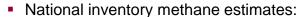


Why Methane? Short-lived climate pollutant Atmospheric lifetime: ~9.2 years Much less than CO₂ (~1000+ years) Methane Global Warming Potential: IPCC AR4 (2007): - 72/25 (20-/100-year time horizon) IPCC AR5 (2013) - 84/28 Current (2017) - 96/34 (Gasser et al., Earth System Dynamics, 2017)

Official Estimates of Canada's Methane

- ECCC National Inventory Report (NIR)
 - Emission factor estimates combined with industry-reported production data
 - Fully updated approximately every 5-years
 - Current data is being projected from 2011 baseline



- 44% of Canada's methane emitted by oil and gas sector
- Oil and gas fugitive emissions are 42% of country total
 - Alberta: 29% of country total
 - Sask: 11% of country total







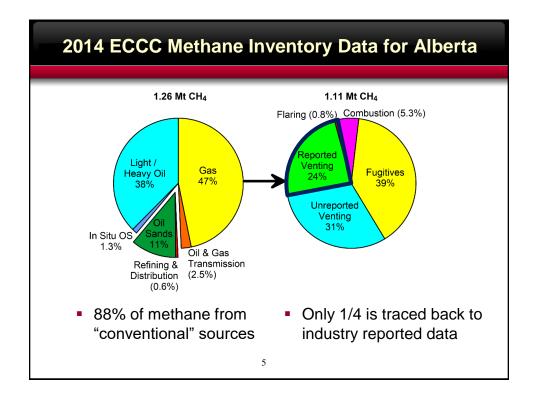
Commitments to Methane Regulation

- Federal Government / ECCC Regulations:
 - "Canada is committing to reduce methane emissions from the oil and gas sector by 40-45 percent below 2012 levels"
 - Final regulations anticipated in Spring 2018
- Alberta "Climate Leadership Plan"
 - "Methane emissions in Alberta will be reduced by 45% by 2025 under the Climate Leadership Plan"
 - · Regulations being developed









Top-Down / Bottom-up Analysis

Study Objectives:

- I. Generate up-to-date, regional, bottom-up inventory estimates of Alberta UOG methane emissions
 - · Follow approaches used in the ECCC NIR
 - Incorporate current well- and facility-level volumetric and activity data for 2016 as reported by industry to AER
- II. Quantify regional methane emissions using airborne techniques in two distinct oil and gas producing regions
- III. Directly compare these top-down and bottom-up methane emissions estimates.

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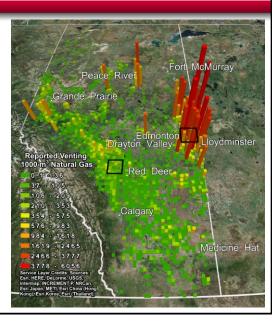
I. Inventory Development

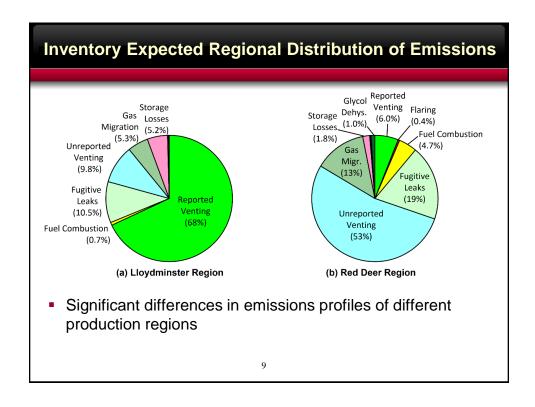
- Industry-reported production accounting data
 - Up to date (2016) monthly from Petrinex reporting system
 - · Reported flare, vent, and gas/oil production volumes
 - Additional Alberta monthly production data for 2002-2015
- Detailed activity data for individual wells
 - · Current (Feb. 2017) version of AER general well file
- Well composition data
 - Individual well gas analyses containing 312,654 useable samples associated with 117,206 well segments (UWI)
- ECCC supporting data
 - As used by ECCC in creating projected inventories from 2011 data (most recent baseline year in NIR)

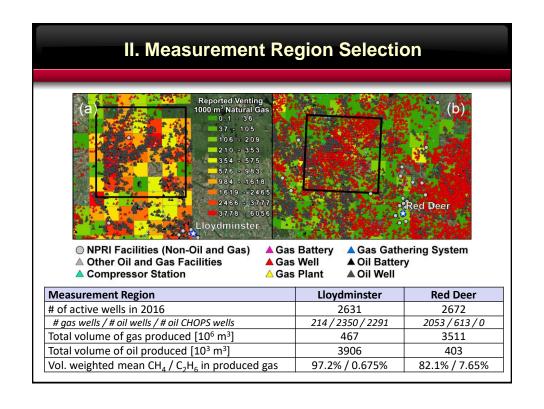
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Reported Venting in Alberta in 2016

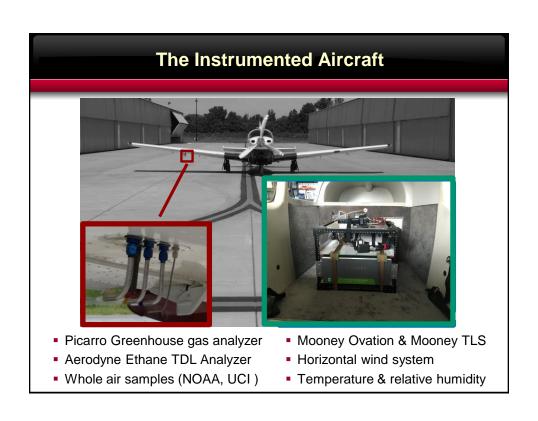
- 264 million m³ of reported venting in 2016
- Lloydminster region dominates
 - Heavy oil production
- Additional hot spots east of Peace River and west of Grande Prairie

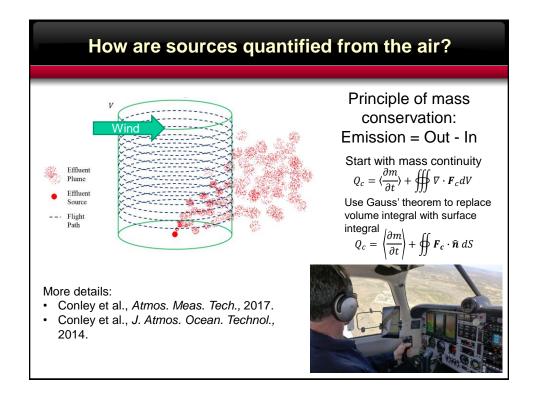


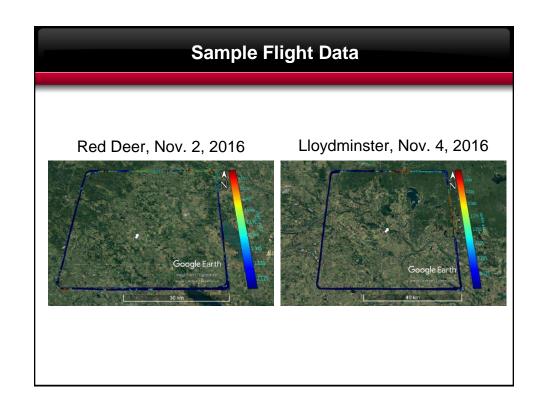




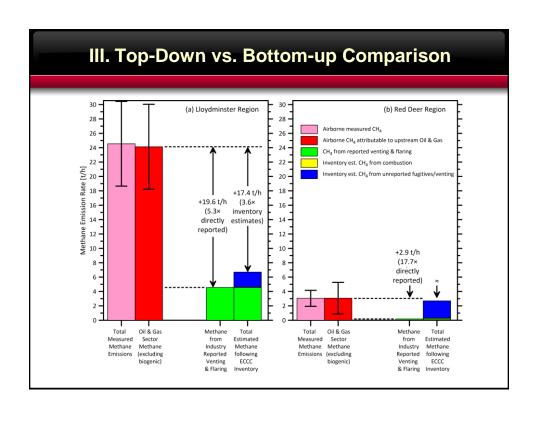






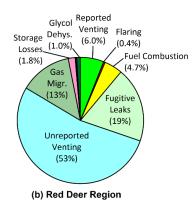


The Unpredictability of Field Work! Additional laps on November 5, 2017 interrupted by curious CF-18...



Implications

- Current reporting requirements capture much less than one-quarter of emitted methane
- Regional variations can be quite significant
- In regions like Red Deer:
 - Unreported emissions account for 94% of total released methane
 - Majority of reductions must come from sources not yet identified and/or not being measured
 - >70% likely from unreported venting and fugitive leaks



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Implications

- Measured methane 3-5x greater than both reported and inventory estimates in the Lloydminster
 - Contrasts with Red Deer region, where combined reported and unreported emissions matched airborne measurements
 - Suggests unexplained emissions in Lloydminster are attributable to unique operating practices in that area
 - Underreported venting of casing gas from CHOPS sites



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Implications

- Extended to other CHOPS production sites in Alberta while leaving current inventory estimates for all other types of facilities unchanged:
 - Reported venting in Alberta is likely low by a factor of ~2.5 (range 2.0–3.1).
 - Suggests actual methane emissions from the conventional oil and gas sector at least 25–50% greater than estimated
- 45% cut in the current inventory methane emissions totals implies a decrease of ~500 ktCH₄/y.
 - Present results suggest 924 ktCH₄/y reduction is actually required to reach the same absolute emissions target

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