



PRIME 2.0

What's next for ECON's oil and gas business process and systems renewal project

Williston Basin Petroleum Conference

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Agenda

- About PRIME
- About IRIS
- About WFIP
 - Overview of Impacted Processes
 - Philosophy and Approach
 - Consultation Process
 - WFIP Project Update
- Questions



About PRIME

About PRIME

- **Process Renewal and Infrastructure Management Enhancements** program
- Renew ECON's oil and gas business processes and information systems to meet needs of industry stakeholders and Ministry
- Developing an integrated information system to support ECON's oil and gas processes that will provide web-based self-service functionality to industry
- PRIME will be completed in March 2015

PRIME Business Projects and Timeline





IRIS System

Integrated Resource Information System

- Overall web-based application PRIME is developing
- Manages ECON's oil and gas business processes and supports industry self-service
- IRIS modules include:
 - Well and Facility Infrastructure
 - Petroleum Tenure
 - Pipeline and Flowline Infrastructure
 - Reservoir Management
 - Monitoring and Analytics
 - Billing





Well and Facility Infrastructure Project (WFIP)



About WFIP

- Replace ECON's internal Well Information System
- 48 processes to be modernized through WFIP
- In-scope processes include:
 - Drilling, completion and production applications and submissions
 - Project applications and submissions
 - Facility applications and submissions
 - Reporting (incidents, test data, inspections)



Overview of impacted processes

Drilling/Completion/Production Application

PRIME Process Name	Short Description	Associated Forms
Application for a Well Licence	Ability to apply for permission to drill a well	ER-46 Well Licence Application
Application to Drill a Structure Test Hole or Oil Shale Core Hole	Ability to apply for permission to drill structure test hole/oil shale core hole	ER-46 Well Licence Application
Application to Drill a Horizontal Well	Ability to apply for permission to drill a horizontal well	Horizontal Application Form, Drainage Unit Assignment Form, Additional Horizontal Section(s) Form
Application to Drill An Off-Target Well	Ability to apply for permission to drill an off target well	Off-Target Well Application
Application to Plug-back, Recomplete, Abandon, or Reclassify a Well	Ability to apply for well work-over actions that need detail review (ER130 form)	ER-130 Application to Plug Back, Multi-zone Complete, Reclassify or Abandon a Well Form

Drilling/Completion/Production Application

PRIME Process Name	Short Description	Associated Forms
Application to Commingle Production From Multiple Zones	Ability to apply for permission to commingle production from multiple horizons prior to measurement	Application to Commingle Production Form
Application for Concurrent Production	Ability to produce a gas cap from an oil well or to produce gas from an oil well with high gas rates and/or high GORs	PNG Guideline 7 - Application for Concurrent Production
Application for Waste Disposal in Subsurface Formations	Ability to apply for permission to dispose of waste products in subsurface formations	Disposal/Injection Form

Drilling/Completion/Production Application

PRIME Process Name	Short Description	Associated Forms
Application for Well Testing	Ability to conduct a well test that is different from regulation requirements	No form, just a request letter
Application to Waive a Directional Survey	Ability to apply for an exemption for required deviational or directional survey	No form, just a request letter
Application to Amend Logging Requirements	Ability to apply for exemption from normally required logging requirements	No form, just a request letter

Drilling/Completion/Production Application

PRIME Process Name	Short Description	Associated Forms
Allowable Rate of Production (Oil and Gas)	Ability to apply for a Maximum Permissible Rate (MPR) of production (oil well) or Daily Allowable (DA) (gas well)	PNG Guideline 31 - Daily Allowable Gas, ER-66 - Maximum Permissible Rate of Production for Oil Well Form
Measurement of Production and Injection Fluids Exemption of Associated Gas Measurement	Ability to measure production and injection fluids different from regulation requirements	PNG Guideline 17 – Production Testing of Gas Wells, PNG Guideline 23 - Monthly Gas Measurement Exemption – Oil Wells

Drilling/Completion/Production Data Submissions

PRIME Process Name	Short Description	Associated Forms
Submission of Well Information	The required submission of data related to a well after drilling is complete	EM-5 Finished Drilling Report, EM-432 - Supplementary Well Data Form, Tour Sheets, Daily Drilling Report, Notification of Drilling Waste Disposal, Core Analysis Reports, Drill Stem Test Results, Logs, Fluid Analysis, Bottom Hole Pressure Surveys, Static Gradient, AOF Tests, Directional Survey, As-Drilled Survey, Geological Report including lithological strip logs, Completion Report
Submission of Drilling and Completion Information	The required submission of drilling and completion details via work-over submission form	Work-Over Submission Form
Core and Drill Cuttings Management	The required submission of cores and drill cuttings (samples) recovered during the well drilling process. Warehouse/inventory management desired	No form, core/cuttings submitted to Subsurface Lab as per Regulations (Section 83 and 84) and Guidelines

Project Applications

PRIME Process Name	Short Description	Associated Forms
Application for Storage in Subsurface Formations	Ability to apply for permission to store petroleum products in subsurface caverns	PNG Guideline 20 - Application for a Gas Storage Project
Modification of Well Spacing	Ability to apply for permission to modify the well spacing area	PNG Guideline 1 & 2 - Spacing Modification Application
Application for Water-flood or EOR Projects	Ability to apply for permission to implement a water-flood or ER project	Application for a Water-flood Project, Water-flood Modification Application Form, EOR Application Form
Well and Facility Licence Transfers	Ability to apply for permission to transfer licence ownership for well and facilities	PNG Guideline 26 - Well and Facility Licence Transfer Application

Project Data Submissions

PRIME Process Name	Short Description	Associated Forms
Notification of Water-flood Project Commencement	Ability to notify the ministry with timing and details on previously approved water-flood project	No form, just a letter
Notification of Commencement/Expansion of EOR Project	Ability to notify the ministry with timing and details on commencement of previously approved EOR project and apply for expansion of project	PNG Guideline 12 - EOR Application Form

Facility Applications

PRIME Process Name	Short Description	Associated Forms
Application for a Facility Licence	Ability to apply for permission to construct a facility	ER-47 Upstream Oil and Gas Facility Licence Application
Application to Construct a Waste Processing Facility	Ability to apply for permit to construct waste facility	ER-47 Upstream Facility Licence Application

Environmental Security and Reporting

PRIME Process Name	Short Description	Associated Forms
Spill and Incident Reporting	Notification to the Ministry of spill and incident details	Spill Reporting Criteria and Reclamation Guideline, PNG Guideline 27 - Spill Search Request Application Form
Annulus Testing	Annual required submission of annulus test results on injection/disposal wells	Submitted by excel spreadsheet
Site Inspections	Lease inspections performed by Ministry staff that may result in Industry action requirements	Correspondence by letter

Philosophy and Approach



WFIP Philosophy and Approach

Self-service

- Industry responsible for submitting data required by Regulations (including drilling, completion and geological data) through online self-service channels

Regulation by declaration

- Industry responsible for ensuring all Regulatory requirements are met
- Industry self-declares they have met Regulatory requirements upon application and/or submission

WFIP Philosophy and Approach

Applications

- Routine = Approved instantaneously upon online application submission
- Non-routine = Application that requires Ministry review prior to approval or denial

Compliance

- All compliance events and enforcement measures (e.g. fee structure, other measures) defined and made available to industry through Directives

Professional Petroleum Data Management (PPDM)

- Proposing to use definitions and data model that is in line with PPDM's 'what is a well?' terminology

WFIP Consultation Approach

- WFIP Key Company Contact (KCC)
 - Company's primary point of contact for WFIP/ECON
 - Lead and prepares company for change WFIP will introduce to organization
- WFIP Process Change Committee (PCC)
 - Collaborate with WFIP project team
 - Evaluate design decisions
 - Seek input for testing and readiness activities
- CAPP SK Regulatory Steering Committee

WFIP Rollout and Schedule

- Release 1: July 2013
 - Spill and incident reporting
 - Application to amend well logging requirements
 - Site inspections
- Release 2: April 2014
 - Select submissions
- Release 3: November 2014
 - Replace Well Information System (WIS)
 - Remaining submissions
 - All in-scope applications

WFIP Project Update

- Initiatives currently underway:
 - User acceptance testing for Release 1 functionality
 - First issue of industry Orientation Guide published on www.economy.sk.ca/WFIP
 - Business Associate Security Administrator registration

WFIP Contacts

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Thanks. Questions?