

September 10, 2024

VIA EMAIL (rmckellar@procyonenergy.ca)

Procyon Energy Corp.

Suite 400, 505 - 8th Avenue SW

Calgary, AB T2P 1G2

Attention: Ron McKellar, President and CEO

VIA EMAIL (dax.bourke@bc-er.ca)

BC Energy Regulator

6534 100th Ave.

Fort St. John BC V1J 8C5

Attention: Dax Bourke, Executive Director,
Compliance and Enforcement

To Ron McKellar and Dax Bourke:

RE: In the matter of Procyon Energy Corp. requesting a review of Administrative Finding 2023-0101, made on April 17, 2024 under section 62 & 63 of the *Energy Resource Activities Act* Review File R-2024-03

On May 16, 2024, Procyon Energy Corp. (“**Procyon**”) requested a review of a finding of contravention issued by a BC Energy Regulator (“**BCER**”) official (the “**Official**”) to Procyon on April 17, 2024 (the “**Contravention Decision**”). The Contravention Decision held that Procyon contravened section 15(1)(a) of the Dormancy and Shutdown Regulation and imposed an administrative monetary penalty of \$45,000.

The Commissioner of the BCER designated me as the review official for the purpose of considering Procyon’s request for a review. Section 71(1)(a) of the *Energy Resource Activities Act* (“**ERAA**”) gives me the power to confirm, vary or rescind the determination.

Section 70(5) of ERAA states:

The eligible person must make the request in writing and must identify the error the eligible person believes was made or the other grounds on which a review is requested.

Procyon’s letter of May 16th requested a review but did not set out any error or identify any grounds for that request. On May 31, 2024, I sent a letter to Procyon and the Official setting out a schedule for submissions with respect to the review. No submissions were received from Procyon pursuant to that schedule. The Official provided submissions on June 24, 2024.

I am in receipt of a letter from Procyon dated May 30, 2024, which describes the financial difficulties that Procyon is facing due to low gas prices and requesting that it be able to complete certain oil wells to increase its revenue, which, in turn, would allow it to meet regulatory requirements relating to abandonment.

I agree with the Official that Procyon has failed to identify any error relating to the Contravention Decision or set out any other grounds upon which the review was requested. Low gas prices are not a relevant

consideration for a decision maker under sections 62 and 63 of ERAA. As a permit holder in British Columbia, Procyon is required to meet its legislative and regulatory requirements. I have reviewed the Contravention Decision and see no reason to interfere with the decision of the Official. I confirm the determination.

Procyon has the right to appeal this decision under section 72 of ERAA by filing a notice of appeal with the Energy Resource Appeal Tribunal. Information regarding the process for appeals may be found at <https://www.bcerat.ca/> and a notice of appeal may be sent to the Energy Resource Appeal Tribunal at:

Energy Resource Appeal Tribunal
PO Box 9425 Stn Prov Govt
Victoria, BC V8W 9V1

Yours truly,



Andy Johnson
Executive Vice President, Safety & Compliance
BC Energy Regulator