



## Ministry of Energy and Resources

### Notice of Accepted Amendments

#### ***Directive PNG014: Incident Reporting Requirements***

In September 2017, the Ministry of Energy and Resources (ER)—formerly the Ministry of the Economy—emailed consultation information to the oil and gas industry regarding proposed amendments to *Directive PNG014: Incident Reporting Requirements* (Directive PNG014).

The main change to Directive PNG014 supports policy changes implemented by the Ministry of Environment (ENV) to eliminate the need for dual reporting of incidents covered under Directive PNG014 to ENV and to ER. Other changes include wording clarifications and additions to definitions and to verbal notification requirements to be provided during the immediate telephone notification.

Comments from the respondents are summarized in the table below along with ER's corresponding response. In most cases ER has provided clarifying information that should address the comments. However, ER has noted two minor changes and will be looking to advance those for consideration at a later date.

Thank-you for your review and participation in the consultation process.

For further information, please contact:

Petroleum and Natural Gas Support Desk  
1-855-219-9373 or [PNG.Support@gov.sk.ca](mailto:PNG.Support@gov.sk.ca).

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PART	ITEM	COMMENT OVERVIEW	MINISTRY OF ENERGY AND RESOURCES (ER) RESPONSE/ASSESSMENT
<b>Sections 1.3 and 3.2</b>	General Comments	Amendments to PNG014 specify that reporting is required to be submitted to IRIS (Integrated Resource Information System); however, it does not explain that this process supersedes the requirement to report to the Ministry of Environment. Assurance would be appreciated that the governing legislation would not supersede PNG014.	<b>Clarification:</b> Directive PNG014 does emphasize in section 1.3 that the requirements of the directive do not apply to a certain wells licensed by ER that are associated with a potash mine site permitted by the Ministry of Environment (ENV) and that incidents relating to those wells are reportable directly to ENV. The incident reporting requirements described in sections 3.1-3.3 of the directive are clear that the incidents listed in Appendix 1, which relate only to upstream oil and gas wells/facilities and pipelines, are reportable to ER.
<b>Section 3.1</b>	Immediate telephone notification by operator	S. 21(3) of the <i>Pipelines Regulations</i> (71/2017) stipulates that an operator will report every 6 months incidents that are not immediately reportable pursuant to s. 20(1) of the Regulations: Question: are all pipeline leaks below 1.6 cubic meters to be included in such report? SUGGESTION: align s. 3.1 of Directive with this section of the Regulations.	<b>No Change:</b> Directives have the force of law. Where there is a conflict between a directive and the provisions of the regulation the requirements of the directive prevails. Directive PNG014 is intended to replace those sections of <i>The Pipelines Regulations</i> dealing with incident reporting. Requirements for incident reporting currently found in <i>The Pipeline Regulations</i> will be repealed at the next opportunity
<b>Section 3.1, Appendix 1</b>	Reporting on-lease releases in IRIS	S. 3.1 of Directive stipulates 2 situations that do not merit telephone notification to 1-844-764-3637 but nonetheless require reporting on IRIS within 5 days: The “Less than 10.00 m <sup>3</sup> ” threshold is not consistent with the “> 2.0 cubic meters” in the Appendix 1 below –there is a substantial difference in the quantity.	<b>No Change:</b> While not reflected in the current version of the amended directive, ER will look to provide greater clarification in a future revision. ER notes that there is an inconsistency between section 3.1 and Appendix 1 in that section 3.1 suggests that any on-lease release less than 10m <sup>3</sup> is still reportable in IRIS within 5 days, even if it is less than 2m <sup>3</sup> in volume.
<b>Sections 4.1, 4.2 and 4.3</b>	Timelines for reporting	Timelines for reporting: Directive 014 is structured to require an electronic reporting through IRIS: <ul style="list-style-type: none"> <li>• Within 5 days of the date of discovery (s. 4.2 of Directive 014) – submission of initial incident notification on IRIS;</li> <li>• Within 90 days from the initial IRIS submission (4.3) – submission of the detailed incident report;</li> <li>• Within 6 months from the completion of the reclamation (s. 4.4) – submission of the Reclamation Report.</li> </ul>	<b>No Change:</b> Directives have the force of law. Where there is a conflict between a directive and the provisions of the regulation the requirements of the directive prevails. Directive PNG014 is intended to replace those sections of <i>The Pipelines Regulations</i> dealing with incident reporting. Requirements for incident reporting currently found in <i>The Pipeline Regulations</i> will be repealed at the next opportunity.

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		However, s. 21(1) of the <i>Pipelines Regulations</i> prescribes a 30 day timeline for submission of the written report. Information to be included in such report is the same information that is required in the IRIS reporting under sections 4.1, 4.2 and 4.3 of the Directive. As the subordinate legal source, Directive is not aligned with the Regulation.	Operators have by policy been following Directive PNG014 since it came into force in December 2016
<b>Appendix 1</b>	On lease releases of oil, salt water, condensate or other product relating to pipeline/flowline operation.	Is the quantity of exactly 2 cubic meters shown below reportable? If yes, SUGGESTION: rephrase to “equal or more than 2.0 cubic meters (m3) of fluid”.	<b>No Change:</b> While not reflected in the current version of the amended directive, ER will look to provide greater clarification in a future revision.
<b>Appendix 1</b>	Minimum reportable spill amounts	Inconsistency between reporting thresholds in legal sources of different ranks. S. 20(3) of <i>Pipelines Regulations</i> (71/2017) sets the reporting threshold to 1.6 cubes. Appendix 1 of Directive 014 sets the reporting threshold to “over 2 cubic meters”. Scenario: you have a pipeline leak within the pipeline terminal (i.e. “on lease”) resulting in 1.8 cubes of condensate. It is reportable under the Regulations and non-reportable under the Directive. In the hierarchy of legal sources, Regulations override Directive. SUGGESTION: Directive should read “equal or more than 1.6 cubic meters” (instead of current “> 2.0 cubic meters (m3)”).	<b>No Change:</b> Directives have the force of law. Where there is a conflict between a directive and the provisions of the regulation the requirements of the directive prevails. Directive PNG014 is intended to replace those sections of <i>The Pipelines Regulations</i> dealing with incident reporting. Requirements for incident reporting currently found in <i>The Pipeline Regulations</i> will be repealed at the next opportunity.
<b>Appendix 1</b>	Off-lease release of substance resulting from pipeline operation	Pipeline release outside of the pipeline terminal is considered “off lease” and triggers reporting of any volume released. SUGGESTION: include it in the definition of the “off lease”, for greater clarity.	<b>No Change:</b> ER feels that the existing definition of “off-lease” already considers pipeline releases outside of a pipeline terminal, which is defined as being “on-lease” within the definitions section.

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Appendix 1	Release, Spill or Frac-Out of Drilling Fluid on Horizontal/Directional Drilling for pipeline/flowline installation	<p>Frac-out reporting associated with HDD in the current version mandates reporting of ALL frac-outs in any volume. As a result, inspectors are inundated with reports of negligible volumes (e.g. 1 liter) daily of water-based drilling mud. SUGGESTION: the Directive should implement criteria for immediate reporting, taking into consideration important factors:</p> <ul style="list-style-type: none"><li>• Does the frac out occur in an environmentally sensitive area (e.g. watebody);</li><li>• Sampling of drilling mud: are chemically based additives present?</li><li>• Quantity - a minimum quantity reporting threshold should be set (e.g. equal or more than 2 cubic metres).</li></ul> <p>The frac-outs that do not meet the criteria for the immediate reporting would still be reportable under S. 21(3) of the <i>Pipelines Regulations</i> i.e. in the form of 6-month summary of pipeline releases spreadsheet.</p>	<p><b>No Change:</b> Due to the nature of their locations, release, spill or frac-out of drilling fluid during pipeline/flowline installations are highly unlikely to be contained only on a lease. In addition, these releases can occur in any environmental condition. As a result, ER requires all such releases to be documented to ensure adequate cleanup has taken place.</p> <p>Directives have the force of law. Where there is a conflict between a directive and the provisions of the regulation the requirements of the directive prevails. Directive PNG014 is intended to replace those sections of The Pipelines Regulations dealing with incident reporting.</p>