

January 16, 2023

Enforcement File: 2018-179FSJ

Norcan Energy Corporation
221-3011 Louie Drive
Westbank, BC V4T 3E3

Attention: Mr. Andrey Ubogov

Re: General Order 2019-001

Dear Mr. Ubogov:

On January 21, 2019, the BC Oil and Gas Commission (Commission) issued General Order 2019-001 to Norcan Energy Corporation (Norcan). This order pertained to WA #2058 and WA# 9474. WA #2058 and WA# 9474 were transferred to the Orphan Fund on June 16, 2020.

Pursuant to section 49(8) of the Oil and Gas Activities Act, the Commission hereby terminates General Order 2019-001. The termination of this Order does not affect or relieve Norcan 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 2019-001
Section 49 *Oil and Gas Activities Act*

Issued to:

Norcan Energy Corporation
221-3011 Louie Drive
Westbank, BC V4T 3E3

Attention: Mr. Andrey Ubogov

Order:

Pursuant to section 49(1)(d) of the *Oil and Gas Activities Act* (the Act), I, Patrick Smook, order that Norcan Energy Corporation (Norcan) must:

1. On or before 4:00 PM on January 28, 2019, cease all disposal of fluids at wells WA 2058 located at a-49-G/94-P-05 W6M and WA 9474 located at c-88-F/94-J-10 W6M (subject wells). The subject wells shall remain shut-in until otherwise authorized by the BC Oil and Gas Commission (the Commission).

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:

1. Norcan is the permit holder for the subject wells.
2. On February 25, 2000, the Commission issued Order 00-02-002 designating the disposal of produced water as a special project with respect to WA 2058, subject to conditions.
3. On August 30, 2017, the Commission issued Order 00-02-002 Amendment #1 for WA 2058 under section 75 of the Act (Amended Order).
4. The Amended Order included a condition that the permit holder conduct specified testing for WA 2058 by December 1, 2017 and submit the results to the Commission within 30 days. To date the Commission has not received the required test results.
5. On March 10, 2003, the Commission issued Approval 03-02-002 under section 94 of the Drilling and Production Regulation approving disposal of produced water with respect to WA 9474. WA 9474 has been inactive since February 2016 according to Commission records.

General Order 2019-001

6. Section 25(5) of the Drilling and Production Regulation (DPR) states that a well permit holder of an inactive well, within 60 days of the well becoming inactive, must suspend the well in a manner that ensures the ongoing integrity of the well.
7. Section 25(2) of the DPR states that a well permit holder of an inactive well must submit a report to the Commission within 30 days of the suspension of a well.
8. To date the Commission has not received evidence that WA 9474 has been suspended nor has the Commission received a suspension report for WA 9474.
9. I am of the opinion that Norcan is not in compliance with the Amended Order issued under s. 75 of the Act with respect to WA 2058.
10. I am of the opinion that Norcan is not in compliance with s. 25 of the DPR with respect to WA 9474.

Review and Appeal

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

Norcan 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 4925 Stn Prov Govt
Victoria, BC V8W 9V1



Patrick Smook
Director, Compliance and Enforcement
BC Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 21st day of January, 2019.