



## APPLICATION FOR DRILLING PROGRAM APPROVAL (DPA)

Operator:	
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Pursuant to sections 8 and 9 of the *Petroleum and Natural Gas Act (R.S.N.L 1990, c. P-10)* and in compliance with section 7 of the Petroleum Drilling Regulations, (CNR 1150/96), the Operator hereby applies for approval to conduct a drilling program using the equipment, procedures described in this application.

The undersigned Operator's Representative hereby declares that, to the best of his or her knowledge, the information contained or incorporated herein is true, accurate and complete.

Operator's  
Representative: \_\_\_\_\_  
(Printed Name)

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Instructions:

- 1) Instructions to assist the Operator in completing this application are provided throughout the document in **Blue** font. The text in Blue font should be deleted prior to submission to the Department of Industry, Energy and Technology (IET) – Petroleum Development Section.
- 2) Once the application is completed, it should be signed and dated in blue ink by the Operator's representative responsible for the drilling program. A hard copy of the application, together with a CD containing both the MS Word document and a pdf of the signed version of the application, as well as electronic copies of any files and attachments associated with the application, including an MS Excel spreadsheet of any proposed well trajectory, should be submitted to IET. Electronic submission can be submitted to the Petroleum Development email account at: petroleum\_development@gov.nl.ca
- 3) Provided that the application is complete and the proposed program is consistent with the *Petroleum Drilling Regulations (CNR 1150/96)* and associated guidelines, approval will normally be issued within 21 days. The Guideline for Drilling Application Submissions can be found on the Department of Industry, Energy and Technology website at <http://www.nr.gov.nl.ca/nr/energy/petroleum/onshore/guidelines.html>
- 4) All diagrams, schematics, tables or other documents embedded within this application, or attached as an Appendix to this application, must be of high resolution for easy readability.

## 1.0 Scope of Work

Describe the purpose, timing, nature and logistics of the program (1-2 paragraphs). This would include a detailed description of the drilling program location and would address items such as:

- i. Permit/License/Lease Information
- ii. Location Accessibility
- iii. Environmentally sensitivity
- iv. Previous drilling in the area
- v. Land title - Private or Public

When describing the nature of operations please ensure the following items are discussed:

- i. Maximum well depth(s)
- ii. Offset well information i.e. pressures, geology, etc.
- iii. Oil or gas target
- iv. H<sub>2</sub>S potential
- v. Any exemptions that are required to the Petroleum Drilling Regulations
- vi. Well(s) Classification – Exploration/Development, Test hole, stratigraphic well, etc.
- vii. Identify geological/geophysical target(s)

Also, please ensure to include an execution plan and schedule that cover the anticipated activities for the drilling installation for the duration of the approval. Since schedules change over time, the operator is expected to update IET regarding such changes.

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## 2.0 Drilling and Well Control Equipment

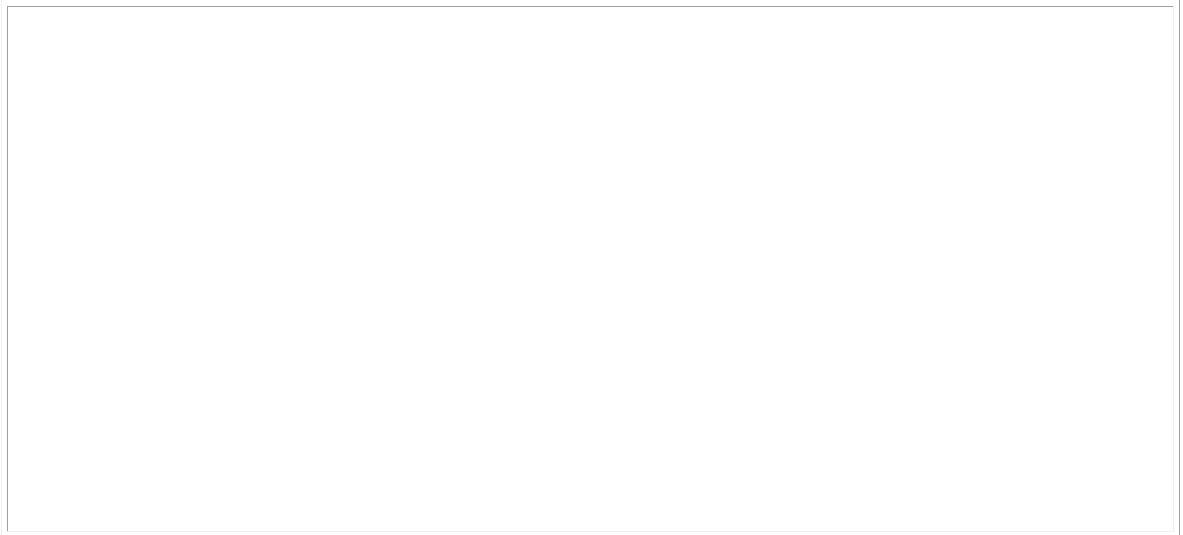
In the case of a drilling and/or service rig installation, a description of the rig and well control equipment should accompany the application. This information should be provided in an Appendix and include the technical specifications and ratings for all rig and well control equipment as well as general dimensional arrangement drawings of the rig and associated equipment, site, base and administrative areas to be used during the program. The Operator is also expected to complete the following summary table.

General Information	
Rig Name:	
Rig Make/Model:	
Contractor:	
Year in Service:	
Hook Load (units):	
Maximum Depth Rating (m):	
Well Control	
Diverter	<i>Size, Make, Rated Working Pressure</i>
Annular	<i>Size, Make, Rated Working Pressure</i>
Blow Out Preventer(s)	<i>Size, Make, Rated Working Pressure</i>
Choke Manifold	<i>Rated Working Pressure, Details</i>
Control Unit	<i>Make, Rating</i>
Mud System	
Mud Pumps	<i># of pumps, Make, Model, HP</i>
Mud Tanks	<i># of tanks, Capacity</i>
Fluid Monitoring System	<i>Description</i>
Maximum Pressure Rating (kPa)	
Capacities	
Total Liquid Mud (m3)	
Active Mud (m3)	
Reserve Capacity (m3)	

### **3.0 Environmental Consideration**

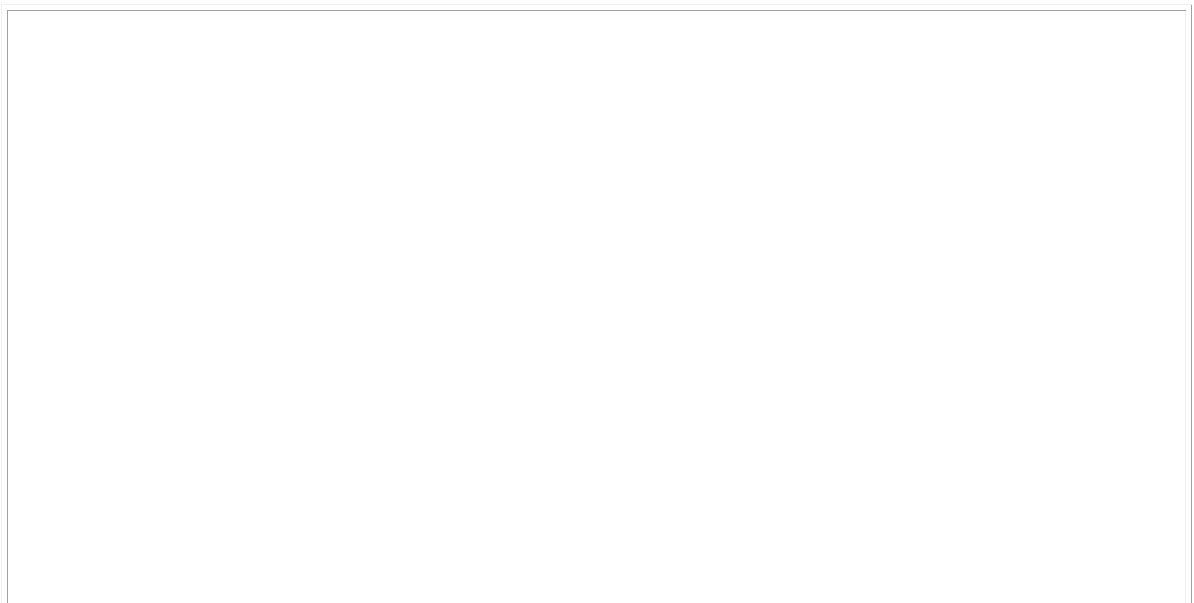
#### **3.1 Natural Environment Description**

Operator is to provide a description of the natural environment in the area of the drilling program. This section would outline the prevailing meteorological and environmental conditions of the area and should be supported by areal maps.



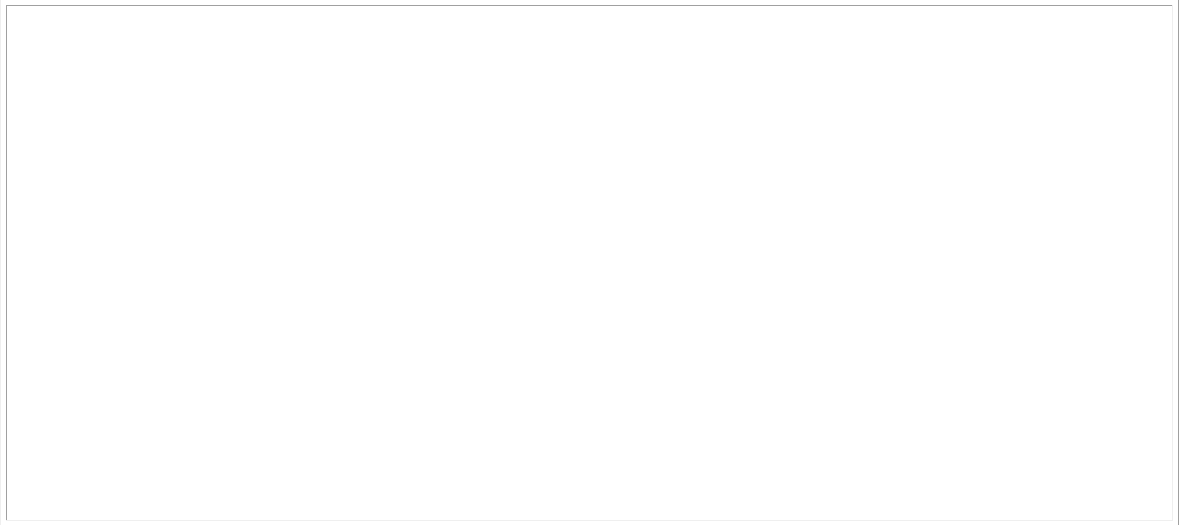
#### **3.2 Anticipated Environmental Effect**

Provide a description of the anticipated effect that a proposed drilling program will have on the natural environment of the area described in the application for drilling program approval. This would include road use, water usage requirements, noise and any other impacts to local residence, and any other anticipated impact.



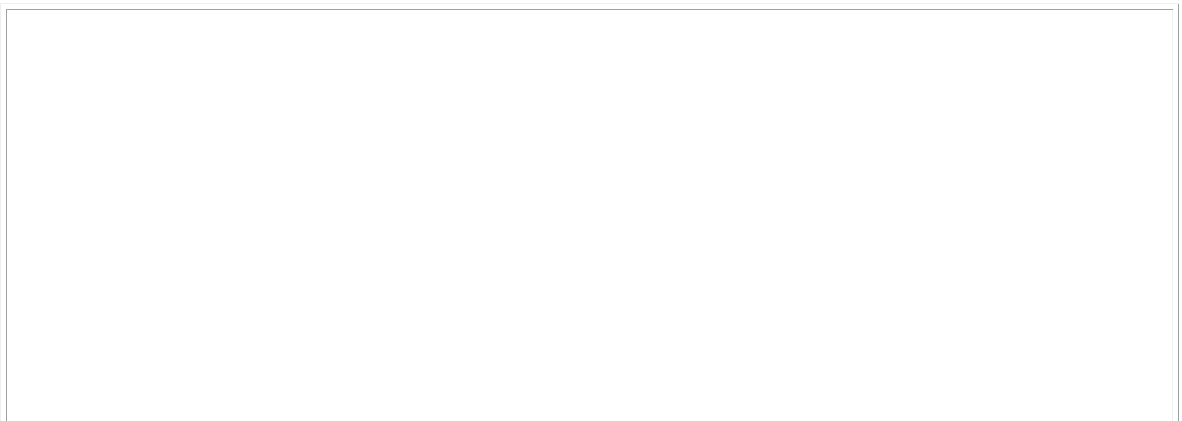
### 3.3 Factors Affecting Safety

The Operator is to describe the particulars of any special conditions, circumstances and environmental conditions that may affect the safety of the drilling operations. This would include meteorological conditions, prevailing environmental conditions and any known geological hazards identified in offset well records that are associated with the area identified in this DPA. If there are no known special conditions or circumstances that affect the safety of the operations then a statement to that effect must be made.



### 4.0 Personnel Qualifications

Please provide a list of each person involved in the drilling program who is employed by that Operator in a *supervisory* capacity. Detailed descriptions of past experience and photocopies of relevant industry training and certification of these individuals are to be included as an Appendix to this application. Please note; it is the sole responsibility of the Operator to ensure all remaining crew employed during the duration of the drilling program hold industry recommended training and certification as per good oilfield practices and meet the requirements of all other government departments and agencies that would be associated with the relevant positions/duties.



## 5.0 Contingency Plans

The Operator is to provide a statement attesting that contingency plans have been formulated and that equipment is available to cope with a foreseeable emergency situation during a drilling program, including:

- (a) a serious injury to or the death of a person;
- (b) a major fire;
- (c) the loss or disablement of a drilling rig;
- (d) the loss of well control;
- (e) arrangements for the drilling of a relief well should it become necessary;
- (f) hazards unique to the site of the drilling operations; and
- (g) spills of oil or other pollutants.

These detailed plans shall provide for coordination with existing local and national contingency plans and a copy be submitted as part of this application as an appendix.

## 6.0 Fit for Purpose

It is the responsibility of the Operator to ensure the equipment and installations are fit for purpose, operating procedures are appropriate and personnel are qualified and competent before commencing drilling operations and throughout the duration of the approval.

The Operator is to provide a statement signed by a Professional Engineer registered in the Province of Newfoundland and Labrador attesting that the equipment and installations are fit for purpose, operating procedures are appropriate and personnel are qualified and competent. This letter is to be accompanied by an acceptable rig inspection checklist that has been completed by senior level personnel experienced with drilling rigs and operations upon installation of the rig and associated well control equipment.

While the Department understands that the Operator will not be in a position to provide the signed statement or inspection at the time the DPA application is submitted, a statement should be made to the effect that the documents will be provided to IET in due course. Please note, the Fit for Purpose requirement will be a Conditions of Approval of any Drilling Program Approvals and must be in place prior to beginning operations.

## 7.0 Financial Responsibility

### Bonding/Security

The regulations require the Operator furnish a security deposit in a form and amount satisfactory to the Minister to ensure proper well abandonment and well site restoration in the event that the Operator fails to do so. It is the current policy of IET to accept security deposits in the form of a 'letter of credit' or 'certified cheque' from a recognized bank. The amount of the security is determined by IET and is based on the scale and impact of the proposed operations and an estimate of the cost to complete operations, which could include reporting and data submission requirements. The content of the security, including the issue date and expiry date and the mechanisms for release of the security deposit will need to be discussed with IET and decided upon by the Minister prior to the approvals.

### Insurance

The Operator must provide evidence that they are able to meet financial liability that may be incurred as a result of carrying out a drilling program. As such, the Operator is required to carry and provide proof of their *General Liability Insurance* as well as proof of *Operator's Extra Expense Insurance (OEE)* for the well, which normally includes: Control of Well; Re-drilling/Extra Expense; Seepage and Pollution, Cleanup and Containment; Care, Custody and Control; Deliberate Well Firing; Extended Re-drilling and Restoration Cost; Evacuation Expenses; Joint Venture Contingency Liability; Making Well Safe; Removal of Wreckage and/or Debris; Turnkey Wells; Underground Control of Well; and Unlimited Re-drill. In the case of conventional rotary rig drilling, the OEE policy is required to have a value of \$10 million.

The application should indicate the current status of these Financial Responsibility requirements. In the event that this condition of approval has been previously approved by IET for the well program, a statement indicating such should be provided as well proof/evidence of security and insurance in an Appendix. In the case where approval has not been approved prior to this application, please provide a statement to this effect and ensure proof/evidence is submitted as part of this application.



## 8.0 Contact Information

Identify the person from whom IET can seek clarification in the event of any questions with this application.

Name:	
Title:	
Telephone Number:	
E-mail Address:	

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