

July 15, 2020

Enforcement File: 2020-1011FSJ

ARC Resources Ltd.
1200, 308- 4th Avenue SW
Calgary, Alberta T2P 0H7

Attention: Armin Jahangiri, Vice President, Operations

Re: General Order 2020-2011-01

Dear Mr. Jahangiri:

On June 12, 2020, the BC Oil and Gas Commission (Commission) issued General Order 2020-1011 to ARC Resources Ltd. (ARC).

ARC has satisfied all the requirements of the Order.

Please be advised that pursuant to section 49(8) of the *Oil and Gas Activities Act*, General Order 2020-1011 is hereby terminated.

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

Sincerely,

p.p. Andy Johnson - VP-Operations

Patrick Smook
Director, Oil & Gas Commission
BC Oil and Gas Commission

GENERAL ORDER 2020-1011-01
Section 49 *Oil and Gas Activities Act*

Issued to:

ARC Resources Ltd.
1200, 308- 4th Avenue SW
Calgary, Alberta T2P 0H7

Attention: Armin Jahangiri, Vice President, Operations

Order:

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

1. On or before 6:00PM on June 14, 2020, implement the following measures;
 - a. Construct adequate containment barriers to maintain containment of impacted surface water above the confluence of the unnamed tributary and Eight Mile creek.
 - b. A Qualified Professional (QP) in the Province of British Columbia must be on site supervising spill response and recovery activities.
 - c. Active wildlife monitoring and wildlife deterrents must be in place, to the satisfaction of the Commission
 - d. Have a QP implement a sampling regime for soil and fluid which must then be analyzed by an accredited laboratory for detailed salinity (routine chemistry for surface water), Contaminated Sites Regulation (CSR) metals (total metals for surface water), volatile petroleum hydrocarbons (VPH), light extractable petroleum hydrocarbons (LEPH), heavy extractable petroleum hydrocarbons (HEPH), benzene, toluene, ethylbenzene and xylenes (BTEX), and Polycyclic Aromatic Hydrocarbons (PAH). Water samples must be collected daily at point of entry to unnamed tributary, in increments no greater than 100m, downstream of point of entry for the length of the tributary, in areas of observed/pooling hydrocarbon until satisfaction of the Commission.
 - e. Water samples must be collected daily at point of entry to unnamed tributary of Eight Mile creek. Samples must be taken in increments no greater than 100m beginning immediately downstream of point of entry for the length of the tributary until the downstream side of the boom in Eight Mile creek, in areas of observed/pooling of hydrocarbon.
 - f. Daily updates with volumes of condensate recovered are to be submitted electronically to C&E@bcogc.ca
 - g. Daily updates of water samples taken and results of analyses are to be submitted electronically to 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:

1. ARC is the permit holder of location 08-13-081-17W6M (subject location) facility ID 3804.
2. On June 10, 2020 at 11:17 AM ARC reported to the Oil and Gas Commission (Commission) that at the subject location 30 m3 of condensate leaked out of a 400 BBL tank manway gasket, breaching secondary containment, migrating off lease into a gully near an unnamed creek.
3. The unnamed creek is a tributary of Eight Mile creek. The Commission has identified Eight Mile creek as a fish bearing stream. Eight Mile creek is a tributary of the Peace River.
4. On June 11, 2020 Commission staff observed that ARC had failed to take measures to contain the condensate from entering the unnamed tributary to Eight Mile creek. The unnamed creek is approximately 800 metres from the subject location.
5. On June 12, 2020 Commission staff observed evidence of condensate in Eight Mile creek. A condensate sheen was observed and smelled in the gravel at the confluence of the unnamed creek and Eight Mile Creek. Condensate was also observed in a boom placed in Eight Mile creek 10-15 metres downstream from the confluence of the unnamed creek and Eight Mile creek.
6. I am of the opinion this order is necessary to protect the environment.

Review and Appeal

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

ARC 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 12th day of June, 2020.

GENERAL ORDER 2020-1011-01
Amendment 1
Section 49 *Oil and Gas Activities Act*

Issued to:

Arc Resources Ltd.
1200, 308 -4th Street SW
Calgary, Alberta T2P 0H7

Attention: Armin Jahangiri, Vice President, Operations

Order:

Pursuant to section 49(7) of the *Oil and Gas Activities Act* (the Act), I, Patrick Smook amend General Order 2020-1011-01 issued on June 12, 2020 to Arc Resources Ltd. (ARC):

1) By replacing item 1 b in the order with the following:

A Qualified Professional (QP) in the Province of British Columbia must be on site supervising spill response and recovery activities unless a remediation plan has been approved by the Commission. The remediation plan must be prepared by a QP, and include delineation of the contaminated area and steps planned to remediate the site

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. ARC has requested permission to have QP supervision of remedial activities be completed remotely.
- ii. I find ARC's request reasonable, if a remediation plan, prepared by a QP, is approved by the commission prior to the commencement of remote professional supervision.

Review and Appeal:

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Oil and Gas Appeal Tribunal
PO Box 4925 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 23rd day of June, 2020.

GENERAL ORDER 2020-1011-01
Amendment 1
Section 49 *Oil and Gas Activities Act*

Issued to:

Arc Resources Ltd.
1200, 308 -4th Street SW
Calgary, Alberta T2P 0H7

Attention: Armin Jahangiri, Vice President, Operations

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PO Box 4925 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 23rd day of June, 2020.