

**GENERAL ORDER 2021-0054-01**  
Section 49 *Oil and Gas Activities Act*

**Issued to:**

Erikson National Energy Inc.  
1900, 717-7th Avenue SW  
Calgary, Alberta T2P 0Z3

**Attention:** Mr. Dan Jalbert, Chief Executive Officer

**Order:**

Pursuant to section 49(1)(d) of the *Oil and Gas Activities Act* (the Act), I, Dax Bourke, order that Erikson National Energy Inc. (Erikson) must:

1. Prepare and submit to the Commission no later than December 31, 2021 an updated plan acceptable to the Commission for the removal of all liquid from the frac water storage site located at d-024-G/094-P-10 within 3 years of submission of the updated plan;
2. Prepare and submit to the Commission no later than December 31, 2021 an updated plan acceptable to the Commission outlining how and when each pipeline or a part of that pipeline that is inactive and has not been deactivated in accordance with section 9(2) of the Pipeline Regulation will be deactivated.
3. Submit to the Commission financial information and reserves information under the Permittee Capability Assessment for 2020 no later than September 30, 2021;
4. Submit quarterly updates to the Commission no later than September 30, 2021 and December 31, 2021 on progress in bringing all inactive wells permitted to Erikson into compliance with section 25 of the Drilling and Production Regulation as outlined in the plan provided by Erikson on May 28, 2021;
5. Submit the information required by items 1, 2, 3 and 4 electronically to [C&E@bcogc.ca](mailto:C&E@bcogc.ca);
6. If at any time any one of the deadlines under items 1, 2 3, and 4 are not met, submit security in the amount required by the Commission under section 30 of the Act no later than 5 days following the expiry of the deadline for that item.

**Conditions:**

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

**Reasons:**

I make this Order for the following reasons:

- i. In 2020 Erikson assumed responsibility as permit holder for a number of oil and gas sites including wells, pipelines and facilities.
- ii. On October 29, 2020, the Commission issued an order to Erikson under section 30 of the Act (Section 30 Order) to provide security to the Commission in the amount of \$4,982,669:
  - A. By April 1, 2021, unless Erikson achieves a Liability Management Rating (LMR) of no less than 0.95;
  - B. By August 1, 2021, unless Erikson achieves an LMR of no less than 1.0.
- iii. Erikson did not achieve an LMR of less than 0.95 by April 1, 2021.
- iv. Erikson did not achieve an LMR of less than 1.0 by August 1, 2021.
- v. To date Erikson has not provided security to the Commission as required by the Section 30 Order.
- vi. Erikson has requested that the Commission provide an extension of time to meet security requirements under the Section 30 Order in order to reduce asset liability and increase asset value.
- vii. On September 10, 2020, the Commission issued an order to Erikson under section 38(1)(c) of the Act that:
  1. *For each Erikson permitted well that is inactive and has not been suspended in accordance with section 25(5) of the Drilling and Production Regulation (DPR), prepare a plan acceptable to the Oil and Gas Commission (Commission) outlining how and when each well will be suspended as provided by section 25(5) of the DPR or, alternatively will be abandoned or reactivated.*
  2. *For each Erikson permitted pipeline or part of that pipeline that is inactive and has not been deactivated as required by section 9(2) of the Pipeline Regulation (PR), prepare a plan acceptable to the Commission outlining how and when each pipeline or a part of that pipeline will be deactivated.*
  3. *Prepare a plan acceptable to the Commission outlining how and when Erikson will remove all the liquid from its frac water storage site located at d-024-G/094-P-10.*
- viii. On September 10, 2020, the Commission issued a request to Erikson under section 38(1)(e) of the Act that Erikson submit the plans referred to in items 1 to 3 of the Section 38 Order by November 9, 2020.
- ix. On November 9, 2020, Erikson submitted to the Commission a plan (decommissioning plan) for the removal of all liquid from the frac water storage site located at d-024-G/094-P-10 (storage site).
- x. The decommissioning plan does not include any timeline(s) to carry out work necessary to complete removal of all liquid from the storage site.
- xi. On November 9, 2020, Erikson submitted to the Commission, for each Erikson permitted well that is inactive and has not been suspended in accordance with section 25(5) of the Drilling and Production Regulation (DPR), a plan (well plan) outlining how and when each well will be suspended as provided by section 25(5) of the DPR or, alternatively will be abandoned or reactivated.
- xii. On May 28, 2021, Erikson submitted to the Commission an updated well plan.
- xiii. On November 9, 2020, Erikson submitted to the Commission a plan (pipeline plan) regarding deactivation of some Erikson permitted pipelines or parts of pipelines. To

- date, Erikson has not satisfactorily completed deactivation obligations within the timelines set out in the pipeline plan.
- xiv. On February 1, and July 6, 2021, the Commission requested that Erikson complete the submission of financial and reserves information for 2020 under the Permittee Capability Assessment by March 5, 2021, and that moving forward, Erikson submit annual and quarterly financial statements as released.
  - xv. To date Erikson has not submitted financial and reserves information as requested by the Commission which are necessary to assess security and ensure the performance of an obligation under this Act, a permit or an authorization.
  - xvi. I am of the opinion that Erikson has failed to comply with the Section 30 and Section 38 Orders.

**Review and Appeal:**

Erikson may request a review of this order under section 70 of the Act by submitting a request for review to [ogc.determinationreviews@bcogc.ca](mailto:ogc.determinationreviews@bcogc.ca).

Erikson 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](http://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



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

DATED AT Fort St. John, in the Province of British Columbia, this 26<sup>th</sup> day of August, 2021.