

Environmental Liability Assessment Project Profile

Project Type

Environmental Liability Assessment

Start and Completion Date

November to December 2007
(<22 days)

Client

International Oil and Gas Company

Market Sector

Upstream Oil and Gas

Challenge

- Estimate the environmental liability associated with seven oil and gas facilities for potential acquisition
- Final report required within one month of project initiation
- One site had an extensive historical produced water spill with limited environmental information

Solution and Highlights

- Reviewed available historical information and visited all sites
- Estimated remediation costs based on actual costs of Trace projects in the area
 - Presented the client with an approximate environmental liability cost range to determine if the acquisition was feasible
 - Completed on schedule and on budget

Our client requested Trace Associates Inc. (Trace) conduct an environmental liability assessment (ELA) of seven oil and gas properties as part of a potential property acquisition. The client required the ELA as part of their due diligence activities prior to proceeding with the acquisition.

Trace conducted site visits at each of the sites and reviewed the limited historical information provided by the seller. Based on the findings Trace identified potential and actual sources of contamination and estimated the cost to remediate the sites. Trace personnel based the estimates on similar projects conducted by Trace personnel.

Considerable environmental liability was noted at three of the sites. Of the seven sites the greatest potential environmental liability identified was an off-site spill of a reported 60 m³ of produced water. The records review did not identify documentation that this spill was properly assessed or remediated to the applicable regulatory standards.

With the unknown and potential high environmental liability related to the produced water spill site, the client determined that the acquisition was not feasible.

For more information on this project contact Darrell Haight, P.Ag., President at 780.458.7787. The photograph below shows an off-site remediation system noted at the produced water spill area.

