

New Saskatchewan Paper Battery Requirements

Jurisdiction	Release/Revision Date	Location of Change in this Document	Comment
SK	June 22, 2015		Initial Release

Audience: All Saskatchewan Users

Purpose: To inform Industry that Saskatchewan has adopted new eligibility requirements with respect to wells that are connected to a Heavy Crude Oil Paper Battery (facility subtype 313). The specific requirements, as listed below, will be enforced effective September 1, 2015.

Background: As a result of the harmonization of measurement and reporting requirements between Saskatchewan and Alberta, and the creation of Saskatchewan *Directive PNG017: Measurement Requirements for Oil and Gas Operations*, Saskatchewan is adopting more formal requirements with respect to Heavy Crude Oil Paper Batteries.

The new requirements, as outlined in section 12.2.1.2 of Directive PNG017 (located at <http://economy.gov.sk.ca/NoticeToOperators>), are as follows:

- 1) All wells linked to a Heavy Crude Oil Paper Battery (facility subtype 313) must:
 - a) have an oil density greater than or equal to 920 kg/m³ and be located north of Township 21 and west of the Third Meridian, in Saskatchewan;
 - b) not be connected to a flowlined battery and not be part of an approved Enhanced Oil Recovery project, waterflood project, or any other approved project;
 - c) have a common operator;
 - d) receive the same well-head price from sales of crude oil during the month (i.e. averaging of gross prices or trucking charges from multiple sales

transactions associated with different wells in a paper battery will not be permitted) – *(This means that all oil delivered for sale from any of the single wells linked to the paper battery must be sold to the same purchaser and for the same net price at the well-head in order to eliminate averaging of gross prices and trucking charges which creates inequities with respect to the calculation of royalties and taxes on both Crown and Freehold lands);*

- e) be within a geographic area no larger than six contiguous townships; and
 - f) have approval from the regulator in situations where any of the requirements listed in points a) through e) are not met.
- 2) VENT, FLARE, FUEL or EMIS cannot be reported at the paper battery level. Any VENT, FLARE, FUEL and EMIS activity must be reported at the location where it physically occurred (i.e. at the well).
 - 3) The operator must use the surface location of one of the individual wells within the paper battery as the paper battery location for reporting purposes.

Key Messages

To ensure that all Saskatchewan facilities are in compliance with the new requirements, ECON is expecting that BAs will review all of their existing Heavy Crude Oil Paper Batteries (facility subtype 313) and make adjustments to well to facility links, where required.

The new requirements will be enforced effective September 1, 2015.

More information: PNG Support:
Phone: 1-855-219-9373
E-mail: png.support@gov.sk.ca