

EUB/NEB

COMMON RESERVES DATABASE

AGREEMENT

June 2006



National Energy
Board

Office national
de l'énergie

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COMMON RESERVES DATABASE AGREEMENT, 2006

Between

**Alberta Energy and Utilities Board (EUB), an agency of the
Crown in the right of Alberta,**

- and -

**National Energy Board (NEB), an agency of the
Crown in the right of Canada,**

(the Boards)

WHEREAS:

- a) The Boards' commitment to cooperation was first set out in the 1990 Protocol signed by the Chairman of the NEB and the Co-chairmen of the Energy Resources Conservation Board (ERCB), predecessor of the EUB, and reiterated in the June 1993 "Canada-Alberta Action to Reduce Overlap and Duplication—Joint Response," issued by the NEB and the ERCB.
- b) On March 9, 1994, the Boards entered into the Common Reserves Database Agreement (the 1994 Agreement) to maintain a common reserves database and to reaffirm their commitment to cooperation between the two agencies. The Boards subsequently established the common reserves database (CRD) for the province of Alberta under the 1994 Agreement.
- c) On June 26, 2001, the Boards entered into the Common Reserves Database Agreement, 2001 (the 2001 Agreement), and thereby reaffirmed their commitment to maintaining the CRD and to continued cooperation between the two agencies to reduce duplication and overlap.
- d) The Boards want to update the 2001 Agreement and to again reaffirm their commitment to maintain the CRD and to continue cooperation between the two agencies to reduce duplication and overlap.

NOW THEREFORE the Boards agree as follows:

- 1) The 2001 Agreement is revoked and replaced with this Common Reserves Database Agreement, 2006 (the Agreement).

Purpose of the Agreement

- 2) The Boards undertake to
 - a) continue to maintain the CRD;
 - b) examine more efficient means of maintaining the estimates of natural gas, gas co-products, conventional crude oil, and bitumen reserves;
 - c) improve the integrity of the data in the CRD; and
 - d) use the Agreement to set the tone for other cooperative efforts, for example, to collaborate on ultimate potential studies or supply forecasting.

Scope of the Agreement

- 3) The Boards agree to
 - a) confine the CRD to estimates of reserves, related reservoir parameters, and geological mapping for natural gas, gas co-products, conventional crude oil, and bitumen;
 - b) examine the impacts of issues related to new reserves definitions, particularly those being developed by the Petroleum Society of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), and make recommendations regarding adoption of such definitions;
 - c) examine the feasibility, responsibilities, and scope of joint pool reserves studies or province-wide studies; and
 - d) examine the feasibility of staff exchanges and implementation of such exchanges when workload requirements dictate.

Joint Reserves Steering Group

- 4) The Boards agree to the following:
 - a) It will be the responsibility of the Joint Reserves Steering Group (JRSG) to assign tasks, avoid duplication, and effect resolution of any problems related to the CRD and to the Agreement.
 - b) The JRSG shall continue to be constituted as follows. The EUB and NEB will each continue to appoint no more than three qualified technical staff members to the JRSG. Members shall be experienced in determining estimates of reserves of natural gas, crude oil reserves, and bitumen in the Province of Alberta. Additional members may be appointed, at the request of the JRSG or the Boards, when expertise in specific areas is desirable.

- c) The mandate of the JRSG is to
 - i) encourage and oversee cooperative efforts,
 - ii) make recommendations to improve the integrity of the CRD,
 - iii) make recommendations on the mechanisms and procedures that would best facilitate the reciprocal access to reserve information,
 - iv) effect resolution of concerns related to the Agreement raised by the Boards, and
 - v) examine the implications of the final set of CIM reserves definitions and make recommendations to the Boards on the adoption of these definitions and associated modifications to the CRD.
- d) All joint studies by the Boards will be assigned and reviewed through the JRSG and priorities for joint studies will be set by the JRSG, recognizing resource limitations and regulatory restrictions of the Boards.
- e) The JRSG will meet as required throughout the term of the Agreement.

Contribution of the Boards

- 5) In addition to the contribution of technical staff to the JRSG, the Boards agree that
 - a) each will contribute data, reserves estimates, reservoir parameter analysis, and supporting documentation to the CRD;
 - b) the CRD will reside at the EUB; and
 - c) the EUB will continue to provide the NEB with one electronic copy of the CRD each year that the Agreement is in effect and that the NEB will pay for any other data or material received from the EUB.

Interpretative Information

- 6) The Boards agree that
 - a) all EUB and NEB interpretive information that may include well log evaluations, isopach maps, and performance-based reservoir studies will be made available to each of the Boards on request;
 - b) the EUB and the NEB will determine the mechanisms and procedures that would best facilitate reciprocal access to the interpretive information based on the recommendations of the JRSG;

- c) the EUB will retain exclusive control and ownership of the information contained in the CRD;
- d) the NEB will contribute to the CRD and have the right to access information from the CRD for regulatory or advisory purposes;
- e) the NEB and the EUB will not disclose to the public any interpretive information accessed from the CRD or related reserve studies that have been generated by staff of the other Board unless jointly agreed to by the Boards; and
- f) the NEB will not disclose any information classified as confidential under the *Alberta Oil and Gas Conservation Regulations*, AR 151/71, or the *Oil Sands Conservation Regulation*, A/R 76/88, unless required by an order of a court or in accordance with applicable laws.

Amendment to the Agreement

- 7) The Boards may at any time amend this agreement in writing.
- 8) If changes are made to the relevant legislation governing the Boards or the current practices or policies of the EUB or the NEB, the Boards, through the JRSG, agree to reconsider and, if necessary, amend the Agreement to give effect to such changes.

Term of the Agreement

- 9) This Agreement will remain in effect until terminated by either party giving not less than 60 days' prior written notice of termination to the other party or otherwise by mutual agreement in writing made between the parties. The effective date of termination will be the day specified in the notice to terminate or the date agreed upon by the parties, as the case may be.

ALL OF WHICH is agreed to by the undersigned.

This Agreement made this 29 day of June 2006 between

NATIONAL ENERGY BOARD

ALBERTA ENERGY AND UTILITIES BOARD



Kenneth W. Vollman
Chairman
National Energy Board



Neil McCrank, Q.C.
Chairman
Alberta Energy and Utilities Board