

## Notice of Proposed Directive Changes

### *Directive PNG076*

#### **Background**

After being in effect for roughly 18 months, Directive PNG076: Enhanced Production Audit Program (EPAP) is undergoing a number of adjustments including but not limited to changes regarding penalties and the definition of a facility.

#### **Overview of Proposed Changes**

There are many small changes and a few substantive ones.

The first important change is the fact that a penalty can now be charged for failure to submit an EPAP declaration by the deadline. Since each operator receives a notice one month before the declaration is generated, another notice when the declaration is generated, and a Petrinex EPAP warning report before the deadline, it is clear that no additional warnings are needed.

The second important change is surrounding the definition of a facility. For the purposes of EPAP, the definition of a facility will now include “reporting pipelines” which is a new term that is defined in Directive PNG032.

The third important change is the addition of wording in Section 8 that indicates a financial penalty for non-response to workflows. This wording is consistent with section 11.10 of Directive PNG032 and uses penalty provisions in *The Oil and Gas Conservation Regulations, 2012* to charge such a penalty.

Another notable change is regarding the submission due date. The previous due date was the last day of the second month following an operator’s declaration month. The due date will now be the last business day (Monday to Friday except holidays) of the second month following and operator’s declaration month.

#### **Miscellaneous items of note**

Section 1.6 – the last paragraph is now in a black box, indicating that it is a regulatory requirement

Section 2.3 – this section “trial declaration” is removed as it deals with the initial ramp-up of EPAP.

Section 2.4 (now known as section 2.3) – an operator must submit their first declaration within 14 months of their first volumetric submission. The previous version said two years.

Section 13.6.2 – There is an additional sentence directing the reader to Sections 122 & 122.1 of *The Oil and Gas Conservation Regulations, 2012*.

#### **Review of Draft Directive**

The draft directive to give effect to the above changes are attached to this notice.

ECON is seeking written comments on the proposed directive amendments. Please direct any comments or questions about the proposed amendments to:

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The deadline for submitting written comments is December 13, 2017.

DRAFT