

**Ministry of Natural Resources  
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**VIA E-Mail BoardSec@ontarioenergyboard.ca  
VIA RESS filing**

June 10, 2011

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
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Mr. Dan Jones  
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Union Gas Limited  
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Re: Union Gas Limited Gas Storage Area Application  
EB-2011-0013\0014\0015  
MNR Submissions

Dear Madam and Sir,

Please accept this letter and the attachments hereto as the submission of the Intervenor the Ministry of Natural Resources (MNR) in the above matter. The MNR's submissions relate to the "Board Staff Proposed Conditions of Approval" included as attachments 1 and 3 to the Ontario Energy Board's Board Staff Interrogatories.

First, MNR submits that the proposed Condition 1.5 in the "Board Staff Proposed Conditions of Approval Authorization to Operate Jacob Designated Storage Pool EB-2011-0013" should be amended to impose a maximum allowed operating pressure representing a pressure gradient of 11.85 kPaa/m.

11.85 kPaa/m is the maximum operating pressure referred to in Application and Prefiled Evidence of the Applicant, Union Gas (the Application). In particular, paragraph 28 of Section 3 of the Application states that "the maximum operating


pressure will be increased to 10,280 kPaa bottom hole or 11.85 kPaa/m". There is no reference to any further increase.

Further, and separately, Union Gas Ltd. agreed at the technical conference to a maximum operating pressure of 11.85 kPaa/m. Union Gas' Reservoir and Drilling Manager Steve Pardy agreed expressly to be bound by a condition of approval which would require a further and separate approval from the Ontario Energy Board for any increase in operating pressure above 11.85 kPaa/m.

Second, MNR submits that the "Board Staff Proposed Conditions of Approval Authorization to Operate Jacob Designated Storage Pool EB-2011-0013" 1.2, 1.3, 2.1 be amended to require the applicant conform with the "latest edition" of CSA Z341 as of the relevant time. In "Board Staff Proposed Conditions of Approval Wells Drilling Licences Application" included as Attachment 3 to the Board Staff Interrogatories, the proposed Condition 5.1 should be amended to require conformance with the "latest edition" of CSA Z341. If a more stringent version of CSA Z341 is released subsequent to CSA Z341-10, then the Applicant should be required to conform with, and bring the operations, storage pool into conformance with, that subsequent and more stringent standard.

Included below under the headings "Attachment 1" and "Attachment 3" is MNR's suggested wording for its recommended amendments to the "Board Staff Proposed Conditions of Approval Authorization to Operate Jacob Designated Storage Pool EB-2011-0013" and the "Board Staff Proposed Conditions of Approval Wells Drilling Licences Application"

Yours truly,



Philip John Pothen  
Counsel  
Legal Services Branch  
e-mail: phil.pothen@ontario.ca

cc Mr. Jug Manocha, Petroleum Resources Centre, MNR (via e-mail)  
Ms. Zora Crnojacki, Case Manager, OEB (via e-mail)  
Ms. Maureen Helt, Board Counsel, OEB (via e-mail)

## ATTACHMENT 1

### BOARD STAFF PROPOSED CONDITIONS OF APPROVAL

#### AUTHORIZATION TO OPERATE JACOB DESIGNATED STORAGE POOL

EB-2011-0013

1.2 Union shall design, construct, operate, maintain and abandon the wells and facilities in accordance with the latest edition of CSA Z341, Storage of Hydrocarbons in Underground Formations and in accordance with the *Oil, Gas and Salt Resources Act* and its regulations and operating standards.

1.3 Union shall protect the integrity of the reservoir and ensure the safe operation of the Jacob Storage Pool by complying with the requirements of the Provincial Operating Standard, the latest edition of CSA Standard Z341 and any other applicable laws, regulations and codes.

Deleted: .1-10

1.5 Union shall not operate the Jacob Storage Pool above a maximum allowed operating pressure representing a pressure gradient of 11.85 kPa/m of depth to the top of the reservoir until leave of the Board is obtained.

Deleted: 15.8

2.1 For the purposes of these conditions conformity of the Applicant with the latest edition of CSA Z341, the *Oil, Gas and Salt Resources Act*, and the *Provincial Operating Standard* shall be to the satisfaction of the Ministry of Natural Resources.

Deleted: -¶  
10,

## ATTACHMENT 3

EB-2011-0015

### Board Staff Proposed Conditions of Approval

#### Wells Drilling Licences Application

5.1 For the purposes of these conditions, conformity of the Applicant with the latest edition of CSA Z341, shall be to the satisfaction of the Ministry of Natural Resources.

