

December 5, 2022

Enforcement File 2021-0115

Pacific Northern Gas Ltd.
750-888 Dunsmuir Street
Vancouver, BC V6C 3K4

Attention Mr. Chad Fournier

RE: General Order 2021-0115-01

Dear Mr. Fournier:

Pursuant to section 49(8) of the Oil and Gas Activities Act, the Commission hereby terminates General Order 2021-0115-01. The operating pressures addressed by GO 2021-0115-01 are incorporated into the new General Order 2021-0115-02 issued by the Commission on December 2, 2022.

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

Sincerely,



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

GENERAL ORDER 2021-0115-01
Amendment 2
Section 49 *Oil and Gas Activities Act*

Issued to:

Pacific Northern Gas Ltd.
750-888 Dunsmuir Street
Vancouver, BC V6C 3K4

Attention: Chad Fournier, Director Asset Management and Project Delivery

Order:

Pursuant to section 49(7) of the *Oil and Gas Activities Act* (the Act), I, Andy Johnson, amend General Order 2021-0115-01 issued on July 16, 2021, and amended on July 4, 2022 (the Order), to Pacific Northern Gas Ltd. (PNG) as follows:

- 1) By removing the rows of the table in item 1 referencing Project Number 1422, Segment 17-21, Terrace Junction to Salvus and Salvus to Galloway, Maximum Pressure 4481 kPa, and substituting those requirements by adding item 7 stating:
7. On or before December 1, 2022, implement and maintain the operating pressure of the Terrace Junction to Salvus and Salvus to Galloway pipeline segments on Project 1422 at or below 2923 kPa.

Conditions:

- A. The Order as amended shall remain in effect until amended or terminated by the Commission.

Reasons:

I make this amendment to the Order for the following reasons:

- i. PNG is the permit holder of the subject pipeline.
- ii. On October 19, 2022, PNG notified the Commission that the maximum operating pressure of the portion of the pipeline from Terrace Junction to Salvus and Salvus to Galloway (subject pipeline segments) had been reduced to 2923 kPa on October 18, 2022.
- iii. In November 2022, it was identified that the operating pressure of the subject pipeline segments should not exceed 2923 kPa in order to mitigate risk pending completion of additional work to assess and address stress corrosion cracking.

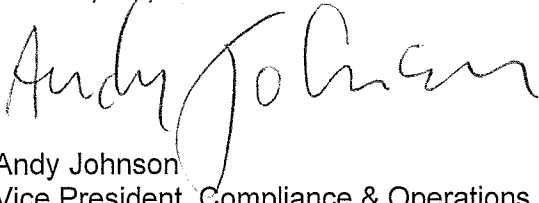
- iv. I am of the opinion that the amendment to the Order is necessary to protect the environment.

Review and Appeal

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

Alternatively, PNG may appeal this amendment 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



Andy Johnson
Vice President, Compliance & Operations
Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 30th day of November 2022.

GENERAL ORDER 2021-0115-01
Amendment 1
Section 49 *Oil and Gas Activities Act*

Issued to:

Pacific Northern Gas Ltd.
750-888 Dunsmuir Street
Vancouver, BC V6C 3K4

Attention: Chad Fournier, Director Asset Management and Project Delivery

Order:

Pursuant to section 49(7) of the *Oil and Gas Activities Act* (the Act), I, Andy Johnson, amend General Order 2021-0115-01 (the Order) issued on July 16, 2021, to Pacific Northern Gas Ltd. (PNG) as follows:

- 1) By removing the third row of the table in item 1 referencing Project Number 1422, Segment 8-15, PNG Segment MP 209 to 268, Maximum Pressure 6894 kPa, and substituting that requirement by adding item 6 stating:
6. On or before July 4, 2022, implement and maintain the operating pressure of the R4 to Thornhill (MP 209 to 268) pipeline segment on Project 1422 at or below 4826 kPa.

Conditions:

- A. The Order as amended shall remain in effect until amended or terminated by the Commission.

Reasons:

I make this amendment to the Order for the following reasons:

- i. PNG is the permit holder of the subject pipeline.
- ii. On June 21, 2022, the Commission received an update from PNG indicating that stress corrosion cracking (SCC) of a severity requiring immediate mitigation had been identified on the R4 to Thornhill section of the pipeline (subject pipeline segment) between mileposts 209 to 245.
- iii. In the absence of information to confirm otherwise, it is assumed that there is at least another similar SCC feature somewhere in the subject pipeline segment.
- iv. PNG did not implement a pressure reduction until after the Commission contacted PNG to discuss the June 21, 2022 update.

- v. On June 22 and June 23, 2022, PNG communicated to the Commission regarding restricting the maximum operating pressure of the subject pipeline segment to 4,826 kPa.
- vi. I am of the opinion that the amendment to the Order is necessary to protect the environment.

Review and Appeal

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

Alternatively, PNG may appeal this amendment 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

Andy Johnson
Vice President, Compliance & Operations
Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 4th day of July 2022.

GENERAL ORDER 2021-0115-01
Section 49 *Oil and Gas Activities Act*

Issued to:

Pacific Northern Gas Ltd.
750-888 Dunsmuir Street
Vancouver, BC V6c 3K4

Attention: Chad Fournier, Director Asset Management and Project Delivery

Order:

Pursuant to section 49(1)(e) of the *Oil and Gas Activities Act* (the Act), I, Andy Johnson, order that Pacific Northern Gas Ltd. (PNG) must:

1. On or before July 16, 2021, maintain the operating pressures of pipeline Project 1422 (the pipeline) at or below the pressures specified in the following table:

Project Number	Segment	PNG Segment	Maximum Pressure (kPa)
1422	1-3	R1-R4	6894 kPa
1422	8-15	MP 209 – 268	6894 kPa
1422	8-15	Thornhill Pressure Limiting Station to Terrace Junction	4481 kPa
1422	27-29	Methanex Lateral	6894 kPa
1422	17-21	Terrace Junction to Salvus	4481 kPa
1422	17-21	Salvus to Galloway	4481 kPa

2. On or before July 31, 2021, excavate and assess the linear indications identified as FID 56009094 and FID 56010211 and report the initial results of the assessments to the BC Oil and Gas Commission (Commission).
3. On or before September 1, 2021, submit to the Commission, an updated dig plan for Project 1422 for Q4-2021 (October to December 2021).
4. On or before October 15, 2021, excavate and investigate the remaining 17 anomalies that were identified as Q3-2021 (July to September) digs in attachment 3 of PNG's July 12, 2021, submission to the Commission, and report the initial results of the assessments to the Commission.
5. Submit the reports and dig plan as required in items 2-4 electronically to C&E@bcogc.ca.

Conditions:

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

Reasons:

I make this order for the following reasons:

- i. PNG is the permit holder for the pipeline.
- ii. PNG has completed inline inspections of the pipeline but has not addressed the results of those inspections in a timely manner.
- iii. On October 20, 2020, and December 9, 2020, the Commission requested that PNG submit an engineering assessment for the pipeline, including identification of anomalies requiring remediation prior to the end of 2022.
- iv. On June 15, 2021, PNG submitted the Engineering Assessment to the Commission
- v. On June 23, 2021, based on the Commission's review of the engineering assessment, the Commission issued a written request to PNG for a map of PNG's pipeline segments, a detailed spreadsheet of the identified anomalies, information on pipeline operating pressures and a map of dig locations for 2021 and 2022.
- vi. On July 12, 2021, the Commission received the additional information requested on June 23, 2021.
- vii. In order to mitigate the risk of failure, the pipeline operating pressure should be limited to increase the factor of safety until the identified defects can be assessed and repaired.
- viii. I am of the opinion that this order is necessary to mitigate a risk to public safety and the environment.

Review and Appeal

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

PNG 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



Andy Johnson
Vice President, Operations
BC Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 16th day of July, 2021.