

October 9, 2024

Enforcement File: 2024-0086-01

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

Attention: Cas Morel, President

Re: General Order 2024-0086-01

Dear Mr. Morel,

On August 14, 2024, the BC Energy Regulator issued General Order 2024-0086-01 to Pavilion Energy Corp. (Pavilion).

Please be advised that pursuant to section 49(8) of the *Energy Resource Activities Act*, General Order 2024-0086-01 is hereby terminated.

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

Sincerely,



Dax Bourke
Executive Director, Compliance & Enforcement
BC Energy Regulator

GENERAL ORDER 2024-0086-01
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) of the *Energy Resource Activities Act* (the Act), I, Robert Workman, order that Pavilion Energy Corp. (Pavilion) must:

1. No later than August 16, 2024, at 1600hrs PDT, cease all operations at facility ID 00000106 located at 06-19-086-19 (the facility) and isolate the facility.
2. No later than August 16, 2024, at 1600hrs PDT, submit confirmation of shut down and isolation of the facility 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 (BCER).

Reasons:

I make this order for the following reasons:

- i. Pavilion is the permit holder for the facility.
- ii. On June 10, 2024, the facility was inspected by BCER staff. Use of a thermal imaging camera showed gas venting from the top of production tank #2.
- iii. On June 10, 2024, the BCER issued a Non-Compliance Notice to Pavilion. The notice required Pavilion to correct the non-compliance within 24 hours.
- iv. Based on extensions granted by the BCER at Pavilion's request, the due date to correct the non-compliance was extended to July 4, 2024.

- v. On July 31, 2024, Pavilion reported “Thief hatches have been inspected and services on tanks 1 and 2, and the gauge head replaced on tank 2 at 06-19.”
- vi. On August 8, 2024, BCER staff inspected the facility. Use of a thermal imaging camera showed gas venting from the top of production tank #2.
- vii. The results of a gas analysis conducted July 31, 2024, by Core Labs at the request of Pavilion, determined the hydrogen sulfide (H₂S) content of the product coming from WA 03723 and feeding into the facility is 13 200 ppm.
- viii. Section 41(1) of the Drilling and Production Regulation provides that:

A permit holder must not vent gas unless the gas heating value, volume or flow rate is insufficient to support stable combustion and
 - (a) the venting is conducted in a manner that does not constitute a safety hazard,
 - (b) the venting does not cause off-site odours,
 - (c) the quantity of vented gas is minimized, and
 - (d) the duration of venting is minimized.
- ix. I am of the opinion that Pavilion has failed to comply with Section 41(d) of the Drilling and Production Regulation.

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



Robert Workman
Manager, Enforcement
BC Energy Regulator

DATED AT Fort St. John, in the Province of British Columbia, this 14th day of August 2024.

August 16, 2024

Enforcement File 2024-0086

Issued to:

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

Attention: Cas Morel, President

RE: General Order 2024-0086-01

Pursuant to section 78(2)(a) of the *Energy Resource Activities Act* (the Act), General Order 2024-0086-01 is hereby corrected as follows:

- ix I am of the opinion that Pavilion has failed to comply with Section 41(1) of the Drilling and Production Regulation.

If Pavilion Energy Corp. has any questions about this correction, please do not hesitate to contact the BCER.

Thank you in advance for your attention to this matter.



Dax Bourke
Executive Director, Compliance and Enforcement
Compliance and Operations
British Columbia Energy Regulator