



THE COMMUNITY CONNECTOR

NOVEMBER 2020

THE BC OIL AND GAS COMMISSION'S
BIANNUAL NEWSLETTER – ISSUE 2

CONTENT

01

MESSAGE FROM THE CEO

02

SEISMICITY STUDY IN TOWER LAKE

02

COMMISSION REGULATES FORMER CER ASSETS

03

HIGHLIGHTING THE COMMUNITY RELATIONS TEAM

03

UPDATE ON ORPHAN SITES IN B.C.

04

AN INTRODUCTION TO THE DORMANCY AND SHUTDOWN REGULATION AND DORMANT SITES IN B.C.

04

ENSURING THE SAFE AND RESPONSIBLE STORAGE OF PRODUCED WATER

05

UPDATE TO THE CONSULTATION AND NOTIFICATION REGULATION

05

OIL AND GAS ROAD REGULATION (OGRR) UPDATE

06

WELL DECOMMISSIONING GUIDELINES ARE COMING!

06

A QUICK HISTORY OF THE LIGHT GUIDELINE DEVELOPMENT

07

WORKING TOGETHER TO RESTORE THE LAND

MESSAGE

FROM THE CEO



Paul Jeakins
CEO

This is the second edition of our external newsletter to help keep you informed of some of the key matters the BC Oil and Gas Commission (Commission) is working on. You'll see in many of these articles – whether it's installing seismic monitors, restoring orphan and dormant oil and gas sites, or regulatory changes – there is a common thread around safeguarding the environment and respecting those affected.

The environment and respect are just two aspects of a multi-faceted mandate the Commission is charged with delivering on and it would be an understatement to say 2020 has been a challenging and most unusual year. Yet, through it all, we have remained focused on providing services for our many stakeholders, including land owners, local government and industry.

I hope you'll enjoy reading some of the stories in this newsletter and it provides you with some insights into the work being done by our staff in communities around the province. And as this year draws to a close, I also wanted to let you know we're thinking about you and your families. I wish everyone a safe and healthy holiday season and hopefully we can all turn the page to an improving new year in 2021.

SEISMICITY STUDY IN TOWER LAKE

The BC Oil and Gas Commission (Commission) is working with Natural Resources Canada (NRCan) and a private Canadian company called Symroc to collect high detail data on an upcoming hydraulic fracturing operation in the Tower Lake area. The data from this study will be used to inform regulations pertaining to seismic activity and will provide insights on how industry can address seismic activity before it results in felt events.

Symroc designed a compact seismic monitoring device that is more affordable to manufacture and power. A series of 36 monitors will be installed in a grid formation in the area of a hydraulic fracturing activity. Installation is expected to be complete by the end of November of this year and removed after the fracturing activities are completed in early spring. This is a collaborative project involving a number of land owners, Symroc, the federal government and the provincial regulator. The Commission is providing support to determine best locations for the monitors and provide guidance on installing the equipment on private land.

Although the Commission already has a regional seismic array of 20 monitors throughout northeast B.C., this study will allow Symroc to thoroughly test their equipment and provide NRCan and the Commission with additional high fidelity data. Data from the monitors will be shared with land owners and made publicly available.



COMMISSION REGULATES FORMER CANADA ENERGY REGULATOR ASSETS

Changes to ownership of several gas processing plants and pipelines means their regulatory oversight has shifted from the Canada Energy Regulator (CER) to the Commission. All of these plants and pipelines were once owned by Westcoast Energy Inc., then acquired by Enbridge and later sold to other parties.

On June 3, 2019 Enbridge sold the Pine River Gas Plant near Chetwynd to Sukunka Natural Resources Inc. The remaining gas processing plants and associated raw gas pipelines were sold to NorthRiver Midstream on Dec. 31, 2019. The following facilities in B.C. were included in the December 2019 sale:

- AITKEN CREEK – Mile 135 Road,
- CABIN – North East of Fort Nelson,
- DAWSON Creek – West of Dawson Creek,
- FORT NELSON Main – Mile 370 Alaska Highway,
- HIGHWAY – Mile 121 Alaska Highway,
- JEDNEY 1 & 2 – North East of Wonowon,
- MCMAHON Plant – Taylor,
- TUPPER MAIN – South of Dawson Creek,
- TUPPER WEST – South of Dawson Creek, and
- WEST DOE – Rolla area.

What does this change mean for our stakeholders? The good news is – not much! Like other oil, gas and geothermal activities in B.C., the Commission will oversee these 11 gas plants and associated pipelines to ensure industry compliance, public safety, and environmental protection.



If you have concerns with any of these facilities and associated pipelines, please contact the Commission at 250-794-5200 rather than the CER.

HIGHLIGHTING THE COMMUNITY RELATIONS TEAM

Our Community Relations (CR) team works with private land owners, rights holders, and the public when concerns or questions arise in relation to proposed oil and gas, or geothermal activity applications. A member of the CR team may reach out to these stakeholders to better understand their interests, go on site visits, or discuss with an applicant different approaches for addressing or resolving a stakeholder's concern. In addition, they ensure applicants complete their consultation and notification as required by the Oil & Gas Activities Act, and to the level and method of engagement as set out in the Consultation & Notification (C&N) Regulation.

The CR group includes a Community Relations Assistant and three Landowner Liaisons, located in the Fort St. John and Dawson Creek offices, who provide assistance to people all over the province. This team has a combined total of 35 years experience working at the Commission. Members of the group are residents of municipal and rural communities in northeast B.C., and understand the impacts and benefits energy development brings.

The Community Relations Assistant is often the first point of contact for those who reach out to the Commission, connecting a stakeholder with a Landowner Liaison. It is important our stakeholders be part of the process, and that their thoughts and concerns are heard. In addition, the CR team will do their best to match people with a Liaison they may have come to know and have developed a positive working relationship with.

While not all issues can be solved quickly or in a manner that satisfies everyone, the CR team members help stakeholders understand and navigate the C&N process, help them understand how decisions on permit applications are made, and guide members of the public to information available while teaching them to use our self-help tools. The CR team – along with the rest of the Commission and the diverse skills they bring to the table – will respect, listen and work hard to assist British Columbians who are affected by energy resource development.

If you have an inquiry or concern about an oil and gas activity, please call us at 250-794-5200, or by mail to:

6534 Airport Rd Fort St. John, B.C.
V1J 4M6

Tel: 250-794-5200
Fax: 250-794-5378

3-1445 102 Ave Dawson Creek, B.C.
V1G 2E1

Tel: 250-795-2140
Fax: 250-795-2149

If you have concerns regarding an application, please contact Community Relations at oggc.writtensubmissions@bcogc.ca

UPDATE ON ORPHAN SITES IN B.C.

In British Columbia, oil and gas sites such as wells, facilities, or pipelines may be designated as orphan sites when the permit holder is bankrupt or cannot be located. Once a site has been designated an orphan, the Commission commits to its care and control.

The Orphan Site Reclamation Fund is a levy on industry permit holders. This levy allows the Commission to pay the cost of decommissioning and restoring orphan sites. The restoration process ensures sites are restored in accordance with current standards and requirements, and actions have been taken to eliminate all known risks or hazards.

In June 2020, at the end of a long court proceeding, the Commission designated approximately 400 orphan sites permitted to Predator Oil BC Ltd. A number of assets were also transferred to a new operator. Land owners with these newly designated orphan sites are now eligible for compensation for missed rental payments, and most applications from those affected have been reviewed and processed.

The Commission continues to focus on protecting public safety and the environment at all orphan sites. We have been working hard to bring new orphan sites to a safe state and begin the restoration process. We have completed the purging of fluids and gases at all pipelines in the Buick Creek and Stoddard areas, and aim to have this work completed

shortly for remaining infrastructure around Fort St. John. We are also completing the abandonment (permanent plugging) of over 80 wells in the Peace region. This is in addition to the decommissioning, investigation, or reclamation work that is occurring on another 100 sites.

As of spring 2021, we estimate more than 60 per cent of orphan sites will be decommissioned, allowing our reclamation efforts to increase the amount of land being returned to the appropriate land use.



AN INTRODUCTION TO THE DORMANCY AND SHUTDOWN REGULATION AND DORMANT SITES IN B.C.

The Dormancy and Shutdown Regulation (DSR) came into effect in May 2019, making B.C. the first province in Western Canada to impose timelines for dormant site decommissioning, assessment, and restoration. While oil and gas permit holders have always been obligated to restore their sites as a permit condition, the firm timelines for site closure are relatively new to B.C.'s oil and gas industry.

A WELL IS DORMANT WHEN IT DOES NOT MEET A THRESHOLD FOR ACTIVITY IN FIVE CONSECUTIVE YEARS.

The requirements and timelines for decommissioning, assessment, and restoration of oil and gas wellsites were developed with input from a wide range of stakeholders. The timelines and target milestones are both comprehensive and realistic. They require permit holders to methodically address their dormant sites, and the timelines prevent the deferral of site closure obligations until later years. The regulation's desired objective is to hold industry accountable and maintain the "industry pays" approach while protecting the environment and ensuring public safety.

The regulation classifies the sites as follows: Type A dormant sites were dormant as of Dec. 31, 2018. Type B dormant sites become dormant during the transitional period between Jan. 1, 2019 and Dec. 31, 2023. Type C dormant sites become dormant after January 1, 2024. The timelines take into account the backlog of Type A dormant sites, while recognizing that as these sites move through to full regulatory closure, more sites will become dormant (Type B and C sites).

More than 7,000 Type A dormant sites will be fully restored by Dec. 31, 2036. Restoration of Type B and C dormant sites will occur alongside, and in conjunction with the restoration of the Type A dormant sites. A large volume of restoration is occurring, and will continue to occur in the future. This is an unprecedented amount of restoration activity that industry is required to complete over a reasonable timeline.

If you have any questions about dormant sites or would like information about a specific dormant site, please email DormantSites@bcogc.ca.

ENSURING THE SAFE AND RESPONSIBLE STORAGE OF PRODUCED WATER



Oil and gas development is a complex process and the BC Oil and Gas Commission has many experts on staff to ensure each aspect is appropriately managed to ensure public safety and safeguard the environment. One such area is wastewater storage.

Whenever natural gas or oil is produced, water is also often produced. This water is known as "produced" water. "Produced water" originates from deep underground formations where the oil and gas exists. "Flowback" water comes when water is injected into the formation during well completion operations and subsequently flows back to the surface. Both flowback water and produced water are similar, characterized by high salt content (saline water), hydrocarbons or metals, and/or traces of chemicals used for hydraulic fracturing. As such, all flowback and produced water is considered wastewater and must be properly recovered, contained, and managed.

British Columbia has strict laws to manage produced wastewater. Direct discharge to the environment is not allowed. All wastewater must be managed and stored in engineered piping and containment structures built to store the fluids. Containment structures may include "storage ponds" (commonly known as "frac ponds") which are engineered earthen impoundments that include multiple synthetic liners with redundant fluid management systems for environmental protection, and storage systems commonly known as "c-rings" which are synthetically lined above ground structures that have siting, secondary containment, and monitoring requirements to provide environmental protection in the event of spillage.

READ MORE: <https://www.bcogc.ca/stories/ensuring-the-safe-and-responsible-storage-of-produced-water/>

UPDATE TO THE CONSULTATION AND NOTIFICATION REGULATION

The Consultation and Notification (C&N) Regulation requires applicants for oil and gas activities to send notice to or invite comment from land owners, various levels of government, and certain tenure holders. After an in-depth Commission review, this regulation is getting a new look and name! There were so many edits needed to make this regulation easier to understand, it made sense to replace it with a new, re-organized regulation called Requirements for Consultation and Notification Regulation. It will come into effect in spring 2021. While most of the policy will remain the same, the bigger changes are described here:

- Response timelines will increase for those who receive notices or invitations to consult from 21 to 30 days, and start counting from the date of service.
- Invitations to consult must include information about the nature, extent and duration of possible impacts related to noise, dust, odours, light, and vehicular traffic. A description of duration and inclusion of lights are additions to the existing requirement.
- We've removed the definition of major amendment. This is to avoid 'nuisance' notifications on amendments that people have identified they are not interested in. It will also remove a limit on the Commission's authority to require a permit holder to provide

notifications or invitations to consult on an amendment application.

- The definition of rights holder is updated to include OGAA permit holders and geothermal tenure holders.
- Local authorities will no longer be notified if the oil and gas activity is proposed within an official community plan (OCP) area. Companies are required to follow municipal zoning bylaws and any policies falling under the OCP. No consultation will be required with municipalities for a pressure regulating station on an applicant's own land.
- Additional consultation and notification if an application is changed to include a new well, pipeline or facility, or if the proposed capacity of a facility increases in a manner that could significantly increase impacts.
- Consultation distances have been reduced for compressors and for proposals approved through an environmental assessment under the B.C. Environmental Act. Consultation and notification done during that process is strong enough to meet the Commission's standards and does not need to be repeated.

If you have any questions about the Requirements for Consultation and Notification Regulation, please email RegulatoryAffairs@bcogc.ca.

OIL AND GAS ROAD REGULATION (OGRR) UPDATE

This regulation has been updated with new measures to improve road safety and communication. This includes oversight by qualified persons, no storage or garbage in the right of way, access control on private land or for a public interest (such as the protection of Mountain Caribou), update to manufacturing standards for pipes, engineered retaining walls, and signs and markers for bridges.

Requirements for a pre-construction notice have been expanded to include Indigenous Nations and affected permit holders. Indigenous Nations, forest district offices and others will be given 30 days' notice before road deactivation.

The changes also support government's environmental objectives such as ongoing restoration, control of invasive plants, removal of snow fills, keeping bridge supports out of stream channels, and revegetating after deactivation. The changes were brought into force on Aug. 14, 2020.

The OGRR became law in 2013. The Commission is now planning for the next round of updates. Input from Indigenous Nations, land owners, local government, industry and others is important to the continuing

development of a robust regulatory framework. Your feedback informs regulatory updates and can be sent to RegulatoryAffairs@bcogc.ca.



WELL DECOMMISSIONING GUIDELINES ARE COMING!



The Commission is developing guidelines for well plugging and decommissioning. These guidelines will generally align with historic plugging and decommissioning practices, and incorporate additional requirements for high pressure intervals, unconventional wells, and wells used for fluid disposal.

The Drilling and Production (D&P) Regulation establishes requirements permit holders must meet while plugging and decommissioning a well. For example, fluids must not leak from the well and the long-term integrity of the wellbore has to be maintained. The D&P Regulation is results-oriented, meaning a permit holder can choose the process to follow to ensure a well doesn't leak and

the well bore is maintained as long as those results are achieved. The guidelines are being created to provide more direction to help deliver that result.

The Commission currently refers permit holders to Directive 20, published by the Alberta Energy Regulator, for well plugging and decommissioning; however, it has several requirements that only apply to well types found in Alberta. Our new decommissioning guidelines will ensure companies operating in B.C. have guidance in achieving our province's desired results.

If you have any questions about the new guidelines, please email OGCDrilling.Production@bcogc.ca.

A QUICK HISTORY OF THE LIGHT GUIDELINE DEVELOPMENT

Light Guidelines are important and valuable to help address excessive light impacts from well and facility activities permitted under the Oil and Gas Activities Act. This guidance provides a framework and acceptable methodology for permit holders to comply with the regulatory requirements, and acknowledges and addresses the impacts and concerns of the public relating directly to light pollution.

Light complaints as early as 2010 prompted the requirement of permit holders to address light impacts for larger facilities located near residences or public roads. As the Montney play rapidly expanded from 2010 to 2015 into rural farming areas with little existing oil and gas activity, the concerns and complaints related to light pollution began to increase.

To address the growing impacts of light pollution, an excessive light clause was added to the Liquefied Natural Gas Facility Regulation for construction and operations activities. In 2017, a similar change was made in the Drilling & Production Regulation.

To support the new regulatory clauses, and provide further direction and expectation for how industry could comply, the Facility Engineering team developed the first draft of the Light Guideline in June 2018. We reviewed the existing regulatory guidance of other jurisdictions in North America and identified Colorado as the only jurisdiction with relevant feedback.

Part of our process included an internal legal review of the definition

for, "excessive emanation of light" that is in both regulations mentioned above, and in the draft guideline. This effort resulted in the following definition:

Excessive emanation of light from an operation is defined as: Light that is in excess of that required for site security and safe operations, and that causes a material adverse impact to a person.

The single referenced lighting standard that we include in the guideline is the International Commission on Illumination (CIE) 150. This widely accepted standard on the "Limitation of the Effects of Obtrusive Light from Outdoor Lighting Installations," can be used by permit holders for guidance on meeting the regulatory requirements. The guideline does not define a specific acceptable measurable threshold as the noise guideline defines a permissible sound level.

While developing the Light Guideline for B.C., we engaged with a number of external stakeholders including: the Peace District Ministry of Transportation and Infrastructure policy and field staff, the Farmington Community Working Group (FCWG), the Peace River Regional District (PRRD), Canadian Association of Petroleum Producers, and The Explorers and Producers Association of Canada. The latest draft was reviewed with land owners and PRRD representatives at the final FCWG meeting in November 2019.

We anticipate the Light Guidelines will be finalized and come into effect in early 2021.

WORKING TOGETHER TO RESTORE THE LAND

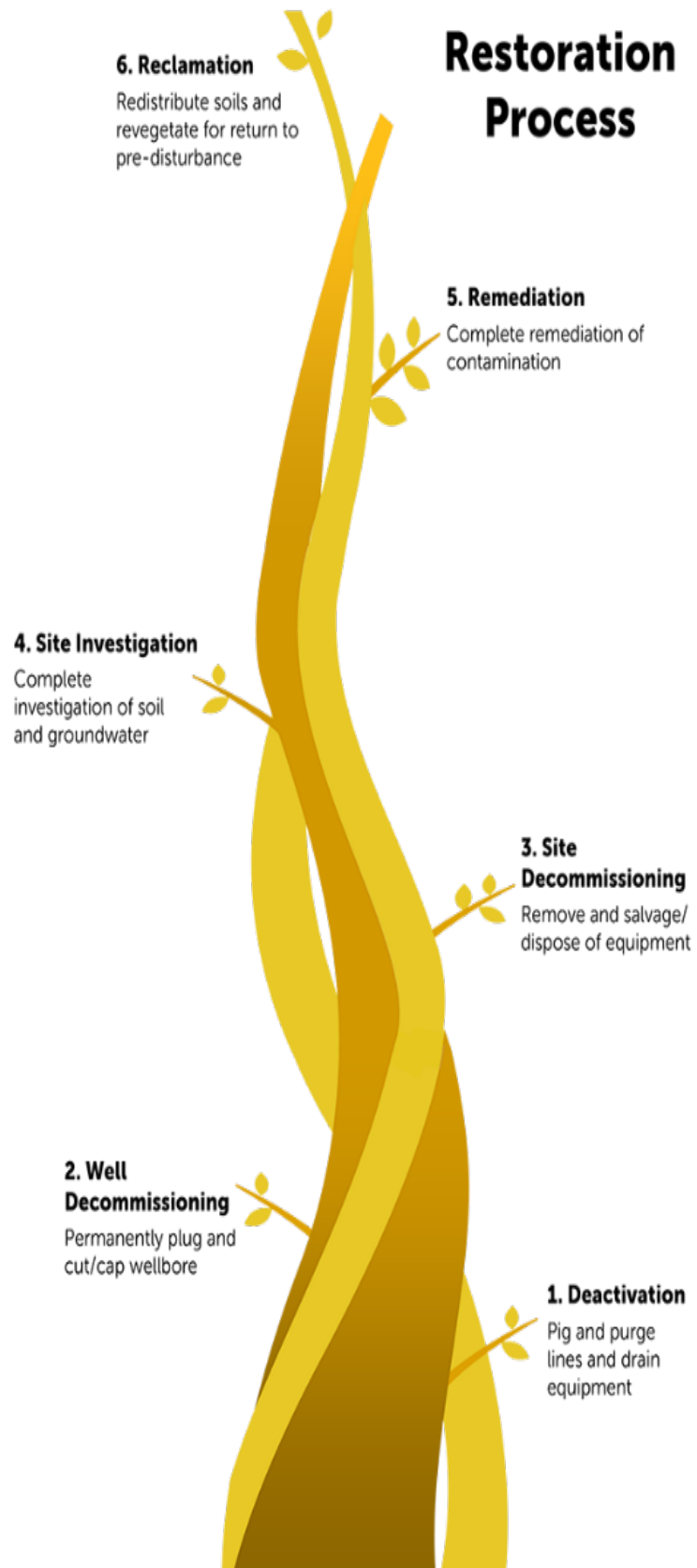
Working collaboratively with Indigenous Nations on oil and gas site restoration is a significant part of how the Commission advances the provincial commitment to reconciliation and implementing the Declaration on the Rights of Indigenous Peoples Act, and the United Nations Declaration on the Rights of Indigenous Peoples. As the provincial regulator, the Commission oversees the restoration of retired oil and gas sites. The goal of restoration is derived from many considerations, including the values of land users in the area. With a shared interest in safeguarding the environment, the Commission is engaging Indigenous groups for their input on several restoration projects. Some examples include:

Priority Sites Identification: During the summer of 2020, the Commission reached out to First Nations across the province to provide information on dormant sites and request their candidates for priority site identification. Priority sites are subject to expedited timelines for closure activities.

Engagement on Restoration Policy: The Commission has been collaborating with Treaty 8 First Nations since 2019 to understand and incorporate Indigenous interests into developing policy on restoration activities. Engagement is now formally facilitated by the recently formed Collaborative Oil and Gas Restoration Advisory Committee for Treaty 8.

Restoration Pilot Projects: First Nations have partnered with the Commission to restore orphan sites in their territories. Projects have been launched with four First Nations to implement reclamation plans that are culturally and ecologically appropriate, while providing economic development opportunities.

The Commission looks forward to growing opportunities for collaboration with Indigenous Nations across the restoration process.



DID YOU KNOW..

...all of our past webinars are posted on our website? If you're interested in watching any of them, they are found [here](#). Topics include:

- Water Use in Oil and Gas
- Emergency Preparedness
- Compliance and Enforcement
- Consultation and Notification
- Managing Orphan Sites

Stay tuned for our upcoming webinar on Induced Seismicity in early 2021.

...complaints from the public can be called in to the Commission 24 hours a day? If you are a member of the public and would like to bring your concerns about a specific oil and gas activity to our attention, call us at 250-794-5200.

For a toll-free way to reach us, call Service BC at 1-800-663-7867 and ask them to redirect you to the BC Oil and Gas Commission.

FREEDOM OF INFORMATION REQUESTS NOW POSTED

One of our values is Transparency. In an effort to be more open and provide the public with clear information about our operations, we recently began posting general requests for non-personal records made under the Freedom of Information and Protection of Privacy Act (FOIPPA). So now the public can see the requests we receive and view our responses. Check out the postings [here](#).

RNG TOPICS

We first described the Regional Networking Group (RNG) in our June 2020 issue of The Community Connector. The RNG is a hub for the Commission to deliver bulletins, updates, and notices about public events to land owners, and receive questions back. From time to time, we may ask for input from the group on matters affecting land owners. So far, Stakeholder Relations has emailed the group with:

- The June issue of The Community Connector.
- An orphan wells update related to Ranch/Predator court proceedings.
- An invitation to watch our Managing Orphans webinar.
- A description of upcoming changes to the Consultation and Notification Regulation.

If you are a land owner and topics like the ones listed above are of interest to you, we invite you to join the RNG. Please send an email to Stakeholder@bcogc.ca and ask to become a member.

TO LEARN MORE ABOUT THE WORK WE'RE DOING



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