

December 4, 2017

Enforcement File: 2017-247

Direct Energy Marketing Limited
PO Box 4335 Station C
Calgary, Alberta T2P 5N2

Attention: Jonathan Mast

Re: General Order 2017-099

Dear Mr. Mast:

On September 15th, 2017, the BC Oil and Gas Commission (Commission) issued General Order 2017-099 to Direct Energy Marketing Limited (Direct).

Direct has satisfied all the requirements of the Order.

Please be advised that pursuant to section 49(8) of the *Oil and Gas Activities Act*, General Order 2017-099 is hereby terminated.

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

Sincerely,



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

GENERAL ORDER 2017-099 Amendment 1
Section 49 *Oil and Gas Activities Act*

Issued to:

Direct Energy Marketing Limited
PO Box 4335 Station C
Calgary, Alberta, T2P 5N2

Attention: Mr. Jonathan Mast

Order:

Pursuant to section 49(7) of the *Oil and Gas Activities Act* (the Act), I, Lance Ollenberger, amend General Order 2017-099 issued on September 15, 2017 to Direct Energy Marketing Limited (Direct) by extending the deadline contained in item 3 to **on or before November 24, 2017**.

Conditions:

- A. This order shall remain in effect until amended or terminated in whole or in part by the BC Oil and Gas Commission (Commission).

Reasons:

I make this order for the following reasons:

- i. After discussions with Commission staff, Direct has agreed to incorporate a groundwater monitoring well into its detailed site investigation plan. Direct requires additional time to discuss and work with a third party to facilitate an acceptable location for the groundwater monitoring well. As a result, Direct has requested an extension for submitting its detailed site investigation plan.
- ii. The Commission finds Direct's request for an extension to be reasonable.

Review and Appeal:

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

General Order 2017-099 Amendment 1

Direct may appeal this order to the Oil and Gas Appeal Tribunal under section 72 of the Act. The process for appeals can 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

A handwritten signature in black ink, appearing to read 'Lance Ollenberger', is written over a horizontal line.

Lance Ollenberger
Vice President, Operations
Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 14th day of November, 2017.

GENERAL ORDER 2017-099
Section 49 *Oil and Gas Activities Act*

Issued to:

Direct Energy Marketing Limited
PO Box 4335 Station C
Calgary, Alberta, T2P 5N2

Attention: Tanya McTavish, Regulatory Analyst

Order:

Pursuant to section 49(1) (b) of the *Oil and Gas Activities Act* (the Act), I, Lance Ollenberger, order that Direct Energy Marketing Limited (Direct) must:

- 1) By October 31, 2017, complete a preliminary hydrogeological review and field assessment with respect to potential groundwater contamination associated with WA # 02082 located at 10-10-083-19 W6M (the "Site") and submit a report to the satisfaction of the Oil and Gas Commission (the Commission), electronically to C&E@bcogc.ca.
- 2) Ensure that the field assessment referenced in (1) includes the following:
 - a) The collection and analysis of samples from any fluids potentially leaking from the Well (oil, gas and /or water), fluids from inside the Well, and fluids in any accumulated surface water or apparent leakage surrounding the Well, where accumulation permits the collection of a sample;
 - b) Water analysis parameters shall include BC detailed water salinity parameters, total metals, dissolved metals, total dissolved solids (TDS), benzene, toluene, ethylbenzene, and xylenes (BTEX), volatile hydrocarbons (VHw), volatile petroleum hydrocarbons (VPH), light and heavy extractable petroleum hydrocarbons (LEPH/HEPH), polycyclic aromatic hydrocarbon (PAHs), dissolved gases (C1 to C3) and dissolved H₂S;
 - c) Collection, handling and transportation of all samples using standard environmental sampling protocols in accordance with the British Columbia Field Sampling Manual;

General Order 2017-099

- d) Collection of all samples by a qualified professional, being a person who is a member in good standing of a profession regulated in British Columbia and who is recognized by that profession as being qualified to work in British Columbia in the relevant area of practice, or under the supervision of a qualified professional.
- 3) By November 15, 2017, submit a detailed site investigation plan to characterize the extent of any impacts to soil and groundwater surrounding the Site and a plan to contain the movement of groundwater to the receiving environment, if any, electronically to C&E@bcogc.ca.

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. Direct is the owner of the Well.
- II. The Site was abandoned in 1967 and a Certificate of Restoration was issued in 1985.
- III. In advance of the construction of the Site C substation dam project, Direct was contracted by BC Hydro to lower the wellbore of WA 02082.
- IV. On August 8, 2017, Direct began work on lowering the wellbore.
- V. On August 14, 2017, the Commission became aware of a potential well integrity issue with the wellbore.
- VI. On August 19, 2017, while a cement plug was being drilled out, drilling mud was observed at surface 10 meters away from the wellhead.
- VII. On August 30, 2017, Direct sampled fluid from the wellbore and provided a laboratory report to the Commission that indicated the presence of sodium and chloride in excess of the applicable standards.
- VIII. On September 8, 2017, the Commission sampled fluid from the wellbore that indicated the presence of sodium, chloride, petroleum hydrocarbons and metals in excess of the applicable standards.
- IX. I am of the opinion this order is necessary to protect the environment.

Review and Appeal

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

Direct 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

A handwritten signature in black ink, appearing to read 'Lance Ollenberger', written in a cursive style.

Lance Ollenberger
Vice President, Operations
BC Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 15th day of September, 2017.