

THE COMMUNITY CONNECTOR

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THE BC OIL AND GAS COMMISSION'S BIANNUAL NEWSLETTER – ISSUE 3

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MESSAGE FROM THE CEO



Welcome to another edition of The Community Connector where you can learn more about the BC Oil and Gas Commission (Commission), its diverse staff and some of our specific projects and programs. In the following pages you'll find an update on legacy oil and gas sites and what's happening to restore those; and efforts to expand the northeast B.C. water monitoring network and how the Commission monitors water use by the industry.

As I write this, we're still managing the effects of the pandemic – ensuring we keep our staff safe, but also making sure we're meeting our broad mandate that includes public safety and staying connected with our varied stakeholders. We've included the results of our recent stakeholder survey, where we sought valuable feedback from area residents and local government officials. That information allows us to improve and better tailor our programs and services as a regulator to meet your needs.

This is the second year for this newsletter and the third time I've been able to introduce it, but it may be my last. After 10 years leading this organization, I'll be <u>stepping down</u> in the fall. There is a formal search process underway now to find a successor, but there will be no interruption to the vital work the Commission does on behalf of all British Columbians. It has been an honour to serve you and I hope you'll enjoy this latest edition of The Community Connector.

Paul Jeakins CEO

PETROLEUM & NATURAL GAS LEGACY SITES RESTORATION IN NORTHEAST B.C.

Government and industry partners are launching a first-of-its-kind effort to restore oil and gas legacy sites across northeastern British Columbia (B.C.).

Legacy sites include seismic cut lines that were historically associated with oil and gas development or exploration, and which have no current regulatory obligations for restoration. Such legacy sites can have long-lasting effects on wildlife habitat and on traditional land uses by Indigenous peoples if not suitably restored.

In 2020, the Province of British Columbia and the oil and gas sector signed a Petroleum and Natural Gas Restoration Memorandum of Understanding (MOU) to collaborate on planning and joint funding for projects designed to restore legacy oil and gas disturbances.

The signatories to the MOU have contributed \$1.5 million in funding to support the implementation of this restoration program. An additional \$5 million has been allocated to this program thanks to funding provided to the Province by the Government of Canada as part of its COVID-19 Economic Response Plan.

The funding will be managed through the BC Oil and Gas Research and Innovation Society (BC OGRIS) under the "Legacy Sites Restoration Program" (LSRP). The LSRP will provide opportunities for Indigenous communities, service contractors, and stakeholders in B.C. to apply for funding to support restoration activities. Further information and updates regarding the Legacy Sites Restoration Program implementation can be found <u>here</u> or at the <u>BC OGRIS website</u>.



VIEW OF SEISMIC CUT LINE. PHOTO CREDIT: BLACKBIRD ENVIRONMENTAL LTD.

REVIEWING INDUSTRY WATER USE AND IMPROVING WATER USE TRANSPARENCY

The Commission's Stewardship Water Team (Water Team) has been busy working on two key projects. The goals are to increase and ensure compliance with water licence conditions and to address the perceived lack of transparency regarding water use in the oil and gas industry.

Project #1. Water licences administered by the Commission have standard conditions for withdrawal reporting as well as seasonal and / or diversion rate conditions specific to the water source. Through an audit process, the Water Team identified 13 water licences held by 10 operators to ensure companies are adhering to individual licence conditions. In January, 2021 a letter was sent to each licence holder asking them to show the process(es) by which they comply with seasonal and / or diversion rate conditions, and calculate actual daily withdrawal volumes. Submissions are being reviewed as they are submitted and currently most water licence holders are in compliance with their conditions.

Project #2. Joining with the Commission's Reservoir Engineering and Planning & Technology teams, the Water Team has been working on the Augmented Water Data Management Project aimed at improving the Commission's management and reporting of industry water use data. A gap analysis was done to identify how well the Commission is tracking the water lifecycle in the oil and gas industry and to highlight areas in need of improvement. The project team is currently planning next steps. Examples of licence conditions can include: maximum amount of water that may be diverted; specific thresholds for withdrawal rates based on supply; and requirements to keep detailed records of all withdrawals.



SAFETY IN OIL AND GAS OPERATIONS

One of our most important human needs is to feel safe. The Commission is dedicated to overseeing safe and responsible oil and gas operations across the province. Our Security and Emergency Management branch is dedicated to ensuring oil and gas operators under our jurisdiction meet the obligations set forth in the Emergency Management Regulation (EMR).

The Security and Emergency Management branch ensures every permit holder maintains the highest level of capability and competency for emergency management. Oil and gas operators must have an Emergency Management Program which includes creation and regular maintenance of Emergency Response Plans (ERP), continued training, and successful completion of annual exercises.

Commission analysts review each ERP to confirm every plan includes all necessary processes and protocols for an effective, all-hazards approach. Directed by these plans, company staff have the tools to respond to incidents that could occur with any oil or gas operation. Analysts also evaluate permit holders' tabletop (discussion-based) and full-scale exercises. Using simulated incidents, plans are robustly tested - from basic elements such as where roadblocks are set to working through complex, multi-agency incident management. One key area we examine is how companies make use of the Incident Command System (ICS). Mandated in regulation, the ICS allows each company to integrate their response efforts with other companies, incident specialists, and local responders. It is the common language of effective emergency management, and companies need to speak it fluently while testing their Emergency Response Plans or responding to an actual incident. Following each exercise, analysts create a report, providing valuable feedback on a company's strengths, areas for improvement or identifying the need for corrective actions.

These best practices are also used in the Commission's own Emergency Operations Centre (EOC). Opened for major incidents, the EOC provides oversight and coordination to ensure public safety and environmental protection are always in focus.

Our staff members live, work, and play in areas across the province where resources are explored, extracted, and transported. We take pride in our role ensuring oil and gas operators meet high standards and best practices outlined by our EMR and guidance, and we want residents to feel as confident as we do that public safety is always the highest priority.

THE ABORIGINAL LIAISON PROGRAM

Building meaningful relationships when we come together.



What is the Aboriginal Liaison Program (ALP)? The ALP is a partnership between First Nations and natural resource and emergency management government agencies (agencies) that seeks to build strong two-way communication and information sharing throughout the lifecycle of natural resource development. The ALP and its participants are supported by the BC Oil and Gas Research and Innovation Society.

What does the ALP do? Now in its fifth year, the ALP has expanded to nine agreements supporting 15 unique First Nations in northern B.C. The ALP facilitates interaction between participating First Nation Liaisons and agency staff – finding new and innovative ways to connect, creating dialogue and enhancing relationships, and supporting collaborative compliance and stewardship monitoring, emergency management, reclamation and other natural resource development activities of mutual interest.

How does the program work? First Nations participating in the ALP hire Liaisons who engage with agency staff on joint inspections and training opportunities. Liaisons also conduct independent monitoring of important areas identified by their communities. Through these opportunities, Liaisons can gain and bridge knowledge and communicate issues and other information of interest to their community back to agencies. In turn, and part of the important two-way communication, agency staff are also able to better understand Indigenous peoples' values and traditional knowledge in relation to natural resource development, and adjust agency processes for improved environmental stewardship and better natural resource and emergency management.

HIGHLIGHTING MAJOR PROJECTS

A portion of projects regulated by the Commission are defined as major projects. This means they are large-scale oil or gas projects that generally require provincial and / or federal environmental assessments in addition to being regulated by the Commission. Major projects are usually located outside northeast B.C., and examples include LNG export facilities such as LNG Canada and Woodfibre LNG, and the related infrastructure such as the Coastal GasLink Pipeline and Eagle Mountain Pipeline.

The Commission has a dedicated and professional Major Projects team that plays an important role in coordinating the Commission's oversight of major projects with the respective environmental assessment processes. This includes working closely with the BC Environmental Assessment Office and participating in working groups that typically include local governments and representatives of Indigenous communities. The provincial environmental assessment process is one method by which we hear comments from communities in advance of our own regulatory review. The team also leads Indigenous consultation on applications for major projects.

Listening to communities and keeping them informed is integral to the Commission's work. The Major Projects team plays a role in providing project-specific information, or simply introducing our organization and what we do. This can include hosting information sessions, visiting council meetings, and serving as a central point of contact for local governments. We also work with the Commission's Community Relations team on input received related to major projects.

For more information on the Major Projects department, and a list of applicable projects, visit our website at <u>www.bcogc.ca/what-we-regulate/major-projects</u>.



MEMBERS OF THE MAJOR PROJECTS TEAM TOUR THE WOODFIBRE LNG SITE. PHOTO TAKEN PRIOR TO MANDATORY MASK REQUIREMENTS.

ARCHAEOLOGY AUDIT PROGRAM

The Commission introduced the Archaeology Audit Program (AAP) in 2008 as a necessary component of the performance-based and professional reliance review process for the management of archaeology resources by oil and gas permit holders. It is the permit holders' responsibility to ensure all legal and regulatory obligations are met. Oil and gas applicants are expected to engage archaeology professionals to evaluate archaeology conflicts within proposed development areas. Under such a process, the Commission expects permit holders to take responsibility and be accountable for the protection and management of heritage resources. Permit holders must ensure planning and development activities comply with the Heritage Conservation Act and meet permit conditions set out by the Commission.

The Commission provides support throughout the lifecycle of each project to assist permit holders achieve best practices when managing archaeology resources. The AAP is engaged after construction of the project when the Commission evaluates the effectiveness of the permit holder's performance by auditing their archaeology management system. Each audit cycle considers changing trends in the oil and gas industry to ensure all aspects and types of development are considered. The results of the audit cycle are published on the Commission's website and can be found $\underline{here}.$



VIEW OF AN ARCHAEOLOGY SITE THAT HAS BEEN AVOIDED NEXT TO A CONSTRUCTED PIPELINE RIGHT OF WAY.

2020-2021 INDIGENOUS EDUCATION PROGRAM

The Commission's Indigenous Education Program has been running since 2017. It operates through partnerships with post-secondary institutions across the province to provide Commission-sponsored scholarships and training programs for Indigenous peoples. The goal of this program is to provide tangible skills that can benefit an individuals' employability, their communities' capacity, and promote a holistic approach to Indigenous peoples' participation in Commission operations across the regulatory lifecycle. This is just one of the many steps the Commission takes to meet its commitments to reconciliation and to implement the United Nations Declaration on the Rights of Indigenous Peoples.

This year, with support from the Ministry of Advanced Education and Skills Training, we are hosting two programs. Both programs provide students with tuition, equipment, support services, and travel supports.

Northern Lights College:

This eight-month environmental and reclamation focused program started on March 15 with 25 students from nine different Nations. This training is online, with hands-on components where students

are paired with a mentor for activities in the field. Students are learning about:

- Conducting environmental site assessments
- Investigating environmental issues
- O Collecting surface water, groundwater and soil samples
- O Remediation, reclamation and monitoring
- Critical skills for employment

Natural Resource Training Group:

This six-week intensive training program in environmental monitoring ran from March 15 to April 23. Students from 11 different Nations across B.C. learned online and through student-led field work about:

- O Environmental monitoring
- Wildlife, bird and amphibian surveys
- Fish and fish habitat inventories
- Assessment and restoration
- Vegetation and soil surveys
- Erosion and sediment control
- Spill response measures
- Technical writing and reporting

EXPANDING NORTHEAST B.C.'S WATER MONITORING NETWORK

The Commission's Stewardship Water Team has been busy the past three years acquiring funding, building partnerships with Ministry representatives, industry and local First Nation groups, and installing hydrometric stations to collect streamflow information to support water management in northeast B.C. To date, two projects have been funded.

Project 1 - In 2018 the Commission received funding from the BC Oil and Gas Research and Innovation Society (OGRIS) for the "Water Monitoring of Small Watersheds" program. The primary objectives of the project are to gather streamflow data in areas where data is currently limited or nonexistent, strengthen relationships with First Nation communities, and to share water knowledge. To date we have installed four stations in partnership with four First Nation communities in local streams and rivers: Doig River First Nation in the Osborn River; Saulteau First Nations in Le Bleu Creek; Prophet River First Nation in Martin Creek; and Blueberry River First Nations in Upper Aitken Creek. Figure 1 shows the location of the four stations and upper watershed areas.

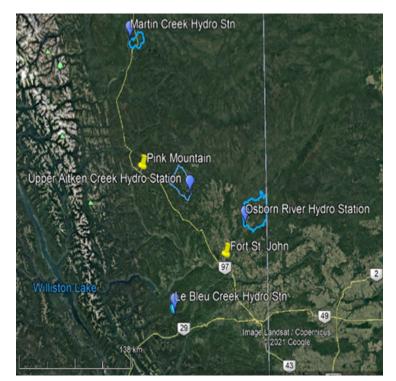


FIGURE 1. THE LOCATION OF FOUR WATER STATIONS INSTALLED FOR THE "<u>Water</u> <u>Monitoring of Small Watersheds</u>" PROGRAM.

EXPANDING NORTHEAST B.C.'S WATER MONITORING NETWORK

Project 2 – In 2020 the Commission received funding from Geoscience BC for two of the three projects within the "Pilot Collaborative Water Monitoring Program, Northeast B.C.". The program is led by the Commission, Shell Canada Ltd., and the Ministry of Energy, Mines and Low Carbon Innovation (EMLI). It aims to collect water quantity and quality data to address recommendations in the 2019 Scientific Review of Hydraulic Fracturing in British Columbia report, as well as provide information for further uses such as groundwater-surface water interaction studies and watershed water balance studies. The program hopes to work with Treaty 8 First Nations to collect Indigenous Knowledge to be considered alongside western science data. Geoscience BC launched the program in March 2021 and it runs until March 2023.

The Water Team is very excited to be leading these two projects. All data collected by the Commission through both programs will be made publicly available through the <u>Water Portal</u> on our website.



THE WATER TEAM IN ACTION. PHOTO TAKEN PRIOR TO MANDATORY MASK REQUIREMENTS.

DID YOU KNOW...

...updates to the Emergency Management Regulation are coming! Changes will improve training, hazard planning and implementation requirements. Stay tuned for more information this summer / fall.

2020/21 STAKEHOLDER SURVEY KEY FINDINGS

The BC Oil and Gas Commission (Commission) conducts an annual survey with the stakeholders it interacts with. This includes land owners who live directly in or adjacent to areas where oil and gas activity is taking place (or is planned to take place) and local government officials. This information is useful in helping us know where we are doing well and where there are opportunities to do better. We will be analyzing the data and using it to continue to improve how we regulate, inform and engage with our stakeholders.

The survey measures and tracks the following:



Between Jan. 25 and Feb. 22, 2021, 5,977 surveys were sent out to land owners and local government officials, with 530 returned.

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2020/21 STAKEHOLDER SURVEY KEY FINDINGS

AWARENESS OF THE COMMISSION'S RESPONSIBILITIES, NEW **INITIATIVES AND ACTIVITIES**



Awareness of the Commission's responsibilities has increased significantly in all areas based on comparisons of survey results over the past three years. Stakeholders were more aware of the Commission's responsibilities regarding compliance and enforcement, consulting with Indigenous Nations and reviewing all applications for oil, gas and geothermal development activity in B.C.



Stakeholders were least aware the Commission provides the public with 24/7 access to report safety concerns or complaints, that it monitors seismic activity, and it takes over the management of sites and facilities from operators no longer able to manage them.



When it comes to new initiatives and activities, awareness was highest for the Commission's work to reclaim orphan and dormant wells, and its work to reduce and prevent impacts of hydraulic fracturing (40 per cent and 35 per cent, respectively).



CONFIDENCE IN THE COMMISSION'S DECISION MAKING PROCESS



Two-thirds of stakeholders (67 per cent) were very or somewhat confident the Commission makes fair and balanced decisions when it comes to approving or not approving oil, gas and geothermal projects in B.C. - and only 16 per cent were not confident. Stakeholders tended to be very confident because they believe the Commission has a good track record for decision-making, has highly qualified staff, has the necessary regulations and protocols in place to ensure compliance, and they trust the approval process.



CONTACT WITH THE COMMISSION

Most stakeholders were aware of at least one of the Commission's 10 channels to engage with us - with awareness ranging from 84 per cent to 91 per cent. Just over one-quarter (27 per cent) have used at least one channel in the past 12 months. Stakeholders interacted the most with the Commission through our website or social media (17 per cent and 13 per cent, respectively).



Performance ratings on the Commission's channels were generally very positive - in particular for office staff, phone staff and email contact. For these three channels, nine-in-ten stakeholders awarded excellent/good ratings to the Commission for being polite and respectful, communicating in a way that they can understand, providing accurate information and addressing questions in a timely manner

LAND OWNER SUGGESTIONS



Land owners provided a number of suggestions to the Commission. These included:



Increasing the visibility of the Commission and what it does.



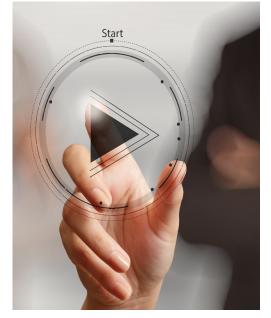
Ensuring stakeholders are kept up-to-date on the progress of oil and gas projects and their potential impacts.



Hiring more locals / more experienced individuals.



Working to reduce the environmental impacts from oil and gas activity and continuing to enforce regulations through inspections and other compliance measures.



VIDEO HIGHLIGHTS

We've been busy decommissioning over half of B.C's 770 orphan well sites. It's a key step on the path to full restoration. But what is an orphan site? And what is the process of restoring an orphan site? To find out, watch our four-minute <u>Orphan Site Restoration Video</u>.

The Commission's Core Research Facility archives and provides public access to inspect and examine petroleum well cores and drill cutting samples. Public access to the rock samples is an important component in the Province's continued commitment to natural resource science, and helps to foster continued responsible oil and gas industry development. Click on the link for a <u>virtual tour of our Core</u> <u>Research facility.</u>



DID YOU KNOW...

... we have <u>26 Factsheets</u> on our website on topics including: geothermal energy, water use in oil and gas, induced seismicity, major projects, and so much more!

TO LEARN MORE ABOUT THE WORK WE'RE DOING











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