

1 Evaluating the benefits of alternative leak detection
2 programs

3 Martin Lavoie¹ Dave Risk¹ Liz O'Connell² Emmy Atherton²
4 Jack Johnson² Jan Gorski³

5 Affiliations:

6 ¹St Francis Xavier University, Department of Earth Sciences, Antigonish Nova Scotia, CA

7 ²Arolytics, 102 - 5677 Harris St., Halifax Nova Scotia, CA.

8 ³Pembina Institute, Vancouver, British Columbia, CA.

9 *Correspondence to: martin21skifond@gmail.com

10 Abstract

11 New technologies have the potential to reduce the cost of leak detection and repair (LDAR)
12 for producers of all sizes through smart LDAR program design, the right combination of
13 technologies, and by collaboration between producers within the same geographic area. This
14 potential was examined in an extensive study by conducting multiple simulations using the
15 Arolytics AROfemp model to evaluate the impact of alternative technologies on the cost and
16 effectiveness of LDAR. In this study, AROfemp simulated 380 different alternative LDAR
17 programs, each with 1500 Monte Carlo simulations to incorporate the random nature of
18 methane leaks. Each simulation incorporated asset information of real producers in Alberta
19 different combinations of methane detection technologies (truck, airplane, and drone), various
20 survey timings, and different thresholds for triggering follow-up surveys with a gas imaging
21 camera for leak localization before repair. Our results showed that alternative monitoring
22 programs can reduce the cost of finding methane leaks compared to traditional LDAR
23 programs. This is valid both for companies acting on their own and those collaborating
24 to conduct alternative LDAR programs together. Cost reductions for alternative LDAR
25 programs can, in some cases, exceed 50%. However, results were strongly impacted by the
26 choice of technology, facility type, as well as program design and logistics. For multi-producer
27 collaborations, the logistics of follow-up surveys are important since alternative technology
28 surveys can be much faster than traditional ground-based camera surveys. To avoid delays in
29 leak localization and subsequent leak repairs, enough ground crews must be available and
30 deployed in timely manner. Alternative LDAR has the potential to reduce costs and/or
31 achieve deeper methane emission reductions for all producers but is not a one-size fits all
32 solution, and programs that are successful for one producer cannot necessarily be replicated
33 for others. Collaboration between small producers has potential to address these barriers.

1 Introduction

Methane (CH_4) is a short-lived climate pollutant with a radiative heating potential $\sim 30\times$ higher than that of carbon dioxide (CO_2) over a 100-year timespan. In Canada, almost half of anthropogenic CH_4 emissions originate from wasteful gas leaks and vents at oil and gas production facilities [Environment and Canada, 2018]. New Canadian regulations require oil and gas (O&G) producers to inspect and fix upstream wells and facilities for CH_4 leaks. In addition to regulatory pressure, it is probable that company culture plays a significant role in how pro-active producers are mitigating their CH_4 emissions.

Federal and provincial CH_4 regulations in Canada prescribes the use of handheld sensors to detect leaks, which is a slow and labour-intensive process. However, the regulations also allow for flexibility in measurement approach. Sensor development has accelerated in recent years, and newer alternative CH_4 measurement approaches can be substantially cheaper when used in so-called *smart* triage-based management programs that focus repair efforts on the largest emitting sites. Such programs are classified as “Alternative Fugitive Emissions Management Programs”, or Alt-FEMPs. Industry adoption of Alt-FEMPs has been slow as producers lack awareness of achievable cost reductions, don’t understand how to demonstrate efficacy, or know of the best technology options are.

Using frequent feedback from the Alberta Energy Regulator, Arolytics developed a simulation model to demonstrate Alt-FEMP efficacy and to define costs and emission abatement potential for various alternative leak detection and repair programs. Tailored specifically for industry, the model is the only one of its kind offered commercially. The Arolytics CH_4 model predicts program performance under various leak detection and repair scenarios, and it uses an infrastructural asset portfolio, as well as parameters for various commercially available alternative measurement tools. The simulation model also outputs cost estimates, using a cost library populated with information from service providers or public sources. For more information on the modeling methods, please refer to the Supplemental Information.

60 In early 2020 during the first months of Canadian regulation, the Alberta Energy Regulator
61 approved several producer-led Alt-FEMP applications, the majority of which were backed by
62 Arolytics simulation results to demonstrate efficacy [AER, 2021]. Modeling studies to-date
63 shows that measurement costs can be reduced by an estimated 10-50% by incorporating
64 alternative measurement tools, or said another way, CH₄ could be cut more sharply based
65 on current levels of expenditure (Personal Communications). Within the current economic
66 environment, any cost saving to help industry comply with regulations is beneficial. Currently,
67 however, primarily large, progressive companies have chosen to implement Alt-FEMPs. The
68 benefits of Alt-FEMPs should extend to smaller producers and co-located producer consortia,
69 but this remains to be seen.

70 **1.1 Objective and Scope of Work**

71 The Arolytics model ran thousands of simulations to estimate realistic fugitive emission
72 management program outcomes that use alternative methodologies. We analyzed the model
73 results for cost savings and CH₄ reduction potential under a defined set of assumptions. We
74 ran these simulations using producer infrastructure files of various companies and sizes, as
75 well as geographical regions where multiple producers are co-located and could potentially
76 benefit from sharing the measurement costs associated with their Alt-FEMPs. Arolytics
77 conducted the simulations, and St. Francis Xavier University, and Pembina Institute analyzed
78 the results. We expected to see that:

- 79 1. Incorporating screening technology into an Alt-FEMP can result in cost savings.
- 80 2. Larger CH₄ abatement is possible at present-day costs.
- 81 3. Collaboration between companies will help decrease measurement costs.

82 This project aligns with the Alberta Methane Emission Program (AMEP), in which the
83 provincial government allotted \$17M to help remove the barriers for producers to implement

84 Alt-FEMPs. It also aligns with \$750M Emission Reduction Fund, which includes support for
85 companies to comply with provincial and federal CH₄ regulations.

86 2 Methodology

87 2.1 Simulations

88 The Arolytics field-based equivalency model is written in R programming language and is run
89 on Amazon Elastic Compute Cloud (EC2). The model incorporates the attributes of real-
90 world or theoretical oil and gas producing infrastructures, methane detection methodology
91 capabilities and limitations, as well as region-specific information regarding methane leaks
92 and repair practices.

93 To simulate a fugitive emissions program, the model must be parameterized with leak and
94 repair information, as well as the design of the preferred leak detection campaigns. When
95 the model runs, it first calculates the baseline methane emissions total, which is an estimate
96 of the total methane emissions over a defined time period, before a leak detection and repair
97 program is implemented. On each day of the simulation, leaks are probabilistically added to
98 the oil and gas assets based on a pre-defined Leak Production Rate (LPR). A vent distribution
99 profile is also considered. Next, leak detection campaigns are simulated by deploying methane
100 detection methodologies at pre-specified assets (as determined by the campaign design). The
101 detection limits and other characteristics of each leak detection methodology are taken into
102 account to determine whether or not the leak would likely be detected in each scenario.
103 Finally, repairs are simulated according to the pre-specified number of repairs that can occur
104 per day. The results of the simulation include estimated annual methane emissions, estimated
105 program costs, total number of simulated leaks, total number of simulated repairs, the length
106 of each field campaign, and more. See Supplemental Information for complete methodology
107 description.

Table 1: Producer and Facility counts for each Region.

AER region	Producers	Facility Count
Medicine Hat	Producer 1	562
Medicine Hat	Producer 2	439
Slave Lake	Producer 3	132
Slave Lake	Producer 1	202
Slave Lake	Producer 4	63
Slave Lake	Producer 5	55
Slave Lake	Producer 6	56
Slave Lake	Producer 7	111

2.2 Infrastructure and Producer Selection

The model was used to show Alt-FEMP scenarios in two geographic regions of Alberta consisting of multiple oil and gas producers (Table 1). Seven producers were selected among the top-60 oil and gas producers in Canada, representing different producer sizes. Region 1 (Medicine Hat) was composed of two producers, and Region 2 (Slave Lake) of six producers, each with a different number of facilities. The facility count ranged from 55 to 562 facilities per producer. Producer #1 was present in both regions.

The infrastructure files were provided by IHS and included facility type, facility subtype, and location. Only active facilities that reported production in Petrinex in the past 12 months were considered since those are the only facilities subject to the current regulations. The frequency requirement of fugitive emissions surveys for each facility subtype is shown in Table 2.

2.3 Modeling programs

Arolytics modelled six different types of fugitive emissions management programs on a one-year time scale for 7 different theoretical producers. The *baseline* program represents a scenario where no Leak Detection and Repair (LDAR) occurs. The only leak repairs that occur in

Table 2: Frequency of fugitive emissions surveys facility sub-type code. Source: Table 4 in Directive 060 - AER. All compressor stations (601, 621) to require 3x/year inspection was chosen to ere on the side of caution.

Equipment or facility type	Facility sub-type codes	Frequency
Sweet gas plants	401	Triannually
Compressor stations (< 0.01 mol/kmol H ₂ S in inlet stream)	601, 621	Triannually
Liquid hydrocarbon storage tanks with vent gas control	NA	Triannually
Produced water storage tanks with vent gas control	NA	Triannually
Gas plants	402, 403, 404, 405	Annually
Straddle and fractional plants	406, 407	Annually
Compressor stations (>= 0.01 mol/kmol H ₂ S in inlet stream)	601, 621	Annually
Battery and associated satellite facilities	311, 321, 322, 331, 341, 342, 344, 345, 361, 362, 363, 364	Annually
Custom treating facilities	611, 612	Annually
Terminals	671, 673	Annually
Injection/disposal facilities	501, 502, 503, 504, 505, 506, 507	Annually

124 the baseline program are those that are expected to happen *naturally* as part of regular
 125 operator maintenance activities. The *default* program consists of one to three OGI-based
 126 LDAR campaigns per year, reflecting Alberta’s regulatory requirements for fugitive CH₄
 127 management (Table 3).

128 In addition, Arolytics modelled four different Alt-FEMP types individually (Truck 2x, Drone
 129 2x, Aerial 2x, Aerial 1x_Truck 1x) for each theoretical producer, as well as for the two multi-
 130 producer regions in Medicine Hat and Slave Lake. The four different Alt-FEMPs involved
 131 various combinations and survey frequencies of aerial, truck, and drone methodologies (Table
 132 3). An anonymous survey sent to several producers to understand what technology categories
 133 to model. It was assumed that all alternative technologies would be used for screening, with
 134 OGI being used for follow-up at the top emitting sites to localize precise leak sources for
 135 repair. Follow-up was defined based on a percentage of total infrastructure. For example,
 136 if follow-up was defined as 20%, then 20% of facilities with highest emission rates required
 137 follow-up with OGI.

138 Nine-follow-up combinations, as seen in Table 3, were simulated in order to obtain a range
 139 of possible scenarios, and to understand the impact the follow-up has on cost-effectiveness
 140 and emission reduction potential for Alt-FEMPs. The nine follow-up combinations applied
 141 to each Alt-FEMP resulted in 36 variations of Alt-FEMPs being modelled. In total, we

142 modelled 38 programs for each individual producer (36 variations of the four Alt-FEMPs +
143 the baseline program + the default program). We took the same approach for multi-producer
144 regions; we modelled 38 programs for Slave Lake, and 38 programs for Medicine Hat. In
145 total, this resulted in model results for 418 different FEMPs.

146 It was important to model many different combinations of follow-up percentages because the
147 follow-up parameter has a significant impact on emissions. Only leaks that are followed up for
148 localization can be repaired. Please note this project did not test the effectiveness of various
149 Alt-FEMPs, rather it tested the performance of programs under the chosen assumptions.
150 Numerous additional options for Alt-FEMPs exist that were not modelled in this study,
151 including different technology categories and work practices.

152 Cost assumptions used in this modelling are estimates only, and do not reflect the costs of
153 any one company or service provider. In order to cover a range of possible costs for each
154 methodology, we modelled both a low and high cost scenario for each program and region.
155 The low and high costs were defined by both public information, as well as discussions with
156 service providers directly (Table 4). It is probable that service providers who offer CH₄
157 detection services will change the prices of their services to respond to market fluctuations.
158 Therefore, we expect that these costs will vary from real-life scenarios and implementations
159 of the programs modelled in this study. Multiple service providers offer OGI and alternative
160 detection technologies at various prices, and this modelling was used as an exercise to test
161 the impacts of different pricing assumptions.

162 **3 Results**

163 **3.1 Single-Producer Results**

164 Figure 1 shows that overall, modelled alternative programs resulted, on average ~20% greater
165 reduction in CH₄ emissions (expressed in CO₂ equivalent with a GWP of 34) compared to

Table 3: Description of each monitoring technology. Each program has nine variants.

Monitoring Program	Monitoring Program Description
baseline	No campaign, natural repairs are happening
default	1st campaign 100% OGI; 2nd campaign 100% OGI; 3rd campaign 100% OGI
aerial1x_truck1x	1st campaign 100% Aerial followed by 20% OGI; 2nd campaign 100% Truck followed by 20% OGI
aerial1x_truck1x	1st campaign 100% Aerial followed by 50% OGI; 2nd campaign 100% Truck followed by 20% OGI
aerial1x_truck1x	1st campaign 100% Aerial followed by 80% OGI; 2nd campaign 100% Truck followed by 20% OGI
aerial1x_truck1x	1st campaign 100% Aerial followed by 20% OGI; 2nd campaign 100% Truck followed by 50% OGI
aerial1x_truck1x	1st campaign 100% Aerial followed by 50% OGI; 2nd campaign 100% Truck followed by 50% OGI
aerial1x_truck1x	1st campaign 100% Aerial followed by 80% OGI; 2nd campaign 100% Truck followed by 50% OGI
aerial1x_truck1x	1st campaign 100% Aerial followed by 20% OGI; 2nd campaign 100% Truck followed by 80% OGI
aerial1x_truck1x	1st campaign 100% Aerial followed by 50% OGI; 2nd campaign 100% Truck followed by 80% OGI
aerial1x_truck1x	1st campaign 100% Aerial followed by 80% OGI; 2nd campaign 100% Truck followed by 80% OGI
aerial2x	1st campaign 100% Aerial followed by 20% OGI; 2nd campaign 100% Aerial followed by 20% OGI
aerial2x	1st campaign 100% Aerial followed by 50% OGI; 2nd campaign 100% Aerial followed by 20% OGI
aerial2x	1st campaign 100% Aerial followed by 80% OGI; 2nd campaign 100% Aerial followed by 20% OGI
aerial2x	1st campaign 100% Aerial followed by 20% OGI; 2nd campaign 100% Aerial followed by 50% OGI
aerial2x	1st campaign 100% Aerial followed by 50% OGI; 2nd campaign 100% Aerial followed by 50% OGI
aerial2x	1st campaign 100% Aerial followed by 80% OGI; 2nd campaign 100% Aerial followed by 50% OGI
aerial2x	1st campaign 100% Aerial followed by 20% OGI; 2nd campaign 100% Aerial followed by 80% OGI
aerial2x	1st campaign 100% Aerial followed by 50% OGI; 2nd campaign 100% Aerial followed by 80% OGI
aerial2x	1st campaign 100% Aerial followed by 80% OGI; 2nd campaign 100% Aerial followed by 80% OGI
drone2x	1st campaign 100% Drone followed by 20% OGI; 2nd campaign 100% Drone followed by 20% OGI
drone2x	1st campaign 100% Drone followed by 50% OGI; 2nd campaign 100% Drone followed by 20% OGI
drone2x	1st campaign 100% Drone followed by 80% OGI; 2nd campaign 100% Drone followed by 20% OGI
drone2x	1st campaign 100% Drone followed by 20% OGI; 2nd campaign 100% Drone followed by 50% OGI
drone2x	1st campaign 100% Drone followed by 50% OGI; 2nd campaign 100% Drone followed by 50% OGI
drone2x	1st campaign 100% Drone followed by 80% OGI; 2nd campaign 100% Drone followed by 50% OGI
drone2x	1st campaign 100% Drone followed by 20% OGI; 2nd campaign 100% Drone followed by 80% OGI
drone2x	1st campaign 100% Drone followed by 50% OGI; 2nd campaign 100% Drone followed by 80% OGI
drone2x	1st campaign 100% Drone followed by 80% OGI; 2nd campaign 100% Drone followed by 80% OGI
truck2x	1st campaign 100% Truck followed by 20% OGI; 2nd campaign 100% Truck followed by 20% OGI
truck2x	1st campaign 100% Truck followed by 50% OGI; 2nd campaign 100% Truck followed by 20% OGI
truck2x	1st campaign 100% Truck followed by 80% OGI; 2nd campaign 100% Truck followed by 20% OGI
truck2x	1st campaign 100% Truck followed by 20% OGI; 2nd campaign 100% Truck followed by 50% OGI
truck2x	1st campaign 100% Truck followed by 50% OGI; 2nd campaign 100% Truck followed by 50% OGI
truck2x	1st campaign 100% Truck followed by 80% OGI; 2nd campaign 100% Truck followed by 50% OGI
truck2x	1st campaign 100% Truck followed by 20% OGI; 2nd campaign 100% Truck followed by 80% OGI
truck2x	1st campaign 100% Truck followed by 50% OGI; 2nd campaign 100% Truck followed by 80% OGI
truck2x	1st campaign 100% Truck followed by 80% OGI; 2nd campaign 100% Truck followed by 80% OGI

Table 4: Cost assumptions of each monitoring program and facility subtype.

Technology	Cost/site - Low Cost Scenario (\$ CAD)	Cost/site- High Cost Scenario (\$ CAD)
OGI - Sweet Gas Plant	\$2,000	\$3,120
OGI - Compressor Station	\$1,200	\$2,500
OGI - Gas Plant	\$2,000	\$3,120
OGI - Straddle and Fractionation Plant	\$2,000	\$3,120
OGI - Battery and Associated Satellite Facility	\$600	\$1,800
OGI - Custom Treating Facility	\$600	\$1,800
OGI - Terminal	\$600	\$1,800
OGI - Injection/Disposal Facility	\$600	\$1,800
Aerial	\$130	\$255
Drone	\$3,195	\$3,835
Truck	\$2,700	\$3,650

166 the default (existing regulatory) program. In the bottom panel, negative values indicate that
167 the program will result in fewer emissions than the default program. With some variability
168 among the program combinations and regions, the four alternative programs show a range of
169 -40% to +60% emission reduction as compared to the default program. The two producers
170 in Medicine Hat have more than 400 facilities each and they both show no reduction in
171 CH₄ emissions under default programs suggesting using the default program is favorable. The
172 default program seems more advantageous in terms of dollar per CO₂ equivalent reduced
173 when the ratio of facilities that require 3x vs 1x annual surveying (i.e., *3x:1x ratio*) is over 0.15
174 (Figure 2). Both producers in Medicine Hat had a ratio over 0.15. There is no significant
175 difference between the four alternative programs but Medicine Hat shows higher annual
176 fugitive emissions per facility than Slave Lake.

177 For the low and high cost scenarios, average program cost for Alt-FEMP per facility is higher
178 in Slave Lake than Medicine Hat where the producers have more facilities. Overall, the
179 Aerial 2x and Aerial 1x_Truck 1x programs tend to have lower cost than the default program
180 while the Drone 2x program was more expensive under the particular assumptions modelled.
181 Percentage difference in cost from the default program was also highly variable with a range
182 of -70% to +133% (Figure 3).

183 In summary, for the low (Figure 4) and high (Figure 5) cost scenarios, most of the nine-
184 follow-up combinations for the Truck 2x (5 for each scenario), Aerial 2x (9 for each scenario)
185 and Aerial 1x_Truck 1x (7 and 6 respectively for each scenario) programs were successfully
186 more economical and effective in reducing annual emissions than the default program. This
187 is only valid for Slave Lake where producers have lower numbers of facilities.

188 3.2 Multi-Producer Results

189 Single-producer results (mean = 190,000 m³ CO₂E) show overall lower annual fugitive
190 emissions per facility than multi-producer regions (mean = 213,000 m³ CO₂E) with the

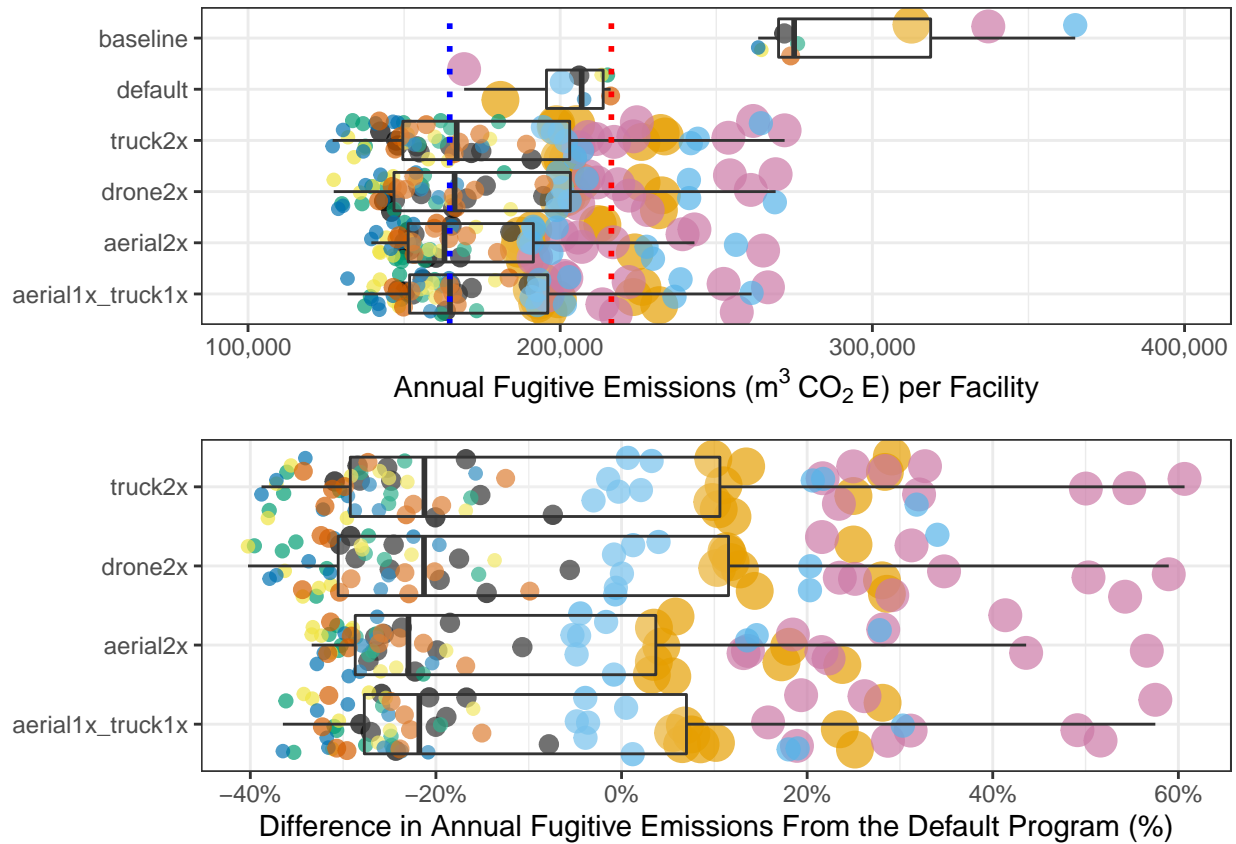


Figure 1: Annual fugitive CH₄ emissions (m³ CO₂E) per facility (top panel) and difference in annual fugitive emissions from the default program (bottom panel) for different FEMP programs. Results from both Medicine Hat and Slave Lake are shown. Producers are represented by different colors and size in proportion to facility count. The boxplot shows the minimum (Q1- 1.5*IQR), first quartile (Q1), median, third quartile (Q3), and maximum (Q3+1.5*IQR). Each producer has nine datapoints per Alt-FEMP, corresponding to a different amount of OGI follow-up after using alternative screening technologies. The blue dotted line represents the mean annual emission of the Alt-FEMP programs (excludes default) for the Slave Lake region, and the red dotted line indicates the mean annual emission of the Alt-FEMP programs for the Medicine Hat region.

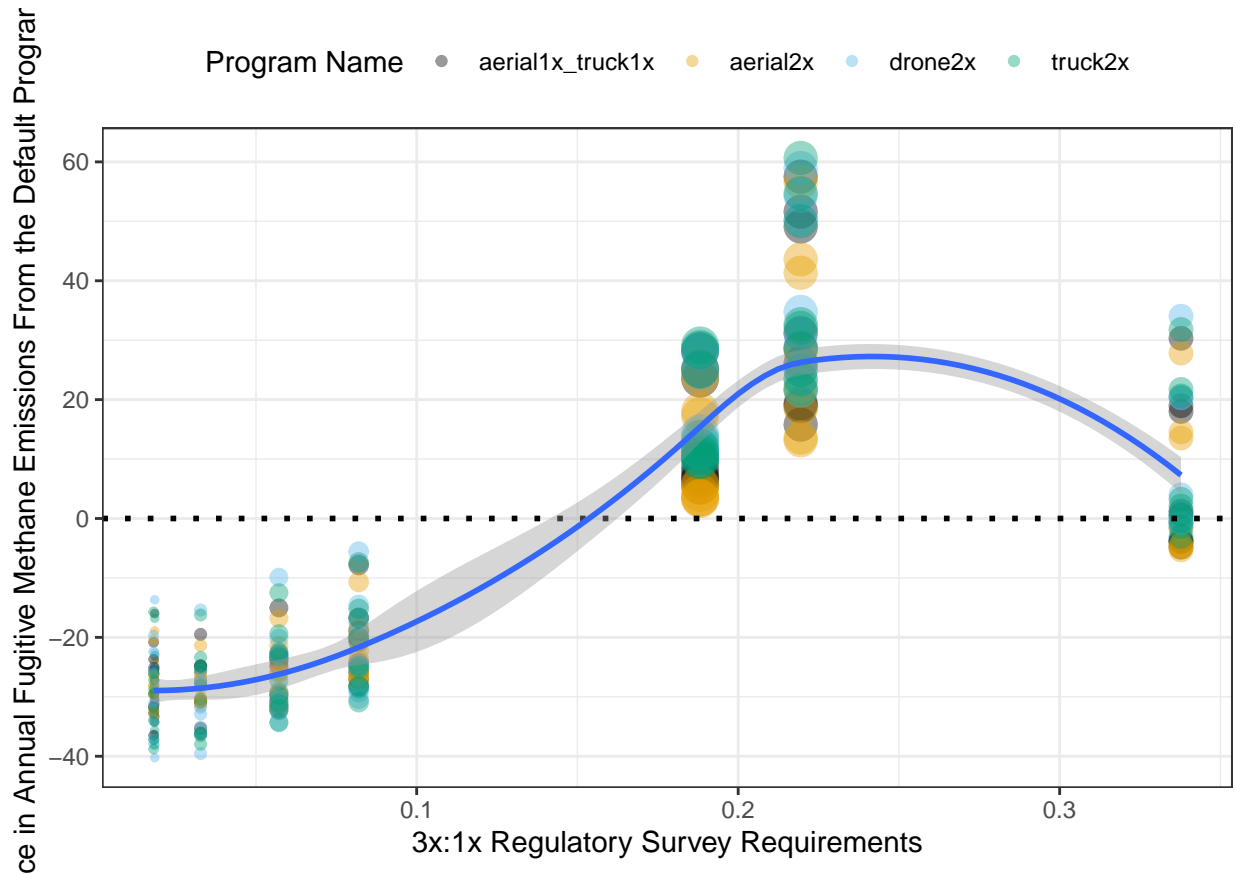


Figure 2: The relationship between CH_4 emissions variance from the regulatory default program to the ratio of sites requiring 3x:1x surveys per year according to Alberta regulatory requirements. Programs are represented by different colors and size is proportional to facility count. Each producer has nine datapoints per Alt-FEMP, each corresponding to a different amount of OGI follow-up after using alternative screening technologies. The black dotted line represents the default program.

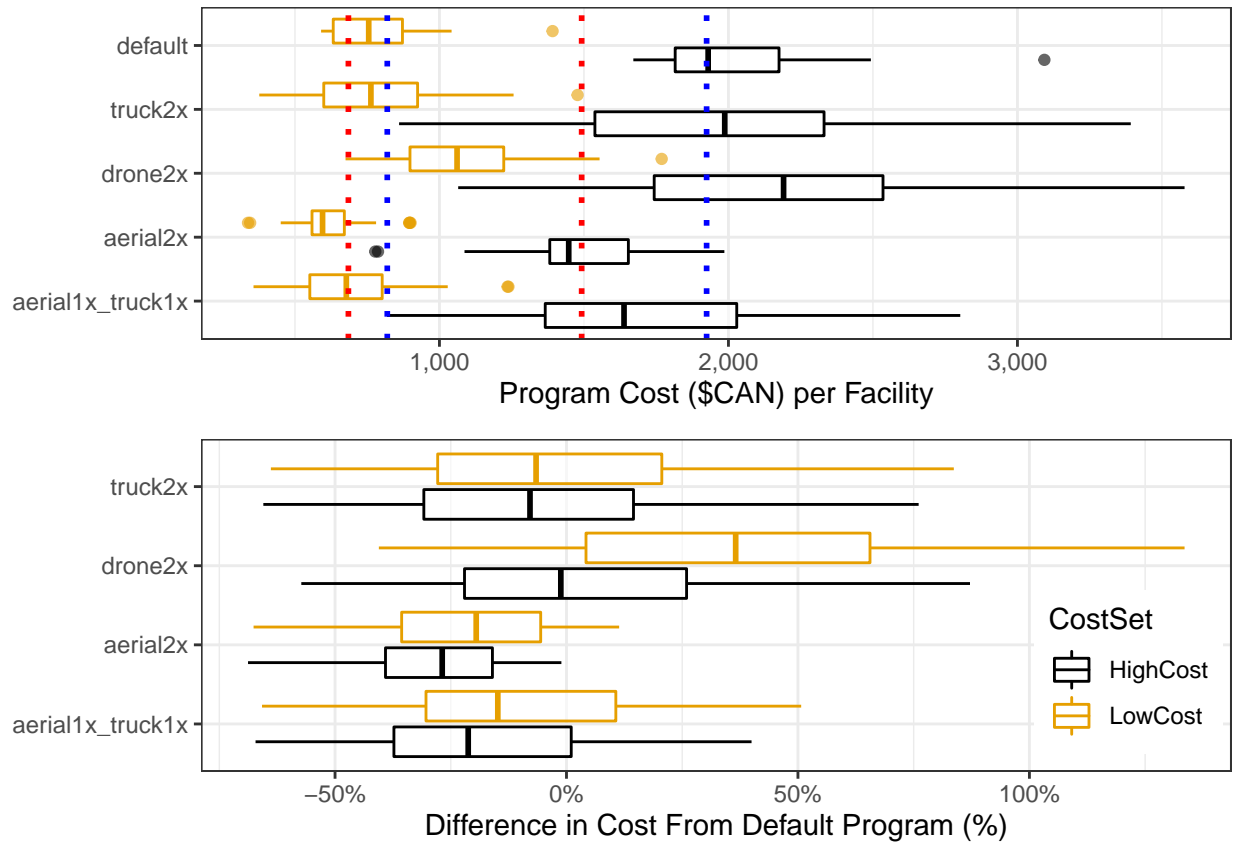


Figure 3: Program costs (\$CAN) per facility (top panel) and percentage difference in cost from default program (bottom panel) for each Alt-FEMP. Program costs include all screening and OGI leak localization campaigns. The boxplot shows the minimum ($Q1 - 1.5 \cdot IQR$), first quartile ($Q1$), median, third quartile ($Q3$), and maximum ($Q3 + 1.5 \cdot IQR$). The blue dotted lines represents the mean of the program cost (\$CAN) per facility of the Alt-FEMP programs (excludes default) for the Slave Lake region, and the red dotted lines for the Medicine Hat region.

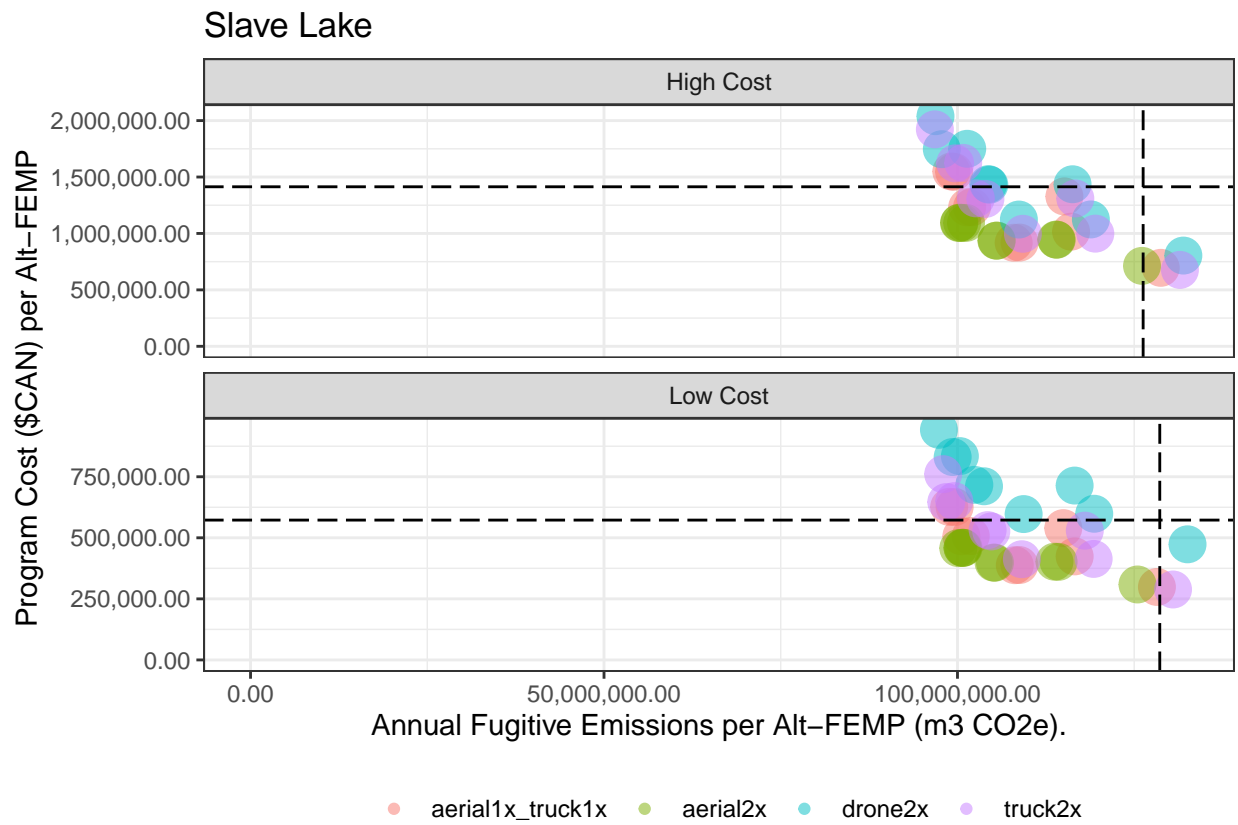


Figure 4: Summary of program costs versus total fugitive CH₄ emissions that result from each Alt-FEMP in the Slave Lake region. Black dashed lines represent the estimated costs and emissions of the regulatory default program. Each Alt-FEMP is a different colour. There are nine datapoints per Alt-FEMP, each corresponding to a different amount of OGI follow-up after using alternative screening technologies.

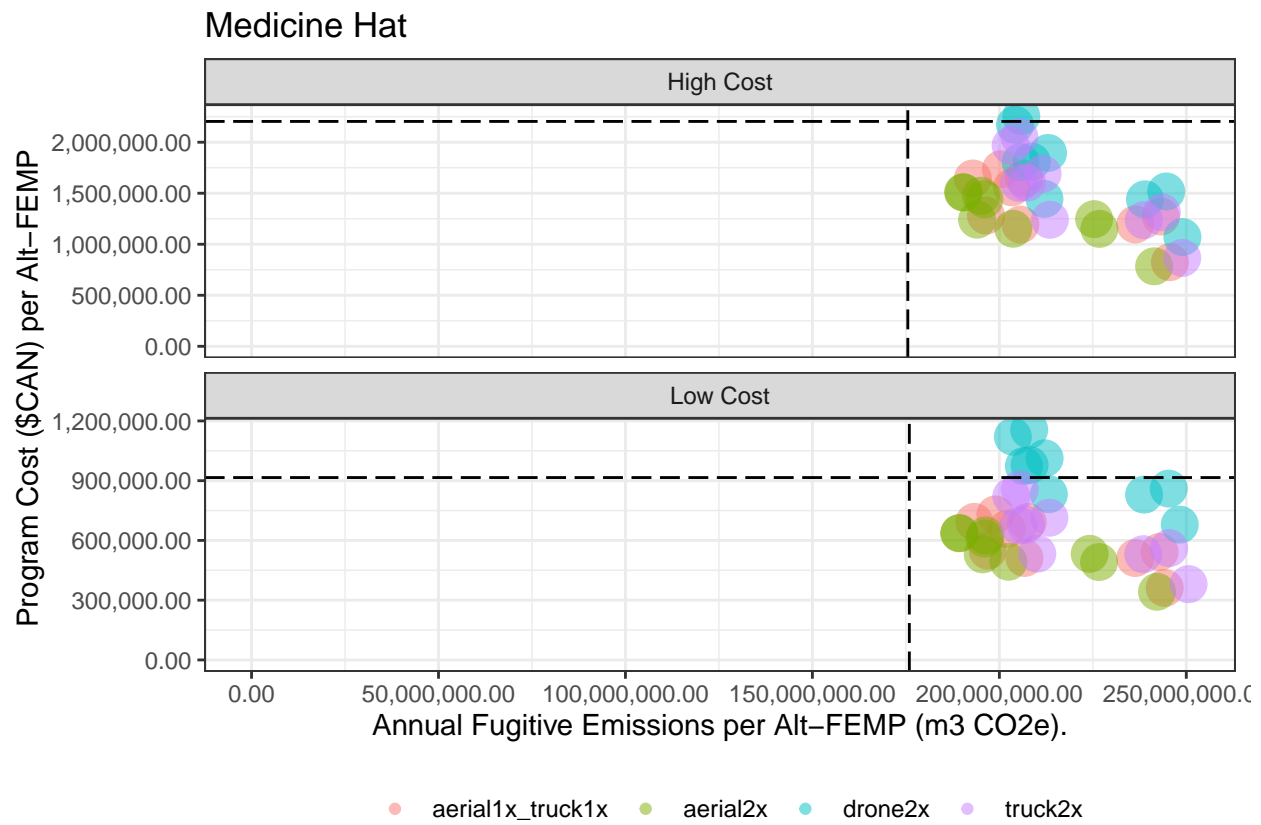


Figure 5: Summary of program costs versus total fugitive CH₄ emissions that result from each Alt-FEMP in the Medicine Hat region. Black dashed lines represent the estimated costs and emissions of the regulatory default program. Each Alt-FEMP is a different colour. There are nine datapoints per Alt-FEMP, each corresponding to a different amount of OGI follow-up following alternative screening technologies.

191 exception of the default program (Figure 6). In the simulations, we assumed that all leak
192 detection resources would be shared in multi-operator alt-FEMPs, including OGI services
193 for leak localization following screening technologies. The results of the simulations showed
194 that when leak detection services are shared between producers, it can result in a delay
195 in the time required to localize leaks for repair. This was observed in the model results
196 by follow-up campaigns starting later in the simulated year in multi-producer regions than
197 they did in single producer regions. The delayed start date of follow-up campaigns in multi-
198 producer regions resulted in leaks emitting for longer amounts of time before repair, therefore
199 contributing higher overall emissions in multi-operator Alt-FEMPs. If the OGI services were
200 not shared between companies, we estimate that the annual CH₄ emission results between
201 multi-operator and single operator programs would have been comparable. The difference
202 in annual fugitive emissions from the default program is also more significant in Slave Lake
203 than the multi-producer regions in Medicine Hat, which is primarily due to the 3x:1x ratio
204 differences (Figure 7).

205 As expected, program costs are lower when producers are working together especially in
206 Medicine Hat where two large producers (> 400 facilities each) collaborated (data not shown).
207 Although, due to high variability, it's difficult to infer specific patterns between Alt-FEMP
208 programs for the low and high cost scenarios (Figure 9).

209 Although different program types under different assumptions were cost and emission reduction
210 effective in Slave Lake, the Aerial 2x program had the greatest number of programs meet
211 both of these criteria (Figure 8).

212 4 Conclusion

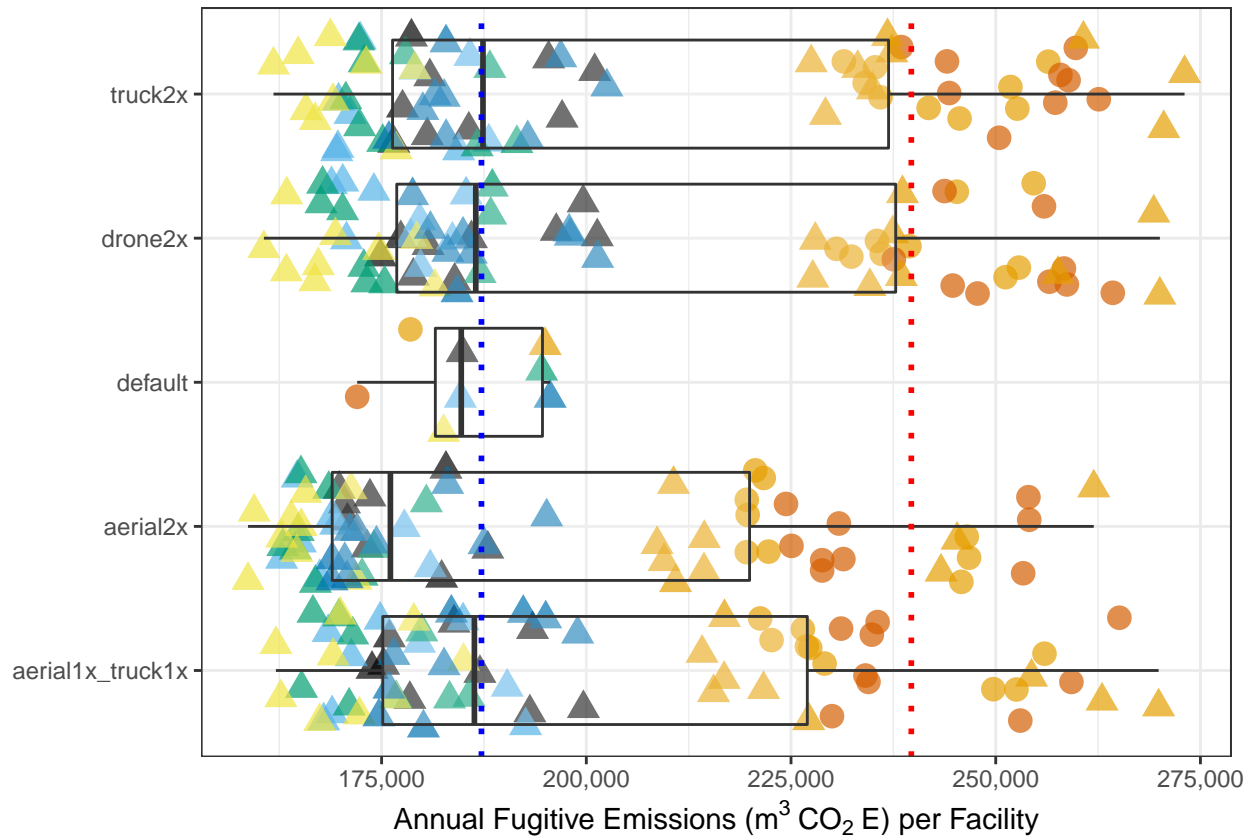


Figure 6: Annual fugitive CH₄ emissions (m³ CO₂E) per facility (top panel) for different monitoring programs. Producers are represented by different colors, and shape represents AER areas (Slave Lake and Medicine Hat). The boxplot shows the minimum (Q1- 1.5*IQR), first quartile (Q1), median, third quartile (Q3), and maximum (Q3+1.5*IQR). Each producer has nine datapoints per Alt-FEMP, each corresponding to a different amount of OGI follow-up after using alternative screening technologies. The blue dotted line represents the mean annual emission of the Alt-FEMP programs (excludes default) for the Slave Lake region, and the red dotted line indicates the mean annual emission of the Alt-FEMP programs for the Medicine Hat region.

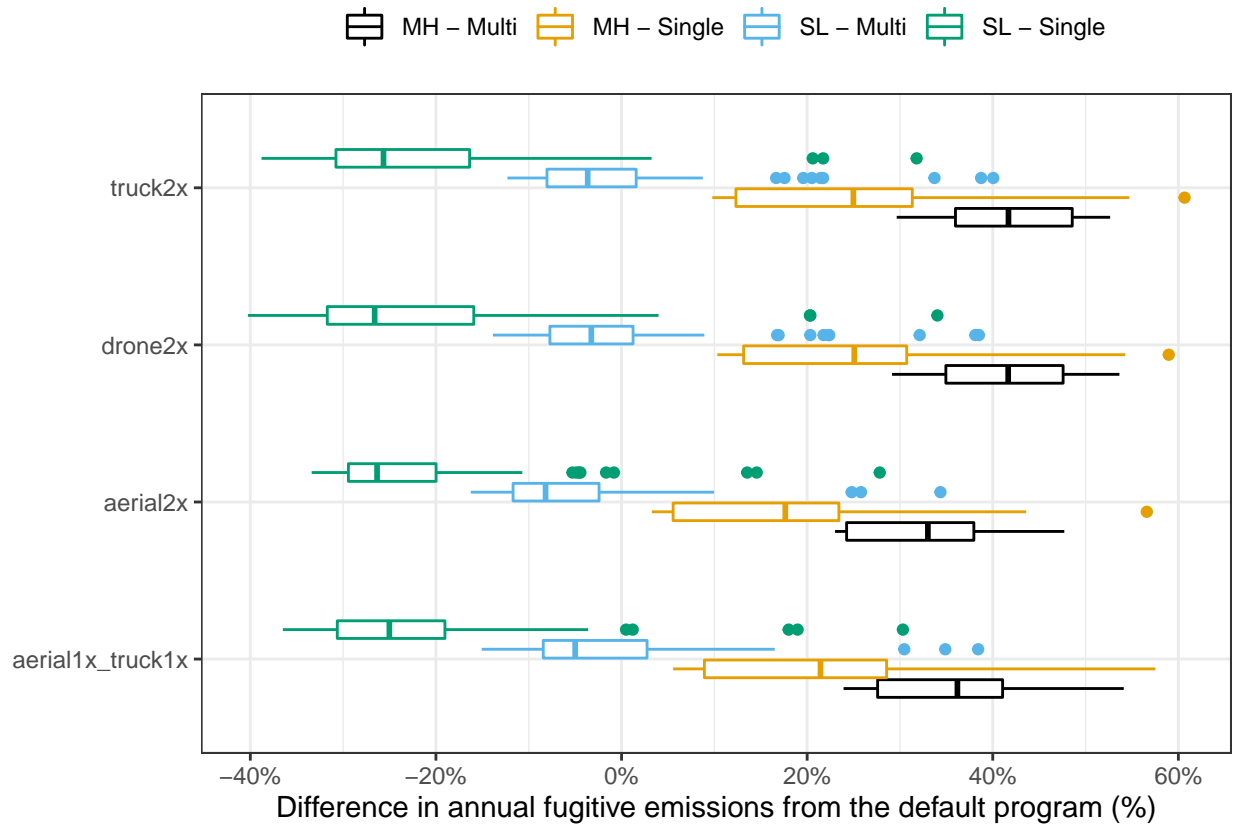


Figure 7: Difference in annual fugitive emissions from the default program for different monitoring programs. Multi-producer vs. single producers program types are represented by different colors. The boxplot shows the minimum ($Q1 - 1.5 \cdot IQR$), first quartile ($Q1$), median, third quartile ($Q3$), and maximum ($Q3 + 1.5 \cdot IQR$). MH = Medicine Hat; SL = Slave Lake.

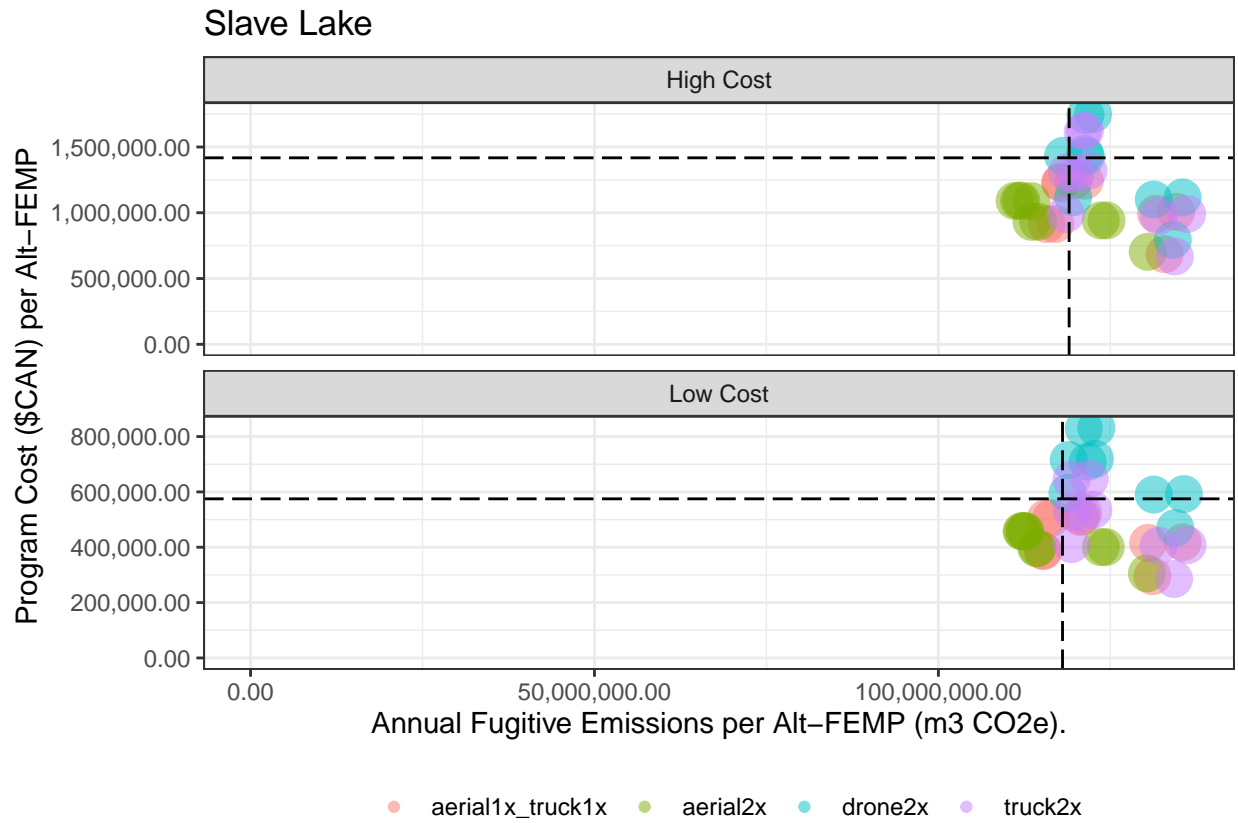


Figure 8: Summary of program costs versus total fugitive CH₄ emissions that result from each Alt-FEMP in the Slave Lake region. Black dashed lines represent the estimated costs and emissions of the regulatory default program. Each Alt-FEMP is a different colour. There are nine datapoints per Alt-FEMP, each corresponding to a different amount of OGI follow-up after using alternative screening technologies.

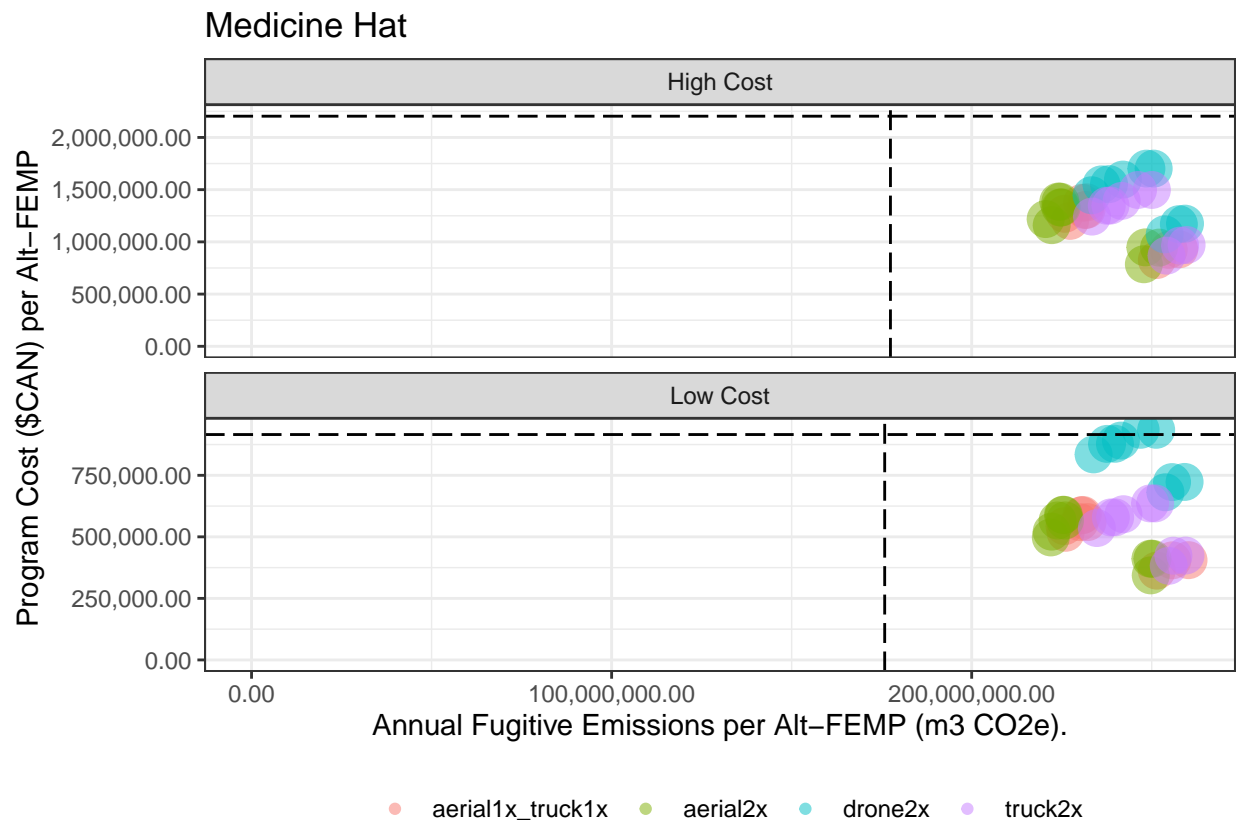


Figure 9: Summary of program costs versus total fugitive CH_4 emissions that result from each Alt-FEMP in the Medicine Hat region. Black dashed lines represent the estimated costs and emissions of the regulatory default program. Each Alt-FEMP is a different colour. There are nine datapoints per Alt-FEMP, each corresponding to a different amount of OGI follow-up after using alternative screening technologies.

213 4.1 Key Findings

- 214 • Alternative monitoring programs can decrease costs of finding CH₄ leaks compared
215 to traditional LDAR programs. This is valid both for companies acting on their own
216 and those collaborating to conduct alternative LDAR programs together. However,
217 results are strongly impacted by alternate technology choices, program design, regional
218 differences, and facility types.
- 219 • For multi producer collaborations, the speed and logistics of follow up surveys are
220 important. Alternative technologies conduct surveys much faster than traditional
221 ground-based camera surveys, but to capitalize on this speed adequate ground crews
222 must be available to avoid delays in follow up.
- 223 • Additional benefits should be considered. Some technologies have the ability to quantify
224 emissions at no incremental cost. Quantification including both fugitives and vented
225 sources of CH₄ emissions can help producers gain a better understanding of their
226 operations and more effectively address CH₄ emissions.

227 4.2 Policy implications

- 228 • Alternative LDAR is not a one-size fits all solution. Program design, technology
229 choice, and facility types must be taken into account when designing alternative LDAR
230 programs. This means that programs successful for one producer can not necessarily be
231 replicated for others, and alternative programs may need to be tailored to a producers'
232 or region's operations and facilities.
- 233 • If alternative LDAR programs prove successful, smaller producers, with limited resources,
234 may be unable to undertake these programs. Collaboration between small producers
235 could reduce barriers, but policies and support may be needed to level the playing field
236 and provide equal access to smaller producers.

237 5 Acknowledgements

238 We thank the McCall and MacBain Foundation for supporting this project.

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Supplementary Materials

Martin Lavoie Dave Risk Liz O’Connell Emmy Atherton Jack Johnson
Jan Gorski

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S1 Sensitivity Tests

In order to better understand the impact that certain assumptions had on the results of this study, we performed a sensitivity test on both the survey time (number of facilities per day that were surveyed) and survey costs (cost for each leak detection technology to survey one facility, or price per day).

Sensitivity to SurveyTime:

- Model estimates of total CH₄ emissions are not directly sensitive to changes in the input survey times. Optimization/emission reduction improvement is possible when survey time is reduced as screening and follow-up campaigns are conducted faster, and therefore repairs occur sooner.
- Model estimates of total program costs are linearly and equally related (1:1) to changes in the input survey time values.

Sensitivity to Survey Cost:

- Model estimates of total CH₄ emissions are not sensitive to changes in the input survey cost.
- Model estimates of total program costs are linearly and equally related (1:1) to changes in the input survey cost.

Below is the analysis of the model’s sensitivity to the survey time input parameter. Three trials for two different regions were modelled.

Each trial included a default and a Truck 2x program:

Table 1: Producer 8

MP Run	default-minus25_surveyTime	default-plus25_surveyTime	truck2x-minus25_surveyTime	truck2x-plus25_surveyTime
Program Emissions % Variance From Original				
1	0.1009189	-0.8620387	0.1152797	-0.4776247
2			-0.6539674	-0.2267773
3			0.2867500	2.5374888
4			-1.6202531	-0.6279608
5			-0.5152109	-0.5524090
6			-2.0751222	0.2522418
7			0.2952783	-0.6030507
8			-0.9261613	-0.1485328
9			0.8332624	0.0955418
AVG	0.1009189	-0.8620387	-0.4733494	0.0276574
Program Costs % Variance From Original				
1	-25.0000670	25.0000671	-24.9362780	25.0545249
2			-25.0136270	24.8948381
3			-24.9266670	25.0154994
4			-25.1082720	24.9576777
5			-24.8905640	25.1181174
6			-24.7172520	24.6208180
7			-24.8262260	24.7194327
8			-24.9455070	24.7702811
9			-24.8366370	24.7705137
AVG	-25.0000670	25.0000671	-24.9112260	24.8801892

1. The survey time value as retrieved from literature/media (Default and Truck 2x programs).
2. The survey time value +25% (Default and Truck 2x programs).
3. The survey time value -25% (Default and Truck 2x programs).

The sensitivity results suggest the following for both default and Truck 2x programs.

- Model estimates of total CH₄ emissions are not very sensitive to changes in input survey time. This is true for both trial regions. The minimal emissions sensitivity observed is due to the ability to start follow-up campaigns a few days earlier (or later in the +25% trials), in other words optimizing the program schedule for the new survey time. There appears to be no emissions sensitivity caused directly by the actual value of the input survey time parameter, rather they are only caused by optimizing the program schedule for the new survey time. To better understand the impact of optimizing program schedule, we modelled two regions with a 25% reduction in survey time, but only optimized the program schedule in one of the regions. The 25% survey time reduction yielded emissions reductions of less than 2% when optimized and less than 1% when not optimized. Therefore, even when optimizing for a reduced survey time, emissions are not significantly impacted by changes in survey time. Disclaimer: reducing and optimizing for survey time may in fact yield enough emissions reductions to push a program from non-equivalent to equivalent in terms of relative emissions reductions compared to default, though minor survey time improvements (<25%) are not anticipated to be the best way to improve the estimated emissions reductions of a program.
- Outputted program costs are linearly related to input survey time. This is true for both regions. All programs with a 25% reduction in survey time yielded a 25% reduction in program cost. The same is true for a 25% increase in surveyTime.

These highlights are proven for both a default program and a Truck 2x (with followup 20, 50, 80%) program, which means that these sensitivities can be applied to all current programs in this study.

The model's sensitivity to input survey costs is known to be linear and equal (1:1), as it is calculated in a simple multiplication of (surveys completed (screening and OGI follow-up) X survey costs).

Table 2: Producer 4

MP Run	default-minus25_surveyTime	default-plus25_surveyTime	truck2x-minus25_surveyTime	truck2x-plus25_surveyTime
Program Emissions % Variance From Original				
1	0.6622049	-0.6711345	-2.0151497	0.6883489
2			-2.2895771	2.7343596
3			-1.9477399	1.2376829
4			-2.6502121	0.7608943
5			-1.9609274	2.7944524
6			-2.4438401	0.8085315
7			-0.3800098	2.3928534
8			-1.8918858	2.7491064
9			-2.4109563	0.9653201
AVG	0.6622049	-0.6711345	-1.9989220	1.6812833
Program Costs % Variance From Original				
1	-24.9999692	24.9999692	-24.8954729	24.8812805
2			-24.7530043	24.8187525
3			-24.7950728	24.6826313
4			-24.9382677	24.8153649
5			-24.7388380	24.3662361
6			-24.8416897	24.6105092
7			-24.9677211	24.8255698
8			-24.8914959	24.5871159
9			-24.4076049	23.8938952
AVG	-24.9999692	24.9999692	-24.8032408	24.6090395

S2 Arolytics Model Description

S2.1 Introduction

Arolytics has developed a methane emissions simulation model (*the model*) to estimate annual methane emission reductions that may result from implementing various Leak Detection and Repair (LDAR) programs. Arolytics has developed this model in response to Canadian federal and provincial methane regulations that came into effect in January 2020. These regulations require oil and gas producers to survey and/or screen qualifying wells and facilities for fugitive emissions (methane leaks) 1-3 times per year.

According to some provincial regulations, best practices for detecting fugitive emissions include Organic Vapour Analyzers and Gas-Imaging Cameras. In recent years, there has been a surge in research and innovation regarding alternative technologies for fugitive emissions detection and measurement. Examples of alternative technologies include satellites specialized for methane detection, aircraft-mounted gas sensors and imaging devices, drone applications, and ground-based vehicles outfitted with gas analyzers. These technologies have varying capabilities in terms of the magnitude of methane leaks they can detect, weather limitations, and the best practices required for optimal performance. For these reasons, regulators that accept some level of alternative technology use typically require oil and gas producers to submit applications for approval if they wish to deviate from what is prescribed as the default regulatory approach. Often, the applications must provide evidence that use of alternative methods will result in similar, or greater, emission reductions than the default approach.

The Arolytics field-based equivalency model is written in R programming language and is run on Amazon Elastic Compute Cloud (EC2). The model simulates methane leaks and repairs in regions that feature approximately uniform methods of upstream oil and gas production. The model incorporates the attributes of real-world oil and gas production infrastructure (wells and facilities), technology / service provider capabilities and limitations, as well as region and / or company-specific information regarding methane leaks and repair practices.

In order of preference, the Arolytics model uses methane emission and repair data from a) previous company leak detection data, b) the region to be modelled, or c) a nearby region with a similar oil and gas production style. As oil and gas producers begin conducting LDAR programs in 2020, increasingly large amounts of

83 data will be available for defining model parameters. As new field data become available, model outputs will
84 become more reflective of reality. By developing a model that uses real-world data, Arolytics' solution is
85 uniquely positioned to be used by oil and gas producers in the future as routine LDAR programs take place
86 across Canada. LDAR program features that can be adjusted and tested in the model include:

- 87 1. Using various detection or measurement technology types
- 88 2. Applying the technologies at various frequencies
- 89 3. Applying technologies to various combinations of infrastructure types
- 90 4. The order and timing in which technologies are implemented
- 91 5. The method of triggering "follow-up" technologies to help localize leaks after alternative technologies
92 have detected methane at a site
- 93 6. The length of time between leak detection and repair
- 94 7. The time it takes each technology to survey the infrastructure involved
- 95 8. The effect of mitigating vented emissions in excess of regulatory requirements

96 Given the above, the user is able to model all possible combinations of parameters that form an LDAR program.
97 The results from all modeled LDAR programs are organized by both the estimated cost to the producer and
98 emission reduction potential. The Arolytics model does not assess the risk involved in implementing the
99 proposed LDAR programs, as it is the sole responsibility of the producer to carry out the LDAR programs as
100 prescribed.

101 **S2.1.1 Model Applications**

102 To-date, the Arolytics model has been used to support multiple alternative fugitive emissions management
103 programs (Alt-FEMPs) to the Alberta Energy Regulator (AER) for large oil and gas producers. These
104 applications of the model varied in terms of technology types, frequencies, methods for localizing leaks, and
105 implementation of vent mitigation technologies. In each case, Arolytics modeled a baseline scenario (no
106 LDAR), the implementation of a regulatory default LDAR program, and a variety of alternative LDAR
107 programs.

108 Arolytics is also involved in research-oriented modeling projects to identify opportunities for Canadian
109 producers to save measurement costs while achieving emission reductions in line with regulatory expectations
110 by implementing alternative technologies.

111 **S2.1.2 Comparison to Other Techniques**

112 The Arolytics model is adaptable to a wide range of alternative LDAR programs, including all technology
113 types, regulatory jurisdictions, and alternative approaches (such as varying measurement frequencies, follow-
114 up thresholds for leak localizations, and measuring the impact of reducing vented emissions in excess of
115 regulatory requirements). Arolytics is aware of other alternative LDAR program simulations, however we
116 were approached in 2019 by oil and gas producers who were in need of a commercially-ready model. Since
117 then, we have worked with industry to iterate on the model, allowing us to develop a tool that provides oil
118 and gas producers and regulators with the answers they require to form methane management strategy.

119 We also recognized a gap in other models' ability to incorporate field-based, company-specific data. A key
120 differentiator of the Arolytics model is its ability to integrate data that is local to the area being modeled.
121 The parameters that fuel the Arolytics model are based upon the best available regional or company-specific
122 data, providing a custom-tailored simulation for each unique application that will continuously improve as
123 more LDAR data gets collected.

124 **S2.2 Technology Parameters**

125 Arolytics has researched and compiled information about relevant, commercial methane detection and
126 measurement technologies. We have also consulted with service providers who specialize in implementing

127 these technologies. Details about the capabilities, restrictions of use, and estimated costs of each technology
128 have been compiled into a “Technology Parameters” file that is used as an input to the model.

129 Multiple industry, government, and academic initiatives have performed blind testing of various methane
130 detection and measurement technologies in order to determine a) Minimum Detection Limits (MDLs), b)
131 optimal operating conditions, c) the accuracy of measurement quantification, and d) the probability of
132 detection. Where possible, Arolytics uses results from these studies to inform the parameters below.

133 Through our previous modeling work with Canadian oil and gas producers we have compiled an inventory of
134 quotes and estimates that can be used in cases where specific technology information is not available.

135 **S2.2.1 Cost**

136 The model can incorporate technology cost as cost-per-day or cost-per-site (\$ CAD). The costs incorporate
137 all overhead and travel fees. To obtain these values, Arolytics contacts relevant service providers to obtain
138 quotes to have their services deployed in the region or development of interest. It is important to obtain
139 quotes specific to each area to be modeled because often the cost of services is dependent on the type or
140 location of the development or spatial density of the infrastructure. If a producer chooses to internalize their
141 LDAR program by purchasing a technology, the internal costs to the producer can be used instead.

142 Arolytics does not guarantee the accuracy of any cost estimates that result from the model because service
143 providers have the flexibility to adjust costs at their own discretion. For each application of the model,
144 Arolytics recommends that producers confirm the cost estimates by directly contacting service providers of
145 interest.

146 **S2.2.2 Survey Time**

147 The amount of time it takes to survey a site is dependent on the technology type, its limitations, the service
148 providers’ work practices, the infrastructure types, and the spatial density of the development. For this
149 reason, Arolytics consults with relevant service providers to obtain an estimate of the number of sites that
150 can be surveyed or screened per working day in the region of interest. This approach removes the need for
151 assumptions about travel times and/or work practices and provides the most accurate possible estimate of
152 the length of time it will take to travel to and survey each site. In situations where this information cannot
153 be obtained prior to running the model, the survey time is estimated based on previous survey time estimates
154 from similar technology types and regions.

155 **S2.2.3 Minimum Detection Limit**

156 The Minimum Detection Limit (MDL) defines the smallest methane leak a technology is able to detect during
157 normal operations. In order to incorporate an alternative technology into the model it is essential to have
158 a well-defined MDL. Ideally, the MDL has been proven through both lab and field experimentations. If
159 there has not been thorough testing completed, Arolytics will notify the producer of this information when
160 providing model results.

161 For some technologies, the MDL can change depending on wind, temperature, cloud cover, etc. In these
162 situations, we use the MDL that is suitable to average conditions for the region of interest at the time of year
163 the technology is being implemented.

164 **S2.2.4 Measurement Scale**

165 Certain technologies for methane detection and measurement are better equipped to detect emissions at a
166 site (well-pad) scale, while others are able to localize individual leak sources. It is important to consider this
167 distinction in methodologies because it impacts a) the characteristics of the emissions that the technology

168 will detect (ex. a site-scale technology might detect the cumulative sum of all leaks coming from a well-pad),
169 and b) the actions that must follow a leak being detected (ex. whether or not the leak needs to be localized
170 with a more precise technology before repair can take place).

171 The Arolytics model classifies technologies as either “site-scale” or “equipment-scale”. This classification is
172 based on both information provided by the service provider about the technologies’ capabilities, as well as
173 the producers’ intended methodology for implementing the technology.

174 **S2.2.5 Probability of Detection**

175 The probability of detection defines the ability of a technology to detect methane leaks under normal operating
176 conditions. For example, during blind tests. some technologies have been shown to only detect leaks at a
177 certain percentage of known leaking sites, while others have detected methane at sites with no leaks (false
178 positives). Arolytics consults with service providers to obtain and confirm this technology parameter. We
179 also cross-reference values provided with any industry or academic studies that have been performed.

180 **S2.2.6 Other Restrictions**

181 Technology performance can be impacted by a variety of factors including wind speeds, temperatures, time
182 of day, and cloud-cover. Certain technologies require specific combinations of these conditions in order to
183 operate properly and achieve their reported MDL. After numerous conversations with both service providers
184 and producers, it was determined that service providers do not typically operate in sub-optimal conditions,
185 and the incorporation of “weather days” are normally included in quotes. For each application of the model,
186 Arolytics confirms with service providers that the technologies will only be deployed in conditions that meet
187 the technology performance requirements and that “weather days” will not impact measurement costs.

188 **S2.3 Model Set-Up**

189 Before running the model, the user must define an annual LDAR program as a series of methane measurement
190 or detection “campaigns” (example in Table 1). Each campaign constitutes a technology being sent to a
191 selection of upstream sites for leak detection. Typically, all infrastructure included in a campaign is only
192 surveyed or screened once. If infrastructure needs to be surveyed more than once throughout the year, more
193 campaigns are included in the LDAR program.

194 The LDAR program to be modeled can be adjusted to incorporate a variety of scenarios, including baseline
195 (no LDAR), default (the regulatory default requirements for the region), or any type of alternative LDAR
196 program.

197 **S2.3.1 Technology Type(s)**

198 The user can choose which technologies they wish to model from a list of technology options that Arolytics has
199 compiled for the region of interest. Technology options include unique combinations of both the technology
200 type and the service provider who will implement the technology. Each technology chosen to include in the
201 program requires a new field measurement campaign, referred to as a “campaign”.

202 **S2.3.2 Campaign Type**

203 For each campaign, the user must choose a “campaign type”. Campaign types include: “survey”, “flag”, and
204 “follow-up”, defined below.

Table 1: Example of a basic LDAR program design.

Campaign	1	2	3	4
Start Date	April 1st	June 1st	June 5th	September 1st
Type	Survey	Flag	Follow-Up	Survey
Technology	OGI	Aircraft	OGI	Truck
Tech. Scale	Equipment	Site	Equipment	Site
Infrastructure	All wells and facilities	All wells and facilities	All sites from Campaign 2 found to be emitting more than 100 m ³ /day	All single well pads

Figure 1: Example of a basic LDAR program design.

- 205 • *Survey*: This campaign type signifies that the chosen technology is the main method of methane
206 detection that will be used at each well or facility it is sent to. Infrastructure found to be emitting
207 during a “survey” campaign will be repaired. Typically, OGI campaigns are classified as “survey”
208 campaigns.
- 209 • *Flag*: This campaign type is typically chosen for “alternative” technology types that are unable to
210 pin-point exact leak locations. A “flag” campaign indicates that any leaks identified with the chosen
211 technology must be followed up by a more detailed technology to localize the leak and/or quantify
212 the emission rate. Sites found to be emitting during a “flag” campaign will not be repaired until a
213 “follow-up” campaign has taken place.
- 214 • *Follow-Up*: This campaign type is only used in conjunction with a “flag” campaign. During a “follow-up”
215 campaign, the chosen technology is only sent to sites that were screened during the corresponding “flag”
216 campaign and found to be emitting above a certain threshold (see Follow-Up Threshold below). Sites
217 found to be emitting during a “follow-up” campaign will be repaired.

218 S2.3.3 Campaign Infrastructure

219 For each campaign, the user must define the specific infrastructure locations that will be surveyed, screened,
220 or flagged. This approach provides the user with the flexibility to model more accurate LDAR programs.
221 For example, some producers may want to experiment with using an alternative technology to identify leaks
222 at more remote sites, while still implementing a default regulatory LDAR approach at sites with better
223 accessibility.

224 S2.3.4 Campaign Start Date

225 The user must define a start date for each campaign. The model calculates the number of days each campaign
226 will take according to the survey time defined for the technology (see Survey Time), and the infrastructure
227 included in the current campaign (see Campaign Infrastructure).

228 **S2.3.5 Follow-Up Threshold**

229 The follow-up threshold defines which sites identified as leaking during a “flag” campaign will be followed-up
230 by a more detailed technology to localize the leak for repair. This threshold is either an emission rate (in
231 m³/day), or a portion of the highest emitting sites (for example, the 10% of sites found to be emitting the
232 most). The follow-up threshold can be defined separately for each “flag” campaign included in the LDAR
233 program.

234 **S2.4 Input Parameters**

235 Input parameters are compiled uniquely for each application of the model because each producer, geographical
236 region, and production type are subject to varying methane emission characteristics.

237 Input parameters are most accurate for producers who have already conducted routine LDAR programs over
238 multiple years, as these datasets provide insights into the producers’ emission profiles and repair practices.
239 As routine LDAR programs are conducted by all Canadian oil and gas producers throughout 2020, the rigor
240 of the model input parameters will improve because real, and relevant, datasets can be used to calculate
241 region and company-specific parameters.

242 **S2.4.1 Leak Production Rate**

243 The Leak Production Rate (LPR) is the probability that a given site will begin leaking on any given day.
244 When possible, the LPR is calculated uniquely for each infrastructure type. In cases where a producer has
245 already conducted routine LDAR programs, the LPR is derived from these datasets. In cases where there has
246 been no rigorous LDAR programs to-date, the LPR is calculated from previous emission studies in similar
247 areas and / or oil and gas development types.

248 The likelihood of leaks appearing or re-appearing, is an important characteristic to consider when modeling
249 emission rates over time. To-date, LPR is loosely defined due to a lack of continuous and / or repeated
250 methane measurements at upstream infrastructure. A key piece of missing data surrounding LPR is the
251 reoccurrence of leaks at upstream infrastructure after they have been repaired. With each application of the
252 model, Arolytics seeks to strengthen the validity of the LPR parameter using the new, and vast, amounts of
253 LDAR measurements being collected in the Canadian oil and gas industry.

254 **S2.4.2 Leak Distribution Profile**

255 The Leak Distribution Profile (LDP) is a series of possible fugitive emission rates (in m³/day). The LDP
256 defines the likelihood that various magnitudes of leaks might occur. When possible, we attempt to obtain a
257 unique LDP for each infrastructure type, because often different infrastructure types have varying emission
258 profiles.

259 In cases where a producer has already conducted routine LDAR programs, the LDP is derived from these
260 datasets. In cases where there has been no rigorous LDAR programs to-date, the LDP is derived from
261 previous emission studies in similar areas and / or oil and gas development types.

262 **S2.4.3 Repairs Per Day**

263 The model assumes that leaks may be repaired by the producer as soon as one day after they are detected.
264 However, there is a limit to how many repairs a producer can reliably complete in one day. The number of
265 repairs that can be performed in one day in the model is defined as “Repairs Per Day”. This value is derived
266 from conversations with producers about their operational practices.

267 **S2.4.4 Natural Repair Rate**

268 Natural Repair Rate (NRR) is the probability that a leak will be repaired during normal operations, and
269 not as a part of an LDAR program. The NRR is calculated from previous LDAR datasets when possible,
270 or otherwise it is estimated from best available data. Typically, the NRR is low, and has negligible impact
271 compared to other parameters.

272 **S2.5 Model Process**

273 This section defines each step of the methane simulation as it occurs in the model (example in Figure 1).
274 The model is probabilistic because it incorporates random variables when simulating leaks, assigning leak
275 sizes, and simulating repairs. This means that each time the model is run with the same input parameters it
276 will produce different results. For this reason, a Monte Carlo simulation is used to approximate the most
277 probable outcome.

278 **S2.5.1 Timestep**

279 The model typically simulates an LDAR program over a period of one calendar year (January 1st – December
280 31st), however longer simulations are possible. The model is run in a timestep of one day, which means that
281 the process of simulating leaks and repairs is done on a day-by-day basis.

282 **S2.5.2 Campaign Length**

283 Using the infrastructure types, technology types, and corresponding survey time details (the number of sites
284 that the service provider can survey in one working day), the model calculates the number of days required
285 to complete each campaign. The campaign length is added to the campaign start date (defined during the
286 model set-up) to provide a campaign end date. The campaign length does not incorporate weather days, as
287 inclusion of weather days would not notably impact emission reductions or measurement costs. Campaign
288 length is a key component to estimating LDAR program cost.

289 **S2.5.3 Leak Simulation**

290 For each day of the simulation, certain non-leaking infrastructure is randomly assigned a “leaking” status
291 based on the LPR. The “leaking” status persists through every day of the simulation until the leak gets
292 repaired (either naturally, or as part of the LDAR program). Each piece of infrastructure with a “leaking”
293 status is randomly assigned an emission rate from the corresponding LDP.

294 Producers do not typically have comprehensive information about equipment located on each site, so leaks
295 are simulated at the infrastructure (ex. well or facility) scale.

296 **S2.5.4 Campaign Simulation**

297 If the current day of the model is part of a campaign (as defined in Campaign Length), the model simulates
298 the campaign leak detection activities. To do this, infrastructure locations are randomly selected to be
299 surveyed or screened by the technology of the current campaign. The model randomly selects one piece of
300 infrastructure at a time until the total time required to survey or screen those sites approximates one day.
301 Once the sites to be surveyed on the current day are selected, the probability of leak detection is applied to
302 identify where leaks might actually be detected. Finally, of the sites where leaks might be detected, if the
303 selected infrastructure is leaking at an emission rate greater than the MDL of the technology being used in
304 the campaign, the infrastructure is flagged as follows:

- 305 • For “*survey*” campaigns: Infrastructure that are selected for the current day are identified as “surveyed”,
306 and infrastructure that are found to be leaking above the MDL are identified as “detected”.
- 307 • For “*flag*” campaigns: Infrastructure that are selected for the current day are identified as “visited”, and
308 infrastructure that are found to be leaking above the MDL and the follow-up threshold are identified as
309 “requiring follow-up”.
- 310 • For “*follow-up*” campaigns: Infrastructure that are selected for the current day are identified as
311 “surveyed”, and infrastructure found to be leaking above the technology MDL are tagged as “detected”.

312 This process is completed for each day of the year that has an active LDAR campaign.

313 S2.5.5 Natural Repair Simulation

314 To simulate natural repairs, leaking infrastructure are randomly selected to be repaired according to the
315 NRR.

316 Directly after natural repairs, these infrastructure locations are no longer considered leaking for the current
317 day. However, on the following day of the simulation, the newly repaired site is just as at risk of starting to
318 leak as all other non-leaking sites. This process could change as we collect more comprehensive data about
319 the probability of leaks reoccurring at various sites.

320 S2.5.6 Repair Simulation

321 For each day of the simulation, leaking infrastructure that has been detected on a “survey” or “follow-up”
322 campaign can be repaired. To simulate repairs that are part of the LDAR program, all leaking infrastructure
323 that was detected on a campaign is randomly selected until the maximum number of repairs per day has
324 been reached. All leaks at the selected infrastructure locations are then repaired.

325 Directly after repairs, these infrastructure locations are no longer considered leaking for the current day.
326 However, on the following day of the simulation, the newly repaired site is just as at risk of starting to leak
327 as all other non-leaking sites. This process could change as we collect more comprehensive data about the
328 probability of leaks reoccurring at various sites.

329 S2.5.7 Results

330 Results of the model include: (a) a day-by-day summary of estimated fugitive methane emission totals for
331 the region, (b) the estimated cost of the modeled LDAR programs, (c) a summary of baseline emission
332 calculations for the region and a comparison between baseline and alternative programs, and (d) a summary
333 of emission reductions that would occur from implementing a default LDAR program for corresponding
334 regulatory jurisdiction, and a comparison between default regulatory programs and alternative programs.

335 The model can be used to iteratively test combinations of various input parameters mentioned above. For
336 example, the user may wish to test various follow-up thresholds with technology types. In this case, the model
337 runs every possible combination of parameters and produces a summary of the most effective programs.

338 S2.6 Assumptions and Risks

339 It should be noted that results of the model are not guaranteed to reflect what may occur when these
340 LDAR programs are implemented in reality. It is the sole responsibility of the producer to ensure LDAR
341 programs are completed as prescribed. Arolytics has no control over the implementation of any proposed
342 LDAR programs, and therefore does not guarantee that the LDAR program will result in methane emission
343 reductions equivalent to or less than default LDAR programs.

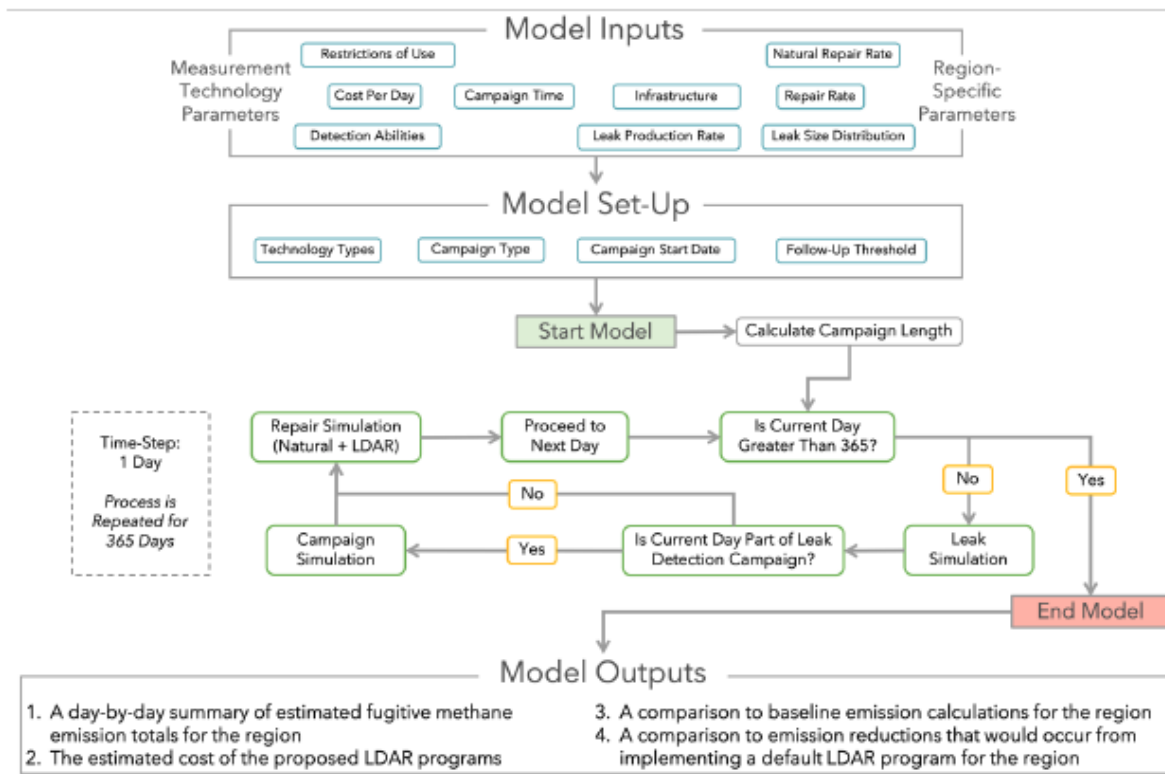


Figure 1: Flow-chart of model process.

Figure 2: Flow-chart of model process.

344 The risk of the model results not reflecting reality increase for developments where routine LDAR programs
345 have not been implemented, or in developments where Arolytics is not able to access emission datasets from
346 similar regions / production styles.

347 Depending on the level of methane emission data available for each region to be modelled, assumptions may
348 be made for various input parameters. Arolytics will disclose all assumptions to the producer in the final
349 project report, and we encourage these assumptions to be additionally disclosed to the regulator upon the
350 submission of an alternative LDAR program application.

351 It is also important to note that the model is continually being refined and the above process is subject to
352 change. Any changes in process will be identified upon completion of the modeling work.

353 **S2.7 Confidentiality**

354 Arolytics understands the importance of being transparent about methods used to model alternative LDAR
355 emission reductions. On reasonable request, Arolytics will disclose detailed descriptions of all processes used
356 to acquire and analyze emission datasets, as well as the model algorithms. As a for-profit business, Arolytics
357 reserves the right to withhold information about methods from parties who may be positioned as competitors
358 to our products and services. The information contained in this document is confidential, privileged, and
359 only for the intended recipient and may not be used, published or redistributed without the prior written
360 consent of Arolytics Incorporated.