

Covered Product Data Comment

1) Definition of “thermal enhanced oil recovery” or “thermal EOR”:

ARB staff has determined that variability exists in the reporting and metering methods used for thermal EOR and non-thermal EOR covered product data.

Variability exists in the reporting and metering methods used for thermal EOR and non-thermal EOR covered product data as a direct result of the variability inherent among oil and gas facilities. It is not the reporting method but rather a company’s facilities, operations, and infrastructure that dictate how covered product data must be reported in order to meet the requirements set forth in the MRR. The existence of variability however does not indicate a lack of adherence to the accuracy requirements set forth in the MRR.

The Air Resources Board (ARB) would do a great disservice to reporters, verifiers and facilities by limiting the definition or reporting methods currently used. Any changes to the current definitions and methodologies may hinder the ability for companies to provide accurate, consistent, and verifiable reports that comply with the MRR.

2) Response to staff questions:

- a) Total thermal and non-thermal production is quantified using point-of-sale and financial sales statements. For example, Company A operates two facilities, F1 and F2. F1 is producing heavy crude oil and utilizing the “steam flood” thermal EOR method throughout the entire facility. F1 consists of two fields, thirty leases, six tank batteries, and one-thousand active wells. F2 is producing light crude oil using non-thermal EOR methods. F2 consists of three fields, ten leases, ten tank batteries, and three-hundred wells. Neither F1 nor F2 have upstream internal production meters, LACT meters, or AWTs and both F1 and F2 lack the infrastructure to adopt such metering. Production from F1 and F2 is trucked from their respective tank batteries; however, production is sometimes comingled among tank batteries in F1.
- b) In this scenario for Company A, the only way to determine the thermal EOR and non-thermal EOR covered product data to ensure compliance with the MRR is to report the sales transactions from F1 as thermal EOR and the sales transactions from F2 as non-thermal EOR. Typically this is at the field level, although some lease level reporting occurs.
- c) This would not be accurate. With the “steam flood” method, it is possible for a well within an adjacent reservoir to be stimulated without directly receiving steam.
- d) See above example for Company A.

- e) Company A will provide the verifiers with financial transaction statements, facility diagrams, process flow diagrams, and areal imagery with facility equipment and project boundaries, which demonstrate conformance to the MRR for both thermal and non-thermal EOR covered product data.
- f) The verifiers we have worked with do an exceptional and thorough job in verifying covered product data.
- g) We do not use calibrated meters. We use sales records to determine thermal EOR and non-thermal EOR production.
- h) We are not aware of any data submitted for the benchmarking survey.