



**APPLICATIONS FOR  
FLOW LINES FOR  
UNPROVEN WELLS  
POLICY**

File: 195-00/FLOW

**Issuance**

Board of Commission

**1.0 Policy**

If an application for a flow line is submitted to the Commission and the well to be served by the flow line has not been “proven”, a permit under section 14 of the *Land Act* for the temporary occupation of Crown land for the purposes of building a flow line, if approved, will be issued with a condition that the permit is subject to notification to the Commission that the well to be served by the flow line has encountered oil or natural gas. The notification may take the form of an, facsimile or letter.

The act of notifying the Commission validates the permit and the company is entitled to act on the rights granted by the permit. The Commission will not assess or otherwise act upon the notification.

The Commission may, upon application in writing to the Director, Application and Approvals Branch, waive the requirement for notification if the following three criteria are satisfied:

- The application is adjacent to an existing right-of-way or adjacent to an existing right-of-way that has previously been applied for,
- There will be no merchantable timber harvested, and
- A proven well exists in or near the same pool or field

**1.1 Definitions**

“flow line” as defined in the *Pipeline Act*

“proven” that sufficient information has been obtained from the well to enable a conclusion that the well has encountered oil or natural gas

“notification” the delivery by the company to a designated Commission employee, appropriate information by facsimile or letter, indicating that the well which is the subject of a condition of a permit under section 14 of the *Land Act* for a flow line, has been proven

**1.2 Application**

- a) this policy applies to applications under the *Land Act* for a temporary permit to occupy Crown land for the purposes of constructing a flow line, if the well served by, or to be served by, the flow line has not been proven
- b) this policy does not apply if all land use and environmental issues cannot be resolved prior to the issuance of a conditional permit or managed through the conditions of the permit
- c) for clarity, this policy applies to pipelines that meet the definition of flow line in the *Pipeline Act*

**1.3 Eligibility Requirements**

The applicant for the flow line must be the holder of a certificate issued under section 10 of the Pipeline Act.

**1.4 Implementation**

The Director, Application and Approvals Branch will implement this policy.

**2.0 Rationale**

The Oil and Gas Commission currently accepts applications related to flow lines, before a well has been “proven”. The Commission staff completes the review of the applications but withholds final approvals until the company submits data and information to the Commission indicating that the well has been “proven”. The issuance of the permit, license or approval may be delayed by circumstances such as the well being proven prior to a weekend. Industry has identified delays in the issuance of permits, licenses and approvals for flow lines until after the well to be served by the flow line has been “proven”, to be an issue.

Issuing permits under section 14 of the *Land Act* for flow lines with a condition that the permit is subject to notification to the Commission that the well has encountered oil or natural gas will address the concerns of industry. The condition would cause the permit to not take effect until the Commission is notified. All cutting permits issued by the Commission under the *Forest Act* currently include a condition that the holder of the cutting permit must have a right to occupy the land. Accordingly, the condition in the *Land Act* permit would also preclude the company from legally cutting trees until the Commission has been notified.

Upon providing notice to the Commission, the company would be entitled to act on the rights granted by the conditional permit. The Commission would not assess or otherwise act upon the notification. Accordingly, the notification process will not impact the workload of the Commission staff.

Reviewed by:

Approved by:

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Original signed by

Original signed by

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Director, Application & Approvals Branch

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Commissioner

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Deputy Commissioner

Date: November 01, 2001