

Inactive Well Compliance Program (IWCP)

Year Five and Program Summary Report

In addition to *Bulletin 2014-19*, Alberta Energy Regulator (AER)

May 2021

The Inactive Well Compliance Program (IWCP) was created to protect the public and environment by ensuring that the backlog of noncompliant inactive wells in the province complies with AER [Directive 013: Suspension Requirements for Wells](#) by April 1, 2020. The compliance deadline for the fifth and final year of the program was deferred from April 1, 2020 to September 1, 2020, as a result of the COVID-19 pandemic.

Directive 013 details suspension, monitoring, and reporting requirements for inactive wells in Alberta. The rules outlined in *Directive 013* ensures that industry monitors and maintains inactive wells to reduce the potential for impacts on the public, on the environment, and on resource development in Alberta.

The IWCP began the fifth and final year with 6844 noncompliant inactive wells (figure 1) belonging to 404 licensees.

The AER determines the number of wells each licensee must bring into compliance by dividing the number of licensee-owned wells that were noncompliant as of April 1 of that year by the number of years left in the program. The intent of the program is that licensees bring their annual target quota of 20 per cent of their noncompliant IWCP inventory into compliance each year, so that by the end of year five all wells in the program are brought into compliance.

There are 30 834 wells included in the IWCP. These are mainly low-risk and medium-risk wells, posing a low consequence to public safety and the environment on an individual basis; however, the cumulative number of wells is a concern. The backlog of high-risk inactive wells was largely addressed outside of the IWCP, and most were compliant with AER requirements as of April 1, 2015. Licensees of high-risk inactive wells that become noncompliant may be subject to compliance and enforcement actions per [Manual 013: Compliance and Enforcement Program](#). These wells are addressed by the AER as they become noncompliant.

Figure 1 shows the number of noncompliant inactive wells that licensees have brought into compliance through each year of the program.

The Alberta Energy Regulator ensures the safe, efficient, orderly, and environmentally responsible development of hydrocarbon resources over their entire life cycle. This includes allocating and conserving water resources, managing public lands, and protecting the environment while providing economic benefits for all Albertans.



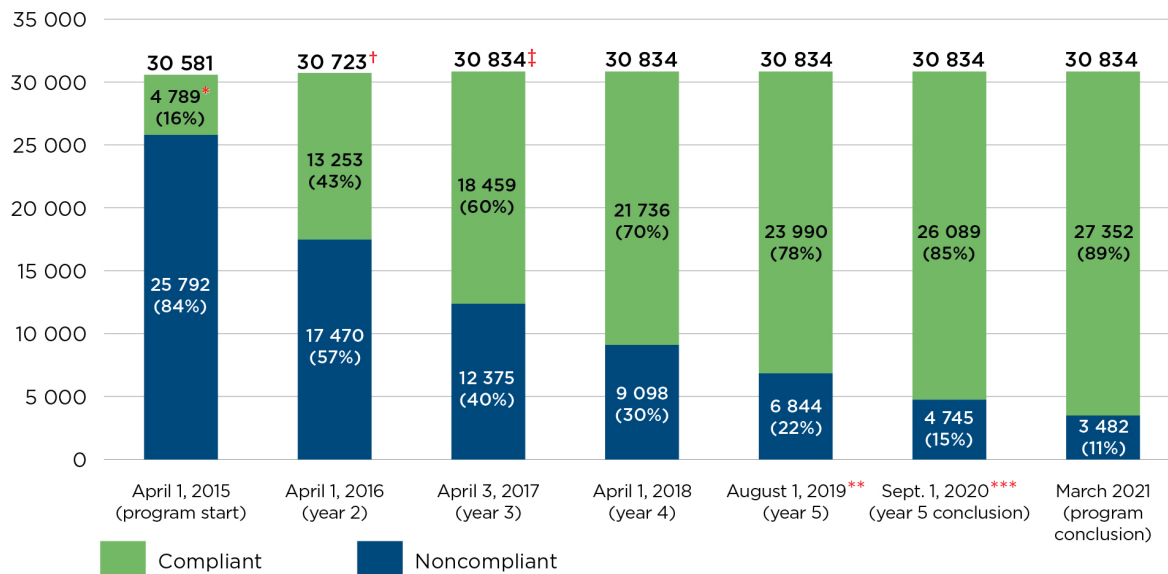


Figure 1—Noncompliant wells brought into compliance annually in the IWCP

^{*} These 4789 wells had been included in the IWCP before an operational change to the compliance deadlines that made them compliant on April 1, 2015.

[†] As the AER and licensees validated well status data on the inactive well licence list, the AER identified an additional 142 inactive wells that were included in the IWCP inventory. These wells had legacy regulatory approvals for extending compliance deadlines, which are now replaced with IWCP timelines.

[‡] As the AER and licensees validated well status data on the inactive well licence list, the AER identified an additional 111 inactive wells that were included in the IWCP inventory. These wells had legacy regulatory approvals for extending compliance deadlines, which are now replaced with IWCP timelines.

^{**} The year four review and year five start date was deferred from April 1, 2019, to August 1, 2019, due to the migration of reporting systems from the Digital Data Submission (DDS) system to the OneStop system.

^{***} The compliance deadline for year five was deferred to September 1, 2020, per [Ministerial Order 219/2020](#) and AER [Bulletin 2020-10: Relief for Industry During COVID-19 Pandemic Response](#).

Year Five Results

In year five, which concluded September 1, 2020, licensees brought 2099, or 7 per cent, of the noncompliant wells in the IWCP into compliance with AER requirements. As shown in figure 1, the total number of compliant wells at the end of year five was 26 089. The target for year five was to bring all remaining noncompliant wells in the program into compliance.

Program Summary

At the program conclusion in March 2021, 3482 wells belonging to 324 licensees were noncompliant. This includes wells under the care and custody of the Orphan Well Association (OWA). Therefore, the total number of compliant wells at the end of the program was 27 352, or 89 per cent (figure 1).

As for the licensees that did not meet their quotas, similar to previous years of the program, we are investigating and, where appropriate, implementing measures to compel compliance per *Manual 013*.

Further information regarding licensees' target quotas and the number of compliant and noncompliant wells by year is available in the *IWCP Annual Target Quota and Progress Report* available on the *Directive 013* [webpage](#).

Inactive Wells in Alberta and Ongoing Compliance Management

The number of inactive wells in Alberta has more than doubled over the last 20 years (figure 2). To help ensure these inactive wells do not pose a risk to public safety and the environment, industry is required to suspend and inspect these wells in compliance with *Directive 013* requirements.

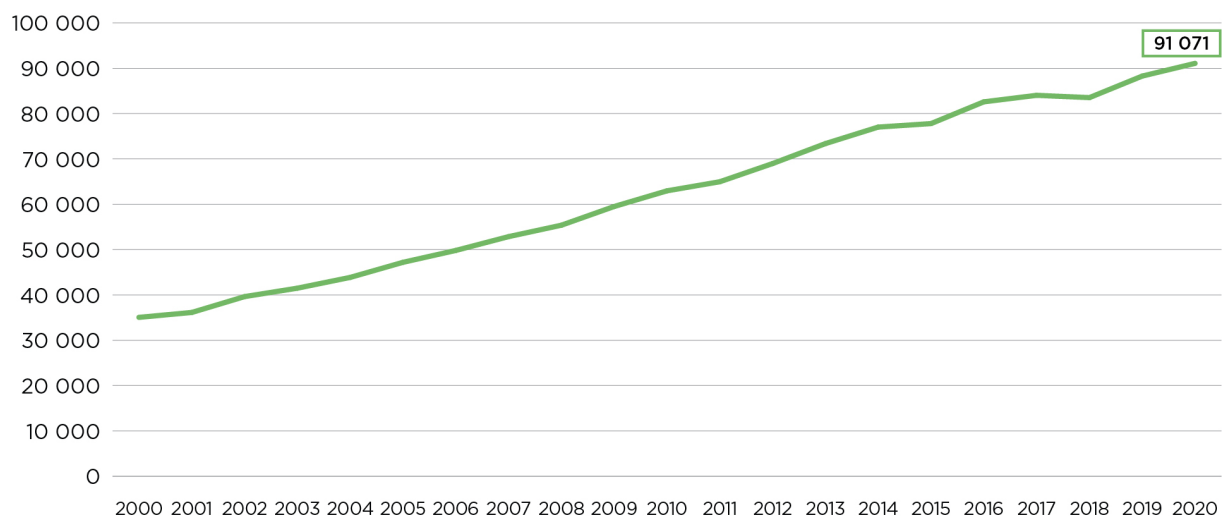
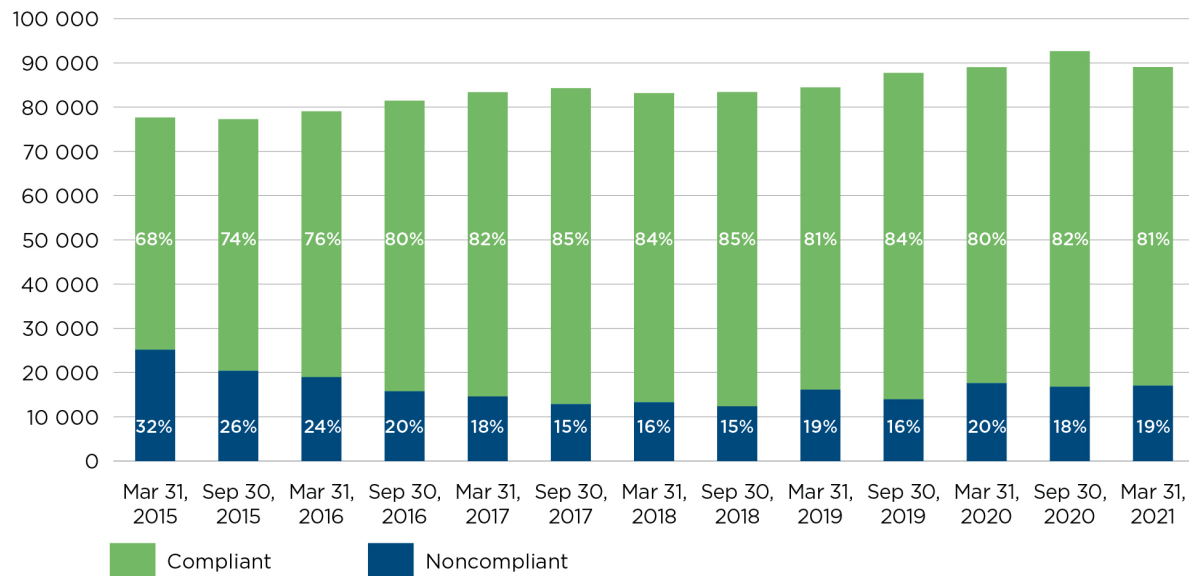


Figure 2—Alberta's inactive wells: 2000 to 2020

With the increase of AER surveillance on inactive wells through multiple compliance management programs, there has been a significant increase in compliance with *Directive 013* requirements. As shown in figure 3, the compliance rate as of March 31, 2021, for all inactive wells is 81 per cent.



Note: Consists only of wells managed under *Directive 013*. Does not include any other inactive wells excluded for *Directive 013* purposes.

Figure 3—Compliance status of inactive wells: March 31, 2015, to March 31, 2021

The AER will continue to track the compliance status of all inactive wells managed under *Directive 013* (see the *Directive 013* [webpage](#) for our inactive well licence list, which is updated daily). We will also conduct ongoing compliance assurance activities based on well risk categories as described in section 3 of *Directive 013* to address noncompliant inactive wells. This will help to ensure licensees are managing their inactive inventory of wells in compliance with AER well suspension requirements.

Inactive Well Compliance Program

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