



Nova Scotia Utility and Review Board

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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”) information and reports for decommissioning the three wells drilled for the Alton Natural Gas Storage Project near Alton, Colchester County, Nova Scotia.

BACKGROUND

The Board’s role in this matter, under the *Subsurface Energy Storage Act* (“Act”), and the *Underground Hydrocarbons Storage Regulations* (“Regulations”) is to consider issues of public safety only. 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.

An Approval to Construct was issued under the Act by the Board on September 4, 2013, renewed on March 11, 2019, and was valid until September 1, 2023. Three wells were developed with the intention of using them as cavern wells for natural gas storage but no brining was completed on the wells. A decision was made in October 2021 to decommission the project. On June 17, 2022 the Board approved Alton’s decommissioning plan for the abandonment of the wells, subject to the thirteen conditions in Appendix A.

REVIEW

Alton has completed the abandonment of all three wells and provided final well reports that state

All these operations were successfully executed per the plan complying with regulations, applicable standards, exercising Industry good practices, and with no safety or environmental incidents.

Agapito reviewed the abandonment information and provided a final report to the Board on August 18, 2023 noting the following for each well

Based on the completed logs, the storage well satisfies the wellbore abandonment criteria identified in Canadian Standards Association (CSA) Z341 Section 13.4.

Final well reports from Alton and Agapito are publicly available on the Board's website, Matter No. M10447.

FINDINGS

The Board agrees with Agapito that the wells have been abandoned according to CSA Z341 criteria and finds that Alton has fully satisfied all decommissioning conditions in Appendix A. The three wells are considered abandoned and the Approval to Construct expired on September 1, 2023, and has been effectively surrendered by Alton. This abandonment application is considered complete and closed.

Alton had provided a deposit of \$125,000 as a surety against direct and indirect expenses relating to the project. That deposit will be returned to Alton as soon as Board staff confirm all outstanding amounts have been paid.

Yours truly



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.