



Nova Scotia Utility and Review Board

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tobin.seagel@altagas.ca

Tobin Seagel
Senior Environmental Lead
Alton Natural Gas Storage L.P.
PO Box 70
Stewiacke, NS B0N 2J0

Dear Mr. Seagel:

M10447 – Alton Natural Gas Storage L.P. – Application to Decommission the Alton Natural Gas Storage Reservoir Project

The Board has completed its review of the Alton Natural Gas Storage L.P. (“Alton”) application for approval to decommission the wells drilled for the Alton Natural Gas Storage Project near Alton, Colchester County, Nova Scotia.

This matter was considered by way of a paper hearing. In a publicly advertised Notice of Application in February 2022, the Board requested written comments, but no comments were received. The Province of Nova Scotia was the only intervenor but did not file any evidence or submissions. Alton responded to Information Requests (IRs) from Board Staff on March 17, 2022. No additional submissions were received from any parties.

The Board’s role in this matter, under the *Underground Hydrocarbons Storage Act* (“Act”), and the *Underground Hydrocarbons Storage Regulations* (“Regulations”) is to consider issues of public safety only. The Board’s mandate does not include environmental matters, nor is it the economic regulator of the firm. The Board engaged Agapito Associates Inc. (“Agapito”) as Certifying Authority (“CA”) per the *Regulations* to review, make recommendations and certify the completeness and public safety aspects of the abandonment plan. Agapito submitted a report to the Board on April 20, 2022, recommending the Board approve the abandonment plan with certain conditions and identifying several items requiring follow up with Alton. The Agapito report is publicly available on the Board’s website, Matter No. M10447.

The Board agrees with and supports Agapito’s findings and recommendations.

In accordance with section 7 of the *Act*, the Board hereby approves Alton’s decommissioning plan for the abandonment of the wells, subject to the conditions in Appendix A.

The Board will continue to look to Agapito to conduct such audits and inspections as Agapito deems necessary in order to confirm ongoing compliance with all requirements of the related *Acts and Regulations*.

Yours truly,



Roberta J. Clarke, Q.C.
Member



Richard J. Melanson, LL.B.
Member

c: Nick Spoletini, AltaGas
Brandon Lampe, Agapito
Sean Foreman, Province of Nova Scotia
Beata Dera, Province of Nova Scotia

Appendix A - Conditions



1. Alton shall ensure that the plugging and abandonment work will be designed and decommissioned in accordance with:
 - a. all governing federal, provincial, municipal laws, and best management practices,
 - b. the Underground Hydrocarbons Storage Act and the Underground Hydrocarbons Storage Regulations, Code of Practice Underground Hydrocarbons (Section 3.13.20),
 - c. CSA Z341, in particular Section 13.4 of CSA Z341.2-18,
 - d. all applicable industry specifications, regulations, guidelines, codes and standards, as amended from time to time.
2. Prior to abandonment, Alton is to provide the Board and the CA completion reports documenting the construction of the wells. These reports should contain at a minimum:
 - a. as-built schematics describing the pre-abandonment well completion,
 - b. open-hole logs,
 - c. cased-hole logs, and
 - d. cement and casing evaluation logs.
3. Prior to abandonment, Alton is to provide a technical report documenting how the casing integrity was assessed and results of the integrity assessment (per CSA Z341.2-18, 13.2.1d).
4. Prior to abandonment, Alton is to provide a risk analysis to identify the impact of cavern abandonment on adjacent formations and structures (per CSA Z341.2-18, 13.3a).
5. Prior to abandonment, Alton is to provide predictions of future wellbore pressures, and utilize these forecasts to demonstrate that abandonment of the Wells will not result in an adverse impact on adjacent formations or subsurface structures (per CSA Z341.2-18, 13.3b).
6. Prior to abandonment, Alton is to collect sufficient well pressure and temperatures data such that the identified risks are addressed, and steady-state wellbore conditions are demonstrated (per CSA Z341.2-18, 13.3d).
7. Prior to abandonment, Alton is to determine the wellbore volume with the use of a multi-finger caliper survey or other suitable means (per CSA Z341.2-18, 13.3e).
8. Alton is to file the Emergency Response Plan to the Board no later than 2 weeks before commencement of operations.
9. Alton is to provide notification to the Board and the CA no less than 1 week in advance of initiating the abandonment (e.g., placing down-hole cement or plugs). Alton shall permit representative(s) from the CA to be on site, as required, to monitor decommissioning of the wells.

10. If there are conditions or requirements of Standards that Alton wishes to cease or modify, then Alton must apply for and receive approval from the Board to vary those conditions or requirements.
11. Alton shall ensure that continuous engagement with the CA is maintained and documented throughout all project phases until decommissioning is complete. Alton shall submit to the CA, on a timely basis all information required for the CA to confirm compliance to the Regulations and Standards.
12. Personnel involved in key activities (including Alton or its contractors) shall have a good understanding of the requirements of the decommissioning and shall follow procedures and processes which comply with the applicable Standards.
13. Alton is to prepare a technical report documenting the plugging and abandonment of the wells, including specific tasks completed and submit a report to the CA and the Board.

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a wavy line.