

# Reclassification and Recompletion

Guideline PNG024

September 2015

Revision 1.0

Governing Legislation:

Act: The Oil and Gas Conservation Act

Regulation: The Oil and Gas Conservation Regulations, 2012

## **Record of Change**

Revision	Date	Author	Description
0	September, 2015	PNG	Draft
1.0	November, 2015	PNG	Live version, added guideline number, provided wording clarification, updated appendices.

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#### Guidelines for Reclassification or Recompletion of a Well

Before any reclassification or recompletion of a well–including multi-zone completions and associated plug backs–can be carried out, a licensee must file an application for the procedure with the Saskatchewan Ministry of the Economy (ECON). This document provides instruction to assist a licensee in submitting an application for reclassification, recompletion, multi-zone completions or plug backs for wells in Saskatchewan.

#### **Governing Legislation**

The guidelines below are adapted from *The Oil and Gas Conservation Act (OGCA)* and *The Oil and Gas Conservation Regulations, 2012 (OGCR)*. Licensees should consult these documents in conjunction with these guidelines.

It is the responsibility of all operators, as specified in the legislation, to be aware of Ministry requirements and to ensure compliance with all requirements throughout the life cycle of an oil or gas well in Saskatchewan.

#### **Definitions**

**Balanced plug:** is a plug of cement, or similar material, placed as a slurry in a specific location within the wellbore and set so as to provide a means of pressure isolation or as a mechanical platform.

**Bridge plug:** refers to a downhole tool that is located and set to isolate the lower part of a wellbore. Bridge plugs may be permanent or retrievable, enabling a lower wellbore to be permanently sealed from production or temporarily isolated from a treatment conducted on an upper zone.

**Casing patch:** refers to a downhole assembly or tool system used in the remedial repair of casing damage, corrosion or leaks.

**Cement retainer:** is an isolation tool set in the casing or liner that enables treatments to be applied to a lower interval while providing isolation from the annulus above. Cement retainers are typically used in cement squeeze (see definition below) or similar remedial treatments.

**Cement squeeze:** refers to the process of forcing a cement slurry through holes or splits in the casing or liner in order to fill the relevant holes and voids with cement filter cake that will cure to form an impenetrable barrier.

**Classification:** refers to a well role and product type. Some examples of well classifications are injection well, oil production well, disposal well.

**Multi-zone completion:** refers to a well that is equipped to produce oil and/or gas separately from more than one pool.

Non-project well: refers to any well completion that is not within a project (see definition below).

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**Plug back:** means to place cement or other material in the well to seal off a completion interval, to exclude bottom water, or to perform another operation such as side-tracking or producing from another depth.

**Project:** refers to one or more wells grouped together for approval of a specialized scheme, e.g., waterflood, enhanced oil recovery (EOR), storage.

**Reclassification:** refers to when an alteration is being planned to a well that will change the product or role of the well. For example, changing a gas-producing well to an oil-producing well, or changing an observation well to an oil-producing well.

**Recompletion:** is the term used when a new completion is being added any time after initial completion. This would include completing a pool that has previously produced but been plugged back.

**Product type:** refers to the primary physical product(s) that can be attributed to the role of the well completion, i.e., oil, gas, water.

**Well role:** refers to the purpose of a well, such as producer, injector, observation.

#### **General Considerations**

All applications for any type of reclassification or recompletion must be submitted to ECON through the Integrated Resource Information System (IRIS), using the correct application form, and complying with all requirements in the *OGCR* and this document.

'Public Notice' should be completed before an application is submitted if required.

For further details on when public notice is required for reclassification or recompletion applications for either injection or production wells, see the *Directive PNG008: Disposal and Injection Well Requirements*, *Directive PNG007: Off-Target Well Requirements* and the *Directive PNG009: Public Notice Requirements* for details on how to manage the public notice process.

#### **Common Isolation Procedures and Plug Back Operations**

When submitting an application for reclassification or recompletion plugback operations may be part of the application. Table 1 lists the common isolation procedures and plug back operations. The reclassification or recompletion application must detail the isolation procedure that is to be used.

If a licensee intends to completely abandon a well, a non-routine application for a downhole abandon and cut and cap application is required. If the intent is to abandon the last completion of a well with no action taken to recomplete or reclassify the well, an application should be made in accordance with *Well Abandonment Requirements*.

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Table 1. Common isolation procedures used for previously completed zones, and mandatory requirements.

Isolation Procedure on Previously Completed Zones	Pressure Test Requirement	Regulatory Requirements
1. Cement Retainer	7 Mpa for 10 min	Cement must meet OGCR requirements
2. Bridge Plug	7 Mpa for 10 min	
3. Braiden Head Squeeze	7 Mpa for 10 min	
4. Balance Plug	7 Mpa for 10 min	
5. Casing Patch	7 Mpa for 10 min	3-year commitment

#### Types of Reclassification and Recompletion Applications

#### 1) Recompletion Applications

#### Recompletions

After the initial completion of a well, any action that will change the producing or injecting pool within a well is considered a recompletion. A recompletion may occur in conjunction with a reclassification.

All recompletions must be carried out in accordance with *The Oil and Gas Conversation Act* and *The Oil and Gas Conservation Regulations, 2012*. If a recompletion is planned, the processes for the completion must be clearly identified and outlined in the *Program of Operations* (the report filed by a company along with the application for recompletion; see Table 2), as well as selected/displayed on the reclassification/recompletion form.

#### Multi-Zone Completion

A multi-zone well is equipped to produce separately from more than one pool. Such wells contain multiple strings of tubing or other equipment that permit production from the various completions to be measured and accounted for separately.

If a multi-zone completion is proposed, it must be clearly identified on the reclassification or recompletion form and outlined clearly in the *Program of Operations* the licensee submits with the application.

#### 2) Reclassification Applications

#### Reclassify to Disposal – Non-Project

Disposal refers to the injection of fluids into underground formations for purposes other than enhanced recovery or gas storage.

In accordance with *The Oil and Gas Conversation Act,* ECON's approval of a scheme is required for the gathering, storage and disposal of water produced in conjunction with oil and gas.

All disposal wells must meet the *Directive PNG008: Disposal and Injection Well Requirements* and must have an application to reclassify submitted and approved before any operations occur related to the reclassification to injection.

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Appendix 1 shows the decision tree that should be followed when applying for reclassification to a disposal well.

#### Reclassify to Non-Injection – Non-Project

Reclassification to non-injection, non-project means the reclassification application is not part of another application process (commingling, waterflood, spacing modification, etc.). And the applicant wants to reclassify the well to a producing/other well.

Appendix 2 shows the decision tree that should be followed when applying for reclassification to producer, non-project.

#### Applying for Reclassification or Recompletion of a Well

Applications for reclassification or recompletion of a well only require submission and approval after the initial completion of the well.

An application to reclassify or recomplete may include details and information related to multizone completion and plug backs. If the application includes a plug back of a completion, the authorization issued for the reclassification or recompletion can be used to report on the completion abandonment within IRIS.

All applications must comply with the most current version of the *OGCR*, and the application must be submitted using the appropriate form.

- If an application is being made for reclassification or recompletion on its own, use the form shown in Appendix 4 to make an application within IRIS.
- If a reclassification or recompletion application is the result of another reservoir application, e.g., waterflood, enhanced oil recovery, spacing modification, storage project, commingling, use the form shown in Appendix 5 and submit as part of that reservoir application. A separate application to reclassify or recomplete is <u>not</u> required.

Table 2 provides a list of the common attachments related to these applications, and a brief description of them.

**Table 2.** Descriptions of attachments typically required for a variety of reclassification/recompletion applications.

Attachment Type	Description				
Reclassification/Recompletion Form	A signed copy of the application form.				
Program of Operations	A detailed step-by-step procedure of the workover of a well, including the isolation procedure that will be used, along with testing requirements.				
Map	The area in question showing all existing wells for the proposed pool and their present status (producing, abandoned, etc), as well as the proposed and adjacent				

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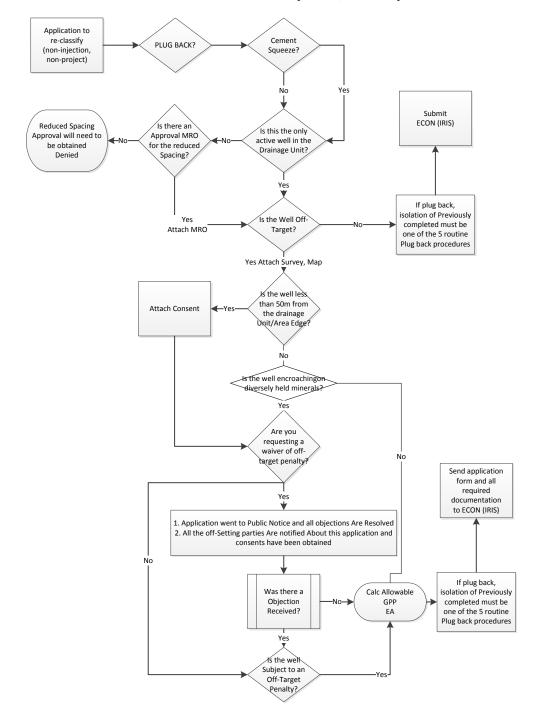
Attachment Type	Description				
	area showing mineral/working interest ownership. The map should indicate the mineral ownership (e.g., Open Crown, Crown (with the Crown lease indicated) or Freehold (with the freehold owner indicated)) and highlight any well that is active or suspended to the proposed well.				
Survey Plan	PDF providing co-ordinates of the area in question. It should include the target area, if applicable. See <i>Well Survey Directive</i> for requirements.				
Wellbore Schematic	A schematic drawing of the current wellbore configuration.				
Downhole Schematic (Only required for injection/disposal wells)	A schematic drawing of the planned wellbore configuration.				
Public Notice Documentation	Only required if proposed reclassification or recompletion is offsetting diversely held mineral lands. See <i>Public Notice Directive</i> for more details.				
MRO approval	A previously approved Minister's order, issued before IRIS was initiated.				
Consents	A signed letter of consents from offsetting mineral owners and/or operators.				
Injection Substance Properties	A detailed description of substances other than produced water from an oil and gas operation, that are intended to be injected into a wellbore.				
Fluid Compatibility Analysis	A test, or series of tests, performed to check that no undesirable reactions occur with a specific fluid. The testing process may include checks for compatibility with other treating fluids, wellbore fluids, reservoir fluids and the reservoir formation.				

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Question 2 Yes Application to Attach Is the Proposed injection Are you proposing to inject any re-classify to substance other than produced Injection formation compatible Injection with fluid to be injected? water from Oil and Gas Substance (non-project) Operations? **Properties** No Yes or No, if No Attach Fluid Compatibly Analysis Question 1 Do you have a MRO? Are there any wells diversely owned or operated and currently Consent are all in Yesproducing from the proposed Place Yes Attach MRO injection formation? Submit ECON (IRIS) No -Attach Consent-Is the well off-setting diversely held land within Submit ECON (IRIS) 800m radius of the proposed injection well? Yes Has written consent of all owners and fee simple mineral owners who may be adversely affected by the disposal been obtained? Yes Send application form and all Attach Consent required documentation to ECON (IRIS) No Has the Public notice Process been Submit Attach PN Documents Completed and are ECON (IRIS) all objections resolved

Appendix 1: Decision Tree for Reclassification to a Disposal Well, Non-Project

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Appendix 2: Decision Tree for Reclassification to Non-Injection, Non-Project Well

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### Appendix 3: Attachments Required for Various Types of Reclassification/Recompletion Applications

Depending on the reclassification/recompletion forms being used, different attachments are required. See decision trees in Appendixes 1 and 2 for more details of when certain attachments may be required.

Application Type	Attachment Type	When Required			
	Application form	ALWAYS			
ALL TYPES	Report of <i>Program of Operations</i>	ALWAYS			
	Wellbore schematic	ALWAYS			
	Downhole schematic	ALWAYS			
Multi-zone Well Completion	Public notice documentation	If a completion is off-target to diversely held mineral owners and licensee is requesting waiver of off- target penalty			
	Survey	Only if well is off-target			
	Мар	Only if well is off-target			
	Consents	If the well is less than 50 m from the drainage unit edge			
	MRO	If MRO exists already			
	Мар	Only if well is off-target			
	Survey Plan	Only if well is off-target			
Reclassify to Non-Project, Non- Injection	Public notice documentation	If off-target to diversely held mineral owners and licensee is requesting waiver of off- target penalty			
	Consents	If the well is less than 50 m from the drainage unit edge			
	MRO	If previously issued			
	Consents	Only if injection will be into freehold mineral lands			
	Survey plan	If public notice was required			
	Мар	If public notice was required			
	Downhole schematic	ALWAYS			
Reclassify to Injection (Non-project)	Public notice documentation	If public notice was required			
	Fluid compatibility analysis	If injection formation is not compatible with fluid being injected			
	Injection substance properties	If proposed reclassification is injecting any substance other than produced water			

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## Appendix 4: Example Portion of a Completed Reclassification/Recompletion Form

Part I -	Part I - GENERAL INFORMATION (must be completed in full)												
						· · · · · · · · · · · · · · · · · · ·							
BO	TTOM HOLE LOCATION												
L	SD SEC TWP	L	ICENCE NUMBER	AP	PLICATION DATE								
	5 5 0 4	15 15 💟 3	L	01A001		11/19/2015							
SU	RFACE LOCATION			PPLICATION TYPE									
	SD SEC TWP	RGE M		Select One:		☑ Plug Sack  Multir Zonc							
	5 5 0 4	15 15 😾 3	-r	More than one can be sele	ected:	Recompletion Reclassification (indicate well role below)							
						Producer 📝 Injector	other						
			L										
Part II	Part II - PRESENT AND PROPOSED VELL INFO (complete areas that are applicable)												
Pre	sent Status:	Surface Casing	177.8 @ 110			Production Casing 114.3 @ 625							
		Tatal Danib (=)	-i-r i	[drylkica] 625				_					
		Total Depth (m)		025		Plug Back Depth (m) 625							
٧e	II Status:	Pres	ent Status			Proposed Status							
	atigraphic Unit	Dina Sand				GP Sand							
	f'd lat. is a (aM.B.)	615-620			_	525-550							
-	en Hole in m (m K.B.) ssification	Oil Well			$\dashv$	Disposal Well							
	l/gas/PMV etc.)	0.11.0.1			$\dashv$	Disposa irai							
Dra	inage Unit Size (ha)	16.19				16.19							
_													
Pro	posed operations to be comi	menced on: INOVEMBE	r 25, 2015										
Part III	- REQUIRED ATTAC	CHMENTS											
	RECLASSIFICATION/RECOMPLET: Pared or greations below additional.		ROGRAM OF	OPERATIONS		₩ WELLSORE SCHEMATIC							
Parl IV - I	DISCLOSER AMESTIONS												
					1191	JECTION/DISPOSAL WELL							
1)	Will the existing perforations be cement squeezed?		G YES	□ NO	1)	Has the injection previously been approved?							
•		·	Œ	_		(If yes attach MRO, proceed to Part V)		E					
		IL OR GAS PRODUCER - A	INSWER TI	HE FOL									
2)	Is this the only active well in (If no, attach MRO)	the Drainage Unit?	The same	□ NO	2)	Are you proposing to inject any substance other than produced water from oil & gas operations? (If yes attach	- AER	MO WO					
3)	Is the well off-target?			П		injection substance properties)							
-,	(If no questions 4,5 and 6 a	re not applicable)		□ NO									
4)		om the drainage unit/area edge?	☐ YES	□ NO	3)	Is the proposed injection formation compatible with the	V YES	NO.					
	(If, yes attach consents)					fluid to be injected? (If no attach fluid compatiblity analysis)							
5)	Is the well encroaching on d	•	The Ass	□ NO	- 45			-					
6)	(If no, question 6 is not app Are you requesting a waive		∏ YES	□ NO	4)	Are you requesting to take and dispose of 3rd Party Water?	☐ YES	<b>₩</b> NO					
٠,	(If yes, proceed to 6.1 and (				5)	Will the well be injecting into freehold minerals?	<b>₩</b>	□ NO					
6.1)	Has the public notice proce	ss been completed?	TES	□ NO		(If yes attach consents)							
6.2)	Is the well Subject to an Off	f-Target Penalty?	□ YES	□ NO			_						
				L	6)	Is the proposed formation commonly used for disposal and considered to be non-hydrocarbon bearing in the area?	☐ YES	MO NO					
TAX.	GAS COMPLETIONS ONLY					(If yes proceed to Part V)							
7)		tain a mix of Freehold and Crown	☐ YES	□ NO									
,		irmation of lease agreements		_	7)	Are there any wells diversely owned or operated currently	VE	□ NO					
	must be attached)					producing from the proposed injection formation and are located within 800m radius? (If yes, all consents must be							
8)		jas well are there any oil wells tigraphic unit within the drainage	- YES	□ NO		obtained and available for audit)							
		or within the bordering drainage			81	ls the well off-setting diversely held land within an 800m	-						
	units adjacent to the quarte	r-section in which the gas well is			oj	radius? (If no proceed to Part V)	N (C)	□ NO					
	located?					-							
9)	For reclassification to a ga		☐ YES	□ NO	9)	Has public notice process been completed and are all	Na Ass	□ NO					
	stratigraphic unit is not in c oil stratigraphic unit.	ommunication with an underlying				objectives resolved? (If no, attach Public Notice document)							
Dan V													
Tall V	- DECLARATION												

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# Appendix 5: Example Portion of Completed Form used with Reservoir Applications Containing Reclassification/Recompletion



#### RECLASSIFICATION AND RECOMPLETION

(as part of a reservoir application)

### Part I - WELL LIST FOR MULTIPLE WELLS

		Current Status					Proposed Status						
Licence Number	Application Type	Vell Role	Pool Code	From	rusi To (mMD)	Fluid Type	Drainage Unit (ha)	Vell Role	Pool Code	COII	rusi To (mMD)	Fluid Type	Drainage Unit (ha)
50000	Reclassification	Injector	232162	500.0	510.0	Water	16.19	Producer	232162	500.0	515.0	Oil	16.19
50001	Recompletion		231317	485.0	490.0	Oil	16.19	Producer	232162	500.0	510.0	Oil	16.19
50002	Plugback	Producer	232162	500.0	510.0	Oil	16.19	Other	232162				
12A001	Reclassification	Injector	232162	500.0	510.0	Water	16.19	Producer	232162	500.0	510.0	Oil	16.19
15B005	Reclassification	Producer	232162	500.0	510.0	Oil	16.19	Injector	232162	500.0	515.0	Water	16.19
56F021	Reclassification	Other	232162	500.0	510.0	Other	16.19	Injector	232162	500.0	510.0	Water	16.19

attach additional sheets where required

Part II - REQUIRED ATTACHMENTS		
✓ ATTACH THIS FORM	<ul><li>PROGRAM OF OPERATIONS</li><li>For each well Listed Above</li></ul>	▼ WELLBORE SCHEMATIC  *For each well Listed Above

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