

GENERAL ORDER 2018-021
Section 49 *Oil and Gas Activities Act*

Issued to:

Pavilion Energy Corp.
1100, 800-6th Avenue SW
Calgary, Alberta T2P 3G3

Attention: Mr. Cas Morel

Order:

Pursuant to section 49(1)(e) of the *Oil and Gas Activities Act* (the Act), I, Patrick Smook, order that Pavilion Energy Corp. (Pavilion) must:

1. By May 31, 2019, establish fencing, around the entire contaminated areas of the operating area located at 4-24-86-20 W6M (operating area), suitable for preventing access by big game.
2. Start remediation no later than May of 2019 of three areas of environmental concern (AECs) AEC 1, AEC 4 and AEC 5 located at the operating area as identified in the Roy Northern Environmental Site Assessment Report submitted to the BC Oil and Gas Commission (Commission) on October 31, 2018. Submit a progress report of the remediation of AEC 1, AEC 4 and AEC 5 by October 31, 2019 and annually thereafter.
3. Start remediation no later than May 2020 of remaining AEC 2, AEC 3 and AEC 6 located at the operating area as identified in the Roy Northern Environmental Site Assessment Report submitted to the Commission on October 31, 2018. Submit a progress report of the remediation of AEC 2, AEC 3 and AEC 6 by October 31, 2020 and annual thereafter.
4. Conduct by November 30, 2018 groundwater sampling of the groundwater monitoring wells already installed within the operating area and submit the results to the Commission within 30 days of receipt of analysis.
5. Submit the required reports and results electronically to mailbox C&E@bcogc.ca

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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:

1. Pavilion is the permit holder of the operating area.
2. The operating area is located on a privately owned agricultural field within 500m of an occupied residence and within 220m of a wetland.
3. On May 14, 2018 Commission staff conducted an inspection of the operating area with visible staining noted on the ground on the south side of the heater skid and dehydrator building as well as to the east of the dehydrator near an underground tank. The path of the staining was noted to be travelling south east of the dehydrator building.
4. Pavilion hired Roy Northern Land and Environmental to investigate the staining within the operating and provide a remediation plan.
5. On July 12, 2018 the Commission received a report completed by Roy Northern Land and Environmental report (the report) on behalf of Pavilion.
6. Commission staff reviewed the report and noted the following issues:
 - a. Vertical delineation to one meter depth shows a significant increase in contamination concentrations with depth and appears it may be affecting the groundwater quality in the bedrock aquifer under and around the operating area;
 - b. Some areas of potential environmental concerns still require investigation, delineation and remediation as part of the proposed remediation plan; and
 - c. The proposed remediation plan does not cover the full extent of soil and groundwater contamination. The full extent of soil and groundwater contamination is still unknown.
7. On August 22, 2018 the Commission ordered Pavilion to:
 - a. Investigate and delineate all areas of potential environmental concerns located within the operating area located at 4-24-86-20 W6M (the operating area) and submit a site classification report to the Oil and Gas Commission (Commission) by October 31, 2018;
 - b. Conduct groundwater characterization of the operating area and install monitoring wells by October 31, 2018, and continue monitoring groundwater quality until onsite sources are removed and/or naturally attenuated; and
 - c. Submit a revised remediation plan addressing the full extent of contamination to the Commission by October 31, 2018 with implementation of that plan by May 31, 2019.
8. On October 31, 2018 the Commission received an updated site assessment report completed by Roy Northern Environmental Site Assessment Report (the updated report) for Pavilion. Commission staff reviewed the updated report, which indicated that there are six (6) known AECs located at the operating area

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with a potential of additional AECs with a significant risk to human and environmental health.

9. I am of the opinion this order is necessary to protect the environment.

Review and Appeal

Pavilion may request a review of this order under section 70 of the Act by submitting a request for review to: ogc.determinationreviews@bcogc.ca.

Pavilion 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 and a notice of appeal may be sent to the Oil and Gas Appeal Tribunal at:

Oil and Gas Appeal Tribunal
PO Box 4925 Stn Prov Govt
Victoria, BC V8W 9V1



Patrick Smook
Director, Compliance and Enforcement
BC Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 23rd day of November, 2018.