

 <p>Ministry of Natural Resources Ministère des Richesses naturelles</p>	<p><i>Subject:</i> Aggregate & Petroleum Resource Activities on Aggregate Sites</p>	<p><i>Policy No.:</i> A.R. 5.00.07</p>	<p><i>New:</i> Yes</p>
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Guiding Principles

Extraction of aggregates and of oil and gas can occur simultaneously from the same property without any public or environmental hazards, if proper precautions are taken. In some cases oil and gas well drilling and production may have occurred prior to the aggregate extraction activity leaving behind old wells, pipelines and surface works. In other cases, well licences may have been issued prior to aggregate extraction activities. It is important to note that many oil and gas well locations and the status or condition of such wells have not yet been catalogued by the Petroleum Resources Centre.

This policy is intended to provide for information exchange and training between the aggregate and petroleum resources staff, safe working conditions for inspectors and the development of terms and conditions to allow for the extraction of both aggregate and petroleum while preventing risk to the public and the environment.

Policy

The issues associated with multiple resource extraction among aggregate and petroleum activities arose when Aggregate and Petroleum Inspectors discovered wells during site inspections.

The objectives of this policy are to ensure that:

- Oil and gas works are being shown on Aggregate Licence/Permit Site Plans;
- Setbacks are determined for oil and gas works to better protect the public and environment;
- Aggregate and petroleum licences and applications do not conflict; and
- Aggregate inspectors are properly trained regarding the nature of petroleum operations and precautions that can be taken in order to ensure personal safety.

Joint inspections by Aggregate and Petroleum Resources staff have identified issues associated with petroleum wells within aggregate licensed boundaries

The Petroleum Resources Centre (PRC) shall provide individual well location and status data in the form of ESRI shape files for use in ARC GIS to Aylmer, Aurora, Guelph, Midhurst, Peterborough and Sudbury (Manitoulin Island) districts. In the future, the same information will be available and updated in the LIO and NRVIS databases and district offices stay current from these databases. New oil and gas well licences issued by the Petroleum Resources Centre can be viewed monthly at the following website:

<http://www.ogsrlibrary.com/>

PRC will contact the district offices to obtain ESRI shape files of all licensed aggregate areas within the Aylmer, Aurora, Guelph, Midhurst, Peterborough and Sudbury (Manitoulin Island only) districts.

Licence/Permit Application Review

For abandoned oil/gas works, aggregate and petroleum staff will work together during the review of aggregate applications to establish appropriate site plan conditions for aggregate extraction setback requirements. These conditions must be finalized during the 45-day comment period, and forwarded to the proponent as a part of MNR's official comments/objections.

In the case of active wells, the applicant will either provide written confirmation that the Petroleum Operator is in agreement with the aggregate operation as shown on the submitted site plans, or MNR will object to the operation requiring the applicant to provide this information.

In Aylmer, Aurora, Guelph, Midhurst, Peterborough and Sudbury (Manitoulin Island) Districts, all new aggregate licences and permits should have the following condition included in Schedule B:

In the event that oil or gas works are found on the licenced/permitted site, the licensee/permittee must contact MNR immediately to discuss the appropriate setback that will be established around the oil or gas works.

Existing Aggregate Operations

On existing aggregate licences/permits, Aggregate and Petroleum staff will jointly discuss voluntary site plan amendments to include setback requirements for oil or gas wells with the licensee/landowner to avoid potential appeals to the OMB. Where the licensee will not voluntarily amend the site plan and petroleum staff believe there is a risk to public/environmental safety, PRC staff will provide this opinion and any necessary supporting documentation, in writing, to the District Manager.

The District Manager will then determine whether or not MNR will be seeking a Minister's site plan amendment. In the event that a Minister's site plan amendment is appealed, PRC staff will attend the OMB hearing to provide expert technical advice in support of the amendment.

Where an oil or gas well has been drilled within a licensed aggregate extraction area, and is no longer active, PRC staff shall instruct the operator (which may include the landowner) to plug the oil or gas well to accommodate the total depth of aggregate excavation.

Where an oil or gas well is not plugged and is still active, PRC staff shall instruct the operator to contact the aggregate operator to discuss setback requirements or plugging of the oil or gas well in a manner that accommodates the total depth of aggregate extraction.

Where an oil or gas well is plugged, the Aggregate Operator will be asked by the Aggregate Inspector to voluntarily amend the site plan to include an appropriate setback on the oil or gas well or apply for a licence to re-plug the upper portion of the oil or gas well to accommodate the total depth of aggregate excavation.

Aggregate Resources staff shall advise the Petroleum Resources Centre immediately of any previously unidentified oil or gas well or work that is encountered within an aggregate extraction area.

PRC staff will use the aggregate site data to screen new Well Licences for aggregate extraction. In the event that a oil or gas well application is within an Aggregate Licensed/Permitted Area, PRC will place a condition on the oil or gas well licence directing the licensee to establish setback limits for aggregate extraction from oil and gas works with the Aggregate Licensee/Permittee.

Minimum Setback Distances

Active or Unplugged Oil or Gas Wells

A minimum area of 60 metres by 30 metres shall be maintained around a well. The orientation of the area respecting the well shall be such that setback requirements for oilfield equipment under the Provincial Operating Standards adopted under the Oil, Gas and Salt Resources Act can be accommodated¹ and a minimum setback of 15 metres from any oil or gas work other than a well shall be maintained. A 10 metre wide access route shall also be maintained for a well or facility to allow for servicing or well drilling and plugging access.

¹ The maximum separation for oilfield equipment from a well is 30 metres.

Plugged Wells

Once wells are plugged in accordance with the Provincial Operating Standards a minimum area of 20 metres by 20 metres around the plugged well shall be maintained to provide support for the plugged well casing.

Note: Where aggregate extraction is desired in the area of a plugged well a plan to re-plug the well in a manner that accommodates the total depth of aggregate extraction must be prepared and approved by the Petroleum Resources Centre, MNR.

Training

Petroleum Resources Centre shall provide general training to district Aggregate Inspectors from time to time regarding the nature of petroleum resources, oil and gas works and their associated hazards.

The purpose of this training will be to ensure that Aggregate Inspectors understand the basics of petroleum resources, including the limitations of program delivery, geographical extent of the industry activities and hazards associated with petroleum resources and safety precautions that should be taken in the event that a leaking oil or gas well or work is encountered within a licensed aggregate extraction area.

Aggregate Resources program staff will provide any necessary training to relevant Petroleum Resources Centre staff from time to time as required.