



ONTARIO ENERGY BOARD

STAFF SUBMISSIONS

**Enbridge Gas Distribution
Application for
Well Drilling Licence (EB-2013-0289)**

October 7, 2013

The Application

Enbridge Gas Distribution Inc. (“Enbridge”) filed an application dated June 6, 2013, for a well drilling licence with the Minister of Natural Resources. The application was referred to the Ontario Energy Board (the “Board”) by the Ministry of Natural Resources (“MNR”) on July 31, 2013, pursuant to section 40 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (schedule B).

Enbridge is seeking a license to drill an observation well (TKC #63, Moore 6-18-VIII) in the Kimball-Colinville designated storage area. The observation well does not require a pipeline to connect to the existing storage area and it will be used to monitor the gas content and pressure in the underground storage area. The Board has assigned File No. EB-2013-0289 to this application.

The application, if granted, will allow Enbridge to monitor the gas content and pressure in the underground storage area.

The Board issued a Notice of Application dated August 20, 2013.

The Evidence

Board staff notes that Enbridge’s application to drill this particular well was approved in a prior proceeding, EB-2012-0060. The approval was to recommend that the MNR issue a licence to drill TKC #63, Moore 6-18-VIII. On July 10, 2012, the MNR issued a licence, effective for 12 months starting July 9, 2012 (Licence 12161). However, Enbridge did not start drilling and Licence 12161 expired on July 9, 2013.

On September 25, 2013 Enbridge, by an e-mail to Board staff, that has been placed on public record, informed Board Staff that it is proposing to start construction of the drilling pad “once the corn crop has been removed in mid-November”. In the same e-mail, Enbridge stated that it plans to begin drilling in

early December 2013 and will most likely finish drilling the well by the end of April 2014.

Staff notes that the new location being proposed for the well is upon request of Mr. Oliver Smith, a directly affected landowner on whose land the well will be located. According to Enbridge's pre-filed evidence Mr. Smith requested "...that the well location be moved to better facilitate his changing farming operations." The new location is 8.7 metres north of the original surface location, while the east coordinate remain the same. Enbridge filed a revised location survey form in the pre-filed evidence.

The MNR stated, in its communication with Board staff, that "...we do not have any objection to the proposed location change." And it is ..."not aware of any changes in the location that would prohibit issuing a new drilling licence at this new modified location."

Board Staff Submissions

Board staff supports the approval of this application and has no outstanding issues or concerns regarding Enbridge's application to drill this observation well in the Kimball-Colinville designated storage area.

Board staff submits that the four public interest considerations in an application to drill a well pursuant to section 40 (1) of the Act, namely: need, landowner, construction and environmental issues, have all been adequately addressed by Enbridge in the previous proceeding EB-2012-0060. The only difference in the evidence filed in the current application and the approved application EB-2012-0060 is that the well location is moved 8.7 metres north of the original surface location. The Board, in its Report to the MNR in the prior proceeding, recommended that that the licence to drill this well be issued by the MNR.

Board staff also submits that the MNR's lack of objection to the licence being issued for the well at the new location supports Board staff's submission to approve the application.

Board staff also submits that the public interest would be served as Enbridge has adequately demonstrated the need for this well and has further demonstrated that there are no outstanding issues relating to landowner, construction or environmental matters.

If the Board were to approve Enbridge's application Board staff proposes the conditions , attached as Appendix A to these submissions, be part of any approval made by the Board. Board staff requests that Enbridge comment on the proposed conditions and indicate if these are acceptable in the event that the Board approves this application.

Board staff respectfully submits that a favourable report of the Board, under subsection 40(1) of the Act, be provided to the to the MNR to whom the applicant has applied for licences to drill the proposed observation well TKC #63, Moore 6-18-VIII in the Kimball-Colinville designated storage area, subject to Board staff proposed conditions.

All of which is respectfully submitted.

APPENDIX A

BOARD STAFF PROPOSED CONDITIONS OF APPROVAL

**LICENCES TO DRILL ONE OBSERVATION WELL IN KIMBALL-COLINVILLE
DESIGNATED STORAGE AREA**

EB-2013-0289

**Enbridge Gas Distribution Inc.
EB-2013-0289****Board Staff Proposed Conditions of Approval****Well Drilling Licence Application****1. General Requirements**

- 1.1. Enbridge Gas Distribution Inc. ("Enbridge") shall rely on the evidence filed with the Board in EB-2013-0289 proceeding and comply with applicable laws, regulations and codes pertaining to the construction of the proposed wells.
- 1.2. Authorization for the issuance of the drilling licences is limited to twelve months from the date of the Board's Report to the Ministry of Natural Resources.
- 1.3. The authority granted under this Order to Enbridge is not transferable to another party without leave of the Board. For the purpose of this condition another party is any party except Enbridge Gas Distribution Inc.

2. Construction Requirements

- 2.1. Enbridge shall construct the facilities and restore the land in accordance with its Application and evidence given to the Board, except as modified by this Order and these Conditions of Approval.
- 2.2. Enbridge shall ensure that the movement of equipment is carried out in compliance with all procedures filed with the Board, and as follows:
 - i) Enbridge shall make reasonable efforts to keep the affected landowner as well as adjacent landowners and their respective tenant farmers, or their designated representatives, informed of its plans and construction activities; and
 - ii) the installation of facilities and construction shall be coordinated so as to minimize disruption of agricultural land and agricultural activities.
- 2.3. Enbridge shall, subject to the recommendation by an independent tile contractor and subject to the landowners approval, construct upstream

and downstream drainage headers adjacent to the drilling area and access roads that cross existing systematic drainage tiles, prior to the delivery of heavy equipment, so that continual drainage will be maintained.

3. Monitoring and Reporting Requirements

- 3.1 Both during and after construction, Enbridge shall monitor the impacts of construction, and shall file four copies of both an interim and a final monitoring report with the Board. The interim monitoring report shall be filed within six months of the in-service date, and the final monitoring report shall be filed within fifteen months of the in-service date. Enbridge shall attach a log of all complaints to the interim and final monitoring reports. The log shall record the times of all complaints received, the substance of each complaint, the actions taken in response, and the reasons underlying such actions.
- 3.2. The interim monitoring report shall confirm Enbridge's adherence to Condition 1.1 and shall include a description of the impacts noted during construction and the actions taken or to be taken to prevent or mitigate the long-term effects of the impacts of construction. This report shall describe any outstanding concerns identified during construction.
- 3.3 The final monitoring report shall describe the condition of the rehabilitated land and the effectiveness of the mitigation measures undertaken. The results of the monitoring programs and analysis shall be included and recommendations made as appropriate. Any deficiency in compliance with any of the Conditions of Approval shall be explained.

4. Project and Communication Requirements

- 4.1 For the purposes of these conditions, conformity of the Applicant with CSA Z341-10, shall be to the satisfaction of the Ministry of Natural Resources.
- 4.2 Enbridge shall designate one of its employees as project manager who will be responsible for the fulfilment of these conditions, and shall provide the employee's name to the Ministry of Natural Resources, the Board and to all appropriate landowners.
- 4.3 The Board's designated representative for the purpose of these Conditions of Approval shall be the Manager, Natural Gas Applications.