BRITISH COLUMBIA ENERGY REGULATOR

August 20, 2025 Enforcement File: 2024-0086

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

Attention: Cas Morel, President

Re: General Order 2024-0086-03

Dear Mr. Morel,

On December 2, 2024, the BC Energy Regulator issued General Order 2024-0086-03 to Pavilion Energy Corp. (Pavilion).

Please be advised that pursuant to section 49(8) of the *Energy Resource Activities Act*, General Order 2024-0086-03 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

BRITISH COLUMBIA ENERGY REGULATOR

GENERAL ORDER 2024-0086-03

Section 49 *Energy Resource Activities Act*

Issued to:

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

Attention: Cas Morel, President

Order:

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

1. Commencing on December 3, 2024, and continuing thereafter, conduct daily inspections at Pavilion Stoddart a06-19-086-19 W6M Battery (BCER ID 00000106) [the facility]. The following must be recorded:
    a. Date and time of inspection;
    b. Name of the person completing the inspection;
    c. The fluid level of the scavenger in the scrubber unit;
    d. If gas can be heard bubbling through the scrubber unit;
    e. Any evidence of odours on the site; and
    f. If any H_2S is detected during the inspection.
2. Maintain records of daily inspections required under item 1 in the separator building at the facility available at all times for the purposes of inspection by BCER staff without advance notice of inspection.

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 is the permit holder for the facility.

ii. Pavilion was previously subject to Orders 2024-0086-01 (dated August 14, 2024) and 2024-0086-02 (dated November 20, 2024) issued by the BCER under section 49 of the Act.

iii. Order 2024-0086-01 required Pavilion to shut in the facility due to excess venting from the thief hatch on production tank 2.

iv. Order 2024-0086-02 required Pavilion to shut in the facility due to excess venting from the thief hatch on production tank 2.

v. On September 6, 2024, Pavilion notified the BCER that Pavilion believed the requirements to restart the facility had been met.

vi. On October 9, 2024, BCER staff inspected the facility after it had been in operation for approximately four days. Use of an imaging infrared camera did not detect emissions from the production tanks. Emissions from the H2S scrubber were detected indicating the scrubber system was operating properly.

vii. Order 2024-0086-01 was terminated by the BCER on October 9, 2024.

viii. On November 19, 2024, BCER staff inspected the facility after it had built up to full operating pressure. Use of a thermal imaging camera showed gas venting from the top of production tank 2. BCER staff also detected the odor of H2S gas off the site of the facility.

ix. On November 21, 2024, Pavilion notified the BCER that Pavilion believed the required repairs to the thief hatch on production tank 2 had been successfully completed.

x. On November 22, 2024, BCER staff inspected production tank 2 at 06-19-086-19 using an imaging infrared camera. No emissions from the storage tanks were detected.

xi. Order 2024-0086-02 was terminated by the BCER on November 27, 2024.

xii. 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.

xiii. 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.

xiv. I am of the opinion that 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.

BRITISH COLUMBIA ENERGY REGULATOR

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

Dax Bourke
Executive Director, Compliance and Enforcement
BC Energy Regulator

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