PETRINEX
CANADA'S PETROLEUM INFORMATION NETWORK

TIP

AB Condensate Proration Factors Required at AER Battery Subtypes 362, 364, 367

Jurisdiction	Release/Revision Date	Location of Change in this Document	Comment
AB	February 1, 2022		Initial Release

Audience: All Alberta Stakeholders

Purpose: To remind stakeholders that proration factors for all products (including condensate) must be reported as part of the monthly volumetric submissions in Petrinex for facility subtypes 362 (*Gas multiwell effluent measurement battery*), 364 (*Gas multiwell proration outside SE Alberta battery*), and 367 (*Gas multiwell proration outside SE Alberta battery*). **Effective November 2021 production month (and for prior period amendments)**, Petrinex functionality was enhanced to reject volumetric submissions for these facility subtypes when a proration factor for condensate production is missing.

Background: As per Alberta Energy Regulator (AER) requirements, proration factors must be submitted as part of the monthly volumetric submission for prorated batteries, including facility subtypes 362, 364, and 367. Prior to November 2021 production month Petrinex did not enforce this requirement for volumetric submissions which included condensate production at these facility subtypes.

Key Principles: AER's *Directive 017: Measurement Requirements for Oil and Gas Operations* indicates that for battery subtypes 362, 364, and 367 periodic well tests are to be conducted to determine estimated production, which is then used to prorate actual production back to each well in a multiwell battery. For these subtypes, if battery condensate volumes are tanked and trucked out for sale, the condensate liquid volumes will be prorated back to the wells in the battery.

AER's *Manual 011: How to Submit Volumetric Data to the AER* further clarifies that for battery subtypes 362, 364, and 367, "well production is calculated and reported as prorated. Proration factors are based on annual proration tests and battery measurement."

Note that the condensate proration factor is entered in the Oil Proration Factor field in the Proration Factors view of the Petrinex Edit Volumetric Submission screen.

Since annual proration well tests must be conducted, a condensate proration factor of 1.00000 is not likely to be accurate, and if such a proration factor is submitted then an Enhanced Production Audit Program (EPAP) Compliance Assessment Indicator (CAI) will be generated (CAI 103: Unacceptable Oil Proration Factor – Proration Battery; Oil proration factor of 1.00000 has been reported for a proration battery). This CAI may be subject to review by AER's Production Audit Team.

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