

Instructions for Establishing the Daily Oil Allowable Value for a Well

An oil well is subject to a daily oil allowable (DOA) production rate control, as per Section 54 of the Drilling and Production Regulation, as a conservation mechanism. The DOA is the product of the established unadjusted daily oil allowable (UDOA) multiplied by the monthly gas-oil ratio factor.

The UDOA value is determined by the lowest well completion depth (TVD) in the producing zone. The base value is 10 cubic metres (m³). For every 10 metres greater than 1,000 metres depth, an additional 0.1 m³ is added.

$$\begin{aligned} \text{Depth to base of completion (TVD) m} / 100 \text{ m} &= \text{UDOA} \\ \text{UDOA} &\text{ must be } \geq 10.0 \text{ m}^3 \\ \text{UDOA} \times \text{GOR factor} &= \text{DOA} \end{aligned}$$

No application to the BC Energy Regulator (Regulator) is required. The self-calculated UDOA value should be emailed to Reservoir@bc-er.ca.

However, in situations where the oil spacing area volumetric reserves, assuming a 10-year constant-rate life recovery, calculate to a value higher than the assigned UDOA, the permit holder may submit an application for an increased UDOA value, using the [Daily Oil Allowable Permit Amendment Application Form](#) available on the Regulator's website.

As per Section 31(1) of the Energy Resource Activities Act, the permit holder must provide notice to the landowner of the land on which an oil and gas activity is permitted and the notice must provide a description of the proposed amendment and advise the landowner that he or she may make a submission to the Regulator within 15 days of receiving the notice.

Note: a well that is completed within an approved reservoir special project (GEP, waterflood, Concurrent Production) is subject to the project UDOA. The individual well test period does not apply. In rare cases a well or wells within a project may remain subject to an individual allowable, due to lease-line equity concerns, stipulated as a condition of the project approval order.

Details on the initial well test period and production allowable accounting are found in the [Production Allowable Report Instructions and Examples](#) document available on the Regulator's website.

For more information, contact: reservoir@bc-er.ca.