

June 21, 2017

Enforcement File: 17-126

ConocoPhillips Canada Resources Corp.
PO Box 130, Station M
401 – 9th Avenue S.W.
Calgary, Alberta
T2P3C5

Attention: Mr. Garrett Brown, Regulatory Affairs, HSE Operations

Re: General Order 2017-24

Dear Mr. Brown,

Please be advised that pursuant to section 49(8) of the Oil and Gas Activities Act, General Order 2017-024 issued by the Oil and Gas Commission on May 19th, 2017 is hereby terminated.

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

Sincerely,



Jacques Corstanje RPF
Director, Compliance and Enforcement
BC Oil and Gas Commission

GENERAL ORDER 2017-024 Amendment 1
Section 49 Oil and Gas Activities Act

Issued to:

ConocoPhillips Canada Resources Corp.
PO Box 130, Station M
401 – 9th Avenue SW
Calgary AB T2P 3C5

Attention: Garrett Brown, Regulatory Affairs, HSE Operations

Order:

Pursuant to section 49(7) of the *Oil and Gas Activities Act* (the Act), I, Jacques Corstanje, amend General Order 2017-024 issued on May 19, 2017 to ConocoPhillips Canada Resources Corp. (ConocoPhillips) by extending the deadline for completion of item 1 and 2 to on or before June 10, 2017.

Reasons:

I make this Order for the following reasons:

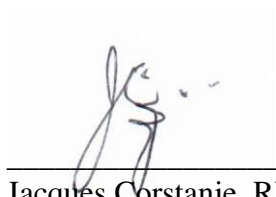
- i. ConocoPhillips has provided new information regarding steps it is taking to remove all the live storage in the Structure as required by item 1 of the Section 49 Order.
- ii. ConocoPhillips has been in good communication with the Commission and has requested until June 10, 2017 to complete items 1 and 2 in order to mitigate risk of erosion damage from water pump off.
- iii. I am in agreement with this request.

Review and Appeal:

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

ConocoPhillips 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 9425 Stn Prov Govt
Victoria, BC, V8W 9V1



Jacques Corstanje, RPF
Director, Compliance and Enforcement
Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 23rd day of May, 2017.

GENERAL ORDER 2017-024
Section 49 *Oil and Gas Activities Act*

Issued to:

ConocoPhillips Canada Resources Corp.
PO Box 130, Station M
401 – 9th Avenue SW
Calgary AB T2P 3C5

Attention: Garrett Brown, Regulatory Affairs, HSE Operations

Order:

Pursuant to section 49(1)(b) of the *Oil and Gas Activities Act* (the Act), I, Jacques Corstanje, order that ConocoPhillips Canada Resources Corp. (ConocoPhillips) must:

1. On or before May 23, 2017:
 - a. Remove, by pumping, all the live storage water (i.e., all water stored in the structure that is above the native grade elevation) from ConocoPhillips freshwater storage dam located at d-37-L/94-A-12 (the Structure).
 - b. discharge any water to ground onto a stable slope and in a manner that does not cause damage or erosion.
2. By May 23, 2017, maintain the water level in the Structure at or below the level noted in item 1 above.

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. ConocoPhillips is the permit holder of the Structure.
- ii. The Structure is a dam under the Water Sustainability Act.
- iii. During a field assessment conducted on May 16, 2017, the Commission's Water Manager, Allan Chapman, MSc, PGeo, Dam Safety Officer, Justin Anderson, Operations Officer, Ken McLean, and FLNRO Senior Dam Safety Officer, Monty Miedreich, observed features that create a concern for the integrity and stability of the Structure, namely:


- a. Major slumping and saturation in the Structure;
 - b. Evidence of significant water seepage through the Structure's berm at the junction of the fill material and native ground; and
 - c. Major tension cracking and shifting along the Structure.
- iv. I am of the opinion that allowing the Structure to fill with water above the native grade elevation creates a potential for failure of the dam and a large release of material downslope.
- v. I am of the opinion that this order is required for the protection of the environment and to mitigate a risk to public safety.

Review and Appeal

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

ConocoPhillips 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



Jacques Corstanje, RFP
Director, Compliance & Enforcement
BC Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 19th day of May 2017.