



# INDUSTRY BULLETIN

## 2012-20

December 20, 2012



## Changes to Gas Testing Status

**TO:** Industry Clients

**EFFECTIVE DATE:** Immediately

### BACKGROUND:

“Status” describes the current state of activity (such as testing, producing, injecting, suspension) of a well event, and permit holders update gas well event status via submission of the Ministry of Finance form BC-11 “Notice of Commencement or Suspension of Operations”.

A status of “Active Gas Testing” was implemented in 1991 to monitor flaring and compliance with well deliverability (AOF) testing requirements. A recent review noted that some statuses were improperly classified, and some gas well events producing to sales were not updated by permit holders from the status of “Active Gas Testing” to the correct status of “Active Gas Producing”.

### REQUIREMENTS:

Submitting a BC-11 form with the “Active Gas Testing” status is valid only for periods of well activity when gas flaring associated with well cleanup and deliverability testing is occurring and there are no sales of marketable gas or by-products. Flaring volume limits for well cleanup and deliverability testing are prescribed under Section 42(4) of the Drilling and Production Regulation. The flared volumes must be reported to the BC Oil and Gas Commission (Commission) through the online flaring reporting system as per Section 43 of the regulation.

Submitting a BC-11 form with the “Active Gas Testing” status is not valid for periods of well activity when there is gas flaring and there are actual sales of marketable gas or by-products occurring. A common example is when condensate is being gathered for sale, even though gas is being flared. In this case, the status is “Active Gas Producing”. The condensate production and disposition volumes must be reported on BC-S1 form “Monthly Production Statement”, and BC-S2 form “Monthly Disposition Statement”, as well as on BC-08 form “Marketable Gas and By-product Producer Allocations Report” as per the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation. Therefore, commencement of production tie-in, including in-line testing to sales, requires updating the well event status to “Active Gas Producing”.

The BC-11, BC-S1, BC-S2, and BC-08 forms can be found on the Ministry of Finance website [here](#). Permit holders of wells with a current well event status of “Active Gas Testing” will be contacted by the

Commission to determine if submission of a form BC-11 is required to change the current status.

This bulletin replaces Information Letter #OGC 09-05.

For more information on this bulletin please contact,

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