

January 19, 2024

Enforcement File: 2024-0005

Tourmaline Oil Corp.
2900, 250-6th Avenue SW
Calgary, AB T2P 3H7

Attention: Cory Lundquist

RE: Warning : Fail To Comply With A Condition Of A Permit

Dear Cory Lundquist,

Tourmaline Oil Corp. holds permit AD 100113618 issued on February 23, 2023 under the Oil and Gas Activities Act, now the Energy Resource Activities Act. This permit authorizes the construction of numerous wells, a road and some related activities.

Condition 14 of the permit states the following:

At least 14 days before construction start, the permit holder must, in the manner and form satisfactory to the Commission:

- a. submit payment of \$342,039.18, net of any bank, wire transfer or other fees, for the BRFN-BC Restoration Fund; and
- b. submit to DisturbancePayments@bcogc.ca proof of payment of (a) above, unless the Permit Holder has received written confirmation from DisturbancePayments@bcogc.ca that the Commission has received from Blueberry River First Nations a confirmation that \$342,039.18 has been paid by the permit holder to Blueberry River First Nations for similar purposes in respect of the AD# 100113618 or related activities.

On January 16, 2024, a Regulator Compliance and Enforcement Officer inspected the permit location and determined construction had begun under the permit. A further check for compliance with condition 14 of the permit indicated no disturbance fee had been received as required from Tourmaline Oil Corp.

On January 16, 2024, Tourmaline Oil Corp. was contacted by the Regulator. Tourmaline Oil Corp. admitted they had started construction of the site in the form of brush clearing on January 8, 2024 and Blueberry River First Nations (BFRN) was notified of this in December 2023. Tourmaline Oil Corp. further admitted they had not paid the disturbance fee as required by condition 14. This was attributed to an disconnect internally as Tourmaline Oil Corp. has a Relationship Agreement with BFRN that is not in align with condition 14.

Tourmaline Oil Corp. has agreed to immediately initiate and submit payment in the amount of \$342,0139.18 for the BRFN-BC Restoration Fund and is working on ensuring measures are put in place to avoid a future non-compliance.

The Regulator notes that Tourmaline Oil Corp. had a similar situation regarding the disturbance fee requirement on another permit in July 2023.

Given the circumstances, Tourmaline Oil Corp. is hereby issued a warning only for the following: Tourmaline Oil Corp., on or about December 24 , 2023, at or near Fort St. John, in the Province of BC, did fail to comply with the condition of a permit contrary to Section 21(1)(b)(ii) of the Energy Resource Activities Act.

If Tourmaline Oil Corp. has any questions about this matter, please feel free to contact the undersigned.

Sincerely,

<original signed by>

Manager, Enforcement
BC Energy Regulator

