



**Orphan Well  
Association**

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

**Landowner Oil & Gas Workshop**

**Lamont County and Strathcona County**

**Heartland Hall, March 3, 2016**

# *Orphan Well Association*

---

## Overview

1. Who we are
2. What we do
3. Summary

More information

# *Is this an orphan well?*



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

# What is an orphan?

---

TRUE OR FALSE?

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

**X FALSE**

Regulators have committed to first investigating potential orphans for legally responsible and/or financially viable parties before a property is designated as an orphan.



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

# 1. Who we are...

---

- ❖ The Orphan Well Association is a not for profit organization.
- ❖ We are funded by the upstream oil and gas industry.
- ❖ We operate under the delegated authority of the provincial government. (*Provincial legislation: Orphan Fund Delegated Administration Regulation AR45/2001*)

# Not for Profit

---

- The Orphan Well Association (OWA) is incorporated as a not for profit organization under the Alberta Societies Act.
- OWA is the registered trade name of Alberta Oil and Gas Orphan Abandonment and Reclamation Association.
- We operate financially and legally separate from the AER.
- OWA subleases office space and services from the AER.

# Funding and Legal Authority

---

- Our funding comes from an annual **Orphan Fund levy** issued to the upstream oil and gas industry.
- Each company pays its proportionate share of industry's total liability.

• <b>Annual Levy</b>	2012	\$12 M
	2013	\$15 M
	2014	\$15 M
	2015	\$30 M
	<b>2016</b>	<b>\$30 M</b>



# ***Delegated Administration Organization***

---

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 DAO's

- Alberta Beverage Container Recycling Authority  
(DAO to Alberta Environment and Parks)



## ***DAO continued...***

---

- Alberta Recycling Management Authority – electronics, paints, tires (DAO to Alberta Environment and Parks)



- Orphan Well Association – oil and gas orphan wells, pipelines, facilities and sites (DAO to Alberta Energy Regulator)



# Governance

---

OWA has independent board of directors comprised of

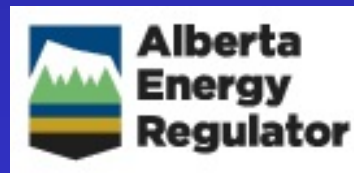
- Canadian Association of Petroleum Producers - 3 reps



- Explorers and Producers Association of Canada – 2 reps



- Alberta Energy Regulator – 1 rep (max 20% government)



- Alberta Environment and Parks (1 rep honorary, non-voting)



## 2. What We Do – OWA Operations



**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

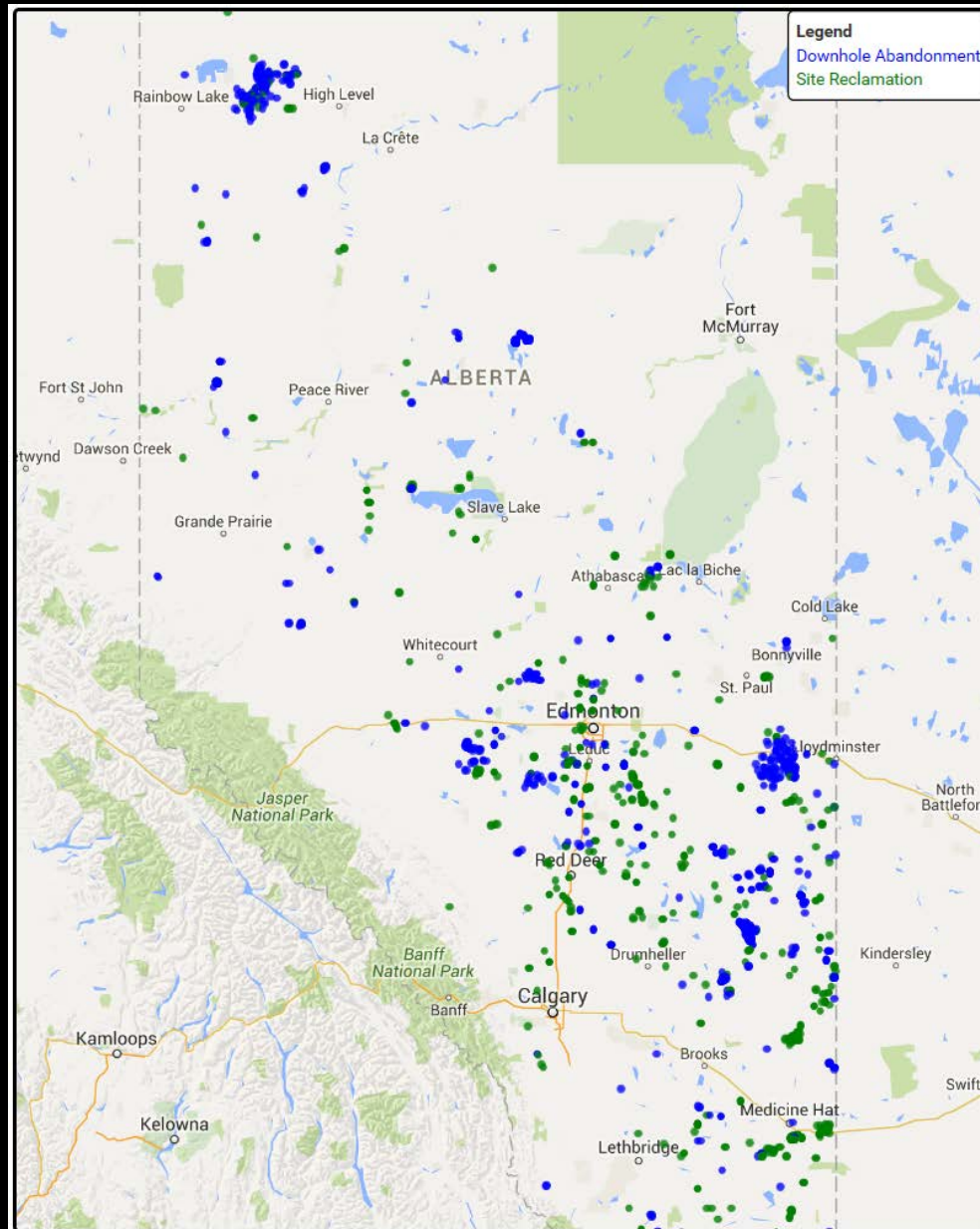
---

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

# 2015 Orphan Wells and Sites





*Site Reclamation*

# Reclamation Process

---

## 1. INVESTIGATE

- Phase 1 – historical file review, landowner interview
- Phase 2 – intrusive site investigation

## 2. DO WORK

- **Remediation** – deal with contaminants, well centres, spills, flare pits, drilling sumps; requirements set by AEP
- **Reclamation** – re-contour landscape, restore drainage, replace topsoil, re-vegetate



# Reclamation Process

---

## 3. MONITOR

- Monitor re-establishment of vegetation.
- Detailed Site Assessment of soils, vegetation and landscape; requirements set by AEP.

## 4. RECLAMATION CERTIFICATE

- Apply for reclamation certificate.
- Obtain reclamation certificate.

### **3. Summary**

---

#### ***Orphan Well Association is a result of...***

- ❖ Government forward thinking to provide legislation to establish a program to address orphan wells.
- ❖ Industry willingness to contribute funding to a solution through payment of annual orphan fund levy.

#### ***Benefits of OWA***

- ❖ Manage the abandonment and reclamation of orphan wells which otherwise would be left to the Alberta taxpayer.
- ❖ Restore the land use for the landowner/occupant.

# More Information

---



**Orphan Well  
Association**

Alberta Oil and Gas Orphan Abandonment and Reclamation Association

## **Orphan Well Association**

### **2014/15 Annual Report**

June 2015

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

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



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

***Thank you***

*Allison Wolfe, Environmental Coordinator  
for  
Pat Payne, Manager*