

Industry Tip

New Oil Analysis Requirements for Well Completions

Date	Module/Application/Functionality	Notes
August 10, 2017	Well and Facility Infrastructure; Well Licence Applications	Initial release

On August 1, 2017, the Ministry of the Economy (ECON) approved and issued Version 2.1 of *Directive PNG017: Measurement Requirements for Oil and Gas Operations* (for more information see [Minister's Order 165-17](#)).

Directive PNG017 includes changes to oil analysis requirements for new wells, which resulted in an additional disclosure question for well licence applications to be implemented into IRIS on August 2 with release 5.9.

Oil Analysis Requirements

Section 8.5 of *Directive PNG017* outlines the oil sampling and analysis requirements, including those required for new wells:

“All new oil wells in Saskatchewan must submit an oil analysis within 30 days of the on production date.

In Saskatchewan, all sampling and analysis reports must be uploaded within 30 days of the analysis being completed as per Minister's specifications listed in *Directive PNG013: Well Data Submission Requirements*. If an analysis has already been completed it must be uploaded before April 1, 2020 as per the Minister's specifications listed in *Directive PNG013: Well Data Submission Requirements*.” (Section 8.5.1: *Oil Analysis Requirements for New Wells*)

One of the enhancements made to *Directive PNG017*, is an exemption to submit an oil analysis that is intended to reduce the collection of the same information from industry, especially when a well is being drilled just outside of a pool.

“New oil wells are not required to submit an oil analysis if the Ministry has an oil analysis (submitted on IRIS) not older than 10 years for the target stratigraphic unit from another well where the licensed boss wellbore is located within 1.6 kilometers

of the new well's licensed boss wellbore." (*Section 8.5.1.1: Exemption for Oil Analysis Requirements*).

Changes to IRIS

A new disclosure question was added to IRIS's well licence application to reflect the new oil analysis requirements on August 2, 2017, with the implementation of release 5.9:

Well Completion

Well Completion Type *

Oil Well

Oil - Production

Does this oil well completion require an oil analysis as per the requirements in Section 8 of Directive PNG017: Measurement Requirements for Oil and Gas Operations? *

Action

To ensure compliance with the requirements, it's important industry have a good understanding of Section 8 of [Directive PNG017: Measurement Requirements for Oil and Gas Operations](#) before applying for a new well licence.

Oil Analysis Obligations Assessed Before August 2

Industry is required to meet all oil analysis obligations assessed before August 2. However, a company can apply to ECON for a waiver of the obligation if the completion meets the criteria outlined in the new version of *Directive PNG017*. For more information on applying for a waiver through IRIS, see the *Apply to Amend IRIS Obligations* page on [www.saskatchewan.ca](http://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/oil-and-gas/oil-and-gas-licensing-operations-and-requirements/apply-to-amend-iris-obligations#guidance) at <http://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/oil-and-gas/oil-and-gas-licensing-operations-and-requirements/apply-to-amend-iris-obligations#guidance>.

Questions?

Contact Petroleum and Natural Gas Support (PNG Support) if you have any questions or require additional information at PNG.support@gov.sk.ca or at 1-855-219-9373.