



Registry Tip

Volumetric Data Submission Requirements for On-Off Cycling Techniques

Release/Revision Date	Location of Change in this Document	Comment
March 26, 2009		Initial Release

Audience: All Stakeholders

Purpose: This Tip advises users that the importance of fully understanding the Energy Resources and Conservation Board's (ERCB) rules for reporting on-production is increased under the Alberta Royalty Framework (ARF) for certain wells that are using on-off cycling techniques to produce. These rules have not actually changed, but the calculation of ADP (average daily production) now affects the royalty rates of many more wells of more substantial production than in the previous regime.

Understanding these rules takes on particular importance in ARF royalty determination in that understating the hours of production (by reporting only the hours the well is pumping or flowing rather than all hours of the repeated cycle) would result in an overstatement of the well's average daily production (ADP). Well productivity is a key factor in determining the royalty rate applicable to the well.

Background: Existing volumetric and infrastructure requirements (described in ERCB [Directive 007](#)), as well as Measurement Requirements for Upstream Oil and Gas Operations (described in ERCB [Directive 017](#)) remain unchanged with implementation of ARF; and volumetric data collected by the ERCB will continue to be disseminated to the Department of Energy (DOE) for royalty calculation purposes.



Petroleum Registry of Alberta

Key Principles: [Directive 017, Field Operations 6.4.1](#), clarifies that a well can be considered on-production even if the well is not pumping or flowing. Paragraph 2 of that section reads as follows:

6.4.1 Production Hours

“Oil wells operating on an on/off cycle basis, such as intermittent timers, pump-off controls, and plunger lifts, that are “operating normally and as designed on repeated cycles” and where part of the operation involves shutdown of pump equipment and/or periodic shut-in of the wells (as part of the repeated cycle) are considered on production even when the wells are not pumping or flowing.”

More information:

ERCB:

For more information on how to submit data, please also refer to “[On-line supplement to Directive 007: Volumetric and Infrastructure Requirements](#)”.

For more information pertaining to Directives and supplements to Directives, please visit the ERCB’s website at www.ercb.ca. Any questions related to the ERCB’s Directives 007 or 017 may be directed to the ERCB Production Accounting Help Desk:

E-mail: pa.help@ercb.ca

Phone: (403) 297-8952

DOE:

For more information pertaining to Alberta’s Royalty Framework, please visit the DOE’s website at www.energy.gov.ab.ca.

Registry:

For information on the Petroleum Registry of Alberta, please visit the Registry website at www.petroleumregistry.gov.ab.ca/. Any questions related to the use of the Registry should be directed to the Registry Service Desk:

Phone:(403) 297-6111

Phone:1-800-992-1144

E-mail petroleumregistry.energy@gov.ab.ca