

GENERAL ORDER 2024-0020-01

Section 49 Energy Resource Activities Act

Issued to:

Tallahassee Exploration Inc. Gulf Canada Square Suite 1910, 401-9th Avenue SW Calgary, Alberta T2P 3C5

Attention: Ghazanfar Zafar, President

Order:

Pursuant to section 49(1)(e)(i) and(ii) of the *Energy Resource Activities Act* (the Act), I, Robert Workman, order that Tallahassee Exploration Inc. (Tallahassee) must:

- 1. By March 22, 2024, complete the following for the wells listed in Schedule A attached:
 - a) Close all wellhead valves, and either chain and lock the valves, or remove the valve handles.
 - b) Ensure positive isolation between the well and the flow line by disconnecting the well from the flowline and install blinds or other suitable means of positive isolation.
 - c) Take measures necessary to cease the fluid leak to ground from a flange on flowline at b-75-H/94-J-11, WA 13616.
- 2. By March 22, 2024, complete the following for Facility ID 0976 (facility):
 - a) Isolate the facility through installation of blinds or other suitable means and depressure the process piping, equipment and pressure vessels at the facility.
- 3. By March 22, 2024, complete the following for the pipeline gathering system:
 - a) Isolate the pipeline gathering system through installation of blinds or other suitable means and depressure the pipeline gathering system connecting the wells listed in the attached Schedule A and the facility.

Conditions:

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

Reasons:

I make this order for the following reasons:



- i. Tallahassee is the permit holder for the wells and facility.
- ii. All the wells described in Schedule A and Facility ID 0976 are located in the Milo field area.
- iii. On January 22, 2024, a Fort Nelson Compliance and Enforcement Officer (Officer) was advised by Tallahassee's field operator that the facility has not been operating for at least a month.
- iv. On January 31, 2024, the field operator confirmed to the Officer that the facility, wells and associated pipelines in the Milo field are not currently operating and were not left in a safe state when the operator ceased operations.
- v. The field operator advised the Officer of the potential for high saline produced water and high CO2 gas in the field and sales pipelines. The field operator further advised that the wells have likely activated the emergency shutdown valves. It is likely that the wells have not been adequately shut in and may be bypassing emergency shutdown.
- vi. On January 31, 2024, two Compliance and Enforcement Officers flew into the Milo field to inspect Tallahassee's active wells and the facility. They observed the following:
 - a. The wells WA 12866, WA13610, WA 13616 and WA 7517 were observed to have between 900 and 1300 PSI on flowline gauges at the wellsites. None of the wellheads were suspended or had wellhead valves closed.
 - b. A fluid leak to the ground from a flange on a flowline was observed at b-75-H/4-J-11, WA 13616.
 - c. The Milo facility was observed to have up to 1600 PSI on gauges.
 - d. Inlet and sales emergency shutdowns were closed, there was no positive isolation on the facility inlet and sales lines and manual pipeline valves were open, the genset, heat medium, gas compressor, air compressor, dehydrator and Motor Control Centre were not operating, battery backup for Fire and Gas was depleted, and the flare was not in service.
 - e. There were no workers on site.
- vii. Well isolation is necessary to avoid over pressuring downstream equipment.
- viii. When fluids are present in the facility, the facility requires power and operational safety systems, flare system, instrumentation, and utility systems to operate safely.
- ix. On February 15, 2024, the Regulator received an e-mail from the President of Tallahassee, Ghazanfar Zafar in which Mr. Zafar acknowledged the absence of an operator at the site and that experienced staff were not in place at the site.
- x. On February 27, 2024, Regulator staff conducted an internal review of Tallahassee's other wells in the Milo field as listed in Schedule A, namely WA 7768, WA 9514, WA 3474 and WA 12668 and records do not indicate that these wells have been isolated.
- xi. I am of the opinion this order is necessary to protect public safety and the environment.

Review or Appeal

Tallahassee may request a review of this order under section 70 of the Act or appeal this order under section 72 of the Act. Both a review and an appeal of the order cannot be commenced simultaneously.



A request for review may be sent to: <u>determinationreviews@bc-er.ca</u>.

Alternatively, a notice of appeal may be sent to the Energy Resource Appeal Tribunal to info@bcerat.ca or mailed to:

Energy Resource Appeal Tribunal PO Box 4925 Stn Prov Govt Victoria, BC V8W 9V1

Information regarding the process for appeals may be found at www.bcerat.ca.

R.A. Worlanan

Robert Workman Manager, Enforcement BC Energy Regulator

DATED AT Fort St. John, in the Province of British Columbia, this 4 th day of March, 2024.

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Schedule A

Well WA 12866 Location b-72-G/94-J-11

Well WA 13610 Location c-72-H/94-J-11

Well WA 13616 Location b-75-H/94-J-11

Well WA 7517 Location a-99-F/94-J-10

Well WA 7768 Location c-080-F/094-J-10

Well WA 9514 Location a-090-F/094-J-10

Well WA 3474 Location c-089-F/094-J-10

Well WA 12668 Location b-033-J/094-J-11