



Energy Group

The Latest Strategies for Managing Oil & Gas

WELL & PIPELINE ABANDONMENT

Gain the Regulatory, Operational and Technical Know-How to Meet New Requirements and Stay on Top of Your Game

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BP Canada Energy Company
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TL Watson & Associates Inc.
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Sanjel Corporation
Abandonwell Inc.
Deloitte & Touche LLP
Ackroyd Piasta Roth & Day LLP
Orphan Well Program
University of Alberta
Alberta Energy and Utilities Board
Saskatchewan Industry and Resources

PLUS!

Don't miss the Optional Post-Conference Workshop "Cutting Edge Techniques for Plugging and Plug Testing for Well Abandonment"

December 1 and 2, 2004

Optional Post-Conference Workshop - December 3, 2004
Hyatt Regency, Calgary, Alberta

Get cutting-edge information on regulatory changes, new management strategies, and innovative techniques to optimize well and pipeline abandonment activity:

- **PREPARE** for upcoming abandonment policies and programs in Alberta, BC and Saskatchewan
- **CREATE** action plans to manage inactive wells and future abandonment activity
- **IDENTIFY** well assessment and abandonment techniques to tackle Tier II projects
- **MINIMIZE** the risk of gas migration with new cementing and vent flow repair technologies
- **MANAGE** abandoning orphan wells in Alberta: new down hole challenges, innovations and success stories

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New policies will require a significant increase in abandonment activity. Fortunately, innovative techniques are being discovered to dramatically improve the cost and effectiveness of well and pipeline abandonment.

Do you have the information you need?

In 1989 there were roughly 4000 wells drilled in Alberta and 2000 wells abandoned. This year there are 20,000 wells while abandonment activity has dropped to less than 1600. As drilling activity increases, provincial governments are taking new steps to ensure that abandonment quality standards are tightened while activity is on the rise. Do you have your business strategy in place and the cost-effective techniques essential to manage your wellheads?

At *The Canadian Institute's* conference on **Well & Pipeline Abandonment**, industry experts from Western Canada's top producers and abandonment service firms will share best practices, practical case studies, effective business strategies and new techniques so you can successfully adapt to new regulations and optimize and economise your abandonment activity.

Hear critical insights and best practices from the industry's best, including:

- **Alberta EUB** on how the LLR Program will impact field operations

- **BP Canada Energy Company** and **Lionhead Engineering and Consulting** on best practices to manage abandonment projects at an early stage
- **Imperial Oil** and **Ackroyd Piasta Roth & Day** on managing new long-term liability and preparing for abandonment audits
- **TL Watson & Associates** and **Canstar Environmental Projects** on effective techniques to manage fish-in-the-hole clean up
- **University of Alberta** and **Abandonwell** on their partnership with industry to perform isotope analysis and fingerprint gas migration

Plus! Check out our optional post-conference workshop on "Cutting Edge Techniques for Plugging and Plug Testing for Well Abandonment" hosted by Schlumberger.

Be where your colleagues and competitors are and get the practical tools you need to position your company for success. Sign up soon as space is limited. Register today by calling **1-877-927-7936** or online at **www.CanadianInstitute.com**

Optional Post-Conference Workshop — Friday, December 3, 2004

Cutting Edge Techniques for Plugging and Plug Testing for Well Abandonment 9:00 a.m. to 12:30 p.m.— Registration Opens at 8:30 a.m.

**Jochen Pfeiffer, Well Abandonment Manager
Schlumberger**

**Gunnar DeBruijn, Technical Manager for Canada
Well Cementing Services, Schlumberger Canada**

A P&A operation can be a simple mix and dump, but in most cases it is a complex operation that has to be planned well in advance. The best time to plan the P&A of a well is in the planning stage, when the reservoir development is outlined. Most abandonment activity is based on the hardware in the well such as tubulars and completion equipment. Rarely is the geology behind the casing considered.

What is a cap-rock, where is it, and how can it be restored to its original function? These are very basic questions that are often not addressed. Many other questions have to be answered before a P&A operation can be successful. Get the latest information and best practices on managing well issues including:

- Steps to ensure that the seal is being placed across an un-fractured cap rock
- Managing the risk of gas migration
- Identifying the cap rocks in a well and using the ones that are at the best location to ensure an effective seal off
- Is cement the ultimate answer as a permanent seal?
- How is a barrier tested?
- How can companies take advantage of wells located in salt or shale deposits?

- does this ensure a much easier and safer seal?
- what are the timelines to ensure a tight seal?
- Are bitumen plugs a better option than sand plugs for suspending and abandoning wells?
- Where is it best to use asphalt plugs to improve the prevention of gas leakages to the surface?
- Effective techniques to seal off wells using a triplex plug
- Conducting pressure testing to ensure the barrier is holding and there is a tight seal over the wellhead

Hear from these leading industry experts, and learn now to minimize risk and ensure that abandonment operations are effectively managed. Sign up today as space will be limited to ensure maximum value for the participants.

Jochen Pfeiffer is based in Houston and is in charge of all technical matters in Schlumberger cementing operations in the Gulf of Mexico. Prior to taking his current position in the USA Jochen was project manager in the Schlumberger Product Center in France. Since this assignment he is involved in the planning of P&A operations worldwide.

Gunnar DeBruijn is currently Technical Manager for Canada Well Cementing Services of Schlumberger. He has been with Schlumberger for 13 years working across Canada from the North West Territories to Newfoundland. He has been involved in design, execution and evaluation of cement programs in wells ranging from depths of 200 m to 9350m. Gunnar has a Bachelor of Science in Engineering from the University of Alberta.

Wednesday, December 1, 2004

Day 1:
Planning, and Management Strategies

8:00 Registration Opens and Coffee Served ☞

9:00 **Opening Remarks from the
Conference Chair**

*Pat Payne, Program Manager
Orphan Well Program*

9:15 **Preparing For Change: Recent and
Upcoming Abandonment Policies and
Programs in Alberta, British Columbia
and Saskatchewan**

*Jim Reid, Manager, Operations Group
Alberta Energy and Utilities Board*

*Brian Mathieson, Director, Petroleum Group
Saskatchewan Industry and Resources (invited)*

*Rick Peterson, President and CEO
Treeline Well Abandonment and Reclamation*

- What are the differences in abandonment requirements between Alberta, Saskatchewan and BC?
 - what are the advantages to working in one province versus the others?
 - what are the relative challenges?
 - where are the best practices?
- What policy changes are under review and what is expected to be announced by the end of this year?
- What type of government programs and incentives will be provided to encourage greater abandonment activity from oil and gas producers?
- Are provincial governments concerned about the increase in drilling and reduction in abandonment activity?
- What steps will provincial governments take to ensure that wells are properly maintained and that gas leaks and other toxicity issues are minimized?
- Life after the 10 year suspended list: how are companies being prompted to abandon old well sites since Guide 20?
- How are the new regulations impacting a company's ability to suspend a well to prolong its life instead of abandoning it? How long are they allowed to suspend a well before it needs to be abandoned?
- What is being done to ensure that orphan wells are kept to a minimum?

10:30 **Networking Coffee Break ☞**

10:45 **How Does Alberta's Licensee
Liability Rating (LLR) Program
Impact Field Operations?**

*Howard Fedorak, Liability Management Section
Corporate Compliance Group
Alberta Energy and Utilities Board*

- Purpose of the LLR Program
- Development of the LLR Program with stakeholders
- Operation of LLR Program

- Changes resulting from the scheduled review of the LLR Program with stakeholders (Directive 006)
- An analysis of LLR Program issues
- Future liability management program for wells and facilities excluded from the LLR Program

11:30 **New Drilling and Abandonment Activity in
Canada: How Will Industry Be Impacted
by New Regulatory Requirements?**

*Scott Darling, President
Canstar Environmental Projects Ltd.*

*Theresa Watson, President
TL Watson & Associates Inc.*

- Update on Western Canada's drilling and abandonment projects and predicted future activity
- What abandonment best practices in Alberta are being transferred to other regions of Canada and abroad?
- When are standardized and cost-effective abandonment processes expected to be in place?
- Buyer beware: are new companies being urged to clean up historical wells on purchased land?
- How will added financial and operational requirements impact Western Canada's new generation of producers?
 - what degree of due diligence should they take to ensure that they are prepared for future issues?
- 48,000 suspended wells in Alberta: what will be done with these wells? Will they end up as feedstock wells for abandonment companies?
- How can the approval process be improved to ensure that companies are able to re-access land to inspect and/or clean up post-abandonment gas migration and other toxic issues?
- With new abandonment requirements coming from Guide 20 are many E&P companies deciding to outsource their abandonment activities?
 - how much tougher is it for them to remain in compliance?
 - is it proving to be more cost effective to outsource?

12:30 **Networking Luncheon for
Delegates and Speakers** 

1:45 **Pre-Abandonment Steps: How to Manage
Inactive Wells and Create an Action Plan
for Future Abandonment Activity**

*Larry Stone, Team Leader, Warthog Group
BP Canada Energy Company*

*Kary Cuthill, President and CEO
Lionhead Engineering and Consulting Ltd.*

- What are the best practices to address non-conventional (Tier II) abandonment projects at an early stage?
- Conducting risk assessment of the well site: are there environmental/safety risks or well integrity problems?
- What types of logging techniques can be used to identify well characteristics?
- What are the key techniques being used to check for toxicity at the time of abandonment?
- What types of tools can be put in place to monitor the well after abandonment?
- Lionhead/BP Case Study: the most effective approaches to developing an abandonment program to address inactive wells and minimize risk
- When is outsourcing the best option for abandonment responsibilities?

2:45 Refreshments Break

3:00 **Best Practices for Determining Liabilities for Financial Reporting**

**Ward G. Zimmer, Partner, Audit
Deloitte & Touche LLP**

- Requirements of accounting standards related to asset retirement obligations (ARO)
- Practices used by oil and gas companies to determine ARO
- Cost, timing and discount rate assumptions
- Determining a gain or loss on settlement of ARO
- Situations where ARO cannot be determined

3:45 **Key Steps To Protect Your Company from Liability: Ensuring That Operations Are in Check and Books Are in Order**

**Peter Miller, Legal Counsel,
Imperial Oil Limited**

**Richard C. Secord, Partner
Ackroyd Piasta, Roth & Day LLP**

- Preparing your company for a surprise audit: steps to ensure that your books are in check and you are meeting compliance
- Comparing provincial policies regarding gas leaks: how to manage clean-up and attain compliance
- Sarbanes Oxley: what are the possible consequences of non-compliance on the balance sheet and in the field?
- Does non-compliance often result in a fine or can production and land access licenses be revoked?
- Private remedies to seek site cleanup: are many lawyers trying to file class actions for punitive damages from land that has already been settled to previous land owners?
 - is this the next big battle ground? Is there a policy void?
- What is a company's long term liability for their wells following the Bill 36 changes to AEP&EA and recent court cases? What should companies plan for and expect in the future?
 - how should industry manage this new found liability?
 - how may this change affect industry's approach for future well site strategies and brownfield development?

4:45 **Conference Adjourns
Networking Cocktail Reception**



Thursday, December 2, 2004

**Day 2:
Top Techniques and Technologies**

8:30 **Coffee Served ☞**

9:00 **Opening Remarks from the
Conference Chair**

9:15 **Orphan Well Program: New Down
Hole Challenges, Innovations and
Success Stories on Managing
Orphan Wells in Alberta**

**Pat Payne, Program Manager
Orphan Well Program**

- Update on the number of wells abandoned in Alberta and the budgets required for the Orphan Well Program
 - how much have well abandonment costs increased?
 - what are the major contributors?
- How well is the Orphan Well Program delivering and what level of abandonment activity is expected in the coming season, compared with previous years?
 - is adequate investment being made into the program to match expected orphan wells in Alberta?
 - will this program be extended to include environmental cleanup?
- Is there a concern regarding companies going out of business and leaving their uncapped wells to the Orphan Well program?
- What type of orphan well programs operate in BC and Saskatchewan and to what degree do they support well abandonment projects?
- What techniques are being used to collect adequate reservoir data to ensure that an effective abandonment action plan is in place for orphan wells?

10:00 **Networking Coffee Break ☞**

10:15 **Best Practices for Performing
Well Assessments and Developing
Action Plans to Tackle Tier II
Abandonment Projects**

**Jochen Pfeiffer, Well Abandonment Manager
Schlumberger**

**Karen Dykman, Compliance and Operations
Branch, Alberta Energy and Utilities Board**

- Pre-abandonment steps: strategies to abandon the well correctly the first time and minimize risk and potential liability issues
- What are some of the recent challenges that have been faced when managing Tier II well abandonment projects in Western Canada?
 - are there consistencies in particular regions?
- New technologies to determine the well design at completions stage and develop an abandonment approach early in the project
- Quality control checking for cementing: how often do you need to go back to check for leakages? When can you walk away?
- What are the unique concerns with working in remote areas with seasonal access? What unique steps can you take to ensure that you are covering all of your bases before returning to home base?

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at 1-416-927-0718 ext. 232 or by email at
b.shugar@canadianinstitute.com

- When do low risk wells turn into medium risk and what are the necessary actions needed at that time to either preserve or plug the well?

11:15 **Fish-in-the-Hole: Effective Techniques to Manage Down Hole Clean Up**

Theresa Watson, President
TL Watson & Associates Inc.

Scott Darling, President
Canstar Environmental Projects Ltd.

- Are the wells accessible? Effective techniques for managing down hole well obstructions such as rotting tubing
- Conducting abandonment activities with extreme under-balance or over-balance
- Applying critical sour gas abandonment practices to ensure long term protection
- How to handle unusual materials during the abandonment stage such as salt water and fish-in-the-hole across two or more porous zones

12:15 **Networking Luncheon for Delegates and Speakers**

1:30 **New Cementing and Vent Flow Repair Techniques to Minimize the Risk of Gas Migration**

James Griffith, Business Segment Manager,
Cementing Innovations
Halliburton Energy Services

Craig Kalmbach, Business Segment Manager,
Cementing Innovations
Halliburton Energy Services

Harold Slater, Senior Technical Specialist
Sanjel Corporation

Hermann Kramer, Senior Technical Specialist
Cantai Tools

- Surface casing and vent flow repair techniques preventing gas migration to the surface
- How to locate gas leakages, squeeze and eliminate the gas flow
- Techniques to ensure that abandonment managers are looking behind the casing to ensure there is a high quality seal in place
- Halliburton case studies on recent field learnings and on implementing effective cementing solutions
- Uncovering casing vent flow causes
 - gas migration through unset cement
 - poor mud displacement
 - life of the well issue: pressure testing casing, well production, casing corrosion
- What are the key solutions to the individual cause?
 - selection process
 - testing procedures
- An overview of Sanjel's surface casing vent flow and gas migration repair three part workshop
 - identification of the gas source or sources responsible for the problem
 - communicating with the gas source to promote an effective remedial cementing activity
 - conducting remedial cementing activity to achieve a seal and eliminate flow from the reservoir

2:45 **Refreshments Break**

3:00 **Evaluating In Situ vs. Removal Options: Effective Approaches to Tackling Pipeline Abandonment Projects**

Rick Peterson, President and CEO
Treeline Well Abandonment and Reclamation

- Preventing a disaster: innovative techniques to manage pipeline leakages and abandonment projects
- What is the better option? To perform abandonment in situ or as an above ground pipeline removal
- What are the environmental and financial implications of each?
- What do provincial governments recommend as a best practice now that more stringent abandonment requirements have been imposed?

3:45 **Identifying Gas Leakages: How Effective Have the Carbon Isotope Project and Recent Logging Techniques Been to Detect Gas Migration?**

Karlis Muehlenbachs, Professor, Earth and Atmospheric Sciences, University of Alberta

Jim Quehl, President, Abandonwell Inc.

- Update on the University of Alberta and industry partnership to perform isotope analysis, as a way to fingerprint gas migration: what are the results to date?
- What are the recommended techniques for controlling gas migration in the upper part of the well bore?
- What are some of the options for long term monitoring of the well to detect pressure changes and gas migration activity?
- How are companies monitoring their abandoned sites?
- Techniques to decipher water and gas zones when logging
- When is the best option to outsource gas detection services? What can often be done more cost-and time-effectively in house?
- Alternative methods of source detection: open hole and cased hole logs

4:45 **Co-Chair's Closing Remarks Conference Concludes**

WHO YOU'LL MEET

Presidents, CEOs, VPs, Managers and Directors of Business Development, Strategic Planning, Operations, Production, Engineering, Drilling, Completions, Cementing, and Well & Pipeline Abandonment from:

- Oil and Gas Producers
- Pipeline and Processing Companies
- Drilling and Completions Service Providers
- Energy Focused Engineering and IT Companies
- Environment Focused Service Firms
- Energy and Environment Focused Legal Firms
- Provincial and Federal Regulatory Bodies
- Energy Focused Industry Associations

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- Conference & Workshop \$2099 + \$146.93 (7%) GST = \$2245.93
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