

DATE: December 20, 2007

INFORMATION LETTER # OGC 07-21

SUBJECT: Measurement Requirements for Upstream Oil and Gas Operations Manual

To: Industry Clients

BACKGROUND:

Regarding the OGAA Implementation:

All necessary regulations, documents and background information on OGAA can be found at www.ogc.gov.bc.ca/OGAA/

For any questions pertaining to the status of this document, please contact the Commission representative listed at the bottom.

The Oil and Gas Commission (OGC) has been working with industry on measurement requirements for upstream oil and gas operations for the Province of British Columbia since 2006.

Currently, the OGC website includes a draft manual entitled “Measurement Requirements for Upstream Oil and Gas Operations” (the Manual), dated February 2006. Accompanying the Manual is Information Letter OGC 06-04 concerning Cross Border Measurement, providing guidance regarding Chapter 7 of the Manual.

In consultation with industry, the OGC has finalized the Manual and is now releasing a revised version, dated January 2008. Information Letter OGC 06-04 will be replaced with Information Letter OGC 07-21.

REQUIREMENTS:

The requirements of the January 2008 version of the Manual shall become effective January 1, 2008. Accordingly, these requirements will be enforceable as of January 1, 2008.

The OGC has also included Implementation Provisions within the January 2008 Manual. These provisions can be found on page 4 of the Manual.

The finalized Manual replaces FMG 04-01 – Fuel Gas Tap Locations, Measurement and Reporting Requirements and FMG 03-03 Gas Meter Calibrations.

The Measurement Requirements for the Upstream Oil and Gas Operations Manual can be found on the OGC website at the following link:

<https://www.ogc.gov.bc.ca/facilitymeasurementguide.html>

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The Manual currently contains the following chapters:

1. Standards of Accuracy
2. Calibration, Verification, and Proving
3. Proration Factors, Allocation Factors, and Metering Difference
4. Gas Measurement
5. Site-Specific Deviation from Base Requirements
7. Cross Border Measurement

Chapter 6 – Determination of Fluid Production at Gas Wells is currently under review with industry for a period of one year (2008).

EFFECTIVE DATE: January 1, 2008.

For further information, please contact:

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