



## **Informational Letter IL-OG 78-12**

TO: All Oil, Gas and Oil Sands Operators

### **POLICY ON EXPERIMENTAL SCHEMES - CONVENTIONAL OIL POOLS OR OIL SANDS**

This letter replaces informational letter IL-OG 76-18. The previous letter discussed the policy as applied to oil sands experimental schemes whereas this letter also includes experimental schemes in conventional oil pools.

The Oil and Gas Conservation Regulations define an experimental scheme as "a scheme approved by the Board and using methods that are untried and unproven in the particular application". The Board believes it desirable to provide some guidelines as to its interpretation and administration of this definition.

A scheme, whether for in situ recovery, mining or other purposes, may qualify as an experimental scheme if:

- a. it is planned and directed towards testing a novel concept or process, or the application of a new or an established process to a new reservoir situation and is not to be conducted solely for the purpose of obtaining site-specific equipment design criteria (i.e. - injectivity, surface facility sizing, water quality),
2. the scale of the project is small in relation to what would be normal for a commercial recovery scheme and no larger than necessary to test the process, techniques, or procedures,
3. the time required for completion of the experiment is short relative to the normal life of a corresponding commercial scheme and normally limited to two to five years,
4. the broad economics of the scheme, when considered with the technical uncertainties, do not suggest immediate commercial viability but there should be an expectation that the process, technique, or procedure would improve hydrocarbon recovery in Alberta by commercial extension in the pool or deposit of application or in similar pools or deposits in the province.

During the terms of the approval and where appropriate, the Board may, after discussion with the operator, vary the conditions of the approval and amend or curtail the experimental status of the scheme. When considering such action the Board will have regard for changing technology, the merit and degree of achievement of experimental objectives, the probable effect of continuation of the scheme on the conservation of resources or the rights of others, the current economics associated with the operation of the scheme and the disposition of the products, and any other relevant factors.

For the time being the Board will apply information release policies to conventional crude experimental schemes that are consistent with and similar to those being applied to Oil Sands experimental schemes. The Board plans to review and amend the relevant regulations accordingly.

ISSUED at Calgary, Alberta on 26 September 1978.

ENERGY RESOURCES CONSERVATION BOARD

*signed by*

G.W. Govier

Chairman