.ca requesting exemption. Ensure that there is sufficient information to support your request.
- Q10. If there are no initial or annual pressure requirements for commingled wells drilled within a development entity (DE), are there pressure requirements for wells that are completed within a single zone in a DE?**
- A10. No. Conducting a commingled fluid analysis is the only testing requirement for commingled or single-zone wells in the DEs.
- Q11. How do I find out what pools require annual testing?**
- A11. The Annual Oil and Gas Survey Schedule and associated documents are initially posted on the AER website (Well Testing Pressure Survey Schedules) in early February for that survey year. These documents are also sent by email to the Well Test Compliance Group's contact list. Updates are posted weekly.
- Q12. What does "Special Circumstances" in the Frequency Column mean for pools listed on the Annual Oil and Gas Survey Schedule?**
- A12. Special circumstances indicates that there are certain conditions pertaining to annual testing. These conditions are described briefly in the appendix of the relevant schedule and, among others, cover off-target wells, observation wells, and enhanced recovery schemes. Documentation is sent to licensees/approval holders detailing the specific requirement.
- Q13. Why is a pool not identified on the current annual schedule when it was identified on last years' schedule?**
- A13. It did not meet the criteria identified in section 3.4.1 of *Directive 040*.
- Q14. Can a test be started in the previous year but used to fulfil the requirement for the following year?**
- A14. As a rule, testing should be started and completed during that particular required survey year with respect to "annual" frequencies. That being said, if a turnaround is scheduled for example in late 2011, the test ends during 2012, and the 2011 requirements were fulfilled more than 6 months prior, the coordinating operator or licensee could apply for acceptance of this late test to be used for fulfillment of the 2010 requirement, to the Well Test Compliance Group.

Q15. What do the different frequencies mean?

A15. Annual = test every year, Biennial = test every 2 years, Quadrennial = test every 4 years, Triennial = testing conducted within 3 years. Pools identified on the annual pressure survey schedule with a “Survey Requirement = Special Circumstances” are usually an annual requirement unless otherwise stated in the appendix.

Q16. What is required to change a well status to observation?

A16. If the licensee wishes to change a well status to observation for the sole purposes of monitoring the reservoir pressure, then a request must be submitted to welltest-helpline@aer.ca for approval. Upon approval, the licensee can change the status in Petrinex and we will include the associated field and pool on the annual pressure survey schedule and identify the observation well on the appendix for reference. It is the responsibility of the coordinating operator or licensee to ensure that a pressure test is conducted and submitted by December 31 of each survey year.

Q17. How many tests am I required to conduct if the number of wells in the pool changes between the start of the survey year and the end of the survey year?

A17. See section 3.4.5 of the directive.

Q18. If I did not fulfil my annual requirement and was escalated to a Notice of Noncompliance, do I still have to obtain this data?

A18. Yes, although the data was not obtained during the required survey year, you are still responsible for fulfilling the requirement.

Q19. If I fulfil my requirement after being escalated to a Notice of Noncompliance, am I still required to pay the invoice?

A19. Yes, that is the penalty for non-submission of the data requirement by the specific due date (initial – by the due date identified on the “Outstanding Initial Well Testing Requirements List” and annual – by March 31 of the year following the survey year).

Q20. Why do gas wells require oil analyses and oil wells require gas analyses?

A20. Section 3.6 of *Directive 040* states that any fluid reported as produced requires a corresponding fluid analysis.

However, industry commonly reports load oil or condensate under oil production in Petrinex. Please confirm that all fluid values have been reported correctly in Petrinex. Once this confirmation is complete, contact welltest-helpline@aer.ca to advise in order to update our compliance database.

Q21. We are required to submit an initial fluid analysis for one of our producing wells but we don't have a copy of one for this producing well in our files. How can we fulfil the requirement?

A21. If you are unable to locate the initial analysis, submit a subsequent or recent analysis for the producing well.

If there aren't any analyses on the producing well available, find out if the well is in a single-well or multiwell pool.

If the well is in a single-well pool, you must obtain samples from the well and submit an analysis of those samples to the AER.

If the well is in a multiwell pool, search for a gas or oil analysis on another well in that pool. If you find an analysis that you believe is a representative sample, check your files to see if submission of the analysis has been made to the AER. If submission has not been made, ensure this is done immediately. If you intend to submit this analysis to fulfil your submission requirement, notify welltest-helpline@aer.ca and request an exemption from having to submit an analysis for that producing well.

If there aren't any analyses on other wells in the multiwell pool that may represent your producing well, you must obtain samples and submit an analysis of those samples to the AER. However, depending on the size of the pool and the number of producing wells in the pool, you may not have to sample all the wells. Contact welltest-helpline@aer.ca to obtain the number of wells the AER will require sampled and analyzed.

If there aren't any producing wells remaining in the multiwell pool to sample, notify the AER and submit an exemption request to welltest-helpline@aer.ca.

Q22. We're required under *Directive 040* to sample produced fluids. However, if the well is no longer producing and it has either been shut-in, suspended, or abandoned, are we still required to do this?

A22. If the well is no longer producing and you are unable to either obtain a sample or find a sample representative of the well, email welltest-helpline@aer.ca and request an exemption.

Q23. If I cannot obtain a sample, due to low production volume or high water cuts for example, what are my alternatives?

A23. If you are unable to obtain a sample, you may obtain samples from a group battery or plant and submit those to the AER. However, when submitting an analysis on samples from a group battery or plant, the remarks in the comments section of either the PAS file or the PDF

image that you're submitting must indicate which of your wells are being represented by this group sample.

Note that in order to properly document this submission for our compliance records, you must also advise welltest-helpline@aer.ca of the wells on the Outstanding Initial Well Testing Requirements list that will be affected.