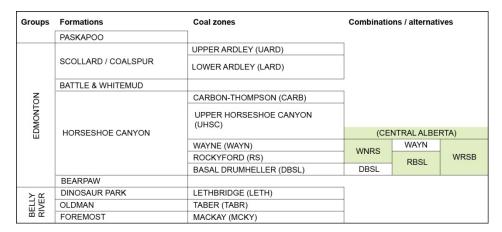


Frequently Asked Questions

Subsurface Order 4

September 2016

- Q1. What coal zones does Subsurface Order No. 4 (SO4) apply to?
- A1. SO4 applies to all coal zones contained within the top of the Edmonton Group to the base of the Belly River Group, as defined in the *Alberta Table of Formations* (2015). A more detailed stratigraphic chart is shown below.



- Q2. Do I still need to apply for commingling if I am outside of the area designated as Development Entity No. 1 (DE), but within the area outlined in SO4?
- A2. Yes, you must submit a commingling application if you are outside of the DE, do not qualify for self-declared (SD) commingling, and would like to commingle production from coalbed methane (CBM) and other strata.

See Unit 3 of *Directive 065: Resources Applications for Oil and Gas Reservoirs* for additional information on commingling processes and the application requirements.

- Q3. Does SO4 apply to in situ coal gasification?
- **A3.** No, SO4 only applies to coalbed methane production.

- Q4. What happens to applications to designate pressure and flow control wells and desorption control wells and applications to waive the requirements for designated control well coverage (exception applications) that are currently under review by the AER?
- A4. If the applications pertain to the Edmonton and Belly River CBM zones within the area outlined in SO4, they will be closed.
- Q5. Are applications to rescind pressure and flow control well and desorption control well designations required?
- A5. Yes, each licensee will need to submit an application to have their control well designations rescinded if they wish to take advantage of the terms of the order. The application must be submitted using the Electronic Application Submission (EAS) system.

From 2017 onwards, any designated pressure and flow control wells will be required to comply with annual testing requirements.

- Q6. How many wells can be included in one rescission application?
- A6. There is no limit to the number of wells within the S04 boundary that can be included in a single rescission application.
- Q7. What is required in an application to rescind control well designations?
- A7. The application must contain the information set out in *Directive 062*, section 8.1(1) and (2). It must also include an attachment that lists the UWI for each well whose designation is to be rescinded and the associated CBM zone according to the chart provided in A1. (List pressure and flow control wells and desorption control wells separately).

Applicants are not required to notify licensees within the radius of the control well coverage before filing the application. The AER will provide public notification of the application, in accordance with the *Responsible Energy Development Act*, through the Public Notice of Application tool on the AER's website.

Applications are to be submitted using the EAS system under the category CW CBM Pressure and Flow Rescission. (This category is also to be used to rescind desorption control well designations.)

For any further questions, send an email to <u>resources.applications@aer.ca</u> or call 403-476-4967.

Q8. Does SO4 affect water well testing?

No, SO4 does not change current baseline water well testing.