

Bulletin 2017-01

January 5, 2017

Enhancements to Licensee Liability Rating Program

The Alberta Energy Regulator (AER) has enhanced the Licensee Liability Rating (LLR) program by collecting additional well information throughout the lifecycle of a well, specifically tubing and artificial lift¹ information. This information will improve the categorization of wells for the purposes of calculating abandonment liability.

Under *Directive 011: Licensee Liability Rating (LLR) Program, Updated Industry Parameters and Liability Costs*, it suggests the AER categorizes well abandonment based on the presence of tubing and artificial lift. As the AER does not currently collect information specific to artificial lift and tubing, licensees will have the opportunity to voluntarily submit this information.

Beginning January 13, 2017, licensees can submit artificial lift and tubing information to the AER via form 025.

- Form 025, consisting of the declaration and well data file, along with instructions, is at aer.ca > Data & Publications > AER Forms > Liability Management Forms (<http://www.aer.ca/data-and-publications/aer-forms/liability-management-forms>). The submission must be emailed to WellDataServices@er.ca with “LLR Well Data Disclosure [BA Code]” in the subject line.
- Shallow gas licensees who previously submitted tubing information are not required to resubmit unless the information provided previously needs to be updated.

Submissions need to be received by the AER before **February 2, 2017**, for the liability assessments to be recalculated and considered in the February Liability Management Rating (LMR). After this date, licensees may continue to make submissions that will be used in subsequent LMR recalculations.

The AER will use the submitted information to properly categorize wells and recalculate abandonment liabilities. Licensees must retain and provide to the AER, on request, information that verifies the

¹ Artificial lift is a process that uses, on wells, equipment that may include pumps and rods that apply a source of energy to help bring fluids to the surface. Artificial lift is referenced as tubing and rods in *Directive 011: Licensee Liability Rating (LLR) Program, Updated Industry Parameters and Liability Costs*.

accuracy of tubing and artificial-lift information provided in the declaration. Should the wells be altered to include or remove tubing or artificial lift, the licensee is required to resubmit form 025 to the AER within 30 days of the change.

Questions about this bulletin may be directed to the Pro-Active Lifecycle Management Team of the Closure and Liability Branch by phone at 403-297-3113, or by email at LiabilityManagement@aer.ca.



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