BRITISH COLUMBIA ENERGY REGULATOR

June 25, 2025 Enforcement File: 2024-0079

Pavilion Energy Corp.
Suite 2150, 736 – 6th Ave SW
Calgary, Alberta T2P 3T7

Attention: Cas Morel, President

Re: General Order 2024-0079-01

Dear Mr. Morel,

On August 2, 2024, the BC Energy Regulator issued General Order 2024-0079-01 to Pavilion Energy Corp. (Pavilion).

Please be advised that pursuant to section 49(8) of the *Energy Resource Activities Act*, General Order 2024-0079-01 is hereby terminated.

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

Sincerely,

R. A. Workman

Robert Workman
Manager, Enforcement
BC Energy Regulator

Physical/Courier
6534 100 Avenue
Fort St. John, BC V1J 4M6

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BRITISH COLUMBIA ENERGY REGULATOR

GENERAL ORDER 2024-0079-01

Section 49 *Energy Resource Activities Act*

Issued to:

Pavilion Energy Corp.
Suite 2150, 736 – 6th Ave SW
Calgary, Alberta T2P 3T7

Attention: Mr. Cas Morel, President

Order:

Pursuant to section 49(1)(d) & (e) of the *Energy Resource Activities Act* (the Act), I, Robert Workman, order that Pavilion Energy Corp. (Pavilion) must:

1. No later than August 6, 2024, at 1600hrs PDT, shut in WA 09376 and cease all operations at facility ID 00002253 located at D-083-L/094-A-12 (the facility) and isolate the facility.
2. Upon completion of item 1, immediately ensure that gas from the surface casing vent flow is sent to a temporary flare stack and not the permanently installed flare stack at the facility.
3. Upon completion of item 2, inspect the temporary flare stack daily and maintain a log of these inspections on site.
4. No later than August 7, 2024, at 1600hrs PDT, submit confirmation of item 1 to the BC Energy Regulator by e-mail to C&E@bc-er.ca.

Conditions:

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

Reasons:

I make this order for the following reasons:

I. Pavilion Energy Corp. (Pavilion) is the permit holder for the well at D-083-L/094-A-12 WA 09376 (the well) and associated storage tanks (facility ID 00002253).

II. On May 28, 2024, BCER staff attended D-083-L/094-A-12 (the site). BCER staff detected H2S gas escaping from two production storage tanks.

III. On May 30, 2024, BCER notified Pavilion of non-compliance with section 37(2) of the Act and directed Pavilion to remedy the non-compliance within 24 hours.
IV. On May 31, 2024, Pavilion requested an extension to June 7, 2024. This was granted.
V. On June 8, 2024`, Pavilion requested an extension to June 18, 2024. This was granted.
VI. On June 24, 2024, Pavilion requested an extension to June 27, 2024. This was granted.
VII. On July 11, 2024, BCER staff attended the site and observed gas escaping from both tanks.
VIII. Amendment to AD 100018045 dated October 31, 2019, allowed Pavilion to flare solution gas at the facility at a maximum daily rate of 1.5 e3M3/day with a maximum H2S concentration of 7400 ppm for a period of 12 months. The amendment advised that the submission and approval of a further amendment would be required for future additional flaring of solution gas beyond the 12-month period.
IX. The well has a surface casing vent flow that is being used as fuel gas for the pump jack. The flow rate of gas from the surface casing vent, most recently reported by Pavilion on September 14, 2021, as tested on September 8, 2021, was 115.31 m3 per day. This is more than the allowable daily venting of 100 m3.
X. For the most recent month on record, June 2024, Pavilion reported a daily average of 2.36 e3m3/day of production gas being flared.
XI. Total oil production for the period December 2020 to June 2024 is 10 296.1 m3.
XII. Total gas production for the period December 2020 to June 2024 is 2 702 200 m3.
XIII. Pavilion submitted an application for a further permit amendment in July of 2024.
XIV. Section 42(2) of the Drilling and Production Regulation (DPR) provides:
Subject to subsections (3) and (5), a permit holder must not flare gas unless flaring is required for emergency purposes or for drilling operations.
XV. Section 42(5) of the DPR provides, in part, that a facility permit holder may flare gas at a facility if permission to flare is included in the facility permit.
XVI. I am of the opinion that Pavilion has failed to comply with section 42(2) of the DPR.
XVII. I am of the opinion this order is necessary to protect the environment.

Review or Appeal

Pavilion 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: determinationreviews@bc-er.ca.

Alternatively, a notice of appeal may be sent to the Energy Resource Appeal Tribunal 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

BRITISH COLUMBIA **ENERGY REGULATOR**

R.A. Workman

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Robert Workman
Manager, Enforcement
BC Energy Regulator

DATED AT Fort St. John, in the Province of British Columbia, this 2nd day of August 2024.

Physical/Courier
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