



# INFORMATIONAL LETTER IL 87-12

3 November 1987

TO: All Oil and Gas Operators

## HORIZONTAL WELLS CONVENTIONAL OIL AND GAS POOLS

This letter provides information regarding the licensing, completion approvals, and spacing/target area provisions associated with horizontal wells and horizontal completions. As well, where application for experimental status for such projects is being considered, this letter supplements the information and policies outlined in Informational Letters IL-OG 78-12 and IL 80-23.

### **A. Well Licensing, Completion Approvals, and Spacing/Target Areas Considerations for Horizontal Wells**

Horizontal wells are subject to the same licensing provisions as other wells. Proponents of horizontal recompletions from existing wells are requested to obtain prior approval from the Board's Drilling and Production Department.

Horizontal wells and horizontal recompletions in existing wells are also subject to the same Drilling Spacing Unit (DSU) considerations as conventional vertical wells. To be considered on target, the entire-horizontal borehole within the producing formation must be within the DSU target area unless otherwise exempted by a special spacing provision. Off-target penalty factors will be calculated on the basis of the point of furthest departure from the target area or, in the case of special spacing orders prescribing minimum interwell distances, the point of closest approach to other wells.

Upon termination of drilling operations, operators must conduct and submit results of a directional survey covering both the vertical and horizontal wellbore sections.

### **B. Horizontal Well Experimental Schemes**

The Board has recently granted several experimental scheme approvals involving the drilling and operation of horizontal wells for the recovery of hydrocarbon from conventional oil and gas pools ([Table No. 1](#)).

The primary objective of these tests is to demonstrate, under field conditions, the feasibility of horizontal wells as a means of enhancing conventional oil or gas recovery. The drilling of such wells is not, in itself, considered to be experimental. The Board recognizes the merits of this type of technology and thus has approved, and is prepared to approve, such projects provided they are sufficiently distinct from previous tests as to be unique in Alberta.

The following are particular matters that operators should consider when applying for experimental horizontal well projects.

### **1. Experimental Status**

Applications for horizontal well experimental schemes should describe the objectives of the projects and outline the manner in which they qualify for experimental status in accordance with the ERCB policy letter IL OG 78-12.

Consultation with both the ERCB and the Alberta Department of Energy is recommended if experimental royalty status is an objective. Operators are reminded that the Department reserves the right to decide whether or not, and for what term, experimental royalty status will be provided.

### **2. Information Release**

Routine well information including basic well licensing data, drilling depth information, drilling reports, well logs, and core data will be released in accordance with the information release regulations unless modified by the terms of an approval.

The Board will consider requests for confidential status for other information such as production data, production test data (i.e. AOF and PI tests), special log and core measurements, special drilling and progress reports. At the end of the experimental term of the project, all data will immediately be made publicly available.

<signed by>

N.A. Strom  
Vice Chairman

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TABLE NO. 1

Field/Area	Operator	Approval No.
Rainbow	Esso	5152
Suffield	AEC	5424
Twining	Bumper	5425
Ethel	CHEL	5426
Ansell	CHEL	5440