



Ontario Federation of Agriculture

Ontario AgriCentre

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January 30, 2012

Ms. Jennifer Dunlap, Senior Policy Advisor
Natural Heritage, Lands and Protected Spaces Branch
Ministry of Natural Resources
300 Water Street
Peterborough, Ontario
K9J 8M5

Dear Ms. Dunlap;

RE: revised draft - Licensing Private Gas Wells; December 9, 2011

The Ontario Federation of Agriculture (OFA) welcomes this second opportunity to further comment on the Ministry's revised draft for Licensing Private Gas Wells. It is encouraging that the Ministry has responded to the advice and recommendations it received on its previous draft private gas well licensing policy, as reflected by the changes evident in the December 9, 2011 draft.

Section 3.0 Definition of a Private Gas Well

The OFA has no objections to this section. Nevertheless, the OFA recommends that use of gas on the farm, to heat barns, implement sheds or for crop drying be clearly and unequivocally excluded from use in relation to a "business or commercial enterprise". Use of gas on the farm should not be limited to residential heating.

Section 4.0 Interpretation of Definition

The OFA still opposes a(iii), the 30,000 cubic meters per well limit. We see it as utterly unnecessary in relation to the overall objective of safe operation of private gas wells. It has no bearing on risk assessment. Private use should solely apply to the source of and use any natural gas being from and on the same farm operation. Otherwise, OFA has no objections to this section. The OFA recommends that the reference to 30,000 cubic meters per well be dropped.

Section 5.0 Application

The OFA has no objections to the provisions of this section.

Section 6.0 Conditions of Licensing**6.1 Well Inspection**

The OFA supports the requirement that wells will be required to pass a visual inspection of the well head, with no requirement for a pressure test or an examination of the casing.

6.2 Acceptable Well Conditions

The OFA supports the requirements in this section. We applaud MNR for improving item 'b'. If not already specified, we expect MNR to prescribe the signing requirements alluded to in 'f'. The 0.5 m (20") requirement is unduly prescriptive. Simply requiring that the land slopes away from the well head, to ensure that no ponding occurs at the well head, should be sufficient. OFA recommends that the 0.5 m (20") requirement be dropped.

6.3 Restricted Areas and Setbacks

The OFA endorses the reduction of selected set backs in this section, from those proposed earlier. We believe this reflects the application of risk assessment to setting these criteria.

6.4 Exceptions to Restricted Areas and Setbacks

The OFA supports the provisions that would allow wells within a restricted area if they pass a consulting engineer.

The OFA further supports the policy provisions that provide for use of appropriate mitigation measures to allow wells that do not meet setback requirements to remain in use.

6.5 Requirements for Pooling and Spacing

Will not require pooling and spacing agreements; neighbours can resort to the Mining and Lands Commissioner

6.6 Hydrogen Sulfide Wells Ineligible for Licensing

The OFA does not oppose the provisions against licensing hydrogen sulfide wells.

Section 7.0 Failure to meet Licensing Conditions

The OFA has no objections to this section.

Section 8.0 Term of License

The OFA applauds MNR for proposing a 10-year license term, starting when the program comes into effect, followed by the option to renew for a further 10-year term; effectively allowing farmers and others with private wells to continue their use for 20 years. This is a significant improvement over the initial proposal for a single, non-renewable 10-year license term.

Section 9.0 Administration

The OFA has no objections to this section

Section 10.0 Safeguards

The OFA has no objections to this section; they are recommendations, not requirements.

Section 11.0 Incentives**Well Inspection:**

The OFA supports the 50/50 cost share for the well inspection as reasonable.

Well Head Equipment (“well upgrade”):

Likewise, OFA supports the 50/50 cost share for the well head equipment (upgrades) as also reasonable.

Plugging:

The OFA believes that the form of the incentive should be based on the reasons for plugging. One form of incentive for wells to be plugged solely on the initiative of the property owner and a second form of incentive for wells plugged for other reasons, outside the realm of the property owner.

Wells plugged because they cannot meet setbacks due to government-initiated changes (road widening, road realignment, urban expansion) or because they contain hydrogen sulfide should be 100% paid by the government.

For wells plugged on the initiative of the property owner (no longer producing, no longer needed, too costly to upgrade), the OFA supports option 'b', *cost sharing of 50/50 to a fixed maximum paid by the land owner (up to \$5,000 or \$10,000) with residual paid by government.*

For this option, the property owner's share should be capped at \$5,000 per well, and any costs over \$5,000 should be fully paid by government.

Multiple wells:

The OFA has no objections to this section.

Section 12.0 Transfer of License

The OFA has no objections to this section.

Section 13.0 Other Approvals

The OFA has no objections to this section; these provisions simply reflect current requirements. We do, however, fully expect MNR will provide applicants with the contact information for all other agencies involved in licensing private gas wells.

The Ontario Federation of Agriculture appreciates the Ministry of Natural Resources' efforts to develop a workable, fair policy for licensing private natural gas wells. Furthermore, we applaud the Ministry for revising its initial proposal to reflect stakeholder concerns.

Yours truly,

A handwritten signature in black ink that reads "Mark Wales". The signature is written in a cursive, flowing style.

Mark Wales
President

MW/pj

cc: OFA Board of Directors