

Inactive Well Compliance Program (IWCP)

Year Three and Four Final Report

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

January 2020

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.

***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 third and fourth year with 12 375 and 9098 noncompliant inactive wells belonging to 660 and 669 licensees, respectively.

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 to bring all noncompliant inactive wells into compliance by the end of year five as licensees bring their annual quota into compliance each year.

There are 30 834 wells included in the IWCP. These are mainly low and medium risk, posing minimal risk 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 addressed outside of the IWCP, and all were 100 per cent compliant with AER requirements in April 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 describes how licensees have brought noncompliant inactive wells into compliance through each year of the program until year 4.

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.



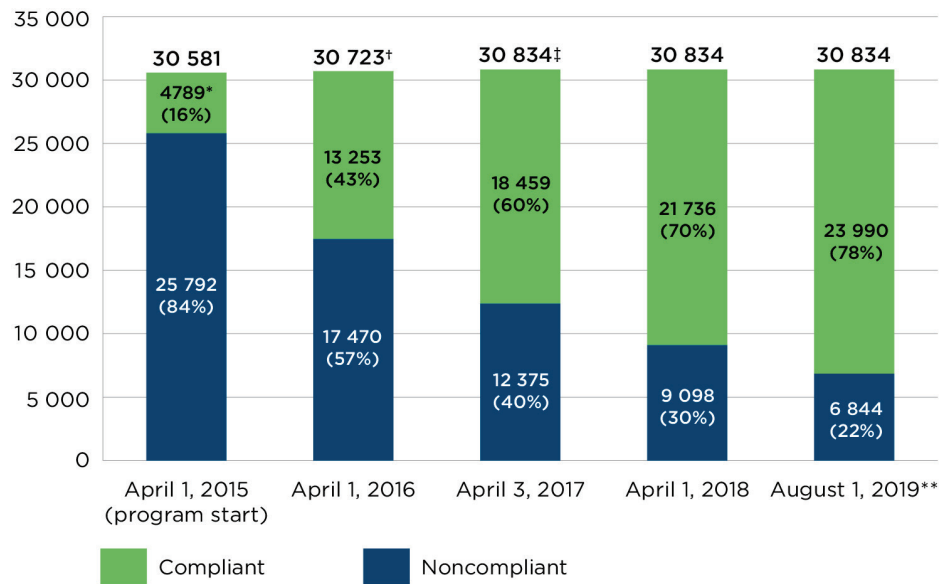


Figure 1—Noncompliant wells brought into compliance annually in the IWCP

* These 4789 wells had been included in the IWCP totals 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 IWCP Year 4 review was completed on August 1, 2019, due to the migration of reporting systems from the Digital Data Submission (DDS) system to the OneStop system.

Year Three Results

In year three, which ended March 31, 2018, 380 licensees (58 per cent) met or exceeded their quota of inactive wells to be brought into compliance. Overall, licensees brought 3588, or 12 per cent, of the noncompliant wells in the IWCP into compliance with AER requirements. Therefore, the total number of compliant wells at the end of year three was 21 736 (figure 1). The year-three target was 4010 wells.

Year Four Results

In year four, which ended July 31, 2019,¹ 360 licensees (54 per cent) met or exceeded their quota of inactive wells to be brought into compliance. Overall, licensees brought 3438, or 11 per cent, of the noncompliant wells in the IWCP into compliance with AER requirements. Therefore, the total number of compliant wells at the end of year four was 23 990 (figure 1). The year-four target was 4000 wells.

As for the licensees that did not meet their quotas, similar to the previous years of the program, we are investigating and, where appropriate, issuing enforcement against these noncompliant licensees per *Manual 013*.

Inactive Wells in Alberta

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.

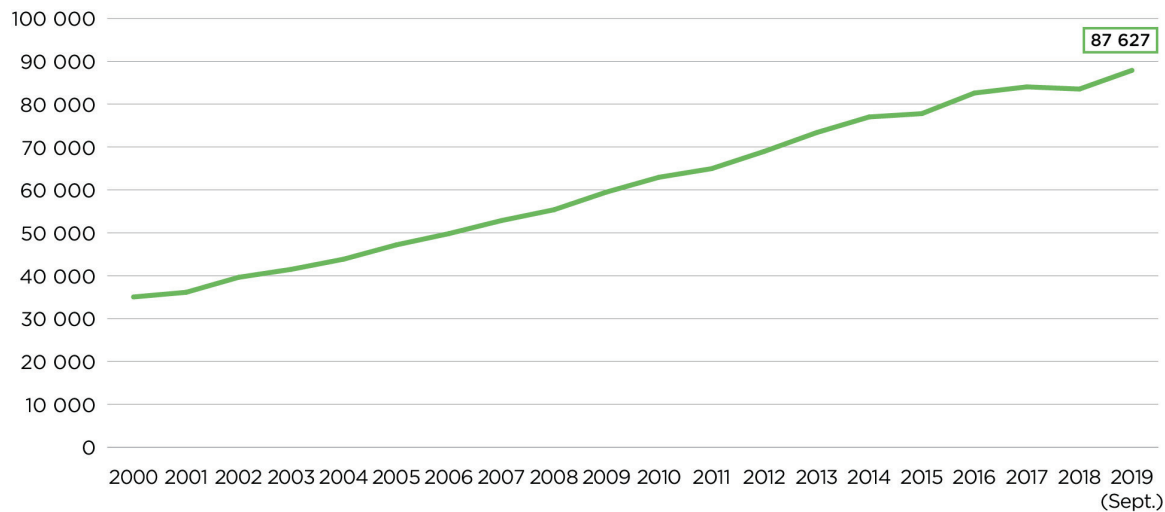
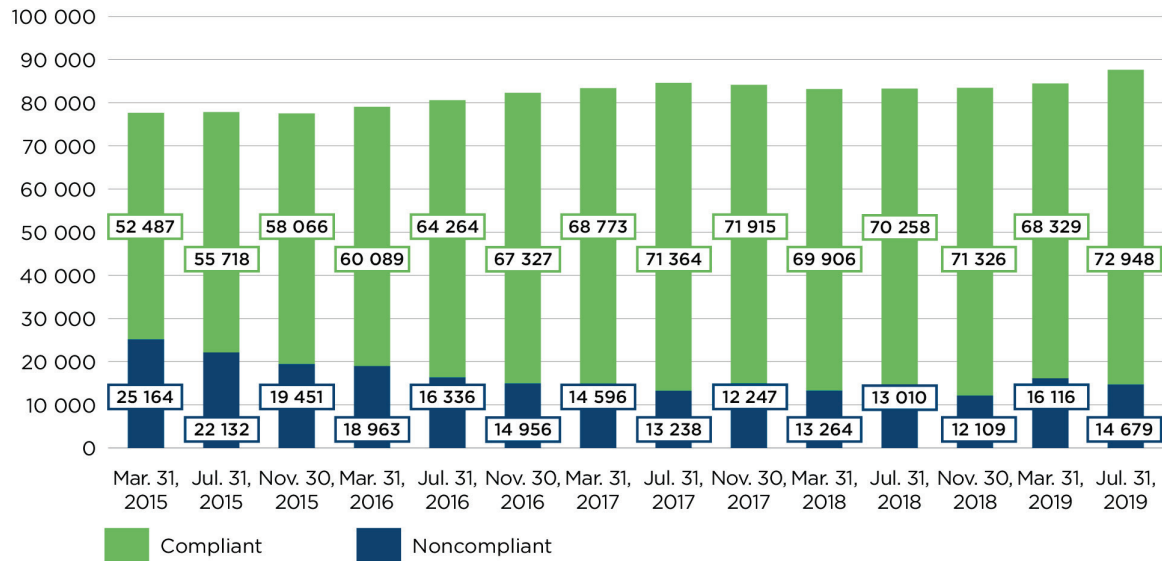


Figure 2—Alberta’s inactive wells: 2000 to September 2019

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. This can be seen in figure 3, which shows that the current compliance rate for all inactive wells is 83 per cent.

¹ The IWCP year 4 review was completed on August 1, 2019, due to the migration of reporting systems from the Digital Data Submission (DDS) system to the OneStop system.



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 July 31, 2019

IWCP Year Five

There are 6844 noncompliant wells belonging to 404 licensees in the IWCP. This includes wells under the care and custody of the Orphan Well Association (OWA). Further information is available in the *IWCP Annual Target Quota and Progress Report* available on the *Directive 013* webpage.

Inactive Well Compliance Program

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