

September 23, 2022

Enforcement File: 2018-082FSJ

Predator Oil BC Ltd.
1500, 250-2nd Street, SW
Calgary, Alberta T2P 0C1

Attention: Mr. Brian Stasiak

Re: General Order 2018-012

Dear Mr. Stasiak:

On June 29, 2018, the BC Oil and Gas Commission (Commission) issued General Order 2018-012 to Predator Oil BC Ltd.(Predator). This order pertained to WA #15153 and WA# 16152. WA #15153 was abandoned on November 9,2019 and WA# 16152 was abandoned on October 16,2019.

Pursuant to section 49(8) of the Oil and Gas Activities Act, the Commission hereby terminates General Order 2018-012. The termination of this Order does not affect or relieve Predator from any consequences of any previous failure(s) to comply.

If you have any questions or concerns, please do not hesitate to contact the Commission.

Sincerely,



Dax Bourke
Executive Director, Compliance & Enforcement
BC Oil and Gas Commission

GENERAL ORDER 2018-012
Section 49 *Oil and Gas Activities Act*

Issued to:

Predator Oil BC Ltd.
1500, 250-2nd Street, SW
Calgary Alberta T2P 0C1

Attention: Mr. Brian Stasiak

Order:

Pursuant to section 49(1)(d) of the *Oil and Gas Activities Act* (the Act), I, Patrick Smook, order that Predator Oil BC Ltd. (Predator) must:

1. On or before 4:00 PM, June 30 2018:
 - a) install and maintain a hydrogen sulphide (H₂S) detection and alarm system that is continuously monitored for wells WA 15153 and WA 16152 (the subject wells) located at 15-27-83-19 W6M (the operating area); and
 - b) submit evidence that item “a” has been completed electronically to the Compliance and Enforcement mailbox at C&E@bcogc.ca.

Conditions:

- A. This order shall remain in effect until amended or terminated in whole or in part by the Commission.

Reasons:

I make this Order for the following reasons:

- i. Predator is the permit holder of the subject wells.
- ii. Gas analysis results completed in 2004 identified 2.6 % H₂S content at WA 16152. A Notice of Operation submitted by Predator in 2015 identified an H₂S content of 3.0% for WA 15153.
- iii. Section 39(4) of the Drilling and Production Regulation (DPR) states:
 - (4) If an uncontrolled flow of oil or gas from a completed well, other than a well suspended in accordance with section 25, could produce a hydrogen sulphide concentration greater than 100 ppm in atmosphere within 50 metres of the well, the permit holder of the well must install and maintain:
 - (a) an automated system to isolate the well in the event of an uncontrolled flow of oil or gas, and

General Order 2018-012

- (b) if the well is located within 1600m of a populated area, a hydrogen sulphide detection and alarm system that is continuously monitored and is capable of activating the automated system referred to in paragraph (a).
- iv. The subject wells are located approximately 400 metres from a populated area.
 - v. Dispersion modeling shows that each well could produce an H₂S concentration greater than 100 ppm in atmosphere within 50 metres of each well.
 - vi. The subject wells are both classified as medium risk and have not been suspended in accordance with section 25 of the DPR (no downhole suspension to prevent flow coming up the wellbore).
 - vii. On April 24, 2018 Commission staff attended to the subject wells and observed the H₂S detection and alarm system was not functioning.
 - viii. On April 24, 2018 Commission staff spoke to Ryan Koehn (Koehn), Lead Operator for Ops Mobil (a contractor for Predator), who confirmed it was known that the subject wells did not have a continuous, active power source. A continuous, active power source is required to operate and maintain the H₂S detection and alarm system.
 - ix. On April 24, 2018 a high deficiency, under Section 39(4) of the DPR, was issued to Predator (Inspection 046386591-001).
 - x. On April 25, 2018 Koehn provided email confirmation that the detection and alarm system was now powered. Photographs were provided of the powered system sensors.
 - xi. On April 25, 2018 Predator responded to the deficiency: “We have powered up all 3 of the H₂S detection heads at 15-27 location today. The batteries had died so we have replaced them and powered up the H₂S detection system as required”. The deficiency was therefore considered satisfied by the required correction date.
 - xii. On April 26, 2018 Commission staff contacted Predator and requested, as a follow up to the H₂S detection and alarm system deficiency on April 24, 2018, that Predator confirm the H₂S detection and alarm systems were operational at 10 additional locations.
 - xiii. On May 7, 2018, Predator responded to the request from April 26, 2018 and provided the requested documentation.
 - xiv. On June 21, 2018 Commission staff attended the operating area and observed that the H₂S detection and alarm system was not functioning. The 3 sensor units located within the operating area were not powered.
 - xv. On June 21, 2018 a high deficiency, under Section 39(4) of the DPR, was issued to Predator (Inspection 047862133-001). The deficiency comment included a request for photographs of the system functioning and a plan as to how Predator will ensure this non-compliance does not continue to occur.
 - xvi. On June 25, 2018 Commission staff received a phone call from the onsite operator who confirmed that the system was powered. Photographs were provided via text message to Commission staff. The operator informed Commission staff that a small generator would be set up to charge the batteries and run the H₂S detection and alarm system. The operator informed Commission staff that to prevent the reoccurrence daily site visits would be completed to ensure the generator continues to run until BC Hydro is reconnected to the operating area.
 - xvii. On June 25, 2018 Predator responded to the June 21, 2018 deficiency: “Site equipped with UPS (uninterruptible power supply) and genset to keep the system charged”. The deficiency was satisfied 3 days after the required correction date.

- xviii. On June 29, 2018 Commission staff conducted a follow up inspection at the operating area and observed that the H2S detection and alarm system was not operating. The 3 sensor units located within the operating area were not powered. A generator was not observed at the operating area.
- xix. I am of the opinion that Predator is not in compliance with section 39(4) of the DPR.

Review and Appeal:

Predator may request a review of this order under section 70 of the Act by submitting a request for review to ogc.determinationreviews@bcogc.ca.

Predator may appeal this order to the Oil and Gas Appeal Tribunal under section 72 of the Act. The process for appeals may be found at www.ogat.gov.bc.ca and a notice of appeal may be sent to the Oil and Gas Appeal Tribunal at:

Oil and Gas Appeal Tribunal
PO Box 9425 Stn Prov Govt
Victoria, BC, V8W 9V1



Patrick Smook
Director, Compliance and Enforcement
Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 29th day of June, 2018.