



**Orphan Well  
Association**

# **Orphan Well Association: Dealing with the Legacy of Abandonment and Reclamation**

**University of Alberta, LRIGS**

**Land Reclamation International Graduate School**

**March 13, 2015**

# Orphan Well Association

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## Presentation Overview

### Orphan Well Association

- Orphans
- Details
- Operations

### Basics

- Well Definitions and Basics
- Well Abandonments and Repairs
- Site Reclamation Definitions and Process

### Summary



## ***Orphan Well Association***

Senora Energy  
00/10-13-038-15W4/0

# What is an orphan?

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TRUE OR FALSE?

*“An orphan is a well, pipeline, facility or associated site left with no one to pay for the cleanup.”*

Regulators have committed to taking every reasonable effort to first investigate potential orphans for a legally responsible and financially viable party

before a property is designated as an orphan for the purpose of abandonment or reclamation.

***Is this an orphan well?***



***Canadian Industrial Gas Limited  
00/07-35-055-25W4/0  
Ajax Morinville No. 9***

# Orphan Well Association – Details 1

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- It is incorporated as a **not for profit** organization under the Alberta Societies Act and operates financially and legally separate from the AER (with an independent board of directors that represent CAPP, EPAC, AER and ESRD).
- The OWA was established as a DAO of the AER under the **Orphan Fund Delegated Administration Regulation or OFDAR**, (AR 45/2001). Operations started in 2001.
- The OWA is the registered trade name of the **Alberta Oil and Gas Orphan Abandonment and Reclamation Association**.
- OWA subleases office space and services from AER.

# What is a DAO?

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The OWA is incorporated as a not for profit organization known as a provincial **Delegated Administration Organization** or **DAO**.

DAOs are created when the Alberta government regulates the collection of funds for a specific activity, and then remits the funds to a not for profit organization separate from the government to manage the funds.

## Examples of DAOs

- Alberta Recycling Management Authority – recycling  
(DAO to ESRD)
- Alberta Real Estate Foundation – housing projects  
(DAO to Service Alberta)
- Orphan Well Association – orphan wells and sites  
(DAO to AER)

# Orphan Well Association – Details 2

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- A Memorandum of Understanding or MOU, between the OWA, AER and ESRD outlines our respective roles and responsibilities.
- Our legal authority to conduct Abandonment comes from the AER through a property specific signed Turnover letter which
  - Deems licensees as defaulting working interest participants
  - Designates specific properties as orphans i.e. wells, pipeline segments and facilities
- Note that the AER works with Licensees on a license basis (and ESRD works with Operators which has a broader definition than Licensees under EPEA.)

# Orphan Well Association – Details 3

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- Our legal authority to conduct Reclamation comes through EPEA (Environmental Protection Enhancement Act) which is delegated to the AER to administer.
  - First a site specific **Environmental Protection Order (EPO)** is issued to the defunct operator and when the company fails to comply, the AER (previously ESRD) has the right to delegate an agent to conduct the work under the EPO.
  - The AER can then designate the operator as a **defaulting working interest participant** and the specific properties as orphan.
  - The AER issues an **Agent letter** to OWA which requests the OWA to act as its agent.

# ***OWA Operations – What We Do***



**Orphan Well  
Association**

**THIS SITE UNDER THE MANAGEMENT OF THE  
ORPHAN WELL ASSOCIATION. FOR INFORMATION  
PLEASE CALL (403)297-6416 DURING OFFICE HOURS**

**CONDOR RESOURCES INC.**

**CONDOR ET AL**

**10-19-48-08-W5M**

**780-621-1711**

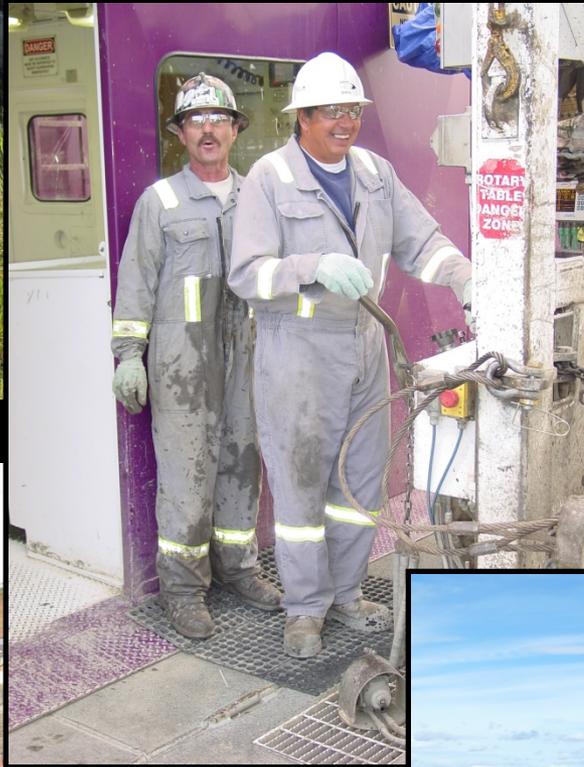
# ***OWA Mandate and Goals***

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Our mandate is to manage the abandonment of Alberta upstream oil and gas orphan wells, pipelines and facilities and the reclamation (which includes decontamination/remediation) of their associated orphan sites.

Our goals are (as per our annual Business Plan)

- Efficient Operations
- Safety and Environment
- Compliance with Government
- Communication



# OWA Organization

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## Office Staff

- Manager
  - Administrator – Marcia Baker (and Miranda Barrett, Clerical pt)
  - Abandonment Coordinators
    - Bob Browning, Lori Brown, Jason Alfke
  - Environmental Coordinators and Specialist
    - Allison Wolfe, Steffen Spoelstra, Wanda Sakura
  - Technical Operations – Cliff Pybus

## Consultants and Contractors

- Five Abandonment Companies - Turnkey
- Ten Environmental Companies

# OWA Information

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**Orphan Well  
Association**

Alberta Oil and Gas Orphan Abandonment and Reclamation Association

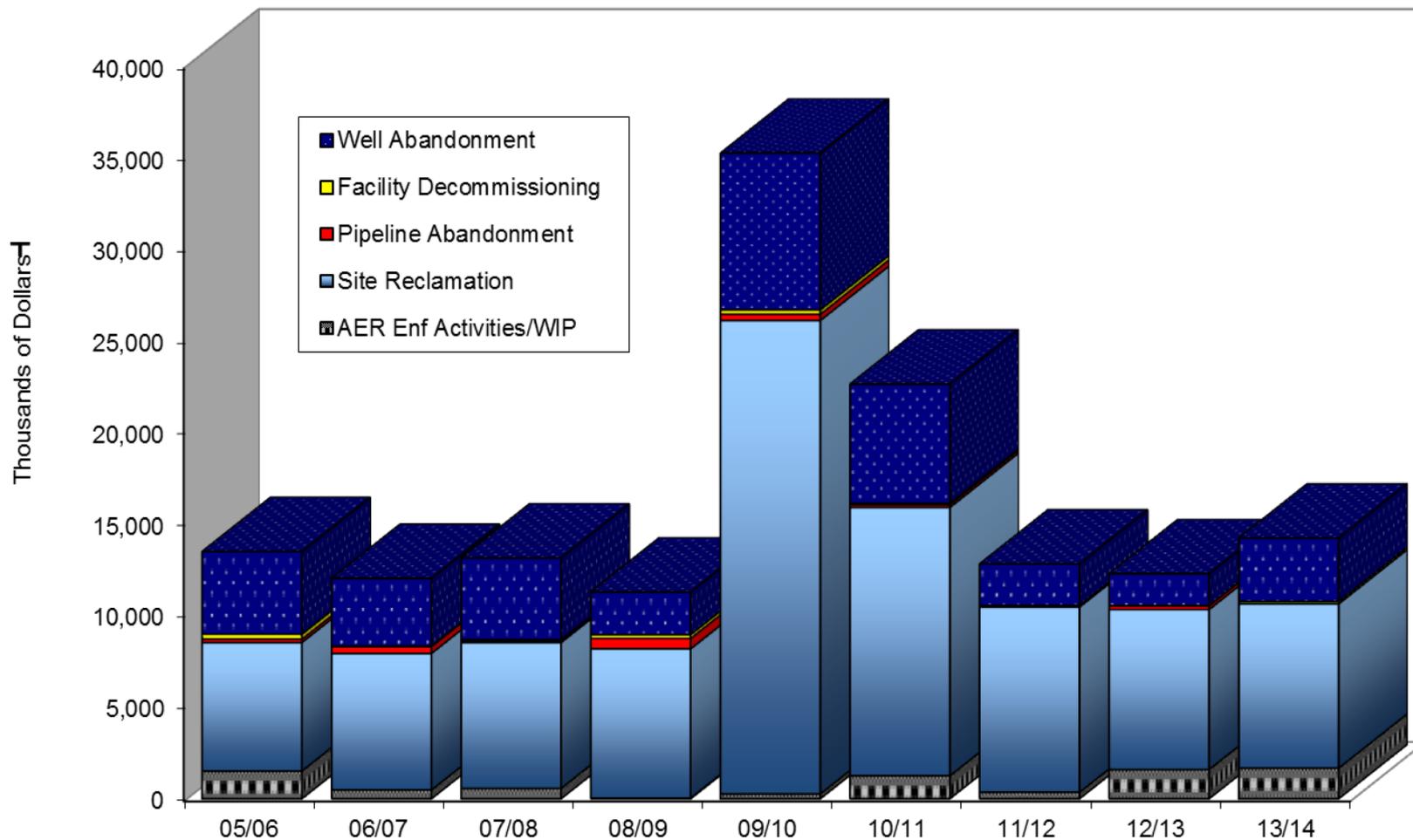
## **Orphan Well Association 2013/14 Annual Report**

June 2014

*Visit our website [www.orphanwell.ca](http://www.orphanwell.ca) to find*

- our annual report,*
- inventory of orphan wells and orphan sites, and*
- lists of defunct companies and expenditures to date,*
- contact information.*

# Historical Summary of Operating Expenditures



## Orphan Well Abandonments

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Well Abandonment Expenditures*	\$60,305,000	
Number of Wells Abandoned	651*	694**
Number of Wells Remaining To be Abandoned	162*	605**

\* As of Mar 31, 2014

\*\* As of Dec 31, 2014 (605 wells, 57 facilities, 577 pl segments)

## *Tidy wells to abandon*



*Messy wells to abandon*



112-2254

***Pipelines to abandon***



11/29/2011



***Facilities to decommission***

***Infrastructure to remove***



A photograph of a field of tall green grass. In the center of the field, there is a red survey marker. The background consists of a dense forest of tall trees under a cloudy sky. The text is overlaid on the bottom half of the image.

***Our mandate includes  
obtaining Reclamation Certificates.***

## ***Orphan Site Reclamation***

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Reclamation Expenditures To Date*	\$118,330,000
Number of Sites Reclaimed (408) and Handled (81)*	489
Number of Sites Remaining To Be Reclaimed*	383
Estimated Expenditures to Complete Reclamation*	\$176,000,000

\*As of Mar 31, 2014.



Legacy Petroleum Facility 08-29-021-14W4/0



Gammon Resources 00/13-21-043-22W4/0

# *Orphan Well Association*

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## Basics

- Well Definitions
- Well Abandonments and Well Repairs
- Site Reclamation Definitions and Process



*Is this an Active or Inactive or Suspended Well?  
You can't tell by a simple drive by.*