

File: 292-30/BCER2025-003-009

July 9, 2025

VIA ELECTRONIC MAIL:

Dear

Re: Request for Access to Records – Response
Freedom of Information and Protection of Privacy Act (FOIPPA)

I am writing further regarding your request received by the BC Energy Regulator (BCER) for access to records relating to: Copies of correspondence, both internal and with external recipients (including but not limited to text messages, letters, meeting notes, meeting agendas, etc.) related to media questions sent to communications@bc-er.ca from The Narwhal and the Investigative Journalist Foundation and 6 news articles published Date Range: February 11 to April 29, 2025

Please see the attached records located in response to your request. Some information has been withheld pursuant to section(s): 13 (Policy advice or recommendations), 14 (Legal Advice), 15 (Law Enforcement, 16 (Disclosure harmful to intergovernmental relations or negotiations) and 22 (Disclosure harmful to personal privacy) of FOIPPA. A complete copy of FOIPPA is available online at: Freedom of Information and Protection of Privacy Act (gov.bc.ca).

Your file is now closed. Pursuant to section 52 of the FOIPPA, you may ask the Office of the Information and Privacy Commissioner (OIPC) to review any decision, act, or failure to act with regard to your request under FOIPPA within 30 business days by writing to:

Information and Privacy Commissioner PO Box 9038 Stn Prov Govt 4th Floor, 947 Fort Street Victoria BC V8W 9A4

Phone: 250.387.5629 Fax: 250.387.1696

Email: info@oipc.bc.ca

If you request a review, please provide the OIPC with a copy of your original request, a copy of the BCER's response, and the reasons or grounds upon which you are requesting the review. Further information on the complaint and review process can be found on the OIPC website: https://www.oipc.bc.ca. Please write FOlintake@bc-er.ca, if you have any questions regarding your request or require any further clarification.

Sincerely,

D. Keough

BC Energy Regulator

From: Currie, Graham

Sent: Monday, April 28, 2025 4:30 PM

To: Carr, Michelle
Cc: Hohnsbehn, Cathy

Subject: For Printing

Attachments: IN_Narwhal_CNRL_Exemption_Updt.docx





Graham CurrieExecutive Director, Public Trust
Graham.Currie@bc-er.ca

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April 3, 2025; Updated April 24, 2025

CNRL Pipeline Exemptions

- PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- II. ISSUE: The Narwhal has published an article "BC Greens call for regulator reform over secret exemption given to oil company" (April 24, 2025), which follows another article "B.C. quietly allowed an oil and gas giant to sidestep rules for more than 4,300 pipelines" (April 2, 2025), and is part of an ongoing "series" critical of the BCER compliance and enforcement efforts. This arises from an FOI released in February 2024 (and available on the BCER's website) for all inspection records from 2017-2023, resulting in over 35,000 inspection reports.

III. MESSAGING:

- The BCER has a comprehensive Compliance Management System that ensures energy companies in the province operate in accordance with legislation, regulations, permits, and authorizations designed to protect public safety and the environment.
- Significant resources are dedicated to monitoring compliance, through a
 diverse set of administrative and field-based tools and activities, including
 application reviews, administrative reviews and monitoring, audits, inspections,
 and permit holder self-assessments.
- The BCER identified through an integrity focused audit of operators' pipeline deactivation programs - that CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation (i.e., that pipelines must be deactivated within 18 months of not flowing) and needed to be deactivated.
- In response to the BCER requiring CNRL to identify its plan to address the non-compliances, CNRL proposed a systematic, co-ordinated, multi-year approach to its deactivation of the non-compliant pipelines.
- Given the significant number of pipelines out of compliance, the decision maker acknowledged that the issue could not be addressed immediately and concluded that an exemption that required the permit holder to follow a plan that would bring it into compliance by 2028 was appropriate.
- The BCER decision maker determined that this approach was preferable to addressing each instance on a one-off, case-by-case basis because it would reduce the overall time to deactivate all the pipelines, require those pipelines with greater risk associated to be prioritized, and reduce the associated land disturbance.
- The exemption included an itemized list of pipelines to be addressed with associated dates which can be used for enforcement purposes.
- The original exemption included 4,312 pipelines and as of March 2025, there
 are 865 remaining pipelines to deactivate CNRL is required to complete
 deactivation of all the pipelines by the end of 2028.
- Additionally another 90 exemptions provided over a five-year period to several oil and gas companies are a necessary regulatory tool to respond to



challenges encountered during operations and help ensure safety.

 The BCER technical staff, including engineers and geoscientists, assess each situation before granting an exemption, which are authorized under the Act and the Regulations.

IV. BACKGROUND:

- Deactivating pipelines provides safety and environmental protection through
 the removal of fluids from the pipes and the isolation of the pipelines from any
 other systems. Permit holders are required to continue to monitor the pipelines
 after their deactivation until they are removed or abandoned. Deactivating
 pipelines reduces liability, increases restoration, and reduces the risk of a spill.
- Through an administrative compliance verification process of an integrity focused audit of operators' pipeline deactivation programs in 2020, the BCER found CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation requiring pipelines must be deactivated within 18 months of not flowing and needed to be deactivated.
- CNRL proposed a systematic, co-ordinated, multi-year approach to its
 deactivation of the non-compliant pipelines that was deemed by the BCER as
 being preferable to addressing each instance on a one off basis (as would
 have been required as per the section 9 provisions), as the systematic
 approach would reduce the overall time to deactivate all of the pipelines and
 reduce the associated land disturbance conducting the work.
- The BCER determined that issuing an exemption which required CNRL to implement its plan was the best option for bringing CNRL into compliance efficiently and in a way that allowed the BCER to monitor the activities of CNRL by pipeline count and date for enforcement.
- For example, when CNRL failed to meet the identified deactivation targets for 2020, 2021, and 2022, the BCER issued an enforcement order to deactivate the sections as outlined in the 2020 exemption. On Nov. 9, 2023 CNRL had satisfied the deactivation requirements and the order was terminated.
- This plan which included older assets purchased from other companies significantly reduced the risk of this infrastructure falling into insolvency and potentially increasing liabilities for the Orphan Fund.
- The original exemption included 4,312 pipelines:
 - 2,266 were identified as potentially inactive at the time of the exemption.
 - An additional 2,046 were projected to become inactive over the duration of the exemption.
- Between January 2020 and March 2024 CNRL either deactivated or confirmed compliance on 2,992 pipelines from the original exemption.
- In March 2024 the exemption was updated to address the remaining 1,320 pipelines by 2028.
- As of March 7, 2025, there are 865 remaining pipelines to deactivate, with a requirement they all be deactivated by the end of 2028.
- Additionally, since 2019, there have been the following exemptions made



under section 14 of the Pipeline Regulation:

- o 2019: 0
- o 2020: 2
- o 2021: 0
- o 2022: 0
- o 2023: 0
- o 2024: 1 amendment to one of the existing exemptions from 2020
- o 2025: 0
- The number of exemptions made under section 4 of the Drilling and Production Regulation since 2019 include:
 - o 2019: 20
 - o 2020: 7
 - o 2021: 18
 - o 2022: 3
 - o **2023**: 17
 - o 2024: 14
 - o 2025: 11

• See further detail of those 90 here:

Section(s)	Count		Explanation
18(6)(a)		2	Permit holder encountered problems during drilling, exemption was granted to accommodate an atypical well design that still met regulatory requirements for safety and hydraulic isolation.
18(9)(a)		18	Permit holder sought to mitigate surface casing vent flows by installing a burst plate or pressure safety valve. Note that 18(10) now allows this to be done in certain cases without requiring an exemption
18(9)(a), (c)		2	Permit holder sought to mitigate surface casing vent flows by installing a burst plate or pressure safety valve. Note that 18(10) now allows this to be done in certain cases without requiring an exemption
25(5)		9	Permit holder presented a plan to bring inactive wells back into production in a timely manner, with interim monitoring and inspections planned to ensure integrity is maintained
25(5)(a)		4	Permit holder presented a plan to bring inactive wells back into production in a timely manner, with interim monitoring and inspections planned to ensure integrity is maintained



29(1)(a), (a.1)	Permit holders received exemptions from normal well cuttings sampling requirements, either because data was already collected from nearby wells, or drilling problems prevented them from safely collecting samples
34(1), (2.1)	Permit holders received exemptions from normal well logging requirements, either because data was already collected from nearby wells, or drilling problems prevented them from safely conducting the required logs
34(1), (2.1); 29(1)(a), (a.1)	18 Permit holders received exemptions from normal well logging and sampling requirements, either because data was already collected from nearby wells, or drilling problems prevented them from safely collecting the data
39(6)(a)(v), (vi)	Permit holder presented alternative means of meeting the intent of the regulation, and complete a risk assessment demonstrating low risk.
47(c)(ii)	1 Permit holder was found to be non-compliant with equipment spacing requirements while drilling a well on a multiwell pad. Proponent completed risk assessment and provided additional mitigation measures to continue with equipment as-is when drilling last well on the pad.
73(2)	2 Permit holder was exempted from conducting annual reservoir pressure measurements. Long production histories, current low production, low remaining reserves data and reservoir pressure testing history support the exemptions. Further reservoir pressure testing would be of limited additional value.

• The BCER continues to increase its transparency and is working to make exemptions public on its website (along with inspection reports) later in 2025.

PREPARED BY:

Graham Currie Executive Director, Public Trust 250-419-4420 From: Woods, Jonathan

Sent: Friday, April 25, 2025 3:56 PM

To: Currie, Graham Rygg, Philip

Subject: weekly media request tracker April 22-25, 2025 **Attachments:** TRACKER_Weekly Media_25April2025.pdf

Hi Graham,

Please find attached this week's media tracker – have a nice weekend!

Jon





Jonathan Woods
Communications Specialist
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Weekly Media Tracker

April 22 - 25, 2025

Total requests: 2

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
April 16 (carried over from previous week)	Exemptions & "Captured Regulator"	Narwhal/Investi- gative Journalism Foundation	Matt Simmons/Zak Vescera	Nicole Koosman, Jordan van Besouw	Response sent April 22

REQUEST:

Hi BCER team,

I hope this finds you well. My name is Zak and I report for the IJF.

I'm reaching out to ask for your comment for a story we're writing with the Narwhal. My colleague Matt Simmons is attached.

We recently published a story about an exemption the BCER granted to CNRL for a number of pipelines in B.C.

In response to our story, BC Green interim leader Jeremy Valeriote spoke to us and raised concerns about the regulator.

He said he believes exemptions like the one given to CNRL should be automatically public. He said the fact the exemption was granted without public consultation or information was "completely unacceptable."

He also said he worries the BCER has been "captured" by economic and political interests, and said he would like the regulator to receive further insulation from ministerial purview.

We had reached out to Minister Dix for some time to get his comment, but he has not responded. We are now reaching out to you for the regulator's reply.

Would it be possible to answer the attached questions before EOD on Thursday?

You can reach me at 639 994 2667 if you'd like to discuss this further or if you require more time.

With thanks for your time and consideration,

QUESTIONS & ANSWERS:

1) You previously confirmed the BCER does not typically make it public when a company is granted an exemption like the kind granted to CNRL. Are there any plans to change this policy? Why or why not?

We are currently working on a process for posting regulatory exemptions publicly on our website.

2) How many exemptions has the BCER granted under Section 4 of the drilling and production regulation and section 14 of the pipeline regulation since 2019? If possible, I would appreciate having this information separated by year and by the pertinent regulation.

Number of exemptions made by the BCER under Section 14 of the Pipeline Regulation since 2019:

- 2019:0
- 2020:2
- 2021:0
- 2022:0
- 2023:0
- 2024: 1 amendment to one of the existing exemptions from 2020
- 2025:0

Number of exemptions made by the BCER under Section 4 of the Drilling and Production Regulation since 2019:

- 2019:20
- 2020:7
- 2021:18
- 2022:3
- 2023: 17
- 2024: 14
- 2025: 11

3) How does the BCER respond to Mr. Valeriote's concerns the regulator has been "captured" by industry?

The BCER is a Crown Corporation whose purpose is set out in legislation through the Energy Resource Activities Act.

Our role is to provide sound regulatory oversight of the energy industry and ensure companies comply with their permit conditions and provincial legislation. We do not advocate for industry nor solicit economic development.

The BCER follows provincial legislation, policy and guidance in the execution of its mandate, including how it manages administrative penalties, contaminated sites, reconciliation, land use and forest or other resources, and financial matters.

The BCER receives its <u>mandate</u> and direction from government and is accountable to the Minister of Energy and Climate Solutions. The BCER has accountabilities under numerous provincial laws. This includes the Public Interest and Disclosure Act (PIDA), Financial Administration Act, Declaration on the Rights of Indigenous Peoples Act and Freedom of Information and Protection of Privacy Act.

Approximately 75% of all BCER employees are union members. Our employees include many highly skilled professionals with specialized training, professional governance and quality assurance requirements. These staff include engineers, hydrologists, hydrogeologists, foresters, agrologists, archaeologists, geologists, inspectors and environmental specialists.

The BCER has a comprehensive program to ensure employees that hold statutory delegations or designations have the required training and competencies to carry out the decisions they are accountable for. There is legal recourse through review, appeal and judicial review of decisions made by the BCER.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
April 21 (stat holiday)	Restoration	Columbia Institute, Vancouver	Zoe Yunker	N/A	Response sent April 22; reporter has not followed up

REQUEST:

I'm a reporter and researcher working on an upcoming paper for the Columbia Institute on oil and gas well decommissioning and restoration in Canada and the job opportunities this work could provide. I'd love to have the chance to speak with someone from the BC Energy Regulator about the province's active and inactive wells and the skilled labour required to address well closure and restoration. Please let me know if you have any questions. I can be reached at 250-896-8057. Thank you!

RESPONSE:

Please submit your questions in writing and we will work with our subject matter experts to provide a response.

From: Woods, Jonathan

Sent: Friday, April 25, 2025 11:04 AM
To: Rygg, Philip; Currie, Graham
Subject: RE: Posting Exemptions

Yeah, on the Narwhal front, amplifying their "win" could likely embolden them rather than soften them; aside from that consideration, I think announcing it aligns with Sara D's general program of increasing transparency .





Jonathan Woods
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From: Rygg, Philip < Phil.Rygg@bc-er.ca> Sent: Friday, April 25, 2025 10:47 AM

To: Currie, Graham <Graham.Currie@bc-er.ca>; Woods, Jonathan <Jonathan.Woods@bc-er.ca>

Subject: Re: Posting Exemptions

Can just imagine the Narwhal headline: "BCER caves to Narwhal pressure"





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From: Currie, Graham < Graham. Currie@bc-er.ca>

Sent: Friday, April 25, 2025 10:45:22 AM

To: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Cc: Rygg, Philip < Phil.Rygg@bc-er.ca > **Subject:** FW: Posting Exemptions

FYI – they're "drafting" a potential Technical Update to announce our new "exemptions" feature on the website – just so they have it, in case we think it's a good idea to issue (I'm not sure I do, but would appreciate both of your thoughts).

Graham





Graham Currie Executive Director, Public Trust

Graham.Currie@bc-er.ca

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From: Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>

Sent: Friday, April 25, 2025 10:40 AM

To: Koosmann, Nicole < Nicole.Koosmann@bc-er.ca >; Smook, Patrick < Patrick.Smook@bc-er.ca >; Parsonage, Kevin

<Kevin.Parsonage@bc-er.ca>

Cc: Currie, Graham < Graham. Currie@bc-er.ca>

Subject: Posting Exemptions

For review/comment.





Garth Thoroughgood

Vice President, Public Trust & Reconciliation Garth.Thoroughgood@bc-er.ca Victoria

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From: Currie, Graham

Sent: Thursday, April 24, 2025 9:23 AM
To: Dickinson, Sara; Gregory, Sara

Cc: Thoroughgood, Garth

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

I'm still waiting for Jordan's additional info – but he did provide this chart on the 90 last week, when we were initially incorporating info for the media response:

Table 2. Exemptions made by the BCER under Section 4 of the Drilling and Production Regulation since 2019 (exemptions can be made at the individual well level* or the pool level**):

Year	Permit Holder	Section(s) Exempted	Well Authorization Number(s) or Pool(s) to which the exemption applied
2019	Bonavista	25(5)	9556
2019	Shell	25(5)	26630, 26806, 27137,
2019	Conoco Dhilling	24(1) (2.1), 20(1)(a) (a.1)	26068 31100
	Conoco Phillips	34(1), (2.1); 29(1)(a), (a.1)	
2019	Shell	29(1)(a), (a.1)	37940
2019	Yoho	25(5)	19626, 22950, 25239
2019	CNRL	25(5)	12542
2019	Tourmaline	29(1)(a), (a.1)	34826
2019	CNRL	34(1),(2.1)	37395
2019	ARC Resources	25(5)(a)	25385, 24404
2019	Petronas	18(6)(a)	37010, 37011
2019	Tourmaline	29(1)(a), (a.1)	39284
2019	Tourmaline	29(1)(a), (a.1)	39289
2019	Kelt	73(2)	Oak/Montney A
2020	Whitecap	34(1), (2.1)	36847
2020	Shell	25(5)(a)	28259
2020	Tourmaline	29(1)(a), (a.1)	37896
2020	Tourmaline	34(1), (2.1)	37902
2020	ARC Resources	25(5)(a)	25418
2020	Tourmaline	29(1)(a), (a.1)	30797
2020	Ovintiv	29(1)(a), (a.1)	34492
2021	Tourmaline	29(1)(a), (a.1)	39758
2021	ARC Resources	34(1), (2.1); 29(1)(a), (a.1)	40040
2021	ARC Resources	34(1), (2.1); 29(1)(a), (a.1)	40658
2021	ARC Resources	34(1), (2.1); 29(1)(a), (a.1)	40659
2021	ARC Resources	34(1), (2.1); 29(1)(a), (a.1)	40660
2021	ARC Resources 34(1), (2.1); 29(1)(a), (a.1)		40661
2021	ARC Resources	34(1), (2.1); 29(1)(a), (a.1)	40662
2021	Tourmaline	34(1), (2.1); 29(1)(a), (a.1)	39315

2021	ARC Resources	34(1), (2.1); 29(1)(a), (a.1)	40663
2021	ARC Resources	ARC Resources 34(1), (2.1); 29(1)(a), (a.1)	
2021	ARC Resources	34(1), (2.1); 29(1)(a), (a.1)	40665
2021	ARC Resources	34(1), (2.1); 29(1)(a), (a.1)	40666
2021	Tourmaline	29(1)(a), (a.1)	41310
2022	Tourmaline	29(1)(a), (a.1)	38885
2022	Kelt	47(c)(ii)	44140
2023	Canlin	18(9)(a)	3506
2023	Petronas	18(9)(a), (c)	8183
2023	Ovintiv	34(1), (2.1)	41815
2023	Bench Creek	18(9)(a)	5389
2023	CNRL	18(9)(a)	13908
2023	CNRL	18(9)(a)	5591
2023	Kelt	73(2)	Oak/Boundary Lake A
2023	Canlin	39(6)(a)(v), (vi)	14161, 17786
2024	CNRL	CNRL 29(1)(a), (a.1)	
2024	CNRL	29(1)(a), (a.1)	44255
2024	Petronas	18(9)(a)	37013, 39548, 41736
2024	Petronas	18(9)(a), (c)	8183
2025	Tourmaline	18(9)(a)	28331, 28334, 37722,
		2000000	37723, 37724, 29178,
			29177, 29869, 29870
2025	CNRL	18(9)(a)	13645
2025	CNRL	18(9)(a)	18660

^{*} Each well is identified by a unique four or five-digit well authorization number

^{**} A "pool" is a natural underground reservoir containing an accumulation of oil or gas or both, separated or appearing to be separated from any other accumulation - multiple wells can produce/be completed in the same pool (see our "Pool Designation Areas" GIS dataset for pool geographic data)





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From: Dickinson, Sara <Sara.Dickinson@bc-er.ca>

Sent: Thursday, April 24, 2025 9:11 AM

To: Currie, Graham <Graham.Currie@bc-er.ca>; Gregory, Sara <Sara.Gregory@bc-er.ca>

Cc: Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Page: 14 Redacted pursuant to: s13 Redacted pursuant to: s13

From: Currie, Graham < <u>Graham.Currie@bc-er.ca</u>>

Sent: Thursday, April 24, 2025 7:27 AM

To: Executive DL; Slocomb, Richard < Richard. Slocomb@bc-er.ca>

Cc: van Besouw, Jordan < <u>Jordan.vanBesouw@bc-er.ca</u>>; Thoroughgood, Garth < <u>Garth.Thoroughgood@bc-er.ca</u>>; Rygg, Philip < <u>Phil.Rygg@bc-er.ca</u>>; Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>; Parsonage, Kevin < <u>Kevin.Parsonage@bc-er.ca</u>>

Subject: BC Greens call for regulator reform over secret exemption given to oil company

Just making sure everyone saw this – story we were expecting (which did not use much of our response):

BC Greens call for regulator reform over secret exemption given to oil company

Narwhal THURSDAY, APRIL 24 2025 BY MATT SIMMONS & ZAK VESCERA

The acting leader of the Green Party of British Columbia says the provincial agency that regulates oil and gas projects has been "captured" by special interests and should become an independent agency.

Jeremy Valeriote was reacting to an investigation by The Narwhal and the Investigative Journalism Foundation that found the BC Energy Regulator quietly exempted oil and gas giant Canadian Natural Resources Ltd. (CNRL) from environmental regulations for more than 4,300 pipelines the company operates across the province.

The investigation found CNRL had not deactivated and cleaned up those pipelines within the legal timeframe. The exemption, which was granted in 2020 and lasts until 2028, was never publicly disclosed.

The regulator previously said it "does not post publicly when exemptions to regulation are granted." But after The Narwhal and the Investigative Journalism Foundation revealed the existence of the CNRL exemption, the regulator sent a second statement, saying it was "currently working on a process for posting regulatory exemptions publicly on our website." It declined to explain why this information is not already public.

Valeriote, whose party has signed an agreement to help the BC NDP hold its slim majority in the legislature, said keeping the exemption secret was "completely unacceptable."

"I think regulators work in the public interest and that information should be made public," Valeriote, MLA for West Vancouver-Sea to Sky, said in an interview. "There's no question that shouldn't be done behind closed doors."

Such exemptions for pipelines are fairly rare. The regulator said it had granted only three since 2019 — and one was an amendment to an existing exemption.

But during the same period, the regulator said it granted 90 exemptions for drilling projects like oil wells, none of which were publicly disclosed. Valeriote said the exemption is part of a larger pattern where the regulator is beholden to oil and gas companies, something he speculated was due to political pressure to advance natural resource projects.

B.C. Minister of Energy and Climate Solutions Adrian Dix did not respond to multiple requests for comment. Conservative Party of British Columbia Leader John Rustad, Larry Neufeld, the natural gas and LNG critic for the BC Conservatives, and Trevor Halford, the environment critic for the BC Conservatives, also did not respond to requests for comment.

'Political rhetoric' restricts regulator's work: BC Greens

Industry groups say B.C.'s oil and gas sector employs around 12,000 people, a number expected to grow as the province's burgeoning liquefied natural gas (LNG) export sector gets underway this year.

Recent reporting by The Narwhal and the Investigative Journalism Foundation detailed how, in many cases, the BC Energy Regulator did not fine or reprimand companies when they apparently broke regulations intended to protect the environment and public health and safety. Inspectors with the regulator identified more than 1,000 apparent infractions while inspecting oil and gas sites, but did not fine the companies operating the sites or mark them as non-compliant with government regulations.

"I think there's a tremendous amount of economic influence and ... maybe what we would call groupthink and political rhetoric around overregulation," Valeriote said. "I think that gets some traction in the political realm and it can lead to regulators being hampered in their ability to do their work."

The BC Energy Regulator, formerly known as the BC Oil and Gas Commission, is funded by levies charged to industry and overseen by a government-appointed board that reports to Dix's office.

In a statement to The Narwhal and the Investigative Journalism Foundation, the regulator said it does not "advocate for industry nor solicit economic development."

But Valeriote said he is worried political pressure is influencing regulator decisions. He argued the regulator should either be an independent government entity outside a minister's direct purview or it should have additional layers of insulation from elected officials, whom he argued might have reasons to rush environmental approvals to appease influential industry groups.

"There's too much money at stake and, quite frankly, large profits at stake to deny that there is political influence here," Valeriote said.

"We have a lot of legislation. We have a lot of regulations. But we don't enforce it consistently and that undermines the whole purpose."





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From: Slocomb, Richard

Sent: Thursday, April 24, 2025 10:51 AM **To:** Gaucher, Michelle; van Besouw, Jordan

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Thanks Michelle





Richard Slocomb, M.A.Sc., P.Eng., C.Dir. Vice President, Environmental & Subsurface Resource Management Richard.Slocomb@bc-er.ca

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From: Gaucher, Michelle < Michelle.Gaucher@bc-er.ca>

Sent: Thursday, April 24, 2025 10:40 AM

To: Slocomb, Richard <Richard.Slocomb@bc-er.ca>; van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

I added the reasoning into the table below, in orange.





Michelle Gaucher P.Eng. Supervisor, Reservoir Engineering Michelle.Gaucher@bc-er.ca Victoria Office Address Directory BCER Web Site T. 250-419-4482 F. 250-419-4403 s22 We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water, on whose territories the British Columbia E

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From: Slocomb, Richard < Richard. Slocomb@bc-er.ca >

Sent: Thursday, April 24, 2025 10:09 AM

To: van Besouw, Jordan < Jordan.vanBesouw@bc-er.ca >; Gaucher, Michelle < Michelle.Gaucher@bc-er.ca >

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Thanks for collating this table Jordan.

I see reasons provided for all of these except the very last one.

Michelle are you able to find the rationale for the 2 annual pressure test exemptions.





Richard Slocomb , M.A.Sc., P.Eng., C.Dir. Vice President, Environmental & Subsurface Resource Management Richard.Slocomb@bc-er.ca

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From: van Besouw, Jordan < Jordan.vanBesouw@bc-er.ca>

Sent: Thursday, April 24, 2025 9:24 AM

To: Currie, Graham <<u>Graham.Currie@bc-er.ca</u>>; Dickinson, Sara <<u>Sara.Dickinson@bc-er.ca</u>>; Slocomb, Richard <<u>Richard.Slocomb@bc-er.ca</u>>; Gregory, Sara

<<u>Sara.Gregory@bc-er.ca</u>>

 $\textbf{Cc:}\ Thoroughgood, Garth < \underline{Garth.Thoroughgood@bc-er.ca} >;\ Rygg,\ Philip < \underline{Phil.Rygg@bc-er.ca} >;\ Woods,\ Jonathan.Woods@bc-er.ca} >;\ Parsonage,\ Philip < \underline{Phil.Rygg@bc-er.ca} >;\ Philip < \underline{Phil.Rygg@bc-er.ca} >;\$

Kevin < Kevin.Parsonage@bc-er.ca>

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Morning all,

Breakdown of the 90 exemptions, by DPR section, and with an explanation for each section describing how/why the exemptions are warranted, shown below. Let me know if you have any questions or concerns.

Jordan

Section(s)	Count	Explanation
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73(2)	2	Permit holder was exempted from conducting annual reservoir pressure measurements. Long production histories, current low production, low remaining reserves data and reservoir pressure testing history support the exemptions. Further reservoir pressure testing would be of limited additional value.





Jordan van Besouw P.Eng. Supervisor, Drilling & Production Jordan.vanBesouw@bc-er.ca Kelowna
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From: Currie, Graham < Graham. Currie@bc-er.ca>

Sent: Thursday, April 24, 2025 8:56 AM

To: Dickinson, Sara <<u>Sara.Dickinson@bc-er.ca</u>>; Slocomb, Richard <<u>Richard.Slocomb@bc-er.ca</u>>; Gregory, Sara <<u>Sara.Gregory@bc-er.ca</u>>

Cc: van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>; Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Woods,

Jonathan < Jonathan. Woods@bc-er.ca >; Parsonage, Kevin < Kevin. Parsonage@bc-er.ca >

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Just adding Sara G to this...





Graham Currie
Executive Director, Public Trust
Graham.Currie@bc-er.ca

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Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca

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Sent: Thursday, April 24, 2025 7:27 AM

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Cc: van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>; Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Woods,

Jonathan <<u>Jonathan.Woods@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>> **Subject:** BC Greens call for regulator reform over secret exemption given to oil company

Just making sure everyone saw this – story we were expecting (which did not use much of our response):

BC Greens call for regulator reform over secret exemption given to oil company

Narwhal
THURSDAY, APRIL 24 2025
BY MATT SIMMONS & ZAK VESCERA

The acting leader of the Green Party of British Columbia says the provincial agency that regulates oil and gas projects has been "captured" by special interests and should become an independent agency.

Jeremy Valeriote was reacting to an investigation by The Narwhal and the Investigative Journalism Foundation that found the BC Energy Regulator quietly exempted oil and gas giant Canadian Natural Resources Ltd. (CNRL) from environmental regulations for more than 4,300 pipelines the company operates across the province.

The investigation found CNRL had not deactivated and cleaned up those pipelines within the legal timeframe. The exemption, which was granted in 2020 and lasts until 2028, was never publicly disclosed.

The regulator previously said it "does not post publicly when exemptions to regulation are granted." But after The Narwhal and the Investigative Journalism Foundation revealed the existence of the CNRL exemption, the regulator sent a second statement, saying it was "currently working on a process for posting regulatory exemptions publicly on our website." It declined to explain why this information is not already public.

Valeriote, whose party has signed an agreement to help the BC NDP hold its slim majority in the legislature, said keeping the exemption secret was "completely unacceptable."

"I think regulators work in the public interest and that information should be made public," Valeriote, MLA for West Vancouver-Sea to Sky, said in an interview. "There's no question that shouldn't be done behind closed doors."

Such exemptions for pipelines are fairly rare. The regulator said it had granted only three since 2019 — and one was an amendment to an existing exemption.

But during the same period, the regulator said it granted 90 exemptions for drilling projects like oil wells, none of which were publicly disclosed. Valeriote said the exemption is part of a larger pattern where the regulator is beholden to oil and gas companies, something he speculated was due to political pressure to advance natural resource projects.

B.C. Minister of Energy and Climate Solutions Adrian Dix did not respond to multiple requests for comment. Conservative Party of British Columbia Leader John Rustad, Larry Neufeld, the natural gas and LNG critic for the BC Conservatives, and Trevor Halford, the environment critic for the BC Conservatives, also did not respond to requests for comment.

'Political rhetoric' restricts regulator's work: BC Greens

Industry groups say B.C.'s oil and gas sector employs around 12,000 people, a number expected to grow as the province's burgeoning liquefied natural gas (LNG) export sector gets underway this year.

Recent reporting by The Narwhal and the Investigative Journalism Foundation detailed how, in many cases, the BC Energy Regulator did not fine or reprimand companies when they apparently broke regulations intended to protect the environment and public health and safety. Inspectors with the regulator identified more than 1,000 apparent infractions while inspecting oil and gas sites, but did not fine the companies operating the sites or mark them as non-compliant with government regulations.

"I think there's a tremendous amount of economic influence and ... maybe what we would call groupthink and political rhetoric around overregulation," Valeriote said. "I think that gets some traction in the political realm and it can lead to regulators being hampered in their ability to do their work."

The BC Energy Regulator, formerly known as the BC Oil and Gas Commission, is funded by levies charged to industry and overseen by a government-appointed board that reports to Dix's office.

In a statement to The Narwhal and the Investigative Journalism Foundation, the regulator said it does not "advocate for industry nor solicit economic development."

But Valeriote said he is worried political pressure is influencing regulator decisions. He argued the regulator should either be an independent government entity outside a minister's direct purview or it should have additional layers of insulation from elected officials, whom he argued might have reasons to rush environmental approvals to appease influential industry groups.

"There's too much money at stake and, quite frankly, large profits at stake to deny that there is political influence here," Valeriote said.

"We have a lot of legislation. We have a lot of regulations. But we don't enforce it consistently and that undermines the whole purpose."





Graham Currie
Executive Director, Public Trust
Graham.Currie@bc-er.ca

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From: Currie, Graham

Sent: Thursday, April 24, 2025 10:55 AM

To: Slocomb, Richard Cc: Slocomb, Richard

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Thanks Richard - I can add that in.

Graham





Graham Currie
Executive Director, Public Trust
Graham.Currie@bc-er.ca

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From: Slocomb, Richard < Richard. Slocomb@bc-er.ca>

Sent: Thursday, April 24, 2025 10:53 AM

To: Currie, Graham < Graham.Currie@bc-er.ca>
Cc: Gregory, Sara < Sara.Gregory@bc-er.ca>

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Perhaps not critical but I noticed that the very last exemption in the list didn't note a reason for the exemption. Below is what Michelle G provided.

Permit holder was exempted from conducting annual reservoir pressure measurements. Long production histories, current low production, low remaining reserves data and reservoir pressure testing history support the exemptions. Further reservoir pressure testing would be of limited additional value.





Richard Slocomb , M.A.Sc., P.Eng., C.Dir.
Vice President, Environmental & Subsurface Resource
Management
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From: Currie, Graham

Sent: Thursday, April 24, 2025 2:56 PM

To: Dickinson, Sara; Gregory, Sara; van Besouw, Jordan; Slocomb, Richard **Cc:** Thoroughgood, Garth; Rygg, Philip; Woods, Jonathan; Parsonage, Kevin

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

I did share with GCPE earlier this afternoon and they said they'd share with the MO – I'm just confirming if they've also sent it to the DM.

Thanks, Graham





Graham Currie
Executive Director, Public Trust
Graham.Currie@bc-er.ca

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From: Dickinson, Sara <Sara.Dickinson@bc-er.ca>

Sent: Thursday, April 24, 2025 1:40 PM

To: Currie, Graham <Graham.Currie@bc-er.ca>; Gregory, Sara <Sara.Gregory@bc-er.ca>; van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>; Slocomb, Richard <Richard.Slocomb@bc-er.ca>

Cc: Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Woods, Jonathan

<Jonathan.Woods@bc-er.ca>; Parsonage, Kevin <Kevin.Parsonage@bc-er.ca>

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Thank you Graham. If you could please share with GCPE/DM office and file the updated note as appropriate?





Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca

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From: Currie, Graham < Graham.Currie@bc-er.ca>

Sent: Thursday, April 24, 2025 10:01 AM

To: Gregory, Sara <<u>Sara.Gregory@bc-er.ca</u>>; van Besouw, Jordan <<u>Jordan.vanBesouw@bc-er.ca</u>>; Dickinson, Sara

<<u>Sara.Dickinson@bc-er.ca</u>>; Slocomb, Richard <<u>Richard.Slocomb@bc-er.ca</u>>

Cc: Thoroughgood, Garth <<u>Garth.Thoroughgood@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>; Woods, Jonathan <<u>Jonathan.Woods@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>>

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

With a big thanks again to Jordan – see the updated issue note here – it includes the table from Jordan in the background, and I added the following messaging:

- Additionally another 90 exemptions provided over a five-year period to several oil and gas companies are a necessary regulatory tool to respond to challenges encountered during operations and help ensure safety.
- The BCER technical staff, including engineers and geoscientists, assess each situation before granting an exemption, which are authorized under the Act and the Regulations.

Graham





Graham Currie
Executive Director, Public Trust
Graham.Currie@bc-er.ca

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Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

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Jordan

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Jordan van Besouw P.Eng. Supervisor, Drilling & Production Jordan.vanBesouw@bc-er.ca Kelowna
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Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Just adding Sara G to this...





Graham Currie

Executive Director, Public Trust Graham.Currie@bc-er.ca

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Page 33 Redacted pursuant to: s13 From: Currie, Graham < Graham. Currie@bc-er.ca>

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THURSDAY, APRIL 24 2025
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B.C. Minister of Energy and Climate Solutions Adrian Dix did not respond to multiple requests for comment. Conservative Party of British Columbia Leader John Rustad, Larry Neufeld, the natural gas and LNG critic for the BC Conservatives, and Trevor Halford, the environment critic for the BC Conservatives, also did not respond to requests for comment.

'Political rhetoric' restricts regulator's work: BC Greens

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"We have a lot of legislation. We have a lot of regulations. But we don't enforce it consistently and that undermines the whole purpose."

From: Currie, Graham

Sent:Thursday, April 24, 2025 9:06 AMTo:Gregory, Sara; Dickinson, Sara

Cc: Thoroughgood, Garth

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Additionally – he has this messaging from the Top Issues:

5 | Media Interest in Compliance & Enforcement

Q. Critics say the BCER turns a blind eye to infractions in the oil and gas industry, seldom finding or issuing penalties. What is the BCER doing to ensure public and environmental safety?

A)

Media reports only capture a small portion of a broader issue. In recent news articles, many examples
cited only show a portion of the facts — not the full context of the risk or the outcome.

In response to recently published media articles which reviewed BCER inspection records from 2017-2023

- Inspections are a snapshot in time. Comments do not reflect the comprehensive Compliance
 Management System used by the regulator to bring permit holders back into compliance,
 ranging from non-compliance notices to more formal, statutory enforcement actions, including
 fines.
- Many of the instances referenced did not result in formal non-compliance notices because they
 were addressed with the appropriate actions based on the risk to the environment and public
 safety:
 - Two were escalated to formal enforcement
 - o Two were referred to the environmental management team for remediation
 - One was corrected on-site during the inspection
 - Nine involved surface casing vent flows, which were not non-compliances at the time
 - One was a joint inspection focused on education and information-sharing
 - One was determined to involve a matter outside BCER jurisdiction, so was referred to the appropriate agency to be addressed.
- To put this in perspective, during the period referenced:
 - The inspection-level initial compliance rate was over 94 per cent.
 - 4,355 individual non-compliances were found. Approximately six per cent were considered high severity, which require permit holders to correct them within 24 hours.
 All others were of low severity, requiring correction within either 14 or 30 days.
- The final compliance rate was more than 99 per cent.

In response to recently published media articles regarding an exemption provided by BCER to CNRL in 2020:

- The statutory decision maker determined an exemption approach provided a more effective means to ensure environmental safety and would lead to outcomes that went <u>beyond</u> regulated requirements.
- The exemption required CNRL to follow a systematic, co-ordinated, multi-year plan which reduced the overall time, prioritized risk, and reduced land disturbance.
- Enforcement of the plan has resulted in 80 per cent of the 4,312 identified pipelines being addressed over five years. There are 865 remaining pipelines to deactivate CNRL is required to complete deactivation of all the pipelines by the end of 2028.

Background

- The BC Energy Regulator (BCER) has processes and systems in place to manage compliance within the energy industry to ensure the protection of the environment and public safety.
- Safety and compliance management is a complex and multifaceted part of the Regulator's operations, involving contributions from all areas of the organization including engineering, environmental stewardship, geology, archaeology, and compliance and enforcement.
- To ensure effective oversight, the BCER maintains a comprehensive Compliance Management System to identify, coordinate, track, and continuously improve compliance management activities. This ensures energy companies in British Columbia operate in accordance with Provincial legislation, regulations, permits, and authorizations designed to uphold public safety and environmental protection.
- As part of this system, the BCER dedicates significant resources to monitoring compliance, including carrying out more than 4,000 in-person inspections of energy resource activity sites across the province each year.
- When non-compliances are identified, the BCER uses a graduated response model to bring permit holders back into compliance, ranging from non-compliance notices to more formal, statutory enforcement actions, including fines.
- The specific action taken depends on the nature of the non-compliance and the case-specific circumstances. BCER staff consider a range of factors in determining the most appropriate response, including:
 - o The severity of actual or potential impacts to the environment and public safety
 - The factual circumstances of the non-compliance
 - The compliance history of the permit holder
 - The best approach to remedy the issue and reduce future non-compliance
- Where appropriate, alleged non-compliances are managed through the Non-Compliance Notice and Correction Process. If that is not effective — or circumstances warrant — BCER has efficient processes in place to escalate to formal enforcement.
- As part of its commitment to transparency and continuous improvement, the BCER publishes the following information on its website:
 - Inspection summaries
 - Data and reports on compliance management, inspections, and enforcement
 - o All penalties, orders, warning letters, and tickets issued
 - Planned publication of full inspection reports by the end of 2025
 - Begin publishing exemptions in 2025

6 | Captured Regulator

Q. There has been criticism from NGOs and some media that the BC Energy Regulator (BCER) is a captured regulator and can't do an impartial job of regulating projects. How does the BCER respond to such criticisms?

A)

- The BCER receives its mandate and direction from government and is accountable to the Minister of Energy and Climate Solutions.
- BCER must follow provincial legislation, policy and guidance in the execution of its mandate, including how it manages administrative penalties, contaminated sites, reconciliation, land use and forest or other resources, and financial matters.
- As a regulator, the BCER does not have an advocacy function. Its role is to provide sound regulatory oversight of the energy industry and ensure companies comply with their permit conditions and provincial legislation. The BCER does not advocate for industry or solicit economic development.
- There are 110 positions in the BCER that hold non-financial delegated or designated decision-making authorities (including compliance & enforcement decisions) that are part of BCER's Delegated Decision-Maker Quality Assurance Program, designed to ensure that employees that hold statutory delegations or designations have the required training and competencies to carry out the decisions they are accountable for.
- Expertise in Decision Making: Approximately three-quarters of all employees are union members. They include highly skilled professionals and statutory decision-makers with specialized training, professional governance and quality assurance requirements. These staff include engineers, hydrologists, hydrogeologists, foresters, agrologists, archaeologists, geologists, inspectors and environmental specialists.
- There is legal recourse through review, appeal and judicial review of decisions made by the BCER.
- Compliance & Enforcement: To further ensure independence the BCER works closely within
 provincial standards, policies and legislation with other agencies on compliance. The BCER
 has agreements in place like the Squamish Nation/Environmental Assessment Office/BCER
 agreement signed in March 2024 to provide for coordination, collaboration and mutual support
 in the event of safety events and to support regulatory compliance.
- Cost Recovery Funding: There are a range of funding models for Crown Corporations, and
 different ministries also charge permit application fees and fees for compliance oversight.
 Similar to publicly funded government regulatory agencies, like the Canada Energy Regulator,
 the Alberta Energy Regulator, and other provincial agencies, such as the Environmental
 Assessment Office (who charge application fees etc), the BC Energy Regulator is selfsupported through levies charged on production, pipelines, large LNG facilities, and oil and gas
 application fees—receiving no taxpayer funds.
- Independent Oversight: The BCER's Board of Directors is independent, setting strategic
 direction in alignment with government direction and overseeing the Regulator's operations.
 Under the BCER's governance structure, seven Directors (including at least one Indigenous
 person and a Deputy Minister) bring diverse experience, technical expertise and a strong
 understanding of the matters within the BCER's mandate to play an important role in
 advancing and protecting the public interest.

From: Currie, Graham

Sent: Thursday, April 24, 2025 1:27 PM

To: Connie, Alanah GCPE:EX; Lonergan, Peter GCPE:EX; Poulose, Akshara GCPE:EX

Cc: Rygg, Philip; Woods, Jonathan

Subject:Exemptions IN & Wind Farm ComplianceAttachments:IN_Narwhal_CNRL_Exemption_Updt.docx

As mentioned – please see attached re. the exemptions story; and below is what we've got for Estimates re. C&E on wind farms, plus a bit on expanded mandate staffing (just the summary):

4 | WIND FARM COMPLIANCE

Q) How will the BCER ensure compliance with any wind farms it might be responsible for?

- The BCER has a strong and mature safety and compliance management program in place for the energy resources it oversees.
- There will be no gap in compliance oversight. Compliance verification for wind and solar
 projects will be conducted by the BC Energy Regulator, including an inspection team of
 Engineers and Officers who will carry out audits and field inspections to ensure robust
 oversight of safety and compliance.
- Inspections will be conducted through the full regulatory life cycle of the projects.
- The BCER is working with the Environmental Assessment Office to ensure a smooth hand over of responsibility for the regulation of wind farms, utilizing the EAO's existing experience to ensure a consistent approach.
- Safety and compliance management is a core function of the Regulator's operations, involving contributions from all areas of the organization including engineering, environmental stewardship, geology, archaeology, and compliance and enforcement.
- To ensure effective oversight, the BCER maintains a comprehensive Compliance Management System to identify, coordinate, track, and continuously improve compliance management activities. This ensures energy companies in British Columbia operate in accordance with Provincial legislation, regulations, permits, and authorizations designed to uphold public safety and environmental protection.

1 | BCER Front-Line Staffing and Capacity

Q) What is the BCER doing to prepare for its new responsibilities so it's ready to permit wind farms, solar and transmission lines?

- A) Summary
 - With approximately 300 people working across seven regional offices, the BC Energy Regulator (BCER) ensures energy activities are carried out safely, responsibly, and in alignment with provincial goals.
 - BCER is focused on delivery of its current mandate and ensuring that the organization is prepared for new responsibilities.
 - To prepare for its expanded mandate, BCER has begun investing in future-focused capacity building out teams that can oversee emerging energy systems, support new permitting

processes, and expand engagement functions. These investments are essential to maintaining regulatory confidence and ensuring BCER is positioned to enable the energy transition while protecting public safety and environmental values.

Thanks, Graham





Graham Currie
Executive Director, Public Trust
Graham.Currie@bc-er.ca

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April 3, 2025; Updated April 24, 2025

CNRL Pipeline Exemptions

- PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- II. ISSUE: The Narwhal has published an article "BC Greens call for regulator reform over secret exemption given to oil company" (April 24, 2025), which follows another article "B.C. quietly allowed an oil and gas giant to sidestep rules for more than 4,300 pipelines" (April 2, 2025), and is part of an ongoing "series" critical of the BCER compliance and enforcement efforts. This arises from an FOI released in February 2024 (and available on the BCER's website) for all inspection records from 2017-2023, resulting in over 35,000 inspection reports.

III. MESSAGING:

- The BCER has a comprehensive Compliance Management System that ensures energy companies in the province operate in accordance with legislation, regulations, permits, and authorizations designed to protect public safety and the environment.
- Significant resources are dedicated to monitoring compliance, through a
 diverse set of administrative and field-based tools and activities, including
 application reviews, administrative reviews and monitoring, audits, inspections,
 and permit holder self-assessments.
- The BCER identified through an integrity focused audit of operators' pipeline deactivation programs - that CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation (i.e., that pipelines must be deactivated within 18 months of not flowing) and needed to be deactivated.
- In response to the BCER requiring CNRL to identify its plan to address the non-compliances, CNRL proposed a systematic, co-ordinated, multi-year approach to its deactivation of the non-compliant pipelines.
- Given the significant number of pipelines out of compliance, the decision maker acknowledged that the issue could not be addressed immediately and concluded that an exemption that required the permit holder to follow a plan that would bring it into compliance by 2028 was appropriate.
- The BCER decision maker determined that this approach was preferable to addressing each instance on a one-off, case-by-case basis because it would reduce the overall time to deactivate all the pipelines, require those pipelines with greater risk associated to be prioritized, and reduce the associated land disturbance.
- The exemption included an itemized list of pipelines to be addressed with associated dates which can be used for enforcement purposes.
- The original exemption included 4,312 pipelines and as of March 2025, there
 are 865 remaining pipelines to deactivate CNRL is required to complete
 deactivation of all the pipelines by the end of 2028.
- Additionally another 90 exemptions provided over a five-year period to several oil and gas companies are a necessary regulatory tool to respond to



challenges encountered during operations and help ensure safety.

 The BCER technical staff, including engineers and geoscientists, assess each situation before granting an exemption, which are authorized under the Act and the Regulations.

IV. BACKGROUND:

- Deactivating pipelines provides safety and environmental protection through
 the removal of fluids from the pipes and the isolation of the pipelines from any
 other systems. Permit holders are required to continue to monitor the pipelines
 after their deactivation until they are removed or abandoned. Deactivating
 pipelines reduces liability, increases restoration, and reduces the risk of a spill.
- Through an administrative compliance verification process of an integrity focused audit of operators' pipeline deactivation programs in 2020, the BCER found CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation requiring pipelines must be deactivated within 18 months of not flowing and needed to be deactivated.
- CNRL proposed a systematic, co-ordinated, multi-year approach to its
 deactivation of the non-compliant pipelines that was deemed by the BCER as
 being preferable to addressing each instance on a one off basis (as would
 have been required as per the section 9 provisions), as the systematic
 approach would reduce the overall time to deactivate all of the pipelines and
 reduce the associated land disturbance conducting the work.
- The BCER determined that issuing an exemption which required CNRL to implement its plan was the best option for bringing CNRL into compliance efficiently and in a way that allowed the BCER to monitor the activities of CNRL by pipeline count and date for enforcement.
- For example, when CNRL failed to meet the identified deactivation targets for 2020, 2021, and 2022, the BCER issued an enforcement order to deactivate the sections as outlined in the 2020 exemption. On Nov. 9, 2023 CNRL had satisfied the deactivation requirements and the order was terminated.
- This plan which included older assets purchased from other companies significantly reduced the risk of this infrastructure falling into insolvency and potentially increasing liabilities for the Orphan Fund.
- The original exemption included 4,312 pipelines:
 - 2,266 were identified as potentially inactive at the time of the exemption.
 - An additional 2,046 were projected to become inactive over the duration of the exemption.
- Between January 2020 and March 2024 CNRL either deactivated or confirmed compliance on 2,992 pipelines from the original exemption.
- In March 2024 the exemption was updated to address the remaining 1,320 pipelines by 2028.
- As of March 7, 2025, there are 865 remaining pipelines to deactivate, with a requirement they all be deactivated by the end of 2028.
- Additionally, since 2019, there have been the following exemptions made



under section 14 of the Pipeline Regulation:

- o 2019: 0
- o 2020: 2
- o 2021: 0
- o 2022: 0
- o 2023: 0
- o 2024: 1 amendment to one of the existing exemptions from 2020
- o 2025: 0
- The number of exemptions made under section 4 of the Drilling and Production Regulation since 2019 include:
 - o 2019: 20
 - o 2020: 7
 - o 2021: 18
 - o 2022: 3
 - o **2023**: 17
 - o 2024: 14
 - o 2025: 11

• See further detail of those 90 here:

Section(s)	Count		Explanation
18(6)(a)		2	Permit holder encountered problems during drilling, exemption was granted to accommodate an atypical well design that still met regulatory requirements for safety and hydraulic isolation.
18(9)(a)		18	Permit holder sought to mitigate surface casing vent flows by installing a burst plate or pressure safety valve. Note that 18(10) now allows this to be done in certain cases without requiring an exemption
18(9)(a), (c)		2	Permit holder sought to mitigate surface casing vent flows by installing a burst plate or pressure safety valve. Note that 18(10) now allows this to be done in certain cases without requiring an exemption
25(5)		9	Permit holder presented a plan to bring inactive wells back into production in a timely manner, with interim monitoring and inspections planned to ensure integrity is maintained
25(5)(a)		4	Permit holder presented a plan to bring inactive wells back into production in a timely manner, with interim monitoring and inspections planned to ensure integrity is maintained



29(1)(a), (a.1)	Permit holders received exemptions from normal well cuttings sampling requirements, either because data was already collected from nearby wells, or drilling problems prevented them from safely collecting samples
34(1), (2.1)	19 Permit holders received exemptions from normal well logging requirements, either because data was already collected from nearby wells, or drilling problems prevented them from safely conducting the required logs
34(1), (2.1); 29(1)(a), (a.1)	18 Permit holders received exemptions from normal well logging and sampling requirements, either because data was already collected from nearby wells, or drilling problems prevented them from safely collecting the data
39(6)(a)(v), (vi)	Permit holder presented alternative means of meeting the intent of the regulation, and complete a risk assessment demonstrating low risk.
47(c)(ii)	1 Permit holder was found to be non-compliant with equipment spacing requirements while drilling a well on a multiwell pad. Proponent completed risk assessment and provided additional mitigation measures to continue with equipment as-is when drilling last well on the pad.
73(2)	2 Permit holder was exempted from conducting annual reservoir pressure measurements.

• The BCER continues to increase its transparency and is working to make exemptions public on its website (along with inspection reports) later in 2025.

PREPARED BY:

Graham Currie Executive Director, Public Trust 250-419-4420 Page 45 Redacted pursuant to: s13 From: Dickinson, Sara

Sent: Thursday, April 24, 2025 9:00 AM To: Currie, Graham; Gregory, Sara

Cc: Thoroughgood, Garth; Rygg, Philip; Woods, Jonathan

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Could you provide the most up to date IN please – I don't see it in the Exec folder.





Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca

Fort St. John

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s22

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From: Currie, Graham < Graham. Currie@bc-er.ca>

Sent: Thursday, April 24, 2025 8:56 AM

To: Dickinson, Sara <Sara.Dickinson@bc-er.ca>; Slocomb, Richard <Richard.Slocomb@bc-er.ca>; Gregory, Sara

<Sara.Gregory@bc-er.ca>

Cc: van Besouw, Jordan < Jordan.van Besouw@bc-er.ca>; Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Woods, Jonathan <Jonathan.Woods@bc-er.ca>; Parsonage, Kevin <Kevin.Parsonage@bcer.ca>

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Just adding Sara G to this...





Graham Currie

Executive Director, Public Trust Graham.Currie@bc-er.ca

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From: Currie, Graham

Sent: Thursday, April 24, 2025 8:54 AM

To: Dickinson, Sara <Sara.Dickinson@bc-er.ca>; Slocomb, Richard <Richard.Slocomb@bc-er.ca>

Cc: van Besouw, Jordan < Jordan.vanBesouw@bc-er.ca >; Thoroughgood, Garth < Garth.Thoroughgood@bc-er.ca >; Rygg,

Page 47 Redacted pursuant to: s13





Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca

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From: Currie, Graham < Graham.Currie@bc-er.ca>

Sent: Thursday, April 24, 2025 7:27 AM

To: Executive DL; Slocomb, Richard <Richard.Slocomb@bc-er.ca>

Cc: van Besouw, Jordan <<u>Jordan.vanBesouw@bc-er.ca</u>>; Thoroughgood, Garth <<u>Garth.Thoroughgood@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>; Woods, Jonathan <<u>Jonathan.Woods@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>>

Subject: BC Greens call for regulator reform over secret exemption given to oil company

Just making sure everyone saw this - story we were expecting (which did not use much of our response):

BC Greens call for regulator reform over secret exemption given to oil company

Narwhal THURSDAY, APRIL 24 2025 BY MATT SIMMONS & ZAK VESCERA

The acting leader of the Green Party of British Columbia says the provincial agency that regulates oil and gas projects has been "captured" by special interests and should become an independent agency.

Jeremy Valeriote was reacting to an investigation by The Narwhal and the Investigative Journalism Foundation that found the BC Energy Regulator quietly exempted oil and gas giant Canadian Natural Resources Ltd. (CNRL) from environmental regulations for more than 4,300 pipelines the company operates across the province.

The investigation found CNRL had not deactivated and cleaned up those pipelines within the legal timeframe. The exemption, which was granted in 2020 and lasts until 2028, was never publicly disclosed.

The regulator previously said it "does not post publicly when exemptions to regulation are granted." But after The Narwhal and the Investigative Journalism Foundation revealed the existence of the CNRL exemption, the regulator sent a second statement, saying it was "currently working on a process for posting regulatory exemptions publicly on our website." It declined to explain why this information is not already public.

Valeriote, whose party has signed an agreement to help the BC NDP hold its slim majority in the legislature, said keeping the exemption secret was "completely unacceptable."

"I think regulators work in the public interest and that information should be made public," Valeriote, MLA for West Vancouver-Sea to Sky, said in an interview. "There's no question that shouldn't be done behind closed doors."

Such exemptions for pipelines are fairly rare. The regulator said it had granted only three since 2019 — and one was an amendment to an existing exemption.

But during the same period, the regulator said it granted 90 exemptions for drilling projects like oil wells, none of which were publicly disclosed. Valeriote said the exemption is part of a larger pattern where the regulator is beholden to oil and gas companies, something he speculated was due to political pressure to advance natural resource projects.

B.C. Minister of Energy and Climate Solutions Adrian Dix did not respond to multiple requests for comment. Conservative Party of British Columbia Leader John Rustad, Larry Neufeld, the natural gas and LNG critic for the BC Conservatives, and Trevor Halford, the environment critic for the BC Conservatives, also did not respond to requests for comment.

'Political rhetoric' restricts regulator's work: BC Greens

Industry groups say B.C.'s oil and gas sector employs around 12,000 people, a number expected to grow as the province's burgeoning liquefied natural gas (LNG) export sector gets underway this year.

Recent reporting by The Narwhal and the Investigative Journalism Foundation detailed how, in many cases, the BC Energy Regulator did not fine or reprimand companies when they apparently broke regulations intended to protect the environment and public health and safety. Inspectors with the regulator identified more than 1,000 apparent infractions while inspecting oil and gas sites, but did not fine the companies operating the sites or mark them as non-compliant with government regulations.

"I think there's a tremendous amount of economic influence and ... maybe what we would call groupthink and political rhetoric around overregulation," Valeriote said. "I think that gets some traction in the political realm and it can lead to regulators being hampered in their ability to do their work."

The BC Energy Regulator, formerly known as the BC Oil and Gas Commission, is funded by levies charged to industry and overseen by a government-appointed board that reports to Dix's office.

In a statement to The Narwhal and the Investigative Journalism Foundation, the regulator said it does not "advocate for industry nor solicit economic development."

But Valeriote said he is worried political pressure is influencing regulator decisions. He argued the regulator should either be an independent government entity outside a minister's direct purview or it should have additional layers of insulation from elected officials, whom he argued might have reasons to rush environmental approvals to appease influential industry groups.

"There's too much money at stake and, quite frankly, large profits at stake to deny that there is political influence here," Valeriote said.

"We have a lot of legislation. We have a lot of regulations. But we don't enforce it consistently and that undermines the whole purpose."

From: Woods, Jonathan

Sent: Thursday, April 24, 2025 8:36 AM **To:** Currie, Graham; Koosmann, Nicole

Cc: Slocomb, Richard; van Besouw, Jordan; Thoroughgood, Garth; Rygg, Philip; Parsonage,

Kevin

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Thanks, Graham. Looping in Nicole here as well as an fyi.





Jonathan Woods
Communications Specialist
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From: Currie, Graham < Graham. Currie@bc-er.ca>

Sent: Thursday, April 24, 2025 7:27 AM

To: Executive DL <Executive@bc-er.ca>; Slocomb, Richard <Richard.Slocomb@bc-er.ca>

Cc: van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>; Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Woods, Jonathan <Jonathan.Woods@bc-er.ca>; Parsonage, Kevin <Kevin.Parsonage@bc-er.ca>

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But during the same period, the regulator said it granted 90 exemptions for drilling projects like oil wells, none of which were publicly disclosed. Valeriote said the exemption is part of a larger pattern where the regulator is beholden to oil and gas companies, something he speculated was due to political pressure to advance natural resource projects.

B.C. Minister of Energy and Climate Solutions Adrian Dix did not respond to multiple requests for comment. Conservative Party of British Columbia Leader John Rustad, Larry Neufeld, the natural gas and LNG critic for the BC Conservatives, and Trevor Halford, the environment critic for the BC Conservatives, also did not respond to requests for comment.

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"We have a lot of legislation. We have a lot of regulations. But we don't enforce it consistently and that undermines the whole purpose."





Graham CurrieExecutive Director, Public Trust
<u>Graham.Currie@bc-er.ca</u>

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From: Gregory, Sara

Sent: Thursday, April 24, 2025 9:21 AM

To: Dickinson, Sara

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Perfect. No concerns. Publish!





Sara Gregory She/Her Chief Legal Counsel, Governance & Regulatory Affairs <u>Sara.Gregory@bc-er.ca</u> Victoria
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From: Dickinson, Sara <Sara.Dickinson@bc-er.ca>

Sent: Thursday, April 24, 2025 9:20 AM **To:** Gregory, Sara <Sara.Gregory@bc-er.ca>

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

My understanding is that it will be posted on an "Exemptions" page under data and reports. Here is the current set up in the test environment:

I think all could be published there without tying them to a specific group or action.





Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca

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From: Gregory, Sara < Sara.Gregory@bc-er.ca>

Sent: Thursday, April 24, 2025 8:47 AM

To: Dickinson, Sara < Sara. Dickinson@bc-er.ca>

Subject: RE: BC Greens call for regulator reform over secret exemption given to oil company

Redacted pursuant to: s13

From: Currie, Graham < <u>Graham.Currie@bc-er.ca</u>>

Sent: Thursday, April 24, 2025 7:27 AM

To: Executive DL <<u>Executive@bc-er.ca</u>>; Slocomb, Richard <<u>Richard.Slocomb@bc-er.ca</u>>

Cc: van Besouw, Jordan <<u>Jordan.vanBesouw@bc-er.ca</u>>; Thoroughgood, Garth <<u>Garth.Thoroughgood@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>; Woods, Jonathan <<u>Jonathan.Woods@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>>

Subject: BC Greens call for regulator reform over secret exemption given to oil company

Just making sure everyone saw this – story we were expecting (which did not use much of our response):

BC Greens call for regulator reform over secret exemption given to oil company

Narwhal
THURSDAY, APRIL 24 2025
BY MATT SIMMONS & ZAK VESCERA

The acting leader of the Green Party of British Columbia says the provincial agency that regulates oil and gas projects has been "captured" by special interests and should become an independent agency.

Jeremy Valeriote was reacting to an investigation by The Narwhal and the Investigative Journalism Foundation that found the BC Energy Regulator quietly exempted oil and gas giant Canadian Natural Resources Ltd. (CNRL) from environmental regulations for more than 4,300 pipelines the company operates across the province.

The investigation found CNRL had not deactivated and cleaned up those pipelines within the legal timeframe. The exemption, which was granted in 2020 and lasts until 2028, was never publicly disclosed.

The regulator previously said it "does not post publicly when exemptions to regulation are granted." But after The Narwhal and the Investigative Journalism Foundation revealed the existence of the CNRL exemption, the regulator sent a second statement, saying it was "currently working on a process for posting regulatory exemptions publicly on our website." It declined to explain why this information is not already public.

Valeriote, whose party has signed an agreement to help the BC NDP hold its slim majority in the legislature, said keeping the exemption secret was "completely unacceptable."

"I think regulators work in the public interest and that information should be made public," Valeriote, MLA for West Vancouver-Sea to Sky, said in an interview. "There's no question that shouldn't be done behind closed doors."

Such exemptions for pipelines are fairly rare. The regulator said it had granted only three since 2019 — and one was an amendment to an existing exemption.

But during the same period, the regulator said it granted 90 exemptions for drilling projects like oil wells, none of which were publicly disclosed. Valeriote said the exemption is part of a larger pattern where the regulator is beholden to oil and gas companies, something he speculated was due to political pressure to advance natural resource projects.

B.C. Minister of Energy and Climate Solutions Adrian Dix did not respond to multiple requests for comment. Conservative Party of British Columbia Leader John Rustad, Larry Neufeld, the natural gas and LNG critic for the BC Conservatives, and Trevor Halford, the environment critic for the BC Conservatives, also did not respond to requests for comment.

'Political rhetoric' restricts regulator's work: BC Greens

Industry groups say B.C.'s oil and gas sector employs around 12,000 people, a number expected to grow as the province's burgeoning liquefied natural gas (LNG) export sector gets underway this year.

Recent reporting by The Narwhal and the Investigative Journalism Foundation detailed how, in many cases, the BC Energy Regulator did not fine or reprimand companies when they apparently broke regulations intended to protect the environment and public health and safety. Inspectors with the

regulator identified more than 1,000 apparent infractions while inspecting oil and gas sites, but did not fine the companies operating the sites or mark them as non-compliant with government regulations.

"I think there's a tremendous amount of economic influence and ... maybe what we would call groupthink and political rhetoric around overregulation," Valeriote said. "I think that gets some traction in the political realm and it can lead to regulators being hampered in their ability to do their work."

The BC Energy Regulator, formerly known as the BC Oil and Gas Commission, is funded by levies charged to industry and overseen by a government-appointed board that reports to Dix's office.

In a statement to The Narwhal and the Investigative Journalism Foundation, the regulator said it does not "advocate for industry nor solicit economic development."

But Valeriote said he is worried political pressure is influencing regulator decisions. He argued the regulator should either be an independent government entity outside a minister's direct purview or it should have additional layers of insulation from elected officials, whom he argued might have reasons to rush environmental approvals to appease influential industry groups.

"There's too much money at stake and, quite frankly, large profits at stake to deny that there is political influence here," Valeriote said.

"We have a lot of legislation. We have a lot of regulations. But we don't enforce it consistently and that undermines the whole purpose."





Graham Currie
Executive Director, Public Trust
Graham.Currie@bc-er.ca

Victoria Office Address Directory BCER Web Site T. 250-419-4420 F. 250-419-4403

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From: Currie, Graham

Sent: Tuesday, April 22, 2025 9:25 AM

To: Woods, Jonathan Cc: Rygg, Philip

Subject: Media Tracker - updated

Attachments: TRACKER_Weekly Media_17April2025.docx; TRACKER_Weekly Media_17April2025.pdf

Jonathan – just so you have these – I did update it on Friday before sending around.

Thanks, Graham





Graham CurrieExecutive Director, Public Trust
<u>Graham.Currie@bc-er.ca</u>

 Victoria
 T. 250-419-4420

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Weekly Media Tracker

April 14 - 17, 2025

Total requests: 2

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
April 15	Incident at Gundy Gas Plant	Energeticcity	Steve Berard	Alicia Remenda, Patrick Smook, Dax Bourke, Sara Dickinson	Response sent April 15

REQUEST:

Good morning! My name is Steve Berard, I'm a news reporter with Moose Media and Energeticcity.ca.

I'm reaching out because we received a news tip this morning from a listener to our sister radio station, 100.1 Moose FM, that there was a worksite explosion somewhere near Fort St. John within the last 24 hours that left several people injured.

Unfortunately, we weren't given any more specific information than that, and we haven't been able to find any further details anywhere else. Can you please let me know if you have any information regarding this incident that you could share?

RESPONSE:

- At approximately 6 p.m. Monday evening (April 14, 2025) workers struck a pipe at the Tourmaline Gundy gas plant, located in a remote area approximately 150 kms north of Fort St. John.
- This sparked a fire, which was extinguished early this morning (April 15, 2025) and the plant has been shut-in; road blocks are in place and the RCMP has control over the site.
- We are aware there have been injuries we do not have further information at this time.
- Tourmaline activated their emergency response plan, isolated the response area and contacted everyone within that area to inform them of the incident.
- British Columbia Energy Regulator inspectors are involved and are assessing the situation; WorkSafeBC is also involved.
- Area First Nations (Halfway River and Blueberry River) have also been notified.
- We will be posting updates to our website and social media channels as they become available

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
April 16	Exemptions & "Captured Regulator"	Narwhal/Investi- gative Journalism Foundation	Matt Simmons/Zak Vescera	Nicole Koosman, Jordan van Besouw	In final approvals

REQUEST:

Hi BCER team,

I hope this finds you well. My name is Zak and I report for the IJF.

I'm reaching out to ask for your comment for a story we're writing with the Narwhal. My colleague Matt Simmons is attached.

We recently published a story about an exemption the BCER granted to CNRL for a number of pipelines in B.C.

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He said he believes exemptions like the one given to CNRL should be automatically public. He said the fact the exemption was granted without public consultation or information was "completely unacceptable."

He also said he worries the BCER has been "captured" by economic and political interests, and said he would like the regulator to receive further insulation from ministerial purview.

We had reached out to Minister Dix for some time to get his comment, but he has not responded. We are now reaching out to you for the regulator's reply.

Would it be possible to answer the attached questions before EOD on Thursday?

You can reach me at 639 994 2667 if you'd like to discuss this further or if you require more time.

With thanks for your time and consideration,

RESPONSE (DRAFT):

1) You previously confirmed the BCER does not typically make it public when a company is granted an exemption like the kind granted to CNRL. Are there any plans to change this policy? Why or why not?

We are currently working on a process for posting regulatory exemptions publicly on our website.

2) How many exemptions has the BCER granted under Section 4 of the drilling and production regulation and section 14 of the pipeline regulation since 2019? If possible, I would appreciate having this information separated by year and by the pertinent regulation.

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		Organization:	Requester:		
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From: Woods, Jonathan

Sent: Tuesday, April 22, 2025 12:08 PM To: Carr, Michelle; Executive DL

Cc: Thoroughgood, Garth; Slocomb, Richard; van Besouw, Jordan; Parsonage, Kevin; Currie,

Graham; Rygg, Philip

Subject: RE: MEDIA RESPONSE: IJF/Narwhal - exemptions and "captured regulator" | Deadline:

EOD today

Hi Michelle,

GCPE has just confirmed that the MO is good with this media response. I will send this response to the reporter at 12:30pm unless I hear otherwise.

Thanks





Jonathan Woods Communications Specialist Jonathan.Woods@bc-er.ca

Victoria T. 250-419-4357 F. 250-419-4403 Office Address Directory **BCER Web Site**

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From: Woods, Jonathan

Sent: Thursday, April 17, 2025 4:22 PM

To: Carr, Michelle < Michelle. Carr@bc-er.ca>; Executive DL < Executive@bc-er.ca>

Cc: Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Slocomb, Richard <Richard.Slocomb@bc-er.ca>; van Besouw, Jordan < Jordan.vanBesouw@bc-er.ca>; Parsonage, Kevin < Kevin.Parsonage@bc-er.ca>; Currie, Graham <Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA RESPONSE: IJF/Narwhal - exemptions and "captured regulator" | Deadline: EOD today

Will do Michelle. Thanks.





Jonathan Woods Communications Specialist Jonathan.Woods@bc-er.ca

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From: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>

Sent: Thursday, April 17, 2025 4:07 PM **To:** Executive DL < Executive@bc-er.ca>

Cc: Thoroughgood, Garth < <u>Garth.Thoroughgood@bc-er.ca</u>>; Slocomb, Richard < <u>Richard.Slocomb@bc-er.ca</u>>; van Besouw, Jordan < <u>Jordan.vanBesouw@bc-er.ca</u>>; Parsonage, Kevin < <u>Kevin.Parsonage@bc-er.ca</u>>; Currie, Graham < Graham.Currie@bc-er.ca>; Rygg, Philip < Phil.Rygg@bc-er.ca>; Denys, Lori < Lori.Denys@bc-er.ca>

Subject: MEDIA RESPONSE: IJF/Narwhal - exemptions and "captured regulator" | Deadline: EOD today

Importance: High

Hi Exec team,

Please review our proposed responses below to a follow-up Narwhal/IJF request. Sara D has signed off on this as program area EVP. Thanks, Jon

REPORTERS:

Zak Vescera Investigative Journalism Foundation

Matt Simmons The Narwhal

DEADLINE:

EOD today

REQUEST AND PROPOSED RESPONSES:

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639 994 2667

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4) What safeguards are currently in place to limit political interference in the regulator's activities? Please see response to question 3, above

5) To that point, can you explain what influence if any the minister has in the regulator's operations? Please see response to question 3, above





Jonathan Woods
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Page 68 Redacted pursuant to: s16

REPORTERS:

Zak Vescera Investigative Journalism Foundation

Matt Simmons The Narwhal

DEADLINE:

EOD today

REQUEST AND PROPOSED RESPONSES:

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Pages: 72-75 Redacted pursuant to: s13 From: Gregory, Sara

Sent: Thursday, April 17, 2025 4:26 PM

To: Executive DL

Cc: Thoroughgood, Garth; Currie, Graham

Subject: RE: MEDIA RESPONSE: IJF/Narwhal - exemptions and "captured regulator" | Deadline:

EOD today

My quick check of the Lobbyist Registrar 12 month reports didn't identify anything of particular interest.

Michelle - 12-Month Lobbying Activity Search Results - Lobbyists Registry - Office of the Registrar or Lobbying of BC

Peter - 12-Month Lobbying Activity Search Results - Lobbyists Registry - Office of the Registrar or Lobbying of BC

Sara G - 12-Month Lobbying Activity Search Results - Lobbyists Registry - Office of the Registrar or Lobbying of BC

Sara D – NIL Dean - NIL Andy J. - NIL





Sara Gregory She/Her Chief Legal Counsel, Governance & Regulatory Affairs <u>Sara.Gregory@bc-er.ca</u> Victoria
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BCER Web Site

T. 250-419-4476 F. 250-419-4403 s22

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Sent: Thursday, April 17, 2025 4:17 PM

To: Woods, Jonathan < Jonathan. Woods@bc-er.ca>; Executive DL

Cc: Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Slocomb, Richard <Richard.Slocomb@bc-er.ca>; van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>; Parsonage, Kevin <Kevin.Parsonage@bc-er.ca>; Currie, Graham

<Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA RESPONSE: IJF/Narwhal - exemptions and "captured regulator" | Deadline: EOD today

No suggested changes from me. Approved.





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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Thursday, April 17, 2025 4:07 PM

To: Executive DL

Cc: Thoroughgood, Garth <<u>Garth.Thoroughgood@bc-er.ca</u>>; Slocomb, Richard <<u>Richard.Slocomb@bc-er.ca</u>>; van Besouw, Jordan <<u>Jordan.vanBesouw@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>>; Currie, Graham <<u>Graham.Currie@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>; Denys, Lori <<u>Lori.Denys@bc-er.ca</u>>

Subject: MEDIA RESPONSE: IJF/Narwhal - exemptions and "captured regulator" | Deadline: EOD today

Importance: High

Hi Exec team,

Please review our proposed responses below to a follow-up Narwhal/IJF request. Sara D has signed off on this as program area EVP. Thanks, Jon

REPORTERS:

Zak Vescera Investigative Journalism Foundation

Matt Simmons The Narwhal

DEADLINE:

EOD today

REQUEST AND PROPOSED RESPONSES:

Hi BCER team,

I hope this finds you well. My name is Zak and I report for the IJF.

I'm reaching out to ask for your comment for a story we're writing with the Narwhal. My colleague Matt Simmons is attached.

We recently published a story about an exemption the BCER granted to CNRL for a number of pipelines in B.C. In response to our story, BC Green interim leader Jeremy Valeriote spoke to us and raised concerns about the regulator.

He said he believes exemptions like the one given to CNRL should be automatically public. He said the fact the exemption was granted without public consultation or information was "completely unacceptable." He also said he worries the BCER has been "captured" by economic and political interests, and said he would like

the regulator to receive further insulation from ministerial purview.

We had reached out to Minister Dix for some time to get his comment, but he has not responded. We are now reaching out to you for the regulator's reply.

Would it be possible to answer the attached questions before EOD on Thursday?

You can reach me at 639 994 2667 if you'd like to discuss this further or if you require more time.

With thanks for your time and consideration,

Zak 639 994 2667

- 1) You previously confirmed the BCER does not typically make it public when a company is granted an exemption like the kind granted to CNRL. Are there any plans to change this policy? Why or why not? We are currently working on a process for posting regulatory exemptions publicly on our website.
- 2) How many exemptions has the BCER granted under Section 4 of the drilling and production regulation and section 14 of the pipeline regulation since 2019? If possible, I would appreciate having this information separated by year and by the pertinent regulation.

Number of exemptions made by the BCER under Section 14 of the Pipeline Regulation since 2019:

- 2019:0
- 2020: 2
- 2021:0
- 2022: 0
- 2023: 0
- 2024: 1 amendment to one of the existing exemptions from 2020
- 2025: 0

Number of exemptions made by the BCER under Section 4 of the Drilling and Production Regulation since 2019:

- 2019: 20
- 2020: 7
- 2021:18
- 2022: 3
- 2023: 17
- 2024: 14
- 2025: 11
- 3) How does the BCER respond to Mr. Valeriote's concerns the regulator has been "captured" by industry? The BCER is a Crown Corporation whose purpose is set out in legislation through the Energy Resource Activities Act.

Our role is to provide sound regulatory oversight of the energy industry and ensure companies comply with their permit conditions and provincial legislation. We do not advocate for industry nor solicit economic development.

The BCER follows provincial legislation, policy and guidance in the execution of its mandate, including how it manages administrative penalties, contaminated sites, reconciliation, land use and forest or other resources, and financial matters.

The BCER receives its <u>mandate</u> and direction from government and is accountable to the Minister of Energy and Climate Solutions. The BCER has accountabilities under numerous provincial laws. This includes the Public Interest and Disclosure Act (PIDA), Financial Administration Act, Declaration on the Rights of Indigenous Peoples Act and Freedom of Information and Protection of Privacy Act.

Approximately 75% of all BCER employees are union members. Our employees include many highly skilled professionals with specialized training, professional governance and quality assurance requirements. These staff include engineers, hydrologists, hydrogeologists, foresters, agrologists, archaeologists, geologists, inspectors and environmental specialists.

The BCER has a comprehensive program to ensure employees that hold statutory delegations or designations have the required training and competencies to carry out the decisions they are accountable for. There is legal recourse through review, appeal and judicial review of decisions made by the BCER.

4) What safeguards are currently in place to limit political interference in the regulator's activities? Please see response to question 3, above

5) To that point, can you explain what influence if any the minister has in the regulator's operations? Please see response to question 3, above





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

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From: Dickinson, Sara

Sent: Thursday, April 17, 2025 2:23 PM

To: Woods, Jonathan

Cc: Thoroughgood, Garth; Slocomb, Richard; van Besouw, Jordan; Currie, Graham; Rygg,

Philip; Denys, Lori

Subject: RE: MEDIA REQUEST: IJF/Narwhal - exemptions and "captured regulator" | Deadline:

EOD today

Pending confirmation of exemption numbers, I approve this to go to the Exec DL.





Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca

Fort St. John T. 250-794-5253

<u>Office Address Directory</u> F. 250 794-5390

<u>BCER Web Site</u> \$22

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Thursday, April 17, 2025 2:08 PM

To: Dickinson, Sara <Sara.Dickinson@bc-er.ca>

Cc: Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Slocomb, Richard <Richard.Slocomb@bc-er.ca>; van

Besouw, Jordan < Jordan.vanBesouw@bc-er.ca>; Currie, Graham < Graham.Currie@bc-er.ca>; Rygg, Philip

<Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA REQUEST: IJF/Narwhal - exemptions and "captured regulator" | Deadline: EOD today

Hi Sara,

Please see the updated response below. Note the exact final numbers for exemptions given under the DPR are still pending (we're waiting for geoscience team to cross-check their numbers for exemptions to sections 29 and 34). Thanks, Jon

REPORTERS:

Zak Vescera

Investigative Journalism Foundation

Matt Simmons

The Narwhal

DEADLINE:

EOD tomorrow

Pages: 81-89 Redacted pursuant to: s13 From: Dickinson, Sara

Sent: Thursday, April 17, 2025 2:18 PM

To: Woods, Jonathan

Cc: Thoroughgood, Garth; Slocomb, Richard; van Besouw, Jordan; Currie, Graham; Rygg,

Philip; Denys, Lori

Subject: RE: MEDIA REQUEST: IJF/Narwhal - exemptions and "captured regulator" | Deadline:

EOD today

Thank you. What is the estimated timeline on the geoscience team confirming the numbers?





Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Thursday, April 17, 2025 2:08 PM

To: Dickinson, Sara <Sara.Dickinson@bc-er.ca>

Cc: Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Slocomb, Richard <Richard.Slocomb@bc-er.ca>; van

Besouw, Jordan < Jordan.vanBesouw@bc-er.ca>; Currie, Graham < Graham.Currie@bc-er.ca>; Rygg, Philip

<Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA REQUEST: IJF/Narwhal - exemptions and "captured regulator" | Deadline: EOD today

Hi Sara,

s13

REPORTERS:

Zak Vescera Investigative Journalism Foundation

Matt Simmons The Narwhal

DEADLINE:

EOD tomorrow

REQUEST AND DRAFT RESPONSES:

Hi BCER team,

I hope this finds you well. My name is Zak and I report for the IJF.

I'm reaching out to ask for your comment for a story we're writing with the Narwhal. My colleague Matt Simmons is attached.

We recently published a story about an exemption the BCER granted to CNRL for a number of pipelines in B.C. In response to our story, BC Green interim leader Jeremy Valeriote spoke to us and raised concerns about the regulator.

He said he believes exemptions like the one given to CNRL should be automatically public. He said the fact the exemption was granted without public consultation or information was "completely unacceptable." He also said he worries the BCER has been "captured" by economic and political interests, and said he would like

the regulator to receive further insulation from ministerial purview.

We had reached out to Minister Dix for some time to get his comment, but he has not responded. We are now reaching out to you for the regulator's reply.

Would it be possible to answer the attached questions before EOD on Thursday?

You can reach me at 639 994 2667 if you'd like to discuss this further or if you require more time.

With thanks for your time and consideration,

Zak 639 994 2667 Pages: 92-102 Redacted pursuant to: s13 From: van Besouw, Jordan

Sent: Thursday, April 17, 2025 3:19 PM **To:** Davidson, Corrie; Woods, Jonathan

Cc: Venables, Stu; Gaucher, Michelle; Slocomb, Richard

Subject: RE: Logging/Sampling Exemptions

Attachments: 2025-04-17 DPR s4 Exemptions since 2019.xlsx

Perfect, thank you! And for when the question inevitably comes up in the future, he's the full list of exemptions since 2019, across D&P, Res Eng, and Energy Geoscience.

Jordan





Jordan van Besouw P.Eng. Supervisor, Drilling & Production Jordan.vanBesouw@bc-er.ca

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 F. 250 980-6053

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From: Davidson, Corrie < Corrie. Davidson@bc-er.ca>

Sent: Thursday, April 17, 2025 3:16 PM

To: van Besouw, Jordan < Jordan.van Besouw@bc-er.ca>; Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Cc: Venables, Stu <Stuart.Venables@bc-er.ca>
Subject: RE: Logging/Sampling Exemptions

Yes, that's correct, Jordan.

Cheers





Corrie Davidson P.Geo. Geoscientist Corrie.Davidson@bc-er.ca Victoria T. 250-419-4495
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From: van Besouw, Jordan < Jordan.van Besouw@bc-er.ca>

Sent: Thursday, April 17, 2025 3:11 PM

Pages: 104-105 Redacted pursuant to: s13

Date	Section	Permit Holder	WA or Pool	Wells		Pools
3/20/2019	9 25(5)	Bonavista	9556	2019	19	2019
3/29/2019	9 25(5)	Shell	26630, 26806, 27137, 26068	2020	7	2020
4/24/2019	9 34(1), (2.1); 29(1)(a), (a.1)	Conoco Phillips	31100	2021	18	2021
5/13/2019	9 29(1)(a), (a.1)	Shell	37940	2022	3	2022
6/11/2019	9 25(5)	Yoho	19626, 22950, 25239	2023	16	2023
6/28/2019	9 25(5)	CNRL	12542	2024	14	2024
7/11/2019	9 29(1)(a), (a.1)	Tourmaline	34826	2025	11	2025
7/30/2019	9 34(1),(2.1)	CNRL	37395			
8/26/2019	9 25(5)(a)	ARC Resources	25385, 24404			
10/3/2019	9 18(6)(a)	Petronas	37010, 37011			
10/7/2019	9 29(1)(a), (a.1)	Tourmaline	39284			
11/10/2019	9 29(1)(a), (a.1)	Tourmaline	39289			
11/28/2019	9 73(2)	Kelt	Oak/Montney A			
3/26/2020	34(1), (2.1)	Whitecap	36847			
6/8/2020) 25(5)(a)	Shell	28259			
7/1/2020) 29(1)(a), (a.1)	Tourmaline	37896			
8/6/2020	34(1), (2.1)	Tourmaline	37902			
9/2/2020) 25(5)(a)	ARC Resources	25418			
9/19/2020) 29(1)(a), (a.1)	Tourmaline	30797			
9/21/2020) 29(1)(a), (a.1)	Ovintiv	34492			
2/12/2021	L 29(1)(a), (a.1)	Tourmaline	39758			
2/22/2021	l 34(1), (2.1); 29(1)(a), (a.1)	Kelt	41549			
3/6/2021	l 34(1), (2.1); 29(1)(a), (a.1)	Kelt	41550			
3/22/2021	l 34(1), (2.1); 29(1)(a), (a.1)	ARC Resources	40040			
3/30/2021	l 34(1), (2.1); 29(1)(a), (a.1)	ARC Resources	40658			
4/8/2021	l 34(1), (2.1); 29(1)(a), (a.1)	ARC Resources	40659			
4/16/2021	l 34(1), (2.1); 29(1)(a), (a.1)	ARC Resources	40660			
4/26/2022	l 34(1), (2.1); 29(1)(a), (a.1)	ARC Resources	40661			
5/4/2021	1 34(1), (2.1); 29(1)(a), (a.1)	ARC Resources	40662			
5/4/2021	1 34(1), (2.1); 29(1)(a), (a.1)	Tourmaline	39315			
5/14/2021	l 34(1), (2.1); 29(1)(a), (a.1)	ARC Resources	40663			

5/22/2021 34(1), (2.1); 29(1)(a), (a.1)	ARC Resources	40664
5/31/2021 34(1), (2.1); 29(1)(a), (a.1)	ARC Resources	40665
6/9/2021 34(1), (2.1); 29(1)(a), (a.1)	ARC Resources	40666
7/2/2021 34(1), (2.1)	Ovintiv	30818
8/3/2021 34(1), (2.1)	Whitecap	41350
9/1/2021 29(1)(a), (a.1)	Tourmaline	41310
10/11/2021 34(1), (2.1)	Ovintiv	31620
1/31/2022 34(1), (2.1)	Tourmaline	35130
6/27/2022 29(1)(a), (a.1)	Tourmaline	38885
9/23/2022 47(c)(ii)	Kelt	44140
2/9/2023 34(1), (2.1)	Vermilion	44209
2/25/2023 34(1), (2.1)	Vermilion	44208
3/14/2023 18(9)(a)	Canlin	3506
3/28/2023 18(9)(a), (c)	Petronas	8183
3/31/2023 34(1), (2.1)	Ovintiv	41815
5/9/2023 18(9)(a)	Bench Creek	5389
5/17/2023 18(9)(a)	CNRL	13908
6/3/2023 34(1), (2.1); 29(1)(a), (a.1)	Tourmaline	41913
7/12/2023 18(9)(a)	CNRL	5591
7/17/2023 73(2)	Kelt	Oak/Boundary Lake A
11/18/2023 34(1), (2.1); 29(1)(a), (a.1)	Ovintiv	43026
11/27/2023 34(1), (2.1)	Vermilion	44210
12/6/2023 34(1), (2.1)	Vermilion	44211
12/15/2023 34(1), (2.1)	Vermilion	44212
12/21/2023 39(6)(a)(v), (vi)	Canlin	14161, 17786
12/24/2023 34(1), (2.1)	Vermilion	44213
1/1/2024 34(1), (2.1)	Vermilion	44214
1/14/2024 34(1), (2.1)	Vermilion	44215
2/8/2024 34(1), (2.1)	Ovintiv	37098
2/9/2024 34(1), (2.1); 29(1)(a), (a.1)	Petronas	40490
3/22/2024 29(1)(a), (a.1)	CNRL	44256
3/28/2024 34(1), (2.1); 29(1)(a), (a.1)	Vermilion	49252

3/31/2024 29(1)(a), (a.1)	CNRL	44255
4/8/2024 29(1)(a), (a.1)	Shell	40650
6/10/2024 18(9)(a)	Petronas	37013, 39548, 41736
7/2/2024 18(9)(a), (c)	Petronas	8183
9/21/2024 34(1), (2.1)	Conoco Phillips	48806
10/19/2024 34(1), (2.1)	Ovintiv	45018
		28331, 28334, 37722, 37723,
		37724, 29178, 29177, 29869,
1/27/2025 18(9)(a)	Tourmaline	29870
3/26/2025 18(9)(a)	CNRL	13645
3/26/2025 18(9)(a)	CNRL	18660

Pages: 109-111 Redacted pursuant to: s13 Cc: Matt Simmons < matt@thenarwhal.ca>

Subject: IJF/Narwhal inquiry -- Thursday deadline

Hi BCER team,

I hope this finds you well. My name is Zak and I report for the IJF.

I'm reaching out to ask for your comment for a story we're writing with the Narwhal. My colleague Matt Simmons is attached.

We recently published a story about an exemption the BCER granted to CNRL for a number of pipelines in B.C.

In response to our story, BC Green interim leader Jeremy Valeriote spoke to us and raised concerns about the regulator.

He said he believes exemptions like the one given to CNRL should be automatically public. He said the fact the exemption was granted without public consultation or information was "completely unacceptable."

He also said he worries the BCER has been "captured" by economic and political interests, and said he would like the regulator to receive further insulation from ministerial purview.

We had reached out to Minister Dix for some time to get his comment, but he has not responded. We are now reaching out to you for the regulator's reply.

Would it be possible to answer the attached questions before EOD on Thursday?

You can reach me at 639 994 2667 if you'd like to discuss this further or if you require more time.

With thanks for your time and consideration,

Zak 639 994 2667

- 1) You previously confirmed the BCER does not typically make it public when a company is granted an exemption like the kind granted to CNRL. Are there any plans to change this policy? Why or why not?
- 2) How many exemptions has the BCER granted under Section 4 of the drilling and production regulation and section 14 of the pipeline regulation since 2019? If possible, I would appreciate having this information separated by year and by the pertinent regulation.
- 3) How does the BCER respond to Mr. Valeriote's concerns the regulator has been "captured" by industry?
- 4) What safeguards are currently in place to limit political interference in the regulator's activities?
- 5) To that point, can you explain what influence if any the minister has in the regulator's operations?

Pages: 113-114 Redacted pursuant to: s13 Thanks,

Jon





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

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From: Koosmann, Nicole < Nicole.Koosmann@bc-er.ca>

Sent: Wednesday, April 16, 2025 11:58 AM

To: Woods, Jonathan <<u>Jonathan.Woods@bc-er.ca</u>>
Cc: Koosmann, Nicole <<u>Nicole.Koosmann@bc-er.ca</u>>
Subject: Pipeline S14 Exemptions since 2019

Hi Jonathan,

There have been 3 exemptions given under the pipeline regulation Section 14 since 2019:

- 1. (2) CNRL for Pipeline Deactivations, one was an amendment for an existing exemption in 2020, 2024
- 2. (1) TAQA for Pipeline Deactivations in 2020

Regards,





Nicole Koosmann P.Eng., P.M.P.
Vice President, Safety, Engineering & Audit
Nicole.Koosmann@bc-er.ca

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From: Currie, Graham

Sent: Monday, April 14, 2025 8:56 AM

To: Dickinson, Sara Cc: Thoroughgood, Garth

RE: Public Trust Weekly Updt - April 14, 2025 Subject:

s22

but there's always that possibility. They've done three (or maybe four) pieces now... but we keep monitoring (luckily, we don't have any outstanding media requests from the Narwhal currently). Thanks. Graham





Graham Currie Executive Director, Public Trust Graham.Currie@bc-er.ca

Victoria T. 250-419-4420 Office Address Directory F. 250-419-4403 s22 **BCER Web Site**

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From: Dickinson, Sara <Sara.Dickinson@bc-er.ca>

Sent: Monday, April 14, 2025 8:53 AM

To: Currie, Graham < Graham. Currie@bc-er.ca>

Cc: Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca> Subject: RE: Public Trust Weekly Updt - April 14, 2025

Thanks Graham. Are we anticipating any further stories from the FOI request?





Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca

Fort St. John T. 250-794-5253 Office Address Directory F. 250 794-5390 **BCER Web Site**

s22

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From: Currie, Graham < Graham.Currie@bc-er.ca>

Sent: Monday, April 14, 2025 7:55 AM

To: Dickinson, Sara < Sara. Dickinson@bc-er.ca >

Cc: Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca >

Subject: Public Trust Weekly Updt - April 14, 2025

Good morning both - here's the latest update for Public Trust...

Thanks, Graham





Graham Currie

Executive Director, Public Trust Graham.Currie@bc-er.ca

Victoria Office Address Directory BCER Web Site T. 250-419-4420 F. 250-419-4403 \$22

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Pages: 118-119 Redacted pursuant to: s13 From: Currie, Graham

Sent: Friday, April 11, 2025 4:46 PM

To: Leadership Group

Cc: Rygg, Philip; Johnson, Justine; Gerlach, Lisa; Bligh, Stacey
Subject: (No) Issue Notes & Media Tracker - Week of April 7-11, 2025

Attachments: TRACKER_Weekly Media_11April2025.pdf

Good afternoon – no issue notes (though there is an Erikson piece in the works that will likely be shared around next week); and the media tracker with the one request from the week that was.

Have a good weekend all,

Graham





Graham CurrieExecutive Director, Public Trust
<u>Graham.Currie@bc-er.ca</u>

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Weekly Media Tracker

April 7 - 11, 2025

Total requests: 1

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
April 7	BCER compliance & enforcement inspection history	CJDC-TV	Michael Popove	Dax Bourke	Response sent April 7

REQUEST:

Hello, Good morning. It's Michael Pope. I'm the news director at CJDCTV in Dawson Creek. It's just shortly after 11:30. AMI was wondering if you can give me a call back. My number is 250-782-6397. Again, that number 250-782-6397, we're just going to report today on the investigation by the Narwhal and the Investigative Journalism Foundation about the potential violations that they claim that the energy regulator inspectors are giving a pass despite being out of compliance and they noticed thousands of instances are in more than 1000 instances. So my question will be, can you give us a comment on the story? And what if you don't wanna comment on the story? Can you comment please on what the energy regulator is doing to make any changes as a result of what's been alleged? And then more so, if you don't want to issue a statement, can you please call me back and tell me why you don't want to issue a statement for the public to understand what's going on? So look forward to hearing from your call. My deadline is 3 o'clock today. Thank you. Bye.

RESPONSE:

The BC Energy Regulator (BCER) is confident in the processes and systems it has in place to manage compliance within the energy industry to ensure the protection of the environment and public safety.

The BCER is committed to taking action through effective enforcement that protects the public and the environment, remedies non-compliances, ensures fairness, and acts as a deterrent for future non-compliance.

We have a comprehensive Compliance Management System that ensures energy companies in British Columbia operate in accordance with legislation, regulations, permits, and authorizations designed to uphold public safety and environmental protection. The BCER manages compliance through a combination of proactive education, rigorous monitoring and assessment of permit holder activities, and enforcement where non-compliances are identified.

The BCER dedicates significant resources to safety and compliance monitoring through a diverse set of administrative and field-based tools and activities, including application reviews, administrative monitoring, audits, inspections, and permit holder self-assessments. As part of this system, each year BCER staff conduct more than 4,000 in-person inspections of energy resource activity sites across the province.

When field inspection non-compliances are identified, BCER Compliance & Enforcement Officers use a graduated response model to bring permit holders back into compliance — ranging from non-compliance notices to formal, statutory enforcement actions. The specific action taken depends on the nature of the non-compliance and the case-specific circumstances.

BCER staff consider a range of factors in determining the most appropriate response, including:

- · The severity of actual or potential impacts to the environment and public safety
- The factual circumstances of the non-compliance
- The compliance history of the permit holder
- The best approach to remedy the issue and reduce future non-compliance

Where appropriate, alleged non-compliances are managed through the Non-Compliance Notice and Correction Process. If that is not effective — or circumstances warrant — BCER has efficient processes in place to escalate to formal enforcement.

It is important to note that inspections are a snapshot in time. Comments recorded during inspections are often used to raise awareness of issues that do not constitute non-compliance but are flagged for a permit holder's attention. This builds a broader compliance record that can inform future inspections and enforcement decisions.

In response to the article referenced, many examples cited only show inspection comments — not the full context of the risk or the inspection outcome. There were various reasons why some of the instances referenced did not result in formal non-compliance notices:

- Two were escalated to formal enforcement
- Two were referred to the environmental management team for remediation
- One was corrected on-site during the inspection
- · Nine involved surface casing vent flows, which were not non-compliances at the time
- One was a joint inspection focused on education and information-sharing
- One was determined through our inspection to involve a matter that was outside our jurisdiction, so was referred to the appropriate agency to be addressed.

As part of its commitment to transparency and continuous improvement, the BCER publishes the following information on its website:

- Inspection summaries
- Data and reports on compliance management, inspections, and enforcement
- · All penalties, orders, warning letters, and tickets issued
- Planned publication of full inspection reports by the end of 2025

The BCER remains focused on ensuring accountability, fairness, and the ongoing protection of people and the environment.

From: Currie, Graham

Sent: Wednesday, April 9, 2025 5:54 PM

To: Nyamekye, Raven Cc: Dickinson, Sara

Subject: Re: IN Narwhal CN Exemption

Follow Up Flag: Follow up Completed

Thank Raven!

Graham





Graham Currie

Executive Director, Public Trust Graham.Currie@bc-er.ca

Victoria Office Address Directory BCER Web Site T. 250-419-4420 F. 250-419-4403 s22

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From: Nyamekye, Raven <Raven.Nyamekye@bc-er.ca>

Sent: Wednesday, April 9, 2025 4:17:46 PM **To:** Currie, Graham < Graham.Currie@bc-er.ca> **Cc:** Dickinson, Sara < Sara.Dickinson@bc-er.ca>

Subject: IN Narwhal CN Exemption

Hi Graham,

Please see attached the completed eApproval with notes from Michelle in the print-history. I've filed it in the K:\ Issues Notes folder.

Please review the print-history as there are some instructions from Michelle that may be relevant to you.

Best,

Raven





From: Dickinson, Sara

Sent: Monday, April 7, 2025 8:38 PM
To: Bourke, Dax; Woods, Jonathan

Cc: Smook, Patrick; Thoroughgood, Garth

Subject: RE: MEDIA RESPONSE: CJDC-TV | Deadline: 3pm today

Thank you Jonathan and Dax for your work on this – I appreciate that you were able to pull in the latest messaging and address my phone edits quickly.





Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca Fort St. John T. 250-794-5253

<u>Office Address Directory</u> F. 250 794-5390

<u>BCER Web Site</u> \$22

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From: Carr, Michelle < Michelle. Carr@bc-er.ca>

Sent: Monday, April 7, 2025 7:58 PM

To: Gregory, Sara <Sara.Gregory@bc-er.ca>; Bourke, Dax <Dax.Bourke@bc-er.ca>; Woods, Jonathan

<Jonathan.Woods@bc-er.ca>; Executive DL <Executive@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca>; Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>; Currie, Graham

<Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA RESPONSE: CJDC-TV | Deadline: 3pm today

Great response all.





Michelle Carr She/Her
Commissioner, Chief Executive Officer
Michelle.Carr@bc-er.ca

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From: Gregory, Sara < Sara. Gregory@bc-er.ca>

Sent: Monday, April 7, 2025 4:45 PM

To: Bourke, Dax < <u>Dax.Bourke@bc-er.ca</u>>; Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>; Executive DL < <u>Executive@bc-er.ca</u>>

er.ca>

 $\textbf{Cc:} \ Smook, \ Patrick < \underline{Patrick.Smook@bc-er.ca} >; \ Thoroughgood, \ Garth < \underline{Garth.Thoroughgood@bc-er.ca} >; \ Currie, \ Graham >; \ Graham$

<<u>Graham.Currie@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>; Denys, Lori <<u>Lori.Denys@bc-er.ca</u>>

Subject: RE: MEDIA RESPONSE: CJDC-TV | Deadline: 3pm today

Thanks Dax. Good to send Jonathan!





Sara Gregory She/Her Chief Legal Counsel, Governance & Regulatory Affairs Sara.Gregory@bc-er.ca Victoria
Office Address Directory
BCER Web Site

T. 250-419-4476 F. 250-419-4403 \$22

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From: Bourke, Dax < <u>Dax.Bourke@bc-er.ca</u>> Sent: Monday, April 7, 2025 4:43 PM

To: Gregory, Sara <Sara.Gregory@bc-er.ca>; Woods, Jonathan <Jonathan.Woods@bc-er.ca>; Executive DL

 $\label{eq:cc:smook} \textbf{Cc:} Smook, Patrick < \underline{Patrick.Smook@bc-er.ca} > ; Thoroughgood, Garth < \underline{Garth.Thoroughgood@bc-er.ca} > ; Currie, Graham. \\ < \underline{Graham.Currie@bc-er.ca} > ; Rygg, Philip < \underline{Phil.Rygg@bc-er.ca} > ; Denys, Lori < \underline{Lori.Denys@bc-er.ca} > ; \\ \\$

Subject: Re: MEDIA RESPONSE: CJDC-TV | Deadline: 3pm today

The text in green is correct. The issue was escalated to ECCC Wildlife for bird deaths while the BCER managed the oil and gas issue.

From: Gregory, Sara < Sara. Gregory@bc-er.ca>

Sent: Monday, April 7, 2025 4:34:44 p.m.

To: Woods, Jonathan <Jonathan. Woods@bc-er.ca>; Executive DL

Cc: Bourke, Dax Dax.Bourke@bc-er.ca; Smook, Patrick Patrick.Smook@bc-er.ca; Thoroughgood, Garth Garth.Thoroughgood@bc-er.ca; Currie, Graham Graham.Currie@bc-er.ca; Rygg, Philip Philip < Phil.Rygg@bc-er.ca; Rygg, Philip Phil.Rygg@bc-er.ca; Rygg, Phillip Phil.Rygg@bc-er.ca; Rygg, Phillip Phil.Rygg@bc-er.ca; Rygg, Phillip Phil.Rygg@bc-er.ca; Rygg, Phillip Phil.Ry

er.ca>; Denys, Lori < Lori. Denys@bc-er.ca>

Subject: RE: MEDIA RESPONSE: CJDC-TV | Deadline: 3pm today

I have reviewed this response and approve it. I don't have the detailed information to be able to confirm whether the text in green is correct or not. I can await Dax's confirmation of the green text –





Sara Gregory She/Her Chief Legal Counsel, Governance & Regulatory Affairs <u>Sara.Gregory@bc-er.ca</u> Victoria
Office Address Directory
BCER Web Site

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Monday, April 7, 2025 3:40 PM **To:** Executive DL < Executive@bc-er.ca>

Cc: Bourke, Dax < <u>Dax.Bourke@bc-er.ca</u>>; Smook, Patrick < <u>Patrick.Smook@bc-er.ca</u>>; Thoroughgood, Garth < <u>Garth.Thoroughgood@bc-er.ca</u>>; Currie, Graham < <u>Graham.Currie@bc-er.ca</u>>; Rygg, Philip < <u>Phil.Rygg@bc-er.ca</u>>;

Denys, Lori < Lori. Denys@bc-er.ca >

Subject: MEDIA RESPONSE: CJDC-TV | Deadline: 3pm today

Importance: High

Hi Sara G. (and Exec),

Please review the draft response below to a media request from CJDC-TV, the local TV station in Dawson Creek regarding today's Narwhal article about our compliance and enforcement activities.

513 522

REPORTER:

Michael Pope CJDC-TV, Dawson Creek

DEADLINE:

3pm today

REQUEST:

Hello, Good morning. It's Michael Pope. I'm the news director at CJDCTV in Dawson Creek. It's just shortly after 11:30. AMI was wondering if you can give me a call back. My number is 250-782-6397. Again, that number 250-782-6397, we're just going to report today on the investigation by the Narwhal and the Investigative Journalism Foundation about the potential violations that they claim that the energy regulator inspectors are giving a pass despite being out of compliance and they noticed thousands of instances are in more than 1000 instances. So my question will be, can you give us a comment on the story? And what if you don't wanna comment on the story? Can you comment please on what the energy regulator is doing to make any changes as a result of what's been alleged? And then more so, if you don't want to issue a statement, can you please call me back and tell me why you don't want to issue a statement for the public to understand what's going on? So look forward to hearing from your call. My deadline is 3 o'clock today. Thank you. Bye.

DRAFT RESPONSE:

The BC Energy Regulator (BCER) is confident in the processes and systems it has in place to manage compliance within the energy industry to ensure the protection of the environment and public safety.

The BCER is committed to taking action through effective enforcement that protects the public and the environment, remedies non-compliances, ensures fairness, and acts as a deterrent for future non-compliance.

We have a comprehensive Compliance Management System that ensures energy companies in British Columbia operate in accordance with legislation, regulations, permits, and authorizations designed to uphold

public safety and environmental protection. The BCER manages compliance through a combination of proactive education, rigorous monitoring and assessment of permit holder activities, and enforcement where non-compliances are identified.

The BCER dedicates significant resources to safety and compliance monitoring through a diverse set of administrative and field-based tools and activities, including application reviews, administrative monitoring, audits, inspections, and permit holder self-assessments. As part of this system, each year BCER staff conduct more than 4,000 in-person inspections of energy resource activity sites across the province.

When field inspection non-compliances are identified, BCER Compliance & Enforcement Officers use a graduated response model to bring permit holders back into compliance — ranging from non-compliance notices to formal, statutory enforcement actions. The specific action taken depends on the nature of the non-compliance and the case-specific circumstances.

BCER staff consider a range of factors in determining the most appropriate response, including:

- The severity of actual or potential impacts to the environment and public safety
- The factual circumstances of the non-compliance
- The compliance history of the permit holder
- The best approach to remedy the issue and reduce future non-compliance

Where appropriate, alleged non-compliances are managed through the Non-Compliance Notice and Correction Process. If that is not effective — or circumstances warrant — BCER has efficient processes in place to escalate to formal enforcement.

It is important to note that inspections are a snapshot in time. Comments recorded during inspections are often used to raise awareness of issues that do not constitute non-compliance but are flagged for a permit holder's attention. This builds a broader compliance record that can inform future inspections and enforcement decisions.

In response to the article referenced, many examples cited only show inspection comments — not the full context of the risk or the inspection outcome. There were various reasons why some of the instances referenced did not result in formal non-compliance notices:

- Two were escalated to formal enforcement
- Two were referred to the environmental management team for remediation
- One was corrected on-site during the inspection
- Nine involved surface casing vent flows, which were not non-compliances at the time
- One was a joint inspection focused on education and information-sharing
- One was determined through our inspection to involve a matter that was outside our jurisdiction, so was referred to the appropriate agency to be addressed.

As part of its commitment to transparency and continuous improvement, the BCER publishes the following information on its website:

- Inspection summaries
- Data and reports on compliance management, inspections, and enforcement
- · All penalties, orders, warning letters, and tickets issued
- Planned publication of full inspection reports by the end of 2025

The BCER remains focused on ensuring accountability, fairness, and the ongoing protection of people and the environment.





Pages: 128-134 Redacted pursuant to: s13

Woods, Jonathan From:

Sent: Monday, April 7, 2025 1:48 PM

To: Smook, Patrick

Cc: Bourke, Dax; Currie, Graham; Thoroughgood, Garth; Rygg, Philip; Denys, Lori

RE: MEDIA REQUEST: CJDC-TV | Deadline: 3pm today Subject:

Thanks Patrick





Jonathan Woods

Communications Specialist Jonathan.Woods@bc-er.ca

T. 250-419-4357 Victoria Office Address Directory F. 250-419-4403

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From: Smook, Patrick <Patrick.Smook@bc-er.ca>

Sent: Monday, April 7, 2025 1:47 PM

To: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Cc: Bourke, Dax <Dax.Bourke@bc-er.ca>; Currie, Graham <Graham.Currie@bc-er.ca>; Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA REQUEST: CJDC-TV | Deadline: 3pm today

Yes, I'm good with it. Thanks.





Patrick Smook RPF, MBA Vice President, Compliance & Operations Patrick.Smook@bc-er.ca

T. 250-794-5314 Fort St. John F. 250-794-5390 Office Address Directory 522 **BCER Web Site**

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Monday, April 7, 2025 1:24 PM

To: Smook, Patrick <Patrick.Smook@bc-er.ca>

Cc: Bourke, Dax < Dax.Bourke@bc-er.ca>; Currie, Graham < Graham.Currie@bc-er.ca>; Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Pages: 136-142 Redacted pursuant to: s13 From: Thoroughgood, Garth

Sent: Monday, April 7, 2025 1:19 PM

To: Currie, Graham; Woods, Jonathan; Bourke, Dax **Cc:** Smook, Patrick; Rygg, Philip; Denys, Lori

Subject: RE: MEDIA REQUEST: CJDC-TV | Deadline: 3pm today

Makes sense. Sorry, misread (skimming too quickly).

G





Garth Thoroughgood

Vice President, Public Trust & Reconciliation Garth.Thoroughgood@bc-er.ca Victoria Office Address Directory BCER Web Site T. 250-419-6601 F. 250-419-4403

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From: Currie, Graham < Graham. Currie@bc-er.ca>

Sent: Monday, April 7, 2025 1:14 PM

To: Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Woods, Jonathan <Jonathan.Woods@bc-er.ca>; Bourke,

Dax <Dax.Bourke@bc-er.ca>

Cc: Smook, Patrick <Patrick.Smook@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA REQUEST: CJDC-TV | Deadline: 3pm today

Garth – I think it's actually this story that appeared today, because the reporter references "a thousand"...

17 government inspectors, 170 companies and more than 9,000 potential infractions

Narwhal MONDAY, APRIL 7 2025 BY MATT SIMMONS

This investigation is a collaboration between The Narwhal and the Investigative Journalism Foundation.

Fewer than two dozen BC Energy Regulator inspectors are responsible for monitoring nearly 200 fossil fuel companies operating 6,594 — and counting — active oil and gas wells, pipelines, processing plants and other related infrastructure in British Columbia.

During inspections conducted between 2017 and 2023, regulator inspectors quietly noted thousands of potential violations of laws and regulations, according to records released through freedom of information legislation.

In more than 1,000 instances, inspectors documented apparent environmental infractions, such as emissions leaks, fuel and chemical spills and more, yet the sites were marked as compliant. In many cases, the inspectors noted multiple apparent infractions during one inspection. Thousands of additional inspections were similarly given a pass, despite potential violations of regulations, ranging from inaccurate record-keeping to outdated equipment to illegible and missing signage at sites. In some instances, inspectors noted longstanding issues, such as companies failing to fix problems government officials had flagged years earlier. In total, inspectors flagged more than 9,000 potential violations.

The following table contains all records of inspections that were provided through freedom of information legislation. Not all companies included in the table have had apparent infractions that were given a pass during inspection.

(The original records released through freedom of information legislation are also available here.)

The Narwhal and Investigative Journalism Foundation requested comments from 146 companies, sharing inspection reports associated with each company's implicated infrastructure. An additional 13 companies in the records are either bankrupt or in receivership and therefore could not comment, according to publicly available information, and a further 11 were unreachable or unidentifiable from the regulator records.

Only 14 companies responded. They described having a working or "collaborative" relationship with the provincial regulator.

"AltaGas works closely with the BC Energy Regulator (BCER) across its B.C. operations."

"At Pacific Canbriam Energy, we are committed to responsible energy development and continuous improvement in our operations. We maintain a collaborative relationship with the BC Energy Regulator (BCER), working closely to uphold the highest standards of safety, environmental stewardship and regulatory compliance."

"... Trans Mountain welcomed regulator inspections to ensure it was meeting standards expected by regulators and [the] public. We took immediate corrective action for any deficiencies noted by our regulators to ensure the project remained in compliance."

This table contains all company responses received by publication time.

Investigating problems. Exploring solutions

The Narwhal's reporters are telling environment stories you won't read about anywhere else. Stay in the loop by signing up for a weekly dose of independent journalism.

The BC Energy Regulator — largely funded by the oil and gas industry — is a provincial agency mandated to protect public safety and the environment from infractions by energy industry stakeholders in a range of activities, including pipelines and major projects in oil, gas, fracking, liquefied natural gas, geothermal and hydrogen.

Some companies said apparent violations in inspector notes that were not marked in the regulator's records as violations had since been corrected. One company, Catapult Environmental Inc., stressed the apparent issues were all "addressed immediately" and it did not receive any official non-compliances "due to our commitment to address this issue in a timely manner."

The BC Energy Regulator declined an interview request and did not directly answer many questions about the apparent infractions. In an emailed response, the regulator said compliance and enforcement officers use a "graduated enforcement model" to address situations where a company is failing to meet government regulations.

The email said the regulator's role is to provide "sound regulatory oversight" of industry and to "ensure companies comply" with provincial laws and their permit conditions.

"We do not advocate for industry or solicit economic development."

- With files from Kate Schneider





Graham CurrieExecutive Director, Public Trust
Graham.Currie@bc-er.ca

Victoria
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From: Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>

Sent: Monday, April 7, 2025 1:07 PM

To: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>; Bourke, Dax < <u>Dax.Bourke@bc-er.ca</u>>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca >; Currie, Graham < Graham. Currie@bc-er.ca >; Rygg, Philip < Phil. Rygg@bc-

er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA REQUEST: CJDC-TV | Deadline: 3pm today

I think this question pertains to the exemptions and not necessarily the compliance and enforcement activities.





Garth Thoroughgood
Vice President, Public Trust & Reconciliation
Garth.Thoroughgood@bc-er.ca

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Monday, April 7, 2025 12:48 PM

To: Bourke, Dax <Dax.Bourke@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca >; Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca >; Currie, Graham

<Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: MEDIA REQUEST: CJDC-TV | Deadline: 3pm today

Importance: High

Hi Dax,

Can you please review the working response below to a media request from CJDC-TV, the local TV station in Dawson Creek regarding today's <u>Narwhal article</u> about our compliance and enforcement activities. Thanks, Jon

REPORTER:

Michael Pope CJDC-TV, Dawson Creek

DEADLINE:

3pm today

REQUEST:

Hello, Good morning. It's Michael Pope. I'm the news director at CJDCTV in Dawson Creek. It's just shortly after 11:30. AMI was wondering if you can give me a call back. My number is 250-782-6397. Again, that number 250-782-6397, we're just going to report today on the investigation by the Narwhal and the Investigative Journalism Foundation about the potential violations that they claim that the energy regulator inspectors are giving a pass despite being out of compliance and they noticed thousands of instances are in more than 1000 instances. So my question will be, can you give us a comment on the story? And what if you don't wanna comment on the story? Can you comment please on what the energy regulator is doing to make any changes as a result of what's been alleged? And then more so, if you don't want to issue a statement, can you please call me back and tell me why you don't want to issue a statement for the public to understand what's going on? So look forward to hearing from your call. My deadline is 3 o'clock today. Thank you. Bye.

Pages: 147-149 Redacted pursuant to: s13 From: Currie, Graham

Sent: Monday, April 7, 2025 11:54 AM To: Rygg, Philip; Woods, Jonathan

Subject: RE: BCER Teams Voice Mail (1 minute and 25 seconds)

Attachments: IN_Narwhal_CE_Article.docx

Thanks Jon – some of the messaging in this may also be helpful...

Graham





Graham Currie

Executive Director, Public Trust Graham.Currie@bc-er.ca

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F. 250-419-4403

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From: Rygg, Philip < Phil. Rygg@bc-er.ca> Sent: Monday, April 7, 2025 11:52 AM

To: Woods, Jonathan < Jonathan. Woods@bc-er.ca>; Currie, Graham < Graham. Currie@bc-er.ca>

Subject: RE: BCER Teams Voice Mail (1 minute and 25 seconds)

Thanks Jon!





Philip Rygg Director, Public Trust Phil.Rygg@bc-er.ca

Victoria Office Address Directory **BCER Web Site**

T. 250-419-4351 F. 250-419-4403

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From: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>

Sent: Monday, April 7, 2025 11:51 AM

To: Currie, Graham < Graham.Currie@bc-er.ca >; Rygg, Philip < Phil.Rygg@bc-er.ca >

Subject: RE: BCER Teams Voice Mail (1 minute and 25 seconds)

I'll dig up the relevant responses and then get Dax, etc to review





Jonathan Woods

Communications Specialist Jonathan.Woods@bc-er.ca Victoria

T. 250-419-4357

Office Address Directory

F. 250-419-4403

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From: Currie, Graham < Graham.Currie@bc-er.ca>

Sent: Monday, April 7, 2025 11:47 AM

To: Rygg, Philip < Phil.Rygg@bc-er.ca >; Woods, Jonathan < Jonathan.Woods@bc-er.ca >

Subject: RE: BCER Teams Voice Mail (1 minute and 25 seconds)

Yes – do we have the response handy to the original ask about the violations? And we should put it through the usual channels...

Thanks, Graham





Graham Currie

Executive Director, Public Trust Graham.Currie@bc-er.ca

Victoria Office Address Directory T. 250-419-4420

F. 250-419-4403

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From: Rygg, Philip < Phil.Rygg@bc-er.ca>
Sent: Monday, April 7, 2025 11:42 AM

To: Currie, Graham < Graham. Currie@bc-er.ca >; Woods, Jonathan < Jonathan. Woods@bc-er.ca >

Subject: FW: BCER Teams Voice Mail (1 minute and 25 seconds)

FYI - Do we send him what we already sent the Narwhal?





Philip Rygg
Director, Public Trust
Phil.Rygg@bc-er.ca

Victoria Office Address Directory BCER Web Site T. 250-419-4351 F. 250-419-4403 s22 We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water

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From: +1 250-782-3341 <+12507823341>
Sent: Monday, April 7, 2025 11:34 AM
To: Rygg, Philip <Phil.Rygg@bc-er.ca>

Subject: BCER Teams Voice Mail (1 minute and 25 seconds)

Hello,

You have received a new voice mail on your Teams Phone. For more information, access Calls menu in Teams.

Hello, Good morning. It's Michael Pope. I'm the news director at CJDCTV in Dawson Creek. It's just shortly after 11:30. AMI was wondering if you can give me a call back. My number is 250-782-6397. Again, that number 250-782-6397, we're just going to report today on the investigation by the Narwhal and the Investigative Journalism Foundation about the potential violations that they claim that the energy regulator inspectors are giving a pass despite being out of compliance and they noticed thousands of instances are in more than 1000 instances. So my question will be, can you give us a comment on the story? And what if you don't wanna comment on the story? Can you comment please on what the energy regulator is doing to make any changes as a result of what's been alleged? And then more so, if you don't want to issue a statement, can you please call me back and tell me why you don't want to issue a statement for the public to understand what's going on? So look forward to hearing from your call. My deadline is 3 o'clock today. Thank you. Bye.

You received a voice mail from +1 250-782-3341.

Thank you for using Transcription! If you don't see a transcript above, it's because the audio quality was not clear enough to transcribe.

Set Up Voice Mail

From: Currie, Graham

Sent: Monday, April 7, 2025 8:40 AM

To: Rygg, Philip; Denys, Lori

Subject: FW: Top Issues

Attachments: IN_Narwhal_CNRL_Exemption.docx

Please see below – this would be a good add – I've attached the Issue Note, if that helps with the "answer"/messaging.

Thanks, Graham





Graham Currie

Executive Director, Public Trust Graham.Currie@bc-er.ca

Victoria

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From: Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>

Sent: Monday, April 7, 2025 7:01 AM

To: Currie, Graham < Graham. Currie@bc-er.ca> Cc: Dickinson, Sara <Sara.Dickinson@bc-er.ca>

Subject: Top Issues

I think we may want to consider adding the "exemptions" to the Top Issues.





Garth Thoroughgood

Vice President, Public Trust & Reconciliation Garth.Thoroughgood@bc-er.ca

Victoria Office Address Directory T. 250-419-6601

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Issue Note

April 3, 2025

CNRL Pipeline Exemptions

- PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- II. ISSUE: The Narwhal has published an article "B.C. quietly allowed an oil and gas giant to sidestep rules for more than 4,300 pipelines", part of an ongoing "series" critical of the BCER compliance and enforcement efforts. This arises from an FOI released in February 2024 (and available on the BCER's website) for all inspection records from 2017-2023, resulting in over 35,000 inspection reports.

III. MESSAGING:

- The BCER has a comprehensive Compliance Management System that ensures energy companies in the province operate in accordance with legislation, regulations, permits, and authorizations designed to protect public safety and the environment.
- Significant resources are dedicated to monitoring compliance, through a
 diverse set of administrative and field-based tools and activities, including
 application reviews, administrative reviews and monitoring, audits, inspections,
 and permit holder self-assessments.
- The BCER identified through an integrity focused audit of operators' pipeline deactivation programs - that CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation (i.e., that pipelines must be deactivated within 18 months of not flowing) and needed to be deactivated.
- In response to the BCER requiring CNRL to identify its plan to address the non-compliances, CNRL proposed a systematic, co-ordinated, multi-year approach to its deactivation of the non-compliant pipelines.
- Given the significant number of pipelines out of compliance, the decision maker acknowledged the issue could not be addressed immediately and concluded an exemption that required the permit holder to follow a plan that would bring it into compliance by 2028 was appropriate.
- The BCER decision maker determined this approach was preferable to addressing each instance on a one-off, case-by-case basis because it would reduce the overall time to deactivate all the pipelines, require those pipelines with greater risk to be prioritized, and reduce the associated land disturbance.
- The exemption included an itemized list of pipelines to be addressed with associated dates which can be used for enforcement purposes.
- The original exemption included 4,312 pipelines and as of March 2025, there
 are 865 remaining pipelines to deactivate CNRL is required to complete
 deactivation of all the pipelines by the end of 2028.

IV. BACKGROUND:

Deactivating pipelines provides safety and environmental protection through
the removal of fluids from the pipes and the isolation of the pipelines from any
other systems. Permit holders are required to continue to monitor the pipelines
after their deactivation until they are removed or abandoned. Deactivating



Issue Note

pipelines reduces liability, increases restoration, and reduces the risk of a spill.

- Through an administrative compliance verification process of an integrity focused audit of operators' pipeline deactivation programs in 2020, the BCER found CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation requiring pipelines must be deactivated within 18 months of not flowing and needed to be deactivated.
- CNRL proposed a systematic, co-ordinated, multi-year approach to its
 deactivation of the non-compliant pipelines that was deemed by the BCER as
 being preferable to addressing each instance on a one off basis (as would
 have been required as per the section 9 provisions), as the systematic
 approach would reduce the overall time to deactivate all of the pipelines and
 reduce the associated land disturbance conducting the work.
- The BCER determined issuing an exemption which required CNRL to implement its plan was the best option for bringing CNRL into compliance efficiently and in a way that allowed the BCER to monitor the activities of CNRL by pipeline count and date for enforcement.
- For example, when CNRL failed to meet the identified deactivation targets for 2020, 2021, and 2022, the BCER issued an enforcement order to deactivate the sections as outlined in the 2020 exemption. On Nov. 9, 2023 CNRL had satisfied the deactivation requirements and the order was terminated.
- This plan which included older assets purchased from other companies significantly reduced the risk of this infrastructure falling into insolvency and potentially increasing liabilities for the Orphan Fund.
- The original exemption included 4,312 pipelines:
 - 2,266 were identified as potentially inactive at the time of the exemption.
 - An additional 2,046 were projected to become inactive over the duration of the exemption.
- Between January 2020 and March 2024 CNRL either deactivated or confirmed compliance on 2,992 pipelines from the original exemption.
- In March 2024 the exemption was updated to address the remaining 1,320 pipelines by 2028.
- As of March 7, 2025, there are 865 remaining pipelines to deactivate, with a requirement they all be deactivated by the end of 2028.
- The BCER continues to increase its transparency and is working to make exemptions public on its website (along with inspection reports) later in 2025.

PREPARED BY:

Graham Currie Executive Director, Public Trust 250-419-4420 Pages: 156-158 Redacted pursuant to: s16 From: Dickinson, Sara

Sent: Friday, April 4, 2025 4:16 PM

To: Currie, Graham; Koosmann, Nicole

Subject: RE: CNRL Note

Attachments: IN_Narwhal_CNRL_Exemption.docx

Attached is the updated and approved issues note.





Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca

Fort St. John Office Address Directory T. 250-794-5253 F. 250 794-5390 s22

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Pages: 160-162 Redacted pursuant to: s13



Issue Note

April 3, 2025

CNRL Pipeline Exemptions

- I. PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- II. ISSUE: The Narwhal has published an article "B.C. quietly allowed an oil and gas giant to sidestep rules for more than 4,300 pipelines", part of an ongoing "series" critical of the BCER compliance and enforcement efforts. This arises from an FOI released in February 2024 (and available on the BCER's website) for all inspection records from 2017-2023, resulting in over 35,000 inspection reports.

III. MESSAGING:

- The BCER has a comprehensive Compliance Management System that ensures energy companies in the province operate in accordance with legislation, regulations, permits, and authorizations designed to protect public safety and the environment.
- Significant resources are dedicated to monitoring compliance, through a
 diverse set of administrative and field-based tools and activities, including
 application reviews, administrative reviews and monitoring, audits, inspections,
 and permit holder self-assessments.
- The BCER identified through an integrity focused audit of operators' pipeline deactivation programs - that CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation (i.e., that pipelines must be deactivated within 18 months of not flowing) and needed to be deactivated.
- In response to the BCER requiring CNRL to identify its plan to address the non-compliances, CNRL proposed a systematic, co-ordinated, multi-year approach to its deactivation of the non-compliant pipelines.
- Given the significant number of pipelines out of compliance, the decision maker acknowledged that the issue could not be addressed immediately and concluded that an exemption that required the permit holder to follow a plan that would bring it into compliance by 2028 was appropriate.
- The BCER decision maker determined that this approach was preferable to addressing each instance on a one-off, case-by-case basis because it would reduce the overall time to deactivate all the pipelines, require those pipelines with greater risk associated to be prioritized, and reduce the associated land disturbance.
- The exemption included an itemized list of pipelines to be addressed with associated dates which can be used for enforcement purposes.
- The original exemption included 4,312 pipelines and as of March 2025, there
 are 865 remaining pipelines to deactivate CNRL is required to complete
 deactivation of all the pipelines by the end of 2028.

IV. BACKGROUND:

 Deactivating pipelines provides safety and environmental protection through the removal of fluids from the pipes and the isolation of the pipelines from any other systems. Permit holders are required to continue to monitor the pipelines



Issue Note

after their deactivation until they are removed or abandoned. Deactivating pipelines reduces liability, increases restoration, and reduces the risk of a spill.

- Through an administrative compliance verification process of an integrity focused audit of operators' pipeline deactivation programs in 2020, the BCER found CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation requiring pipelines must be deactivated within 18 months of not flowing and needed to be deactivated.
- CNRL proposed a systematic, co-ordinated, multi-year approach to its
 deactivation of the non-compliant pipelines that was deemed by the BCER as
 being preferable to addressing each instance on a one off basis (as would
 have been required as per the section 9 provisions), as the systematic
 approach would reduce the overall time to deactivate all of the pipelines and
 reduce the associated land disturbance conducting the work.
- The BCER determined that issuing an exemption which required CNRL to implement its plan was the best option for bringing CNRL into compliance efficiently and in a way that allowed the BCER to monitor the activities of CNRL by pipeline count and date for enforcement.
- For example, when CNRL failed to meet the identified deactivation targets for 2020, 2021, and 2022, the BCER issued an enforcement order to deactivate the sections as outlined in the 2020 exemption. On Nov. 9, 2023 CNRL had satisfied the deactivation requirements and the order was terminated.
- This plan which included older assets purchased from other companies significantly reduced the risk of this infrastructure falling into insolvency and potentially increasing liabilities for the Orphan Fund.
- The original exemption included 4,312 pipelines:
 - 2,266 were identified as potentially inactive at the time of the exemption.
 - An additional 2,046 were projected to become inactive over the duration of the exemption.
- Between January 2020 and March 2024 CNRL either deactivated or confirmed compliance on 2,992 pipelines from the original exemption.
- In March 2024 the exemption was updated to address the remaining 1,320 pipelines by 2028.
- As of March 7, 2025, there are 865 remaining pipelines to deactivate, with a requirement they all be deactivated by the end of 2028.
- The BCER continues to increase its transparency and is working to make exemptions public on its website (along with inspection reports) later in 2025.

PREPARED BY:

Graham Currie
Executive Director, Public Trust
250-419-4420

From: Dickinson, Sara

Sent: Friday, April 4, 2025 2:06 PM

To: Koosmann, Nicole **Subject:** Note in eApprovals

Attachments: IN_Narwhal_CNRL_Exemption SD edits.docx

Importance: High

Potential wording to address Michelle's questions.





Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca

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Pages: 166-167 Redacted pursuant to: s13 From: Dickinson, Sara

Sent: Thursday, April 3, 2025 8:38 AM

To: Koosmann, Nicole Cc: Currie, Graham

Subject: RE: For Review prior to E-approvals: IN_Narwhal_CNRL_Exemption

Thank you Nicole. Great note. I have a question re: risk messaging – I'll give you both a quick call.





Sara Dickinson

Executive Vice President, Safety, Compliance & Public Trust Sara.Dickinson@bc-er.ca

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From: Koosmann, Nicole < Nicole.Koosmann@bc-er.ca>

Sent: Thursday, April 3, 2025 8:34 AM

To: Dickinson, Sara <Sara.Dickinson@bc-er.ca> **Cc:** Currie, Graham <Graham.Currie@bc-er.ca>

Subject: For Review prior to E-approvals: IN_Narwhal_CNRL_Exemption

Importance: High

Hi Sara.

The final draft prior to my upload into e-approvals (Raven sent me a link). Please review and advise of any changes.

Thanks,





Nicole Koosmann P.Eng., P.M.P. Vice President, Safety, Engineering & Audit Nicole.Koosmann@bc-er.ca Victoria
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From: Currie, Graham < Graham.Currie@bc-er.ca>

Sent: Wednesday, April 2, 2025 4:32 PM

To: Bourke, Dax <<u>Dax.Bourke@bc-er.ca</u>>; Koosmann, Nicole <<u>Nicole.Koosmann@bc-er.ca</u>>; McDaid, Dorothy

Pages: 169-172 Redacted pursuant to: s13 From: Koosmann, Nicole

Sent: Thursday, April 3, 2025 9:31 AM

To: Nyamekye, Raven

Subject: IN_Narwhal_CNRL_Exemption Attachments: IN_Narwhal_CNRL_Exemption.docx

Hi Raven,

Please upload into e-approvals as the action is with Sara D right now:



Thanks.





Nicole Koosmann P.Eng., P.M.P. Vice President, Safety, Engineering & Audit Nicole.Koosmann@bc-er.ca

Victoria T. 250-419-4429 Office Address Directory F. 250-419-4403 **BCER Web Site**

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Pages: 174-175 Redacted pursuant to: s13 From: Koosmann, Nicole

Sent: Wednesday, April 2, 2025 2:31 PM

To: McDaid, Dorothy
Subject: CNRL exemptions

Attachments: 20240319 CNRL Inactive Pipeline Management Plan Exemption .pdf; 20200124 CNRL

Inactive Pipeline Management Plan Exemption.pdf





Nicole Koosmann P.Eng., P.M.P. Vice President, Safety, Engineering & Audit Nicole.Koosmann@bc-er.ca Victoria T. 250-419-4429
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March 19, 2024

Via email: Ryan.N.Munro@cnrl.com; sean.beattie@cnrl.com; steve.kullman@cnrl.com
Attention: Ryan Munro, Manager Pipeline Abandonment & Decommissioning Planning

Canadian Natural Resources Ltd.

324 8 Ave SW Suite 1800, Calgary AB T2P 2Z2

Dear CNRL:

I write in response to correspondence from Canadian Natural Resources Ltd. (CNRL) dated February 27, 2024, with respect to a proposed Inactive Pipeline Management Plan (Plan) to bring CNRL's outstanding inactive pipelines into compliance with section 9 of the *Pipeline Regulation*, B.C. Reg. 281/2010.

Regulatory Framework

Section 9 of the Pipeline Regulation requires pipeline permit holders to take certain actions with respect to inactive pipelines:

- 9. If a pipeline permit holder has not transported fluids through the holder's permitted pipeline or part of a pipeline for 18 consecutive months, the pipeline permit holder must
 - (a) submit a plan for resuming the transportation of fluids through the pipeline, or
 - (b) deactivate the pipeline or part of the pipeline in accordance with CSA Z662 and notify the commission on completion of the deactivation.

The BC Energy Regulator has the authority under section 14 of the Pipeline Regulation to exempt pipeline permit holders from provisions of the Pipeline Regulation if certain conditions are present:

- 14. An official may exempt a pipeline permit holder or former pipeline permit holder from complying with one or more provisions of this regulation if the official is satisfied that, in the circumstances,
 - (a) compliance with the provision or provisions is not reasonably practicable, or
 - (b) the exemption is in the public interest.

I have been delegated authority from the Commissioner to make a determination under section 14 of the Pipeline Regulation. I have carefully reviewed all of the information before me and the reasons for my decision are set out below.

Background and Analysis

On January 21, 2020, CNRL submitted a Plan to the BCER which proposed a solution to address CNRL's outstanding pipeline deactivation requirements under section 9 of the Pipeline Regulation. On January 22, 2020, I granted CNRL an exemption from the requirements of section 9 of the Pipeline Regulation to implement the Plan, subject to a number of conditions. In addition, the exemption stated that failure to implement the Plan or to adhere to any of the conditions would result in the exemption no longer having any force or effect.

On March 16, 2023, the BC Energy Regulator issued an order under section 49 of the *Oil and Gas Activities Act* (now the *Energy Resource Activities Act* (ERAA)) that required CNRL to deactivate each pipeline segment identified in the General Order by December 31, 2023. The order was issued because CNRL failed to deactivate the pipelines in accordance with the timelines set out in the Plan. Accordingly, the exemption was no longer of any force or effect, meaning CNRL failed to comply with section 9 of the Pipeline Regulation.



On November 9, 2023, the General Order was terminated following the deactivation of all of the pipeline segments identified in the General Order.

On February 27, 2024, CNRL submitted an updated Plan to address the remaining 1,320 pipelines that require deactivation pursuant to section 9 of the Pipeline Regulation. The updated Plan sets out CNRL's proposal to achieve compliance for all of its remaining pipelines by 2028.

I remain concerned with the number of pipelines that are out of compliance with regulatory requirements. I am also concerned that CNRL failed to complete the deactivation requirements under the initial Plan which caused the BC Energy Regulator to issue a General Order under section 49 of ERAA. However, I also note that CNRL completed the required deactivations under the General Order, including 631 deactivations in 2023 alone. CNRL has prioritized deactivating the pipeline assets that have a risk score greater than "minor" according to the BC Energy Regulator's Incident Classification Matrix. Moreover, CNRL's current proposal maintains a compliance target date of 2028.

Therefore, I am satisfied that compliance with section 9 is not reasonably practicable given the number of pipeline assets that require deactivation. I am further satisfied that adherence to the targets and commitments set out in the updated Plan remains the most effective and efficient way to achieve compliance with regulatory requirements and to minimize the risk associated with the remaining pipelines.

Conclusion

I have decided to exercise my authority pursuant to section 14 of the Pipeline Regulation to exempt CNRL from the requirements of section 9 of the Pipeline Regulation subject to the following conditions:

1. CNRL shall implement the Inactive Pipeline Management Plan (Plan) dated February 27, 2024. This includes meeting or exceeding the following targets for execution:

Calendar Year	Number of Cumulative Pipelines to be Addressed
2024	300
2025	600
2026	900
2027	1110
2028	1320

- 2. By December 31, 2028, all of CNRL's pipelines must be in compliance with section 9 of the Pipeline Regulation.
- By February 1 of each year, CNRL shall submit to the BCER a report of the previous year's activities that were undertaken in accordance with the Plan, including a list of pipeline assets that were addressed to meet the targets identified in Item 1.

This exemption applies only to the pipeline assets contemplated by the Plan. In the event that CNRL acquires or identifies additional pipeline assets, those additional assets shall be subject to the requirements of section 9 of the Pipeline Regulation.



Failure to implement the Plan or adhere to any of the above conditions will result in the exemption no longer having any force or effect. All pipeline assets owned by CNRL would consequently be subject to section 9 of the Pipeline Regulation and the permit holder would be responsible for any associated non-compliances.

Please contact me if you have any questions or concerns.

Yours truly,

Nicole Koosmann, P.Eng., P.M.P. VP Safety, Engineering & Audit

Nich Kinz

BC Energy Regulator

Attachment: Canadian Natural - Operating-Inactive Line List (2024-01-01)



Jan. 22, 2020

Via email: Linda.Bragg@cnrl.com; Devin.Allibone@cnrl.com Attention: Linda Bragg, Lead – Pipeline Abandonments Canadian Natural Resources Ltd. 855 2 Street Southwest #2100 Calgary AB T2P 4J8

Dear Ms. Bragg:

Re: Canadian Natural Resources Ltd. ("CNRL") Inactive Pipeline Management Plan

I write regarding the Inactive Pipeline Management Plan (the "Plan") submitted by CNRL on January 21, 2020. The Plan is an overview CNRL's proposal to bring its inactive pipelines into compliance with section 9 of the *Pipeline Regulation*, B.C. Reg. 281/2010.

Regulatory Framework

Section 9 of the *Pipeline Regulation* requires pipeline permit holders to take certain actions with respect to inactive pipelines:

- If a pipeline permit holder has not transported fluids through the holder's permitted pipeline or part of a pipeline for 18 consecutive months, the pipeline permit holder must
 - (a) submit a plan for resuming the transportation of fluids through the pipeline, or
 - (b) deactivate the pipeline or part of the pipeline in accordance with CSA Z662 and notify the commission on completion of the deactivation.

The Commission has the authority under section 14 of the *Pipeline Regulation* to exempt pipeline permit holders from provisions of the *Pipeline Regulation* if certain conditions are present:

- 14. An official may exempt a pipeline permit holder or former pipeline permit holder from complying with one or more provisions of this regulation if the official is satisfied that, in the circumstances,
 - (a) compliance with the provision or provisions is not reasonably practicable, or
 - (b) the exemption is in the public interest.

I have been delegated authority from the Commissioner to make a determination under section 14 of the *Pipeline Regulation*. I have carefully reviewed all of the information before me and the reasons for my decision are set out below.

Background and Analysis

The Plan identifies pipelines that are currently out of compliance or will be out of compliance with section 9 of the *Pipeline Regulation*. Some of the pipelines CNRL is the original pipeline permit holder for while others it has acquired through transfers from other permit holders. The Plan sets out CNRL's proposal to achieve compliance over the next ten years, with all of its pipelines to be addressed by 2028.

I am concerned with the volume of pipelines that are out of compliance with regulatory requirements. I recognize, however, that in order to achieve compliance and to ensure that it is done in a way that minimizes risk, that attainable timelines must be established. Notably, the Plan prioritizes the deactivation of pipelines in accordance with the Commission's Incident Classification Matrix. No pipelines that have a risk score greater than "minor" are proposed to be addressed beyond 2022.

I am satisfied that compliance with section 9 is not reasonably practicable given the number of pipeline assets that require deactivation. I am further satisfied that adherence to the targets and commitments set out in the Plan is the most effective and efficient way to achieve compliance with regulatory requirements and to minimize the risk.

Conclusion

I have decided to exercise my authority pursuant to section 14 of the *Pipeline Regulation* to exempt CNRL from the requirements of section 9 of the *Pipeline Regulation* subject to the following conditions:

 CNRL shall implement the Plan. This includes meeting or exceeding the following targets for execution with, subject to condition 2 below, a variation reduction of up to 50 pipeline assets allowed per year, nontransferrable to future years:

Calendar Year	Number of pipeline assets to be addressed
2020	544
2021	424
2022	414

2023	398
2024	453
2025	417
2026	427
2027	421
2028	408
*	Total 4,312

- 2. By the end of 2028, all of CNRL's pipelines must be in compliance with section 9 of the *Pipeline Regulation*. In the event that CNRL acquires or identifies additional pipeline assets that are not currently contemplated by the Plan, those additional assets shall be added to the targets identified in Item 1 and must also be addressed by the end of 2028.
- All pipeline assets that have a risk score greater than "minor" according to the Commission's Incident Classification Matrix must be addressed by the end of 2022.
- 4. By February 1st of each year, CNRL shall submit to the Commission a report of the previous year's activities that were undertaken in accordance with the Plan, including a list of pipeline assets that were addressed to meet the targets identified in Item 1.

Please note that failure to implement the Plan or adhere to any of the above conditions will result in the exemption no longer having any force or effect. All pipeline assets owned by CNRL would consequently be subject to section 9 of the *Pipeline Regulation* and the permit holder would be responsible for any associated non-compliances.

Please contact me if you have any questions or concerns.

Yours truly,

Nicole Koosmann, P.Eng.

Vice President, Engineering, Integrity and Technical Compliance

Oil and Gas Commission

nicole.koosmann@bcogc.ca

Mirole Korz

From: Koosmann, Nicole

Sent: Wednesday, April 2, 2025 11:55 AM

To: McDaid, Dorothy
Cc: Currie, Graham

Subject: FW: For Review - Issue Note - CNRL Exemption

Attachments: IN_Narwhal_CNRL_Exemption_v1.docx

s14





Nicole Koosmann P.Eng., P.M.P. Vice President, Safety, Engineering & Audit Nicole.Koosmann@bc-er.ca Victoria T. 250-419-4429
Office Address Directory F. 250-419-4403
BCER Web Site S22

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From: Currie, Graham < Graham. Currie@bc-er.ca>

Sent: Wednesday, April 2, 2025 11:53 AM

To: Koosmann, Nicole < Nicole. Koosmann@bc-er.ca>; Parsonage, Kevin < Kevin. Parsonage@bc-er.ca>; Bourke, Dax

<Dax.Bourke@bc-er.ca>

Cc: Rygg, Philip <Phil.Rygg@bc-er.ca>; Woods, Jonathan <Jonathan.Woods@bc-er.ca>

Subject: For Review - Issue Note - CNRL Exemption

Nicole et al – here's a draft of an Issue Note, re. the latest Narwhal story (as requested). This is made up of the media response provided to the outlet.

Let me know if any edits/changes.

Thanks, Graham





Graham CurrieExecutive Director, Public Trust
<u>Graham.Currie@bc-er.ca</u>

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BCER Web Site

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Pages: 184-185 Redacted pursuant to: s13 From: Smook, Patrick

Sent: Wednesday, April 2, 2025 11:34 AM

To: Van El, Wendy

Cc: Thoroughgood, Garth; Currie, Graham; Nyamekye, Raven

Subject: RE: B.C. quietly allowed an oil and gas giant to sidestep rules for more than 4,300

pipelines

Hi Wendy,

Please send the eApprovals request through to Sara Dickinson instead of me.

Thanks very much,

P





Patrick Smook RPF, MBA
Vice President, Compliance & Operations
Patrick.Smook@bc-er.ca

Fort St. John Office Address Directory BCER Web Site T. 250-794-5314 F. 250-794-5390 s22

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From: Van El, Wendy < Wendy. Van El@bc-er.ca>
Sent: Wednesday, April 2, 2025 10:57 AM
To: Smook, Patrick < Patrick. Smook@bc-er.ca>

Cc: Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Currie, Graham <Graham.Currie@bc-er.ca>; Nyamekye,

Raven < Raven. Nyamekye@bc-er.ca>

Subject: FW: B.C. quietly allowed an oil and gas giant to sidestep rules for more than 4,300 pipelines

Hello Patrick,

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One the IN is completed, Graham can email the document to you and/or Garth to review and upload to eApprovals with any comments for Michelle, then send through to Cathy.

Thanks Wendy





Wendy Van El
Senior Executive Administrative Assistant
Wendy.VanEl@bc-er.ca

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F.

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s13

From: Currie, Graham < Graham.Currie@bc-er.ca>

Sent: Wednesday, April 2, 2025 8:50 AM

To: Executive DL <<u>Executive@bc-er.ca</u>>; Smook, Patrick <<u>Patrick.Smook@bc-er.ca</u>>; Bourke, Dax <<u>Dax.Bourke@bc-er.ca</u>>

Cc: Parsonage, Kevin < Kevin.Parsonage@bc-er.ca >; Koosmann, Nicole < Nicole.Koosmann@bc-er.ca >; Rygg, Philip

<Phil.Rygg@bc-er.ca>; Woods, Jonathan <<u>Jonathan.Woods@bc-er.ca</u>>; Thoroughgood, Garth

<Garth.Thoroughgood@bc-er.ca>

Subject: B.C. quietly allowed an oil and gas giant to sidestep rules for more than 4,300 pipelines

Good morning – this is in the clips, but just so everyone is aware:

B.C. quietly allowed an oil and gas giant to sidestep rules for more than 4,300 pipelines

Narwhal WEDNESDAY, APRIL 2 2025 BY MATT SIMMONS & ZAK VESCE

This investigation is a collaboration between The Narwhal and the Investigative Journalism Foundation.

The British Columbia government quietly granted one of Canada's biggest oil and gas companies an exemption for thousands of pipelines that should have been deactivated before a legal deadline, according to documents obtained under freedom of information legislation.

In 2020, the BC Energy Regulator — then called the BC Oil and Gas Commission — exempted more than 4,300 of those pipelines operated by Canadian Natural Resources Ltd. (commonly known as CNRL) from the 18-month decommissioning requirements, according to documents unearthed by The Narwhal and the Investigative Journalism Foundation.

Major gas producers often operate hundreds or thousands of short pipelines that connect wells — including fracking wells — to larger pipeline networks that transport natural gas to buyers. When the wells dry up, those pipelines are no longer needed. B.C. law requires inactive pipelines to be fully decommissioned 18 months after they become inactive — a measure to prevent environmental damage and leaks as pipelines gradually decay.

The exemption given to CNRL is valid until 2028 and applied both to inactive pipelines that had not been decommissioned and proactively to pipelines that would become inactive during that period. The regulator's decision was never made public.

According to the documents, in October 2022, a BC Energy Regulator official flagged an apparent problem with a CNRL pipeline while inspecting oil and gas sites in northeast B.C., noting, "This pipeline may fall under the exemption given to CNRL for over 4,000 pipelines that are not compliant in regard to deactivation."

The regulator, a provincial agency largely funded by the oil and gas industry, declined an interview request. In an unsigned email in response to questions, the regulator said the exemption is part of an agreement it made with CNRL to gradually decommission the 4,300 pipelines across the province.

The Narwhal and the Investigative Journalism Foundation tried to reach Canadian Natural Resources over a period of five weeks to discuss the exemption. Attempts to contact the company included emailing detailed questions to three company executives — among them CEO Scott Stauth and the company's director of corporate communications. Journalists also spoke to the company's investor relations team, who confirmed receipt of the questions but did not respond.

Exemptions to pipeline regulations 'should be public': policy expert

Calgary-based CNRL has decommissioned or confirmed compliance for more than three-quarters of the 4,300 pipelines, according to the regulator.

But policy experts say the scale of the exemption raises questions about how the regulator oversees B.C.'s oil and gas sector, as well as about the influence wielded by large companies like CNRL, which posted revenues of more than \$35 billion last year.

Kathryn Harrison, a political science professor at the University of British Columbia who studies climate and energy policy, said she was shocked to learn about the exemption.

"If a company, whether large scale or small, is being given a formal exemption from a binding law, that should be public," Harrison said in an interview. "Because otherwise, how are citizens to know that laws are being evenhandedly and faithfully executed?"

B.C. Energy Minister Adrian Dix did not respond to an interview request or provide answers to emailed questions.

In its email, the regulator said it became aware of the inactive CNRL pipelines after an audit found the company "had a large number of pipelines that were non-compliant" with B.C. law.

The regulator said contravening those rules could normally result in a fine as high as \$500,000.

But instead of fining CNRL, the regulator said it agreed to the company's proposal to exempt the pipelines from the rules while CNRL gradually decommissioned them.

The regulator said it granted a similar exemption in 2020 for 54 pipelines operated by TAQA North Ltd., a United Arab Emirates company with Canadian headquarters in Calgary. It also said it does not publicly disclose those exemptions, and there is no mechanism for members of the public to comment or object to them.

In a separate email, the regulator said it could still issue an "administrative monetary penalty" if CNRL did not meet the requirements supporting the exemption.

The BC Energy Regulator said the exemption applied to 2,266 CNRL pipelines that "were identified as potentially inactive at the time of the exemption," as well as a further 2,046 pipelines "projected to become inactive over the duration of the exemption."

In its response to questions, the regulator said it made the decision "based on the impracticality of CNRL achieving compliance of the pipelines with the [regulation] timeline requirements and the public interest in having the pipelines brought into compliance more quickly with less land disturbance."

The regulator said CNRL had decommissioned all but 865 pipelines as of March 7, or nearly 80 per cent of the pipelines exempted from oversight.

Relationship between regulator and companies like a 'forced marriage': law professor

Martin Olszynski, a professor at the University of Calgary's faculty of law who specializes in environmental law, called the company's progress "laudable." But he said the lack of any penalties speaks to a larger problem: Canadian regulators are playing soft with oil and gas companies that break the rules.

"If you're never caught, if you have no fear of getting a speeding ticket, then people will speed," Olszynski said.

The relationship between regulators and companies often resembles a "forced marriage," where both parties prefer compromise over conflict, he explained. That dynamic means regulators may be hesitant to crack down on companies out of a fear they will be seen as heavy-handed, he said.

"Sometimes there are concerns that these companies have significant political clout, and if they start complaining about the working environment the regulator is going to hear about that," Olszynski said. He said regulators can also be influenced in more subtle ways as they develop relationships with the companies they oversee.

"I do think it is a problem in Canada generally that our regulators are too timid, and they allow industry to get away with things that they shouldn't."

Harrison said granting exemptions runs contrary to the spirit of the law, arguing transparency would keep the regulator and companies accountable.

"If the company is taking the actions that might need to be taken anyway, it might be a better use of the government's resources and the firm's resources to get the thing done and not spend their time and their money on lawyers," she explained.

But the public can only decide if that is reasonable when people have information about non-compliance with regulations and decisions to grant exemptions, she said.

"I think people need to know if companies are not following the law and they need to know that they are being brought into compliance with the law," Harrison said.





Graham Currie
Executive Director, Public Trust
Graham.Currie@bc-er.ca

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From: Currie, Graham

Sent: Wednesday, April 2, 2025 10:58 AM **To:** Van El, Wendy; Smook, Patrick

Cc: Thoroughgood, Garth; Nyamekye, Raven

Subject: RE: B.C. quietly allowed an oil and gas giant to sidestep rules for more than 4,300

pipelines

s22

Thanks Wendy – we'll see what we can pull together – around that.

but will work

Graham





Graham Currie
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Page 192 Redacted pursuant to: s13

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<Phil.Rygg@bc-er.ca>; Woods, Jonathan <Jonathan.Woods@bc-er.ca>; Thoroughgood, Garth

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From: Currie, Graham

Sent: Friday, March 28, 2025 4:46 PM

To: Leadership Group

Cc: Rygg, Philip; Johnson, Justine; Gerlach, Lisa; Bligh, Stacey **Subject:** Issue Notes & Media Tracker - Week of March 24-28, 2025

Attachments: IN_PRGT_Permit_Extension_Updt_March 28_2025.docx; TRACKER_Weekly Media_

28March2025.pdf; IN_Erikson_Insolvency_Updt_March28_2025.docx

Good afternoon – here's the media tracker for the requests from the week that was; plus a couple of issue notes with some small updates:

- PRGT Permit Extension updated to note the court case this week; see too the "In the News" post on Energy Exchange.
- Erikson Insolvency updated re. court and creditor matters in the past month.

Have a great weekend all,

Graham





Graham CurrieExecutive Director, Public Trust
Graham.Currie@bc-er.ca

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Weekly Media Tracker March 24-28, 2025

Total requests: 4

Date:	PRGT in the courts	Media outlet / Organization: The Narwhal	Reporter / Requester:	BCER SME:	Status: Response sent March 24	
March 24			Matt Simmons	Sara G.		

REQUEST:

I am reaching out for comment regarding a new story I am working on regarding the three groups that filed for judicial review of the BC Energy Regulator's decision on the PRGT pipeline. My deadline for this is 4 p.m. PT.

As you may have seen, the groups — Skeena Watershed Conservation Coalition, Kispiox band and Kispiox Valley Community Association — allege the BC Energy Regulator broke its own rules to allow construction of the Prince Rupert Gas Transmission pipeline to start, without first conducting a cumulative effects assessment of the entire pipeline. Their claim alleges splitting the assessment requirement between sections contradicts the purpose of an effects assessment.

Kolin Sutherland Wilson, chief councillor of Kispiox, called for a complete assessment that accounts the "true scale of potential harm" for communities like Kispiox. Shannon McPhail, with SWCC, said: "The BC Energy Regulator seems to be exemplifying what you don't do — and that is hurry things through important processes like a cumulative effects assessment."

- Can you respond to these direct allegations?
- Does the BC Energy Regulator believe the cumulative effects assessment that was conducted in section 5b is sufficient to address the potential impacts of the project on communities and ecosystem health.

RESPONSE:

Please note that these matters are currently the subject of court proceedings and the BCER's position is recorded in our submissions.

Date:	PRGT in the courts	Media outlet / Organization: Global News BC	Reporter / Requester:	BCER SME:	Status: Response sent March 25	
March 25			Aaron McArthur	Sara G.		

REQUEST:

Sorry for the short notice, but I just spoke to the plaintiffs in the judicial hearing regarding the construction permit approval for the PRGT (section 5). Is there a statement available from the BCER?

RESPONSE:

Please note that these matters are currently the subject of court proceedings and the BCER's position is recorded in our submissions.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
March 25	Compliance and Enforcement – CNRL pipeline exemption	The Narwhal / Investigative Journalism Foundation	Matt Simmons / Zak Vescera	Dax Bourke	Response sent March 25

REQUEST AND RESPONSES:

We are reaching out with follow-up questions regarding the exemption that was given to CNRL for non-compliant or potentially non-compliant pipelines. Thank you again for your detailed response.

1) Can you confirm that among the tools available to the regulator to bring companies into compliance with the regulation around deactivating pipelines that this exemption applies to include levying fines and administrative penalties?

Yes, the BCER can issue administrative penalties for non-compliance with regulations concerning deactivating pipelines.

In the CNRL case in question, the BCER can still pursue a contravention and the issuance of an administrative monetary penalty in the event CNRL did not meet the requirements supporting the exemption.

2) If so, can you please tell us the maximum amount BCER can penalize a company in this type of situation? We would appreciate any links to the relevant legislation or regulation that detail these amounts.

The <u>Administrative Penalties Regulation</u> sets out the maximum penalty amounts for administrative monetary penalties. In the event a permit holder was found to have contravened section 9(3) of the <u>Pipeline Regulation</u> a maximum administrative monetary penalty of \$500,000 could be applied.

Administrative Penalties Regulation:

Pipeline Regulation

6 (1) A person who contravenes section 3 (1), 6 (1) (a), 9 (3) or (4) or 11 (2) of the Pipeline Regulation is liable to an administrative penalty not exceeding \$500 000.

Pipeline Regulation:

Deactivation

- 9 (1) This section applies if, for a period of 18 consecutive calendar months, a pipeline permit holder does not transport fluids through the holder's permitted pipeline or part of the pipeline.
 - (2) The period referred to in subsection (1) begins, as applicable,
 - (a) the day after the last day fluid is transported through the permitted pipeline or part of the pipeline, if the pipeline or part has been used to transport fluids, or
 - (b) the day after construction of the permitted pipeline or part of the pipeline is completed, if the pipeline or part has not been used to transport fluids.
 - (3) Before the expiry of the period referred to in subsection (1), the pipeline permit holder must do one of the following:
 - (a) deactivate the permitted pipeline or part of the pipeline and notify the regulator on completion of the deactivation;
 - (b) submit to the regulator a plan to deactivate the permitted pipeline or part of the pipeline after the end of that period;
 - (c) submit to the regulator a plan for resuming or beginning, as applicable, the transportation of fluids through the permitted pipeline or part of the pipeline.
 - (4) If a plan is submitted to the regulator under subsection (3) (b) or (c),
 - (a) the plan must be approved by the regulator, and
 - (b) the pipeline permit holder must implement the plan as approved by the regulator.

[en. B.C. Reg. 289/2020, s. 2; am. B.C. Reg. 202/2023, Sch. 10, s. 2.]

When determining the amount of an administrative monetary penalty, BCER decision makers consider the requirements outlined in section 63 of the *Energy Resources Activities Act*.

Administrative penalties

- 63 (1) If the regulator finds that a person has contravened a provision referred to in section 62 (1), the regulator may impose an administrative penalty on the person in an amount that does not exceed the prescribed amount.
 - (2) Before the regulator imposes an administrative penalty on a person, the regulator must consider the following:
 - (a) previous contraventions by, administrative penalties imposed on or orders issued to
 - (i) the person,
 - (ii) if the person is an individual, a corporation for which the individual is or was an officer, director or agent, and
 - (iii) if the person is a corporation, an individual who is or was an officer, director or agent of the corporation;
 - (b) the gravity and magnitude of the contravention;
 - (c) the extent of the harm to others resulting from the contravention;
 - (d) whether the contravention was repeated or continuous;
 - (e) whether the contravention was deliberate;
 - (f) any economic benefit derived by the person from the contravention;
 - (g) the person's efforts to prevent and correct the contravention;
 - (h) any other matters prescribed by the Lieutenant Governor in Council.
 - (3) If a person is charged with an offence under this Act, an administrative penalty may not be imposed on the person in respect of the same circumstances that gave rise to the charge.
- 3) If there is any other relevant context you can share, such as whether BCER has issued administrative penalties to CNRL for other non-compliances, please feel free to share.

The BCER has issued other administrative monetary penalties to CNRL. A listing of administrative penalties can be found on the BCER's website, <u>Compliance & Enforcement</u>.

Date:	Topic:	Media outlet / Organization: DOB	Reporter / Requester:	BCER SME:	Status: Response sent March 25	
March 25	Fast-tracking energy projects		Cathryn Atkinson	Michelle Carr		

REQUEST:

I'm a BC-based reporter for DOB Energy magazine who has written about BCER in the past, and I am writing a piece on the recent fast-tracking of energy permits announced by the provincial government.

I'm looking to find out more about what that means and looks like, how it is going so far, etc. Is there someone I could interview for the story?

I'm also looking for more specific info on Cedar LNG and Woodfibre LNG. I know they are at different stages, but does this ramping up by the government affect those projects?

RESPONSE:

[We've asked them to contact us again in a few weeks, once the legislation has been introduced]

Pages: 203-210 Non-responsive From: Currie, Graham

Sent: Friday, March 28, 2025 9:23 AM

To: Lonergan, Peter GCPE:EX

Cc: Connie, Alanah GCPE:EX; Rygg, Philip; Woods, Jonathan

Subject: FW: BCER MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: 1pm today **Attachments:** BCER MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: EOD today

Peter – we didn't do an Issue Note specific to CNRL (we have the one from the general compliance and enforcement piece related to the Narwhal). But the below and attached media response (which Jon sent over on Tuesday), should provide enough info on this matter.

Thanks, Graham





Graham Currie
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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Tuesday, March 25, 2025 12:57 PM

To: Lonergan, Peter GCPE:EX <Peter.Lonergan@gov.bc.ca>; Venn, Tania GCPE:EX <Tania.Venn@gov.bc.ca>; Connie,

Alanah GCPE:EX <Alanah.Connie@gov.bc.ca>; Poulose, Akshara GCPE:EX <Akshara.Poulose@gov.bc.ca>

Cc: Hsieh, Nick ECS:EX <Nick.Hsieh@gov.bc.ca>; Harris, Scott ECS:EX <Scott.Harris@gov.bc.ca>; Carr, Michelle

<Michelle.Carr@bc-er.ca>; Currie, Graham <Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: BCER MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: 1pm today

Hi Peter and all,

Please see below our responses to a follow up request from the Narwhal and Investigative Journalism Foundation regarding compliance and enforcement in relation to an exemption we granted CNRL around pipeline deactivations (see our previous response attached). I'll be sending this response to the reporter now. Thanks, Jon

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

1pm today

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 - (b) submit to the regulator a plan to deactivate the permitted pipeline or part (
 - (c) submit to the regulator a plan for resuming or beginning, as applicable, the
 - (4) If a plan is submitted to the regulator under subsection (3) (b) or (c),
 - (a) the plan must be approved by the regulator, and
 - (b) the pipeline permit holder must implement the plan as approved by the rec

[en. B.C. Reg. 289/2020, s. 2; am. B.C. Reg. 202/2023, Sch. 10, s. 2.]

When determining the amount of an administrative monetary penalty, BCER decision makers consider the requirements outlined in section 63 of the *Energy Resources Activities Act*.

Administrative penalties

- 63 (1) If the regulator finds that a person has contravened a provision referred to in section
 - (2) Before the regulator imposes an administrative penalty on a person, the regulator m
 - (a) previous contraventions by, administrative penalties imposed on or orders
 - (i) the person,
 - (ii) if the person is an individual, a corporation for which the individual is
 - (iii) if the person is a corporation, an individual who is or was an officer,
 - (b) the gravity and magnitude of the contravention;
 - (c) the extent of the harm to others resulting from the contravention;
 - (d) whether the contravention was repeated or continuous;
 - (e) whether the contravention was deliberate;
 - (f) any economic benefit derived by the person from the contravention;
 - (g) the person's efforts to prevent and correct the contravention;
 - (h) any other matters prescribed by the Lieutenant Governor in Council.
 - (3) If a person is charged with an offence under this Act, an administrative penalty may i
- 3) If there is any other relevant context you can share, such as whether BCER has issued administrative penalties to CNRL for other non-compliances, please feel free to share. The BCER has issued other administrative monetary penalties to CNRL. A listing of administrative penalties can be found on the BCERs website, <u>Compliance & Enforcement</u>.





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From: Woods, Jonathan

Sent: Monday, March 10, 2025 2:21 PM

To: Lonergan, Peter GCPE:EX; Venn, Tania GCPE:EX; Connie, Alanah GCPE:EX; Poulose,

Akshara GCPE:EX

Cc: Hsieh, Nick PREM:EX; Harris, Scott PREM:EX; Copeland, Alison GCPE:EX; Carr, Michelle;

Dickinson, Sara; Currie, Graham; Rygg, Philip; Denys, Lori

Subject: BCER MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: EOD today

Attachments: IN_FOI_Inspection Summaries 2017-2023_Updt_March2025.docx

Hi Peter and all,

Please see our responses below to a follow-up Narwhal/Investigative Journalism Foundation request about the BCER's compliance and enforcement activities (see, for background, issue note attached regarding Narwhal FOI request for our inspection reports from 2017-2023). I plan to send these responses to the reporters at 4:30pm PT. Thanks, Jon

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

Today, end of day

QUESTIONS AND RESPONSES:

Thank you for your answers to our previous questions. We are reaching out with follow-up questions based on two files, one from inspection records provided to The Narwhal through freedom of information legislation and another relating to an order issued in December 2024.

Our preference is to discuss these records in an interview with a senior BC Energy Regulator official, such as Michelle Carr or Dax Bourke, both copied to this email.

Our deadline is at the end of the day on March 4, 2025, however if you need more time to respond, please let us know.

The inspection records we reviewed includes a reference to an "exemption given to CNRL for over 4,000 pipelines that are not compliant in regard to deactivation." Another similar reference mentions an exemption given to the same company that the inspector noted was for wells.

1. Can you explain the nature of the "exemption" and share all available documentation associated with it?

Well exemptions:

Section 4 of the Drilling & Production Regulation allows for the exemption of a well permit holder from the requirement to comply with certain sections of the Regulation. Requests are evaluated on their merits, and specific to the circumstances around each well covered by a request. Conditions may also be attached to an exemption granted under section 4.

Given the range of sections for which exemptions may be granted, additional information is needed for us to identify and comment on the specific well(s)/exemption(s) in question. As such, our responses regarding exemptions below will only cover the exemption given to CNRL for pipeline deactivation.

The BCER has a range of tools as its disposal for ensuring compliance, including exemptions, Orders, and other enforcement powers. The use of those tools is commensurate with the level of non-compliance. As an example, we have previously issued an order to CNRL to bring inactive wells into compliance with suspension requirements: General-Order-2018-019.pdf

Pipeline exemption:

Section 14 of the Pipeline Regulation allows for the exemption of a pipeline permit holder or former pipeline permit holder from complying with one or more provisions of the regulation if the official is satisfied that, in the circumstances, compliance with the provision or provisions is not reasonably practicable, or the exemption is in the public interest.

Deactivating pipelines provides safety and environmental protection through the removal of fluids from the pipes and the isolation of the pipelines from any other systems. Permit holders are required to continue to monitor the pipelines after their deactivation until they are removed or abandoned. Deactivating pipelines reduces liability, increases restoration, and reduces the risk of a spill.

In this instance, the BC Oil and Gas Commission, now BC Energy Regulator (BCER) identified - through an administrative compliance verification process of an integrity focused audit of operators' pipeline deactivation programs - that CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation (i.e., that pipelines must be deactivated within 18 months of not flowing) and needed to be deactivated.

The BCER has many regulatory mechanisms at its disposal to bring permit holders back into compliance and is committed to ensuring permit holders are brought back into compliance as efficiently as possible, taking into account safety and practical considerations.

In this case, CNRL proposed a systematic, co-ordinated, multi-year approach to its deactivation of the non-compliant pipelines that was deemed by the BCER as being preferable to addressing each instance on a more scattershot, case-by-case basis (as would have been required as per the section 9 provisions), as the systematic approach would reduce the overall time to deactivate all of the pipelines and reduce the associated land disturbance conducting the work. In order for CNRL to undertake the systematic approach, the BCER needed to exempt the non-compliant pipelines in question from their section 9 requirements of the Pipeline Regulation. The BCER made the decision to provide the exemption based on the impracticality of CNRL achieving compliance of the pipelines with the section 9 timeline requirements and the public interest in having the pipelines brought into compliance more quickly with less land disturbance.

The systematic approach is/has:

- Area-based: many of the pipelines are located throughout remote northeastern B.C. in difficult to access terrain. The area-based approach was deemed preferrable to addressing single pipelines one at a time as there is a larger environmental impact to make repeated access paths to the pipelines, including winter only access with ice road construction, compared with an area-based construction approach.
- Risk-based: focusing on deactivating the highest risk pipelines first

- Co-ordinated in a planned fashion over time: allows for CNRL to form dedicated crews to plan and coordinate their work efficiently rather than effectively requiring CNRL to immediately address all of the non-compliant pipelines, which would result in a more inefficient scattershot approach.
- Clear, measurable timelines for how and when compliance is to be achieved, with annual updates to the BCER.
- Aligned with the Dormancy and Shutdown Regulation (<u>Dormancy and Shutdown</u> Regulation)

CNRL is required to complete deactivation of all the pipelines by the end of 2028.

Your request to get copies of the associated documentation can be pursued through an FOI request: Freedom of Information | BC Energy Regulator (BCER)

2. Can you confirm the number of pipelines and/or wells covered by this exemption?

The original exemption included 4312 pipelines. That included 2266 that were identified as potentially inactive at the time of the exemption and 2046 that were projected to become inactive over the duration of the exemption. It included pipelines that were potentially non-compliant (i.e. pipelines that required deactivation) and those that required verification of their status and administrative submissions to update their status.

Between January 2020 and March 2024 CNRL either deactivated, or confirmed compliance on 2992 pipelines, or 69% of the pipelines in the original exemption. In March of 2024 the exemption was updated to address 1320 pipelines by 2028. As of March 7, 2025, there are 865 remaining pipelines to deactivate.

3. Can you share more information about how the regulator informed members of the public about the exemption?

The BCER does not post publicly when exemptions to regulation are granted.

4. If no information was shared with the public about this exemption or if limited information was shared, are you able to provide an explanation?

Over the past several years, the BCER has focused efforts to improve transparency on core operational processes and we are working to continuously improve. Recent examples include data and reporting specific to Compliance Management Verification, Field Inspections, and Enforcement.

The BCER reports inspection summaries (<u>Field Inspections Conducted</u>), orders, findings of contravention, administrative penalties, offences and prosecutions <u>Compliance & Enforcement | BC Energy Regulator (BCER)</u>) on our website to provide transparency and deter non-compliance.

5. Please confirm whether the exemption is for pipelines that are not compliant, as the inspection note states, or if it is for wells that are not compliant, or both.

see our response to question 1, above.

6. Can you provide an explanation of why the regulator gave CNRL an exemption for what appears to be non-compliance with government regulations and legislation?

see our response to question 1, above.

7. Are there other exemptions that have been given to additional companies for similar issues? If so, please provide details of the companies in question and the nature of the exemption(s), including all relevant documentation.

A similar exemption was provided to TAQA North Ltd. In 2020 regarding the deactivation of 54 pipelines in the Chinchaga and Boundary Lake areas. All required work has been completed.

8. Does this exemption reflect the BCER's approach to managing compliance?

The BCER manages compliance through proactive education and promotion, monitoring and assessing permit holder activities and enforcement of non-compliances.

Effective enforcement protects the public and the environment, remedies non-compliances, ensures fairness, and acts as a deterrent for future non-compliance. The BCER is committed to taking action and strives to ensure a fair, effective, and consistent approach to enforcement when non-compliances occur.

The use of exemptions is written into the legislation. It is one tool that can be used to achieve compliance as part of the BCER's graduated enforcement model.

The graduated approach ensures non-compliance response actions are commensurate with the non-compliance and the BCER's resources are allocated for maximum effect.

The BCER reports <u>inspection summaries</u> and orders, findings of contravention, administrative penalties, offences and prosecutions on <u>our website</u> to provide transparency and deter non-compliance.

9. Does the BC Energy Regulator believe its oversight of companies like CNRL is meeting the government agency's mandate?

Yes, we believe we are meeting our mandate and the BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the continued protection of the environment and public safety.

10. Is there any other context you would like to provide, to help our readers interpret and understand the inspection note?

Inspections are a snapshot in time. In this case, the inspector was performing due diligence in noting the non-compliance (i.e., the pipeline hadn't been deactivated), while also providing the contextual information that there was an exemption in place for the non-compliance, as part of a thorough inspection record.

We are also requesting information regarding an <u>order</u> that was issued to CNRL on Dec. 16, 2024, for a surface casing vent flow that started on or before Oct. 26, 2021, at an emissions rate of 110.4 m3/day.

11. Can you please share copies of all orders, warning letters, tickets and inspection records associated with the well in question?

Inspections of the well (inspection summaries are available here: Field Inspections Conducted):

- July 30, 2019 (inspection #056799731-001): A BCER officer observed surface casing vent flow (SCVF); BCER officer informed the permit holder that they needed to test the flow rate and submit the results to the BCER within 30 days.
- July 12, 2024 (inspection #2024-2625): A BCER officer observed surface casing vent flow, with the surface casing vent being tied into the flow line (i.e., added to the production line) and had a pressure safety valve and pressure monitor installed; BCER officer followed up with BCER engineering to verify approval for this installation. (Connecting the surface casing vent to the flow line captures vented gas, preventing its release into the atmosphere. This serves as an interim mitigation measure until the underlying downhole issue can be fully addressed.)

There were no other orders, warning letters or tickets associated with the well in question.

12. Can you please provide location coordinates and/or explanation of where this well is located?

D-046-k/094-H-10 WA #15681 is a remote well located approximately 163km north of Fort St John. 630253mE 6398329mN (Universal Transverse Mercator coordinate system). Enter 15681 as the "Well Authority Number" on the following GIS dataset: Well Surface Hole (Permitted) | BCER GIS Open Data Portal

13. The order notes that CNRL reported the leak in 2021 — can you confirm when the leak first started?

Surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent as long as flow does not exceed 100m³ per day (see section 41 of the Drilling and Production Regulation (DPR)).

As per regulation, well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's life, such as immediately after initial completion or any recompletion of the well or before suspension of the well – see section 41 of the DPR - and submit the results of the check to the Regulator. The BCER maintains a database of surface casing vent flow submissions from industry: (BIL-185) Surface Casing Vent Flow (search "15681" to view submissions related to the well in question).

As per above, a BCER officer observed SCVF during an inspection of the well in July 2019 and instructed the permit holder to undertake a test of the SCVF rate and submit the results to the BCER. The results indicated the flow was less than 100m³ per day and it was deemed that the SCVF did not present an immediate safety or environmental hazard and thus did not require intervention nor mitigation, as per the DPR.

CNRL staff discovered and reported a higher-rate leak on October 26, 2021, exceeding the threshold of 100m³ per day as set out in regulation. CNRL attempted a repair to the wellhead seals, which was not successful. They initially proposed to repair a suspected casing failure during the 2021/22 winter work season, as well as implement interim mitigation measures to stop the venting. After missing that timeline for conducting the repair (although they did undertake the interim mitigation measure of tying the SCVF into the flow line, as per response 11, above), CNRL proposed to repair the well in the

2023/2024 work season. Upon learning from CNRL that they were going to miss this second timeline, the BCER issued the Order for CNRL to conduct the repairs in the 2025/2026 winter work season.

14. Can you explain why the order does not require CNRL to repair the leak before March 31, 2026, given the length of time the well has been emitting?

Given the remote nature of the well, ice roads are required to be constructed to facilitate access for the ground transport required to bring in the heavy equipment needed to do the work within the wellbore. With minimal timing windows to conduct this kind of work coupled with low risk to the public and environment, additional time was granted to allow for the proper planning and execution of work to ensure its completion in a practical and safe manner. As per above, the company has implemented the interim mitigation measure of tying the surface casing vent into the flow line to capture the vented gas to prevent it from emitting to the atmosphere.

15. Is this emissions leak recorded and reported as part of B.C.'s greenhouse gas emissions?

The BCER is not responsible for tracking and reporting of greenhouse gas emissions. The *Greenhouse Gas Industrial Reporting and Control Act* and the Greenhouse Gas Emission Reporting Regulation contain the requirements for industrial greenhouse gas emissions reporting.

The BCER maintains a database of surface casing vent flow submissions from industry: (BIL-185)

Surface Casing Vent Flow (search "15681" to view submissions related to the well in question).

16. Our review of inspection records found a high number of wells and pipelines with SCV leaks, most of which did not specify the rate of emissions. Does BCER track emissions data from all leaks and, if so, can you please provide us with the current totals and/or a spreadsheet or other form of documentation tracking the rates and total emissions associated with SCV and other leaks?

A comprehensive report showing surface casing vent flow submissions is available on our website. It includes all submissions made by permit holders. Each data entry is a point in time and may not reflect the current state of emissions, if any, from the well: (BIL-185) Surface Casing Vent Flow

17. Can you share more information about how the regulator informed members of the public about this leak?

The BCER makes surface casing vent flow submissions available to the public via its website, here: (BIL-185) Surface Casing Vent Flow.

18. If no information was shared with the public about this leak or if limited information was shared, are you able to provide an explanation?

See response directly above.

19. Is there any other context you would like to provide to help our readers understand why CNRL has been allowed to continue operating its other facilities while it is apparently failing to meet government regulations around emissions?

A single compliance issue, in which the equipment is acting in the manner it is designed to, is not adequate rationale to shut in or modify the rest of a company's assets.

As mentioned above, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed by regulation (DPR section 41) to vent as long as flow does not exceed 100m³ per day.

CNRL's delays in meeting timelines led the BCER to issue an order requiring the company to bring the well into compliance with the Drilling and Production Regulation within a practical set timeframe.





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Issue Note

Feb. 26, 2024; Updt March 5, 2025

FOI Package – Summary of 2017-2023 Inspection Reports

- I. PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- **II. ISSUE**: A spreadsheet with summaries of all BCER's 35,000+ inspection reports from April 2017 to Nov. 2023 was released to a media outlet and posted to the BCER website on Feb. 23, 2024.

III. MESSAGING:

- The BCER is committed to ensuring energy companies in the province operate
 in accordance with relevant legislation, regulations, permits and authorizations
 designed to protect public safety and the environment, support reconciliation
 with Indigenous peoples, conserve energy resources and foster a sound
 economy and social well-being.
- The BCER dedicates significant resources to monitoring compliance, including carrying out more than 4,000 in-person inspections of energy resource activity sites across the province each year.
- Over the 2017-2023 period, the inspection-level initial compliance rate was over 94 per cent.
- When non-compliances are identified, the BCER uses a graduated response model to bring permit holders back into compliance, ranging from noncompliance notices to more formal, statutory enforcement actions, including fines.
- From 2017-2023; 254 out of 4,355 (approximately 6 per cent) individual non-compliances were considered high severity, which require that permit holders correct them within 24 hours. All others were of low severity, requiring correction within either 14 or 30 days.
- All high severity non-compliances are subject to a further review process by C&E Supervisors who conduct a risk assessment for escalation and use of other compliance tools.
- The common issuance of high severity non-compliances are in relation to facility hazards (equipment and storage of materials), emergency shut down devices, storage and disposal of wastes, and spillage.
- Over 2017-2023, the inspection-level final compliance rate after the passing
 of the correction period during which the permit holder is required to remedy
 the non-compliance(s) was more than 99 per cent.
- We are committed to transparency and the public sharing of information and records. The BCER shares inspection summaries on its website, and is working on system enhancements to begin posting full inspection records.

BCR

Issue Note

IV. BACKGROUND:

- On Nov. 15, 2023 the BCER received a request through the Freedom of Information Act for "PDF copies of all inspection reports from 2017-2023".
- The BCER posts a summary of inspections on its website, which includes the following fields: Inspection Number, Non-Compliance Number (if applicable), Inspection Date, Operator, Activities Inspected, Status, and Regulation Name (for non-compliances, if applicable).
- The request was revised, following a discussion with the applicant about the volume of records (over 35,000 reports) and a large fee estimate for processing.
- For the FOI request, summaries of the inspection reports have been compiled in a spreadsheet and include:
 - Inspection date
 - Inspection number
 - Permit holder's name (Company)
 - How the site was accessed (ie: truck, helicopter)
 - o Inspection outcome (In compliance, non compliances found)
 - Inspection category (Planned inspection, risk & data informed, officer selected)
 - Comments (high level information from inspection report)
- The summaries were gathered from the BCER's KERMIT (Knowledge, Enterprise, Resource, Management, Information and Technology) and CMIS (Compliance Management Information System) databases. It took FOIPPA staff several weeks to review and summarize the reports and transfer that information to the spreadsheet.
- This request was made from a media outlet. The same outlet was provided (January 2024) an FOI package with 603 pages of inspection reports following a request on Oct. 25, 2023 for "copies of all Coastal GasLink inspection reports conducted by BCER compliance and enforcement to date".

About inspections:

- Inspections are the primary means through which the BCER evaluates field-based regulatory compliance. Significant resources are dedicated to the more than 4,000 in-person inspections conducted each year throughout the province, including using trucks, all-terrain vehicles and helicopters to access sites. Note that many inspections during COVID were not done in-person, but employed other techniques such as video calls and drone footage.
- Some inspections are triggered by events or complaints (for example, spills or noise complaints); however, most inspections are pre-planned using a risk and data informed model intended to optimize resource allocation, be responsive to emerging issues and trends, utilize the expertise and knowledge of BCER field staff and timing.
- There are currently 139,252 energy resource activity development sites in B.C. For reference, in roughly the past year, the BCER has inspected 5,207 sites (3.7 per cent).



Issue Note

 Below is a table with number of inspections and inspection-level compliance rates for the years contained within this request.

	2017	2018	2019	2020	2021	2022	2023
TOTAL Inspections	4,809	4,717	4,345	4,945	5,047	4,602	3,954
Initial Compliance Rate	99.82%	91.36%	92.06%	93.73%	95.18%	94.52%	93.72%
Final Compliance Rate	100%	99.72%	99.84%	99.75%	99.74%	99.81%	99.56%
High-severity Non- Compliances Issued	16	66*	55	31	13	30	*43

^{*2018 -} The number of "High" deficiencies reflects a procedural change resulting in additional deficiencies being classified as high. The risk-based approach to inspection selection continues to be refined, focusing on inspections on these higher-risk sites.

*2023 – With the implementation of the Data and Risk Informed Inspection Model, inspections are being targeted to the sites that pose the highest risk. The number of "High" non-compliances reflects the findings of BCER inspections. Processes are in place to review high non-compliances to ensure the reduction in recidivism.

About compliance enforcement:

- The BCER is committed to taking action and strives to ensure a fair, effective, and consistent approach to enforcement, when non-compliances occur. Effective enforcement protects the public and the environment, remedies noncompliances, ensures fairness, and acts as a deterrent for future noncompliance.
- The BCER's objective is to keep permit holders within regulatory compliance and return them to regulatory compliance if they become non-compliant.
- The BCER's graduated enforcement approach ensures non-compliance response actions are commensurate with the non-compliance and BCER resources are allocated for maximum effect.

PREPARED BY:

Lannea Parfitt Manager, Communications 250-980-6081 **From:** Communications

Sent: Tuesday, March 25, 2025 1:00 PM

To: Matt Simmons

Cc: Zak Vescera; Communications

Subject: RE: Additional question regarding CNRL pipeline exemption

Hi Matt and Zak,

Here is our response:

1) Can you confirm that among the tools available to the regulator to bring companies into compliance with the regulation around deactivating pipelines that this exemption applies to include levying fines and administrative penalties?

Yes, the BCER can issue administrative penalties for non-compliance with regulations concerning deactivating pipelines.

In the CNRL case in question, the BCER can still pursue a contravention and the issuance of an administrative monetary penalty in the event CNRL did not meet the requirements supporting the exemption.

2) If so, can you please tell us the maximum amount BCER can penalize a company in this type of situation? We would appreciate any links to the relevant legislation or regulation that detail these amounts.

The <u>Administrative Penalties Regulation</u> sets out the maximum penalty amounts for administrative monetary penalties. In the event a permit holder was found to have contravened section 9(3) of the Pipeline Regulation a maximum administrative monetary penalty of \$500,000 could be applied.

Administrative Penalties Regulation:

Pipeline Regulation

6 (1) A person who contravenes section 3 (1), 6 (1) (a), 9 (3) or (4) or 11 (2) of the Pipeline Re

Pipeline Regulation:

Deactivation

- 9 (1) This section applies if, for a period of 18 consecutive calendar months, a pipeline per
 - (2) The period referred to in subsection (1) begins, as applicable,
 - (a) the day after the last day fluid is transported through the permitted pipelin
 - (b) the day after construction of the permitted pipeline or part of the pipeline i
 - (3) Before the expiry of the period referred to in subsection (1), the pipeline permit holds
 - (a) deactivate the permitted pipeline or part of the pipeline and notify the regu
 - (b) submit to the regulator a plan to deactivate the permitted pipeline or part (
 - (c) submit to the regulator a plan for resuming or beginning, as applicable, the
 - (4) If a plan is submitted to the regulator under subsection (3) (b) or (c),
 - (a) the plan must be approved by the regulator, and
 - (b) the pipeline permit holder must implement the plan as approved by the reg [en. B.C. Reg. 289/2020, s. 2; am. B.C. Reg. 202/2023, Sch. 10, s. 2.]

When determining the amount of an administrative monetary penalty, BCER decision makers consider the requirements outlined in section 63 of the *Energy Resources Activities Act*.

Administrative penalties

- 63 (1) If the regulator finds that a person has contravened a provision referred to in section
 - (2) Before the regulator imposes an administrative penalty on a person, the regulator m
 - (a) previous contraventions by, administrative penalties imposed on or orders
 - (i) the person,
 - (ii) if the person is an individual, a corporation for which the individual is
 - (iii) if the person is a corporation, an individual who is or was an officer,
 - (b) the gravity and magnitude of the contravention;
 - (c) the extent of the harm to others resulting from the contravention;
 - (d) whether the contravention was repeated or continuous;
 - (e) whether the contravention was deliberate;
 - (f) any economic benefit derived by the person from the contravention;
 - (g) the person's efforts to prevent and correct the contravention;
 - (h) any other matters prescribed by the Lieutenant Governor in Council.
 - (3) If a person is charged with an offence under this Act, an administrative penalty may i
- 3) If there is any other relevant context you can share, such as whether BCER has issued administrative penalties to CNRL for other non-compliances, please feel free to share.

The BCER has issued other administrative monetary penalties to CNRL. A listing of administrative penalties can be found on the BCER's website, Compliance & Enforcement.





BCER Communications

communications@bc-er.ca

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1-250-794-5200

We acknowledge and respect the many Indigenous Territories and Treaty areas, each with unique cultures, languages, legal traditions and relation acknowledge the Métis and Inuit people living across B.C.

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a recipient, please notify the sender and destroy all copies of this email immediately.

From: Communications < communications@bc-er.ca>

Sent: Tuesday, March 25, 2025 12:17 PM

To: Matt Simmons <matt@thenarwhal.ca>; Communications <communications@bc-er.ca>

Cc: Zak Vescera <zak.vescera@theijf.org>

Subject: RE: Additional question regarding CNRL pipeline exemption

Received. We're working towards your deadline.

Best,





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From: Matt Simmons < matt@thenarwhal.ca > Sent: Tuesday, March 25, 2025 8:48 AM

To: Communications < communications@bc-er.ca>

Cc: Zak Vescera <zak.vescera@theijf.org>

Subject: Additional question regarding CNRL pipeline exemption

Good morning,

We are reaching out with follow-up questions regarding the exemption that was given to CNRL for non-compliant or potentially non-compliant pipelines. Thank you again for your detailed response.

- 1) Can you confirm that among the tools available to the regulator to bring companies into compliance with the regulation around deactivating pipelines that this exemption applies to include levying fines and administrative penalties?
- 2) If so, can you please tell us the maximum amount BCER can penalize a company in this type of situation? We would appreciate any links to the relevant legislation or regulation that detail these amounts.
- 3) If there is any other relevant context you can share, such as whether BCER has issued administrative penalties to CNRL for other non-compliances, please feel free to share.

Our deadline for this request is 1 p.m. PT today, however please let us know if you need more time.

Thank you, Matt

--

Matt Simmons | he/him Journalist, Northwest B.C. The Narwhal



The Narwhal is committed to upholding the principles of truth and reconciliation through our journalism and I wish to acknowledge this land on which I live and work. I am based on unceded Gidimt'en Clan territory, home of the Wet'suwet'en nation, in Smithers, B.C.

From: Woods, Jonathan

Sent: Tuesday, March 25, 2025 1:13 PM

To: Gregory, Sara; Thoroughgood, Garth; Executive DL

Cc: Smook, Patrick; Koosmann, Nicole; Bourke, Dax; Parsonage, Kevin; Currie, Graham; Rygg,

Philip

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: 1pm today

Thanks, Sara - I've sent it along to the reporters now





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

Victoria T. 250-419-4357

Office Address Directory F. 250-419-4403

BCER Web Site

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From: Gregory, Sara <Sara.Gregory@bc-er.ca>

Sent: Tuesday, March 25, 2025 1:11 PM

To: Woods, Jonathan < Jonathan. Woods@bc-er.ca>; Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>; Executive

DL <Executive@bc-er.ca>

Cc: Smook, Patrick <Patrick.Smook@bc-er.ca>; Koosmann, Nicole <Nicole.Koosmann@bc-er.ca>; Bourke, Dax

<Dax.Bourke@bc-er.ca>; Parsonage, Kevin <Kevin.Parsonage@bc-er.ca>; Currie, Graham <Graham.Currie@bc-er.ca>;

Rygg, Philip < Phil. Rygg@bc-er.ca>

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: 1pm today

I like it. No proposed edits from me.





Sara Gregory She/Her Chief Legal Counsel, Governance & Regulatory Affairs Sara.Gregory@bc-er.ca Victoria T. 250-419-4476
Office Address Directory F. 250-419-4403
BCER Web Site S22

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From: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>

Sent: Tuesday, March 25, 2025 12:15 PM

To: Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Executive DL <Executive@bc-er.ca>

Cc: Smook, Patrick < Patrick.Smook@bc-er.ca; Koosmann, Nicole < Nicole.Koosmann@bc-er.ca; Bourke, Dax < Dax.Bourke@bc-er.ca; Parsonage, Kevin < Kevin.Parsonage@bc-er.ca; Currie, Graham < Graham.Currie@bc-er.ca; Rygg, Philip < Phil.Rygg@bc-er.ca;

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: 1pm today

Thanks, Garth. I'll send this response to the reporter at 12:55 unless anyone from Exec has any concerns before then.

Jon





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Communications Specialist
Jonathan.Woods@bc-er.ca

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From: Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>

Sent: Tuesday, March 25, 2025 12:01 PM

To: Woods, Jonathan <Jonathan.Woods@bc-er.ca>; Executive DL <Executive@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca >; Koosmann, Nicole < Nicole. Koosmann@bc-er.ca >; Bourke, Dax

<<u>Dax.Bourke@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>>; Currie, Graham <<u>Graham.Currie@bc-er.ca</u>>;

Rygg, Philip < Phil. Rygg@bc-er.ca>

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: 1pm today

It looks good to me.





Garth Thoroughgood
Vice President, Public Trust & Reconciliation
Garth.Thoroughgood@bc-er.ca

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Tuesday, March 25, 2025 11:55 AM

To: Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Executive DL <Executive@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca >; Koosmann, Nicole < Nicole. Koosmann@bc-er.ca >; Bourke, Dax

<<u>Dax.Bourke@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>>; Currie, Graham <<u>Graham.Currie@bc-er.ca</u>>;

Rygg, Philip < Phil. Rygg@bc-er.ca>

Subject: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: 1pm today

Importance: High

s22

Hi Garth and Exec team.

Please review our proposed responses below to a follow up request from the Narwhal and Investigative Journalism Foundation regarding compliance and enforcement of the CNRL exemption case. Thanks, Jon

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

1pm today

REQUEST AND PROPOSED RESPONSES:

We are reaching out with follow-up questions regarding the exemption that was given to CNRL for non-compliant or potentially non-compliant pipelines. Thank you again for your detailed response.

1) Can you confirm that among the tools available to the regulator to bring companies into compliance with the regulation around deactivating pipelines that this exemption applies to include levying fines and administrative penalties?

Yes, the BCER can issue administrative penalties for non-compliance with regulations concerning deactivating pipelines.

In the CNRL case in question, the BCER can still pursue a contravention and the issuance of an administrative monetary penalty in the event CNRL did not meet the requirements supporting the exemption.

2) If so, can you please tell us the maximum amount BCER can penalize a company in this type of situation? We would appreciate any links to the relevant legislation or regulation that detail these amounts.

The <u>Administrative Penalties Regulation</u> sets out the maximum penalty amounts for administrative monetary penalties. In the event a permit holder was found to have contravened section 9(3) of the <u>Pipeline Regulation</u> a maximum administrative monetary penalty of \$500,000 could be applied.

Administrative Penalties Regulation:

Pipeline Regulation

6 (1) A person who contravenes section 3 (1), 6 (1) (a), 9 (3) or (4) or 11 (2) of the Pipeline Re

Pipeline Regulation:

Deactivation

- 9 (1) This section applies if, for a period of 18 consecutive calendar months, a pipeline per
 - (2) The period referred to in subsection (1) begins, as applicable,
 - (a) the day after the last day fluid is transported through the permitted pipelin
 - (b) the day after construction of the permitted pipeline or part of the pipeline i
 - (3) Before the expiry of the period referred to in subsection (1), the pipeline permit holds
 - (a) deactivate the permitted pipeline or part of the pipeline and notify the regu
 - (b) submit to the regulator a plan to deactivate the permitted pipeline or part (
 - (c) submit to the regulator a plan for resuming or beginning, as applicable, the
 - (4) If a plan is submitted to the regulator under subsection (3) (b) or (c),
 - (a) the plan must be approved by the regulator, and
 - (b) the pipeline permit holder must implement the plan as approved by the reg [en. B.C. Reg. 289/2020, s. 2; am. B.C. Reg. 202/2023, Sch. 10, s. 2.]

When determining the amount of an administrative monetary penalty, BCER decision makers consider the requirements outlined in section 63 of the *Energy Resources Activities Act*.

Administrative penalties

- 63 (1) If the regulator finds that a person has contravened a provision referred to in section
 - (2) Before the regulator imposes an administrative penalty on a person, the regulator m
 - (a) previous contraventions by, administrative penalties imposed on or orders
 - (i) the person,
 - (ii) if the person is an individual, a corporation for which the individual is
 - (iii) if the person is a corporation, an individual who is or was an officer,
 - (b) the gravity and magnitude of the contravention;
 - (c) the extent of the harm to others resulting from the contravention;
 - (d) whether the contravention was repeated or continuous;
 - (e) whether the contravention was deliberate;
 - (f) any economic benefit derived by the person from the contravention;
 - (g) the person's efforts to prevent and correct the contravention;
 - (h) any other matters prescribed by the Lieutenant Governor in Council.
 - (3) If a person is charged with an offence under this Act, an administrative penalty may i
- 3) If there is any other relevant context you can share, such as whether BCER has issued administrative penalties to CNRL for other non-compliances, please feel free to share. The BCER has issued other administrative monetary penalties to CNRL. A listing of administrative penalties can be found on the BCERs website, Compliance & Enforcement.

Pages: 232-233 Redacted pursuant to: s13 Redacted pursuant to: s13

From: Koosmann, Nicole < Nicole.Koosmann@bc-er.ca>

Sent: Tuesday, March 25, 2025 10:45 AM

To: Smook, Patrick < Patrick.Smook@bc-er.ca >; Bourke, Dax < Dax.Bourke@bc-er.ca >; Woods, Jonathan

<Jonathan.Woods@bc-er.ca>

Cc: Parsonage, Kevin < Kevin.Parsonage@bc-er.ca>; Thoroughgood, Garth < Garth.Thoroughgood@bc-er.ca>; Currie,

Graham < Graham.Currie@bc-er.ca >; Rygg, Philip < Phil.Rygg@bc-er.ca >

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: 1pm today

I'm good with the responses as well. Regards,





Nicole Koosmann P.Eng., P.M.P. Vice President, Safety, Engineering & Audit Nicole.Koosmann@bc-er.ca Victoria Office Address Directory BCER Web Site T. 250-419-4429 F. 250-419-4403 s22

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From: Smook, Patrick < Patrick. Smook@bc-er.ca>

Sent: Tuesday, March 25, 2025 10:27 AM

To: Bourke, Dax < Dax.Bourke@bc-er.ca >; Woods, Jonathan < Jonathan.Woods@bc-er.ca >

Cc: Koosmann, Nicole < Nicole.Koosmann@bc-er.ca>; Parsonage, Kevin < Kevin.Parsonage@bc-er.ca>; Thoroughgood, Garth < Garth.Thoroughgood@bc-er.ca>; Currie, Graham < Graham.Currie@bc-er.ca>; Rygg, Philip < Phil.Rygg@bc-er.ca>

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: 1pm today

I'm good with these responses.





Patrick Smook RPF, MBA
Vice President, Compliance & Operations
Patrick.Smook@bc-er.ca

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From: Bourke, Dax < Dax.Bourke@bc-er.ca>
Sent: Tuesday, March 25, 2025 10:07 AM

To: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca>; Koosmann, Nicole < Nicole. Koosmann@bc-er.ca>; Parsonage, Kevin

<<u>Kevin.Parsonage@bc-er.ca</u>>; Thoroughgood, Garth <<u>Garth.Thoroughgood@bc-er.ca</u>>; Currie, Graham

<<u>Graham.Currie@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: 1pm today

Response below.





Dax Bourke CD Executive Director, Compliance & Enforcement Dax.Bourke@bc-er.ca

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From: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>

Sent: Tuesday, March 25, 2025 9:38 AM
To: Bourke, Dax < Dax. Bourke@bc-er.ca>

Cc: Smook, Patrick <Patrick.Smook@bc-er.ca>; Koosmann, Nicole <Nicole.Koosmann@bc-er.ca>; Parsonage, Kevin

<Kevin.Parsonage@bc-er.ca>; Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Currie, Graham

<Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: 1pm today

Hi Dax.

Can you please help respond to these Narwhal follow up questions about the CNRL exemption matter:

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

1pm today

REQUEST:

We are reaching out with follow-up questions regarding the exemption that was given to CNRL for noncompliant or potentially non-compliant pipelines. Thank you again for your detailed response.

- 1) Can you confirm that among the tools available to the regulator to bring companies into compliance with the regulation around deactivating pipelines that this exemption applies to include levying fines and administrative penalties?
 - The BCER can still pursue a contravention and the issuance of an administrative monetary penalty in the event CNRL did not meet the requirements supporting the exemption.
- 2) If so, can you please tell us the maximum amount BCER can penalize a company in this type of situation? We would appreciate any links to the relevant legislation or regulation that detail these amounts.

The Administrative Penalties Regulation sets out the maximum penalty amounts for administrative monetary penalties. In the event a permit holder was found to have contravened section 9(3) of the Pipeline Regulation a maximum administrative monetary penalty of \$500,000 could be applied.

Pipeline Regulation

6 (1) A person who contravenes section 3 (1), 6 (1) (a), 9 (3) or (4) or 11 (2) of the Pipeline Rε

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 - (b) the day after construction of the permitted pipeline or part of the pipeline i
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 - (a) deactivate the permitted pipeline or part of the pipeline and notify the regu
 - (b) submit to the regulator a plan to deactivate the permitted pipeline or part (
 - (c) submit to the regulator a plan for resuming or beginning, as applicable, the
 - (4) If a plan is submitted to the regulator under subsection (3) (b) or (c),
 - (a) the plan must be approved by the regulator, and
 - (b) the pipeline permit holder must implement the plan as approved by the reg [en. B.C. Reg. 289/2020, s. 2; am. B.C. Reg. 202/2023, Sch. 10, s. 2.]

When determining the amount of an administrative monetary penalty, BCER decision makers consider the requirements outlined in section 63 of the *Energy Resources Activities Act*.

Administrative penalties

- 63 (1) If the regulator finds that a person has contravened a provision referred to in section
 - (2) Before the regulator imposes an administrative penalty on a person, the regulator m
 - (a) previous contraventions by, administrative penalties imposed on or orders
 - (i) the person,
 - (ii) if the person is an individual, a corporation for which the individual is
 - (iii) if the person is a corporation, an individual who is or was an officer,
 - (b) the gravity and magnitude of the contravention;
 - (c) the extent of the harm to others resulting from the contravention;
 - (d) whether the contravention was repeated or continuous;
 - (e) whether the contravention was deliberate;
 - (f) any economic benefit derived by the person from the contravention;
 - (g) the person's efforts to prevent and correct the contravention;
 - (h) any other matters prescribed by the Lieutenant Governor in Council.
 - (3) If a person is charged with an offence under this Act, an administrative penalty may I
- 3) If there is any other relevant context you can share, such as whether BCER has issued administrative penalties to CNRL for other non-compliances, please feel free to share. The BCER has issued other administrative monetary penalties to CNRL. A listing of administrative penalties can be found on the BCERs website, Compliance & Enforcement.

Our deadline for this request is 1 p.m. PT today, however please let us know if you need more time.





Jonathan Woods

Communications Specialist Jonathan.Woods@bc-er.ca Victoria

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From: Dickinson, Sara < Sara.Dickinson@bc-er.ca>

Sent: Monday, March 10, 2025 2:03 PM

To: Woods, Jonathan <Jonathan.Woods@bc-er.ca>; Executive DL <Executive@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca >; Koosmann, Nicole < Nicole. Koosmann@bc-er.ca >; Bourke, Dax

<<u>Dax.Bourke@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>>; van Besouw, Jordan <<u>Jordan.vanBesouw@bc-er.ca</u>>; Thoroughgood, Garth <<u>Garth.Thoroughgood@bc-er.ca</u>>; Currie, Graham <<u>Graham.Currie@bc-er.ca</u>>; Rygg, Philip <Phil.Rygg@bc-er.ca>

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: EOD today

Thank you to the team for the additional work on this response.

Approved to move forward to response.





Sara Dickinson

Executive Vice President, People, Reconciliation & Transformation Sara.Dickinson@bc-er.ca Fort St. John
Office Address Directory
BCER Web Site

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From: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>

Sent: Monday, March 10, 2025 10:56 AM To: Executive DL < Executive@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca >; Koosmann, Nicole < Nicole. Koosmann@bc-er.ca >; Bourke, Dax

<<u>Dax.Bourke@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>>; van Besouw, Jordan <<u>Jordan.vanBesouw@bc-er.ca</u>>; Thoroughgood, Garth <<u>Garth.Thoroughgood@bc-er.ca</u>>; Currie, Graham <<u>Graham.Currie@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: EOD today

Hi Sara D. and Exec team,

Please review our updated responses below. The reporters have requested that we provide our response to them by end of day today.

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

Today, end of day

QUESTIONS AND PROPOSED RESPONSES:

Thank you for your answers to our previous questions. We are reaching out with follow-up questions based on two files, one from inspection records provided to The Narwhal through freedom of information legislation and another relating to an order issued in December 2024.

Our preference is to discuss these records in an interview with a senior BC Energy Regulator official, such as Michelle Carr or Dax Bourke, both copied to this email.

Our deadline is at the end of the day on March 4, 2025, however if you need more time to respond, please let us know.

The inspection records we reviewed includes a reference to an "exemption given to CNRL for over 4,000 pipelines that are not compliant in regard to deactivation." Another similar reference mentions an exemption given to the same company that the inspector noted was for wells.

1. Can you explain the nature of the "exemption" and share all available documentation associated with it?

Well exemptions:

Section 4 of the Drilling & Production Regulation allows for the exemption of a well permit holder from the requirement to comply with certain sections of the Regulation. Requests are evaluated on their merits, and specific to the circumstances around each well covered by a request. Conditions may also be attached to an exemption granted under section 4.

Given the range of sections for which exemptions may be granted, additional information is needed for us to identify and comment on the specific well(s)/exemption(s) in question. As such, our responses regarding exemptions below will only cover the exemption given to CNRL for pipeline deactivation.

The BCER has a range of tools as its disposal for ensuring compliance, including exemptions, Orders, and other enforcement powers. The use of those tools is commensurate with the level of non-compliance. As an example, we have previously issued an order to CNRL to bring inactive wells into compliance with suspension requirements: General-Order-2018-019.pdf

Pipeline exemption:

Section 14 of the Pipeline Regulation allows for the exemption of a pipeline permit holder or former pipeline permit holder from complying with one or more provisions of the regulation if the official is

satisfied that, in the circumstances, compliance with the provision or provisions is not reasonably practicable, or the exemption is in the public interest.

Deactivating pipelines provides safety and environmental protection through the removal of fluids from the pipes and the isolation of the pipelines from any other systems. Permit holders are required to continue to monitor the pipelines after their deactivation until they are removed or abandoned. Deactivating pipelines reduces liability, increases restoration, and reduces the risk of a spill.

In this instance, the BC Oil and Gas Commission, now BC Energy Regulator (BCER) identified - through an administrative compliance verification process of an integrity focused audit of operators' pipeline deactivation programs - that CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation (i.e., that pipelines must be deactivated within 18 months of not flowing) and needed to be deactivated.

The BCER has many regulatory mechanisms at its disposal to bring permit holders back into compliance and is committed to ensuring permit holders are brought back into compliance as efficiently as possible, taking into account safety and practical considerations.

In this case, CNRL proposed a systematic, co-ordinated, multi-year approach to its deactivation of the non-compliant pipelines that was deemed by the BCER as being preferable to addressing each instance on a more scattershot, case-by-case basis (as would have been required as per the section 9 provisions), as the systematic approach would reduce the overall time to deactivate all of the pipelines and reduce the associated land disturbance conducting the work. In order for CNRL to undertake the systematic approach, the BCER needed to exempt the non-compliant pipelines in question from their section 9 requirements of the Pipeline Regulation. The BCER made the decision to provide the exemption based on the impracticality of CNRL achieving compliance of the pipelines with the section 9 timeline requirements and the public interest in having the pipelines brought into compliance more quickly with less land disturbance.

The systematic approach is/has:

- Area-based: many of the pipelines are located throughout remote northeastern B.C. in difficult to access terrain. The area-based approach was deemed preferrable to addressing single pipelines one at a time as there is a larger environmental impact to make repeated access paths to the pipelines, including winter only access with ice road construction, compared with an area-based construction approach.
- Risk-based: focusing on deactivating the highest risk pipelines first
- Co-ordinated in a planned fashion over time: allows for CNRL to form dedicated crews to plan and coordinate their work efficiently rather than effectively requiring CNRL to immediately address all of the non-compliant pipelines, which would result in a more inefficient scattershot approach.
- Clear, measurable timelines for how and when compliance is to be achieved, with annual updates to the BCER.
- Aligned with the Dormancy and Shutdown Regulation (<u>Dormancy and Shutdown</u> Regulation)

CNRL is required to complete deactivation of all the pipelines by the end of 2028.

Your request to get copies of the associated documentation can be pursued through an FOI request: Freedom of Information | BC Energy Regulator (BCER)

2. Can you confirm the number of pipelines and/or wells covered by this exemption?

The original exemption included 4312 pipelines. That included 2266 that were identified as potentially inactive at the time of the exemption and 2046 that were projected to become inactive over the

duration of the exemption. It included pipelines that were potentially non-compliant (i.e. pipelines that required deactivation) and those that required verification of their status and administrative submissions to update their status.

Between January 2020 and March 2024 CNRL either deactivated, or confirmed compliance on 2992 pipelines, or 69% of the pipelines in the original exemption. In March of 2024 the exemption was updated to address 1320 pipelines by 2028. As of March 7, 2025, there are 865 remaining pipelines to deactivate.

3. Can you share more information about how the regulator informed members of the public about the exemption?

The BCER does not post publicly when exemptions to regulation are granted.

4. If no information was shared with the public about this exemption or if limited information was shared, are you able to provide an explanation?

Over the past several years, the BCER has focused efforts to improve transparency on core operational processes and we are working to continuously improve. Recent examples include data and reporting specific to Compliance Management Verification, Field Inspections, and Enforcement.

The BCER reports inspection summaries (<u>Field Inspections Conducted</u>), orders, findings of contravention, administrative penalties, offences and prosecutions <u>Compliance & Enforcement | BC Energy Regulator (BCER)</u>) on our website to provide transparency and deter non-compliance.

5. Please confirm whether the exemption is for pipelines that are not compliant, as the inspection note states, or if it is for wells that are not compliant, or both.

see our response to question 1, above.

6. Can you provide an explanation of why the regulator gave CNRL an exemption for what appears to be non-compliance with government regulations and legislation?

see our response to question 1, above.

7. Are there other exemptions that have been given to additional companies for similar issues? If so, please provide details of the companies in question and the nature of the exemption(s), including all relevant documentation.

A similar exemption was provided to TAQA North Ltd. In 2020 regarding the deactivation of 54 pipelines in the Chinchaga and Boundary Lake areas. All required work has been completed.

8. Does this exemption reflect the BCER's approach to managing compliance?

The BCER manages compliance through proactive education and promotion, monitoring and assessing permit holder activities and enforcement of non-compliances.

Effective enforcement protects the public and the environment, remedies non-compliances, ensures fairness, and acts as a deterrent for future non-compliance. The BCER is committed to taking action

and strives to ensure a fair, effective, and consistent approach to enforcement when non-compliances occur.

The use of exemptions is written into the legislation. It is one tool that can be used to achieve compliance as part of the BCER's graduated enforcement model.

The graduated approach ensures non-compliance response actions are commensurate with the non-compliance and the BCER's resources are allocated for maximum effect.

The BCER reports <u>inspection summaries</u> and orders, findings of contravention, administrative penalties, offences and prosecutions on <u>our website</u> to provide transparency and deter non-compliance.

9. Does the BC Energy Regulator believe its oversight of companies like CNRL is meeting the government agency's mandate?

Yes, we believe we are meeting our mandate and the BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the continued protection of the environment and public safety.

10. Is there any other context you would like to provide, to help our readers interpret and understand the inspection note?

Inspections are a snapshot in time. In this case, the inspector was performing due diligence in noting the non-compliance (i.e., the pipeline hadn't been deactivated), while also providing the contextual information that there was an exemption in place for the non-compliance, as part of a thorough inspection record.

We are also requesting information regarding an <u>order</u> that was issued to CNRL on Dec. 16, 2024, for a surface casing vent flow that started on or before Oct. 26, 2021, at an emissions rate of 110.4 m3/day.

11. Can you please share copies of all orders, warning letters, tickets and inspection records associated with the well in question?

Inspections of the well (inspection summaries are available here: Field Inspections Conducted):

- July 30, 2019 (inspection #056799731-001): A BCER officer observed surface casing vent flow (SCVF); BCER officer informed the permit holder that they needed to test the flow rate and submit the results to the BCER within 30 days.
- July 12, 2024 (inspection #2024-2625): A BCER officer observed surface casing vent flow, with the surface casing vent being tied into the flow line (i.e., added to the production line) and had a pressure safety valve and pressure monitor installed; BCER officer followed up with BCER engineering to verify approval for this installation. (Connecting the surface casing vent to the flow line captures vented gas, preventing its release into the atmosphere. This serves as an interim mitigation measure until the underlying downhole issue can be fully addressed.)

There were no other orders, warning letters or tickets associated with the well in question.

12. Can you please provide location coordinates and/or explanation of where this well is located?

D-046-k/094-H-10 WA #15681 is a remote well located approximately 163km north of Fort St John. 630253mE 6398329mN (Universal Transverse Mercator coordinate system). Enter 15681 as the "Well Authority Number" on the following GIS dataset: Well Surface Hole (Permitted) | BCER GIS Open Data Portal

13. The order notes that CNRL reported the leak in 2021 — can you confirm when the leak first started?

Surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent as long as flow does not exceed 100m³ per day (see section 41 of the Drilling and Production Regulation (DPR)).

As per regulation, well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's life, such as immediately after initial completion or any recompletion of the well or before suspension of the well – see section 41 of the DPR - and submit the results of the check to the Regulator. The BCER maintains a database of surface casing vent flow submissions from industry: (BIL-185) Surface Casing Vent Flow (search "15681" to view submissions related to the well in question).

As per above, a BCER officer observed SCVF during an inspection of the well in July 2019 and instructed the permit holder to undertake a test of the SCVF rate and submit the results to the BCER. The results indicated the flow was less than 100m³ per day and it was deemed that the SCVF did not present an immediate safety or environmental hazard and thus did not require intervention nor mitigation, as per the DPR.

CNRL staff discovered and reported a higher-rate leak on October 26, 2021, exceeding the threshold of 100m³ per day as set out in regulation. CNRL attempted a repair to the wellhead seals, which was not successful. They initially proposed to repair a suspected casing failure during the 2021/22 winter work season, as well as implement interim mitigation measures to stop the venting. After missing that timeline for conducting the repair (although they did undertake the interim mitigation measure of tying the SCVF into the flow line, as per response 11, above), CNRL proposed to repair the well in the 2023/2024 work season. Upon learning from CNRL that they were going to miss this second timeline, the BCER issued the Order for CNRL to conduct the repairs in the 2025/2026 winter work season.

14. Can you explain why the order does not require CNRL to repair the leak before March 31, 2026, given the length of time the well has been emitting?

Given the remote nature of the well, ice roads are required to be constructed to facilitate access for the ground transport required to bring in the heavy equipment needed to do the work within the wellbore. With minimal timing windows to conduct this kind of work coupled with low risk to the public and environment, additional time was granted to allow for the proper planning and execution of work to ensure its completion in a practical and safe manner. As per above, the company has implemented the interim mitigation measure of tying the surface casing vent into the flow line to capture the vented gas to prevent it from emitting to the atmosphere.

15. Is this emissions leak recorded and reported as part of B.C.'s greenhouse gas emissions?

The BCER is not responsible for tracking and reporting of greenhouse gas emissions. The *Greenhouse Gas Industrial Reporting and Control Act* and the Greenhouse Gas Emission Reporting Regulation contain the requirements for industrial greenhouse gas emissions reporting.

The BCER maintains a database of surface casing vent flow submissions from industry: (BIL-185) Surface Casing Vent Flow (search "15681" to view submissions related to the well in question).

16. Our review of inspection records found a high number of wells and pipelines with SCV leaks, most of which did not specify the rate of emissions. Does BCER track emissions data from all leaks and, if so, can you please provide us with the current totals and/or a spreadsheet or other form of documentation tracking the rates and total emissions associated with SCV and other leaks?

A comprehensive report showing surface casing vent flow submissions is available on our website. It includes all submissions made by permit holders. Each data entry is a point in time and may not reflect the current state of emissions, if any, from the well: (BIL-185) Surface Casing Vent Flow

17. Can you share more information about how the regulator informed members of the public about this leak?

The BCER makes surface casing vent flow submissions available to the public via its website, here: (BIL-185) Surface Casing Vent Flow.

18. If no information was shared with the public about this leak or if limited information was shared, are you able to provide an explanation?

See response directly above.

19. Is there any other context you would like to provide to help our readers understand why CNRL has been allowed to continue operating its other facilities while it is apparently failing to meet government regulations around emissions?

A single compliance issue, in which the equipment is acting in the manner it is designed to, is not adequate rationale to shut in or modify the rest of a company's assets.

As mentioned above, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed by regulation (DPR section 41) to vent as long as flow does not exceed 100m³ per day. CNRL's delays in meeting timelines led the BCER to issue an order requiring the company to bring the well into compliance with the Drilling and Production Regulation within a practical set timeframe.





Pages: 245-260 Redacted pursuant to: s13 From: Currie, Graham

Sent: Friday, March 21, 2025 5:45 PM

To: Leadership Group

Cc: Rygg, Philip; Johnson, Justine; Gerlach, Lisa; Bligh, Stacey **Subject:** Issue Notes & Media Tracker - Week of March 17-21, 2025

Attachments: TRACKER_Weekly Media_21March2025.pdf; IN Secure Rolla_Updt_March20_2025.docx

Good afternoon (or early evening)... please find attached the media tracker for the week that was – it just has the one request and the resulting story was published today: 44 'serious' leaks reported at B.C. oil and gas sites in past year | The Narwhal

And then there's one (existing) issue note with a slight update.

s13

Thanks everyone - and enjoy the weekend,

Graham





Graham Currie
Executive Director, Public Trust
Graham.Currie@bc-er.ca

Victoria
Office Address Directory
BCER Web Site

T. 250-419-4420 F. 250-419-4403 s22

We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water

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Total requests: 1

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
March 14	C&E – Surface Casing Vent Flows	The Narwhal / Investigative Journalism Foundation	Matt Simmons / Zak Vescera	Dax Bourke / Jordan van Besouw	Response sent March 19

QUESTIONS AND RESPONSES:

How are you? Zak at the IJF here. Thank you for these responses. We do have a couple follow-up questions. Would it be possible to get a response to this by Monday, end of day? Thank you for your continued help and time, we want to make sure we're thorough. Please advise if you think you will require more time.

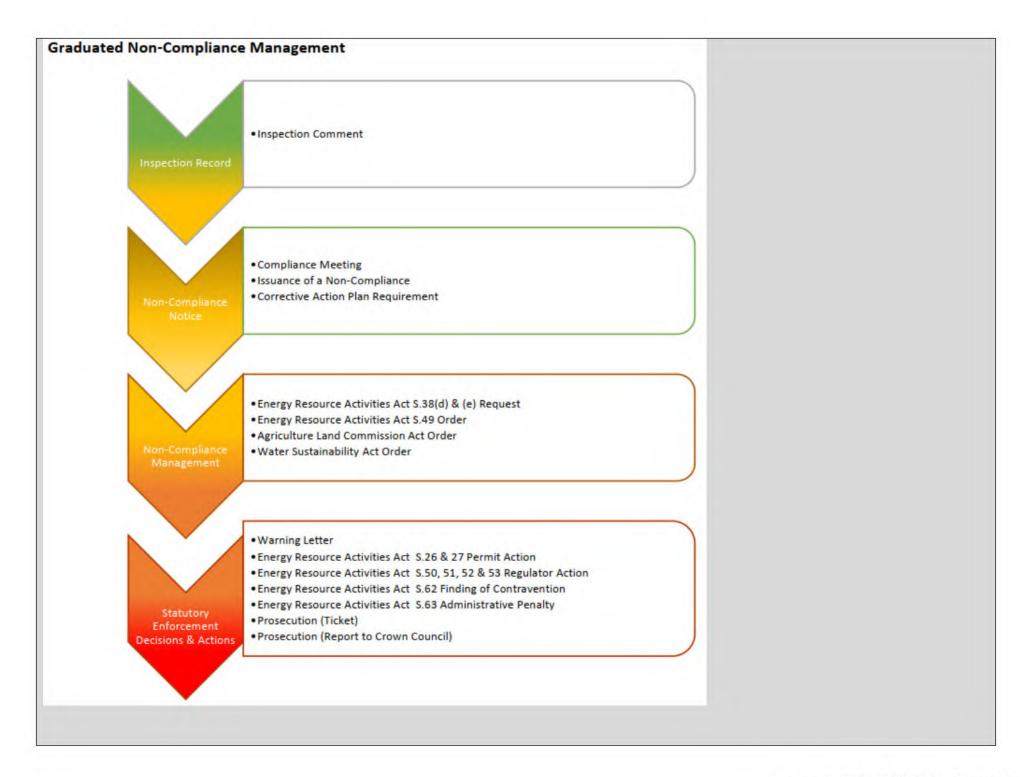
Our questions are:

1) What actions can the regulator take against a company if a serious deficiency is identified [ed's note: we confirmed with the reporters that they are referring to cases of surface casing vent flow classified as "serious" rather than any and all "serious deficiencies" that may be observed across the full range of permit holders' activities]? For example, does the BCER have the power to issue warning letters, enforcement orders, tickets, administrative fines or other monetary penalties against these companies?

Yes, the BCER has the authority to pursue various enforcement actions (see <u>Part 5 of the Energy Resource Activities Act</u>) against companies deemed non-compliant and is committed to ensuring permit holders are brought back into compliance as efficiently as possible, taking into account safety and practical considerations.

The BCER is committed to taking action and strives to ensure a fair, effective, and consistent approach to enforcement when non-compliances occur.

The BCER employs a graduated non-compliance response model where appropriate, ranging from non-compliance notices to more formal, statutory enforcement actions. The graduated approach ensures non-compliance response actions are commensurate with the non-compliance and our resources are allocated for maximum effect.



Specifically with regards to surface casing vent flow:

As per the Drilling and Production Regulation (DPR; Section 41), well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's life. These testing requirements help ensure that permit holders identify vent flows that could be non-compliant and/or hazardous.

As mentioned in our previous response, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent gas as long as the flow does not exceed 100m³ per day, as set out in Section 41(4.01) of the Drilling and Production Regulation (note that this regulatory provision came into effect on July 1, 2021). As with all regulatory requirements, failure of a permit holder to comply with this regulatory provision could result in enforcement action.

"Serious" Surface Casing Vent Flows

Please note that a "serious" SCVF does not necessarily indicate a "serious deficiency" (the term you use in your question), but rather that the flow is considered serious as per our guidelines specified in Section 9.7.3 of the BCER Oil and Gas Operations Manual. The flow conditions we designate as "serious" in our guidelines are meant to identify situations that may pose a potential "safety or environmental hazard," as specified in Section 41(3) of the DPR.

The DPR Section 41(3) requires that "on discovery of a surface casing vent flow that presents an immediate safety or environmental hazard, a well permit holder must (a) immediately take steps to eliminate the hazard, (b) immediately notify the regulator of the surface casing vent flow, and (c) submit to the regulator without delay a report respecting the surface casing vent flow and the steps taken under paragraph (a)." A permit holder's failure to comply with the requirement to eliminate the hazard (and/or the notification requirements) may result in enforcement action as per our graduated non-compliance response model above.

2) If yes, can you provide a summary of how many enforcement actions of this nature the regulator took over the past five years, the past three years and the past 12 months?

The BCER reports orders, findings of contravention, administrative penalties, offences and prosecutions on our website to provide transparency and deter non-compliance: Compliance & Enforcement | BC Energy Regulator (BCER).

With regards to enforcement actions related to SCVF over the past five years, the BCER has issued four enforcement orders and one administrative finding/penalty – in relation to two different wells - as outlined below:

Well authorization (WA) number 8183:

• General Order 2022-0144 was issued on December 7, 2022, requiring the permit holder to investigate and mitigate a natural gas SCVF that was in excess of 100 m3 per day. The permit holder complied with the provisions of the order and brought the SCVF back into compliance and the order was terminated on March 28, 2023.

• Administrative Finding 2022-0144 was rendered on October 24, 2024, which determined that the permit holder contravened the regulation and imposed a \$10,000 administrative penalty against the company.

Well authorization (WA) number 2262:

- <u>General Order 2024-0058-01</u> was issued on May 30, 2024, requiring the permit holder to direct the serious SCVF to a temporary flare. The permit holder complied with the provisions of the order and the order was terminated on June 20, 2024.
- <u>General Order 2024-0058-02</u> was issued on June 20, 2024, requiring the permit holder to investigate and establish a plan to mitigate the serious SCVF. The permit holder complied with the provisions of the order and the order was terminated on August 26, 2024.
- <u>General Order 2024-0058-03</u> was issued on August 2, 2024, requiring the permit holder to complete remediation work on the well to mitigate the serious SCVF. The permit holder complied with the provisions of the order and brought the SCVF back into compliance and the order was terminated on January 16, 2025.
- 3) Are you able to provide us with documentation related to those enforcement actions? See response to question 2, above.
- 4) If any fines or other monetary penalties were issued, what was the size of those penalties for the 5-year, 3-year and 12-month periods we've asked about?

See response to question 2, above.

Additional questions:

With regards to the well with the initial leak of more than 100,000 litres per day of "fresh water":

5) Can you please confirm the source of the water?

In this case, a definitive source has not been established (note that the determination of the source of a surface casing vent flow may not be required to eliminate the hazard as required by the regulation). The well is in a remote area about 165km NNE of Fort St John and there are no water wells within a 5km radius of the well in question.

6) Can you confirm that it was "fresh" not processed water?

Yes, testing dating back to 2019 confirmed it was fresh water (i.e., containing less than 4,000 mg/L of total dissolved solids, as per the definition of "aquifer" in the Environmental Protection and Management Regulation and the Technical Guidance for Determining the "Base of Usable Groundwater").

7) If processed or otherwise altered, please provide details around the nature of the water and any additives present, per the regulations around "serious" designation (ie "the water contains substances that could cause soil or groundwater contamination.")

The water was not processed nor otherwise altered.

Pages: 266-270 Non-responsive Pages: 271-272 Redacted pursuant to: s13 From: Matt Simmons < matt@thenarwhal.ca>
Sent: Tuesday, February 11, 2025 9:45 AM
To: Carr, Michelle < Michelle.Carr@bc-er.ca>

Cc: kate.schneider@theijf.org <kate.schneider@theijf.org>

Subject: Media request for interview from The Narwhal and Investigative Journalism Foundation regarding BC Energy Regulator compliance and enforcement

Good morning, Michelle,

We are journalists with The Narwhal and Investigative Journalism Foundation working in collaboration on a news report about the BC Energy Regulator.

We have reviewed a large dataset of compliance and enforcement activities conducted by BC Energy Regulator officials (formerly BC Oil and Gas Commission) previously provided to The Narwhal through freedom of information legislation and are reaching out to seek an interview about the contents of the documents and the nature of the regulator's compliance and enforcement.

Our deadline is Friday, February 14 at 3 p.m. PT, however if you need more time to respond, please let us know.

Upon review of more than 30,000 records of inspections made by regulator officials between early 2017 and late 2023, we found several hundreds of examples in which the inspector noted apparent environmental infractions but did not mark the inspection as an occurrence of non-compliance. We also found many hundreds of records that indicate potential infractions of both provincial regulations and environmental laws, including potential emissions violations, spills and other alleged non-compliances. Similarly, we found hundreds of what appeared to be administrative errors — such as producing wells being marked as deactivated or vice versa — that were not marked as non-compliance in the regulator's systems.

Of the alleged infractions we reviewed, dozens were noted as "serious" or similarly described by the inspector in terms that denote a significant non-compliance. In addition, we found numerous instances in which the inspector noted the company was out of compliance but they would not be marking it as such in the regulator's systems.

Here is a sample of some of the relevant notes made by inspectors on reports that were marked as in compliance:

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator that I had spoke [sic] to earlier in the day about the other sites, and took him over to have a look at what I had found. The birds were black (like a small raven or a crow), but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent. Operator said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found."

"There is orange plastic snow fencing that had been erected years ago and has fallen down. This is also true for the area around the well bore. The orange plastic snow fencing is not an acceptable measure to keep wildlife out of the contaminated areas. There is evidence that wildlife has frequented the water filled flare pit. The flare pit and well bore area need to have wildlife fencing installed. Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odor was detected. Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out."

"Truck at POD at the time of the inspection. Driver could not produce permit when asked. Driver could not provide volumes of water being withdraw. Quote "best guess" based on visual observation into tank and time taken to fill tank. ... Conditional pass pending follow up."

"Intake is contained in a screened basket with several small holes visible and one larger hole / tear approximately 2.5 cm by 15 cm. The pump / basket is sitting in approximately 7 to 10 cm of water and was actively pumping at the time of inspection. Discussed with the operator. ... Conditional pass pending follow up."

"This inspection will show as a PASS due to system limitations, however, there are concerns associated with the work that has been done."

"Petronas restored a sump 1 km down the road from this one after a deficiency was given. This sump should have been restored at the same time. Unfortunately, due to delays this site will see more than 7 years of vegetation growth destroyed and a new disturbance will have been initiated."

"There are numerous wildlife tracks attracted to the area which may have been an on lease sump. ... If there is contamination then big game and any livestock are excluded from the immediate area. The same request was required in October 2014 but nothing was received. This is a follow up inspection for the same concerns identified at that time."

"Active discharge above upstream dam. Sediment/turbidity noted in sump. Traced sedimentation to trench water pump off location (location not approved by CGL Environment). This is in non-compliance with section 12 of the EPMR."

"Sedimentation in numerous watercourses. As well, sediment plumes were noted in Lake 1F (approximately 586+750) and unnamed lake at approximately KP 587+300, caused by road or ROW runoff. This is in non-compliance with section 12 of the Environmental Protection and Management Regulation (EPMR) ... This non-compliance with the permit condition therefore means that Coastal GasLink is also in non-compliance with section 21(b)(2) of the Oil and Gas Activities Act (OGAA)"

"Failure noted between cells, sediment leaving site via oil and gas road (RW 740.1.1) through ditchline. Flowing in ditch, then leaving roadway into vegetation. Turbid flow continues through timber/veg to Morice Owen FSR."

"Ditch block installation method unusual (bentonite bags in disarray, then squished/moved by pipe, more bags added on top(excavator took large scoop of bentonite bags, then dropped bags on top from height, breaking some of the bags during the process)"

"The flarepit at the 7-19-88-17 location has liquids in it that have a hydrocarbon odor. There is also a waxy substance on top of the liquids and covering the bullrushes. There is evidence of wildlife accessing the liquids

in the flarepit. A fence should be installed around the pit to prevent wildlife access. How often is this flarepit used?"

"-there are two c-rings onsite that are fairly stinky. I was able to smell them approximately 300 meters away on lease road. Odours should not be offsite. Investigate and alleviate the odours. -No other concerns here at this time."

"-the above mentioned comments are considered to be deficiencies, but I have chose to only put in comments for the time being."

- - -

- 1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance?
- 2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, 'Hard to believe it's real': B.C.'s energy regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

- 3. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?
- 4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation.

Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

5. Is there any other context you would like to provide to help our readers understand and interpret this information?

Thank you,

Matt Simmons
Reporter, The Narwhal
matt@thenarwhal.ca

Kate Schneider Reporter, Investigative Journalism Foundation kate.schneider@theijf.org From: Communications

Sent: Tuesday, March 18, 2025 4:59 PM

To: Matt Simmons

Cc: Zak Vescera; Communications

Subject: RE: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER

compliance and enforcement

Hi,

Sorry for the delay. Here are our responses:

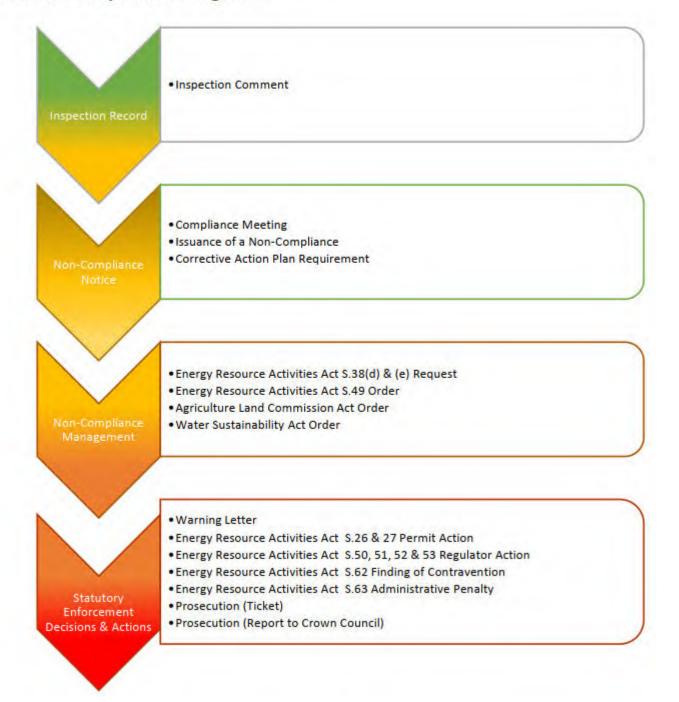
1) What actions can the regulator take against a company if a serious deficiency is identified [ed's note: we confirmed with the reporters that they are referring to cases of surface casing vent flow classified as "serious" rather than any and all "serious deficiencies" that may be observed across the full range of permit holders' activities]? For example, does the BCER have the power to issue warning letters, enforcement orders, tickets, administrative fines or other monetary penalties against these companies?

Yes, the BCER has the authority to pursue various enforcement actions (see Part 5 of the Energy Resource Activities Act) against companies deemed non-compliant and is committed to ensuring permit holders are brought back into compliance as efficiently as possible, taking into account safety and practical considerations.

The BCER is committed to taking action and strives to ensure a fair, effective, and consistent approach to enforcement when non-compliances occur.

The BCER employs a graduated non-compliance response model where appropriate, ranging from non-compliance notices to more formal, statutory enforcement actions. The graduated approach ensures non-compliance response actions are commensurate with the non-compliance and our resources are allocated for maximum effect.

Graduated Non-Compliance Management



Specifically with regards to surface casing vent flow:

As per the Drilling and Production Regulation (DPR; Section 41), well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's life. These testing requirements help ensure that permit holders identify vent flows that could be non-compliant and/or hazardous.

As mentioned in our previous response, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent gas as long as the flow does not exceed 100m³ per day, as set out in Section 41(4.01) of the Drilling and Production Regulation (note that this regulatory provision came into effect on July 1, 2021). As with all regulatory requirements, failure of a permit holder to comply with this regulatory provision could result in enforcement action.

"Serious" Surface Casing Vent Flows

Please note that a "serious" SCVF does not necessarily indicate a "serious deficiency" (the term you use in your question), but rather that the flow is considered serious as per our guidelines specified in Section 9.7.3 of the BCER Oil and Gas Operations Manual. The flow conditions we designate as "serious" in our guidelines are meant to identify situations that may pose a potential "safety or environmental hazard," as specified in Section 41(3) of the DPR.

The DPR Section 41(3) requires that "on discovery of a surface casing vent flow that presents an immediate safety or environmental hazard, a well permit holder must (a) immediately take steps to eliminate the hazard, (b) immediately notify the regulator of the surface casing vent flow, and (c) submit to the regulator without delay a report respecting the surface casing vent flow and the steps taken under paragraph (a)." A permit holder's failure to comply with the requirement to eliminate the hazard (and/or the notification requirements) may result in enforcement action as per our graduated non-compliance response model above.

2) If yes, can you provide a summary of how many enforcement actions of this nature the regulator took over the past five years, the past three years and the past 12 months?

The BCER reports orders, findings of contravention, administrative penalties, offences and prosecutions on our website to provide transparency and deter non-compliance: Compliance & Enforcement | BC Energy Regulator (BCER).

With regards to enforcement actions related to SCVF over the past five years, the BCER has issued four enforcement orders and one administrative finding/penalty – in relation to two different wells - as outlined below:

Well authorization (WA) number 8183:

- <u>General Order 2022-0144</u> was issued on December 7, 2022, requiring the permit holder to investigate and mitigate a natural gas SCVF that was in excess of 100 m3 per day. The permit holder complied with the provisions of the order and brought the SCVF back into compliance and the order was terminated on March 28, 2023.
- Administrative Finding 2022-0144 was rendered on October 24, 2024, which determined that the permit holder contravened the regulation and imposed a \$10,000 administrative penalty against the company.

Well authorization (WA) number 2262:

- General Order 2024-0058-01 was issued on May 30, 2024, requiring the permit holder to direct the serious SCVF to a temporary flare. The permit holder complied with the provisions of the order and the order was terminated on June 20, 2024.
- <u>General Order 2024-0058-02</u> was issued on June 20, 2024, requiring the permit holder to investigate and establish a plan to mitigate the serious SCVF. The permit holder complied with the provisions of the order and the order was terminated on August 26, 2024.
- <u>General Order 2024-0058-03</u> was issued on August 2, 2024, requiring the permit holder to complete remediation work on the well to mitigate the serious SCVF. The permit holder complied with the provisions of the order and brought the SCVF back into compliance and the order was terminated on January 16, 2025.

3) Are you able to provide us with documentation related to those enforcement actions? See response to question 2, above.

4) If any fines or other monetary penalties were issued, what was the size of those penalties for the 5-year, 3-year and 12-month periods we've asked about?

See response to question 2, above.

Additional questions:

With regards to the well with the initial leak of more than 100,000 litres per day of "fresh water":

5) Can you please confirm the source of the water?

In this case, a definitive source has not been established (note that the determination of the source of a surface casing vent flow may not be required to eliminate the hazard as required by the regulation). The well is in a remote area about 165km NNE of Fort St John and there are no water wells within a 5km radius of the well in question.

6) Can you confirm that it was "fresh" not processed water?

Yes, testing dating back to 2019 confirmed it was fresh water (i.e., containing less than 4,000 mg/L of total dissolved solids, as per the definition of "aquifer" in the Environmental Protection and Management Regulation and the Technical Guidance for Determining the "Base of Usable Groundwater").

7) If processed or otherwise altered, please provide details around the nature of the water and any additives present, per the regulations around "serious" designation (ie "the water contains substances that could cause soil or groundwater contamination.")

The water was not processed nor otherwise altered.





We acknowledge and respect the many Indigenous Territories and Treaty areas, each with unique cultures, languages, legal traditions and relationships to the land and water, which the British acknowledge the Métis and Inuit people living across B.C.

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From: Communications < communications@bc-er.ca>

Sent: Monday, March 17, 2025 4:33 PM
To: Matt Simmons <matt@thenarwhal.ca>

Cc: Zak Vescera <zak.vescera@theijf.org>; Communications <communications@bc-er.ca>

Subject: RE: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER compliance and

enforcement

Hi Matt and Zak,

We weren't able to finalize our responses to your inquiries today, but we'll continue working on them first thing tomorrow.

Best,





BCER Communications communications@bc-er.ca Office Address Directory
BCER Web Site

1-250-794-5200

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From: Communications < communications@bc-er.ca>

Sent: Monday, March 17, 2025 11:37 AM

To: Matt Simmons <matt@thenarwhal.ca>; Communications <communications@bc-er.ca>

Cc: Zak Vescera < zak.vescera@theijf.org>

Subject: RE: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER compliance and enforcement

Hi Matt,

We've received these additional questions.

Thanks,





BCER Communications communications@bc-er.ca

Office Address Directory
BCER Web Site

1-250-794-5200

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From: Matt Simmons < matt@thenarwhal.ca>
Sent: Monday, March 17, 2025 10:32 AM

To: Communications < communications@bc-er.ca>

Cc: Zak Vescera < zak.vescera@theijf.org>

Subject: Re: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER compliance and enforcement

Hi folks,

Looking forward to your response to the follow up questions. I just have one more to add, seeking clarification.

With regards to the well with the initial leak of more than 100,000 litres per day of "fresh water":

- Can you please confirm the source of the water?
- Can you confirm that it was "fresh" not processed water?
- If processed or otherwise altered, please provide details around the nature of the water and any additives present, per the regulations around "serious" designation (ie "the water contains substances that could cause soil or groundwater contamination.")

Thanks, Matt

Matt Simmons | he/him Journalist, Northwest B.C. The Narwhal



The Narwhal is committed to upholding the principles of truth and reconciliation through our journalism and I wish to acknowledge this land on which I live and work. I am based on unceded Gidimt'en Clan territory, home of the Wet'suwet'en nation, in Smithers, B.C.

On Mar 14, 2025, at 9:46 AM, Communications < communications@bc-er.ca > wrote:

Thanks for clarifying. We're working on a response.

Best,

<image001.png>

<image002.png>

<image003.png>

BCER Communications communications@bc-er.ca Office Address Directory

1-250-794-5200

BCER Web Site

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From: Zak Vescera < zak.vescera@theijf.org>

Sent: Friday, March 14, 2025 9:43 AM

To: Communications < communications@bc-er.ca>

Cc: Matt Simmons < matt@thenarwhal.ca>

Subject: Re: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER compliance and enforcement

Hi there,

Thanks for writing back. These questions are specific to surface casing vent flows, such as the 44 "serious" issues identified in the past 12 months.

All the best,

Zak

On Fri, Mar 14, 2025 at 9:36 AM Communications < communications@bc-er.ca > wrote:

Hi Zak,

Could you clarify whether your questions specifically refer to cases of "serious" surface casing vent flows, or more broadly to any kind of "serious deficiencies" across the full range of permit holder activities?

Thanks,

<image001.png> <image002.png>

<image003.png>

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communications@bc-er.ca BCER Web Site

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From: Zak Vescera < zak.vescera@theijf.org Sent: Thursday, March 13, 2025 3:51 PM

To: Communications < communications@bc-er.ca>

Cc: Matt Simmons <matt@thenarwhal.ca>

Subject: Re: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER

compliance and enforcement

Hi BCER team,

How are you? Zak at the IJF here. Thank you for these responses. We do have a couple follow-up questions. Would it be possible to get a response to this by Monday, end of day? Thank you for your continued help and time, we want to make sure we're thorough. Please advise if you think you will require more time.

Our questions are:

- 1) What actions can the regulator take against a company if a serious deficiency is identified? For example, does the BCER have the power to issue warning letters, enforcement orders, tickets, administrative fines or other monetary penalties against these companies?
- 2) If yes, can you provide a summary of how many enforcement actions of this nature the regulator took over the past five years, the past three years and the past 12 months?
- 3) Are you able to provide us with documentation related to those enforcement actions?
- 4) If any fines or other monetary penalties were issued, what was the size of those penalties for the 5-year, 3-year and 12-month periods we've asked about?

All the best and with thanks,

Zak

On Thu, Mar 13, 2025 at 3:29 PM Communications < communications@bc-er.ca > wrote:

Hi Matt and Zak,

Thanks for your patience.

Here's our responses:

1) According to the SCVF database you sent, there were 44 instances of "serious" surface casing vent flows reported within the past 12 months, 160 in the past three years and 252 within the last five years. Among those records was one site with hydrogen sulphide emissions at a concentration of 5,000 ppm, another with gas flow at 300 cubic metres per day and another with a liquid leak of more than 100,000 litres per day. Can you confirm these numbers are accurate and provide any further context to help our readers understand these numbers?

As mentioned in our previous response, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent gas as long as flow does not exceed 100m³ per day (see section 41 of the Drilling and Production Regulation (DPR)).

As per regulation, well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's life, such as immediately after initial completion or any recompletion of the well or before suspension of the well – see section 41 of the DPR - and submit the results of the check to the Regulator (these submissions constitute the records in our SCVF database – note that the characteristics of vent flows may change over time, and submissions made by permit holders reflect the characteristics present at the time of the test). These testing and reporting requirements help ensure that permit holders identify and address emissions that could pose hazards. Where a vent flow presents an immediate safety or environmental hazard, section 41(3) of the Drilling and Production Regulation requires permit holders to immediately take steps to eliminate the hazard, notify the regulator, and submit a report outlining the actions taken to eliminate the hazard.

Section 9.7.3 of the BCER Oil and Gas Operations Manual identifies the characteristics of a vent flow that would result in a "serious" designation:

- Vent flows with hydrogen sulphide (H₂S) present
- Vent flow with a stabilized gas flow rate equal to or greater than 300 cubic metres per day (m3/d).
- Vent flow with a surface casing vent stabilized shut-in pressure greater than one half the formation leak-off pressure at the surface casing shoe or 11 kPa/m times the surface casing setting depth.
- Hydrocarbon liquid (oil) vent flow.
- Vent flow due to wellhead seal failures or casing failure.
- Water vent flow if the water contains substances that could cause soil or groundwater contamination.
- Vent flow where any usable water zone is not covered by cemented casing.

Note that while the term "serious" is used to categorize these vent flows, they do not always indicate an immediate safety or environmental risk.

We can confirm that there are 44 records of serious surface casing vent flows within the past 12 months. Note that some wells are represented more than once, as a result of the permit holder making multiple submissions over the course of the year – see Well Authorization Numbers 02540 and 29760 for instance. It is important to note that the flow rates and buildup pressures numbers in the database do not necessarily indicate an ongoing release, but rather *capability* of flow.

For example, it was discovered over ten years ago that Well Authorization Number (WA) 12099 - the well you reference in your question as having "a liquid leak of more than 100,000 litres per day" - had a "serious" vent flow; i.e., a vent flow of

fresh water. The permit holder investigated well records for the subject well, and others in the area, to confirm that the flow does not pose any hazard to the groundwater or the environment. This flow was mitigated by the installation of a pressure safety valve, which stopped the liquid flow from the well. The 2024 record for this well in the database reflects the result of a point-in-time, controlled test of the well to determine the current flow rate from the well *if the mitigation were not in place*. That is, if the well didn't have the pressure safety valve, it would be flowing at a rate of 110,880 litres of water per day. So, this well has a "serious" SCVF present, but it is mitigated.

We can confirm that all of the wells represented in the 44 "serious" records over the past 12 months have mitigations in place to control the identified hazards and are within compliance with regards to surface casing vent flow-related regulation. (Regarding the other two specific wells you reference in your question, once the hazards were discovered, WA 9354 (H_2S of 5000 ppm) was mitigated by installing an H_2S scrubber, followed by repairs to the wellhead seals which stopped the SCVF. WA 802 (gas flow rate of 300 m3/d) was mitigated by installing a pressure safety valve (PSV), stopping the emissions).

2) Can you provide an explanation of what constitutes a "serious" designation in the database?

See response above

3) Do you believe the public should be concerned to learn there have been more than 200 reported "serious" leaks in the past five years?

The BCER is confident in the regulatory framework and operational systems in place to manage surface casing vent flows and protect public safety and the environment.

As per above, while some of the database entries do represent the initial discovery of a "serious" vent flow (at which point mitigation measures are required to be implemented), many of the entries represent routine testing on wells that already have measures in place to mitigate their "serious" flow capability.

As our response above indicates, we have robust regulation in place to ensure permit holders detect and mitigate non-compliant surface casing vent flow rates and potential hazards.

4) In your response, you noted the regulator has "focused efforts to improve transparency on core operational processes and we are working to continuously improve." Do you believe the regulator is adequately ensuring the public knows where and how to find information about oil and gas operations, including things like serious gas emissions?

Yes, the BCER strives to be open and transparent and accountable to the public while providing effective regulatory oversight of energy resource activities in the province. We make a wide array of records and information publicly available through our website and other digital platforms, in-person community engagements (e.g., speaking at municipal government meetings, attending public tradeshows) and we are available and responsive to inquiries.

Over the past several years, the BCER has focused efforts to improve transparency on core operational processes.

In spring 2023, for example, we launched our "Data Narrative" series, which aims to try to make some of our data more accessible through graphical representations and explanatory text (this series includes, for example, our Northeast BC Seismicity web map – released in 2023 and updated just last month, and our Well Emissions data narrative, covering our surface casing vent flow data, which was released in December 2023). Other examples include:

- Our interactive BC Production Dashboard, which covers hydrocarbon production in the province, down to the level of individual wells, launched July 9, 2024
- Our interactive Disposal Well Dashboard, launched in 2022 and recently updated
- Recent updates to our Orphan Sites page to incorporate data on progress towards restoration goals and the current year's restoration activity
- Our occasional webinar series, such as one we released on "Flaring & Air Quality" just over a week ago

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communications@bc-er.ca BCER Web Site

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From: Communications < communications@bc-er.ca>

Sent: Wednesday, March 12, 2025 4:31 PM To: Matt Simmons < matt@thenarwhal.ca>

Cc: Zak Vescera < zak.vescera@theijf.org >; Communications < communications@bc-er.ca >

Subject: RE: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER compliance and enforcement

Thanks. We're working towards that deadline.

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From: Matt Simmons < matt@thenarwhal.ca>

Sent: Wednesday, March 12, 2025 11:04 AM

To: Communications < communications@bc-er.ca>

Cc: Zak Vescera <zak.vescera@theijf.org>

Subject: Re: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER

compliance and enforcement

Thanks for updating us. I spoke with my editor and we can extend the deadline for response to 3 p.m. PT tomorrow. We look forward to hearing from you before then.

Matt

On Mar 12, 2025, at 10:08 AM, Communications < communications@bc-er.ca > wrote:

Hi Matt,

We are still working on our response. We'll have it to you as soon as possible, but if you have an extended deadline for us to work towards that would be appreciated.

Thanks,

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communications@bc-er.ca

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From: Matt Simmons < matt@thenarwhal.ca>
Sent: Tuesday, March 11, 2025 12:50 PM

To: Communications < communications@bc-er.ca>

Cc: Zak Vescera <zak.vescera@theijf.org>

Subject: Re: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities

and BCER compliance and enforcement

Thanks for the heads up. If you can get us responses by 3 pm, that should be ok.

On Mar 11, 2025, at 12:41 PM, Communications < communications@bc-er.ca > wrote:

Hi Matt,

We're working on your request, but it's looking like we won't be able to meet your deadline of 1pm today. Are you able to extend that deadline?

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From: Matt Simmons < matt@thenarwhal.ca > Sent: Tuesday, March 11, 2025 10:28 AM

To: Communications < communications@bc-er.ca>

Cc: Zak Vescera < zak.vescera@theijf.org>

Subject: Re: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER compliance and enforcement

Thanks again for your response. Please see the follow-up questions below, related to the information provided regarding surface casing vent flows. Our deadline for these follow-ups is 1 p.m. PT.

- 1) According to the SCVF database you sent, there were 44 instances of "serious" surface casing vent flows reported within the past 12 months, 160 in the past three years and 252 within the last five years. Among those records was one site with hydrogen sulphide emissions at a concentration of 5,000 ppm, another with gas flow at 300 cubic metres per day and another with a liquid leak of more than 100,000 litres per day. Can you confirm these numbers are accurate and provide any further context to help our readers understand these numbers?
- 2) Can you provide an explanation of what constitutes a "serious" designation in the database?
- 3) Do you believe the public should be concerned to learn there have been more than 200 reported "serious" leaks in the past five years?
- 4) In your response, you noted the regulator has "focused efforts to improve transparency on core operational processes and we are working to continuously improve." Do you believe the regulator is adequately ensuring the public knows where and how to find information about oil and gas operations, including things like serious gas emissions?

Thank you, Matt

On Mar 10, 2025, at 4:33 PM, Communications < communications@bc-er.ca wrote:

With apologies again for the delay, please find our responses below:

The inspection records we reviewed includes a reference to an "exemption given to CNRL for over 4,000 pipelines that are not compliant in regard to deactivation." Another similar reference mentions an exemption given to the same company that the inspector noted was for wells.

1. Can you explain the nature of the "exemption" and share all available documentation associated with it?

Well exemptions:

Section 4 of the Drilling & Production Regulation allows for the exemption of a well permit holder from the requirement to comply with certain sections of the Regulation. Requests are evaluated on their merits, and specific to the circumstances around each well covered by a request. Conditions may also be attached to an exemption granted under section 4.

Given the range of sections for which exemptions may be granted, additional information is needed for us to identify and comment on the specific well(s)/exemption(s) in question. As such, our responses regarding exemptions below will only cover the exemption given to CNRL for pipeline deactivation.

The BCER has a range of tools as its disposal for ensuring compliance, including exemptions, Orders, and other enforcement powers. The use of those tools is commensurate with the level of non-compliance. As an example, we have previously issued an order to CNRL to bring inactive wells into compliance with suspension requirements: General-Order-2018-019.pdf

Pipeline exemption:

Section 14 of the Pipeline Regulation allows for the exemption of a pipeline permit holder or former pipeline permit holder from complying with one or more provisions of the regulation if the official is satisfied that, in the circumstances, compliance with the provision or provisions is not reasonably practicable, or the exemption is in the public interest.

Deactivating pipelines provides safety and environmental protection through the removal of fluids from the pipes and the isolation of the pipelines from any other systems. Permit holders are required to continue to monitor the pipelines after their deactivation until they are removed or abandoned. Deactivating pipelines reduces liability, increases restoration, and reduces the risk of a spill.

In this instance, the BC Oil and Gas Commission, now BC Energy Regulator (BCER) identified - through an administrative compliance verification process of an integrity focused audit of operators' pipeline deactivation programs - that CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation (i.e., that pipelines must be deactivated within 18 months of not flowing) and needed to be deactivated.

The BCER has many regulatory mechanisms at its disposal to bring permit holders back into compliance and is committed to ensuring permit holders are brought back into compliance as efficiently as possible, taking into account safety and practical considerations.

In this case, CNRL proposed a systematic, co-ordinated, multi-year approach to its deactivation of the non-compliant pipelines that was deemed by the BCER as being preferable to addressing each instance on a more scattershot, case-by-case basis (as would have been required as per the section 9 provisions), as the systematic approach would reduce the overall time to deactivate all of the pipelines and reduce the associated land disturbance conducting the work. In order for CNRL to undertake the systematic approach, the BCER needed to exempt the non-compliant pipelines in question from their section 9 requirements of the Pipeline Regulation. The BCER made the decision to provide the exemption based on the impracticality of CNRL achieving compliance of the pipelines with the section 9 timeline requirements and the public interest in having the pipelines brought into compliance more quickly with less land disturbance.

The systematic approach is/has:

- Area-based: many of the pipelines are located throughout remote northeastern B.C. in difficult to access terrain. The area-based approach was deemed preferrable to addressing single pipelines one at a time as there is a larger environmental impact to make repeated access paths to the pipelines, including winter only access with ice road construction, compared with an area-based construction approach.
- Risk-based: focusing on deactivating the highest risk pipelines first
- Co-ordinated in a planned fashion over time: allows for CNRL to form dedicated crews to plan and coordinate their work efficiently rather than effectively requiring CNRL to immediately address all of the non-

compliant pipelines, which would result in a more inefficient scattershot approach.

- Clear, measurable timelines for how and when compliance is to be achieved, with annual updates to the BCER.
- Aligned with the Dormancy and Shutdown Regulation (<u>Dormancy</u> and Shutdown Regulation)

CNRL is required to complete deactivation of all the pipelines by the end of 2028.

Your request to get copies of the associated documentation can be pursued through an FOI request: Freedom of Information | BC Energy Regulator (BCER)

2. Can you confirm the number of pipelines and/or wells covered by this exemption?

The original exemption included 4312 pipelines. That included 2266 that were identified as potentially inactive at the time of the exemption and 2046 that were projected to become inactive over the duration of the exemption. It included pipelines that were potentially non-compliant (i.e. pipelines that required deactivation) and those that required verification of their status and administrative submissions to update their status.

Between January 2020 and March 2024 CNRL either deactivated, or confirmed compliance on 2992 pipelines, or 69% of the pipelines in the original exemption. In March of 2024 the exemption was updated to address 1320 pipelines by 2028. As of March 7, 2025, there are 865 remaining pipelines to deactivate.

3. Can you share more information about how the regulator informed members of the public about the exemption?

The BCER does not post publicly when exemptions to regulation are granted.

4. If no information was shared with the public about this exemption or if limited information was shared, are you able to provide an explanation?

Over the past several years, the BCER has focused efforts to improve transparency on core operational processes and we are working to continuously improve. Recent examples include data and reporting specific to Compliance Management Verification, Field Inspections, and Enforcement.

The BCER reports inspection summaries (<u>Field Inspections Conducted</u>), orders, findings of contravention, administrative penalties, offences and prosecutions <u>Compliance & Enforcement | BC Energy Regulator (BCER)</u>) on our website to provide transparency and deter non-compliance.

5. Please confirm whether the exemption is for pipelines that are not compliant, as the inspection note states, or if it is for wells that are not compliant, or both.

see our response to question 1, above.

6. Can you provide an explanation of why the regulator gave CNRL an exemption for what appears to be non-compliance with government regulations and legislation?

see our response to question 1, above.

7. Are there other exemptions that have been given to additional companies for similar issues? If so, please provide details of the companies in question and the nature of the exemption(s), including all relevant documentation.

A similar exemption was provided to TAQA North Ltd. In 2020 regarding the deactivation of 54 pipelines in the Chinchaga and Boundary Lake areas. All required work has been completed.

8. Does this exemption reflect the BCER's approach to managing compliance?

The BCER manages compliance through proactive education and promotion, monitoring and assessing permit holder activities and enforcement of non-compliances.

Effective enforcement protects the public and the environment, remedies non-compliances, ensures fairness, and acts as a deterrent for future non-compliance. The BCER is committed to taking action and strives to ensure a fair, effective, and consistent approach to enforcement when non-compliances occur.

The use of exemptions is written into the legislation. It is one tool that can be used to achieve compliance as part of the BCER's graduated enforcement model.

The graduated approach ensures non-compliance response actions are commensurate with the non-compliance and the BCER's resources are allocated for maximum effect.

The BCER reports <u>inspection summaries</u> and orders, findings of contravention, administrative penalties, offences and prosecutions on <u>our website</u> to provide transparency and deter non-compliance.

9. Does the BC Energy Regulator believe its oversight of companies like CNRL is meeting the government agency's mandate?

Yes, we believe we are meeting our mandate and the BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the continued protection of the environment and public safety.

10. Is there any other context you would like to provide, to help our readers interpret and understand the inspection note?

Inspections are a snapshot in time. In this case, the inspector was performing due diligence in noting the non-compliance (i.e., the pipeline hadn't been deactivated), while also providing the contextual information that there was an exemption in place for the non-compliance, as part of a thorough inspection record.

We are also requesting information regarding an <u>order</u> that was issued to CNRL on Dec. 16, 2024, for a surface casing vent flow that started on or before Oct. 26, 2021, at an emissions rate of 110.4 m3/day.

11. Can you please share copies of all orders, warning letters, tickets and inspection records associated with the well in question?

Inspections of the well (inspection summaries are available here: <u>Field</u> <u>Inspections Conducted</u>):

- July 30, 2019 (inspection #056799731-001): A BCER officer observed surface casing vent flow (SCVF); BCER officer informed the permit holder that they needed to test the flow rate and submit the results to the BCER within 30 days.
- July 12, 2024 (inspection #2024-2625): A BCER officer observed surface casing vent flow, with the surface casing vent being tied into the flow line (i.e., added to the production line) and had a pressure safety valve and pressure monitor installed; BCER officer followed up with BCER engineering to verify approval for this installation. (Connecting the surface casing vent to the flow line captures vented gas, preventing its release into the atmosphere. This

serves as an interim mitigation measure until the underlying downhole issue can be fully addressed.)

There were no other orders, warning letters or tickets associated with the well in question.

12. Can you please provide location coordinates and/or explanation of where this well is located?

D-046-k/094-H-10 WA #15681 is a remote well located approximately 163km north of Fort St John. 630253mE 6398329mN (Universal Transverse Mercator coordinate system). Enter 15681 as the "Well Authority Number" on the following GIS dataset: Well Surface Hole (Permitted) | BCER GIS Open Data Portal

13. The order notes that CNRL reported the leak in 2021 — can you confirm when the leak first started?

Surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent as long as flow does not exceed 100m³ per day (see section 41 of the Drilling and Production Regulation (DPR)).

As per regulation, well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's life, such as immediately after initial completion or any recompletion of the well or before suspension of the well – see section 41 of the DPR - and submit the results of the check to the Regulator. The BCER maintains a database of surface casing vent flow submissions from industry: (BIL-185) Surface Casing Vent Flow (search "15681" to view submissions related to the well in question).

As per above, a BCER officer observed SCVF during an inspection of the well in July 2019 and instructed the permit holder to undertake a test of the SCVF rate and submit the results to the BCER. The results indicated the flow was less than 100m³ per day and it was deemed that the SCVF did not present an immediate safety or environmental hazard and thus did not require intervention nor mitigation, as per the DPR.

CNRL staff discovered and reported a higher-rate leak on October 26, 2021, exceeding the threshold of 100m³ per day as set out in regulation. CNRL attempted a repair to the wellhead seals, which was not successful. They initially proposed to repair a suspected casing failure during the 2021/22 winter work season, as well as implement interim mitigation measures to stop the venting. After missing that timeline for conducting the repair (although they did undertake the interim mitigation measure of tying the SCVF into the flow line, as per response 11, above), CNRL proposed to repair the well in the 2023/2024 work season. Upon learning from CNRL that they were going to miss this second timeline, the BCER issued the Order for CNRL to conduct the repairs in the 2025/2026 winter work season.

14. Can you explain why the order does not require CNRL to repair the leak before March 31, 2026, given the length of time the well has been emitting?

Given the remote nature of the well, ice roads are required to be constructed to facilitate access for the ground transport required to bring in the heavy equipment needed to do the work within the wellbore. With minimal timing windows to conduct this kind of work coupled with low risk to the public and environment, additional time was granted to allow for the proper planning and execution of work to ensure its completion in a practical and safe manner. As per above, the company has implemented the interim mitigation measure of tying the surface casing vent into the flow line to capture the vented gas to prevent it from emitting to the atmosphere.

15. Is this emissions leak recorded and reported as part of B.C.'s greenhouse gas emissions?

The BCER is not responsible for tracking and reporting of greenhouse gas emissions. The *Greenhouse Gas Industrial Reporting and Control Act* and the Greenhouse Gas Emission Reporting Regulation contain the requirements for industrial greenhouse gas emissions reporting.

The BCER maintains a database of surface casing vent flow submissions from industry: (BIL-185) Surface Casing Vent Flow (search "15681" to view submissions related to the well in question).

16. Our review of inspection records found a high number of wells and pipelines with SCV leaks, most of which did not specify the rate of emissions. Does BCER track emissions data from all leaks and, if so, can you please provide us with the current totals and/or a spreadsheet or other form of documentation tracking the rates and total emissions associated with SCV and other leaks?

A comprehensive report showing surface casing vent flow submissions is available on our website. It includes all submissions made by permit holders. Each data entry is a point in time and may not reflect the current state of emissions, if any, from the well:(BIL-185) Surface Casing Vent Flow

17. Can you share more information about how the regulator informed members of the public about this leak?

The BCER makes surface casing vent flow submissions available to the public via its website, here: (BIL-185) Surface Casing Vent Flow.

18. If no information was shared with the public about this leak or if limited information was shared, are you able to provide an explanation?

See response directly above.

19. Is there any other context you would like to provide to help our readers understand why CNRL has been allowed to continue operating its other facilities while it is apparently failing to meet government regulations around emissions?

A single compliance issue, in which the equipment is acting in the manner it is designed to, is not adequate rationale to shut in or modify the rest of a company's assets.

As mentioned above, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed by regulation (DPR section 41) to vent as long as flow does not exceed 100m3 per day.

CNRL's delays in meeting timelines led the BCER to issue an order requiring the company to bring the well into compliance with the Drilling and Production Regulation within a practical set timeframe.

<image002.png> <image001.png>

<image003.png>

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communications@bc-er.ca

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From: Matt Simmons <matt@thenarwhal.ca> Sent: Monday, March 10, 2025 9:17 AM

To: Communications < communications@bc-er.ca>

Cc: Zak Vescera <zak.vescera@theijf.org>

Subject: Re: Additional questions from The Narwhal and Investigative Journalism Foundation

regarding oil and gas activities and BCER compliance and enforcement

Appreciate it, thanks.

Matt

On Mar 10, 2025, at 9:07 AM, Communications <communications@bc-er.ca> wrote:

Hi Matt and Zak,

Thanks for your understanding. We'll do our best to have our response to you by the end of today.

<image001.png>

<image005.png>

<image003.png>

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1-250-794-5200

BCER Communications communications@bc-er.ca

BCER Web Site

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From: Matt Simmons < matt@thenarwhal.ca > Sent: Monday, March 10, 2025 8:35 AM

To: Communications < communications@bc-er.ca>

Cc: Zak Vescera <zak.vescera@theijf.org>

Subject: Re: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER compliance

and enforcement

Good morning,

Thank you for this message and for working to provide response. We would appreciate hearing from you on our questions by the end of the working day today.

Perhaps, if you have partial answers approved at this point, you could send over what you've got and then follow up with the full

response when it is complete? Alternatively, or in addition to that, a phone call with Michelle Carr or Dax Bourke could be a quicker way to discuss our questions and the broader context around our reporting. I would be happy to make myself available anytime today, if that can be arranged.

Thanks, Matt

Matt Simmons I he/him Journalist, Northwest B.C. The Narwhal

<image004.png>

The Narwhal is committed to upholding the principles of truth and reconciliation through our journalism and I wish to acknowledge this land on which I live and work. I am based on unceded Gidimt'en Clan territory, home of the Wet'suwet'en nation, in Smithers, B.C.

> On Mar 7, 2025, at 12:17 PM, Communications <communications@bc-er.ca> wrote:

Hi Matt and Zak,

Apologies again for the delay. We're still hoping to have our response to you today. In the case that we're not able to get the response to you today, do you have a "drop-dead" deadline for us prior the publication of your news piece?

Thanks,

<image001.png> <image002.png>

<image003.png>

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From: Communications < communications@bc-er.ca>

Sent: Thursday, March 6, 2025 4:32 PM
To: Matt Simmons <matt@thenarwhal.ca>

Cc: Zak Vescera <zak.vescera@theijf.org>; Communications

<communications@bc-er.ca>

Subject: RE: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER compliance and enforcement

Hi Matt and Zak,

With apologies, we weren't able to finalize our response to you today. We'll continue working on our response first thing tomorrow.

Best,

<image001.png>

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From: Matt Simmons < matt@thenarwhal.ca > Sent: Wednesday, March 5, 2025 7:30 AM

To: Communications < communications@bc-er.ca>

Cc: Zak Vescera <zak.vescera@theijf.org>

Subject: Re: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas

activities and BCER compliance and enforcement

Thank you for letting us know. We look forward to receiving your responses on Thursday.

Best, Matt

> On Mar 4, 2025, at 3:43 PM, Communications <communications@bc-er.ca> wrote:

Hi Matt and Zak,

Unfortunately, we won't be able to get our response to you today. We are aiming to get you our response on Thursday.

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Office Address Directory

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communications@bc-er.ca BCER Web Site

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From: Communications communications@bc-er.ca

Sent: Friday, February 28, 2025 11:06 AM

To: Matt Simmons < matt@thenarwhal.ca >
Cc: Zak Vescera < zak.vescera@theijf.org >;
Communications < communications@bc-

er.ca>

Subject: RE: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER compliance and enforcement

Hi Matt and Zak,

We've received your request and are working on a response.

Best,

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<image003.png>

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communications@bc-er.ca

BCER Web Site

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From: Matt Simmons <<u>matt@thenarwhal.ca</u>>
Sent: Thursday, February 27, 2025 9:33 AM
To: Communications <communications@bc-

er.ca>

Cc: Carr, Michelle < <u>Michelle.Carr@bc-er.ca</u>>; <u>Dax.Bourke@bc-er.c</u>; Zak Vescera

<zak.vescera@theijf.org>

Subject: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER compliance and enforcement

Good morning,

Thank you for your answers to our previous questions. We are reaching out with follow-up questions based on two files, one from inspection records provided to The Narwhal through freedom of information legislation and another

relating to an order issued in December 2024.

Our preference is to discuss these records in an interview with a senior BC Energy Regulator official, such as Michelle Carr or Dax Bourke, both copied to this email.

Our deadline is at the end of the day on March 4, 2025, however if you need more time to respond, please let us know.

The inspection records we reviewed includes a reference to an "exemption given to CNRL for over 4,000 pipelines that are not compliant in regard to deactivation." Another similar reference mentions an exemption given to the same company that the inspector noted was for wells.

- Can you explain the nature of the "exemption" and share all available documentation associated with it?
- 2. Can you confirm the number of pipelines and/or wells covered by this exemption?
- 3. Can you share more information about how the regulator informed members of the public about the exemption?
- 4. If no information was shared with the public about this exemption or if limited information was shared, are you able to provide an explanation?

- 5. Please confirm whether the exemption is for pipelines that are not compliant, as the inspection note states, or if it is for wells that are not compliant, or both.
- 6. Can you provide an explanation of why the regulator gave CNRL an exemption for what appears to be non-compliance with government regulations and legislation?
- 7. Are there other exemptions that have been given to additional companies for similar issues? If so, please provide details of the companies in question and the nature of the exemption(s), including all relevant documentation.
- 8. Does this exemption reflect the BCER's approach to managing compliance?
- 9. Does the BC Energy Regulator believe its oversight of companies like CNRL is meeting the government agency's mandate?
- 10. Is there any other context you would like to provide, to help our readers interpret and understand the inspection note?

We are also requesting information regarding an <u>order</u> that was issued to CNRL on Dec. 16, 2024, for a surface casing vent flow that started on or before Oct. 26, 2021, at an emissions rate of 110.4 m3/day.

 Can you please share copies of all orders, warning letters, tickets and inspection records associated with the well in question?

- 2. Can you please provide location coordinates and/or explanation of where this well is located?
- The order notes that CNRL reported the leak in 2021 — can you confirm when the leak first started?
- 4. Can you explain why the order does not require CNRL to repair the leak before March 31, 2026, given the length of time the well has been emitting?
- 5. Is this emissions leak recorded and reported as part of B.C.'s greenhouse gas emissions?
- 6. Our review of inspection records found a high number of wells and pipelines with SCV leaks, most of which did not specify the rate of emissions. Does BCER track emissions data from all leaks and, if so, can you please provide us with the current totals and/or a spreadsheet or other form of documentation tracking the rates and total emissions associated with SCV and other leaks?
- 7. Can you share more information about how the regulator informed members of the public about this leak?
- 8. If no information was shared with the public about this leak or if limited information was shared, are you able to provide an explanation?
- 9. Is there any other context you would like to provide to help our readers understand why CNRL has been allowed to continue operating its other facilities while it is apparently failing to meet

government regulations around emissions?

Thank you,

Matt Simmons Reporter, The Narwhal matt@thenarwhal.ca

Zak Vescera Reporter, Investigative Journalism Foundation zak.vescera@theijf.org

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ng><ahxvhmeszb0nfp5himg_mEm0iJm4NrXACtLKv1.png>

From: Woods, Jonathan

Sent: Tuesday, March 18, 2025 4:54 PM

To: Carr, Michelle; Executive DL

Cc: Smook, Patrick; Slocomb, Richard; Bourke, Dax; van Besouw, Jordan; Currie, Graham;

Rygg, Philip; Denys, Lori

Subject: RE: MEDIA RESPONSE (follow up x3): The Narwhal/IJF - enforcement actions | Deadline:

EOD yesterday

Thanks Michelle. I'll move this forward now.





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

Victoria T. 250-419-4357

Office Address Directory F. 250-419-4403

BCER Web Site

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From: Carr, Michelle < Michelle. Carr@bc-er.ca>

Sent: Tuesday, March 18, 2025 11:06 AM

To: Woods, Jonathan < Jonathan. Woods@bc-er.ca>; Executive DL < Executive@bc-er.ca>

Cc: Smook, Patrick <Patrick.Smook@bc-er.ca>; Slocomb, Richard <Richard.Slocomb@bc-er.ca>; Bourke, Dax

<Dax.Bourke@bc-er.ca>; van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>; Currie, Graham <Graham.Currie@bc-er.ca>;

er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA RESPONSE (follow up x3): The Narwhal/IJF - enforcement actions | Deadline: EOD yesterday

No concerns from me, thanks.





Michelle Carr She/Her Commissioner, Chief Executive Officer Michelle.Carr@bc-er.ca Victoria T. 250-419-4422
Office Address Directory F. 250-419-4403
BCER Web Site

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From: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>

Sent: Tuesday, March 18, 2025 9:46 AM To: Executive DL <Executive@bc-er.ca>

Cc: Smook, Patrick < Patrick.Smook@bc-er.ca >; Slocomb, Richard < Richard.Slocomb@bc-er.ca >; Bourke, Dax < Dax.Bourke@bc-er.ca >; van Besouw, Jordan < Jordan.vanBesouw@bc-er.ca >; Currie, Graham < Graham.Currie@bc-er.ca >; Rygg, Philip < Phil.Rygg@bc-er.ca >; Denys, Lori < Lori.Denys@bc-er.ca >

Subject: MEDIA RESPONSE (follow up x3): The Narwhal/IJF - enforcement actions | Deadline: EOD yesterday

Hi Sara G. and Exec team,

s13

REPORTERS:

Zak Vescera Investigative Journalism Foundation

Matt Simmons The Narwhal

DEADLINE:

Yesterday, end of day

QUESTIONS AND PROPOSED RESPONSES:

How are you? Zak at the IJF here. Thank you for these responses. We do have a couple follow-up questions. Would it be possible to get a response to this by Monday, end of day? Thank you for your continued help and time, we want to make sure we're thorough. Please advise if you think you will require more time.

Our questions are:

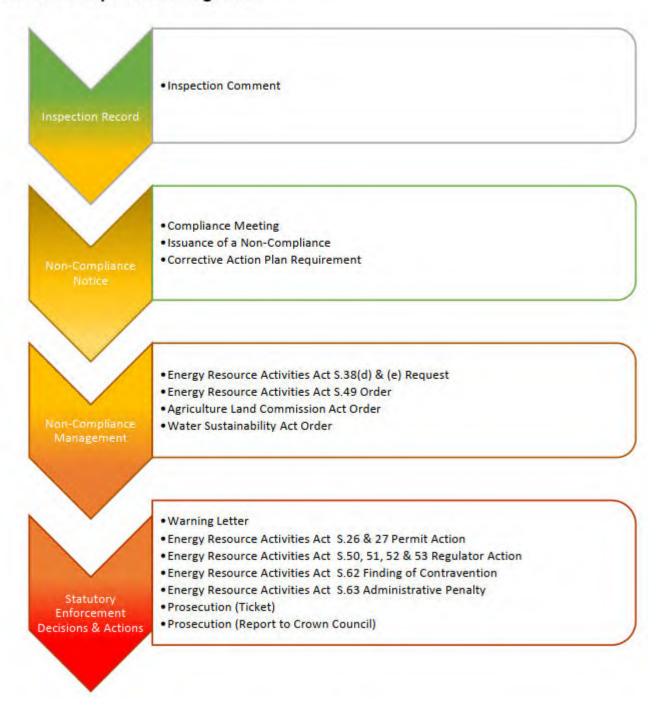
1) What actions can the regulator take against a company if a serious deficiency is identified [ed's note: we confirmed with the reporters that they are referring to cases of surface casing vent flow classified as "serious" rather than any and all "serious deficiencies" that may be observed across the full range of permit holders' activities]? For example, does the BCER have the power to issue warning letters, enforcement orders, tickets, administrative fines or other monetary penalties against these companies?

Yes, the BCER has the authority to pursue various enforcement actions (see <u>Part 5 of the Energy Resource</u> <u>Activities Act</u>) against companies deemed non-compliant and is committed to ensuring permit holders are brought back into compliance as efficiently as possible, taking into account safety and practical considerations.

The BCER is committed to taking action and strives to ensure a fair, effective, and consistent approach to enforcement when non-compliances occur.

The BCER employs a graduated non-compliance response model where appropriate, ranging from non-compliance notices to more formal, statutory enforcement actions. The graduated approach ensures non-compliance response actions are commensurate with the non-compliance and our resources are allocated for maximum effect.

Graduated Non-Compliance Management



Specifically with regards to surface casing vent flow:

As per the Drilling and Production Regulation (DPR; Section 41), well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's life. These testing requirements help ensure that permit holders identify vent flows that could be non-compliant and/or hazardous.

As mentioned in our previous response, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent gas as long as the flow does not exceed 100m³ per day, as set out in Section 41(4.01) of the Drilling and Production Regulation (note that this regulatory provision came into effect on July 1, 2021). As with all regulatory requirements, failure of a permit holder to comply with this regulatory provision could result in enforcement action.

"Serious" Surface Casing Vent Flows

Please note that a "serious" SCVF does not necessarily indicate a "serious deficiency" (the term you use in your question), but rather that the flow is considered serious as per our guidelines specified in Section 9.7.3 of the BCER Oil and Gas Operations Manual. The flow conditions we designate as "serious" in our guidelines are meant to identify situations that may pose a potential "safety or environmental hazard," as specified in Section 41(3) of the DPR.

The DPR Section 41(3) requires that "on discovery of a surface casing vent flow that presents an immediate safety or environmental hazard, a well permit holder must (a) immediately take steps to eliminate the hazard, (b) immediately notify the regulator of the surface casing vent flow, and (c) submit to the regulator without delay a report respecting the surface casing vent flow and the steps taken under paragraph (a)." A permit holder's failure to comply with the requirement to eliminate the hazard (and/or the notification requirements) may result in enforcement action as per our graduated non-compliance response model above.

2) If yes, can you provide a summary of how many enforcement actions of this nature the regulator took over the past five years, the past three years and the past 12 months?

The BCER reports orders, findings of contravention, administrative penalties, offences and prosecutions on our website to provide transparency and deter non-compliance: <u>Compliance & Enforcement | BC Energy Regulator (BCER)</u>.

With regards to enforcement actions related to SCVF over the past five years, the BCER has issued four enforcement orders and one administrative finding/penalty – in relation to two different wells - as outlined below:

Well authorization (WA) number 8183:

- General Order 2022-0144 was issued on December 7, 2022, requiring the permit holder to investigate and mitigate a natural gas SCVF that was in excess of 100 m3 per day. The permit holder complied with the provisions of the order and brought the SCVF back into compliance and the order was terminated on March 28, 2023.
- Administrative Finding 2022-0144 was rendered on October 24, 2024, which determined that the permit holder contravened the regulation and imposed a \$10,000 administrative penalty against the company.

Well authorization (WA) number 2262:

- General Order 2024-0058-01 was issued on May 30, 2024, requiring the permit holder to direct the serious SCVF to a temporary flare. The permit holder complied with the provisions of the order and the order was terminated on June 20, 2024.
- <u>General Order 2024-0058-02</u> was issued on June 20, 2024, requiring the permit holder to investigate and establish a plan to mitigate the serious SCVF. The permit holder complied with the provisions of the order and the order was terminated on August 26, 2024.
- General Order 2024-0058-03 was issued on August 2, 2024, requiring the permit holder to complete
 remediation work on the well to mitigate the serious SCVF. The permit holder complied with the provisions
 of the order and brought the SCVF back into compliance and the order was terminated on January 16,
 2025.

3) Are you able to provide us with documentation related to those enforcement actions? See response to question 2, above.

4) If any fines or other monetary penalties were issued, what was the size of those penalties for the 5-year, 3-year and 12-month periods we've asked about?

See response to question 2, above.

Additional questions:

With regards to the well with the initial leak of more than 100,000 litres per day of "fresh water":

5) Can you please confirm the source of the water?

In this case, a definitive source has not been established (note that the determination of the source of a surface casing vent flow may not be required to eliminate the hazard as required by the regulation). The well is in a remote area about 165km NNE of Fort St John and there are no water wells within a 5km radius of the well in question.

6) Can you confirm that it was "fresh" not processed water?

Yes, testing dating back to 2019 confirmed it was fresh water (i.e., containing less than 4,000 mg/L of total dissolved solids, as per the definition of "aquifer" in the Environmental Protection and Management Regulation and the Technical Guidance for Determining the "Base of Usable Groundwater").

7) If processed or otherwise altered, please provide details around the nature of the water and any additives present, per the regulations around "serious" designation (ie "the water contains substances that could cause soil or groundwater contamination.")

The water was not processed nor otherwise altered.





Jonathan Woods Communications Specialist Jonathan.Woods@bc-er.ca Victoria
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T. 250-419-4357 F. 250-419-4403

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Pages: 315-322 Redacted pursuant to: s13



Date: December 4, 2014

ConocoPhillips Canada 401 9th Avenue SW Calgary, AB T2P 2H7

Attention: Charles Roessner, B.Es.

Re: Exemption Under Section 4 (1)(e), Drilling and Production Regulation

WA# 12099 COPOL Ring a-62-K/94-H-9

Under section 4(1) (e) of the Drilling and Production Regulation (Regulation), I hereby exempt ConocoPhillips Canada from the provisions of section 18(9)(a) of the Regulation in effect until the well is inactive, subject to the following conditions:

- 1. This exemption is limited to the installation of a burst plate on the surface casing vent assembly as outlined in the exemption request letter, dated December 4, 2014.
- 2. The pressure rating of the burst plate must not exceed 1312 kPa, 75% of the maximum allowable surface casing shut in pressure.
- 3. ConocoPhillips will continue to monitor the wells on an annual basis, track the results, and provide same to the Commission.
- 4. The Commission must be notified if there is a significant change in the surface casing vent flow, including the volume, shut in pressure or fluid composition.

I am making this exemption based on the following:

- a. The subject well has a non-saline water surface casing vent flow and a stabilized surface casing vent shut in pressure of 83 kPa.
- b. Installation of a burst plate will eliminate the discharge of non-saline water to the ground.

John Nurkowski, P.Geo.

Supervisor, Drilling and Production

BC Oil and Gas Commission

Pages: 324-330 Redacted pursuant to: s13 From: Bourke, Dax

Sent: Tuesday, March 18, 2025 10:48 AM

To: Kirschner, Katie

Subject: FW: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: yesterday

Attachments: 2025.03.07 Exemption Provisions.xlsx





Day Bourke CD Executive Director, Compliance & Enforcement

Office Address Directory Dax.Bourke@bc-er.ca **BCER Web Site**

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Fort St. John

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From: Gregory, Sara <Sara.Gregory@bc-er.ca>

Sent: Friday, March 7, 2025 1:20 PM

To: Bourke, Dax <Dax.Bourke@bc-er.ca>; Koosmann, Nicole <Nicole.Koosmann@bc-er.ca>; Carr, Michelle <Michelle.Carr@bc-er.ca>; Woods, Jonathan <Jonathan.Woods@bc-er.ca>; Executive DL <Executive@bc-er.ca>

Cc: Parsonage, Kevin <Kevin.Parsonage@bc-er.ca>; van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>; Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>; Currie, Graham < Graham. Currie@bc-er.ca>; Rygg, Philip < Phil. Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: yesterday

With thanks to Lauren Krakau – the current exemption authorities are attached.

s13





Sara Gregory She/Her Chief Legal Counsel, Governance & Regulatory Affairs Sara.Gregory@bc-er.ca

Victoria T. 250-419-4476 Office Address Directory F. 250-419-4403 **BCER Web Site**

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Pages: 332-333 Redacted pursuant to: s13

Act Geothermal Resources	s. # 23	sub s.#	Type Delegation	Title Regulations and orders	Provision (2) A regulation or order made under subsection (1) may provided that the regulator may, by order, in relation to a	Exemption? YES	Origin	Notes Wording of this Act allows direct delegation by the BCER.
Act (RSBC 1996) c. 171		_		made by board	particular location or well and subject to conditions the regulator specifies, exempt a person from the application of all or part of the regulation or order.		BCER (per ERAA s. 7)	
Land Act (RSBC 1996) c. 254	. 32	n/a	Authorization	Application procedure for dispositions	(1) An application for disposition by purchase, lease, licence of occupation, easement or right of way must be (a) made to the minister in the form specified by the minister, and (b) accompanied by the application fee and the information required by the minister. (2) If the application complies with this Act and the regulations and has been accepted, the minister must publish the application on a publicly accessible website maintained by or on behalf of the minister. (3) If the land is unsurveyed or if no evidence of survey is available, the applicant must (a) before making the application, fix securely in the ground, at one corner of the land to be applied for, a squared post or squared tree, at least 1 m above the ground level, and securely attach to the post or tree a written notice in the form specified by the minister of the applicant's intention to make an application for a disposition of the land described in the notice, and (b) with the application, provide the proof of the posting of the notice as required by the minister. (3.1) The minister may waive compliance with subsection (3).	YES	WLRS (per delegation matrix dated July 15, 2024)	BCER, only for authorizations described in section 11 (2) (b)-(d) related to geothermal resources, as defined in the <i>Geothermal Resource Act</i> , except for roads. Only the Commissioner will exercise the delegated authority of the BCER and must consider ministry <i>Land Act</i> policies and procedures when doing so.
Energy Resource Activities Act (SBC 2008 c. 36	22	4	Delegation	Consultation and notification	22 (4) The regulator, on written request, may exempt a person from one or more of the applicable consultation or notification requirements under subsection (3) and, on making an exemption, substitute other consultation or notification requirements than those prescribed for the purposes of subsection (3).	YES	BCER (per ERAA s. 7(5))	
Energy Resource Activities Act (SBC 2008 c. 36	31	1.1, 5 & 7	Delegation	Amendment of permit	31 (1.1) The regulator may exempt a person or a class of persons from the requirement to provide notice under subsection (1) to a land owner or a class of land owners if the regulator is satisfied that (a) the activity respecting the proposed amendment would not be carried out on the land of the land owner or class of land owners, and (b) the proposed amendment would not change the effect of the permit on the land of the land owner or class of land owners.			
					(5)On receipt of an application under subsection (4), the regulator may require the permit holder to carry out one or more of the prescribed consultations or provide one or more of the prescribed notices, as applicable, with respect to the proposed amendment (3) On except of an application under subsection (4) and offer considering a submission made under subsection (7) if page	YES	BCER (per ERAA s. 7(5))	
					(7) On receipt of an application under subsection (4) and after considering a submission made under subsection (2), if any, and the results of consultations carried out or notices provided under subsection (5), if any, the regulator may amend the permit holder's permit or refuse to amend the permit.			
Energy Resource Activities Act (SBC 2008) c. 36	36	2	Delegation	Environmental protection and management	(2) Subject to regulations made under section 98, the regulator, by order, may exempt, on any conditions the regulator considers necessary, a permit holder or a person carrying out an oil and gas activity from a requirement imposed by regulation under section 103.	YES	BCER (per ERAA s. 7(5))	
Wildfire Act (SBC 2004) c. 31	72	3	Designation	Protection of forest resources	72 (3) An official may exempt a person from all or part of a regulation made under subsection (2), subject to conditions or alternative requirements the official may specify.	YES	BCER	Authority given in item (b) of the definition of "official" in the $\mbox{\it Wildfire}$ Act .

Regulation	s. #	sub s.#	Туре	Title	Provision	Exemption?	Origin	Notes
Dormancy and Shutdown Regulation (BC Reg 112/2019)	3	3	Delegation	When wells are dormant	(3) The regulator may give to a permit holder a written notice for the purposes of subsection (2) in relation to a well if the regulator is satisfied, having regard to the following factors, that an event referred to in subsection (1) (a) will occur for the well within a reasonable period of time: (a) available reserves; (b) economic factors, including, without limitation, (i) the cost to bring the well online, and (iii) forecasted production and prices; (c) safety factors, including, without limitation, well integrity.	YES	BCER (per ERAA s. 7(5))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (a)	Designation	Exemptions for particular sites and installations from specified provisions	(4) Sarety ractors, including, without initiation, well integrity. 4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (a) section 5 (2) (a) (position of wells); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (b)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (b) section 6 (4) (spacing and target areas for oil wells); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (c)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (c) section 7 (3) (spacing and target areas for gas wells); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (c.1)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (c.1) section 15 (3) (protection from hazards); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (d)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (d) section 16 (1) (b), (2) and (3) (Tools, casing, equipment and materials); (2) in granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (e)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (e) section 18 (casing requirements); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (f)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (f) section 25 (5) (inactive or suspended wells); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (g)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (g) section 26 (1) (a) and (d) (plugging requirements for wells); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (h)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (h) section 29 (well samples and cores); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (i)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (i) section 31 (examination of cores); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (j)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (j) section 33 (1), (2) and (4) (deviation and directional surveys); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Production Regulation (BC Reg 282/2010)	4	1 (k)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (k) section 34 (1), (2.1), (6.1) and (7) (tests analyses surveys and logs); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	

Regulation Drilling and Prod	s.# duction 4	sub s.# 1 (I)	Type Designation	Title Exemptions for	Provision 4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following:	Exemption?	Origin	Notes
Regulation (BC F 282/2010)	Reg			particular sites and installations from specified provisions	(I) section 39 (safety and pollution prevention);(2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Proc Regulation (BC F 282/2010)		1 (m)	Designation	Exemptions for particular sites and installations from specified provisions	 4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (m) section 41 (4) and (6) (venting and fugitive emissions); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary. 	YES	BCER (per ERAA s. 7(4))	
Drilling and Prod Regulation (BC F 282/2010)		1 (m.1)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (m.1) section 41.1 (2), (3), (5) and (6) (leak detection and repair); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Proc Regulation (BC F 282/2010)		1 (n)	Designation	Exemptions for particular sites and installations from specified provisions	 4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (n) section 45 (3) (b) (fire precautions); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary. 	YES	BCER (per ERAA s. 7(4))	
Drilling and Proc Regulation (BC F 282/2010)		1 (n.1)	Designation	Exemptions for particular sites and installations from specified provisions	 4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (n.1) section 47 (c) (fire prevention); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary. 	YES	BCER (per ERAA s. 7(4))	
Drilling and Proc Regulation (BC F 282/2010)		1 (n.2)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (n.2) section 48 (position of tanks and production equipment);(2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Proc Regulation (BC F 282/2010)		1 (0)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (o) section 51 (3) and (6) (storage and disposal of wastes); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Proc Regulation (BC F 282/2010)		1 (p)	Designation	Exemptions for particular sites and installations from specified provisions	 4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (p) section 54 (2) and (6) (daily oil allowable); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary. 	YES	BCER (per ERAA s. 7(4))	
Drilling and Proc Regulation (BC F 282/2010)		1 (q)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following:(q) section 55 (restriction of oil production);(2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Proc Regulation (BC F 282/2010)		1 (r)	Designation	Exemptions for particular sites and installations from specified provisions	 4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (r) section 58 (1) (production test of oil wells); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary. 	YES	BCER (per ERAA s. 7(4))	
Drilling and Proc Regulation (BC F 282/2010)		1 (s)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (s) section 59 (2) (calculation of oil production); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Proc Regulation (BC F 282/2010)		1 (t)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (t) section 60 (2) (underproduction of oil); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Drilling and Proc Regulation (BC F 282/2010)		1 (u)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (u) section 62 (1) (analysis of oil and hydrocarbon liquid production); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	

Regula	ation g and Production	s. #	sub s.# 1 (v)	Type Designation	Title Exemptions for	Provision 4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following:	Exemption?	Origin	Notes
	ition (BC Reg	•	1(1)	Sesignation.	particular sites and installations from specified provisions	(v) section 63 (1) (gas well tests); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
	g and Production ition (BC Reg 010)	4	1 (w)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (w) section 65 (4) and (5) (restriction of gas production); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
	g and Production ation (BC Reg ()10)	4	1 (x)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (x) section 67 (1) (analysis of natural gas and hydrocarbon liquid production); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
	g and Production ation (BC Reg 010)	4	1 (y)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (y) section 71 (1) (water analysis); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
	g and Production ation (BC Reg 010)	4	1 (z)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (2) section 73 (1) and (2) (reservoir pressure measurements); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
	g and Production ation (BC Reg 010)	4	1 (z.01)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (2.01) section 78 (2), (3), (4) and (6) (production facilities); (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
	g and Production ation (BC Reg 010)	4	1 (z.1)	Designation	Exemptions for particular sites and installations from specified provisions	4 (1) An official may grant to a permit holder an exemption in writing from the application of any or all of the following: (2.1) section 79 (1) (b) (obligations on cancellation or cessation of operations). (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
	g and Production ation (BC Reg 010)	26	2	Designation	Plugging requirements for wells	(2) For wells drilled to access usable groundwater, an official may exempt, on conditions the official considers advisable, the permit holder from a requirement under subsection (1).	YES	BCER (per ERAA s. 7(4))	
Emerg Manag Regula 217/20	gement ation (BC Reg	18	n/a	Designation	Exemptions	18. (1) An official may exempt a permit holder from complying with one or more provisions of this regulation if the official is satisfied that, in the circumstances, (a) compliance with the provision or provisions is not reasonably practicable, or (b) the exemption is in the public interest. (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary	YES	BCER (per ERAA s. 7(4))	
Activit	Resource ies Act General ation (BC Reg 010)	22	n/a	Delegation	Discovery wells	22 Despite section 17 (1), on application by a permit holder of a well or portion of a well designated as a discovery well under section 2 (3) (b) of the Drilling and Production Regulation, the regulator may exempt a subsequent well drilled in the same pool as the discovery well from the application of section 17 (1) and substitute the date applicable to the discovery well under section 17 (1) as the date when the well reports and well data respecting the subsequent well must be released from confidential status.	YES	BCER (per ERAA s. 7(5))	
	Resource Road ation (BC Reg 13)	28	n/a	Designation	Exemptions by officials	28 On application or on his or her own motion, an official may exempt, with or without conditions, a road permit holder from one or more provisions of this regulation if the official is satisfied that, in the circumstances, (a) it is not reasonably practicable to require the road permit holder to comply with the provision, or (b) the exemption is in the public interest.	YES	BCER (per ERAA s. 7(4))	
	Resource Road ation (BC Reg 13)	28	n/a	Designation	Exemptions by official	NEW - An official may exempt a permit holder from complying with one or more provisions of this regulation and may impose one or more conditions with respect to the exemption.	YES	BCER (per ERAA s. 7(4))	
Protect Manag	nmental tion and gement ation (BC Reg 010)	21	n/a	Delegation	Exemptions by regulator	The regulator may exempt a person or a class of persons from one or more of the requirements of Divisions 1 and 2 of this Part if satisfied that, in the circumstances, it is not reasonably practicable for the person to comply with the requirement.	YES	BCER (per ERAA s. 7(5))	

Regulation Geophysical Exploration Regulation (BC Reg	s.# 2	sub s.# 3, 5, 7 & 8	Type Designation	Title Reports	Provision 2 (3) An official may grant to a geophysical permit holder a written exemption from all or part of subsection (2) if the official is satisfied the project does not involve	Exemption?	Origin	Notes
280/2010)					(a) the drilling of holes and the use of explosive charges, or (b) the construction of new access or new cutlines (5) An official may grant to a geophysical permit holder a written exemption from subsection (4) if the official is satisfied that the project does not involve (a) the drilling of holes and the use of explosive charges, or (b) the construction of new access or new cutlines.	YES	BCER (per ERAA s. 7(4))	
Geophysical Exploration Regulation (BC Reg 280/2010)	6	3	Designation	Marking shot holes	6 (3) If an official considers it appropriate in the circumstances, the official may grant to a geophysical permit holder a written exemption from subsection (1).	YES	BCER (per ERAA s. 7(4))	
Geothermal Operations Regulation (BC Reg 79/2017)	48	1 & 2	Designation	Exemption	48. (1) An official may exempt a well authorization holder from complying with one or more provisions of this regulation if the official is satisfied that, in the circumstances, (a) compliance with the provision or provisions is not reasonably practicable, or (b) the exemption is in the public interest. (2) In granting an exemption under subsection (1), the official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Hydrogen Facility Regulation (BC Reg 27/2025)	47	(2)&(3)	Designation	Exemptions	(1)This section applies in relation to (a)section 3, and (b)Parts 4 to 7, other than sections 39 and 48. (2)An official may exempt an applicant for a hydrogen facility permit or a hydrogen facility permit holder from complying with one or more provisions of this regulation if the official is satisfied that, in the circumstances, (a)compliance with the provision is not reasonably practicable, or (b)the exemption is in the public interest. (3)In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.		BCER (per ERAA s. 7(4))	
Liquefied Natural Gas Facility Regulation (BC Reg 146/2014)	25	n/a	Designation	Exemptions	$25 \ An official \ may \ exempt \ an LNG \ facility \ permit \ holder \ from \ complying \ with \ one \ or \ more \ provisions \ of \ this \ regulation \ and \ may \ impose \ one \ or \ more \ conditions \ with \ respect \ to \ the \ exemption.$	YES	BCER (per ERAA s. 7(4))	
Oil and Gas Processing Facility Regulation (BC Reg 48/2021)	9	2	Delegation		(2) Unless the regulator permits otherwise, a processing facility permit holder must construct a processing facility in accordance with the codes and standards.	YES	BCER (per ERAA s. 7(5))	
Oil and Gas Processing Facility Regulation (BC Reg 48/2021)	32	n/a	Designation	Exemptions	An official may exempt, with or without conditions, an applicant for a processing facility permit and a processing facility permit holder from complying with one or more provisions of this regulation.	YES	BCER (per ERAA s. 7(4))	
Pipeline Regulation (BC Reg 281/2010)	14	n/a	Designation	Exemptions	14 An official may exempt a pipeline permit holder or former pipeline permit holder from complying with one or more provisions of this regulation if the official is satisfied that, in the circumstances, (a) compliance with the provision or provisions is not reasonably practicable, or (b) the exemption is in the public interest.	YES	BCER (per ERAA s. 7(4))	
Security Management Regulation (BC Reg 181/2022)	11	n/a	Designation	Exemptions	(1) An official may exempt a permit holder from complying with one or more provisions of this regulation or with one or more requirements of CSA Z246.1 if the official is satisfied that, in the circumstances, (a) compliance with the provision or requirement is not reasonably practicable, or (b) the exemption is in the public interest. (2) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.	YES	BCER (per ERAA s. 7(4))	
Wildfire Regulation (BC Reg 38/2005)	26	1 & 2	Designation	Exemptions from certain provisions of the Act	26 (1) An official is authorized to exempt a person from section 5, 6 or 7 of the Act if satisfied that the exemption is necessary or desirable because the provision that will be the subject of the exemption is inappropriate, given the circumstances or conditions applicable to an area or to the operations of the person to be exempted. (2) In making an exemption under this section the official may make the exemption subject to conditions.	YES	BCER (per ERAA s. 7)

From: Woods, Jonathan

Sent: Tuesday, March 18, 2025 8:58 AM

To: Bourke, Dax

Subject: RE: DRAFT MEDIA RESPONSE (follow up x3): The Narwhal/IJF - enforcement actions |

Deadline: EOD today

Thanks Dax





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BCER Web Site

We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water

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From: Bourke, Dax <Dax.Bourke@bc-er.ca>
Sent: Tuesday, March 18, 2025 8:55 AM

To: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Subject: RE: DRAFT MEDIA RESPONSE (follow up x3): The Narwhal/IJF - enforcement actions | Deadline: EOD today

My two cents on shortening below.





Dax Bourke CD

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s22

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Tuesday, March 18, 2025 8:32 AM To: Robb, Peter < Peter.Robb@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca >; Bourke, Dax < Dax. Bourke@bc-er.ca >; van Besouw, Jordan

<Jordan.vanBesouw@bc-er.ca>; Slocomb, Richard <Richard.Slocomb@bc-er.ca>; Currie, Graham <Graham.Currie@bc-</p>

er.ca>; Rygg, Philip < Phil.Rygg@bc-er.ca>

Subject: RE: DRAFT MEDIA RESPONSE (follow up x3): The Narwhal/IJF - enforcement actions | Deadline: EOD today

Pages: 340-347 Redacted pursuant to: s13 From: Currie, Graham

Sent: Friday, March 14, 2025 4:41 PM

To: Leadership Group

Cc: Rygg, Philip; Johnson, Justine; Gerlach, Lisa; Bligh, Stacey
Subject: Issue Notes & Media Tracker - Week of March 10-14, 2025

Attachments: TRACKER_Weekly Media_14March2025.pdf; IN_LNGC - Noise Complaints_Updt_March

14 2025.docx

Good afternoon – please find the media tracker attached, along with an update to an existing issue note...

Have a good weekend everyone,

Graham





Graham Currie
Executive Director, Public Trust
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Total requests: 4

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 27	C&E – CNRL	The Narwhal / Investigative Journalism Foundation	Matt Simmons / Zak Vescera	Dax Bourke / Jordan van Besouw / Nicole Koosman / Kevin Parsonage	Response sent March 10

QUESTIONS AND RESPONSES:

Thank you for your answers to our previous questions. We are reaching out with follow-up questions based on two files, one from inspection records provided to The Narwhal through freedom of information legislation and another relating to an order issued in December 2024.

Our preference is to discuss these records in an interview with a senior BC Energy Regulator official, such as Michelle Carr or Dax Bourke, both copied to this email.

Our deadline is at the end of the day on March 4, 2025, however if you need more time to respond, please let us know.

The inspection records we reviewed includes a reference to an "exemption given to CNRL for over 4,000 pipelines that are not compliant in regard to deactivation." Another similar reference mentions an exemption given to the same company that the inspector noted was for wells.

1. Can you explain the nature of the "exemption" and share all available documentation associated with it?

Well exemptions:

Section 4 of the Drilling & Production Regulation allows for the exemption of a well permit holder from the requirement to comply with certain sections of the Regulation. Requests are evaluated on their merits, and specific to the circumstances around each well covered by a request. Conditions may also be attached to an exemption granted under section 4.

Given the range of sections for which exemptions may be granted, additional information is needed for us to identify and comment on the specific well(s)/exemption(s) in question. As such, our responses regarding exemptions below will only cover the exemption given to CNRL for pipeline deactivation.

The BCER has a range of tools as its disposal for ensuring compliance, including exemptions, Orders, and other enforcement powers. The use of those tools is commensurate with the level of non-compliance. As an example, we have previously issued an order to CNRL to bring inactive wells into compliance with suspension requirements: General-Order-2018-019.pdf

Pipeline exemption:

Section 14 of the Pipeline Regulation allows for the exemption of a pipeline permit holder or former pipeline permit holder from complying with one or more provisions of the regulation if the official is satisfied that, in the circumstances, compliance with the provision or provisions is not reasonably practicable, or the exemption is in the public interest.

Deactivating pipelines provides safety and environmental protection through the removal of fluids from the pipes and the isolation of the pipelines from any other systems. Permit holders are required to continue to monitor the pipelines after their deactivation until they are removed or abandoned. Deactivating pipelines reduces liability, increases restoration, and reduces the risk of a spill.

In this instance, the BC Oil and Gas Commission, now BC Energy Regulator (BCER) identified - through an administrative compliance verification process of an integrity focused audit of operators' pipeline deactivation programs - that CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation (i.e., that pipelines must be deactivated within 18 months of not flowing) and needed to be deactivated.

The BCER has many regulatory mechanisms at its disposal to bring permit holders back into compliance and is committed to ensuring permit holders are brought back into compliance as efficiently as possible, taking into account safety and practical considerations.

In this case, CNRL proposed a systematic, co-ordinated, multi-year approach to its deactivation of the non-compliant pipelines that was deemed by the BCER as being preferable to addressing each instance on a more scattershot, case-by-case basis (as would have been required as per the section 9 provisions), as the systematic approach would reduce the overall time to deactivate all of the pipelines and reduce the associated land disturbance conducting the work. In order for CNRL to undertake the systematic approach, the BCER needed to exempt the non-compliant pipelines in question from their section 9 requirements of the Pipeline Regulation. The BCER made the decision to provide the exemption based on the impracticality of CNRL achieving compliance of the pipelines with the section 9 timeline requirements and the public interest in having the pipelines brought into compliance more quickly with less land disturbance.

The systematic approach is/has:

- Area-based: many of the pipelines are located throughout remote northeastern B.C. in difficult to access terrain. The area-based approach was deemed preferrable to addressing single pipelines one at a time as there is a larger environmental impact to make repeated access paths to the pipelines, including winter only access with ice road construction, compared with an area-based construction approach.
- Risk-based: focusing on deactivating the highest risk pipelines first
- Co-ordinated in a planned fashion over time: allows for CNRL to form dedicated crews to plan and coordinate their work efficiently rather than effectively requiring CNRL to immediately address all of the non-compliant pipelines, which would result in a more inefficient scattershot approach.
- Clear, measurable timelines for how and when compliance is to be achieved, with annual updates to the BCER.
- Aligned with the Dormancy and Shutdown Regulation (Dormancy and Shutdown Regulation)

CNRL is required to complete deactivation of all the pipelines by the end of 2028.

Your request to get copies of the associated documentation can be pursued through an FOI request: Freedom of Information | BC Energy Regulator (BCER)

2. Can you confirm the number of pipelines and/or wells covered by this exemption?

The original exemption included 4312 pipelines. That included 2266 that were identified as potentially inactive at the time of the exemption and 2046 that were projected to become inactive over the duration of the exemption. It included pipelines that were potentially non-compliant (i.e. pipelines that required deactivation) and those that required verification of their status and administrative submissions to update their status.

Between January 2020 and March 2024 CNRL either deactivated, or confirmed compliance on 2992 pipelines, or 69% of the pipelines in the original exemption. In March of 2024 the exemption was updated to address 1320 pipelines by 2028. As of March 7, 2025, there are 865 remaining pipelines to deactivate.

3. Can you share more information about how the regulator informed members of the public about the exemption?

The BCER does not post publicly when exemptions to regulation are granted.

4. If no information was shared with the public about this exemption or if limited information was shared, are you able to provide an explanation?

Over the past several years, the BCER has focused efforts to improve transparency on core operational processes and we are working to continuously improve. Recent examples include data and reporting specific to Compliance Management Verification, Field Inspections, and Enforcement.

The BCER reports inspection summaries (Field Inspections Conducted), orders, findings of contravention, administrative penalties, offences and prosecutions Compliance & Enforcement | BC Energy Regulator (BCER)) on our website to provide transparency and deter non-compliance.

5. Please confirm whether the exemption is for pipelines that are not compliant, as the inspection note states, or if it is for wells that are not compliant, or both.

see our response to question 1, above.

6. Can you provide an explanation of why the regulator gave CNRL an exemption for what appears to be non-compliance with government regulations and legislation?

see our response to question 1, above.

7. Are there other exemptions that have been given to additional companies for similar issues? If so, please provide details of the companies in question and the nature of the exemption(s), including all relevant documentation.

A similar exemption was provided to TAQA North Ltd. In 2020 regarding the deactivation of 54 pipelines in the Chinchaga and Boundary Lake areas. All required work has been completed.

8. Does this exemption reflect the BCER's approach to managing compliance?

The BCER manages compliance through proactive education and promotion, monitoring and assessing permit holder activities and enforcement of non-compliances.

Effective enforcement protects the public and the environment, remedies non-compliances, ensures fairness, and acts as a deterrent for future non-compliance. The BCER is committed to taking action and strives to ensure a fair, effective, and consistent approach to enforcement when non-compliances occur.

The use of exemptions is written into the legislation. It is one tool that can be used to achieve compliance as part of the BCER's graduated enforcement model.

The graduated approach ensures non-compliance response actions are commensurate with the non-compliance and the BCER's resources are allocated for maximum effect.

The BCER reports inspection summaries and orders, findings of contravention, administrative penalties, offences and prosecutions on our website to provide transparency and deter non-compliance.

9. Does the BC Energy Regulator believe its oversight of companies like CNRL is meeting the government agency's mandate?

Yes, we believe we are meeting our mandate and the BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the continued protection of the environment and public safety.

10. Is there any other context you would like to provide, to help our readers interpret and understand the inspection note?

Inspections are a snapshot in time. In this case, the inspector was performing due diligence in noting the non-compliance (i.e., the pipeline hadn't been deactivated), while also providing the contextual information that there was an exemption in place for the non-compliance, as part of a thorough inspection record.

We are also requesting information regarding an order that was issued to CNRL on Dec. 16, 2024, for a surface casing vent flow that started on or before Oct. 26, 2021, at an emissions rate of 110.4 m3/day.

11. Can you please share copies of all orders, warning letters, tickets and inspection records associated with the well in question?

Inspections of the well (inspection summaries are available here: Field Inspections Conducted):

- July 30, 2019 (inspection #056799731-001): A BCER officer observed surface casing vent flow (SCVF); BCER officer informed the permit holder that they needed to test the flow rate and submit the results to the BCER within 30 days.
- July 12, 2024 (inspection #2024-2625): A BCER officer observed surface casing vent flow, with the surface casing vent being tied into the flow line (i.e., added to the production line) and had a pressure safety valve and pressure monitor installed; BCER officer followed up with BCER engineering to verify approval for this installation. (Connecting the surface casing vent to the flow line captures vented gas, preventing its release into the atmosphere. This serves as an interim mitigation measure until the underlying downhole issue can be fully addressed.)

There were no other orders, warning letters or tickets associated with the well in question.

12. Can you please provide location coordinates and/or explanation of where this well is located?

D-046-k/094-H-10 WA #15681 is a remote well located approximately 163km north of Fort St John. 630253mE 6398329mN (Universal Transverse Mercator coordinate system). Enter 15681 as the "Well Authority Number" on the following GIS dataset: Well Surface Hole (Permitted) | BCER GIS Open Data Portal

13. The order notes that CNRL reported the leak in 2021 — can you confirm when the leak first started?

Surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent as long as flow does not exceed 100m³ per day (see section 41 of the Drilling and Production Regulation (DPR)).

As per regulation, well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's life, such as immediately after initial completion or any recompletion of the well or before suspension of the well – see section 41 of the DPR - and submit the results of the check to the Regulator. The BCER maintains a database of surface casing vent flow submissions from industry: (BIL-185) Surface Casing Vent Flow (search "15681" to view submissions related to the well in question).

As per above, a BCER officer observed SCVF during an inspection of the well in July 2019 and instructed the permit holder to undertake a test of the SCVF rate and submit the results to the BCER. The results indicated the flow was less than 100m³ per day and it was deemed that the SCVF did not present an immediate safety or environmental hazard and thus did not require intervention nor mitigation, as per the DPR.

CNRL staff discovered and reported a higher-rate leak on October 26, 2021, exceeding the threshold of 100m³ per day as set out in regulation. CNRL attempted a repair to the wellhead seals, which was not successful. They initially proposed to repair a suspected casing failure during the 2021/22 winter work season, as well as implement interim mitigation measures to stop the venting. After missing that timeline for conducting the repair (although they did undertake the interim mitigation measure of tying the SCVF into the flow line, as per response 11, above), CNRL proposed to repair the well in the 2023/2024 work season. Upon learning from CNRL that they were going to miss this second timeline, the BCER issued the Order for CNRL to conduct the repairs in the 2025/2026 winter work season.

14. Can you explain why the order does not require CNRL to repair the leak before March 31, 2026, given the length of time the well has been emitting?

Given the remote nature of the well, ice roads are required to be constructed to facilitate access for the ground transport required to bring in the heavy equipment needed to do the work within the wellbore. With minimal timing windows to conduct this kind of work coupled with low risk to the public and environment, additional time was granted to allow for the proper planning and execution of work to ensure its completion in a practical and safe manner. As per above, the company has implemented the interim mitigation measure of tying the surface casing vent into the flow line to capture the vented gas to prevent it from emitting to the atmosphere.

15. Is this emissions leak recorded and reported as part of B.C.'s greenhouse gas emissions?

The BCER is not responsible for tracking and reporting of greenhouse gas emissions. The *Greenhouse Gas Industrial Reporting and Control Act* and the Greenhouse Gas Emission Reporting Regulation contain the requirements for industrial greenhouse gas emissions reporting. The BCER maintains a database of surface casing vent flow submissions from industry: (BIL-185) Surface Casing Vent Flow (search "15681" to view submissions related to the well in question).

16. Our review of inspection records found a high number of wells and pipelines with SCV leaks, most of which did not specify the rate of emissions. Does BCER track emissions data from all leaks and, if so, can you please provide us with the current totals and/or a spreadsheet or other form of documentation tracking the rates and total emissions associated with SCV and other leaks?

A comprehensive report showing surface casing vent flow submissions is available on our website. It includes all submissions made by permit holders. Each data entry is a point in time and may not reflect the current state of emissions, if any, from the well: (BIL-185) Surface Casing Vent Flow

17. Can you share more information about how the regulator informed members of the public about this leak?

The BCER makes surface casing vent flow submissions available to the public via its website, here: (BIL-185) Surface Casing Vent Flow.

18. If no information was shared with the public about this leak or if limited information was shared, are you able to provide an explanation?

See response directly above.

19. Is there any other context you would like to provide to help our readers understand why CNRL has been allowed to continue operating its other facilities while it is apparently failing to meet government regulations around emissions?

A single compliance issue, in which the equipment is acting in the manner it is designed to, is not adequate rationale to shut in or modify the rest of a company's assets.

As mentioned above, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed by regulation (DPR section 41) to vent as long as flow does not exceed 100m³ per day.

CNRL's delays in meeting timelines led the BCER to issue an order requiring the company to bring the well into compliance with the Drilling and Production Regulation within a practical set timeframe.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Mar 11	C&E – surface casing vent flows	The Narwhal / Investigative Journalism Foundation	Matt Simmons / Zak Vescera	Jordan van Besouw	Response sent March 13

QUESTIONS AND RESPONSES:

Thanks again for your response. Please see the follow-up questions below, related to the information provided regarding surface casing vent flows. Our deadline for these follow-ups is 1 p.m. PT.

1) According to the SCVF database you sent, there were 44 instances of "serious" surface casing vent flows reported within the past 12 months, 160 in the past three years and 252 within the last five years. Among those records was one site with hydrogen sulphide emissions at a concentration of 5,000 ppm, another with gas flow at 300 cubic metres per day and another with a liquid leak of more than 100,000 litres per day. Can you confirm these numbers are accurate and provide any further context to help our readers understand these numbers?

As mentioned in our previous response, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent gas as long as flow does not exceed 100m³ per day (see section 41 of the Drilling and Production Regulation (DPR)).

As per regulation, well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's life, such as immediately after initial completion or any recompletion of the well or before suspension of the well – see section 41 of the DPR - and submit the results of the check to the Regulator (these submissions constitute the records in our SCVF database – note that the characteristics of vent flows may change over time, and submissions made by permit holders reflect the characteristics present at the time of the test). These testing and reporting requirements help ensure that permit holders identify and address emissions that could pose hazards. Where a vent flow presents an immediate safety or environmental hazard, section 41(3) of the Drilling and Production Regulation requires permit holders to immediately take steps to eliminate the hazard, notify the regulator, and submit a report outlining the actions taken to eliminate the hazard.

Section 9.7.3 of the BCER <u>Oil and Gas Operations Manual</u> identifies the characteristics of a vent flow that would result in a "serious" designation:

- Vent flows with hydrogen sulphide (H₂S) present
- Vent flow with a stabilized gas flow rate equal to or greater than 300 cubic metres per day (m3/d).
- Vent flow with a surface casing vent stabilized shut-in pressure greater than one half the formation leak-off pressure at the surface casing shoe or 11 kPa/m times the surface casing setting depth.
- Hydrocarbon liquid (oil) vent flow.
- Vent flow due to wellhead seal failures or casing failure.

- Water vent flow if the water contains substances that could cause soil or groundwater contamination.
- Vent flow where any usable water zone is not covered by cemented casing.

Note that while the term "serious" is used to categorize these vent flows, they do not always indicate an immediate safety or environmental risk.

We can confirm that there are 44 records of serious surface casing vent flows within the past 12 months. Note that some wells are represented more than once, as a result of the permit holder making multiple submissions over the course of the year – see Well Authorization Numbers 02540 and 29760 for instance. It is important to note that the flow rates and buildup pressures numbers in the database do not necessarily indicate an ongoing release, but rather *capability* of flow.

For example, it was discovered over ten years ago that Well Authorization Number (WA) 12099 - the well you reference in your question as having "a liquid leak of more than 100,000 litres per day" - had a "serious" vent flow; i.e., a vent flow of fresh water. The permit holder investigated well records for the subject well, and others in the area, to confirm that the flow does not pose any hazard to the groundwater or the environment. This flow was mitigated by the installation of a pressure safety valve, which stopped the liquid flow from the well. The 2024 record for this well in the database reflects the result of a point-in-time, controlled test of the well to determine the current flow rate from the well if the mitigation were not in place. That is, if the well didn't have the pressure safety valve, it would be flowing at a rate of 110,880 litres of water per day. So, this well has a "serious" SCVF present, but it is mitigated.

We can confirm that all of the wells represented in the 44 "serious" records over the past 12 months have mitigations in place to control the identified hazards and are within compliance with regards to surface casing vent flow-related regulation. (Regarding the other two specific wells you reference in your question, once the hazards were discovered, WA 9354 (H_2S of 5000 ppm) was mitigated by installing an H_2S scrubber, followed by repairs to the wellhead seals which stopped the SCVF. WA 802 (gas flow rate of 300 m3/d) was mitigated by installing a pressure safety valve (PSV), stopping the emissions).

2) Can you provide an explanation of what constitutes a "serious" designation in the database?

See response above

3) Do you believe the public should be concerned to learn there have been more than 200 reported "serious" leaks in the past five years?

The BCER is confident in the regulatory framework and operational systems in place to manage surface casing vent flows and protect public safety and the environment.

As per above, while some of the database entries do represent the initial discovery of a "serious" vent flow (at which point mitigation measures are required to be implemented), many of the entries represent routine testing on wells that already have measures in place to mitigate their "serious" flow capability.

As our response above indicates, we have robust regulation in place to ensure permit holders detect and mitigate non-compliant surface casing vent flow rates and potential hazards.

4) In your response, you noted the regulator has "focused efforts to improve transparency on core operational processes and we are working to continuously improve." Do you believe the regulator is adequately ensuring the public knows where and how to find information about oil and gas operations, including things like serious gas emissions?

Yes, the BCER strives to be open and transparent and accountable to the public while providing effective regulatory oversight of energy resource activities in the province. We make a wide array of records and information publicly available through our website and other digital platforms, in-person community engagements (e.g., speaking at municipal government meetings, attending public tradeshows) and we are available and responsive to inquiries.

Over the past several years, the BCER has focused efforts to improve transparency on core operational processes.

In spring 2023, for example, we launched our "<u>Data Narrative</u>" series, which aims to try to make some of our data more accessible through graphical representations and explanatory text (this series includes, for example, our Northeast BC Seismicity web map – <u>released in 2023</u> and <u>updated just last month</u>, and our Well Emissions data narrative, covering our surface casing vent flow data, which was released in December 2023). Other examples include:

- Our interactive <u>BC Production Dashboard</u>, which covers hydrocarbon production in the province, down to the level of individual wells, launched July 9, 2024
- Our interactive Disposal Well Dashboard, launched in 2022 and recently updated
- Recent updates to our <u>Orphan Sites</u> page to incorporate data on progress towards restoration goals and the current year's restoration activity
- Our occasional webinar series, such as one we released on "Flaring & Air Quality" just over a week ago

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Mar 13	C&E – surface casing vent flows	The Narwhal / Investigative Journalism Foundation	Matt Simmons / Zak Vescera	Dax Bourke / Jordan van Besouw	Response in progress

QUESTIONS:

Hi BCER team,

How are you? Zak at the IJF here. Thank you for these responses. We do have a couple follow-up questions. Would it be possible to get a response to this by Monday, end of day? Thank you for your continued help and time, we want to make sure we're thorough. Please advise if you think you will require more time.

Our questions are:

- 1) What actions can the regulator take against a company if a serious deficiency is identified? For example, does the BCER have the power to issue warning letters, enforcement orders, tickets, administrative fines or other monetary penalties against these companies?
- 2) If yes, can you provide a summary of how many enforcement actions of this nature the regulator took over the past five years, the past three years and the past 12 months?
- 3) Are you able to provide us with documentation related to those enforcement actions?
- 4) If any fines or other monetary penalties were issued, what was the size of those penalties for the 5-year, 3-year and 12-month periods we've asked about?

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:	
Mar 10	Change to Woodfibre LNG levy	The Narwhal	Shannon Waters	Suzanne Mathews, Joel Cave, Sara Gregory	Response sent March 12	

REQUEST:

I am looking for a little more information about the <u>change</u> to Woodfibre LNG's levy. Could you tell me why the levy is being increased so significantly? Does it have anything to do with the facility's production plans?

RESPONSE:

- Major projects such as Woodfibre LNG require comprehensive oversight at every stage of their lifecycle. Through our efficient single-window approach to regulatory oversight, the BCER ensures all aspects of the project are monitored effectively.
- The BCER has the authority to impose and collect fees and levies from industry sufficient to fund effective oversight for the full lifecycle of energy resource activities. Cost recovery is established through the Fee Levy and Security Regulation.
- The BCER conducts annual reviews of fees and levies to ensure they align with the costs of regulatory oversight.
- The levy applicable to the Woodfibre LNG project has been increased from \$1.2 million to \$2.5 million following an annual review of the Fee, Levy and Security Regulation.
- This levy increase reflects recovery of costs for third-party technical inspections and engineering reviews conducted as construction of the project progresses, including costs for the inspection of modules constructed outside of British Columbia.
- Levies may be adjusted over the course of a project's life cycle (including the very active construction phase) to reflect the level of regulatory oversight required at each stage of a project.

Pages: 361-362 Non-responsive Pages: 363-367 Redacted pursuant to: s13

From: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>

Sent: Thursday, March 13, 2025 4:15 PM

To: Bourke, Dax <<u>Dax.Bourke@bc-er.ca</u>>; van Besouw, Jordan <<u>Jordan.vanBesouw@bc-er.ca</u>>

Cc: Smook, Patrick < <u>Patrick.Smook@bc-er.ca</u>>; Slocomb, Richard < <u>Richard.Slocomb@bc-er.ca</u>>; Currie, Graham

<<u>Graham.Currie@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>; Denys, Lori <<u>Lori.Denys@bc-er.ca</u>>

Subject: MEDIA REQUEST (follow up x3): The Narwhal/IJF - enforcement actions | Deadline: EOD Monday

Hi Dax and all,

s13

REPORTERS:

Zak Vescera Investigative Journalism Foundation

Matt Simmons The Narwhal

DEADLINE:

Monday, end of day

QUESTIONS AND WORKING RESPONSES:

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From: Slocomb, Richard

Sent: Thursday, March 13, 2025 7:11 PM

To: Woods, Jonathan; Bourke, Dax; van Besouw, Jordan **Cc:** Smook, Patrick; Currie, Graham; Rygg, Philip; Denys, Lori

Subject: RE: MEDIA REQUEST (follow up x3): The Narwhal/IJF - enforcement actions | Deadline:

EOD Monday

Hi Jonathan,

They are not referring to the SCVF designations. This is related to the story on March 4th and 5th related to article that was critical of the BCER's compliance and enforcement efforts and suggesting over 1,000 infractions were left unchecked.





Richard Slocomb, M.A.Sc., P.Eng., C.Dir.
Vice President, Environmental & Subsurface Resource
Management
Richard.Slocomb@bc-er.ca

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Thursday, March 13, 2025 4:15 PM

To: Bourke, Dax <Dax.Bourke@bc-er.ca>; van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca>; Slocomb, Richard < Richard. Slocomb@bc-er.ca>; Currie, Graham

<Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: MEDIA REQUEST (follow up x3): The Narwhal/IJF - enforcement actions | Deadline: EOD Monday

Hi Dax and all,

s13

REPORTERS:

Zak Vescera Investigative Journalism Foundation

Matt Simmons

The Narwhal

DEADLINE:

Monday, end of day

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From: Currie, Graham

Sent: Thursday, March 13, 2025 4:36 PM

To: Woods, Jonathan; Bourke, Dax; van Besouw, Jordan
Cc: Smook, Patrick; Slocomb, Richard; Rygg, Philip; Denys, Lori

Subject: RE: MEDIA REQUEST (follow up x3): The Narwhal/IJF - enforcement actions | Deadline:

EOD Monday

I would think some of the answers to this would be answered with this table from the Estimates note:

ORDERS AND PENALTIES ISSUED

TYPE OF ACTION	2020	2021	2022	2023	2024
Orders	24	19	21	12	32
Tickets	0*	41	8	61	19
Warnings	26	17	19	19	18
Contravention Decisions	8	12	7	5	10
Admin Penalties	7	10	8	5	10
TOTALS	65	99	62	102	89

Source: BCER Compliance & Enforcement Branch Jan 22, 2025.

Thanks,

Graham





Graham Currie
Executive Director, Public Trust
Graham.Currie@bc-er.ca

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Thursday, March 13, 2025 4:15 PM

To: Bourke, Dax <Dax.Bourke@bc-er.ca>; van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca>; Slocomb, Richard < Richard. Slocomb@bc-er.ca>; Currie, Graham

<Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: MEDIA REQUEST (follow up x3): The Narwhal/IJF - enforcement actions | Deadline: EOD Monday

Hi Dax and all,

^{*}While inspections were conducted during 2020, no tickets were issued due to challenges with in-person service related to COVID-19. All violation tickets have since been served.

REPORTERS:

Zak Vescera Investigative Journalism Foundation

Matt Simmons The Narwhal

DEADLINE:

Monday, end of day

QUESTIONS AND WORKING RESPONSES:

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- 4) If any fines or other monetary penalties were issued, what was the size of those penalties for the 5-year, 3-year and 12-month periods we've asked about?





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Woods, Jonathan From:

Sent: Friday, March 14, 2025 8:45 AM

To: Currie, Graham Rygg, Philip Cc:

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: EOD today

Thanks Graham





Jonathan Woods Communications Specialist Jonathan.Woods@bc-er.ca

T. 250-419-4357 Victoria Office Address Directory F. 250-419-4403 **BCER Web Site**

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From: Currie, Graham < Graham. Currie@bc-er.ca>

Sent: Friday, March 14, 2025 8:44 AM

To: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Cc: Rygg, Philip < Phil. Rygg@bc-er.ca>

Subject: FW: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: EOD today

Just so you're aware/have this... for "future" requests... (please see below).

Thanks, Graham





Graham Currie

Executive Director, Public Trust Graham.Currie@bc-er.ca

T. 250-419-4420 Victoria Office Address Directory **BCER Web Site**

F. 250-419-4403 s22

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From: Dickinson, Sara < Sara. Dickinson@bc-er.ca>

Sent: Friday, March 14, 2025 8:43 AM

To: Currie, Graham < Graham. Currie@bc-er.ca>

Cc: Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca >

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: EOD today

Pages: 375-396 Redacted pursuant to: s13 From: Woods, Jonathan

Sent: Thursday, March 13, 2025 3:27 PM

To: Lonergan, Peter GCPE:EX; Venn, Tania GCPE:EX; Connie, Alanah GCPE:EX; Poulose,

Akshara GCPE:EX

Cc: Hsieh, Nick ECS:EX; Harris, Scott ECS:EX; Carr, Michelle; Dickinson, Sara; Robb, Peter;

Currie, Graham; Rygg, Philip; Denys, Lori

Subject: BCER MEDIA RESPONSE (follow up x2): The Narwhal/IJF - well emissions | Deadline: 3pm

today

Hi Peter L. and all,

Please find below our responses to a Narwhal follow up request regarding well surface casing vent flows. Given our already extended deadline, I will be sending these responses to the reporters immediately. Best, Jon

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

Today at 3pm

QUESTIONS AND RESPONSES:

Thanks again for your response. Please see the follow-up questions below, related to the information provided regarding surface casing vent flows.

1) According to the SCVF database you sent, there were 44 instances of "serious" surface casing vent flows reported within the past 12 months, 160 in the past three years and 252 within the last five years. Among those records was one site with hydrogen sulphide emissions at a concentration of 5,000 ppm, another with gas flow at 300 cubic metres per day and another with a liquid leak of more than 100,000 litres per day. Can you confirm these numbers are accurate and provide any further context to help our readers understand these numbers?

As mentioned in our previous response, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent gas as long as flow does not exceed 100m³ per day (see section 41 of the Drilling and Production Regulation (DPR)).

As per regulation, well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's

life, such as immediately after initial completion or any recompletion of the well or before suspension of the well – see section 41 of the DPR - and submit the results of the check to the Regulator (these submissions constitute the records in our SCVF database – note that the characteristics of vent flows may change over time, and submissions made by permit holders reflect the characteristics present at the time of the test). These testing and reporting requirements help ensure that permit holders identify and address emissions that could pose hazards. Where a vent flow presents an immediate safety or environmental hazard, section 41(3) of the Drilling and Production Regulation requires permit holders to immediately take steps to eliminate the hazard, notify the regulator, and submit a report outlining the actions taken to eliminate the hazard.

Section 9.7.3 of the BCER Oil and Gas Operations Manual identifies the characteristics of a vent flow that would result in a "serious" designation:

- Vent flows with hydrogen sulphide (H₂S) present
- Vent flow with a stabilized gas flow rate equal to or greater than 300 cubic metres per day (m3/d).
- Vent flow with a surface casing vent stabilized shut-in pressure greater than one half the formation leak-off pressure at the surface casing shoe or 11 kPa/m times the surface casing setting depth.
- Hydrocarbon liquid (oil) vent flow.
- Vent flow due to wellhead seal failures or casing failure.
- Water vent flow if the water contains substances that could cause soil or groundwater contamination.
- Vent flow where any usable water zone is not covered by cemented casing.

Note that while the term "serious" is used to categorize these vent flows, they do not always indicate an immediate safety or environmental risk.

We can confirm that there are 44 records of serious surface casing vent flows within the past 12 months. Note that some wells are represented more than once, as a result of the permit holder making multiple submissions over the course of the year – see Well Authorization Numbers 02540 and 29760 for instance. It is important to note that the flow rates and buildup pressures numbers in the database do not necessarily indicate an ongoing release, but rather *capability* of flow.

For example, it was discovered over ten years ago that Well Authorization Number (WA) 12099 - the well you reference in your question as having "a liquid leak of more than 100,000 litres per day" - had a "serious" vent flow; i.e., a vent flow of fresh water. The permit holder investigated well records for the subject well, and others in the area, to confirm that the flow does not pose any hazard to the groundwater or the environment. This flow was mitigated by the installation of a pressure safety valve, which stopped the liquid flow from the well. The 2024 record for this well in the database reflects the result of a point-in-time, controlled test of the well to determine the current flow rate from the well *if the mitigation were not in place*. That is, if the well didn't have the pressure safety valve, it would be flowing at a rate of 110,880 litres of water per day. So, this well has a "serious" SCVF present, but it is mitigated.

We can confirm that all of the wells represented in the 44 "serious" records over the past 12 months have mitigations in place to control the identified hazards and are within compliance with regards to surface casing vent flow-related regulation. (Regarding the other two specific wells you reference in your question, once the hazards were discovered, WA 9354 (H_2S of 5000 ppm) was mitigated by installing an H_2S scrubber, followed by repairs to the wellhead seals which stopped the SCVF. WA 802 (gas flow rate of 300 m3/d) was mitigated by installing a pressure safety valve (PSV), stopping the emissions).

2) Can you provide an explanation of what constitutes a "serious" designation in the database?

See response above

3) Do you believe the public should be concerned to learn there have been more than 200 reported "serious" leaks in the past five years?

The BCER is confident in the regulatory framework and operational systems in place to manage surface casing vent flows and protect public safety and the environment.

As per above, while some of the database entries do represent the initial discovery of a "serious" vent flow (at which point mitigation measures are required to be implemented), many of the entries represent routine testing on wells that already have measures in place to mitigate their "serious" flow capability.

As our response above indicates, we have robust regulation in place to ensure permit holders detect and mitigate non-compliant surface casing vent flow rates and potential hazards.

4) In your response, you noted the regulator has "focused efforts to improve transparency on core operational processes and we are working to continuously improve." Do you believe the regulator is adequately ensuring the public knows where and how to find information about oil and gas operations, including things like serious gas emissions?

Yes, the BCER strives to be open and transparent and accountable to the public while providing effective regulatory oversight of energy resource activities in the province. We make a wide array of records and information publicly available through our website and other digital platforms, in-person community engagements (e.g., speaking at municipal government meetings, attending public tradeshows) and we are available and responsive to inquiries.

Over the past several years, the BCER has focused efforts to improve transparency on core operational processes.

In spring 2023, for example, we launched our "Data Narrative" series, which aims to try to make some of our data more accessible through graphical representations and explanatory text (this series includes, for example, our Northeast BC Seismicity web map – released in 2023 and updated just last month, and our Well Emissions data narrative, covering our surface casing vent flow data, which was released in December 2023). Other examples include:

- Our interactive BC Production Dashboard, which covers hydrocarbon production in the province, down to the level of individual wells, launched July 9, 2024
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- Recent updates to our Orphan Sites page to incorporate data on progress towards restoration goals and the current year's restoration activity
- Our occasional webinar series, such as one we released on "Flaring & Air Quality" just over a week ago

From: Dickinson, Sara

Sent: Thursday, March 13, 2025 3:27 PM **To:** Woods, Jonathan; Executive DL

Cc: Slocomb, Richard; van Besouw, Jordan; Bourke, Dax; Currie, Graham; Rygg, Philip; Denys,

Lori

Subject: RE: MEDIA RESPONSE (follow up x2): The Narwhal/IJF - well emissions | Deadline: 3pm

today

Looks good. Approved to go out for response.





Sara Dickinson

Executive Vice President, People, Reconciliation & Transformation Sara.Dickinson@bc-er.ca Fort St. John Office Address Directory BCER Web Site T. 250-794-5253 F. 250 794-5390 s22

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Thursday, March 13, 2025 3:06 PM

To: Dickinson, Sara <Sara.Dickinson@bc-er.ca>; Executive DL <Executive@bc-er.ca>

Cc: Slocomb, Richard <Richard.Slocomb@bc-er.ca>; van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>; Bourke, Dax <Dax.Bourke@bc-er.ca>; Currie, Graham <Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA RESPONSE (follow up x2): The Narwhal/IJF - well emissions | Deadline: 3pm today

Hi Sara,

Thanks for the chat. In collaboration with Jordan, please see our edits below in blue:

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera

Investigative Journalism Foundation

DEADLINE:

Today at 3pm

QUESTIONS AND PROPOSED RESPONSES:

Thanks again for your response. Please see the follow-up questions below, related to the information provided regarding surface casing vent flows.

1) According to the SCVF database you sent, there were 44 instances of "serious" surface casing vent flows reported within the past 12 months, 160 in the past three years and 252 within the last five years. Among those records was one site with hydrogen sulphide emissions at a concentration of 5,000 ppm, another with gas flow at 300 cubic metres per day and another with a liquid leak of more than 100,000 litres per day. Can you confirm these numbers are accurate and provide any further context to help our readers understand these numbers?

As mentioned in our previous response, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent gas as long as flow does not exceed 100m³ per day (see section 41 of the Drilling and Production Regulation (DPR)).

As per regulation, well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's life, such as immediately after initial completion or any recompletion of the well or before suspension of the well – see section 41 of the DPR - and submit the results of the check to the Regulator (these submissions constitute the records in our SCVF database – note that the characteristics of vent flows may change over time, and submissions made by permit holders reflect the characteristics present at the time of the test). These testing and reporting requirements help ensure that permit holders identify and address emissions that could pose hazards. Where a vent flow presents an immediate safety or environmental hazard, section 41(3) of the Drilling and Production Regulation requires permit holders to immediately take steps to eliminate the hazard, notify the regulator, and submit a report outlining the actions taken to eliminate the hazard.

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instance. It is important to note that the flow rates and buildup pressures numbers in the database do not necessarily indicate an ongoing release, but rather *capability* of flow.

For example, it was discovered over ten years ago that Well Authorization Number (WA) 12099 - the well you reference in your question as having "a liquid leak of more than 100,000 litres per day" - had a "serious" vent flow; i.e., a vent flow of fresh water. The permit holder investigated well records for the subject well, and others in the area, to confirm that the flow does not pose any hazard to the groundwater or the environment. This flow was mitigated by the installation of a pressure safety valve, which stopped the liquid flow from the well. The 2024 record for this well in the database reflects the result of a point-in-time, controlled test of the well to determine the current flow rate from the well if the mitigation were not in place. That is, if the well didn't have the pressure safety valve, it would be flowing at a rate of 110,880 litres of water per day. So, this well has a "serious" SCVF present, but it is mitigated.

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2) Can you provide an explanation of what constitutes a "serious" designation in the database?

See response above

3) Do you believe the public should be concerned to learn there have been more than 200 reported "serious" leaks in the past five years?

The BCER is confident in the regulatory framework and operational systems in place to manage surface casing vent flows and protect public safety and the environment.

As per above, while some of the database entries do represent the initial discovery of a "serious" vent flow (at which point mitigation measures are required to be implemented), many of the entries represent routine testing on wells that already have measures in place to mitigate their "serious" flow capability.

As our response above indicates, we have robust regulation in place to ensure permit holders detect and mitigate non-compliant surface casing vent flow rates and potential hazards.

4) In your response, you noted the regulator has "focused efforts to improve transparency on core operational processes and we are working to continuously improve." Do you believe the regulator is adequately ensuring the public knows where and how to find information about oil and gas operations, including things like serious gas emissions?

Yes, the BCER strives to be open and transparent and accountable to the public while providing effective regulatory oversight of energy resource activities in the province. We make a wide array of records and information publicly available through our website and other digital platforms, in-person community engagements (e.g., speaking at municipal government meetings, attending public tradeshows) and we are available and responsive to inquiries.

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- Our interactive BC Production Dashboard, which covers hydrocarbon production in the province, down to the level of individual wells, launched July 9, 2024
- Our interactive Disposal Well Dashboard, launched in 2022 and recently updated
- Recent updates to our Orphan Sites page to incorporate data on progress towards restoration goals and the current year's restoration activity
- Our occasional webinar series, such as one we released on "Flaring & Air Quality" just over a week ago





Jonathan Woods
Communications Specialist
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Sara Dickinson

Executive Vice President, People, Reconciliation & Transformation Sara.Dickinson@bc-er.ca Fort St. John
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BCER Web Site

T. 250-794-5253 F. 250 794-5390 s22

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Thursday, March 13, 2025 12:20 PM
To: Executive DL < Executive@bc-er.ca>

Cc: Slocomb, Richard <<u>Richard.Slocomb@bc-er.ca</u>>; van Besouw, Jordan <<u>Jordan.vanBesouw@bc-er.ca</u>>; Bourke, Dax <<u>Dax.Bourke@bc-er.ca</u>>; Currie, Graham <<u>Graham.Currie@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>; Denys, Lori <<u>Lori.Denys@bc-er.ca</u>>

Subject: MEDIA RESPONSE (follow up x2): The Narwhal/IJF - well emissions | Deadline: 3pm today

Hi Sara D. and Exec,

We received some follow up questions from the Narwhal specific to our <u>surface casing vent flow database</u> (continuing their thread of requests following the FOI release of our inspection summaries from 2017-2023 – our previous response is attached for reference). Please review our proposed responses below, which have been approved by Peter as program area EVP. Please note that this deadline represents an extension from Tuesday. Thanks, Jon

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

Today at 3pm

QUESTIONS AND PROPOSED RESPONSES:

Thanks again for your response. Please see the follow-up questions below, related to the information provided regarding surface casing vent flows.

1) According to the SCVF database you sent, there were 44 instances of "serious" surface casing vent flows reported within the past 12 months, 160 in the past three years and 252 within the last five years. Among those records was one site with hydrogen sulphide emissions at a concentration of 5,000 ppm, another with gas flow at 300 cubic metres per day and another with a liquid leak of more than 100,000 litres per day. Can you confirm these numbers are accurate and provide any further context to help our readers understand these numbers?

Pages: 405-414 Redacted pursuant to: s13 From: Smook, Patrick

Sent: Wednesday, March 12, 2025 8:28 AM

To: Bourke, Dax

Subject: FW: Details surrounding inspection comments in Narwal article **Attachments:** Article Inspection Comments_Narwal_BCER Detailed Analysis.docx





Patrick Smook RPF, MBA Vice President, Compliance & Operations Patrick.Smook@bc-er.ca Fort St. John T. 250-794-5314
Office Address Directory F. 250-794-5390
BCER Web Site \$22

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From: Smook, Patrick

Sent: Thursday, March 6, 2025 1:12 PM

To: Carr, Michelle < Michelle.Carr@bc-er.ca>

Cc: Dickinson, Sara < Sara.Dickinson@bc-er.ca>

Subject: Details surrounding inspection comments in Narwal article

Hi Michelle,

Please find attached a document detailing the context and additional information surrounding the inspection comments included in the recent Narwal article.

Please let me know if you have any questions or would like to discuss.

Thanks,

Patrick





Patrick Smook RPF, MBA
Vice President, Compliance & Operations
Patrick.Smook@bc-er.ca

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Pages: 416-430 Redacted pursuant to: s13 From: Currie, Graham

Sent: Monday, March 10, 2025 4:52 PM **To:** Smook, Patrick; Bourke, Dax

Cc: Rygg, Philip; Schilling, Geri; Thoroughgood, Garth

Subject: RE: For Review - "In the News" post for EE

Thanks Patrick – this is up on Energy Exchange:

In the News

Graham





Graham Currie

Executive Director, Public Trust <u>Graham.Currie@bc-er.ca</u> Victoria T.

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From: Smook, Patrick <Patrick.Smook@bc-er.ca>

Sent: Monday, March 10, 2025 4:48 PM

To: Bourke, Dax <Dax.Bourke@bc-er.ca>; Currie, Graham <Graham.Currie@bc-er.ca>

Cc: Rygg, Philip <Phil.Rygg@bc-er.ca>; Schilling, Geri <Geri.Schilling@bc-er.ca>; Thoroughgood, Garth

<Garth.Thoroughgood@bc-er.ca>

Subject: RE: For Review - "In the News" post for EE

Hi Graham,

Thanks for the opportunity to review.

s13

Cheers.





Patrick Smook RPF, MBA
Vice President, Compliance & Operations
Patrick.Smook@bc-er.ca

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s22

Pages: 432-438 Redacted pursuant to: s13, s16 From: Woods, Jonathan

Sent: Monday, March 10, 2025 2:08 PM
To: Dickinson, Sara; Executive DL

Cc: Smook, Patrick; Koosmann, Nicole; Bourke, Dax; Parsonage, Kevin; van Besouw, Jordan;

Thoroughgood, Garth; Currie, Graham; Rygg, Philip

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: EOD today

Thanks Sara





Jonathan Woods

Communications Specialist Jonathan.Woods@bc-er.ca Victoria Office Address Directory T. 250-419-4357 F. 250-419-4403

BCER Web Site

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From: Dickinson, Sara <Sara.Dickinson@bc-er.ca>

Sent: Monday, March 10, 2025 2:03 PM

To: Woods, Jonathan < Jonathan. Woods@bc-er.ca>; Executive DL < Executive@bc-er.ca>

Cc: Smook, Patrick <Patrick.Smook@bc-er.ca>; Koosmann, Nicole <Nicole.Koosmann@bc-er.ca>; Bourke, Dax

<Dax.Bourke@bc-er.ca>; Parsonage, Kevin <Kevin.Parsonage@bc-er.ca>; van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>; Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Currie, Graham <Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: EOD today

Thank you to the team for the additional work on this response.

Approved to move forward to response.





Sara Dickinson

Executive Vice President, People, Reconciliation & Transformation
Sara.Dickinson@bc-er.ca

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From: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>

Sent: Monday, March 10, 2025 10:56 AM **To:** Executive DL < <u>Executive@bc-er.ca</u>>

Cc: Smook, Patrick < Patrick.Smook@bc-er.ca >; Koosmann, Nicole < Nicole.Koosmann@bc-er.ca >; Bourke, Dax < Dax.Bourke@bc-er.ca >; Parsonage, Kevin < Kevin.Parsonage@bc-er.ca >; van Besouw, Jordan < Jordan.vanBesouw@bc-er.ca >; Thoroughgood, Garth < Garth.Thoroughgood@bc-er.ca >; Currie, Graham < Graham.Currie@bc-er.ca >; Rygg, Philip < Phil.Rygg@bc-er.ca >

Subject: RE: MEDIA RESPONSE: The Narwhal/IJF - C&E for CNRL | Deadline: EOD today

Hi Sara D. and Exec team,

Please review our updated responses below. The reporters have requested that we provide our response to them by end of day today.

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

Today, end of day

QUESTIONS AND PROPOSED RESPONSES:

Thank you for your answers to our previous questions. We are reaching out with follow-up questions based on two files, one from inspection records provided to The Narwhal through freedom of information legislation and another relating to an order issued in December 2024.

Our preference is to discuss these records in an interview with a senior BC Energy Regulator official, such as Michelle Carr or Dax Bourke, both copied to this email.

Our deadline is at the end of the day on March 4, 2025, however if you need more time to respond, please let us know.

The inspection records we reviewed includes a reference to an "exemption given to CNRL for over 4,000 pipelines that are not compliant in regard to deactivation." Another similar reference mentions an exemption given to the same company that the inspector noted was for wells.

1. Can you explain the nature of the "exemption" and share all available documentation associated with it?

Well exemptions:

Section 4 of the Drilling & Production Regulation allows for the exemption of a well permit holder from the requirement to comply with certain sections of the Regulation. Requests are evaluated on their merits, and specific to the circumstances around each well covered by a request. Conditions may also be attached to an exemption granted under section 4.

Given the range of sections for which exemptions may be granted, additional information is needed for us to identify and comment on the specific well(s)/exemption(s) in question. As such, our responses regarding exemptions below will only cover the exemption given to CNRL for pipeline deactivation.

The BCER has a range of tools as its disposal for ensuring compliance, including exemptions, Orders, and other enforcement powers. The use of those tools is commensurate with the level of non-compliance. As an example, we have previously issued an order to CNRL to bring inactive wells into compliance with suspension requirements: General-Order-2018-019.pdf

Pipeline exemption:

Section 14 of the Pipeline Regulation allows for the exemption of a pipeline permit holder or former pipeline permit holder from complying with one or more provisions of the regulation if the official is satisfied that, in the circumstances, compliance with the provision or provisions is not reasonably practicable, or the exemption is in the public interest.

Deactivating pipelines provides safety and environmental protection through the removal of fluids from the pipes and the isolation of the pipelines from any other systems. Permit holders are required to continue to monitor the pipelines after their deactivation until they are removed or abandoned. Deactivating pipelines reduces liability, increases restoration, and reduces the risk of a spill.

In this instance, the BC Oil and Gas Commission, now BC Energy Regulator (BCER) identified - through an administrative compliance verification process of an integrity focused audit of operators' pipeline deactivation programs - that CNRL had a large number of pipelines that were non-compliant with section 9 of the Pipeline Regulation (i.e., that pipelines must be deactivated within 18 months of not flowing) and needed to be deactivated.

The BCER has many regulatory mechanisms at its disposal to bring permit holders back into compliance and is committed to ensuring permit holders are brought back into compliance as efficiently as possible, taking into account safety and practical considerations.

In this case, CNRL proposed a systematic, co-ordinated, multi-year approach to its deactivation of the non-compliant pipelines that was deemed by the BCER as being preferable to addressing each instance on a more scattershot, case-by-case basis (as would have been required as per the section 9 provisions), as the systematic approach would reduce the overall time to deactivate all of the pipelines and reduce the associated land disturbance conducting the work. In order for CNRL to undertake the systematic approach, the BCER needed to exempt the non-compliant pipelines in question from their section 9 requirements of the Pipeline Regulation. The BCER made the decision to provide the exemption based on the impracticality of CNRL achieving compliance of the pipelines with the section 9 timeline requirements and the public interest in having the pipelines brought into compliance more quickly with less land disturbance.

The systematic approach is/has:

- Area-based: many of the pipelines are located throughout remote northeastern B.C. in difficult to access terrain. The area-based approach was deemed preferrable to addressing single pipelines one at a time as there is a larger environmental impact to make repeated access paths to the pipelines, including winter only access with ice road construction, compared with an area-based construction approach.
- Risk-based: focusing on deactivating the highest risk pipelines first
- Co-ordinated in a planned fashion over time: allows for CNRL to form dedicated crews to plan and coordinate their work efficiently rather than effectively requiring CNRL to immediately address all of the non-compliant pipelines, which would result in a more inefficient scattershot approach.
- Clear, measurable timelines for how and when compliance is to be achieved, with annual updates to the BCER.

 Aligned with the Dormancy and Shutdown Regulation (<u>Dormancy and Shutdown</u> Regulation)

CNRL is required to complete deactivation of all the pipelines by the end of 2028.

Your request to get copies of the associated documentation can be pursued through an FOI request: Freedom of Information | BC Energy Regulator (BCER)

2. Can you confirm the number of pipelines and/or wells covered by this exemption?

The original exemption included 4312 pipelines. That included 2266 that were identified as potentially inactive at the time of the exemption and 2046 that were projected to become inactive over the duration of the exemption. It included pipelines that were potentially non-compliant (i.e. pipelines that required deactivation) and those that required verification of their status and administrative submissions to update their status.

Between January 2020 and March 2024 CNRL either deactivated, or confirmed compliance on 2992 pipelines, or 69% of the pipelines in the original exemption. In March of 2024 the exemption was updated to address 1320 pipelines by 2028. As of March 7, 2025, there are 865 remaining pipelines to deactivate.

3. Can you share more information about how the regulator informed members of the public about the exemption?

The BCER does not post publicly when exemptions to regulation are granted.

4. If no information was shared with the public about this exemption or if limited information was shared, are you able to provide an explanation?

Over the past several years, the BCER has focused efforts to improve transparency on core operational processes and we are working to continuously improve. Recent examples include data and reporting specific to Compliance Management Verification, Field Inspections, and Enforcement.

The BCER reports inspection summaries (<u>Field Inspections Conducted</u>), orders, findings of contravention, administrative penalties, offences and prosecutions <u>Compliance & Enforcement | BC Energy Regulator (BCER)</u>) on our website to provide transparency and deter non-compliance.

5. Please confirm whether the exemption is for pipelines that are not compliant, as the inspection note states, or if it is for wells that are not compliant, or both.

see our response to question 1, above.

6. Can you provide an explanation of why the regulator gave CNRL an exemption for what appears to be non-compliance with government regulations and legislation?

see our response to question 1, above.

7. Are there other exemptions that have been given to additional companies for similar issues? If so, please provide details of the companies in question and the nature of the exemption(s), including all relevant documentation.

A similar exemption was provided to TAQA North Ltd. In 2020 regarding the deactivation of 54 pipelines in the Chinchaga and Boundary Lake areas. All required work has been completed.

8. Does this exemption reflect the BCER's approach to managing compliance?

The BCER manages compliance through proactive education and promotion, monitoring and assessing permit holder activities and enforcement of non-compliances.

Effective enforcement protects the public and the environment, remedies non-compliances, ensures fairness, and acts as a deterrent for future non-compliance. The BCER is committed to taking action and strives to ensure a fair, effective, and consistent approach to enforcement when non-compliances occur.

The use of exemptions is written into the legislation. It is one tool that can be used to achieve compliance as part of the BCER's graduated enforcement model.

The graduated approach ensures non-compliance response actions are commensurate with the non-compliance and the BCER's resources are allocated for maximum effect.

The BCER reports <u>inspection summaries</u> and orders, findings of contravention, administrative penalties, offences and prosecutions on <u>our website</u> to provide transparency and deter non-compliance.

9. Does the BC Energy Regulator believe its oversight of companies like CNRL is meeting the government agency's mandate?

Yes, we believe we are meeting our mandate and the BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the continued protection of the environment and public safety.

10. Is there any other context you would like to provide, to help our readers interpret and understand the inspection note?

Inspections are a snapshot in time. In this case, the inspector was performing due diligence in noting the non-compliance (i.e., the pipeline hadn't been deactivated), while also providing the contextual information that there was an exemption in place for the non-compliance, as part of a thorough inspection record.

We are also requesting information regarding an <u>order</u> that was issued to CNRL on Dec. 16, 2024, for a surface casing vent flow that started on or before Oct. 26, 2021, at an emissions rate of 110.4 m3/day.

11. Can you please share copies of all orders, warning letters, tickets and inspection records associated with the well in question?

Inspections of the well (inspection summaries are available here: Field Inspections Conducted):

- July 30, 2019 (inspection #056799731-001): A BCER officer observed surface casing vent flow (SCVF); BCER officer informed the permit holder that they needed to test the flow rate and submit the results to the BCER within 30 days.
- July 12, 2024 (inspection #2024-2625): A BCER officer observed surface casing vent flow, with the surface casing vent being tied into the flow line (i.e., added to the production line) and had a pressure safety valve and pressure monitor installed; BCER officer followed up with BCER engineering to verify approval for this installation. (Connecting the surface casing vent to the flow line captures vented gas, preventing its release into the atmosphere. This serves as an interim mitigation measure until the underlying downhole issue can be fully addressed.)

There were no other orders, warning letters or tickets associated with the well in question.

12. Can you please provide location coordinates and/or explanation of where this well is located?

D-046-k/094-H-10 WA #15681 is a remote well located approximately 163km north of Fort St John. 630253mE 6398329mN (Universal Transverse Mercator coordinate system). Enter 15681 as the "Well Authority Number" on the following GIS dataset: Well Surface Hole (Permitted) | BCER GIS Open Data Portal

13. The order notes that CNRL reported the leak in 2021 — can you confirm when the leak first started?

Surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent as long as flow does not exceed 100m³ per day (see section 41 of the Drilling and Production Regulation (DPR)).

As per regulation, well permit holders are required to check for evidence of a surface casing vent flow as part of routine maintenance throughout the life of the well, as well as other specified junctures in a well's life, such as immediately after initial completion or any recompletion of the well or before suspension of the well – see section 41 of the DPR - and submit the results of the check to the Regulator. The BCER maintains a database of surface casing vent flow submissions from industry: (BIL-185) Surface Casing Vent Flow (search "15681" to view submissions related to the well in question).

As per above, a BCER officer observed SCVF during an inspection of the well in July 2019 and instructed the permit holder to undertake a test of the SCVF rate and submit the results to the BCER. The results indicated the flow was less than 100m³ per day and it was deemed that the SCVF did not present an immediate safety or environmental hazard and thus did not require intervention nor mitigation, as per the DPR.

CNRL staff discovered and reported a higher-rate leak on October 26, 2021, exceeding the threshold of 100m³ per day as set out in regulation. CNRL attempted a repair to the wellhead seals, which was not successful. They initially proposed to repair a suspected casing failure during the 2021/22 winter work season, as well as implement interim mitigation measures to stop the venting. After missing that timeline for conducting the repair (although they did undertake the interim mitigation measure of tying the SCVF into the flow line, as per response 11, above), CNRL proposed to repair the well in the 2023/2024 work season. Upon learning from CNRL that they were going to miss this second timeline, the BCER issued the Order for CNRL to conduct the repairs in the 2025/2026 winter work season.

14. Can you explain why the order does not require CNRL to repair the leak before March 31, 2026, given the length of time the well has been emitting?

Given the remote nature of the well, ice roads are required to be constructed to facilitate access for the ground transport required to bring in the heavy equipment needed to do the work within the wellbore. With minimal timing windows to conduct this kind of work coupled with low risk to the public and environment, additional time was granted to allow for the proper planning and execution of work to ensure its completion in a practical and safe manner. As per above, the company has implemented the interim mitigation measure of tying the surface casing vent into the flow line to capture the vented gas to prevent it from emitting to the atmosphere.

15. Is this emissions leak recorded and reported as part of B.C.'s greenhouse gas emissions?

The BCER is not responsible for tracking and reporting of greenhouse gas emissions. The *Greenhouse Gas Industrial Reporting and Control Act* and the Greenhouse Gas Emission Reporting Regulation contain the requirements for industrial greenhouse gas emissions reporting.

The BCER maintains a database of surface casing vent flow submissions from industry: (BIL-185)

Surface Casing Vent Flow (search "15681" to view submissions related to the well in question).

16. Our review of inspection records found a high number of wells and pipelines with SCV leaks, most of which did not specify the rate of emissions. Does BCER track emissions data from all leaks and, if so, can you please provide us with the current totals and/or a spreadsheet or other form of documentation tracking the rates and total emissions associated with SCV and other leaks?

A comprehensive report showing surface casing vent flow submissions is available on our website. It includes all submissions made by permit holders. Each data entry is a point in time and may not reflect the current state of emissions, if any, from the well: (BIL-185) Surface Casing Vent Flow

17. Can you share more information about how the regulator informed members of the public about this leak?

The BCER makes surface casing vent flow submissions available to the public via its website, here: (BIL-185) Surface Casing Vent Flow.

18. If no information was shared with the public about this leak or if limited information was shared, are you able to provide an explanation?

See response directly above.

19. Is there any other context you would like to provide to help our readers understand why CNRL has been allowed to continue operating its other facilities while it is apparently failing to meet government regulations around emissions?

A single compliance issue, in which the equipment is acting in the manner it is designed to, is not adequate rationale to shut in or modify the rest of a company's assets.

As mentioned above, surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed by regulation (DPR section 41) to vent as long as flow does not exceed 100m³ per day. CNRL's delays in meeting timelines led the BCER to issue an order requiring the company to bring the well into compliance with the Drilling and Production Regulation within a practical set timeframe.





Jonathan Woods
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s13

Pages: 447-453 Redacted pursuant to: s13 From: Currie, Graham

Sent: Monday, March 10, 2025 9:31 AM

To: Dickinson, Sara

Cc: Thoroughgood, Garth

Subject: Public Trust - Weekly Updt - March 10

Attachments: PTUpdt_March 10_2025.docx

Good morning - here's the latest update...

Thanks, Graham





Graham CurrieExecutive Director, Public Trust
<u>Graham.Currie@bc-er.ca</u>

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Public Trust – Weekly Update (March 3, 2025)

Summary / At a Glance

Most Pressing	Anticipated Channel	Materials / Mitigation
Narwhal – FOI re. 4,000 CNRL Pipelines they claim are "non compliant"	Narwhal – online story	Issue Note created; media response (in the works, to be issued this week)
LNG Canada – BCER Air Quality Data Report	Report – online posting	Report; Issue Note being drafted
Hydrogen Regulation	Information Update – website; distribution (Published Thursday, March 6, 2025)	Information Update; Issue Note created
Fee, Levy, Security Regulation Update – published Friday, Feb. 28, 2025 – potential for follow up media	Website and distribution to Industry and First Nations	Information Update

Media

- Narwhal further FOI story related to CNRL and 4,000 pipelines "non compliant"
- Globe and Mail feature on "Secret Canada" and their annual FOI request from the BCER story likely in March

Issue Notes

- LNGC Air Quality Report Issue Note being drafted
- Hydrogen Regulation Issue Note ready
- Narwhal C&E Issue Note ready

• FOI re. Inspection Records 2017-2024 – Issue Note ready (done in 2024) – Updated March 2025

Projects/Campaigns

s13

• Staffing

s22

From: Bourke, Dax

Sent: Monday, March 10, 2025 11:27 AM

To: Smith, Peter; Person, Darryl; O'Neill, Sean; Jenneson, Madison; Unruh, Butch; Workman,

Bob; Whitford, Christine

Narwhal Article Subject:

40,000 records on 'stinky' and 'gurgling' oil and gas sites | The Narwhal





Dax Bourke CD Executive Director, Compliance & Enforcement Dax.Bourke@bc-er.ca

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s22

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Pages: 458-466 Redacted pursuant to: s13 From: Smook, Patrick

Sent: Friday, March 7, 2025 10:49 AM

To: Hohnsbehn, Cathy **Subject:** Document for Meeting

Attachments: Article Inspection Comments_Narwal_BCER Detailed Analysis.docx





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Analysis of Inspection Comments Included in Narwal Article March 4, 2025

The Narwal article provided excerpts from BCER inspection comments. To understand full context, BCER staff have located and reviewed these historic inspection records and associated documentation on file. Many examples published in the article only show the comments on inspection reports, not the full context or outcome of the inspection, as detailed below.

There were various reasons why some non-compliances referenced in the article did not lead to non-compliance notices, including:

- Two were escalated to more formal enforcement.
- Two were passed to the BCER's environmental management team for management of remediation.
- One was a non-compliance, and a non-compliance notice was in fact issued.
- One was fixed immediately by the permit holder while the inspection officer was present.
- Nine were surface casing vent flows, and thus not non-compliances at the time of inspection (see below for further info on this item).
- One was a joint inspection, used to share information and educate permit holders on compliance expectations. In these cases, comments are used to denote noncompliance, as a matter of convention.

Article Comment 1 – BCER Decision Rationale – Dead Birds

Article Comment

"I found that the diesel tank containment was about half full of water and sludge/sheen," the inspector wrote in their notes, referring to a system designed to prevent diesel leaks from contaminating the environment.

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. ... The birds were black (like a small raven or a crow) but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent."

"Having the containments cleaned out before the things are half full of water and being aware of the hazards associated with dirty containments should be observed prior to dead wildlife being found,"

Full BCER Inspection Comment

COMMENTS:

-During my inspection of this compressor site, I found that the surface casing vent on the suspended well was not vented outside of the wellhead cover. The piping was there, but was disconnected.

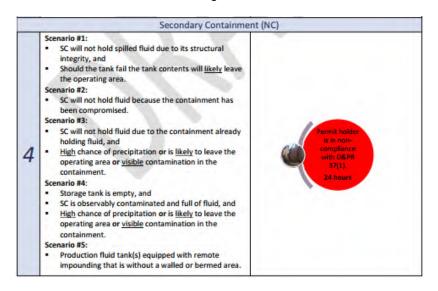
**Also, during this inspection, I found that the diesel tank containment was about half full of water and sludge/sheen. I was quite obvious, that there was hydrocarbon, most likely diesel, mixed in with the water
inside of the containment. Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator, Jim, that I had spoke to earlier in the
day about the other sites, and took him over to have a look at what I had found. The birds were black (like a small raven or a crow), but also had what looked like moss on parts of them, so I think they had been
in there probably most of the summer, obviously not real recent. Jim said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the
things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found. If any more are found, please contact Bob with OGC
Enforcement as has been discussed.

Contact me when containments have been cleaned out

BCER Decision Rationale

The decision to write a comment as part of this inspection record was after in-depth conversations between the Compliance & Enforcement Officer and the Manager, Enforcement. Discussed and reviewed was pieces of legislation that may address the birds. The BCER has no regulation relevant to the birds in this scenario but does have legislation to manage the leaking diesel container. As the Compliance & Enforcement Officer had the Permit Holders Operations Staff on site and directed them to fix the leak and remove the fluids from the secondary containment the decision was made not to issue a non-compliance. If a non-compliance were to be issued it would have been under section 37(1) of the Drilling & Production

Regulation with a 24hour response required. This scenario (4) is laid out in non-compliance guidance materials (below) that have been developed since this inspection was completed. The Manager, Enforcement did initiate an investigation as part of this issue. The investigation was concluded with no action taken by the BCER. These dead birds were reported to the Wildlife Branch of Environmental and Climate Change Canada.



Article Comment 2 - BCER Decision Rationale - System Limitations

Article Comment

"Evidence of wildlife frequenting a contaminated area: "Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odour was detected. Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out."

Full BCER Comment

There is orange plastic snow fencing that had been erected years ago and has fallen down. This is also true for the area around the well bore. The orange plastic snow fencing is not an acceptable measure to keep wildlife out of the contaminated areas.

There is evidence that wildlife has frequented the water filled flare pit. The flare pit and well bore area need to have wildlife fencing installed. Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odor was detected. Please send your last contamination report to John.Norrish@bc-er.ca by the end of the day on October 20, 2023. Thank you

The pipeline 00002178 is listed as ACTIVE in our system but this appears not to be the case. Would you please confirm the status of this pipeline and respond by October 20, 2023.

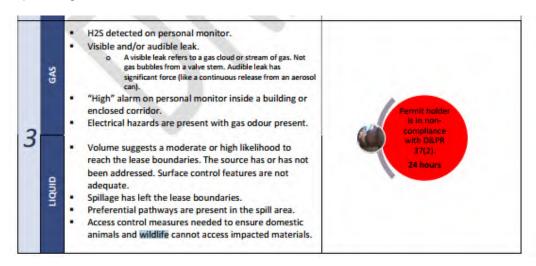
Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out.

BCER Decision Rationale

In the cases of flare pits, Compliance & Enforcement do not have the knowledge and skill set to manage for long term contamination. When discovered, these issues would be commented on to drive action to

protect wildlife and the issue would be brought to the environmental stewardship group for management as they would often take years. We can and do write orders to require companies to exclude large animals from areas of known contamination, if it is evident that they are accessing.

If there was no wildlife mitigation in place, new guidance would have a non-compliance issued under section 37(2) of the Drilling & Production Regulation. Comments would still be utilized to compel sampling or providing documentation.



In this case there was wildlife mitigation measures put up but over time had been rendered ineffective. The inspection comment was to drive correction for fencing including new standards. In relation to "systems limitations" the Compliance & Enforcement Officer was seeking, as commented, the last contamination report for the flare pit. The receipt and results of the report would drive next steps. The CMIS system does not have a 'Information Request' functionality so in order to request the document the completed inspection record was a "pass" as no non-compliances were included.

Article Comment 3 - BCER Decision Rationale - A spill of approximately 30,000L

Article Comment

A spill of approximately 30,000 litres of oil onto Crown land.

Full BCER Comment

 Inspection Number	Inspection Date	FullName	Inspection Outcome	Inspections	Non-Compliance Count	Inspection Comment
2023-2135	2023-08-01	Marla Demoulin	In Compliance	1		Kermit Incident # 079746084-001 LEVEL 1 - offsite impact to CROWN land. Site visit in response to a release of approximately 30,000L of oil. See Compliance and Enforcement Officer entry for detailed event notes and Kermit for initial report details. Oil recovery efforts were underway.

BCER Decision Rationale

Inspection was an internal inspection where the results where not shared with the permit holder. Rather it was completed to record that BCER staff attended the incident. By a matter of system process we are our system denotes inspections with no non-compliances being found as "passed" inspections. While in this instance there was a spill that is a non-compliance, it was subject of an ongoing investigation, so a non-compliance notice was not sent to the permit holder. Per our graduated enforcement model, an escalated response was already underway. This incident triggered an investigation by the enforcement team that is ongoing with a contravention report being drafted.

Article Comment 4 - BCER Decision Rationale - Restoration years of vegetation growth destroyed

Article Comment

Failure to clean up a facility, rendering years of restoration work ineffective: "Unfortunately, due to delays this site will see more than seven years of vegetation growth destroyed and a new disturbance will have been initiated."

Full BCER Comment

This deficiency was initially issued in KERMIT inspection # 075499245. That inspection will be satisfied due to the system changeover and replaced by this CMIS inspection.

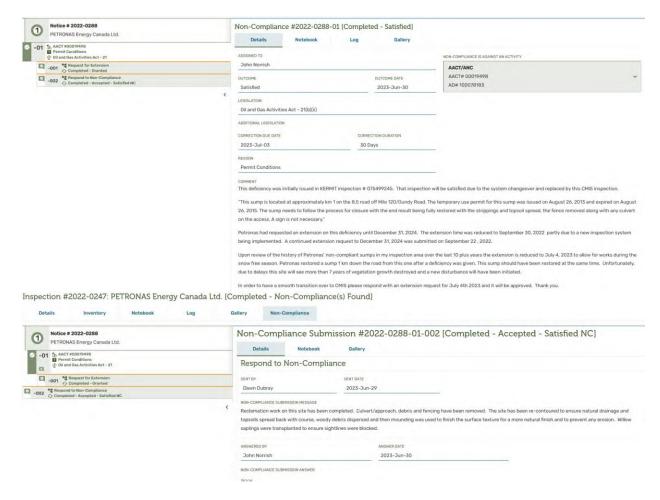
"This sump is located at approximately km 1 on the 8.5 road off Mile 120/Gundy Road. The temporary use permit for this sump was issued on August 26, 2013 and expired on August 25, 2015. The sump needs to follow the process for closure with the end result being fully restored with the strippings and topsoil spread, the fence removed along with any culver ton the access. A sign is not necessary."

Petronas had requested an extension on this deficiency until December 321, 20204. The extension time was reduced to September 30, 2022 partly due to a new inspection system being implemented. A continued extension request to December 31, 2024 was submitted on September 22, 2022.

Upon review of the history of Petronas' non-compliant sumps in my inspection area over the last 10 plus years the extension is reduced to July 2, 2023 to allow for works during the snow free season. Petronas resorted a sump 1 km down the road from this one after a deficiency was given. This sump should have been restored at the same time. Unfortunately, due to delays this sub well see more than 7 year of vegetation growth destroyed and a new disturbance will have been initiated.

In order to have a smooth transition over to CMIS please respond with an extension request for July 4^{th} 2023 an it will be approved. Thank you.





BCER Decision Rationale

As seen above, a non-compliance was issued and compliance has been achieved as per the processes put in place.

Article Comment 5 to 14 – BCER Decision Rationale – "serious" gas leaks

Article Comments

Numerous mentions of "serious" gas leaks, including several longstanding issues: "It has been deemed a serious [leak] since 2008."

Full BCER Comment

(see below)

BCER Decision Rationale

After review of "serious" gas leak comments from the article, the majority are in relation to surface casing vent flows. There is one for a remote (Fort Nelson) pigging (pipeline) leak which was fixed immediately by the Permit Holder so a comment was issued.

Surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent as long as flow does not exceed 100m³ per day, or 3 m³ per day under certain circumstances.

Inspection guidance documentation has C&E Officers utilizing comments to address SCVF due to the language of the legislation. (see next page below BCER comments)

In each of the surface casing vent examples found for serious leaks, BCER staff identified that companies are to conduct additional testing as per the guidance documentation. The results of said tests would determine a potential non-compliance and drive next steps. Note that "serious" and "non-serious" terminology to describe SCVF comes from BCER guidance to inspectors, relating to SCVFs that meet definitions in the Regulation sec. 41(3) and 41(4) respectively.

074303175-001							
	Well is Active. Gas detector overranged on LEL from surface casing vent. Fast fill on glove te	st: see Comments be	ejaw.				
	ESD ok, Sign ok. Chem tank ok.						
	Comment: 1) Serious SCVF discovered in 2019 was resolved with grease applied to wellhead (suspected wellhead seal failure). Please undertake investigation on this SCVF. 2) Chem tank containment 1/2 full of water.						
046660256-001							
	Wellhead disconnected from flowline. Chained and locked.						
047738620-001	2 wellheads, 1 casing. Valve handles removed.						
	Surface casing vent flow at a-A13-K well (WA 29456) overranged the gas detector. Fast fill o meter threshold. If more recent test results are available please submit through e-submission		cent reported SCV test on file (Jan 2016) shows serious vent flow; pressure above the 11kpa/linear re-test for buildup and flow, and submit results to e-submission.				
077103333-001	1 COMMENTS: -there is a surface casing vent flow at this suspended well. Looking in IRIS, it has been deemed a serious since 2008. I put a latex glove on the surface casing vent assembly and the glove inflated immediately an blew off assembly in approximately 15 seconds.						
051426026-001		assembly. Please pro	ovide an update to Linan.Zhang@bcogc.ca and Katie.Wesenberg@bcogc.ca by January 4, 2019.				
	Unable to locate a report of the component analyses of the natural gas and liquids. Please (provide the most rece	ent analysis on file.				
	Odour at the wellhead. Please address.						
051881668-001	This is winter access only.						
	OGC inspector found a serious gas leak coming from the ARGUS pig sender and called Chri	s Hudson at Shangha	ai.				
	Chris Hudson immediately dispatched operator to site to repair leak.						
	No deficiency issued.						
	SCADA calibration outdated. (Dec. /2015)						
2023-3174	WA# 5966 - Oct. 23, 2023, 12:45 pm on site.	2023-1737	Well is Active.				
	Well Head: PSV installed on surface casing vent. IRIS Emission vent flow testing: 2014-06-28 (Severity: Serious . KERMIT last gas production date: 2023-09 (Active Production Status). Flowlines are connected to well head/building (See Attached Photos). NC: SCV ball valve closed to PSV (See Attached Photos). CNRL to conduct SCV Flow testing (buildup pressure test) on well head and provide/submit results to BCER.		Low LEL detected from surface casing vent. Slow flow on glove test. (Site has documented non-serious Gas Migration on file but no SCV flow data on file). Sign, chemical tank, containment, flow lines - okay, Last meter cal = May 2021.				
	Signage posted is compliant to standards.						
	Well Building: Meter calibration / verification date: Aug. 2, 2023 and Orifice	2023-1218					
	plate service date: May 2, 2023. Cata-dyne regulator vent line in place/installed.		All wells Active, except c-B34-L (well is disconnected and blinds installed on wellhead and flowline).				
	Flowline: Pig barrel chain in place/installed. NC: Spillage - potential: 1) missing bull plug on needle valve at flowline/pig barrel section (See Attached		All wellheads ok. All ESD's ok.				
	Photo) and 2) union fitting loose/not connected on flowline at pipeline/pig barrel section (See Attached Photo), and 3) open flowline at pipeline/pig barrel section (See Attached Photos).		Overrange gas detector on LEL from Surface Casing Vent at c-C34-L, Slow fill on glove test (Last SCV data submitted 2020 - 10. Non-serious)				
			PSHL last cal 2023-Jan.				
	Chemical storage: double wall tank, SDS Labels posted, and grounded.		All critical valves in well buildings carsealed open.				
	No invasive plants noted on site at the time of the inspection.		4 chem tanks ok. Last meter cal Oct '21; next cal Oct '24 (3 year cycle approved). Pig barrel ok.				
2023-1999	 -The IRIS system shows this well as SUSPENDED. But the wellhead has not been disconnected from the flowline, therefore, surface suspension needs to be completed. 		Test Sep Building isolated; blinds installed on inlet and outlet lines, Fuel gas valve carsealed closed and flowline disconnected.				
	-there is a surface casing vent flow at this location. My personal monitor detected small amounts of H2S, as well as high LEL's and CO. In the last report		MCC Building ok.				
	dated December 2022, that is submitted by CNRL, it shows as NON SERIOUS. Due to the test being done in winter, and no reports of H2S, I think another test needs to be done to determine if H2S is present, and if so, where is is coming from.		2 TEG's active.				

DRILLING AND PRODUCTION REGULATION, SECTION 41(4)

41(4) On discovery of a surface casing vent flow other than one referred to in subsection (3), a well permit holder must

(a) test the flow rate and buildup pressure of the surface casing vent flow, and

(b) submit a surface casing vent flow report to the commission within 30 days of the discovery of the surface casing vent flow.

GUIDANCE

SURFACE CASING VENT FLOW: The flow of gas and/or liquid from the surface casing/casing annulus.

41(4) On discovery of a surface casing vent flow other than one referred to in subsection (3), a well permit holder must

Also known as a "non-serious" surface casing vent flow.

Observable Qualities Observable qualities of a surface casing vent flow that does not present an immediate safety or environmental hazard: A low stabilized gas flow rate. Glove inflates but is not blown of the surface casing vent assembly. Bubbles are not present or are present and appear in low numbers and without much force. Audible "gurgle" sound from assembly. No flow or minimal liquid flow. Field Inspection Process 1. Record LEL level on monitor. Low Flow Rate Complete glove test and record observations. Complete bubble test and record # of bubbles found in 10 minutes. 1. Record flow rate observations (# of drops per minute). Record liquid colour. Records fluid type (water-like, oil-like, etc.). Liquid Flow Refer to Guidance for C&E: Liquid Spillage if spillage onto ground has occurred.

180.Additional Inspection Elements:

- a) If the surface casing vent is equipped with a burst plate or pressure relief valve record the pressure the equipment is set to.
- 181. If there are questions or concerns regarding the permit holders' compliance with this section of the Regulation and how to proceed, contact,
 - a) (OGC) Engineering Drilling & Production
 - Email: OGCDrilling.Production@bcogc.ca
- (a) test the flow rate and buildup pressure of the surface casing vent flow, and
- (b) submit a surface casing vent flow report to the commission within 30 days of the discovery of the surface casing vent flow.
 - 182.Review SURFACE CASING VENT FLOW/GAS MIGRATION TEST DATA to confirm if a historical flow has been reported.
 - a) If there is a record of a historical surface casing vent flow
 - If the flow has increased since the previous report contact OGC Engineering (OGCPipelines.Facilities@bcogc.ca).
 - Flow remains the same
 - Under "Inspector Comments" note that the flow was observed.
 - b) If there is no record of a surface casing vent flow
 - Inspection comments
 - "Surface casing vent flow observed. On discovery of a surface casing vent flow please submit a surface casing vent flow report, containing the flow rate and buildup pressure to the Commission (eSubmission) within 30 days."
 - Send an email to OGC Engineering.
 - Include inspection observations and inspection date.
 - Confirm if there are historical reports in IRIS.
 - Provide surface casing vent flow report deadline.
 - 183.If the Commission does not receive the report in 30 days the OGC Engineering department will contact you.
 - a) Create a new "follow up" inspection to issue the non-compliance with a link to the original inspection where the SCVF was identified to the company via comment.
 - b) The email from engineering stating they have not received the SCVF report should also be uploaded to the communication log of the new inspection.

Additional Recommended Resources:

- Surface Casing Vent Flow and Gas Migration presentation by Linan Zhang, P.Eng.
- OGC Oil and Gas Activity Operations Manual

<u>Article Comment 15 – BCER Decision Rationale – Restoration years of vegetation growth destroyed</u>

Article Comment

Potential contamination left for more than eight years: "There are numerous wildlife tracks attracted to the area... The same request was required in October 2014 but nothing was received."

BCER Full Comment

078779409-001 There are numerous wildlife tracks attracted to the area which may have been an on lease sump. Please conduct soil sampling and provide the results report to John.Norrish@bcogc.ca by the end of the day on November 30, 2022. If there is contamination then big game and any livestock are excluded from the immediate area.

The same request was required in October 2014 but nothing was received. This is a follow up inspection for the same concerns identified at that time.

BCER Decision Rationale

In the cases of sumps Compliance & Enforcement do not have the knowledge and skill set to manage for long term contamination. When discovered, these issues would be commented on to drive action to protect wildlife and the issue would be brought to the environmental stewardship group for management as they would often take years. We can and do write orders to require companies to exclude large animals from areas of known contamination, if it is evident that they are accessing.

No additional information to provide.

Article Comment 16 - BCER Decision Rationale - Explosive Emissions

Article Comment

Dangerous levels of harmful and explosive emissions: "I put a latex glove over the surface casing vent and the glove inflated immediately and blew off of the vent in approximately 30 seconds. My personal monitor over-ranged on [low explosive limits] when the glove blew off and I bent over to pick up glove. This well will be tested again sometime this summer I suspect?"

BCER Full Comment

077102358-001 COMMENTS:

-1 put a latex glove over the surface casing vent and the glove inflated immediately and blew off of the vent in approximately 30 seconds. My personal monitor over ranged on LEL's when the glove blew off and 1 bent over to pick up glove. This well will be tested again sometime this summer I suspect? I am curious as to what the flow amounts are this year.

BCER Decision Rationale

Same comments as "serious leaks" followed SCVF process.

Article Comment 17 - BCER Decision Rationale - Waxy Substance

Article Comment

Potential impacts on ecosystem health: "a waxy substance on top of the liquids and covering the bullrushes."

BCER Full Comment

074929437-001 The flarepit at the 7-19-88-17 location has liquids in it that have a hydrocarbon odor. There is also a waxy substance on top of the liquids and covering the bullrushes

There is evidence of wildlife accessing the liquids in the flarepit. A fence should be installed around the pit to prevent wildlife access

low often is this flarepit used?

Please have someone contact the inspector next week to discuss this flarepit.

BCER Decision Rationale

Same as "systems limitations." New processes support a non-compliance for wildlife fencing.

Article Comment 18 - BCER Decision Rationale - Normally a SERIOUS Deficiency

Article Comment

References to issues inspectors appear to consider egregious but are not officially marked as such: "Normally, this would be a SERIOUS deficiency."

BCER Full Comment

063819969-001 This was a joint inspection with Shawn Erlendson, Shanghai Operator.

This is an inspection of the disposal well, well facility, disposal station and pipelines.

Disposal well is active. Surface casing vent checked, ok.

Pipelines are active. Signage, cathodic ok.

Disposal facility is active. Chem tanks ok. Tank farm ok. Signage ok.

The following deficiencies were observed, but are being presented as Comments, as this was a joint inspection. The expectation is that these will be addressed:

- 1) ESD is latched open. Normally, this would be a SERIOUS deficiency.
- 2) Load boxes at tank farm are rusted out (produced water drains into containment ring).
- 3) In the pump building, valve on PSV line from duplex pump can be functioned past the carseal cable. (Valve handle was removed at time of inspection).

Please undertake the repairs and advise Peter Smith by email at peter.smith@bcogc.ca when completed.

BCER Decision Rationale

Joint inspection – expectation was set for non-compliance to be corrected. Joint inspections are an opportunity to build relationships and shared knowledge.

From: Currie, Graham

Sent: Friday, March 7, 2025 6:35 PM

To: Leadership Group

Cc: Rygg, Philip; Johnson, Justine; Gerlach, Lisa; Woods, Jonathan **Subject:** Issue Note and Media Tracker - Week of March 3-7, 2025

Attachments: IN_Narwhal_CE_Article.docx; IN_FOI_Inspection Summaries 2017-2023

_Updt_March2025.docx; TRACKER_Weekly Media_7March2025.pdf

Good afternoon... as per Jonathan's email below and the attached...

Have a good weekend everyone,

Graham





Graham CurrieExecutive Director, Public Trust
Graham.Currie@bc-er.ca

Victoria Office Address Directory BCER Web Site T. 250-419-4420 F. 250-419-4403

We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and wat

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Friday, March 7, 2025 4:22:23 PM

To: Currie, Graham < Graham. Currie@bc-er.ca>

Cc: Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca> **Subject:** weekly media request tracker and issue notes March 3-7, 2025

Hi Graham,

Please find attached this week's media tracker as well as two issue notes regarding:

- Narwhal C&E Article in reference to the two stories done by this publication, critical of the BCER compliance efforts.
- FOI Inspection Summaries 2017-2023 this is what led to the media stories and was created a year ago; slightly updated here and a good companion piece to the above note.

Have a nice weekend,

Jon

Weekly Media Tracker

March 3-7, 2025

Total requests: 3

s13, s22

keeps saying things are increasing in intensity... last year one event panicked the cows and they broke down the fence and ran around for four days before we could get them in and affected our breeding.

CBC asked for others in the Peace region to call in on what they heard - how has it affected them.

RESPONSE:

The BC Energy Regulator (BCER) recognizes the concerns regarding recent seismic activity in northeast B.C.

The existing regulatory framework is designed to ensure the secure and safe operation of energy resource activities to protect public safety and the environment.

The BCER investigates complaints and concerns raised by residents. To date, we have not received any formal complaints regarding the premature calving of cattle or reduction of water flow related to the seismic events of Feb 10 to 12. However, if such a report were submitted, we would follow our standard process, which includes gathering evidence, conducting site visits if necessary, and determining if further regulatory action is required.

We encourage anyone experiencing impacts to reach out through our 24-hour emergency line (1-877-500-2237) or by email at SeismicMonitoring@bc-er.ca

The BCER actively monitors seismicity through a network of 35 monitoring stations and has implemented evidence-based enhanced regulations specifically designed to mitigate risks associated with induced seismic events.

We have established processes for public input and regulatory oversight, including:

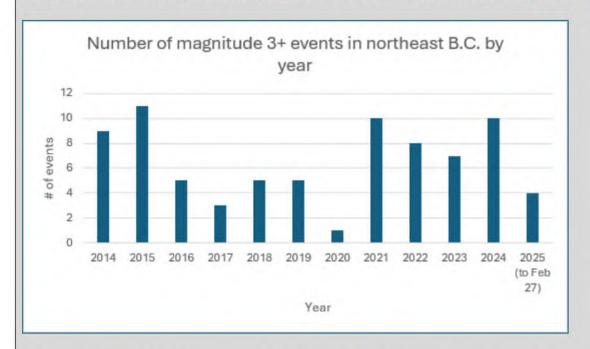
- A formal consultation and notification process required before a company applies for a permit.
- Special Project Orders in place in areas with increased seismic potential around Farmington and the greater Wonowon-Pink Mountain region, respectively, which include additional requirements for operators, including, around Farmington, mandatory engagement with nearby residents prior to undertaking fracturing operations.
- A 24-hour emergency phone line and online reporting system for residents to report concerns, felt seismic events, or potential impacts, ensuring follow-up and investigation where warranted.

The BCER continuously monitors induced seismicity and takes action when required. In response to the February 11 event, fracturing operations were suspended as per regulatory requirements and the operator has confirmed it will not resume operations at the site.

Regarding seismic thresholds, BCER regulations require the immediate suspension of fracturing operations if they cause a seismic event at local magnitude 4.0 or greater. Operators may only resume such operations once the well permit holder has implemented operational

changes satisfactory to the regulator to reduce or eliminate the initiation of additional induced seismic events. The Farmington area has a lower threshold of 3.0 due to the unique geological characteristics of the region, namely softer soils and a subsurface geology generally more prone to producing felt events.

Our data (see figure below) indicates that while there is some variability associated with the number of magnitude 3+ events over the past ten years there is no indication that there is an increasing trend in these higher magnitude events.



Additionally, the BCER's <u>Northeast B.C. Seismicity Map</u> displays confirmed seismic events of greater than local magnitude 1.5 in northeast B.C. that have occurred since 2014. Residents who experience felt events can use the map to locate events, industry activity and determine the location of seismic monitoring stations.

The BCER remains committed to working with residents and industry to ensure responsible resource development while addressing concerns around induced seismicity.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
March 4	Certificate of Debts due court filings	CBC	Jason Proctor	Sara G.	Response sent March 5

REQUEST:

Hi there - it's Jason Proctor with CBC. I was hoping to speak with someone from the BC Energy Regulator - I cover the courts - and I noticed a series of enforcement lawsuits filed in the past week against a variety of defendants. I was hoping to speak with someone to get an idea of whether this is simply coincidental, or if it points to a policy or direction in terms of enforcement.

RESPONSE:

The recent court filings you've noticed are related to the BCER's ongoing efforts to hold operators financially accountable for amounts owed under the *Energy Resource Activities Act*. When operators fail to meet their financial obligations in a timely manner —such as orphan levies, pipeline levies, application fees, or security orders—the BCER has several enforcement tools at its disposal.

One such tool is filing a Certificate of Debts Due under section 93.1 of the Energy Resource Activities Act. This allows the BCER to enforce unpaid amounts as if they were a court judgment, providing more efficient collection options without the need for separate legal action. The recent filings are part of a standard escalation process for these operators, ensuring compliance and financial responsibility in the energy sector. This process is not new. It has been used since section 93.1 was added to legislation in 2018.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 27	C&E – CNRL	The Narwhal / Investigative Journalism Foundation	Matt Simmons / Zak Vescera	Dax Bourke	Response in progress

REQUEST:

Thank you for your answers to our previous questions. We are reaching out with follow-up questions based on two files, one from inspection records provided to The Narwhal through freedom of information legislation and another relating to an order issued in December 2024.

Our preference is to discuss these records in an interview with a senior BC Energy Regulator official, such as Michelle Carr or Dax Bourke, both copied to this email.

Our deadline is at the end of the day on March 4, 2025, however if you need more time to respond, please let us know.

The inspection records we reviewed includes a reference to an "exemption given to CNRL for over 4,000 pipelines that are not compliant in regard to deactivation." Another similar reference mentions an exemption given to the same company that the inspector noted was for wells.

- 1. Can you explain the nature of the "exemption" and share all available documentation associated with it?
- 2. Can you confirm the number of pipelines and/or wells covered by this exemption?
- 3. Can you share more information about how the regulator informed members of the public about the exemption?
- 4. If no information was shared with the public about this exemption or if limited information was shared, are you able to provide an explanation?
- 5. Please confirm whether the exemption is for pipelines that are not compliant, as the inspection note states, or if it is for wells that are not compliant, or both.
- 6. Can you provide an explanation of why the regulator gave CNRL an exemption for what appears to be non-compliance with government regulations and legislation?
- 7. Are there other exemptions that have been given to additional companies for similar issues? If so, please provide details of the companies in question and the nature of the exemption(s), including all relevant documentation.
- 8. Does this exemption reflect the BCER's approach to managing compliance?
- 9. Does the BC Energy Regulator believe its oversight of companies like CNRL is meeting the government agency's mandate?
- 10. Is there any other context you would like to provide, to help our readers interpret and understand the inspection note?

We are also requesting information regarding an <u>order</u> that was issued to CNRL on Dec. 16, 2024, for a surface casing vent flow that started on or before Oct. 26, 2021, at an emissions rate of 110.4 m3/day.

- 1. Can you please share copies of all orders, warning letters, tickets and inspection records associated with the well in question?
- 2. Can you please provide location coordinates and/or explanation of where this well is located?
- 3. The order notes that CNRL reported the leak in 2021 can you confirm when the leak first started?
- 4. Can you explain why the order does not require CNRL to repair the leak before March 31, 2026, given the length of time the well has been emitting?
- 5. Is this emissions leak recorded and reported as part of B.C.'s greenhouse gas emissions?
- 6. Our review of inspection records found a high number of wells and pipelines with SCV leaks, most of which did not specify the rate of emissions. Does BCER track emissions data from all leaks and, if so, can you please provide us with the current totals and/or a spreadsheet or other form of documentation tracking the rates and total emissions associated with SCV and other leaks?
- 7. Can you share more information about how the regulator informed members of the public about this leak?

- 8. If no information was shared with the public about this leak or if limited information was shared, are you able to provide an explanation?
- 9. Is there any other context you would like to provide to help our readers understand why CNRL has been allowed to continue operating its other facilities while it is apparently failing to meet government regulations around emissions?



Feb. 26, 2024; Updt March 5, 2025

FOI Package – Summary of 2017-2023 Inspection Reports

- I. PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- **II. ISSUE**: A spreadsheet with summaries of all BCER's 35,000+ inspection reports from April 2017 to Nov. 2023 was released to a media outlet and posted to the BCER website on Feb. 23, 2024.

III. MESSAGING:

- The BCER is committed to ensuring energy companies in the province operate
 in accordance with relevant legislation, regulations, permits and authorizations
 designed to protect public safety and the environment, support reconciliation
 with Indigenous peoples, conserve energy resources and foster a sound
 economy and social well-being.
- The BCER dedicates significant resources to monitoring compliance, including carrying out more than 4,000 in-person inspections of energy resource activity sites across the province each year.
- Over the 2017-2023 period, the inspection-level initial compliance rate was over 94 per cent.
- When non-compliances are identified, the BCER uses a graduated response model to bring permit holders back into compliance, ranging from noncompliance notices to more formal, statutory enforcement actions, including fines.
- From 2017-2023; 254 out of 4,355 (approximately 6 per cent) individual non-compliances were considered high severity, which require that permit holders correct them within 24 hours. All others were of low severity, requiring correction within either 14 or 30 days.
- All high severity non-compliances are subject to a further review process by C&E Supervisors who conduct a risk assessment for escalation and use of other compliance tools.
- The common issuance of high severity non-compliances are in relation to facility hazards (equipment and storage of materials), emergency shut down devices, storage and disposal of wastes, and spillage.
- Over 2017-2023, the inspection-level final compliance rate after the passing
 of the correction period during which the permit holder is required to remedy
 the non-compliance(s) was more than 99 per cent.
- We are committed to transparency and the public sharing of information and records. The BCER shares inspection summaries on its website, and is working on system enhancements to begin posting full inspection records.

BC=R

Issue Note

IV. BACKGROUND:

- On Nov. 15, 2023 the BCER received a request through the Freedom of Information Act for "PDF copies of all inspection reports from 2017-2023".
- The BCER posts a summary of inspections on its website, which includes the following fields: Inspection Number, Non-Compliance Number (if applicable), Inspection Date, Operator, Activities Inspected, Status, and Regulation Name (for non-compliances, if applicable).
- The request was revised, following a discussion with the applicant about the volume of records (over 35,000 reports) and a large fee estimate for processing.
- For the FOI request, summaries of the inspection reports have been compiled in a spreadsheet and include:
 - o Inspection date
 - Inspection number
 - o Permit holder's name (Company)
 - How the site was accessed (ie: truck, helicopter)
 - Inspection outcome (In compliance, non compliances found)
 - Inspection category (Planned inspection, risk & data informed, officer selected)
 - Comments (high level information from inspection report)
- The summaries were gathered from the BCER's KERMIT (Knowledge, Enterprise, Resource, Management, Information and Technology) and CMIS (Compliance Management Information System) databases. It took FOIPPA staff several weeks to review and summarize the reports and transfer that information to the spreadsheet.
- This request was made from a media outlet. The same outlet was provided (January 2024) an FOI package with 603 pages of inspection reports following a request on Oct. 25, 2023 for "copies of all Coastal GasLink inspection reports conducted by BCER compliance and enforcement to date".

About inspections:

- Inspections are the primary means through which the BCER evaluates field-based regulatory compliance. Significant resources are dedicated to the more than 4,000 in-person inspections conducted each year throughout the province, including using trucks, all-terrain vehicles and helicopters to access sites. Note that many inspections during COVID were not done in-person, but employed other techniques such as video calls and drone footage.
- Some inspections are triggered by events or complaints (for example, spills or noise complaints); however, most inspections are pre-planned using a risk and data informed model intended to optimize resource allocation, be responsive to emerging issues and trends, utilize the expertise and knowledge of BCER field staff and timing.
- There are currently 139,252 energy resource activity development sites in B.C. For reference, in roughly the past year, the BCER has inspected 5,207 sites (3.7 per cent).



 Below is a table with number of inspections and inspection-level compliance rates for the years contained within this request.

	2017	2018	2019	2020	2021	2022	2023
TOTAL Inspections	4,809	4,717	4,345	4,945	5,047	4,602	3,954
Initial Compliance Rate	99.82%	91.36%	92.06%	93.73%	95.18%	94.52%	93.72%
Final Compliance Rate	100%	99.72%	99.84%	99.75%	99.74%	99.81%	99.56%
High-severity Non- Compliances Issued	16	66*	55	31	13	30	*43

^{*2018 -} The number of "High" deficiencies reflects a procedural change resulting in additional deficiencies being classified as high. The risk-based approach to inspection selection continues to be refined, focusing on inspections on these higher-risk sites.

*2023 – With the implementation of the Data and Risk Informed Inspection Model, inspections are being targeted to the sites that pose the highest risk. The number of "High" non-compliances reflects the findings of BCER inspections. Processes are in place to review high non-compliances to ensure the reduction in recidivism.

About compliance enforcement:

- The BCER is committed to taking action and strives to ensure a fair, effective, and consistent approach to enforcement, when non-compliances occur. Effective enforcement protects the public and the environment, remedies noncompliances, ensures fairness, and acts as a deterrent for future noncompliance.
- The BCER's objective is to keep permit holders within regulatory compliance and return them to regulatory compliance if they become non-compliant.
- The BCER's graduated enforcement approach ensures non-compliance response actions are commensurate with the non-compliance and BCER resources are allocated for maximum effect.

PREPARED BY:

Lannea Parfitt Manager, Communications 250-980-6081



March 5, 2025

Compliance & Enforcement

- I. PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- II. ISSUE: The Narwhal has published a story (March 4, 2025 repeated and shortened in the Vancouver Sun on March 5) and a follow-up Narwhal article (March 5, 2025) critical of the BCER's compliance and enforcement efforts and suggesting over 1,000 infractions were left unchecked. This is premised on an FOI released in February 2024 (and available on the BCER's website) for all inspection records from 2017-2023, resulting in over 35,000 inspection reports.

III. MESSAGING:

- The BCER has a comprehensive Compliance Management System that ensures energy companies in the province operate in accordance with legislation, regulations, permits and authorizations designed to protect public safety and the environment.
- Significant resources are dedicated to monitoring compliance, through a diverse set of administrative and field-based tools and activities, including application reviews, administrative reviews and monitoring, audits, inspections, and permit holder self-assessments.
- The BCER is committed to continuous improvement. In 2023, the BCER engaged MNP to evaluate the effectiveness of the management system and has made improvements to data quality and integration, improved performance measurement and review of resourcing to enhance the role of specialists in compliance management.
- The Narwal article provided excerpts from BCER inspection comments using Artificial Intelligence to identify areas where inspectors' comments suggested compliance but there were signs of environmental or safety hazards.
- BCER staff are reviewing the historic inspection records and associated documentation on file. Many examples published in the article only show the comments on inspection reports, not the full context of risk or outcome of the inspection.
- There were various reasons why some non-compliances referenced in the article did not lead to non-compliance notices, including:
 - o Two were escalated to more formal enforcement.
 - Two were passed to the BCER's environmental management team for management of remediation.
 - One was fixed immediately by the permit holder while the inspection officer was present.
 - Nine were surface casing vent flows, and thus not non-compliances at the time of inspection.
 - One was a joint inspection, used to share information and educate permit holders on compliance expectations.



- Further investigation is occurring regarding the article claim that three per cent of BCER inspections showed instances where non-compliance was improperly recorded by the inspection officer.
- The BCER is committed to transparency and the public sharing of information and records on compliance management actions. This includes posting the following on the website:
 - o inspection summaries,
 - o data and reporting specific to <u>Compliance Management Verification</u>, <u>Field</u> Inspections, and Enforcement,
 - o all penalties, orders, warning letters and tickets issued.
- Plans are in place for the BCER to begin posting full inspection records on its website, by the end of 2025.

IV. BACKGROUND:

- 1. Comprehensive Compliance Management System
 - Regulatory compliance verification activities begin as soon as a company submits an application to the BCER to carry out energy resource activities and continues to end of life ensuring that activities are properly restored.
 - There are over 1,000 individual regulatory requirements of varying types and scope against which the BCER is responsible for verifying compliance - from requirements relating to infrastructure integrity, water use and air emissions, to ensuring "ecologically suitable species" are used for site restoration.
 - The most appropriate compliance verification tools are chosen based on the requirement type, nature and associated risk.
 - Compliance verification activities are carried out by different departments across the organization, this includes, but is not limited to, carrying out more than 4,000 in-person inspections of energy resource activity sites across the province each year.
 - The BCER's objective is to keep permit holders within regulatory compliance and return them to regulatory compliance if they become non-compliant.
 - When non-compliances are identified, the BCER uses a graduated response model to bring permit holders back into compliance, ranging from noncompliance notices to more formal, statutory enforcement actions, including fines.
 - When considering how to respond to non-compliance, BCER staff consider the severity of actual or potential impact to the environment, human health or safety, the factual circumstances of the alleged offence, compliance history of the offender, as well as how to best achieve an environmental outcome and reduce the likelihood of it occurring again.
 - The graduated approach ensures non-compliance response actions are proportionate to the non-compliance and BCER resources are allocated for maximum effect.
 - Where appropriate, alleged non-compliances are managed through the Non-



Compliance Notice and Correction Process. The BCER has clear, efficient processes that staff may use to escalate to formal enforcement actions where non-compliance notices are not effective, or as the circumstances warrant.

The BCER is committed to taking action through effective enforcement that
protects the public and the environment, remedies non-compliances, ensures
fairness, and acts as a deterrent for future non-compliance.

2. Narwhal Article Examples

- The two media articles were based on a review of over 35,000 inspection reports dating back eight years and are described as a "collaboration between the Narwhal and Investigative Journalism Foundation".
- Additional details and a summary specific to the inspection reports used in the article can be found in the companion Issue Note: FOI Package – Summary of 2017-2023 Inspection Reports.
- The BCER is reviewing these records to rule out any trends or legitimate concerns and is proceeding with further enhancements of its comprehensive compliance management system in 2025, including:
 - New training materials and standardization for inspection note taking with the goal of posting full inspection reports (similar to what other natural resource agencies do).
- Specific context details for inspection examples from the article:
 - Re. dead birds in a containment tank the BCER did initiate an
 investigation and the C&E officer on site directed the operator to fix the
 leak and remove fluids from the container. As the birds are outside of the
 BCER's statutory authority, it was appropriately referred to the Wildlife
 Branch at Environment and Climate Change Canada.
 - Re. showing a "pass" for wildlife entering a contaminated area the BCER did demand the company provide its contamination report by a set deadline and directed them to repair the fencing to keep wildlife out.
 - Re. a spill of 30,000 litres onto Crown land the system shows a "pass" on the inspection report because a non-compliance notice was not issued to the company. Instead, the matter had been escalated for investigation and a contravention report was being drafted.
 - Re. serious gas leaks related to surface casing vent flows (SCVF) these are an integral part of the safety system of a natural gas well and under legislation, they are allowed to vent as long as the flow does not exceed 100 cubic metres per day (or 3 cubic metres per day in certain circumstances). If SCVF is happening at a well, there are tests and actions required, within time periods specified in regulation. If these items are not completed, the well may be out of compliance, but finding a SCVF at a well is not a non-compliance in/of itself.
 - Re. potential contamination left for eight years with wildlife entering area comments are used to request soil testing in areas of suspected contamination. If the area did have contamination, the permit holder would be required to exclude wildlife. The matter would be referred to the BCER's environmental stewardship group for appropriate management, as these sites can take years to restore fully.



- Re. explosive emissions the BCER required an immediate fix to the venting well; and as noted previously, surface casing vent flows are an integral part of the safety system of a natural gas well and under legislation, they are allowed vent as long as the flow does not exceed 100 cubic metres per day (or 3 cubic metres per day in certain circumstances).
- Re. a waxy substance covering tops of bullrushes when discovered, issues relating to contamination would be commented on to drive action to protect wildlife and the issue would be brought to the environmental stewardship group for management as they would often take years for full remediation. We can and do write orders to require companies to exclude large animals from areas of known contamination, if it is evident they are accessing.
- Re. issues inspectors consider egregious but are not marked as such in this case it was a joint inspection with the company and the BCER inspector noted the disposal well surface casing vent was checked and ok; the pipeline signage and cathodic were ok; disposal well chemical tanks were ok, the tank farm was ok, and the signage was ok. There were three areas identified with problems and the BCER inspector directed the company to repair and notify the inspector when complete.

PREPARED BY:

Graham Currie Executive Director, Public Trust 250-419-4420 From: Koosmann, Nicole

Sent: Thursday, March 6, 2025 4:53 PM

To: Woods, Jonathan; Smook, Patrick; Parsonage, Kevin

Cc: Bourke, Dax; van Besouw, Jordan; Thoroughgood, Garth; Currie, Graham; Rygg, Philip;

Denys, Lori

Subject: RE: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Thurs at noon

Attachments: Canadian Natural Inactive Pipeline Management Plan (2024).pdf

Hi Jonathan,

The pipeline deactivation count from CNRL in Feb. 27, 2024 based on actuals: "The remaining inventory of non-compliant pipelines is 1320 (Jan. 1, 2024) of the original 2, 280 pipelines identified in 2019." – Source: Canadian natural inactive pipeline management plan (2024).pdf attached.

Note the exemption order included known and anticipated pipelines, which was corrected by CNRL in 2024.

Regards,





Nicole Koosmann P.Eng., P.M.P. Vice President, Safety, Engineering & Audit Nicole.Koosmann@bc-er.ca Victoria T. 250-419-4429
Office Address Directory F. 250-419-4403
BCER Web Site \$22

We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Thursday, March 6, 2025 2:37 PM

To: Smook, Patrick <Patrick.Smook@bc-er.ca>; Koosmann, Nicole <Nicole.Koosmann@bc-er.ca>

Cc: Bourke, Dax <Dax.Bourke@bc-er.ca>; van Besouw, Jordan <Jordan.vanBesouw@bc-er.ca>; Parsonage, Kevin

<Kevin.Parsonage@bc-er.ca>; Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Currie, Graham

<Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca> Subject: RE: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Thurs at noon

Patrick and Nicole,

Please take another review of this media response prior to me sending it up to the Exec team: Narwhal (003).docx





Victoria Office Address Directory BCER Web Site T. 250-419-4357 F. 250-419-4403

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From: Woods, Jonathan

Sent: Wednesday, March 5, 2025 2:57 PM
To: Smook, Patrick < Patrick. Smook@bc-er.ca>

Cc: Bourke, Dax <<u>Dax.Bourke@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>>; van Besouw, Jordan <<u>Jordan.vanBesouw@bc-er.ca</u>>; Thoroughgood, Garth <<u>Garth.Thoroughgood@bc-er.ca</u>>; Currie, Graham <<u>Graham.Currie@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>; Denys, Lori <<u>Lori.Denys@bc-er.ca</u>>

Subject: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Thurs at noon

Hi Patrick,

Can you please review our responses as primary program-area A/EVP: Narwhal (003).docx

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

Thursday at noon





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

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Date: February 27, 2024

Sent via email: Nicole.Koosmann@bcogc.ca

Cc: Kevin.Parsonage@bc-er.ca; Sean.Beattie@cnrl.com; Steve.Kullman@cnrl.com

RE: Canadian Natural Inactive Pipeline Management Plan

Dear Ms. Koosmann,

In January 2020, Canadian Natural received an authorization from the OGC to carry out a scheduled Inactive Pipeline Management Plan. This plan outlined the anticipated number of Pipelines that would be either abandoned or deactivated each year through 2028. The plan would address the inactive pipelines inventory that are/were deemed non-compliant under Section 9 of the Pipeline Regulation.

On March 16th, 2023 Canadian Natural was issued a General Order following failure to not meet the targets identified in condition 1 of the exemption. The General Order required the deactivation or abandonment of 410 pipelines listed in the subsequent Appendix. Following achievement of the General Order objective, a Termination Letter was supplied by the BCER on November 9th, 2023.

With the continued focus and efforts in BC, Canadian Natural executed 631 pipeline abandonments and deactivations in 2023. Of these, 480 pipelines were brought into compliance as intended by the original exemption plan in 2020. The remaining inventory of non-compliant pipelines is 1,320 (Jan 1, 2024), of the original 2,280 pipelines identified in 2019. Canadian Natural is requesting consideration to revert back to an exemption with the following priorities:

- Timely compliance on high risk lines
- Focused compliance with respect to new shut-in's (not building inventory requiring exemption)
- Resolving the remaining inventory towards the original target of year end 2028
- Effective utilization of Indigenous affiliated suppliers

Based on the priorities above, Canadian Natural is proposing to continue to resolve the inactive pipeline inventory through an Inactive Pipeline Management Plan Exemption (Section 14 of the Pipeline Regulation), targeting a cumulative inventory reduction total as follows:

Year	Cumulative Non-Compliant Inventory Reduction Target	Annual Non-Compliant Inventory Reduction Count	Annual Year End Non- Compliant Inventory Target
2024	300	300	1020
2025	600	300	720
2026	900	300	420
2027	1110	210	210
2028	1320	210	0

Thank you,

Canadian Natural Resources Limited

Ryan Munro, P.Eng.

Ryan M.

Manager, Pipeline and Facility Decommissioning Planning

[Attachment - 20200124 CNRL Inactive Pipeline Management Plan Exemption]

Pages: 494-495 Redacted pursuant to: s13 Victoria
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T. 250-419-4429 F. 250-419-4403 s22

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From: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>

Sent: Thursday, March 6, 2025 2:37 PM

To: Smook, Patrick < Patrick. Smook@bc-er.ca >; Koosmann, Nicole < Nicole. Koosmann@bc-er.ca >;

Cc: Bourke, Dax < Dax.Bourke@bc-er.ca >; van Besouw, Jordan < Jordan.vanBesouw@bc-er.ca >; Parsonage, Kevin

< Kevin.Parsonage@bc-er.ca >; Thoroughgood, Garth < Garth.Thoroughgood@bc-er.ca >; Currie, Graham

<Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Thurs at noon

Patrick and Nicole,

Please take another review of this media response prior to me sending it up to the Exec team: Narwhal (003).docx





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

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From: Woods, Jonathan

Sent: Wednesday, March 5, 2025 2:57 PM
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Cc: Bourke, Dax <<u>Dax.Bourke@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>>; van Besouw, Jordan <<u>Jordan.vanBesouw@bc-er.ca</u>>; Thoroughgood, Garth <<u>Garth.Thoroughgood@bc-er.ca</u>>; Currie, Graham <<u>Graham.Currie@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>; Denys, Lori <<u>Lori.Denys@bc-er.ca</u>>

Subject: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Thurs at noon

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REPORTERS:

Matt Simmons The Narwhal

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DEADLINE:

Thursday at noon





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

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From: Currie, Graham

Sent: Thursday, March 6, 2025 1:36 PM

To: Dickinson, Sara; Carr, Michelle; Thoroughgood, Garth Rygg, Philip; Bourke, Dax; Hohnsbehn, Cathy; Smook, Patrick

Subject: RE: As Requested: Issue Note related to Narwhal article

Just to confirm – both of these notes have been provided over to GCPE; and both are also saved in the Executive Issue Note folder on the K drive.

Thanks, Graham





Graham Currie

Executive Director, Public Trust <u>Graham.Currie@bc-er.ca</u> Victoria
Office Address Directory

T. 250-419-4420 F. 250-419-4403

BCER Web Site

s22

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From: Dickinson, Sara <Sara.Dickinson@bc-er.ca>

Sent: Thursday, March 6, 2025 11:04 AM

To: Carr, Michelle < Michelle. Carr@bc-er.ca>; Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>

Cc: Currie, Graham <Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Bourke, Dax <Dax.Bourke@bc-er.ca>;

Hohnsbehn, Cathy <Cathy.Hohnsbehn@bc-er.ca>; Smook, Patrick <Patrick.Smook@bc-er.ca>

Subject: RE: As Requested: Issue Note related to Narwhal article

s22

I've made the change and fixed a small typo. Please find final copies

attached for distribution.





Sara Dickinson

Executive Vice President, People, Reconciliation & Transformation Sara.Dickinson@bc-er.ca Fort St. John Office Address Directory BCER Web Site T. 250-794-5253 F. 250 794-5390

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Page 499 Redacted pursuant to: s13



Feb. 26, 2024; Updt March 5, 2025

FOI Package – Summary of 2017-2023 Inspection Reports

- I. PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- **II. ISSUE**: A spreadsheet with summaries of all BCER's 35,000+ inspection reports from April 2017 to Nov. 2023 was released to a media outlet and posted to the BCER website on Feb. 23, 2024.

III. MESSAGING:

- The BCER is committed to ensuring energy companies in the province operate
 in accordance with relevant legislation, regulations, permits and authorizations
 designed to protect public safety and the environment, support reconciliation
 with Indigenous peoples, conserve energy resources and foster a sound
 economy and social well-being.
- The BCER dedicates significant resources to monitoring compliance, including carrying out more than 4,000 in-person inspections of energy resource activity sites across the province each year.
- Over the 2017-2023 period, the inspection-level initial compliance rate was over 94 per cent.
- When non-compliances are identified, the BCER uses a graduated response model to bring permit holders back into compliance, ranging from noncompliance notices to more formal, statutory enforcement actions, including fines.
- From 2017-2023; 254 out of 4,355 (approximately 6 per cent) individual non-compliances were considered high severity, which require that permit holders correct them within 24 hours. All others were of low severity, requiring correction within either 14 or 30 days.
- All high severity non-compliances are subject to a further review process by C&E Supervisors who conduct a risk assessment for escalation and use of other compliance tools.
- The common issuance of high severity non-compliances are in relation to facility hazards (equipment and storage of materials), emergency shut down devices, storage and disposal of wastes, and spillage.
- Over 2017-2023, the inspection-level final compliance rate after the passing
 of the correction period during which the permit holder is required to remedy
 the non-compliance(s) was more than 99 per cent.
- We are committed to transparency and the public sharing of information and records. The BCER shares inspection summaries on its website, and is working on system enhancements to begin posting full inspection records.

BC=R

Issue Note

IV. BACKGROUND:

- On Nov. 15, 2023 the BCER received a request through the Freedom of Information Act for "PDF copies of all inspection reports from 2017-2023".
- The BCER posts a summary of inspections on its website, which includes the following fields: Inspection Number, Non-Compliance Number (if applicable), Inspection Date, Operator, Activities Inspected, Status, and Regulation Name (for non-compliances, if applicable).
- The request was revised, following a discussion with the applicant about the volume of records (over 35,000 reports) and a large fee estimate for processing.
- For the FOI request, summaries of the inspection reports have been compiled in a spreadsheet and include:
 - Inspection date
 - Inspection number
 - o Permit holder's name (Company)
 - How the site was accessed (ie: truck, helicopter)
 - Inspection outcome (In compliance, non compliances found)
 - Inspection category (Planned inspection, risk & data informed, officer selected)
 - Comments (high level information from inspection report)
- The summaries were gathered from the BCER's KERMIT (Knowledge, Enterprise, Resource, Management, Information and Technology) and CMIS (Compliance Management Information System) databases. It took FOIPPA staff several weeks to review and summarize the reports and transfer that information to the spreadsheet.
- This request was made from a media outlet. The same outlet was provided (January 2024) an FOI package with 603 pages of inspection reports following a request on Oct. 25, 2023 for "copies of all Coastal GasLink inspection reports conducted by BCER compliance and enforcement to date".

About inspections:

- Inspections are the primary means through which the BCER evaluates field-based regulatory compliance. Significant resources are dedicated to the more than 4,000 in-person inspections conducted each year throughout the province, including using trucks, all-terrain vehicles and helicopters to access sites. Note that many inspections during COVID were not done in-person, but employed other techniques such as video calls and drone footage.
- Some inspections are triggered by events or complaints (for example, spills or noise complaints); however, most inspections are pre-planned using a risk and data informed model intended to optimize resource allocation, be responsive to emerging issues and trends, utilize the expertise and knowledge of BCER field staff and timing.
- There are currently 139,252 energy resource activity development sites in B.C. For reference, in roughly the past year, the BCER has inspected 5,207 sites (3.7 per cent).



 Below is a table with number of inspections and inspection-level compliance rates for the years contained within this request.

	2017	2018	2019	2020	2021	2022	2023
TOTAL Inspections	4,809	4,717	4,345	4,945	5,047	4,602	3,954
Initial Compliance Rate	99.82%	91.36%	92.06%	93.73%	95.18%	94.52%	93.72%
Final Compliance Rate	100%	99.72%	99.84%	99.75%	99.74%	99.81%	99.56%
High-severity Non- Compliances Issued	16	66*	55	31	13	30	*43

^{*2018 -} The number of "High" deficiencies reflects a procedural change resulting in additional deficiencies being classified as high. The risk-based approach to inspection selection continues to be refined, focusing on inspections on these higher-risk sites.

About compliance enforcement:

- The BCER is committed to taking action and strives to ensure a fair, effective, and consistent approach to enforcement, when non-compliances occur. Effective enforcement protects the public and the environment, remedies noncompliances, ensures fairness, and acts as a deterrent for future noncompliance.
- The BCER's objective is to keep permit holders within regulatory compliance and return them to regulatory compliance if they become non-compliant.
- The BCER's graduated enforcement approach ensures non-compliance response actions are commensurate with the non-compliance and BCER resources are allocated for maximum effect.

PREPARED BY:

Lannea Parfitt Manager, Communications 250-980-6081

^{*2023 –} With the implementation of the Data and Risk Informed Inspection Model, inspections are being targeted to the sites that pose the highest risk. The number of "High" non-compliances reflects the findings of BCER inspections. Processes are in place to review high non-compliances to ensure the reduction in recidivism.



March 5, 2025

Compliance & Enforcement

- PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- II. ISSUE: The Narwhal has published a story (March 4, 2025 repeated and shortened in the Vancouver Sun on March 5) and a follow-up Narwhal article (March 5, 2025) critical of the BCER's compliance and enforcement efforts and suggesting over 1,000 infractions were left unchecked. This is premised on an FOI released in February 2024 (and available on the BCER's website) for all inspection records from 2017-2023, resulting in over 35,000 inspection reports.

III. MESSAGING:

- The BCER has a comprehensive Compliance Management System that ensures energy companies in the province operate in accordance with legislation, regulations, permits and authorizations designed to protect public safety and the environment.
- Significant resources are dedicated to monitoring compliance, through a diverse set of administrative and field-based tools and activities, including application reviews, administrative reviews and monitoring, audits, inspections, and permit holder self-assessments.
- The Narwal article provided excerpts from BCER inspection comments using Artificial Intelligence to to identify areas where inspectors' comments suggested compliance but there were signs of environmental or safety hazards.
- BCER staff are reviewing the historic inspection records and associated documentation on file. Many examples published in the article only show the comments on inspection reports, not the full context of risk or outcome of the inspection.
- There were various reasons why some non-compliances referenced in the article did not lead to non-compliance notices, including:
 - Two were escalated to more formal enforcement.
 - Two were passed to the BCER's environmental management team for management of remediation.
 - One was fixed immediately by the permit holder while the inspection officer was present.
 - Nine were surface casing vent flows, and thus not non-compliances at the time of inspection.
 - One was a joint inspection, used to share information and educate permit holders on compliance expectations.
- Further investigation is occurring regarding the article claim that three per cent of BCER inspections showed instances where non-compliance was improperly recorded by the inspection officer.
- The BCER is committed to transparency and the public sharing of information and records on compliance management actions. This includes posting the



following on the website:

- o inspection summaries,
- data and reporting specific to <u>Compliance Management Verification</u>, <u>Field Inspections</u>, and <u>Enforcement</u>,
- o all penalties, orders, warning letters and tickets issued.
- Plans are in place for the BCER to begin posting full inspection records on its website, by the end of 2025.

IV. BACKGROUND:

1. Comprehensive Compliance Management System

- Regulatory compliance verification activities begin as soon as a company submits an application to the BCER to carry out energy resource activities and continues to end of life ensuring that activities are properly restored.
- There are over 1,000 individual regulatory requirements of varying types and scope against which the BCER is responsible for verifying compliance - from requirements relating to infrastructure integrity, water use and air emissions, to ensuring "ecologically suitable species" are used for site restoration.
- The most appropriate compliance verification tools are chosen based on the requirement type, nature and associated risk.
- Compliance verification activities are carried out by different departments across the organization, this includes, but is not limited to, carrying out more than 4,000 in-person inspections of energy resource activity sites across the province each year.
- The BCER's objective is to keep permit holders within regulatory compliance and return them to regulatory compliance if they become non-compliant.
- When non-compliances are identified, the BCER uses a graduated response model to bring permit holders back into compliance, ranging from noncompliance notices to more formal, statutory enforcement actions, including fines.
- When considering how to respond to non-compliance, BCER staff consider the severity of actual or potential impact to the environment, human health or safety, the factual circumstances of the alleged offence, compliance history of the offender, as well as how to best achieve an environmental outcome and reduce the likelihood of it occurring again.
- The graduated approach ensures non-compliance response actions are proportionate to the non-compliance and BCER resources are allocated for maximum effect.
- Where appropriate, alleged non-compliances are managed through the Non-Compliance Notice and Correction Process. The BCER has clear, efficient processes that staff may use to escalate to formal enforcement actions where non-compliance notices are not effective, or as the circumstances warrant.
- The BCER is committed to taking action through effective enforcement that protects the public and the environment, remedies non-compliances, ensures



fairness, and acts as a deterrent for future non-compliance.

 The BCER is committed to continuous improvement. In 2023, the BCER engaged MNP to evaluate the effectiveness of the management system and has made improvements to data quality and integration, improved performance measurement and review of resourcing to enhance the role of specialists in compliance management.

2. Narwhal Article Examples

- The two media articles were based on a review of over 35,000 inspection reports dating back eight years and are described as a "collaboration between the Narwhal and Investigative Journalism Foundation".
- Additional details and a summary specific to the inspection reports used in the article can be found in the companion Issue Note: FOI Package – Summary of 2017-2023 Inspection Reports.
- The BCER is reviewing these records to rule out any trends or legitimate concerns and is proceeding with further enhancements of its comprehensive compliance management system in 2025, including:
 - New training materials and standardization for inspection note taking with the goal of posting full inspection reports (similar to what other natural resource agencies do).
- Specific context details for inspection examples from the article:
 - Re. dead birds in a containment tank the BCER did initiate an investigation and the C&E officer on site directed the operator to fix the leak and remove fluids from the container. As the birds are outside of the BCER's statutory authority, it was appropriately referred to the Wildlife Branch at Environment and Climate Change Canada.
 - Re. showing a "pass" for wildlife entering a contaminated area the BCER did demand the company provide its contamination report by a set deadline and directed them to repair the fencing to keep wildlife out.
 - Re. a spill of 30,000 litres onto Crown land the system shows a "pass" on the inspection report because a non-compliance notice was not issued to the company. Instead, the matter had been escalated for investigation and a contravention report was being drafted.
 - Re. serious gas leaks related to surface casing vent flows (SCVF) these are an integral part of the safety system of a natural gas well and under legislation, they are allowed to vent as long as the flow does not exceed 100 cubic metres per day (or 3 cubic metres per day in certain circumstances). If SCVF is happening at a well, there are tests and actions required, within time periods specified in regulation. If these items are not completed, the well may be out of compliance, but finding a SCVF at a well is not a non-compliance in/of itself.
 - Re. potential contamination left for eight years with wildlife entering area comments are used to request soil testing in areas of suspected contamination. If the area did have contamination, the permit holder would be required to exclude wildlife. The matter would be referred to the BCER's environmental stewardship group for appropriate management, as these sites can take years to restore fully.



- Re. explosive emissions the BCER required an immediate fix to the venting well; and as noted previously, surface casing vent flows are an integral part of the safety system of a natural gas well and under legislation, they are allowed vent as long as the flow does not exceed 100 cubic metres per day (or 3 cubic metres per day in certain circumstances).
- Re. a waxy substance covering tops of bullrushes when discovered, issues relating to contamination would be commented on to drive action to protect wildlife and the issue would be brought to the environmental stewardship group for management as they would often take years for full remediation. We can and do write orders to require companies to exclude large animals from areas of known contamination, if it is evident they are accessing.
- Re. issues inspectors consider egregious but are not marked as such in this case it was a joint inspection with the company and the BCER inspector noted the disposal well surface casing vent was checked and ok; the pipeline signage and cathodic were ok; disposal well chemical tanks were ok, the tank farm was ok, and the signage was ok. There were three areas identified with problems and the BCER inspector directed the company to repair and notify the inspector when complete.

PREPARED BY:

Graham Currie Executive Director, Public Trust 250-419-4420 From: Bourke, Dax

Sent: Thursday, March 6, 2025 11:46 AM

To: Smook, Patrick

Subject: RE:

Attachments: Article Comments.docx

Updated





Dax Bourke CD Executive Director, Compliance & Enforcement

Dax.Bourke@bc-er.ca

Fort St. John T. 250-794-5395

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<u>BCER Web Site</u> \$22

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From: Smook, Patrick <Patrick.Smook@bc-er.ca>

Sent: Thursday, March 6, 2025 11:25 AM **To:** Bourke, Dax < Dax.Bourke@bc-er.ca>

Subject:





Patrick Smook RPF, MBA
Vice President, Compliance & Operations
Patrick.Smook@bc-er.ca

Fort St. John T. 250-794-5314

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s22

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Analysis of Inspection Comments Included in Narwal Article March 4, 2025

The Narwal article provided excerpts from BCER inspection comments. To understand full context, BCER staff have located and reviewed these historic inspection records and associated documentation on file. Many examples published in the article only show the comments on inspection reports, not the full context or outcome of the inspection, as detailed below.

There were various reasons why some non-compliances referenced in the article did not lead to non-compliance notices, including:

- Two were escalated to more formal enforcement.
- Two were passed to the BCER's environmental management team for management of remediation.
- One was a non-compliance, and a non-compliance notice was in fact issued.
- One was fixed immediately by the permit holder while the inspection officer was present.
- Nine were surface casing vent flows, and thus not non-compliances at the time of inspection (see below for further info on this item).
- One was a joint inspection, used to share information and educate permit holders on compliance expectations. In these cases, comments are used to denote noncompliance, as a matter of convention.

Article Comment 1 – BCER Decision Rationale – Dead Birds

Article Comment

"I found that the diesel tank containment was about half full of water and sludge/sheen," the inspector wrote in their notes, referring to a system designed to prevent diesel leaks from contaminating the environment.

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. ... The birds were black (like a small raven or a crow) but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent."

"Having the containments cleaned out before the things are half full of water and being aware of the hazards associated with dirty containments should be observed prior to dead wildlife being found,"

Full BCER Inspection Comment

COMMENTS:

-During my inspection of this compressor site, I found that the surface casing vent on the suspended well was not vented outside of the wellhead cover. The piping was there, but was disconnected.

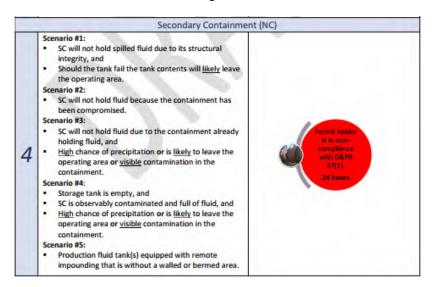
**Also, during this inspection, I found that the diesel tank containment was about half full of water and sludge/sheen. I was quite obvious, that there was hydrocarbon, most likely diesel, mixed in with the water inside of the containment. Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator, Jim, that I had spoke to earlier in the day about the other sites, and took him over to have a look at what I had found. The birds were black (fike a small raven or a crow), but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent. Jim said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found. If any more are found, please contact Bob with OGC Enforcement as has been discussed.

Contact me when containments have been cleaned out

BCER Decision Rationale

The decision to write a comment as part of this inspection record was after in-depth conversations between the Compliance & Enforcement Officer and the Manager, Enforcement. Discussed and reviewed was pieces of legislation that may address the birds. The BCER has no regulation relevant to the birds in this scenario but does have legislation to manage the leaking diesel container. As the Compliance & Enforcement Officer had the Permit Holders Operations Staff on site and directed them to fix the leak and remove the fluids from the secondary containment the decision was made not to issue a non-compliance. If a non-compliance were to be issued it would have been under section 37(1) of the Drilling & Production

Regulation with a 24hour response required. This scenario (4) is laid out in non-compliance guidance materials (below) that have been developed since this inspection was completed. The Manager, Enforcement did initiate an investigation as part of this issue. The investigation was concluded with no action taken by the BCER. These dead birds were reported to the Wildlife Branch of Environmental and Climate Change Canada.



Article Comment 2 - BCER Decision Rationale - System Limitations

Article Comment

"Evidence of wildlife frequenting a contaminated area: "Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odour was detected. Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out."

Full BCER Comment

There is orange plastic snow fencing that had been erected years ago and has fallen down. This is also true for the area around the well bore. The orange plastic snow fencing is not an acceptable measure to keep wildlife out of the contaminated areas.

There is evidence that wildlife has frequented the water filled flare pit. The flare pit and well bore area need to have wildlife fencing installed. Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odor was detected. Please send your last contamination report to John.Norrish@bc-er.ca by the end of the day on October 20, 2023. Thank you

The pipeline 00002178 is listed as ACTIVE in our system but this appears not to be the case. Would you please confirm the status of this pipeline and respond by October 20, 2023.

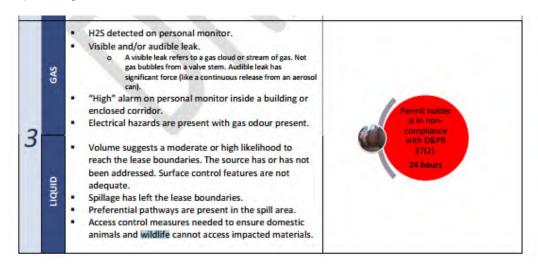
Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out.

BCER Decision Rationale

In the cases of flare pits, Compliance & Enforcement do not have the knowledge and skill set to manage for long term contamination. When discovered, these issues would be commented on to drive action to

protect wildlife and the issue would be brought to the environmental stewardship group for management as they would often take years. We can and do write orders to require companies to exclude large animals from areas of known contamination, if it is evident that they are accessing.

If there was no wildlife mitigation in place, new guidance would have a non-compliance issued under section 37(2) of the Drilling & Production Regulation. Comments would still be utilized to compel sampling or providing documentation.



In this case there was wildlife mitigation measures put up but over time had been rendered ineffective. The inspection comment was to drive correction for fencing including new standards. In relation to "systems limitations" the Compliance & Enforcement Officer was seeking, as commented, the last contamination report for the flare pit. The receipt and results of the report would drive next steps. The CMIS system does not have a 'Information Request' functionality so in order to request the document the completed inspection record was a "pass" as no non-compliances were included.

Article Comment 3 - BCER Decision Rationale - A spill of approximately 30,000L

Article Comment

A spill of approximately 30,000 litres of oil onto Crown land.

Full BCER Comment

Inspection Number	Inspection Date	FullName	Inspection Outcome	Inspections	Non-Compliance Count	Inspection Comment
2023-2135	2023-08-01	Marla Demoulin	In Compliance	1		Kermit Incident # 079746084-001 LEVEL 1 - offsite impact to CROWN land. Site visit in response to a release of approximately 30,000L of oil. See Compliance and Enforcement Officer entry for detailed event notes and Kermit for initial report details. Oil recovery efforts were underway.

BCER Decision Rationale

Inspection was an internal inspection where the results where not shared with the permit holder. Rather it was completed to record that BCER staff attended the incident. By a matter of system process we are our system denotes inspections with no non-compliances being found as "passed" inspections. While in this instance there was a spill that is a non-compliance, it was subject of an ongoing investigation, so a non-compliance notice was not sent to the permit holder. Per our graduated enforcement model, an escalated response was already underway. This incident triggered an investigation by the enforcement team that is ongoing with a contravention report being drafted.

Article Comment 4 - BCER Decision Rationale - Restoration years of vegetation growth destroyed

Article Comment

Failure to clean up a facility, rendering years of restoration work ineffective: "Unfortunately, due to delays this site will see more than seven years of vegetation growth destroyed and a new disturbance will have been initiated."

Full BCER Comment Inspection #2022-0247: PETRONAS Energy Canada Ltd. [Completed - Non-Compliance(s) Found] Notebook Gallery Non-Compliance INSPECTION DATE John Norrish MISPECTION REPORT SENT TO PERMIT HOLDER INSPECTION SITE ACCESS METHOD INSPECTION SITE ACCESS AND ROAD TYPE INSPECTION CATEGORY Officer Selected High-Grade Road Truck Regional Management INSPECTION AREA FIRST NATIONS ORGANIZATION INSPECTION EQUIPMENT Central Please note that KERMIT inspection # 075499245 has been satisfied due to the compliance management system changeover. This CMIS Notice # 2022-0288 PETRONAS Energy Canada Ltd. Non-Compliance #2022-0288-01 [Completed - Satisfied] John Norrish -001 Request for Extension AACT/ANC OUTCOME DATE AD# 100078183 LEGISLATION Oil and Gas Activities Act - 21(b)(ii) 2023-Jul-03 30 Days Permit Conditions This deficiency was initially issued in KERMIT inspection # 075499245. That inspection will be satisfied due to the system changeover and replaced by this CMIS ins "This sump is located at approximately km 1 on the 8.5 road off Mile 120/Gundy Road. The temporary use permit for this sump was issued on August 26, 2013 and expired on August 26, 2015. The sump needs to follow the process for closure with the end result being fully restored with the strippings and topsoil spread, the fence removed along with any culvert on the access. A sign is not necessary." Petronas had requested an extension on this deficiency until December 31, 2024. The extension time was reduced to September 30, 2022. partly due to a new inspiration of the extension of the ext being implemented. A continued extension request to December 31, 2024 was submitted on September 22, 2022. Upon review of the history of Petronas' non-compliant sumps in my inspection area over the last 10 plus years the extension is reduced to July 4, 2023 to allow for works during the due to delays this site will see more than 7 years of vegetation growth destroyed and a new disturbance will have been initiated. Inspection #2022-0247: PETRONAS Energy Canada Ltd. [Completed - Non-Compliance(s) Found] Notice # 2022-0288 PETRONAS Energy Canada Ltd. Non-Compliance Submission #2022-0288-01-002 [Completed - Accepted - Satisfied NC] Details Notebook Gallery On and Gas Activities Act - 21 Respond to Non-Compliance On Request for Extension Completed - Granted Completed - Granted Completed - Accepted - Satisfied NC 2023-Jun-29 Dawn Dubray topsoils spread back with course, woody debris dispersed and then mounding was used to finish the surface texture for a more natural finish and to prevent any erosion. Willow John Norrish 2023-Jun-30 NON-COMPLIANCE SUBMISSION ANSWER

BCER Decision Rationale

As seen above, a non-compliance was issued and compliance has been achieved as per the processes put in place.

Article Comment 5 to 14 - BCER Decision Rationale - "serious" gas leaks

Article Comments

Numerous mentions of "serious" gas leaks, including several longstanding issues: "It has been deemed a serious [leak] since 2008."

Full BCER Comment

(see below)

BCER Decision Rationale

After review of "serious" gas leak comments from the article, the majority are in relation to surface casing vent flows. There is one for a remote (Fort Nelson) pigging (pipeline) leak which was fixed immediately by the Permit Holder so a comment was issued.

Surface casing vents are an integral part of the safety system of a natural gas well allowing for the venting of gas so that excessive pressure is not created in the wellbore. As part of their function, surface casing vents are allowed to vent as long as flow does not exceed 100m³ per day, or 3 m³ per day under certain circumstances.

Inspection guidance documentation has C&E Officers utilizing comments to address SCVF due to the language of the legislation. (see next page below BCER comments)

In each of the surface casing vent examples found for serious leaks, BCER staff identified that companies are to conduct additional testing as per the guidance documentation. The results of said tests would determine a potential non-compliance and drive next steps. Note that "serious" and "non-serious" terminology to describe SCVF comes from BCER guidance to inspectors, relating to SCVFs that meet definitions in the Regulation sec. 41(3) and 41(4) respectively.

074303175-001	
	Well is Active. Gas detector overranged on LEL from surface casing vent. Fast fill on glove test; see Comments below.
	ESD ok, Sign ok. Chem tank ok.
	Comment: 1) Serious SCVF discovered in 2019 was resolved with grease applied to wellhead (suspected wellhead seal failure). Please undertake investigation on this SCVF. 2) Chem tank containment 1/2 full of water.
046660256-001	
	Wellhead disconnected from flowline. Chained and locked.
047738620-001	2 wellheads, 1 casing. Valve handles removed.
	Surface casing vent flow at a-A13-K well (WA 29456) overranged the gas detector. Fast fill on glove test. Most recent reported SCV test on file (Jan 2016) shows serious vent flow; pressure above the 11kpa/linear meter threshold. If more recent test results are available please submit through e-submission. Otherwise, please re-test for buildup and flow, and submit results to e-submission.
077103333-001	COMMENTS: -there is a surface casing vent flow at this suspended well. Looking in IRIS, it has been deemed a serious since 2008. I put a latex glove on the surface casing vent assembly and the glove inflated immediately and blew off assembly in approximately 15 seconds.
051426026-001	If the SCVF remains non-serious please remove the burst plate from the surface casing vent assembly. Please provide an update to Linan.Zhang@bcogc.ca and Katie.Wesenberg@bcogc.ca by January 4, 2019.
	Unable to locate a report of the component analyses of the natural gas and liquids. Please provide the most recent analysis on file.
	Odour at the wellhead. Please address.
051881668-001	This is winter access only,
	OGC inspector found a serious gas leak coming from the ARGUS pig sender and called Chris Hudson at Shanghai.
	Chris Hudson immediately dispatched operator to site to repair leak.
	No deficiency issued.
	SCADA calibration outdated. (Dec. /2015)

2023-3174	WA# 5966 - Oct. 23, 2023, 12:45 pm on site.	2023-1737	Well is Active.
	Well Head: PSV installed on surface casing vent. IRIS Emission vent flow testing: 2014-06-28 (Severity: Serious . KERMIT last gas production date: 2023-09 (Active Production Status). Flowlines are connected to well head/building (See Attached Photos). NC: SCV ball valve closed to PSV (See Attached Photos). CNRL to conduct SCV Flow testing (buildup pressure test) on well head and provide/submit results to BCER.		Low LEL detected from surface casing vent. Slow flow on glove test. (Site has documented non-serious Gas Migration on file but no SCV flow data on file). Sign, chemical tank, containment, flow lines - okay, Last meter cal = May 2021.
	Signage posted is compliant to standards.	2022 4240	
	Well Building: Meter calibration / verification date: Aug. 2, 2023 and Orifice plate service date: May 2, 2023. Cata-dyne regulator vent line in place/installed. Flowline: Pig barrel chain in place/installed. NC: Spillage - potential: 1) missing bull plug on needle valve at flowline/pig barrel section (See Attached Photo) and 2) union fitting loose/not connected on flowline at pipeline/pig barrel section (See Attached Photo), and 3) open flowline at pipeline/pig barrel section (See Attached Photos). Chemical storage: double wall tank, SDS Labels posted, and grounded.	2023-1218	All wells Active, except c-B34-L (well is disconnected and blinds installed on wellhead and flowline). All wellheads ok. All ESD's ok. Overrange gas detector on LEL from Surface Casing Vent at c-C34-L, Slow fill on glove test (Last SCV data submitted 2020 -10. Non-serious) PSHL last cal 2023-Jan. All critical valves in well buildings carsealed open.
	No invasive plants noted on site at the time of the inspection.		4 chem tanks ok. Last meter cal Oct '21; next cal Oct '24 (3 year cycle approved). Pig barrel ok.
2023-1999	 -The IRIS system shows this well as SUSPENDED. But the wellhead has not been disconnected from the flowline, therefore, surface suspension needs to be completed. 		Test Sep Building isolated; blinds installed on inlet and outlet lines, Fuel gas valve carsealed closed and flowline disconnected.
	-there is a surface casing vent flow at this location. My personal monitor detected small amounts of H2S, as well as high LEUs and CO. In the last report dated December 2022, that is submitted by CNRL, it shows as NON SERIOUS. Due to the test being done in winter, and no reports of H2S, I think another test needs		MCC Building ok. 2 TEG's active.
	to be done to determine if H2S is present, and if so, where is is coming from.		

DRILLING AND PRODUCTION REGULATION, SECTION 41(4)

41(4) On discovery of a surface casing vent flow other than one referred to in subsection (3), a well permit holder must

(a) test the flow rate and buildup pressure of the surface casing vent flow, and

(b) submit a surface casing vent flow report to the commission within 30 days of the discovery of the surface casing vent flow.

GUIDANCE

SURFACE CASING VENT FLOW: The flow of gas and/or liquid from the surface casing/casing annulus.

41(4) On discovery of a surface casing vent flow other than one referred to in subsection (3), a well permit holder must

Observable Qualities

Also known as a "non-serious" surface casing vent flow.

hazard:			
Bubbles are Audible "gur, No flow or m	ed gas flow rate. Glove inflates but is not blown of the surface casing vent assembly. not present or are present and appear in low numbers and without much force. gle" sound from assembly. inimal liquid flow.		
Field Inspection Process			
Low Flow Rate	Record LEL level on monitor. Complete glove test and record observations. Complete bubble test and record # of bubbles found in 10 minutes.		
Liquid Flow	Record flow rate observations (# of drops per minute). Record liquid colour. Records fluid type (water-like, oil-like, etc.). Refer to Guidance for C&E: Liquid Spillage if spillage onto ground has occurred.		

180.Additional Inspection Elements:

 a) If the surface casing vent is equipped with a burst plate or pressure relief valve record the pressure the equipment is set to.

181.If there are questions or concerns regarding the permit holders' compliance with this section of the Regulation and how to proceed, contact,

- a) (OGC) Engineering Drilling & Production
 - Email: OGCDrilling.Production@bcogc.ca

(a) test the flow rate and buildup pressure of the surface casing vent flow, and

(b) submit a surface casing vent flow report to the commission within 30 days of the discovery of the surface casing vent flow.

182.Review SURFACE CASING VENT FLOW/GAS MIGRATION TEST DATA to confirm if a historical flow has been reported.

- a) If there is a record of a historical surface casing vent flow
 - If the flow has increased since the previous report contact OGC Engineering (OGCPipelines.Facilities@bcogc.ca).
 - Flow remains the same
 - . Under "Inspector Comments" note that the flow was observed.
- b) If there is no record of a surface casing vent flow.
 - Inspection comments
 - "Surface casing vent flow observed. On discovery of a surface casing vent flow please submit a surface casing vent flow report, containing the flow rate and buildup pressure to the Commission (eSubmission) within 30 days."
 - Send an email to OGC Engineering.
 - Include inspection observations and inspection date.
 - · Confirm if there are historical reports in IRIS.
 - · Provide surface casing vent flow report deadline.

183.If the Commission does not receive the report in 30 days the OGC Engineering department will contact you.

- a) Create a new "follow up" inspection to issue the non-compliance with a link to the original inspection where the SCVF was identified to the company via comment.
- The email from engineering stating they have not received the SCVF report should also be uploaded to the communication log of the new inspection.

Additional Recommended Resources:

- . Surface Casing Vent Flow and Gas Migration presentation by Linan Zhang, P.Eng.
- . OGC Oil and Gas Activity Operations Manual

<u>Article Comment 15 – BCER Decision Rationale – Restoration years of vegetation growth</u> destroyed

Article Comment

Potential contamination left for more than eight years: "There are numerous wildlife tracks attracted to the area... The same request was required in October 2014 but nothing was received."

BCER Full Comment

078779409-001 There are numerous wildlife tracks attracted to the area which may have been an on lease sump. Please conduct soil sampling and provide the results report to John.Norrish@bcogc.ca by the end of the day on November 30, 2022. If there is contamination then big game and any livestock are excluded from the immediate area.

The same request was required in October 2014 but nothing was received. This is a follow up inspection for the same concerns identified at that time.

BCER Decision Rationale

In the cases of sumps Compliance & Enforcement do not have the knowledge and skill set to manage for long term contamination. When discovered, these issues would be commented on to drive action to protect wildlife and the issue would be brought to the environmental stewardship group for management as they would often take years. We can and do write orders to require companies to exclude large animals from areas of known contamination, if it is evident that they are accessing.

No additional information to provide.

Article Comment 16 - BCER Decision Rationale - Explosive Emissions

Article Comment

Dangerous levels of harmful and explosive emissions: "I put a latex glove over the surface casing vent and the glove inflated immediately and blew off of the vent in approximately 30 seconds. My personal monitor over-ranged on [low explosive limits] when the glove blew off and I bent over to pick up glove. This well will be tested again sometime this summer I suspect?"

BCER Full Comment

077102358-001 COMMENTS:

-1 put a latex glove over the surface casing vent and the glove inflated immediately and blew off of the vent in approximately 30 seconds. My personal monitor over ranged on LEL's when the glove blew off and 1 bent over to pick up glove. This well will be tested again sometime this summer I suspect? I am curious as to what the flow amounts are this year.

BCER Decision Rationale

Same comments as "serious leaks" followed SCVF process.

Article Comment 17 - BCER Decision Rationale - Waxy Substance

Article Comment

Potential impacts on ecosystem health: "a waxy substance on top of the liquids and covering the bullrushes."

BCER Full Comment

074929437-001 The flarepit at the 7-19-88-17 location has liquids in it that have a hydrocarbon odor. There is also a waxy substance on top of the liquids and covering the bullrushes

There is evidence of wildlife accessing the liquids in the flarepit. A fence should be installed around the pit to prevent wildlife access

low often is this flarepit used?

Please have someone contact the inspector next week to discuss this flarepit.

BCER Decision Rationale

Same as "systems limitations." New processes support a non-compliance for wildlife fencing.

Article Comment 18 - BCER Decision Rationale - Normally a SERIOUS Deficiency

Article Comment

References to issues inspectors appear to consider egregious but are not officially marked as such: "Normally, this would be a SERIOUS deficiency."

BCER Full Comment

063819969-001 This was a joint inspection with Shawn Erlendson, Shanghai Operator.

This is an inspection of the disposal well, well facility, disposal station and pipelines.

Disposal well is active. Surface casing vent checked, ok.

Pipelines are active. Signage, cathodic ok.

Disposal facility is active. Chem tanks ok. Tank farm ok. Signage ok.

The following deficiencies were observed, but are being presented as Comments, as this was a joint inspection. The expectation is that these will be addressed:

- 1) ESD is latched open. Normally, this would be a SERIOUS deficiency.
- 2) Load boxes at tank farm are rusted out (produced water drains into containment ring).
- 3) In the pump building, valve on PSV line from duplex pump can be functioned past the carseal cable. (Valve handle was removed at time of inspection).

Please undertake the repairs and advise Peter Smith by email at peter.smith@bcogc.ca when completed.

BCER Decision Rationale

Joint inspection – expectation was set for non-compliance to be corrected. Joint inspections are an opportunity to build relationships and shared knowledge.

From: Keough, Dana

Sent: Thursday, March 6, 2025 11:15 AM

To: Bourke, Dax

Subject: RE: Narwhal Inspections

Hi Dax ~ I haven't seen any recent questions from the Narwhal relating to that FOI but the spreadsheet you have must be a different version of what was actually provided.

I found the following that has the comment you indicate. It's on the third tab of the spreadsheet.

29-Dec-2022	2022-0247	OGAA	21(b)(ii)	(ii) a permit issued to the person, if any, and	This deficiency was initially issued in KERMIT inspection # 075499245. That inspection will be satisfied due to the system changeover and replaced by this CMIS inspection. "This sump is located at approximately km 1 on the 8.5 road off Mile 120/Gundy Road. The temporary use permit for this sump was issued on August 26, 2013 and expired on August 26, 2015. The sump needs to follow the process for closure with the end result being fully restored with the strippings and topsoil spread, the fence removed along with any culvert on the access. A sign is not necessary." Petronas had requested an extension on this deficiency until December 31, 2024. The extension time was reduced to September 30, 2022 partly due to a new inspection system being implemented. A continued extension request to December 31, 2024 was submitted on September 22, 2022. Upon review of the history of Petronas' non-compliant sumps in my inspection area over the last 10 plus years the extension is reduced to July 4, 2023 to allow for works during the snow free season. Petronas restored a sump 1 km down the road from this one after a deficiency was given. This sump should have been restored at the same time. Unfortunately, due to delays this site will see more than 7 years of vegetation growth destroyed and a new disturbance will have been initiated. In order to have a smooth transition over to CMIS please respond with an extension request for July 4th 2023 and it will be approved, Thank you.
					extension request for July 4th 2023 and it will be approved, Thank you.





From: Bourke, Dax <Dax.Bourke@bc-er.ca> Sent: Thursday, March 6, 2025 10:50 AM To: Keough, Dana <Dana.Keough@bc-er.ca>

Subject: Narwhal Inspections

Hi Dana,

I'm putting together responses for the Narwhal in relation to their inspection information request. I can't seem to find a correlating inspection to the comment below. Can you take a look please? I've attached the excel data submission we sent as part of the reply, I've looked through there and using BI.

Failure to clean up a facility, rendering years of restoration work ineffective: "Unfortunately, due to delays this site will see more than seven years of vegetation growth destroyed and a new disturbance will have been initiated."

Thanks,





Dax Bourke CD Executive Director, Compliance & Enforcement Dax.Bourke@bc-er.ca Fort St. John Office Address Directory BCER Web Site

T. 250-794-5395 F. 250-794-5390

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From:

Bourke, Dax

Sent:

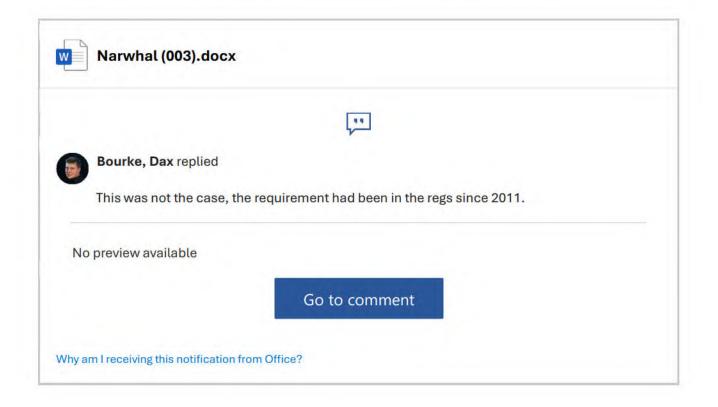
Thursday, March 6, 2025 10:33 AM

To:

Smook, Patrick

Subject:

Bourke, Dax replied to a comment in "Narwhal (003)"



Pages: 519-521 Redacted pursuant to: s13 From: Smook, Patrick

Sent: Thursday, March 6, 2025 10:21 AM **To:** Woods, Jonathan; Bourke, Dax

Subject: RE: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Thurs at noon

I've included some suggestions in comments. Maybe a bit more we can provide here.





Patrick Smook RPF, MBA
Vice President, Compliance & Operations
Patrick.Smook@bc-er.ca

Fort St. John T. 250-794-5314

<u>Office Address Directory</u> F. 250-794-5390

<u>BCER Web Site</u> \$22

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Thursday, March 6, 2025 10:10 AM **To:** Smook, Patrick < Patrick. Smook@bc-er.ca>

Subject: RE: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Thurs at noon

Hi Patrick,

Can you please review our draft responses as primary program-area A/EVP: Narwhal (003).docx

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

Thursday at noon





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From: Woods, Jonathan

Sent: Wednesday, March 5, 2025 2:57 PM
To: Smook, Patrick < Patrick. Smook@bc-er.ca>

Cc: Bourke, Dax <<u>Dax.Bourke@bc-er.ca</u>>; Parsonage, Kevin <<u>Kevin.Parsonage@bc-er.ca</u>>; van Besouw, Jordan <<u>Jordan.vanBesouw@bc-er.ca</u>>; Thoroughgood, Garth <<u>Garth.Thoroughgood@bc-er.ca</u>>; Currie, Graham <<u>Graham.Currie@bc-er.ca</u>>; Rygg, Philip <<u>Phil.Rygg@bc-er.ca</u>>; Denys, Lori <<u>Lori.Denys@bc-er.ca</u>>

Subject: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Thurs at noon

Hi Patrick,

Can you please review our responses as primary program-area A/EVP: Narwhal (003).docx

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

Thursday at noon





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

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Pages: 524-526 Redacted pursuant to: s13 From: Smook, Patrick

Sent: Thursday, March 6, 2025 8:39 AM

To: Bourke, Dax

Subject: RE: Article Comments - BCER Review

Thanks Dax,

For the one that you could not find, please contact Dana Keough and ask her to search through the FOI materials given to the Narwal. Apparently she has a slick way to do this.

Thanks

P





Patrick Smook RPF, MBA Vice President, Compliance & Operations Patrick.Smook@bc-er.ca Fort St. John
Office Address Directory
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T. 250-794-5314 F. 250-794-5390 s22

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From: Bourke, Dax <Dax.Bourke@bc-er.ca>
Sent: Wednesday, March 5, 2025 4:23 PM
To: Smook, Patrick <Patrick.Smook@bc-er.ca>
Cc: Currie, Graham <Graham.Currie@bc-er.ca>
Subject: Article Comments - BCER Review

As discussed, here are the remainder of the article comments in review. There was one inspection that I could not find. Happy to discuss further tomorrow.





Dax Bourke CD
Executive Director, Compliance & Enforcement
Dax.Bourke@bc-er.ca

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<u>BCER Web Site</u> \$22

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From: Carr, Michelle

Sent: Thursday, March 6, 2025 2:26 PM

To: Peter Pokorny; Rachel Shaw (Rachel.Shaw@gov.bc.ca)

Cc: Lyttle, Shawna EMLI:EX; Dickinson, Sara

Subject: Follow up: Issue Note related to Narwhal article

Attachments: IN_Narwhal_CE_Article.docx; IN_FOI_Inspection Summaries 2017-2023

_Updt_March2025.docx

Hi, Peter.

As per my reach out to you the other day, we have prepared INs that address key elements of the recent Narwhal article re BCER compliance oversight. The first IN is higher level and speaks to our approach to compliance and enforcement as well as key context relating to some of the specific allegations, with the FOI IN addressing key items relating to three FOIs from this media outlet re over 35K inspections.

In a nutshell, in terms of the specific instances noted, there is important context to the excerpts which would appear to be straightforward non-compliances based on the limited info provided in the article, including:

- o Two were escalated to more formal enforcement.
- Two were passed to the BCER's environmental management team for management of remediation.
- One was fixed immediately by the permit holder while the inspection officer was present.
- Nine were surface casing vent flows, and thus not non-compliances at the time of inspection.
- One was a joint inspection, used to share information and educate permit holders on compliance expectations.

Further investigation is occurring regarding the article claim that three per cent of BCER inspections showed instances where non-compliance was improperly recorded by the inspection officer.

We would be pleased to brief the MO or MAD on our approach to compliance oversight if desired, and key messages/information on this matter will be included in our Estimates notes.

Michelle





Michelle Carr She/Her
Commissioner, Chief Executive Officer
Michelle.Carr@bc-er.ca

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T. 250-419-4422 F. 250-419-4403

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March 5, 2025

Compliance & Enforcement

- PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- II. ISSUE: The Narwhal has published a story (March 4, 2025 repeated and shortened in the Vancouver Sun on March 5) and a follow-up Narwhal article (March 5, 2025) critical of the BCER's compliance and enforcement efforts and suggesting over 1,000 infractions were left unchecked. This is premised on an FOI released in February 2024 (and available on the BCER's website) for all inspection records from 2017-2023, resulting in over 35,000 inspection reports.

III. MESSAGING:

- The BCER has a comprehensive Compliance Management System that ensures energy companies in the province operate in accordance with legislation, regulations, permits and authorizations designed to protect public safety and the environment.
- Significant resources are dedicated to monitoring compliance, through a diverse set of administrative and field-based tools and activities, including application reviews, administrative reviews and monitoring, audits, inspections, and permit holder self-assessments.
- The BCER is committed to continuous improvement. In 2023, the BCER engaged MNP to evaluate the effectiveness of the management system and has made improvements to data quality and integration, improved performance measurement and review of resourcing to enhance the role of specialists in compliance management.
- The Narwal article provided excerpts from BCER inspection comments using Artificial Intelligence to identify areas where inspectors' comments suggested compliance but there were signs of environmental or safety hazards.
- BCER staff are reviewing the historic inspection records and associated documentation on file. Many examples published in the article only show the comments on inspection reports, not the full context of risk or outcome of the inspection.
- There were various reasons why some non-compliances referenced in the article did not lead to non-compliance notices, including:
 - o Two were escalated to more formal enforcement.
 - Two were passed to the BCER's environmental management team for management of remediation.
 - One was fixed immediately by the permit holder while the inspection officer was present.
 - Nine were surface casing vent flows, and thus not non-compliances at the time of inspection.
 - One was a joint inspection, used to share information and educate permit holders on compliance expectations.



- Further investigation is occurring regarding the article claim that three per cent of BCER inspections showed instances where non-compliance was improperly recorded by the inspection officer.
- The BCER is committed to transparency and the public sharing of information and records on compliance management actions. This includes posting the following on the website:
 - o inspection summaries,
 - o data and reporting specific to <u>Compliance Management Verification</u>, <u>Field</u> Inspections, and Enforcement,
 - o all penalties, orders, warning letters and tickets issued.
- Plans are in place for the BCER to begin posting full inspection records on its website, by the end of 2025.

IV. BACKGROUND:

- 1. Comprehensive Compliance Management System
 - Regulatory compliance verification activities begin as soon as a company submits an application to the BCER to carry out energy resource activities and continues to end of life ensuring that activities are properly restored.
 - There are over 1,000 individual regulatory requirements of varying types and scope against which the BCER is responsible for verifying compliance - from requirements relating to infrastructure integrity, water use and air emissions, to ensuring "ecologically suitable species" are used for site restoration.
 - The most appropriate compliance verification tools are chosen based on the requirement type, nature and associated risk.
 - Compliance verification activities are carried out by different departments
 across the organization, this includes, but is not limited to, carrying out more
 than 4,000 in-person inspections of energy resource activity sites across the
 province each year.
 - The BCER's objective is to keep permit holders within regulatory compliance and return them to regulatory compliance if they become non-compliant.
 - When non-compliances are identified, the BCER uses a graduated response model to bring permit holders back into compliance, ranging from noncompliance notices to more formal, statutory enforcement actions, including fines.
 - When considering how to respond to non-compliance, BCER staff consider the severity of actual or potential impact to the environment, human health or safety, the factual circumstances of the alleged offence, compliance history of the offender, as well as how to best achieve an environmental outcome and reduce the likelihood of it occurring again.
 - The graduated approach ensures non-compliance response actions are proportionate to the non-compliance and BCER resources are allocated for maximum effect.
 - Where appropriate, alleged non-compliances are managed through the Non-



Compliance Notice and Correction Process. The BCER has clear, efficient processes that staff may use to escalate to formal enforcement actions where non-compliance notices are not effective, or as the circumstances warrant.

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2. Narwhal Article Examples

- The two media articles were based on a review of over 35,000 inspection reports dating back eight years and are described as a "collaboration between the Narwhal and Investigative Journalism Foundation".
- Additional details and a summary specific to the inspection reports used in the article can be found in the companion Issue Note: FOI Package – Summary of 2017-2023 Inspection Reports.
- The BCER is reviewing these records to rule out any trends or legitimate concerns and is proceeding with further enhancements of its comprehensive compliance management system in 2025, including:
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 - Re. serious gas leaks related to surface casing vent flows (SCVF) these are an integral part of the safety system of a natural gas well and under legislation, they are allowed to vent as long as the flow does not exceed 100 cubic metres per day (or 3 cubic metres per day in certain circumstances). If SCVF is happening at a well, there are tests and actions required, within time periods specified in regulation. If these items are not completed, the well may be out of compliance, but finding a SCVF at a well is not a non-compliance in/of itself.
 - Re. potential contamination left for eight years with wildlife entering area comments are used to request soil testing in areas of suspected contamination. If the area did have contamination, the permit holder would be required to exclude wildlife. The matter would be referred to the BCER's environmental stewardship group for appropriate management, as these sites can take years to restore fully.



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- Re. a waxy substance covering tops of bullrushes when discovered, issues relating to contamination would be commented on to drive action to protect wildlife and the issue would be brought to the environmental stewardship group for management as they would often take years for full remediation. We can and do write orders to require companies to exclude large animals from areas of known contamination, if it is evident they are accessing.
- Re. issues inspectors consider egregious but are not marked as such in this case it was a joint inspection with the company and the BCER inspector noted the disposal well surface casing vent was checked and ok; the pipeline signage and cathodic were ok; disposal well chemical tanks were ok, the tank farm was ok, and the signage was ok. There were three areas identified with problems and the BCER inspector directed the company to repair and notify the inspector when complete.

PREPARED BY:

Graham Currie Executive Director, Public Trust 250-419-4420



Feb. 26, 2024; Updt March 5, 2025

FOI Package – Summary of 2017-2023 Inspection Reports

- I. PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- **II. ISSUE**: A spreadsheet with summaries of all BCER's 35,000+ inspection reports from April 2017 to Nov. 2023 was released to a media outlet and posted to the BCER website on Feb. 23, 2024.

III. MESSAGING:

- The BCER is committed to ensuring energy companies in the province operate
 in accordance with relevant legislation, regulations, permits and authorizations
 designed to protect public safety and the environment, support reconciliation
 with Indigenous peoples, conserve energy resources and foster a sound
 economy and social well-being.
- The BCER dedicates significant resources to monitoring compliance, including carrying out more than 4,000 in-person inspections of energy resource activity sites across the province each year.
- Over the 2017-2023 period, the inspection-level initial compliance rate was over 94 per cent.
- When non-compliances are identified, the BCER uses a graduated response model to bring permit holders back into compliance, ranging from noncompliance notices to more formal, statutory enforcement actions, including fines.
- From 2017-2023; 254 out of 4,355 (approximately 6 per cent) individual non-compliances were considered high severity, which require that permit holders correct them within 24 hours. All others were of low severity, requiring correction within either 14 or 30 days.
- All high severity non-compliances are subject to a further review process by C&E Supervisors who conduct a risk assessment for escalation and use of other compliance tools.
- The common issuance of high severity non-compliances are in relation to facility hazards (equipment and storage of materials), emergency shut down devices, storage and disposal of wastes, and spillage.
- Over 2017-2023, the inspection-level final compliance rate after the passing
 of the correction period during which the permit holder is required to remedy
 the non-compliance(s) was more than 99 per cent.
- We are committed to transparency and the public sharing of information and records. The BCER shares inspection summaries on its website, and is working on system enhancements to begin posting full inspection records.

BC=R

Issue Note

IV. BACKGROUND:

- On Nov. 15, 2023 the BCER received a request through the Freedom of Information Act for "PDF copies of all inspection reports from 2017-2023".
- The BCER posts a summary of inspections on its website, which includes the following fields: Inspection Number, Non-Compliance Number (if applicable), Inspection Date, Operator, Activities Inspected, Status, and Regulation Name (for non-compliances, if applicable).
- The request was revised, following a discussion with the applicant about the volume of records (over 35,000 reports) and a large fee estimate for processing.
- For the FOI request, summaries of the inspection reports have been compiled in a spreadsheet and include:
 - o Inspection date
 - Inspection number
 - o Permit holder's name (Company)
 - How the site was accessed (ie: truck, helicopter)
 - Inspection outcome (In compliance, non compliances found)
 - Inspection category (Planned inspection, risk & data informed, officer selected)
 - Comments (high level information from inspection report)
- The summaries were gathered from the BCER's KERMIT (Knowledge, Enterprise, Resource, Management, Information and Technology) and CMIS (Compliance Management Information System) databases. It took FOIPPA staff several weeks to review and summarize the reports and transfer that information to the spreadsheet.
- This request was made from a media outlet. The same outlet was provided (January 2024) an FOI package with 603 pages of inspection reports following a request on Oct. 25, 2023 for "copies of all Coastal GasLink inspection reports conducted by BCER compliance and enforcement to date".

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- Inspections are the primary means through which the BCER evaluates field-based regulatory compliance. Significant resources are dedicated to the more than 4,000 in-person inspections conducted each year throughout the province, including using trucks, all-terrain vehicles and helicopters to access sites. Note that many inspections during COVID were not done in-person, but employed other techniques such as video calls and drone footage.
- Some inspections are triggered by events or complaints (for example, spills or noise complaints); however, most inspections are pre-planned using a risk and data informed model intended to optimize resource allocation, be responsive to emerging issues and trends, utilize the expertise and knowledge of BCER field staff and timing.
- There are currently 139,252 energy resource activity development sites in B.C. For reference, in roughly the past year, the BCER has inspected 5,207 sites (3.7 per cent).



 Below is a table with number of inspections and inspection-level compliance rates for the years contained within this request.

	2017	2018	2019	2020	2021	2022	2023
TOTAL Inspections	4,809	4,717	4,345	4,945	5,047	4,602	3,954
Initial Compliance Rate	99.82%	91.36%	92.06%	93.73%	95.18%	94.52%	93.72%
Final Compliance Rate	100%	99.72%	99.84%	99.75%	99.74%	99.81%	99.56%
High-severity Non- Compliances Issued	16	66*	55	31	13	30	*43

^{*2018 -} The number of "High" deficiencies reflects a procedural change resulting in additional deficiencies being classified as high. The risk-based approach to inspection selection continues to be refined, focusing on inspections on these higher-risk sites.

*2023 – With the implementation of the Data and Risk Informed Inspection Model, inspections are being targeted to the sites that pose the highest risk. The number of "High" non-compliances reflects the findings of BCER inspections. Processes are in place to review high non-compliances to ensure the reduction in recidivism.

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- The BCER is committed to taking action and strives to ensure a fair, effective, and consistent approach to enforcement, when non-compliances occur. Effective enforcement protects the public and the environment, remedies noncompliances, ensures fairness, and acts as a deterrent for future noncompliance.
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- The BCER's graduated enforcement approach ensures non-compliance response actions are commensurate with the non-compliance and BCER resources are allocated for maximum effect.

PREPARED BY:

Lannea Parfitt Manager, Communications 250-980-6081 From: Currie, Graham

Thursday, March 6, 2025 1:35 PM Sent:

To: Lonergan, Peter GCPE:EX; Venn, Tania GCPE:EX; Connie, Alanah GCPE:EX; Poulose,

Akshara GCPE:EX

Rygg, Philip; Denys, Lori; Woods, Jonathan Cc:

Issue Notes - Narwhal Article Subject:

Attachments: IN_Narwhal_CE_Article.docx; IN_FOI_Inspection Summaries 2017-2023

_Updt_March2025.docx

Good afternoon – I understand our Commissioner has (or shortly will be) shared these notes with the DM. Please find attached the following:

- Narwhal CE Article in reference to the two stories done by this publication, critical of the BCER compliance efforts.
- FOI Inspection Summaries 2017-2023 this is what led to the media stories and was created a year ago; slightly updated here and a good companion piece to the above note.

Thank you,

Graham





Graham Currie Executive Director, Public Trust

Graham.Currie@bc-er.ca

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T. 250-419-4420 F. 250-419-4403 522

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March 5, 2025

Compliance & Enforcement

- I. PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- II. ISSUE: The Narwhal has published a story (March 4, 2025 repeated and shortened in the Vancouver Sun on March 5) and a follow-up Narwhal article (March 5, 2025) critical of the BCER's compliance and enforcement efforts and suggesting over 1,000 infractions were left unchecked. This is premised on an FOI released in February 2024 (and available on the BCER's website) for all inspection records from 2017-2023, resulting in over 35,000 inspection reports.

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PREPARED BY:

Graham Currie Executive Director, Public Trust 250-419-4420



Feb. 26, 2024; Updt March 5, 2025

FOI Package - Summary of 2017-2023 Inspection Reports

- I. PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
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BC=R

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PREPARED BY:

Lannea Parfitt Manager, Communications 250-980-6081 Pages: 544-548 Redacted pursuant to: s13 From: Currie, Graham

Sent: Wednesday, March 5, 2025 6:28 PM

To: Bourke, Dax Smook, Patrick

Subject: Inspection Comment

Attachments: Inspection Comment IN_v2.docx

If it helps anything Dax – I did go through this first document and made some suggested edits and a couple of comments where we could update a graphic. Haven't edited the second document you sent, but it looks pretty good – but did incorporate some of that into the Issue Note that's currently being reviewed in One Drive.

Thanks, Graham





Graham CurrieExecutive Director, Public Trust
<u>Graham.Currie@bc-er.ca</u>

Victoria
Office Address Directory
BCER Web Site

T. 250-419-4420 F. 250-419-4403 s22

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Pages: 550-563 Redacted pursuant to: s13 From: Bourke, Dax

Wednesday, March 5, 2025 4:23 PM Sent:

To: Smook, Patrick Currie, Graham Cc:

Article Comments - BCER Review Subject:

Attachments: Article Comments.docx

As discussed, here are the remainder of the article comments in review. There was one inspection that I could not find. Happy to discuss further tomorrow.





Dax Bourke CD Executive Director, Compliance & Enforcement

Fort St. John Office Address Directory Dax.Bourke@bc-er.ca **BCER Web Site**

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Pages: 565-571 Redacted pursuant to: s13 From: Bourke, Dax

Sent: Wednesday, March 5, 2025 12:19 PM

To: Woods, Jonathan Cc: Currie, Graham

Subject: RE: ECS Media Request: BCER oversight and CNRL

Comments in the doc





Dax Bourke CD

Executive Director, Compliance & Enforcement Dax.Bourke@bc-er.ca

Fort St. John T. 250-794-5395

<u>Office Address Directory</u> F. 250-794-5390

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Wednesday, March 5, 2025 9:51 AM

To: Bourke, Dax < Dax.Bourke@bc-er.ca>

Cc: Currie, Graham < Graham.Currie@bc-er.ca>

Subject: RE: ECS Media Request: BCER oversight and CNRL

Thanks Dax. I have a few questions in the following document – hit me up on teams if you want to chat:

Narwhal (003).docx





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

Victoria
Office Address Directory
BCER Web Site

T. 250-419-4357 F. 250-419-4403

We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water

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From: Bourke, Dax < <u>Dax.Bourke@bc-er.ca</u>> Sent: Tuesday, March 4, 2025 8:01 AM

To: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>
Cc: Currie, Graham < Graham.Currie@bc-er.ca>

Subject: RE: ECS Media Request: BCER oversight and CNRL

Response attached.





Dax Bourke CD

Executive Director, Compliance & Enforcement Dax.Bourke@bc-er.ca Fort St. John Office Address Directory BCER Web Site T. 250-794-5395 F. 250-794-5390 \$22

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From: Bourke, Dax

Sent: Monday, March 3, 2025 10:53 AM

To: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>
Cc: Currie, Graham < <u>Graham.Currie@bc-er.ca</u>>

Subject: RE: ECS Media Request: BCER oversight and CNRL

Thanks Jon – lets aim for EOD Thursday then





Dax Bourke CD

Executive Director, Compliance & Enforcement Dax.Bourke@bc-er.ca Fort St. John Office Address Directory BCER Web Site T. 250-794-5395 F. 250-794-5390 s22

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s13

Pages: 574-585 Redacted pursuant to: s13, s16 From: Currie, Graham

Sent: Tuesday, March 4, 2025 8:47 AM

To: Leadership Group

Cc: Communications DL; Johnson, Justine; Bentley, Kelly

Subject: Documents reveal over 1,000 potential infractions left unchecked by B.C. energy

regulator

FYI - story we were expecting from the Narwhal (it's also in the MMI media report this morning)...

https://thenarwhal.ca/bc-energy-regulator-oversight-pattern-2025/





Graham CurrieExecutive Director, Public Trust
<u>Graham.Currie@bc-er.ca</u>

Victoria Office Address Directory BCER Web Site T. 250-419-4420 F. 250-419-4403 s22

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Pages: 587-592 Redacted pursuant to: s13 From: Bourke, Dax

Sent: Monday, March 3, 2025 9:04 AM

To: Parsonage, Kevin

Subject: FW: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Tues EOD

Morning Kevin,

s13

Thanks.

From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Friday, February 28, 2025 11:27 AM **To:** Bourke, Dax < Dax.Bourke@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca>; Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>; Currie, Graham

<Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Tues EOD

Hi Dax,

s13

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

Tuesday, end of day

REQUEST:

Thank you for your answers to our previous questions. We are reaching out with follow-up questions based on two files, one from inspection records provided to The Narwhal through freedom of information legislation and another relating to an order issued in December 2024.

Our preference is to discuss these records in an interview with a senior BC Energy Regulator official, such as Michelle Carr or Dax Bourke, both copied to this email.

Our deadline is at the end of the day on March 4, 2025, however if you need more time to respond, please let us know.

The inspection records we reviewed includes a reference to an "exemption given to CNRL for over 4,000 pipelines that are not compliant in regard to deactivation." Another similar reference mentions an exemption given to the same company that the inspector noted was for wells.

- 1. Can you explain the nature of the "exemption" and share all available documentation associated with it?
- 2. Can you confirm the number of pipelines and/or wells covered by this exemption?
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- 8. Does this exemption reflect the BCER's approach to managing compliance?
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- 10. Is there any other context you would like to provide, to help our readers interpret and understand the inspection note?

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Thank you,





Victoria Office Address Directory BCER Web Site T. 250-419-4357 F. 250-419-4403

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From: Matt Simmons < matt@thenarwhal.ca > Sent: Thursday, February 27, 2025 9:33 AM

To: Communications < communications@bc-er.ca

Cc: Carr, Michelle < Michelle.Carr@bc-er.ca>; Dax.Bourke@bc-er.c; Zak Vescera < zak.vescera@theijf.org>

Subject: Additional questions from The Narwhal and Investigative Journalism Foundation regarding oil and gas activities and BCER compliance and enforcement

Good morning,

Thank you for your answers to our previous questions. We are reaching out with follow-up questions based on two files, one from inspection records provided to The Narwhal through freedom of information legislation and another relating to an order issued in December 2024.

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Thank you,

Matt Simmons
Reporter, The Narwhal
matt@thenarwhal.ca

Zak Vescera Reporter, Investigative Journalism Foundation zak.vescera@theiif.org From: Bourke, Dax

Sent: Friday, February 28, 2025 11:31 AM

To: Woods, Jonathan

Cc: Smook, Patrick; Thoroughgood, Garth; Currie, Graham; Rygg, Philip; Denys, Lori Subject:

RE: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Tues EOD

s13





Dax Bourke CD Executive Director, Compliance & Enforcement Dax.Bourke@bc-er.ca

Fort St. John Office Address Directory **BCER Web Site**

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Sent: Friday, February 28, 2025 11:27 AM To: Bourke, Dax < Dax.Bourke@bc-er.ca>

Cc: Smook, Patrick < Patrick. Smook@bc-er.ca>; Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>; Currie, Graham

<Graham.Currie@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: MEDIA REQUEST: The Narwhal/IJF - C&E for CNRL | Deadline: Tues EOD

Hi Dax.

s13

REPORTERS:

Matt Simmons The Narwhal

Zak Vescera Investigative Journalism Foundation

DEADLINE:

Tuesday, end of day

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Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

Victoria Office Address Directory BCER Web Site T. 250-419-4357

F. 250-419-4403

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Matt Simmons
Reporter, The Narwhal
matt@thenarwhal.ca

Zak Vescera
Reporter, Investigative Journalism Foundation
<u>zak.vescera@theijf.org</u>

From: Currie, Graham

Sent: Friday, February 28, 2025 6:01 PM

To: Leadership Group

Cc: Rygg, Philip; Johnson, Justine; Gerlach, Lisa; Bligh, Stacey
Subject: Issue Notes & Media Tracker - Week of Feb. 24-28, 2025

Attachments: IN_HydrogenRegulation.docx; TRACKER_Weekly Media_28Feb2025.pdf

Good afternoon – please find attached the media tracker for the week that was; and one issue note for our new Hydrogen Regulation, which we hope to "announce" next week on March 4, 2025.

Have a good weekend all,

Graham





Graham CurrieExecutive Director, Public Trust
<u>Graham.Currie@bc-er.ca</u>

Victoria Office Address Directory BCER Web Site

T. 250-419-4420 F. 250-419-4403 s22

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Weekly Media Tracker

Feb. 24-28, 2025

Total requests: 4

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 24 & 25	2022 pipeline oil spill contravention decision	Business in Vancouver	Stefan Labbe	Dax Bourke, Patrick Smook	Responses sent Feb. 24 & 25

ORIGINAL REQUEST AND RESPONSES:

I'm following up on a BCER decision related to an oil spill at "pipeline project 2988."

https://www.bc-er.ca/files/enforcement/Contravention-Decision/Administrative-Finding Pavilion_Hurley_18Feb25.pdf

Q1: where this pipeline is located

The pipeline is located approximately 20.5 km north of Fort St. John, British Columbia.

Q2: what it's used for

The pipeline transports oil produced from a well to a processing battery facility.

Q3: and it's current status?

The pipeline has been repaired and put back into operation*

Q4: how much oil spilled in the event?

Estimated to be 20 m3 (20,000 litres)

*note that we later found out that this is not accurate; in fact: On April 7, 2022, the BCER issued a General Order requiring Pavilion to cease any transport of fluids through the pipeline until an engineering assessment has been completed to show if the line can be reactivated. If not the line is to be abandoned. The BCER has not received the assessment to date and the General Order is still active.

FOLLOW-UP REQUEST:

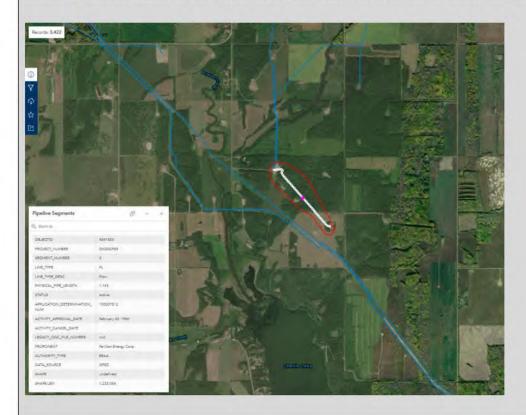
To be clear: What is the name of the pipeline, what purpose does it serve, and what two end-points does it connect?

FOLLOW-UP RESPONSE:

- It is pipeline project 2988, segment 3 (search Project Number 000002988 on our "Pipeline Segments (Permitted)" map see screenshot, below, with the approximate location of the spill indicated in pink)
- It runs 1,143 metres northwest, transporting oil produced from a well to a processing battery facility (search Facility ID 00018804 (well WA 04901) and Facility ID 00000056 (processing battery facility) on our "Facility Locations (Permitted)" map)

The pipeline in question is a gathering pipeline, which transport oil and gas from wells to processing facilities. Most of B.C.'s pipeline network consists of gathering pipelines, moving products from northeast B.C. to refining, processing, and storage facilities. In contrast, transmission pipelines carry processed products to distribution systems and consumers.

A processing battery facility is a site where fluids from wells are gathered, processed, and treated before being sent to market or further refining. These facilities separate components, remove impurities, and prepare hydrocarbons for transportation or sale.



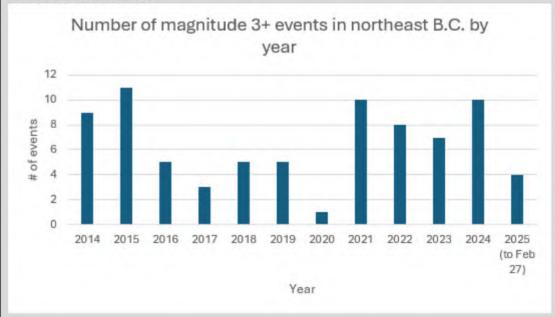
Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 24	Induced seismicity / landowner concerns	Canadian Press	Brenna Owen	Dax Bourke, Stu Venables	Response sent Feb. 27

QUESTIONS AND ANSWERS:

I have a few questions relating to earthquakes induced by fracking operations in northeastern B.C.

Q1. According to the regulator's tracking, what has been the trajectory of industry-induced quakes over the last 10 years? i.e. Have the quakes been increasing in frequency and/or intensity?

The following graph displays the number of induced events in northeastern B.C. since 2014 recorded at local magnitude 3.0 or above. The BCER's Northeast B.C. Seismicity Map displays confirmed seismic events of greater than local magnitude 1.5 in northeast B.C. that have occurred since 2014.



Q3. How many reports (i.e. feeling the quakes, damage) did the BCER receive from Peace region residents during the series of industry-induced quakes from February 8th to 12th?

Six

Q4. What was the nature of the reports? In other words, what kinds of impacts were people reporting?

The reports submitted to the BCER indicated the complainants felt earth movements, such as a "tremor," "seismic activity," and "felt event." One complainant reported hearing a "single loud bang" and two residents reported being woken up.

The BCER followed up with those complainants who requested we do so, once more information was available to share about the events.

Q5. What is the regulator's process for following up with residents who report various damages?

When the BCER receives a complaint, it is logged in our system and disseminated to the appropriate business area(s) for response, as necessary.

In the event of a complaint where residents reported damage, the BCER would follow up with the resident and provide an avenue for the submission of pictures and/or videos of alleged damage. If required, a site visit would be organized where a BCER staff would attend the property to take statements and collect evidence of alleged damage.

Q6. Is there a complaint or compensation process for residents who report damages from industry-induced quakes?

Complaints can be submitted to the BCER either through our 24-emergency line or through a web submission on the BCER website. When the BCER receives a complaint, it is logged in our system and disseminated to the appropriate business area(s) for response, as necessary. Dependent on the nature of the complaint, response can range from providing additional information up to conducting formal investigations and taking compliance actions.

The BCER has no regulatory role when it comes to compensation discussions. The Surface Rights Board is in place to assist in resolving compensation disputes between landowners and energy proponents.

Q7. What is the regulator's process for community engagement with residents who are regularly affected by induced seismicity; and/or is that the responsibility of the natural gas companies doing the fracking?

Before a company applies to the BCER for an energy resource activity permit, they must complete a formalized engagement process required by the Requirements for Consultation and Notification Regulation (RCNR). This process allows anyone who might be affected by the activity to express their concerns. A company will initiate engagement either through an invitation to consult or a letter of notification,

depending on how directly affected a landowner or rights holder might be. The RCNR outlines how these factors are considered and the measured distance used to decide who will receive consultation and who will receive notification depending on the type of activity application. Consultation and notification (C&N) activities are intended to promote communication and collaborative engagement between proponents, landowners and rights holders prior to application submission. Proponents must submit a summary of their C&N activities to the BCER as part of their application package.

During the BCER application review phase, the decision maker considers all concerns raised during the C&N process regarding the proposed activity site. After permitting, the BCER actively responds to complaints brought forward by concerned stakeholders.

We established <u>Special Project Orders</u> in the Kiskatinaw Seismic Monitoring and Mitigation Area (KSMMA; roughly the Farmington area) and North Montney Seismic Monitoring and Mitigation Area (NMSMMA; roughly the Wonowon-Pink Mountain area) to address induced seismicity in these areas of focused energy resource activity. The Orders place additional requirements on permit holders conducting hydraulic fracturing activities in those regions.

The KSMMA special project order requires companies operating within this area to engage with nearby residents (those living within 3km of a wellbore trajectory) ahead of commencing hydraulic fracturing activities, describe the schedule of operations and explain that felt events may occur.

Moreover, when industry activity is suspected to have caused a seismic event of a certain magnitude in either the KSMMA or NMSMMA (local magnitude 3.0+ in the KSMAA; 4.0+ in the NMSMMA, the operator is required to immediately suspend injection activities. Fracturing operations may continue only with written permission from the BCER once the well permit holder has submitted operational changes satisfactory to the BCER to reduce or eliminate the initiation of additional induced seismic events. The BCER can include a provision in this permission directing permit holders to engage affected residents before restarting.

More specifically, I have spoken with someone whose family owns a ranch outside Fort St. John. He says the family had a "run" on calves, with about 40 born in around two days after the Feb. 11 quake close to midnight. Before that, he says they were seeing 3-5 calves born each day. He says the effects of the quake have led to extra work and expenses for the ranch. As well, he says a natural spring the ranch relies on for drinking water and watering their herd has slowed to about 1/5th of its normal rate in the aftermath of that same quake. They are now concerned about making sure they have enough water to tide them over until the spring thaw, when they can fully assess the impacts to the spring.

Q8. Did the energy regulator receive such a report, and what would be the response to such a report?

The BCER did not receive any complaints regarding the early birthing of calves or impacts to a natural spring in relation to these seismic events.

In the event we received such a complaint, the BCER would follow up with the resident and provide an avenue to share information. If required, a site visit would be organized where a BCER staff would attend the property to take statements and collect additional evidence. Upon reviewing the evidence we would determine if any compliance actions would be required to prevent or mitigate any additional impacts from industry activity.

Q9. Would the regulator follow up to see whether this reported impact is considered damage? (I note the Earthquakes Canada bulletin for this quake says "There are no reports of damage, and none would be expected.")

see response directly above.

The person I spoke with says he has another brother who lives closer to Fort St. John, and after one of the quakes, he discovered a water pipe in his riding arena had cracked. The water apparently caused a small electrical fire.

Q10. What is the regulator's response to such a report?

The BCER did not receive a complaint regarding the cracking of a water pipe due to a seismic event.

In the event we received such a complaint, the BCER would follow up with the resident and provide an avenue to share information. If required, a site visit would be organized where a BCER staff would attend the property to take statements and collect additional evidence. Upon reviewing the evidence we would determine if any compliance actions would be required to prevent or mitigate any additional impacts from industry activity.

The person I spoke with says another fracking operation is planned for this summer within about five kilometres of their ranch. He says they regularly feel quakes, their cattle are stirred up, and the family is concerned about escalating impacts. He specifically says they do not feel their concerns are being heard by the B.C. Energy Regulator.

Q11. What is the regulator's message for residents who are concerned about what they say is an escalation of induced seismicity over the last three years?

The existing regulatory framework is designed to ensure the secure and safe operation of energy resource activities to protect public safety and the environment. The BCER has focused enhancements of its regulatory framework on the mitigation and management of seismic activity related to the energy resource industry. The provincial regulatory framework is continually reviewed and enhanced as technology changes and new information arises.

The data provided in the response to question 1 above shows that while there is some variability associated with the number of Magnitude 3+ events over the past ten years there is no indication that there is an increasing trend in these higher magnitude events.

Well application reviews include in-depth engagement with concerned stakeholders as needed, after notifications are sent out by project proponents. The results of these engagements are reviewed and considered prior to a decision to issue a well permit. After permitting, the

BCER actively responds to complaints brought forward by concerned stakeholders.

The BCER's induced seismicity team uses sound peer-reviewed research, data and analysis to understand, regulate and mitigate seismic activity.

The BCER maintains a seismic monitoring network comprised of 35 stations strategically positioned near energy resource activities, to accurately pinpoint seismic activity.

The BCER responds to and investigates felt events and other complaints it receives. If someone thinks they've felt a seismic event, contact the BCER with the date, time and location by email at SeismicMonitoring@bc-er.ca or our 24-hr emergency phone line at 1-877-500-2237.

Additionally, the BCER's Northeast B.C. Seismicity Map displays confirmed seismic events of greater than local magnitude 1.5 in northeast B.C. that have occurred since 2014. Residents who experience felt events can use the map to locate events, industry activity and determine the location of seismic monitoring stations.

Q12. is Tourmaline Oil the company whose operations induced the 4.3 magnitude quake overnight on Feb. 11, and have operations been suspended at that site? If so, do operations remain suspended, and if so, for how long?

Yes, Tourmaline's fracturing operations were determined to have caused this event. As, per regulation, the operator suspended all fracturing activity and has been in communication with the BCER. As per regulation, operators may continue such operations once the well permit holder has implemented operational changes satisfactory to the regulator to reduce or eliminate the initiation of additional induced seismic events. In this case, the operator is not planning on resuming fracturing operations at the well-pad in question.

Page 609 Redacted pursuant to: s13, s22

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 27	C&E – CNRL	The Narwhal / Investigative Journalism Foundation	Matt Simmons / Zak Vescera	Dax Bourke	Response in progress

REQUEST:

Thank you for your answers to our previous questions. We are reaching out with follow-up questions based on two files, one from inspection records provided to The Narwhal through freedom of information legislation and another relating to an order issued in December 2024.

Our preference is to discuss these records in an interview with a senior BC Energy Regulator official, such as Michelle Carr or Dax Bourke, both copied to this email.

Our deadline is at the end of the day on March 4, 2025, however if you need more time to respond, please let us know.

The inspection records we reviewed includes a reference to an "exemption given to CNRL for over 4,000 pipelines that are not compliant in regard to deactivation." Another similar reference mentions an exemption given to the same company that the inspector noted was for wells.

- 1. Can you explain the nature of the "exemption" and share all available documentation associated with it?
- 2. Can you confirm the number of pipelines and/or wells covered by this exemption?
- 3. Can you share more information about how the regulator informed members of the public about the exemption?
- 4. If no information was shared with the public about this exemption or if limited information was shared, are you able to provide an explanation?
- 5. Please confirm whether the exemption is for pipelines that are not compliant, as the inspection note states, or if it is for wells that are not compliant, or both.
- 6. Can you provide an explanation of why the regulator gave CNRL an exemption for what appears to be non-compliance with government regulations and legislation?
- 7. Are there other exemptions that have been given to additional companies for similar issues? If so, please provide details of the companies in question and the nature of the exemption(s), including all relevant documentation.
- 8. Does this exemption reflect the BCER's approach to managing compliance?
- 9. Does the BC Energy Regulator believe its oversight of companies like CNRL is meeting the government agency's mandate?
- 10. Is there any other context you would like to provide, to help our readers interpret and understand the inspection note?

We are also requesting information regarding an <u>order</u> that was issued to CNRL on Dec. 16, 2024, for a surface casing vent flow that started on or before Oct. 26, 2021, at an emissions rate of 110.4 m3/day.

- 1. Can you please share copies of all orders, warning letters, tickets and inspection records associated with the well in question?
- 2. Can you please provide location coordinates and/or explanation of where this well is located?
- 3. The order notes that CNRL reported the leak in 2021 can you confirm when the leak first started?
- 4. Can you explain why the order does not require CNRL to repair the leak before March 31, 2026, given the length of time the well has been emitting?
- 5. Is this emissions leak recorded and reported as part of B.C.'s greenhouse gas emissions?
- 6. Our review of inspection records found a high number of wells and pipelines with SCV leaks, most of which did not specify the rate of emissions. Does BCER track emissions data from all leaks and, if so, can you please provide us with the current totals and/or a spreadsheet or other form of documentation tracking the rates and total emissions associated with SCV and other leaks?
- 7. Can you share more information about how the regulator informed members of the public about this leak?
- 8. If no information was shared with the public about this leak or if limited information was shared, are you able to provide an explanation?
- 9. Is there any other context you would like to provide to help our readers understand why CNRL has been allowed to continue operating its other facilities while it is apparently failing to meet government regulations around emissions?

Pages: 612-613 Non-responsive From: Dickinson, Sara

Sent: Friday, February 28, 2025 4:13 PM **To:** Currie, Graham; Thoroughgood, Garth

Cc: Rygg, Philip

Subject: RE: Catapult Email from Narwhal

I would like to connect on this – I am in a meeting for another 15min, but can meet at 3:30 your time.





Sara Dickinson

Executive Vice President, People, Reconciliation & Transformation Sara.Dickinson@bc-er.ca Fort St. John
Office Address Directory
BCER Web Site

T. 250-794-5253 F. 250 794-5390 s22

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From: Currie, Graham < Graham. Currie@bc-er.ca>

Sent: Friday, February 28, 2025 4:09 PM

To: Thoroughgood, Garth <Garth.Thoroughgood@bc-er.ca>; Dickinson, Sara <Sara.Dickinson@bc-er.ca>

Cc: Rygg, Philip < Phil.Rygg@bc-er.ca>
Subject: FW: Catapult Email from Narwhal

Garth and Sara – just bringing this to your attention – see the email below; shows how far-ranging this piece might be... happy to discuss further if needed.

Graham





Graham Currie

Executive Director, Public Trust <u>Graham.Currie@bc-er.ca</u> Victoria
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T. 250-419-4420 F. 250-419-4403

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From: Rygg, Philip < Phil.Rygg@bc-er.ca > Sent: Friday, February 28, 2025 3:05 PM

To: Currie, Graham <Graham.Currie@bc-er.ca>; Woods, Jonathan <Jonathan.Woods@bc-er.ca>

Subject: Fw: Catapult Email from Narwhal





Philip Rygg Director, Public Trust Phil.Rygg@bc-er.ca Victoria
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T. 250-419-4351 F. 250-419-4403 s22

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From: Trevor Befus < tbefus@catapultenv.com >

Sent: Friday, February 28, 2025 3:01 PM
To: Rygg, Philip < Phil.Rygg@bc-er.ca >
Subject: Catapult Email from Narwhal

See below what we received and thanks for calling me back

I am writing in regards to a story we are working on with The Narwhal that relates to your company.

We are preparing to publish a story based in part on inspection reports from the BC Energy Regulator between 2017 and 2023 that we obtained via Freedom of Information legislation.

Those reports lay out what BCER inspectors say they found at worksites across the province including some associated with your company.

We intend to publish the inspection notes from the reports as part of a table to be included in the story, which is a broader investigation related to BCER inspections of such worksites.

In advance of publication, we would like to send you a list of all the inspection reports related to your company. We would like to give your company an opportunity to advise if you dispute any of the BCER's findings, or if you have additional context or information you believe we ought to know.

Please advise what address we should send this information to.

Our deadline is Monday March 3 at 4 p.m. PST. Please feel free to contact us if you have any questions. You can reach me at 639 994 2667.

All the best and with thanks,

Zak 639 994 2667

Sincerely,

TB

Trevor Befus

Manager, HSE/Land C: s22 tbefus@catapultenv.com

1620, 700-9th Ave SW Calgary, AB. T2P3V4



From: Woods, Jonathan

Sent: Friday, February 21, 2025 5:28 PM

To: Currie, Graham Rygg, Philip

Subject: RE: weekly media request tracker Feb. 18-21, 2025

Attachments: TRACKER_Weekly Media_21Feb2025.pdf

Updated tracker attached





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

Victoria T
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From: Rygg, Philip < Phil.Rygg@bc-er.ca> Sent: Friday, February 21, 2025 4:16 PM

To: Woods, Jonathan <Jonathan.Woods@bc-er.ca> **Cc:** Currie, Graham <Graham.Currie@bc-er.ca>

Subject: RE: weekly media request tracker Feb. 18-21, 2025

Sorry Jon,

I think you missed yesterday's request:

REPORTER:

Jeff Cunha CJDC TV (Dawson Creek) 250-785-6397

DEADLINE:

Today (working on a story for TV this evening)

QUESTIONS AND RESPONSES:

Q1: I am working on a story today on recent earthquakes in Northeast B.C. I'm speaking to a rancher located near Wonowon who shared a number of concerns ranging from frequency to impact on livestock. I wanted to get your input based on your "Strengthening Oversight" update released Feb. 13/2025.

The existing regulatory framework is designed to ensure the secure and safe operation of wells and facilities to protect public safety and the environment.

Well application reviews include in-depth engagement with concerned stakeholders as needed, after notifications are sent out by project proponents. The results of these engagements are reviewed and considered prior to a decision to issue a well permit. After permitting, the BCER actively responds to complaints brought forward by concerned stakeholders.

The BCER's induced seismicity team uses sound peer-reviewed research, data and analysis to understand, regulate and mitigate seismic activity.

The BCER maintains a seismic monitoring network comprised of 35 stations strategically positioned near energy resource activities, to accurately pinpoint seismic activity.

The BCER has continuing strategic partnerships with academia and partner agencies, such as McGill University and Natural Resources Canada, to provide sound science-based enhancements to the BCER's induced seismicity regulatory framework primarily focused on hydraulic fracturing and subsurface disposal.

The BCER extensively monitors instances of induced seismicity and has focused enhancements of its regulatory framework on the mitigation and management of seismic activity related to the energy resource industry.

- We established Special Project Orders in the Kiskatinaw Seismic Monitoring and Mitigation Area (KSMMA) within the Farmington region and North Montney Seismic Monitoring and Mitigation Area (NMSMMA) within the Wonowon-Pink Mountain region to address induced seismicity in these areas of focused energy resource activity. The Orders place additional requirements on permit holders conducting fluid injection activities in those regions.
- The BCER responds to and investigates felt events. If someone thinks they've felt a seismic event, contact the BCER with the date, time and location by email at <u>SeismicMonitoring@bc-er.ca</u> or our 24-hr emergency phone line at 1-877-500-2237.
- Additionally, the BCER's <u>Northeast B.C. Seismicity Map</u> displays confirmed seismic events of
 greater than local magnitude 1.5 in northeast B.C. that have occurred since 2014. Residents who
 experience felt events can use the map to locate events, industry activity and determine the
 location of seismic monitoring stations.





Philip Rygg
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Weekly Media Tracker

Feb. 18-21, 2025

Total requests: 5

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 11	BCER compliance and enforcement	The Narwhal and Investigative Journalism Foundation	Matt Simmons and Kate Schneider	Dax Bourke	Response sent Feb. 18

REQUEST AND RESPONSES:

We are journalists with The Narwhal and Investigative Journalism Foundation working in collaboration on a news report about the BC Energy Regulator.

We have reviewed a large dataset of compliance and enforcement activities conducted by BC Energy Regulator officials (formerly BC Oil and Gas Commission) previously provided to The Narwhal through freedom of information legislation and are reaching out to seek an interview with senior BC Energy Regulator officials about the contents of the documents.

Our deadline is Friday, February 14 at 3 p.m. PT, however if you need more time to respond, please let us know.

Upon review of more than 30,000 records of inspections made by regulator officials between early 2017 and late 2023, we found several hundreds of examples in which the inspector noted apparent environmental infractions but did not mark the inspection as an occurrence of non-compliance. We also found many hundreds of records that indicate potential infractions of both provincial regulations and environmental laws, including potential emissions violations, spills and other alleged non-compliances. Similarly, we found hundreds of what appeared to be administrative errors — such as producing wells being marked as deactivated or vice versa — that were not marked as non-compliance in the regulator's systems.

Of the inspection records we reviewed, dozens included alleged infractions noted as "serious" or similarly described by the inspector in terms that denote a significant non-compliance, even though the report concluded the site was in compliance. In addition, we found numerous instances in which the inspector noted the company was out of compliance but they would not be marking it as such in the regulator's systems.

Here is a sample of some of the relevant notes made by inspectors on reports that were marked as in compliance:

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator that I had spoke [sic] to earlier in the day about the other sites, and took him over to have a look at what I had found. The birds were black (like a small raven or a crow), but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent. Operator said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found."

"There is orange plastic snow fencing that had been erected years ago and has fallen down. This is also true for the area around the well bore. The orange plastic snow fencing is not an acceptable measure to keep wildlife out of the contaminated areas. There is evidence that wildlife has frequented the water filled flare pit. The flare pit and well bore area need to have wildlife fencing installed. Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odor was detected. Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out."

"Truck at POD at the time of the inspection. Driver could not produce permit when asked. Driver could not provide volumes of water being withdraw. Quote "best guess" based on visual observation into tank and time taken to fill tank. ... Conditional pass pending follow up."

"Intake is contained in a screened basket with several small holes visible and one larger hole / tear approximately 2.5 cm by 15 cm. The pump / basket is sitting in approximately 7 to 10 cm of water and was actively pumping at the time of inspection. Discussed with the operator. ... Conditional pass pending follow up."

"This inspection will show as a PASS due to system limitations, however, there are concerns associated with the work that has been done."

"Petronas restored a sump 1 km down the road from this one after a deficiency was given. This sump should have been restored at the same time. Unfortunately, due to delays this site will see more than 7 years of vegetation growth destroyed and a new disturbance will have been initiated."

"There are numerous wildlife tracks attracted to the area which may have been an on lease sump. ... If there is contamination then big game and any livestock are excluded from the immediate area. The same request was required in October 2014 but nothing was received. This is a follow up inspection for the same concerns identified at that time."

"Active discharge above upstream dam. Sediment/turbidity noted in sump. Traced sedimentation to trench water pump off location (location not approved by CGL Environment). This is in non-compliance with section 12 of the EPMR." "Sedimentation in numerous watercourses. As well, sediment plumes were noted in Lake 1F (approximately 586+750) and unnamed lake at approximately KP 587+300, caused by road or ROW runoff. This is in non-compliance with section 12 of the Environmental Protection and Management Regulation (EPMR) ... This non-compliance with the permit condition therefore means that Coastal GasLink is also in noncompliance with section 21(b)(2) of the Oil and Gas Activities Act (OGAA)" "Failure noted between cells, sediment leaving site via oil and gas road (RW 740.1.1) through ditchline. Flowing in ditch, then leaving roadway into vegetation. Turbid flow continues through timber/veg to Morice Owen FSR." "Ditch block installation method unusual (bentonite bags in disarray, then squished/moved by pipe, more bags added on top(excavator took large scoop of bentonite bags, then dropped bags on top from height, breaking some of the bags during the process)" "The flarepit at the 7-19-88-17 location has liquids in it that have a hydrocarbon odor. There is also a waxy substance on top of the liquids and covering the bullrushes. There is evidence of wildlife accessing the liquids in the flarepit. A fence should be installed around the pit to prevent wildlife access. How often is this flarepit used?" "-there are two c-rings onsite that are fairly stinky. I was able to smell them approximately 300 meters away on lease road. Odours should not be offsite. Investigate and alleviate the odours. -No other concerns here at this time." "-the above mentioned comments are considered to be deficiencies, but I have chose to only put in comments for the time being." 1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance? BCER Compliance & Enforcement Officers record non-compliances and use a graduated enforcement model to address them. The action taken to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances. 2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions

of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, <u>'Hard to believe it's real': B.C.'s energy regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions</u>, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.

Comments, as part of inspections, are often used as a mechanism to identify issues that are not in non-compliance to permit conditions, regulations, or the Act, but that Officers still wants to identify to a permit holder. This communication approach builds a compliance record that can then be utilized in future inspections.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

Compliance verification is not only managed by compliance & enforcement but is a multifaceted activity that numerous business groups in the BCER has a role in. As such, the BCER is confident it has adequate resources in place to ensure compliance of energy activities in B.C., continuing to protect the environment and public safety. Identified compliance activities and their statuses can be found on the BCERs website as part of the Annual Compliance Plan Reporting.

Approximately three-quarters of all employees are union members. They include highly skilled professionals and statutory decision-makers with specialized training, professional governance and quality assurance requirements. These staff include engineers, hydrologists, hydrogeologists, foresters, agrologists, archaeologists, geologists, inspectors and environmental specialists.

3. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?

Please see the answer to 1, above.

4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation. Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

5. According to the BCER Compliance and Enforcement manual, the regulator "employs a graduated non-compliance response model where appropriate, ranging from non-compliance notices to more formal, statutory enforcement actions." Our review of the dataset showed a low percentage of instances in which official non-compliance notices were issued for apparent or noted non-compliance. Can you explain why BC Energy Regulator officials chose not to issue notices of non-compliance for numerous activities that appear to involve non-compliance with regulations, including all of the instances highlighted in the quoted reports mentioned above?

The actions taken by Compliance & Enforcement Officers to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances.

6. The manual also notes: "where alleged non-compliances occur, the Regulator will take appropriate actions, as per the processes detailed in this manual."

Can you tell us more about how the actions of inspectors were considered to be "appropriate actions"? And can you share more details that might explain any patterns that appear to suggest inspectors prefer to provide written or oral comments about potential non-compliances rather than issuing a formal notice of non-compliance?

BCER staff consider several factors to select the most appropriate compliance action, including the severity of actual or potential impact to the environment and public safety, the factual circumstances of the non-compliance, the compliance history of the permit holder, as well as how to achieve the best remedy and reduce the likelihood of repeat non-compliance.

7. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation aimed to protect the environment, wildlife, public safety and communities. Does the BC Energy Regulator believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

8. Numerous reports indicated "high LEL" from surface casing vents or in other areas under inspection, often referencing a "glove test". It appears these notes typically indicate leaks with explosive potential. Can you explain whether high LEL represents a contravention of the regulator's emissions regulations or other regulations? If not, can you please provide context to help our readers understand these comments and the latex glove test procedure?

Please see the answer to 6, above.

The glove test is a process Officers use to check for the indication of venting from the surface casing vent. This is accomplished by putting a latex glove over the surface casing vent to see if it inflates.

9. There appeared to be a high number of instances in which inspectors found faults with operator systems and numerous reports indicated other leaks, including SCV leaks and leaks from equipment at valves or hoses. Do these leaks constitute non-compliance with the regulator's emissions regulations or other regulations?

Please see the answer to 6, above.

10. Numerous reports indicate potential contraventions of regulations, including bullplugs or other equipment missing, valves not locked open as per regulations and flowlines not disconnected. Can you confirm whether these are examples of non-compliance?

Please see the answer to 6, above.

11. Our review of the dataset identifies what appears to be a large number of administrative errors, including apparent inadequate or outdated systems (i.e. SCADA calibration, ESD, etc.) and wells marked as ACTIVE that should be updated to deactivated. Can you confirm whether these administrative errors are examples of non-compliance with BCER regulations?

Please see the answer to 6, above.

12. Previously you told The Narwhal: "The timeline for correction is dependent on risk to public safety and the environment, with baseline requirements being 24 hours, 14 days or 30 days."

Numerous inspection records we reviewed noted apparent non-compliance far exceeding those requirements, in some cases extending over multiple years. Can you explain why BC Energy Regulator officials appear to allow operators to continue conducting industrial activity while outstanding issues remain unaddressed?

As noted in Section 2.2 of the Compliance & Enforcement manual, if a permit holder cannot achieve compliance within the required correction timeline, they may request an extension. The request must include a rationale outlining any complicating factors necessitating the extension.

13. Does the BC Energy Regulator believe its compliance and enforcement activity is adequate in providing "assurance to British Columbians that oil and gas activities are conducted in compliance with the Energy Resource Activities Act (ERAA), the Regulator's specified enactments and all related regulations"?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

14. Does the BC Energy Regulator believe its compliance and enforcement activity is adequately upholding provincial regulations and legislation?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

15. Previously you told The Narwhal the BC Energy Regulator employs "22 compliance & enforcement officers and four technical advisors" to conduct field based compliance in the province. According to the government directory, the regulator's compliance and enforcement department currently comprises 17 compliance and enforcement officers, two technical advisors and seven supervisors or executives. Can you confirm the accurate numbers, including detailing how many employees conduct field based compliance?

The BCER Compliance & Enforcement team currently consists of 27 front line members including 5 Supervisors Compliance & Enforcement, 17 Compliance & Enforcement Officers, 1 Manager Enforcement, 1 Supervisor Technical Advisors, and 3 Technical Advisors. All of these positions have a role in conducting field compliance from inspections to investigations.

At the time of your previous inquiry, one position was an under-implementation role for recruiting. That position has since become a full-time permanent position.

- 16. Given the expected and already underway increase in oil and gas and other energy projects in the province, does the BC Energy Regulator have any plans to increase the number of officers it employs? If so, can you please provide detailed information?

 As per our response directly above, the BCER has recently increased C+E staff capacity to support current and future work. Compliance & Enforcement can adjust resources as necessary to ensure coverage of energy projects in the province.
- 17. Is there any further context you can share with respect to the regulator's oversight of the energy sector, in particular oil and gas activities?

Please see the following: Ensure Industry Compliance | BC Energy Regulator (BCER).

The BCER is a regulator and does not have an advocacy function. Our role is to provide sound regulatory oversight of the energy industry and ensure companies comply with their permit conditions and provincial legislation. We do not advocate for industry or solicit economic development.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 15 (Saturday)	Seismic events in NEBC + enhanced seismicity special orders	CBC Radio	Emily Fitzpatrick		Response sent Feb.18

QUESTIONS AND RESPONSES:

Hello, I am working on a story for CBC Radio's national program, Your World Tonight. I am covering the update around the 4 earthquakes in BC last week and the regulations BCER had brought in around fracking. I would like to speak to someone today, Feb 15th, for a brief phone interview if possible. Thanks, Emily

Sorry to have missed your message. This account is not actively monitored outside of regular work hours. If you would still like to pursue your inquiry with us, please let us know any questions you may have.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 18 and Feb. 21	Seismic events in NEBC (two follow up requests)	The Narwhal	Sarah Cox	Stu Venables	Follow up 1 response sent Feb.19; Follow up 2 response sent Feb 21

FOLLOW UP REQUEST 1:

QUESTIONS AND RESPONSES:

Q1: Could you please clarify the dates and times (in PT) of the first, second, third and fourth events, and the magnitude of each? Different websites seem to have different days/times, and I want to make sure I'm clear.

The BCER maintains a regional seismic monitoring array of 35 seismometers in northeast B.C. (NEBC) to track and record induced seismicity in the region with high precision.

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The BCER is committed to reviewing and following up on complaints and concerns.

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Q5. Is anyone from the BCER available for a telephone interview?

Please see our responses above

FOLLOW UP REQUEST 2:

QUESTIONS [RESPONSE IN PROGRESS]

QUESTIONS AND PROPOSED RESPONSES:

Q1. After a fracking-induced earthquake with a magnitude of 4 or higher, the regulator will order the company responsible to shut down the responsible operations. But is that shut-down permanent? Or can a company return to the same fracking site at a later date? And, if they do return to the same site, are any limitations placed on the volume of injected fluids?

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Feb. 20	Seismic events in NEBC + enhanced seismicity special orders	CJDC-TV	Jeff Cunha	Stu Venables	Response sent Feb.20

QUESTIONS AND RESPONSES:

Q1: I am working on a story today on recent earthquakes in Northeast B.C. I'm speaking to a rancher located near Wonowon who shared a number of concerns ranging from frequency to impact on livestock. I wanted to get your input based on your "Strengthening Oversight" update released Feb. 13/ 2025.

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From: Currie, Graham

Sent: Friday, February 21, 2025 5:40 PM

To: Leadership Group

Cc: Rygg, Philip; Johnson, Justine; Gerlach, Lisa; Bligh, Stacey
Subject: Issue Notes & Media Tracker - Week of Feb. 18-21, 2025

Attachments: IN_PRGT_Permit_Extension_Feb21_2025.docx; IN_ s22 Natural Range

Barrier_Seismic_Updt_Feb21_2025.docx; IN_2023_Equivalency Report_Dec10_2024.docx; IN_2024 Pipeline Performance Summary_Feb 21 2025.docx; TRACKER_Weekly Media_

21Feb2025.pdf

Good afternoon – another busy week for media and issue notes – please find attached:

- Media Tracker five requests (from a short week)
- PRGT Updt an update re. direction issued today
 s22 Updt an update re. recent media stories/complaints
- 2023 Equivalency Report report was web-posted this afternoon
- 2024 Pipeline Performance Summary report will be web-posted later next week

Have a great weekend everyone,

Graham





Graham Currie
Executive Director, Publ

Executive Director, Public Trust Graham.Currie@bc-er.ca Victoria
Office Address Directory
BCER Web Site

T. 250-419-4420 F. 250-419-4403 s22

We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water

This email and any attachments are intended only for the named recipient and may contain confidential and/or privileged material. Any unauthorized copying, dissemination or a recipient, please notify the sender and destroy all copies of this email immediately.

Weekly Media Tracker

Feb. 18-21, 2025

Total requests: 5

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 11	BCER compliance and enforcement	The Narwhal and Investigative Journalism Foundation	Matt Simmons and Kate Schneider	Dax Bourke	Response sent Feb. 18

REQUEST AND RESPONSES:

We are journalists with The Narwhal and Investigative Journalism Foundation working in collaboration on a news report about the BC Energy Regulator.

We have reviewed a large dataset of compliance and enforcement activities conducted by BC Energy Regulator officials (formerly BC Oil and Gas Commission) previously provided to The Narwhal through freedom of information legislation and are reaching out to seek an interview with senior BC Energy Regulator officials about the contents of the documents.

Our deadline is Friday, February 14 at 3 p.m. PT, however if you need more time to respond, please let us know.

Upon review of more than 30,000 records of inspections made by regulator officials between early 2017 and late 2023, we found several hundreds of examples in which the inspector noted apparent environmental infractions but did not mark the inspection as an occurrence of non-compliance. We also found many hundreds of records that indicate potential infractions of both provincial regulations and environmental laws, including potential emissions violations, spills and other alleged non-compliances. Similarly, we found hundreds of what appeared to be administrative errors — such as producing wells being marked as deactivated or vice versa — that were not marked as non-compliance in the regulator's systems.

Of the inspection records we reviewed, dozens included alleged infractions noted as "serious" or similarly described by the inspector in terms that denote a significant non-compliance, even though the report concluded the site was in compliance. In addition, we found numerous instances in which the inspector noted the company was out of compliance but they would not be marking it as such in the regulator's systems.

Here is a sample of some of the relevant notes made by inspectors on reports that were marked as in compliance:

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator that I had spoke [sic] to earlier in the day about the other sites, and took him over to have a look at what I had found. The birds were black (like a small raven or a crow), but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent. Operator said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found."

"There is orange plastic snow fencing that had been erected years ago and has fallen down. This is also true for the area around the well bore. The orange plastic snow fencing is not an acceptable measure to keep wildlife out of the contaminated areas. There is evidence that wildlife has frequented the water filled flare pit. The flare pit and well bore area need to have wildlife fencing installed. Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odor was detected. Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out."

"Truck at POD at the time of the inspection. Driver could not produce permit when asked. Driver could not provide volumes of water being withdraw. Quote "best guess" based on visual observation into tank and time taken to fill tank. ... Conditional pass pending follow up."

"Intake is contained in a screened basket with several small holes visible and one larger hole / tear approximately 2.5 cm by 15 cm. The pump / basket is sitting in approximately 7 to 10 cm of water and was actively pumping at the time of inspection. Discussed with the operator. ... Conditional pass pending follow up."

"This inspection will show as a PASS due to system limitations, however, there are concerns associated with the work that has been done."

"Petronas restored a sump 1 km down the road from this one after a deficiency was given. This sump should have been restored at the same time. Unfortunately, due to delays this site will see more than 7 years of vegetation growth destroyed and a new disturbance will have been initiated."

"There are numerous wildlife tracks attracted to the area which may have been an on lease sump. ... If there is contamination then big game and any livestock are excluded from the immediate area. The same request was required in October 2014 but nothing was received. This is a follow up inspection for the same concerns identified at that time."

"Active discharge above upstream dam. Sediment/turbidity noted in sump. Traced sedimentation to trench water pump off location (location not approved by CGL Environment). This is in non-compliance with section 12 of the EPMR." "Sedimentation in numerous watercourses. As well, sediment plumes were noted in Lake 1F (approximately 586+750) and unnamed lake at approximately KP 587+300, caused by road or ROW runoff. This is in non-compliance with section 12 of the Environmental Protection and Management Regulation (EPMR) ... This non-compliance with the permit condition therefore means that Coastal GasLink is also in noncompliance with section 21(b)(2) of the Oil and Gas Activities Act (OGAA)" "Failure noted between cells, sediment leaving site via oil and gas road (RW 740.1.1) through ditchline. Flowing in ditch, then leaving roadway into vegetation. Turbid flow continues through timber/veg to Morice Owen FSR." "Ditch block installation method unusual (bentonite bags in disarray, then squished/moved by pipe, more bags added on top(excavator took large scoop of bentonite bags, then dropped bags on top from height, breaking some of the bags during the process)" "The flarepit at the 7-19-88-17 location has liquids in it that have a hydrocarbon odor. There is also a waxy substance on top of the liquids and covering the bullrushes. There is evidence of wildlife accessing the liquids in the flarepit. A fence should be installed around the pit to prevent wildlife access. How often is this flarepit used?" "-there are two c-rings onsite that are fairly stinky. I was able to smell them approximately 300 meters away on lease road. Odours should not be offsite. Investigate and alleviate the odours. -No other concerns here at this time." "-the above mentioned comments are considered to be deficiencies, but I have chose to only put in comments for the time being." 1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance? BCER Compliance & Enforcement Officers record non-compliances and use a graduated enforcement model to address them. The action taken to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances. 2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions

of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, <u>'Hard to believe it's real': B.C.'s energy regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions</u>, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.

Comments, as part of inspections, are often used as a mechanism to identify issues that are not in non-compliance to permit conditions, regulations, or the Act, but that Officers still wants to identify to a permit holder. This communication approach builds a compliance record that can then be utilized in future inspections.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

Compliance verification is not only managed by compliance & enforcement but is a multifaceted activity that numerous business groups in the BCER has a role in. As such, the BCER is confident it has adequate resources in place to ensure compliance of energy activities in B.C., continuing to protect the environment and public safety. Identified compliance activities and their statuses can be found on the BCERs website as part of the Annual Compliance Plan Reporting.

Approximately three-quarters of all employees are union members. They include highly skilled professionals and statutory decision-makers with specialized training, professional governance and quality assurance requirements. These staff include engineers, hydrologists, hydrogeologists, foresters, agrologists, archaeologists, geologists, inspectors and environmental specialists.

3. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?

Please see the answer to 1, above.

4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation. Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

5. According to the BCER Compliance and Enforcement manual, the regulator "employs a graduated non-compliance response model where appropriate, ranging from non-compliance notices to more formal, statutory enforcement actions." Our review of the dataset showed a low percentage of instances in which official non-compliance notices were issued for apparent or noted non-compliance. Can you explain why BC Energy Regulator officials chose not to issue notices of non-compliance for numerous activities that appear to involve non-compliance with regulations, including all of the instances highlighted in the quoted reports mentioned above?

The actions taken by Compliance & Enforcement Officers to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances.

6. The manual also notes: "where alleged non-compliances occur, the Regulator will take appropriate actions, as per the processes detailed in this manual."

Can you tell us more about how the actions of inspectors were considered to be "appropriate actions"? And can you share more details that might explain any patterns that appear to suggest inspectors prefer to provide written or oral comments about potential non-compliances rather than issuing a formal notice of non-compliance?

BCER staff consider several factors to select the most appropriate compliance action, including the severity of actual or potential impact to the environment and public safety, the factual circumstances of the non-compliance, the compliance history of the permit holder, as well as how to achieve the best remedy and reduce the likelihood of repeat non-compliance.

7. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation aimed to protect the environment, wildlife, public safety and communities. Does the BC Energy Regulator believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

8. Numerous reports indicated "high LEL" from surface casing vents or in other areas under inspection, often referencing a "glove test". It appears these notes typically indicate leaks with explosive potential. Can you explain whether high LEL represents a contravention of the regulator's emissions regulations or other regulations? If not, can you please provide context to help our readers understand these comments and the latex glove test procedure?

Please see the answer to 6, above.

The glove test is a process Officers use to check for the indication of venting from the surface casing vent. This is accomplished by putting a latex glove over the surface casing vent to see if it inflates.

9. There appeared to be a high number of instances in which inspectors found faults with operator systems and numerous reports indicated other leaks, including SCV leaks and leaks from equipment at valves or hoses. Do these leaks constitute non-compliance with the regulator's emissions regulations or other regulations?

Please see the answer to 6, above.

10. Numerous reports indicate potential contraventions of regulations, including bullplugs or other equipment missing, valves not locked open as per regulations and flowlines not disconnected. Can you confirm whether these are examples of non-compliance?

Please see the answer to 6, above.

11. Our review of the dataset identifies what appears to be a large number of administrative errors, including apparent inadequate or outdated systems (i.e. SCADA calibration, ESD, etc.) and wells marked as ACTIVE that should be updated to deactivated. Can you confirm whether these administrative errors are examples of non-compliance with BCER regulations?

Please see the answer to 6, above.

12. Previously you told The Narwhal: "The timeline for correction is dependent on risk to public safety and the environment, with baseline requirements being 24 hours, 14 days or 30 days."

Numerous inspection records we reviewed noted apparent non-compliance far exceeding those requirements, in some cases extending over multiple years. Can you explain why BC Energy Regulator officials appear to allow operators to continue conducting industrial activity while outstanding issues remain unaddressed?

As noted in Section 2.2 of the Compliance & Enforcement manual, if a permit holder cannot achieve compliance within the required correction timeline, they may request an extension. The request must include a rationale outlining any complicating factors necessitating the extension.

13. Does the BC Energy Regulator believe its compliance and enforcement activity is adequate in providing "assurance to British Columbians that oil and gas activities are conducted in compliance with the Energy Resource Activities Act (ERAA), the Regulator's specified enactments and all related regulations"?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

14. Does the BC Energy Regulator believe its compliance and enforcement activity is adequately upholding provincial regulations and legislation?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

15. Previously you told The Narwhal the BC Energy Regulator employs "22 compliance & enforcement officers and four technical advisors" to conduct field based compliance in the province. According to the government directory, the regulator's compliance and enforcement department currently comprises 17 compliance and enforcement officers, two technical advisors and seven supervisors or executives. Can you confirm the accurate numbers, including detailing how many employees conduct field based compliance?

The BCER Compliance & Enforcement team currently consists of 27 front line members including 5 Supervisors Compliance & Enforcement, 17 Compliance & Enforcement Officers, 1 Manager Enforcement, 1 Supervisor Technical Advisors, and 3 Technical Advisors. All of these positions have a role in conducting field compliance from inspections to investigations.

At the time of your previous inquiry, one position was an under-implementation role for recruiting. That position has since become a full-time permanent position.

- 16. Given the expected and already underway increase in oil and gas and other energy projects in the province, does the BC Energy Regulator have any plans to increase the number of officers it employs? If so, can you please provide detailed information?

 As per our response directly above, the BCER has recently increased C+E staff capacity to support current and future work. Compliance & Enforcement can adjust resources as necessary to ensure coverage of energy projects in the province.
- 17. Is there any further context you can share with respect to the regulator's oversight of the energy sector, in particular oil and gas activities?

Please see the following: Ensure Industry Compliance | BC Energy Regulator (BCER).

The BCER is a regulator and does not have an advocacy function. Our role is to provide sound regulatory oversight of the energy industry and ensure companies comply with their permit conditions and provincial legislation. We do not advocate for industry or solicit economic development.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 15 (Saturday)	Seismic events in NEBC + enhanced seismicity special orders	CBC Radio	Emily Fitzpatrick		Response sent Feb.18

QUESTIONS AND RESPONSES:

Hello, I am working on a story for CBC Radio's national program, Your World Tonight. I am covering the update around the 4 earthquakes in BC last week and the regulations BCER had brought in around fracking. I would like to speak to someone today, Feb 15th, for a brief phone interview if possible. Thanks, Emily

Sorry to have missed your message. This account is not actively monitored outside of regular work hours. If you would still like to pursue your inquiry with us, please let us know any questions you may have.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 18 and Feb. 21	Seismic events in NEBC (two follow up requests)	The Narwhal	Sarah Cox	Stu Venables	Follow up 1 response sent Feb.19; Follow up 2 response sent Feb 21

FOLLOW UP REQUEST 1:

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FOLLOW UP REQUEST 2:

QUESTIONS [RESPONSE IN PROGRESS]

QUESTIONS AND PROPOSED RESPONSES:

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Feb. 20	Seismic events in NEBC + enhanced seismicity special orders	CJDC-TV	Jeff Cunha	Stu Venables	Response sent Feb.20

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The BCER maintains a seismic monitoring network comprised of 35 stations strategically positioned near energy resource activities, to accurately pinpoint seismic activity.

The BCER has continuing strategic partnerships with academia and partner agencies, such as McGill University and Natural Resources Canada, to provide sound science-based enhancements to the BCER's induced seismicity regulatory framework primarily focused on hydraulic fracturing and subsurface disposal.

The BCER extensively monitors instances of induced seismicity and has focused enhancements of its regulatory framework on the mitigation and management of seismic activity related to the energy resource industry.

• We established Special Project Orders in the Kiskatinaw Seismic Monitoring and Mitigation Area (KSMMA) within the Farmington region and North Montney Seismic Monitoring and Mitigation Area (NMSMMA) within the Wonowon-Pink Mountain region to

- address induced seismicity in these areas of focused energy resource activity. The Orders place additional requirements on permit holders conducting fluid injection activities in those regions.
- The BCER responds to and investigates felt events. If someone thinks they've felt a seismic event, contact the BCER with the date, time and location by email at <u>SeismicMonitoring@bc-er.ca</u> or our 24-hr emergency phone line at 1-877-500-2237.
- Additionally, the BCER's <u>Northeast B.C. Seismicity Map</u> displays confirmed seismic events of greater than local magnitude 1.5 in northeast B.C. that have occurred since 2014. Residents who experience felt events can use the map to locate events, industry activity and determine the location of seismic monitoring stations.

Pages: 644-649 Non-responsive



Issue Note

Dec. 10, 2024

Release of the BCER's 2023 Equivalency Report

- I. PREPARED FOR: BC Energy Regulator (BCER), FOR INFORMATION
- **II. ISSUE**: Publication of the BCER's annual <u>Equivalency Report</u> summarizing the administration, enforcement and effectiveness of methane reduction regulations in B.C.'s upstream oil and gas sector.

III. MESSAGING:

- B.C. is on track to meet the 45 per cent methane reduction target (relative to 2014 levels) for its upstream oil and gas sector by 2025 under the current regulatory framework, in line with federal requirements.
- Environment and Climate Change Canada states in its 2024 National Inventory Report "BC has
 consistently been shown to have one of the lowest emissions intensities (emissions per unit of
 production) in Canada and internationally."
- In 2023, the BCER conducted almost 3,000 inspections at facilities and close to 6,300 inspections at wells. All identified deficiencies related to methane emissions were corrected at the time of the report.
- Leak Detection and Repair (LDAR) requirements, which were introduced in 2020, have been a highly
 effective regulatory mechanism through which BCER has been able to track and better manage the
 timely repair of methane leaks from wells and facilities. Compliance with the requirements has
 significantly improved since the regulations were introduced and remained high in 2023.
- The BCER has followed up with the select permit holders that have had sub-compliance performance in completing LDAR surveys and/or adhering to leak repair rates and timelines.
- Targeted changes to the regulations to be phased in as of Jan. 1, 2025, are intended to drive additional reductions in methane emissions in line with provincial and federal goals.
- B.C. continues to focus on research and data collection that will drive continuous improvement, by furthering our understanding of methane emissions, emission reduction opportunities and regulatory effectiveness.

IV. BACKGROUND:

- The Equivalency Agreement between Canada and British Columbia, effective since March 25, 2020, replaced federal regulations concerning methane emissions from the upstream oil and gas sector with a made-in-B.C. approach designed to achieve equivalent methane reduction targets.
- The B.C. approach:
 - Was developed by the BCER, in collaboration with the (then) Ministry of Energy, Mines and Low Carbon Innovation and the Climate Action Secretariat of the Ministry of Environment and Climate Change Strategy, with input from industry and environmental groups.
 - Was implemented through amendments to B.C.'s Drilling and Production Regulation that came into
 effect on Jan. 1, 2020 and has been refined through subsequent regulatory amendments.
- Annual reporting on the administration, enforcement, and effectiveness of B.C.'s methane reduction
 regulations is obligated under the <u>Equivalency Agreement</u> with the Government of Canada "regarding
 regulations to reduce methane emissions from the upstream oil and gas sector."
- Key findings from the BCER's 2023 Equivalency Report include:
 - Inspections:

- In 2023, BCER staff conducted 2,957 inspections at facilities and 6,281 inspections at wells, identifying 821 deficiencies that may have been related to methane emissions. All deficiencies had been corrected at the time of the report.
- Wildfire activity limited access and affected the ability to inspect some sites this led to a 16 per cent decrease in inspections over the previous year.
- Leak Detection and Repair (LDAR) Submission Compliance:
 - Compliance rates of permit holders' submissions of LDAR surveys in 2023 remained high: 95
 per cent for completion of facility LDAR surveys (1,435 surveys completed) and 94 per cent
 for well LDAR surveys (9,863 surveys completed). The BCER followed up directly with permit
 holders that had missing submissions.
 - Based on the findings of the compliance reviews, the BCER has issued two orders and initiated five enforcement investigations, which are currently in progress.
- Leak Detection and Repair Data:
 - 4,840 leaks were identified at facilities and 3,830 (79 per cent) of the detected leaks were reported as repaired at the time of data reporting, the same percentage as last year. The median time to repair a leak decreased from last year from 22 to 19 days. Leaks must be repaired within 30 days unless they require the facility to be shut down to complete the repair, in which case the repair must be completed at the next turnaround.
 - o 1,952 leaks were identified at wells, and 1,658 (85 per cent) of the detected leaks were reported as repaired at the time of data reporting (down from 91 per cent the previous year). This value would be 94 per cent if not mainly for one permit holder whose LDAR submission was incomplete. The median timeline to repair a leak increased marginally from six to seven days. Well leaks must be repaired within 30 days unless they are tied to facility repairs.
 - The BCER is following up with permit holders to address leak repair rates and timelines.
- Surface Casing Vent Flow data:
 - There were three wells with surface casing vent flows that exceed the emissions threshold of 100 m3/d reported in 2023. One well has been repaired. Two wells have been downhole abandoned, eliminating the venting, and are in the process of final decommissioning.
- Venting Compliance Audit:
 - The BCER completed a venting compliance audit focused on emissions requirements for pneumatic devices, reciprocating compressor seals and uncontrolled storage tanks.
 - The audit included 20 permit holders and focused on smaller producers. It identified eight permit holders with non-compliances.
 - The BCER has addressed the non-compliance with four of the permit holders while there are on-going enforcement actions for the four other non-compliant permit holders.
- Targeted changes to the regulations will be phased in starting Jan. 1, 2025, and are intended to drive additional reductions in methane emissions towards the goal of 75 per cent reduction by 2030 and near elimination by 2035:
 - The focus of the changes is on key areas and sources of emissions, such as compressor seals, pneumatic pumps and devices, dehydrators, surface casing vent flows, and leak detection and repair requirements.
 - The regulation updates will require automated monitoring systems on equipment with the highest rate of leakage, increase the number of LDAR surveys required for large facilities, tighten venting limits for certain operations, and impose stricter design and operating standards for new and modified facilities.

Context Notes:

The Equivalency Report is not intended to track or report on overall greenhouse gas emissions

from the Upstream Oil and Gas Industry. GHG emissions are reported under the GHG Industrial Reporting and Control Act administered by the B.C. Ministry of Energy and Climate Solutions.

- As of Jan. 31, 2024, there were 23,791 natural gas and oil facilities in B.C. (includes active, cancelled, inactive, under construction, etc.), an increase of 124 from one year earlier.
- As of Jan. 1, 2024, there were 36,836 wells in B.C. (includes active, cancelled, inactive, authorized, etc.), an increase of 1,002 from one year earlier.

PREPARED BY:

Jonathan Woods Communications Specialist <u>Jonathan.woods@bc-er.ca</u> 250 419-4357



Feb. 21, 2025

ISSUE NOTE

Pipeline Performance Summary – 2024 Annual Report

I. PREPARED FOR: For Information

II. ISSUE: The BC Energy Regulator (BCER) is releasing its 2024 Pipeline Performance Summary Annual Report.

III. MESSAGING:

- The BC Energy Regulator (BCER) plays an integral role in ensuring the province's more than 54,000 kilometres of pipelines carrying a variety of materials, including natural gas, oil, and water are safe.
- We're releasing our 2024 Pipeline Performance Summary, which provides a transparent look at pipeline regulation, annual incident statistics, response protocols and mandatory Integrity Management Programs (IMPs) applied by operators to facilitate safe operation.
- To increase transparency, a new Appendix has been added presenting descriptions of pipeline incident causes, locations and products spilled. This provides insight into what is considered an incident and clarifies their severity as some are minor and not all result in a product release.
- British Columbia's energy resource industry depends on pipelines for the efficient distribution of its energy resource products and recognizes secure operation is essential to protecting public safety and the environment.
- The BCER responds to and assesses all pipeline failure incidents to ensure appropriate corrective and preventative actions are in place to avoid reoccurrence.

BACKGROUND:

- The 2024 report finds:
 - o Over 79 per cent of the total active pipeline kilometres regulated by the BCER transport natural gas, while approximately 10 per cent carry liquid hydrocarbons (such as crude oil). The remainder carry water or other gases or liquids.
 - o The BCER reported 1,694 pipeline inspections in 2024, an increase from the 1,501 pipeline inspections reported in 2023.
 - o In 2024, there were 37 incidents on BCER-regulated pipelines, which is 11 more than in 2023. Of the 37 incidents, 25 involved the release of a



product, one higher than the previous year.

- o The leading factor in pipeline incidents in 2024 was metal loss (13 incidents), the same number and cause as 2023. Metal loss is typically either internal or external corrosion resulting in reduced pipeline wall thickness.
- o The overall incident frequency in 2024 was 0.68 for every 1,000 kilometres of pipeline, an increase from 0.49 in 2023. The rise is primarily attributed to an increase in reports of natural force damage (e.g., pipeline exposures); however, these incidents did not result in a release of product.
- o Similar to 2023, the pipeline types of 'liquid hydrocarbon' and 'water' had the highest frequency of incidents with release per 1,000 km of pipeline, at 1.79 and 1.00, respectively. Note these incidents are grouped by the permitted pipeline type and not by the materials spilled.
- In the event of a spill, the BCER ensures thorough clean-up by the company and confirms all corrective actions are completed for operations to resume safely. Depending on incident severity, a post incident review may be conducted to better understand the root cause of the incident and verify proper corrective and preventative actions have been implemented to avoid reoccurrence.
- As pipeline performance, spill preparedness and emergency response capabilities improve, the BCER will continue to share its learnings internally, with stakeholders and experts throughout industry to successfully meet the demands of a strong safety culture.
- If required, the BCER will issue orders to the permit holder to enforce completion of remedial actions or restrict the operation of a pipeline until safe operations can resume.

PREPARED BY:

Lori Denys, Communications Specialist Lori.Denys@bc-er.ca 250-419-4410 From: Communications

Sent: Tuesday, February 18, 2025 5:19 PM **To:** Matt Simmons; Kate Schneider

Cc: Communications

Subject: RE: Media request for comment from The Narwhal and Investigative Journalism

Foundation regarding compliance and enforcement

Hi Matt and Kate,

With apologies again for the delay, please find our responses below:

1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance?

BCER Compliance & Enforcement Officers record non-compliances and use a graduated enforcement model to address them. The action taken to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances.

2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, 'Hard to believe it's real':

B.C.'s energy regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.

Comments, as part of inspections, are often used as a mechanism to identify issues that are not in non-compliance to permit conditions, regulations, or the Act, but that Officers still wants to identify to a permit holder. This communication approach builds a compliance record that can then be utilized in future inspections.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

Compliance verification is not only managed by compliance & enforcement but is a multifaceted activity that numerous business groups in the BCER has a role in. As such, the BCER is confident it has adequate resources in place to ensure compliance of energy activities in B.C., continuing to protect the

environment and public safety. Identified compliance activities and their statuses can be found on the BCERs website as part of the Annual Compliance Plan Reporting.

Approximately three-quarters of all employees are union members. They include highly skilled professionals and statutory decision-makers with specialized training, professional governance and quality assurance requirements. These staff include engineers, hydrologists, hydrogeologists, foresters, agrologists, archaeologists, geologists, inspectors and environmental specialists.

3. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?

Please see the answer to 1, above.

4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation. Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

5. According to the BCER <u>Compliance and Enforcement manual</u>, the regulator "employs a graduated non-compliance response model where appropriate, ranging from non-compliance notices to more formal, statutory enforcement actions." Our review of the dataset showed a low percentage of instances in which official non-compliance notices were issued for apparent or noted non-compliance.

Can you explain why BC Energy Regulator officials chose not to issue notices of non-compliance for numerous activities that appear to involve non-compliance with regulations, including all of the instances highlighted in the quoted reports mentioned above?

The actions taken by Compliance & Enforcement Officers to address a specific non-compliance is dependent on the nature of the non-compliance and case-specific circumstances.

6. The manual also notes: "where alleged non-compliances occur, the Regulator will take appropriate actions, as per the processes detailed in this manual."

Can you tell us more about how the actions of inspectors were considered to be "appropriate actions"? And can you share more details that might explain any patterns that appear to suggest inspectors prefer to provide written or oral comments about potential non-compliances rather than issuing a formal notice of non-compliance?

BCER staff consider several factors to select the most appropriate compliance action, including the severity of actual or potential impact to the environment and public safety, the factual circumstances of

the non-compliance, the compliance history of the permit holder, as well as how to achieve the best remedy and reduce the likelihood of repeat non-compliance.

7. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation aimed to protect the environment, wildlife, public safety and communities. Does the BC Energy Regulator believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

8. Numerous reports indicated "high LEL" from surface casing vents or in other areas under inspection, often referencing a "glove test". It appears these notes typically indicate leaks with explosive potential. Can you explain whether high LEL represents a contravention of the regulator's emissions regulations or other regulations? If not, can you please provide context to help our readers understand these comments and the latex glove test procedure?

Please see the answer to 6, above.

The glove test is a process Officers use to check for the indication of venting from the surface casing vent. This is accomplished by putting a latex glove over the surface casing vent to see if it inflates.

9. There appeared to be a high number of instances in which inspectors found faults with operator systems and numerous reports indicated other leaks, including SCV leaks and leaks from equipment at valves or hoses. Do these leaks constitute non-compliance with the regulator's emissions regulations or other regulations?

Please see the answer to 6, above.

10. Numerous reports indicate potential contraventions of regulations, including bullplugs or other equipment missing, valves not locked open as per regulations and flowlines not disconnected. Can you confirm whether these are examples of non-compliance?

Please see the answer to 6, above.

11. Our review of the dataset identifies what appears to be a large number of administrative errors, including apparent inadequate or outdated systems (i.e. SCADA calibration, ESD, etc.) and wells marked as ACTIVE that should be updated to deactivated. Can you confirm whether these administrative errors are examples of non-compliance with BCER regulations?

Please see the answer to 6, above.

12. Previously you told The Narwhal: "The timeline for correction is dependent on risk to public safety and the environment, with baseline requirements being 24 hours, 14 days or 30 days."

Numerous inspection records we reviewed noted apparent non-compliance far exceeding those requirements, in some cases extending over multiple years. Can you explain why BC Energy Regulator officials appear to allow operators to continue conducting industrial activity while outstanding issues remain unaddressed?

As noted in Section 2.2 of the Compliance & Enforcement manual, if a permit holder cannot achieve compliance within the required correction timeline, they may request an extension. The request must include a rationale outlining any complicating factors necessitating the extension.

13. Does the BC Energy Regulator believe its compliance and enforcement activity is adequate in providing "assurance to British Columbians that oil and gas activities are conducted in compliance with the Energy Resource Activities Act (ERAA), the Regulator's specified enactments and all related regulations"?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

14. Does the BC Energy Regulator believe its compliance and enforcement activity is adequately upholding provincial regulations and legislation?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

15. Previously you told The Narwhal the BC Energy Regulator employs "22 compliance & enforcement officers and four technical advisors" to conduct field based compliance in the province. According to the government directory, the regulator's compliance and enforcement department currently comprises 17 compliance and enforcement officers, two technical advisors and seven supervisors or executives. Can you confirm the accurate numbers, including detailing how many employees conduct field based compliance?

The BCER Compliance & Enforcement team currently consists of 27 front line members including 5 Supervisors Compliance & Enforcement, 17 Compliance & Enforcement Officers, 1 Manager Enforcement, 1 Supervisor Technical Advisors, and 3 Technical Advisors. All of these positions have a role in conducting field compliance from inspections to investigations.

At the time of your previous inquiry, one position was an under-implementation role for recruiting. That position has since become a full-time permanent position.

16. Given the expected — and already underway — increase in oil and gas and other energy projects in the province, does the BC Energy Regulator have any plans to increase the number of officers it employs? If so, can you please provide detailed information?

As per our response directly above, the BCER has recently increased C+E staff capacity to support current and future work. Compliance & Enforcement can adjust resources as necessary to ensure coverage of energy projects in the province.

17. Is there any further context you can share with respect to the regulator's oversight of the energy sector, in particular oil and gas activities?

Please see the following: Ensure Industry Compliance | BC Energy Regulator (BCER).

The BCER is a regulator and does not have an advocacy function. Our role is to provide sound regulatory oversight of the energy industry and ensure companies comply with their permit conditions and provincial legislation. We do not advocate for industry or solicit economic development.





BCER Communications communications@bc-er.ca Office Address Directory BCER Web Site

1-250-794-5200

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From: Matt Simmons <matt@thenarwhal.ca>
Sent: Tuesday, February 18, 2025 2:39 PM

To: Communications < communications@bc-er.ca> **Cc:** Kate Schneider < kate.schneider@theijf.org>

Subject: Re: Media request for comment from The Narwhal and Investigative Journalism Foundation regarding compliance and enforcement

Thank you for the update. Can you please give us an estimate on when we can expect to receive your responses?

Thanks, Matt

On Feb 18, 2025, at 12:36 PM, Communications < communications@bc-er.ca > wrote:

Hi Kate and Matt,

We're working on your request and will have our responses to you as soon as possible.

Best,

<image001.png>
<image003.png>
BCER Communications
communications@bc-er.ca

<image004.png>

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From: Kate Schneider < kate.schneider@theijf.org>

Sent: Tuesday, February 18, 2025 9:55 AM

To: Communications < communications@bc-er.ca>

Cc: Matt Simmons < matt@thenarwhal.ca>

Subject: Re: Media request for comment from The Narwhal and Investigative Journalism Foundation

regarding compliance and enforcement

Hello,

Hope you had an enjoyable holiday! Just wanted to follow up on this request. We look forward to receiving the responses from your team as soon as possible sometime today.

Best,

Kate

On Sat, Feb 15, 2025 at 1:17 AM Communications < communications@bc-er.ca > wrote:

Hi Matt and Kate,

With apologies, we're not going to have our responses to you today. We'll keep working on this first thing on Tuesday, after the holiday.

Best,

<image001.png> <image004.png>

<image003.png>

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communications@bc-er.ca BCER Web Site

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From: Matt Simmons < matt@thenarwhal.ca>

Sent: Friday, February 14, 2025 3:09 PM

To: Communications < communications@bc-er.ca
Cc: Kate Schneider kate.schneider@theijf.org

Subject: Re: Media request for comment from The Narwhal and Investigative Journalism Foundation

regarding compliance and enforcement

Thanks for the update. Standing by...

Best,

Matt

--

Matt Simmons | he/him Journalist, Northwest B.C. The Narwhal

<image005.png>

The Narwhal is committed to upholding the principles of truth and reconciliation through our journalism and I wish to acknowledge this land on which I live and work. I am based on unceded Gidimt'en Clan territory, home of the Wet'suwet'en nation, in Smithers, B.C.

On Feb 14, 2025, at 3:07 PM, Communications < communications@bc-er.ca> wrote:

Hi,

We're still working on your request. We hope to have our responses to you before 4:30pm PT, but will let you know by then if we need to delay further.

Best,

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From: Kate Schneider < kate.schneider@theijf.org>

Sent: Friday, February 14, 2025 9:51 AM

To: Communications < communications@bc-er.ca>

Cc: Matt Simmons < matt@thenarwhal.ca>

Subject: Re: Media request for comment from The Narwhal and Investigative

Journalism Foundation regarding compliance and enforcement

Hello,

That's perfect, thank you for the update. Looking forward to receiving more from your team very shortly.

Kind regards,

Kate

On Fri, Feb 14, 2025 at 5:50 PM Communications < communications@bc-er.ca wrote:

Hi Kate,

We're currently working on responses to your inquiry and are still aiming to have our responses back to you by your desired deadline. We'll let you know as soon as possible if we determine we may not be able to make your deadline.

Best,

<image001.png> <image002.png>

<image003.png>

BCER Communications Office Address Directory 1-250-794-5200

communications@bc-er.ca BCER Web Site

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From: Kate Schneider < kate.schneider@theijf.org>

Sent: Friday, February 14, 2025 9:42 AM

To: Communications < communications@bc-er.ca>

Cc: Matt Simmons <matt@thenarwhal.ca>

Subject: Re: Media request for comment from The Narwhal and Investigative

Journalism Foundation regarding compliance and enforcement

Good morning,

Just wanted to follow up on this media request and to send a gentle reminder of our deadline **later today at 3 pm PT**. Please let us know as soon as possible if meeting this deadline will not be feasible and, if so, by what day and time you will be able to send us responses. I'll also give you a quick call in case you don't see this email in time. Many thanks!

Best wishes,

Kate

On Wed, Feb 12, 2025 at 2:39 PM Kate Schneider kate.schneider@theijf.org wrote:

Good morning,

Many thanks for acknowledging receipt of our request. We look forward to hearing more from your team before our deadline.

Best wishes,

Kate

On Wed, Feb 12, 2025 at 12:00 AM Communications communications@bc-er.ca> wrote:

Hi Matt and Kate,

We've received your request.

Best.

<image001.png>

<image002.png>

<image003.png>

BCER Communications

Office Address Directory

1-250-794-5200

communications@bc-er.ca

BCER Web Site

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From: Matt Simmons < matt@thenarwhal.ca>
Sent: Tuesday, February 11, 2025 8:46 AM

To: Communications < communications@bc-er.ca>

Cc: kate.schneider@theijf.org

Subject: Media request for comment from The Narwhal and Investigative

Journalism Foundation regarding compliance and enforcement

Good morning,

We are journalists with The Narwhal and Investigative Journalism Foundation working in collaboration on a news report about the BC Energy Regulator.

We have reviewed a large dataset of compliance and enforcement activities conducted by BC Energy Regulator officials (formerly BC Oil and Gas Commission) previously provided to The Narwhal through freedom of information legislation and are reaching out to seek an interview with senior BC Energy Regulator officials about the contents of the documents.

Our deadline is Friday, February 14 at 3 p.m. PT, however if you need more time to respond, please let us know.

Upon review of more than 30,000 records of inspections made by regulator officials between early 2017 and late 2023, we found several hundreds of examples in which the inspector noted apparent environmental infractions but did not mark the inspection as an occurrence of non-compliance. We also found many hundreds of records that indicate potential infractions of both provincial regulations and environmental laws, including potential emissions violations, spills and other alleged non-compliances. Similarly, we found hundreds of what appeared to be administrative errors — such as producing wells being marked as deactivated or vice versa — that were not marked as non-compliance in the regulator's systems.

Of the inspection records we reviewed, dozens included alleged infractions noted as "serious" or similarly described by the inspector in terms that denote a significant non-compliance, even though the report concluded the site was in compliance. In addition, we found numerous instances in which the inspector noted the company was out of compliance but they would not be marking it as such in the regulator's systems.

Here is a sample of some of the relevant notes made by inspectors on reports that were marked as in compliance:

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator that I had spoke [sic] to earlier in the day about the other sites, and took him over to have a look at what I had found. The birds were black (like a small raven or a crow), but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent. Operator said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found."

"There is orange plastic snow fencing that had been erected years ago and has fallen down. This is also true for the area around the well bore. The orange plastic snow fencing is not an acceptable measure to keep wildlife out of the contaminated areas. There is evidence that wildlife has frequented the water filled flare pit. The flare pit and well bore area need to have wildlife fencing installed. Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odor was detected. Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out."

"Truck at POD at the time of the inspection. Driver could not produce permit when asked. Driver could not provide volumes of water being withdraw. Quote "best guess" based on visual observation into tank and time taken to fill tank. ... Conditional pass pending follow up."

"Intake is contained in a screened basket with several small holes visible and one larger hole / tear approximately 2.5 cm by 15 cm. The pump / basket is sitting in approximately 7 to 10 cm of water and was actively pumping at the time of inspection. Discussed with the operator. ... Conditional pass pending follow up."

"This inspection will show as a PASS due to system limitations, however, there are concerns associated with the work that has been done."

"Petronas restored a sump 1 km down the road from this one after a deficiency was given. This sump should have been restored at the same time. Unfortunately, due to delays this site will see more than 7 years of vegetation growth destroyed and a new disturbance will have been initiated."

"There are numerous wildlife tracks attracted to the area which may have been an on lease sump. ... If there is contamination then big game and any livestock are excluded from the immediate area. The same request was required in October 2014 but nothing was received. This is a follow up inspection for the same concerns identified at that time."

"Active discharge above upstream dam. Sediment/turbidity noted in sump. Traced sedimentation to trench water pump off location (location not approved by CGL Environment). This is in non-compliance with section 12 of the EPMR."

"Sedimentation in numerous watercourses. As well, sediment plumes were noted in Lake 1F (approximately 586+750) and unnamed lake at approximately KP 587+300, caused by road or ROW runoff. This is in non-compliance with section 12 of the Environmental Protection and Management Regulation (EPMR) ... This non-compliance with the permit condition therefore means that Coastal GasLink is also in non-compliance with section 21(b)(2) of the Oil and Gas Activities Act (OGAA)"

"Failure noted between cells, sediment leaving site via oil and gas road (RW 740.1.1) through ditchline. Flowing in ditch, then leaving roadway into vegetation. Turbid flow continues through timber/veg to Morice Owen FSR."

"Ditch block installation method unusual (bentonite bags in disarray, then squished/moved by pipe, more bags added on top(excavator took large scoop of bentonite bags, then dropped bags on top from height, breaking some of the bags during the process)"

"The flarepit at the 7-19-88-17 location has liquids in it that have a hydrocarbon odor. There is also a waxy substance on top of the liquids and covering the bullrushes. There is evidence of wildlife accessing the liquids in the flarepit. A fence should be installed around the pit to prevent wildlife access. How often is this flarepit used?"

"-there are two c-rings onsite that are fairly stinky. I was able to smell them approximately 300 meters away on lease road. Odours should not be offsite. Investigate and alleviate the odours. -No other concerns here at this time."

"-the above mentioned comments are considered to be deficiencies, but I have chose to only put in comments for the time being."

. . .

1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance?

2. According to the BCER <u>Compliance and Enforcement manual</u>, the regulator "employs a graduated non-compliance response model where appropriate, ranging from non-compliance notices to more formal, statutory enforcement actions." Our review of the dataset showed a low percentage of instances in which official non-compliance notices were issued for apparent or noted non-compliance.

Can you explain why BC Energy Regulator officials chose not to issue notices of non-compliance for numerous activities that appear to involve non-compliance with regulations, including all of the instances highlighted in the quoted reports mentioned above?

3. The manual also notes: "where alleged non-compliances occur, the Regulator will take appropriate actions, as per the processes detailed in this manual."

Can you tell us more about how the actions of inspectors were considered to be "appropriate actions"? And can you share more details that might explain any patterns that appear to suggest inspectors prefer to provide written or oral comments about potential non-compliances rather than issuing a formal notice of non-compliance?

- 4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation aimed to protect the environment, wildlife, public safety and communities. Does the BC Energy Regulator believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?
- 5. Numerous reports indicated "high LEL" from surface casing vents or in other areas under inspection, often referencing a "glove test". It appears these notes typically indicate leaks with explosive potential. Can you explain whether high LEL represents a contravention of the regulator's emissions regulations or other regulations? If not, can you please provide context to help our readers understand these comments and the latex glove test procedure?
- 6. There appeared to be a high number of instances in which inspectors found faults with operator systems and numerous reports indicated other leaks, including SCV leaks and leaks from equipment at valves or hoses. Do these leaks constitute non-compliance with the regulator's emissions regulations or other regulations?
- 7. Numerous reports indicate potential contraventions of regulations, including bullplugs or other equipment missing, valves not locked open as per regulations and flowlines not disconnected. Can you confirm whether these are examples of non-compliance?
- 8. Our review of the dataset identifies what appears to be a large number of administrative errors, including apparent inadequate or outdated systems

(i.e. SCADA calibration, ESD, etc.) and wells marked as ACTIVE that should be updated to deactivated. Can you confirm whether these administrative errors are examples of non-compliance with BCER regulations?

9. Previously you told The Narwhal: "The timeline for correction is dependent on risk to public safety and the environment, with baseline requirements being 24 hours, 14 days or 30 days."

Numerous inspection records we reviewed noted apparent noncompliance far exceeding those requirements, in some cases extending over multiple years. Can you explain why BC Energy Regulator officials appear to allow operators to continue conducting industrial activity while outstanding issues remain unaddressed?

- 10. Does the BC Energy Regulator believe its compliance and enforcement activity is adequate in providing "assurance to British Columbians that oil and gas activities are conducted in compliance with the Energy Resource Activities Act (ERAA), the Regulator's specified enactments and all related regulations"?
- 11. Does the BC Energy Regulator believe its compliance and enforcement activity is adequately upholding provincial regulations and legislation?
- 12. Previously you told The Narwhal the BC Energy Regulator employs "22 compliance & enforcement officers and four technical advisors" to conduct field based compliance in the province. According to the government directory, the regulator's compliance and enforcement department currently comprises 17 compliance and enforcement officers, two technical advisors and seven supervisors or executives. Can you confirm the accurate numbers, including detailing how many employees conduct field based compliance?
- 13. Given the expected and already underway increase in oil and gas and other energy projects in the province, does the BC Energy Regulator have any plans to increase the number of officers it employs? If so, can you please provide detailed information?
- 14. Is there any further context you can share with respect to the regulator's oversight of the energy sector, in particular oil and gas activities?

Thank you,

Matt Simmons
Reporter, The Narwhal
matt@thenarwhal.ca

Kate Schneider

Pages: 668-672 Redacted pursuant to: s16 From: Bourke, Dax

Sent: Tuesday, February 18, 2025 1:35 PM

To: Currie, Graham
Cc: Rygg, Philip
Subject: RE: Media fee

Thanks!





Dax Bourke CD

Executive Director, Compliance & Enforcement <u>Dax.Bourke@bc-er.ca</u> Fort St. John T. 250-794-5395

<u>Office Address Directory</u> F. 250-794-5390

<u>BCER Web Site</u> \$22

We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water

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From: Currie, Graham < Graham. Currie@bc-er.ca>

Sent: Tuesday, February 18, 2025 9:51 AM
To: Bourke, Dax < Dax.Bourke@bc-er.ca>
Cc: Rygg, Philip < Phil.Rygg@bc-er.ca>

Subject: RE: Media fee

s13

If you need a response, please contact Communications@bc-er.ca

And I would leave it at that.

Thanks, Graham





Graham Currie

Executive Director, Public Trust Graham.Currie@bc-er.ca Victoria Office Address Directory BCER Web Site T. 250-419-4420 F. 250-419-4403

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From: Bourke, Dax < Dax.Bourke@bc-er.ca > Sent: Tuesday, February 18, 2025 8:43 AM
To: Currie, Graham < Graham.Currie@bc-er.ca >

Subject: FW: Media fee

Morning Graham,

Can you provide a template response that my team can use when being contacted by media on personal channels.

Thanks,





Dax Bourke CD Executive Director, Compliance & Enforcement Dax.Bourke@bc-er.ca
 Fort St. John
 T. 250-794-5395

 Office Address Directory
 F. 250-794-5390

 BCER Web Site
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From: O'Neill, Sean <Sean.O'Neill@bc-er.ca>
Sent: Tuesday, February 18, 2025 9:42 AM

To: Sparrow, Philip < Phil.Sparrow@bc-er.ca>; Bourke, Dax < Dax.Bourke@bc-er.ca>

Subject: RE: Media fee

I told Phil to have him contact communications Dax.





Sean O'Neill
Supervisor, Compliance & Enforcement
Sean.O'Neill@bc-er.ca

Dawson Creek T.

Office Address Directory
BCER Web Site

T. 250-795-2150 F. 250 795-2140

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From: Sparrow, Philip < Phil.Sparrow@bc-er.ca Sent: Tuesday, February 18, 2025 9:17 AM

To: O'Neill, Sean <Sean.O'Neill@bc-er.ca>; Bourke, Dax <<u>Dax.Bourke@bc-er.ca</u>>

Subject: RE: Media fee

Good morning.

As per you email below about media contacting employee, I want to let you know that Matt Simmons of the Narwhal has attempted to contact me, this time on LinkedIn. The message was sent last Wednesday;

522

Please advise.





Philip Sparrow

Compliance & Enforcement Officer Phil.Sparrow@bc-er.ca Dawson Creek
Office Address Directory
BCER Web Site

T. 250-794-2145 F. 250 795-2149

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From: O'Neill, Sean <Sean.O'Neill@bc-er.ca>
Sent: Wednesday, February 5, 2025 9:17 AM
To: Bourke, Dax < Dax.Bourke@bc-er.ca>
Cc: Sparrow, Philip < Phil.Sparrow@bc-er.ca>

Subject: RE: Media fee

Will do.

s13





Sean O'Neill

Supervisor, Compliance & Enforcement Sean.O'Neill@bc-er.ca

Dawson Creek Office Address Directory BCER Web Site T. 250-795-2150 F. 250 795-2140

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From: Bourke, Dax < Dax.Bourke@bc-er.ca > Sent: Wednesday, February 5, 2025 8:30 AM To: O'Neill, Sean < Sean.O'Neill@bc-er.ca >

Subject: RE: Media fee

Thanks Sean – I'll share with all supervisors but in any case,

s13





Dax Bourke CD

Executive Director, Compliance & Enforcement Dax.Bourke@bc-er.ca Fort St. John Office Address Directory BCER Web Site T. 250-794-5395 F. 250-794-5390

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From: O'Neill, Sean <Sean.O'Neill@bc-er.ca>
Sent: Wednesday, February 5, 2025 8:28 AM
To: Bourke, Dax < Dax.Bourke@bc-er.ca>

Subject: FW: Media fee

Just an FYI the Narwhal is fishing for an interview.





Sean O'Neill

Supervisor, Compliance & Enforcement Sean.O'Neill@bc-er.ca

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T. 250-795-2150

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From: Sparrow, Philip < Phil.Sparrow@bc-er.ca

Sent: Tuesday, February 4, 2025 5:16 PM To: O'Neill, Sean < Sean. O'Neill@bc-er.ca>

Subject: Media fy

Good afternoon, Sean.

I received an unsolicited message from a "journalist" based in Smithers, requesting an off the record interview (message attached). I have not responded and wanted to give you an fyi that this is going on. If you have any questions please do not hesitate to contact me.

Thank you.

Get Outlook for iOS

From: Robb, Peter

Sent: Friday, February 14, 2025 3:47 PM

To: Woods, Jonathan; Lonergan, Peter GCPE:EX; Venn, Tania GCPE:EX; Connie, Alanah

GCPE:EX; Poulose, Akshara GCPE:EX

Cc: Hsieh, Nick ECS:EX; Harris, Scott ECS:EX; Carr, Michelle; Dickinson, Sara; Currie, Graham;

Rygg, Philip

Subject: RE: BCER MEDIA RESPONSE: The Narwhal + Investigative Journalism Foundation -

compliance & enforcement | Deadline: Today at 3pm

Approved





Peter Robb

Executive Vice President, Resource Management & Stewardship Peter.Robb@bc-er.ca

Victoria
Office Address Directory
BCER Web Site

T. 250-419-4405 F. 250 419-4403 s22

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From: Woods, Jonathan < Jonathan. Woods@bc-er.ca>

Sent: Friday, February 14, 2025 2:30 PM

To: Lonergan, Peter GCPE:EX <Peter.Lonergan@gov.bc.ca>; Venn, Tania GCPE:EX <Tania.Venn@gov.bc.ca>; Connie, Alanah GCPE:EX <Alanah.Connie@gov.bc.ca>; Poulose, Akshara GCPE:EX <Akshara.Poulose@gov.bc.ca>

Cc: Hsieh, Nick ECS:EX <Nick.Hsieh@gov.bc.ca>; Harris, Scott ECS:EX <Scott.Harris@gov.bc.ca>; Carr, Michelle

<Michelle.Carr@bc-er.ca>; Dickinson, Sara <Sara.Dickinson@bc-er.ca>; Currie, Graham <Graham.Currie@bc-er.ca>;

Rygg, Philip <Phil.Rygg@bc-er.ca>; Robb, Peter <Peter.Robb@bc-er.ca>

Subject: BCER MEDIA RESPONSE: The Narwhal + Investigative Journalism Foundation - compliance & enforcement |

Deadline: Today at 3pm

Hi Peter and All,

Please see below our responses to the Narwhal/IJF request regarding BCER compliance and enforcement activities. We are intending to send these to the reporters at 3pm today. Thanks, Jon

REPORTERS:

Matt Simmons, The Narwhal

Kate Schneider, Investigative Journalism Foundation

DEADLINE:

Today at 3pm

QUESTIONS AND BCER RESPONSES IN BLUE:

We are journalists with The Narwhal and Investigative Journalism Foundation working in collaboration on a news report about the BC Energy Regulator.

We have reviewed a large dataset of compliance and enforcement activities conducted by BC Energy Regulator officials (formerly BC Oil and Gas Commission) previously provided to The Narwhal through freedom of information legislation and are reaching out to seek an interview with senior BC Energy Regulator officials about the contents of the documents.

Our deadline is Friday, February 14 at 3 p.m. PT, however if you need more time to respond, please let us know.

Upon review of more than 30,000 records of inspections made by regulator officials between early 2017 and late 2023, we found several hundreds of examples in which the inspector noted apparent environmental infractions but did not mark the inspection as an occurrence of non-compliance. We also found many hundreds of records that indicate potential infractions of both provincial regulations and environmental laws, including potential emissions violations, spills and other alleged non-compliances. Similarly, we found hundreds of what appeared to be administrative errors — such as producing wells being marked as deactivated or vice versa — that were not marked as non-compliance in the regulator's systems.

Of the inspection records we reviewed, dozens included alleged infractions noted as "serious" or similarly described by the inspector in terms that denote a significant non-compliance, even though the report concluded the site was in compliance. In addition, we found numerous instances in which the inspector noted the company was out of compliance but they would not be marking it as such in the regulator's systems.

Here is a sample of some of the relevant notes made by inspectors on reports that were marked as in compliance:

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator that I had spoke [sic] to earlier in the day about the other sites, and took him over to have a look at what I had found. The birds were black (like a small raven or a crow), but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent. Operator said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found."

"There is orange plastic snow fencing that had been erected years ago and has fallen down. This is also true for the area around the well bore. The orange plastic snow fencing is not an acceptable measure to keep wildlife out of the contaminated areas. There is evidence that wildlife has frequented the water filled flare pit. The flare pit and well bore area need to have wildlife fencing installed. Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odor was detected. Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out."

"Truck at POD at the time of the inspection. Driver could not produce permit when asked. Driver could not provide volumes of water being withdraw. Quote "best guess" based on visual observation into tank and time taken to fill tank. ... Conditional pass pending follow up."

"Intake is contained in a screened basket with several small holes visible and one larger hole / tear approximately 2.5 cm by 15 cm. The pump / basket is sitting in approximately 7 to 10 cm of water and was actively pumping at the time of inspection. Discussed with the operator. ... Conditional pass pending follow up."

"This inspection will show as a PASS due to system limitations, however, there are concerns associated with the work that has been done."

"Petronas restored a sump 1 km down the road from this one after a deficiency was given. This sump should have been restored at the same time. Unfortunately, due to delays this site will see more than 7 years of vegetation growth destroyed and a new disturbance will have been initiated."

"There are numerous wildlife tracks attracted to the area which may have been an on lease sump. ... If there is contamination then big game and any livestock are excluded from the immediate area. The same request was required in October 2014 but nothing was received. This is a follow up inspection for the same concerns identified at that time."

"Active discharge above upstream dam. Sediment/turbidity noted in sump. Traced sedimentation to trench water pump off location (location not approved by CGL Environment). This is in non-compliance with section 12 of the EPMR."

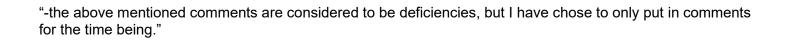
"Sedimentation in numerous watercourses. As well, sediment plumes were noted in Lake 1F (approximately 586+750) and unnamed lake at approximately KP 587+300, caused by road or ROW runoff. This is in non-compliance with section 12 of the Environmental Protection and Management Regulation (EPMR) ... This non-compliance with the permit condition therefore means that Coastal GasLink is also in non-compliance with section 21(b)(2) of the Oil and Gas Activities Act (OGAA)"

"Failure noted between cells, sediment leaving site via oil and gas road (RW 740.1.1) through ditchline. Flowing in ditch, then leaving roadway into vegetation. Turbid flow continues through timber/veg to Morice Owen FSR."

"Ditch block installation method unusual (bentonite bags in disarray, then squished/moved by pipe, more bags added on top(excavator took large scoop of bentonite bags, then dropped bags on top from height, breaking some of the bags during the process)"

"The flarepit at the 7-19-88-17 location has liquids in it that have a hydrocarbon odor. There is also a waxy substance on top of the liquids and covering the bullrushes. There is evidence of wildlife accessing the liquids in the flarepit. A fence should be installed around the pit to prevent wildlife access. How often is this flarepit used?"

"-there are two c-rings onsite that are fairly stinky. I was able to smell them approximately 300 meters away on lease road. Odours should not be offsite. Investigate and alleviate the odours. -No other concerns here at this time."



1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance?

BCER Compliance & Enforcement Officers record non-compliances and use a graduated enforcement model to address them. The action taken to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances.

2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, 'Hard to believe it's real': B.C.'s energy regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.

Comments, as part of inspections, are often used as a mechanism to identify issues that are not in non-compliance to permit conditions, regulations, or the Act, but that Officers still wants to identify to a permit holder. This communication approach builds a compliance record that can then be utilized in future inspections.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

Compliance verification is not only managed by compliance & enforcement but is a multifaceted activity that numerous business groups in the BCER has a role in. As such, the BCER is confident it has adequate resources in place to ensure compliance of energy activities in B.C., continuing to protect the environment and public safety. Identified compliance activities and their statuses can be found on the BCERs website as part of the Annual Compliance Plan Reporting.

Approximately three-quarters of all employees are union members. They include highly skilled professionals and statutory decision-makers with specialized training, professional governance and quality assurance requirements. These staff include engineers, hydrologists, hydrogeologists, foresters, agrologists, archaeologists, geologists, inspectors and environmental specialists.

3. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?

Please see the answer to 1, above.

4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation. Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

5. According to the BCER <u>Compliance and Enforcement manual</u>, the regulator "employs a graduated non-compliance response model where appropriate, ranging from non-compliance notices to more formal, statutory enforcement actions." Our review of the dataset showed a low percentage of instances in which official non-compliance notices were issued for apparent or noted non-compliance.

Can you explain why BC Energy Regulator officials chose not to issue notices of non-compliance for numerous activities that appear to involve non-compliance with regulations, including all of the instances highlighted in the quoted reports mentioned above?

The actions taken by Compliance & Enforcement Officers to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances.

6. The manual also notes: "where alleged non-compliances occur, the Regulator will take appropriate actions, as per the processes detailed in this manual."

Can you tell us more about how the actions of inspectors were considered to be "appropriate actions"? And can you share more details that might explain any patterns that appear to suggest inspectors prefer to provide written or oral comments about potential non-compliances rather than issuing a formal notice of non-compliance?

BCER staff consider several factors to select the most appropriate compliance action, including the severity of actual or potential impact to the environment and public safety, the factual circumstances of the non-compliance, the compliance history of the permit holder, as well as how to achieve the best remedy and reduce the likelihood of repeat non-compliance.

7. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation aimed to protect the environment, wildlife, public safety and communities. Does the BC Energy Regulator believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

8. Numerous reports indicated "high LEL" from surface casing vents or in other areas under inspection, often referencing a "glove test". It appears these notes typically indicate leaks with explosive potential. Can you explain whether high LEL represents a contravention of the regulator's emissions regulations or other regulations? If not, can you please provide context to help our readers understand these comments and the latex glove test procedure?

Please see the answer to 6, above.

The glove test is a process Officers use to check for the indication of venting from the surface casing vent. This is accomplished by putting a latex glove over the surface casing vent to see if it inflates.

9. There appeared to be a high number of instances in which inspectors found faults with operator systems and numerous reports indicated other leaks, including SCV leaks and leaks from equipment at valves or hoses. Do these leaks constitute non-compliance with the regulator's emissions regulations or other regulations?

Please see the answer to 6, above.

10. Numerous reports indicate potential contraventions of regulations, including bullplugs or other equipment missing, valves not locked open as per regulations and flowlines not disconnected. Can you confirm whether these are examples of non-compliance?

Please see the answer to 6, above.

11. Our review of the dataset identifies what appears to be a large number of administrative errors, including apparent inadequate or outdated systems (i.e. SCADA calibration, ESD, etc.) and wells marked as ACTIVE that should be updated to deactivated. Can you confirm whether these administrative errors are examples of non-compliance with BCER regulations?

Please see the answer to 6, above.

12. Previously you told The Narwhal: "The timeline for correction is dependent on risk to public safety and the environment, with baseline requirements being 24 hours, 14 days or 30 days."

Numerous inspection records we reviewed noted apparent non-compliance far exceeding those requirements, in some cases extending over multiple years. Can you explain why BC Energy Regulator officials appear to allow operators to continue conducting industrial activity while outstanding issues remain unaddressed?

As noted in Section 2.2 of the Compliance & Enforcement manual, if a permit holder cannot achieve compliance within the required correction timeline, they may request an extension. The request must include a rationale outlining any complicating factors necessitating the extension.

13. Does the BC Energy Regulator believe its compliance and enforcement activity is adequate in providing "assurance to British Columbians that oil and gas activities are conducted in compliance with the Energy Resource Activities Act (ERAA), the Regulator's specified enactments and all related regulations"?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

14. Does the BC Energy Regulator believe its compliance and enforcement activity is adequately upholding provincial regulations and legislation?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

15. Previously you told The Narwhal the BC Energy Regulator employs "22 compliance & enforcement officers and four technical advisors" to conduct field based compliance in the province. According to the government directory, the regulator's compliance and enforcement department currently comprises 17 compliance and enforcement officers, two technical advisors and seven supervisors or executives. Can you confirm the accurate numbers, including detailing how many employees conduct field based compliance?

The BCER Compliance & Enforcement team currently consists of 27 front line members including 5 Supervisors Compliance & Enforcement, 17 Compliance & Enforcement Officers, 1 Manager Enforcement, 1 Supervisor Technical Advisors, and 3 Technical Advisors. All of these positions have a role in conducting field compliance from inspections to investigations.

At the time of your previous inquiry, one position was an under-implementation role for recruiting. That position has since become a full-time permanent position.

16. Given the expected — and already underway — increase in oil and gas and other energy projects in the province, does the BC Energy Regulator have any plans to increase the number of officers it employs? If so, can you please provide detailed information?

As per our response directly above, the BCER has recently increased C+E staff capacity to support current and future work. Compliance & Enforcement can adjust resources as necessary to ensure coverage of energy projects in the province.

17. Is there any further context you can share with respect to the regulator's oversight of the energy sector, in particular oil and gas activities?

Please see the following: Ensure Industry Compliance | BC Energy Regulator (BCER).

The BCER is a regulator and does not have an advocacy function. Our role is to provide sound regulatory oversight of the energy industry and ensure companies comply with their permit conditions and provincial legislation. We do not advocate for industry or solicit economic development.





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

Victoria
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Page 684 Redacted pursuant to: s13 Redacted pursuant to: s13

REPORTERS:

Matt Simmons, The Narwhal

Kate Schneider, Investigative Journalism Foundation

DEADLINE:

Today at 3pm

QUESTIONS AND PROPOSED BCER RESPONSES IN BLUE:

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Our deadline is Friday, February 14 at 3 p.m. PT, however if you need more time to respond, please let us know.

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Of the inspection records we reviewed, dozens included alleged infractions noted as "serious" or similarly described by the inspector in terms that denote a significant non-compliance, even though the report concluded the site was in compliance. In addition, we found numerous instances in which the inspector noted the company was out of compliance but they would not be marking it as such in the regulator's systems.

Here is a sample of some of the relevant notes made by inspectors on reports that were marked as in compliance:

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator that I had spoke [sic] to earlier in the day about the other sites, and took him over to have a look at what I had found. The birds were black (like a small raven or a crow), but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent. Operator said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found."

"There is orange plastic snow fencing that had been erected years ago and has fallen down. This is also true for the area around the well bore. The orange plastic snow fencing is not an acceptable measure to keep wildlife out of the contaminated areas. There is evidence that wildlife has frequented the water filled flare pit. The flare pit and well bore area need to have wildlife fencing installed. Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odor was detected. Due to system limitations, this inspection will show as

a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out."

"Truck at POD at the time of the inspection. Driver could not produce permit when asked. Driver could not provide volumes of water being withdraw. Quote "best guess" based on visual observation into tank and time taken to fill tank. ... Conditional pass pending follow up."

"Intake is contained in a screened basket with several small holes visible and one larger hole / tear approximately 2.5 cm by 15 cm. The pump / basket is sitting in approximately 7 to 10 cm of water and was actively pumping at the time of inspection. Discussed with the operator. ... Conditional pass pending follow up."

"This inspection will show as a PASS due to system limitations, however, there are concerns associated with the work that has been done."

"Petronas restored a sump 1 km down the road from this one after a deficiency was given. This sump should have been restored at the same time. Unfortunately, due to delays this site will see more than 7 years of vegetation growth destroyed and a new disturbance will have been initiated."

"There are numerous wildlife tracks attracted to the area which may have been an on lease sump. ... If there is contamination then big game and any livestock are excluded from the immediate area. The same request was required in October 2014 but nothing was received. This is a follow up inspection for the same concerns identified at that time."

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"-there are two c-rings onsite that are fairly stinky. I was able to smell them approximately 300 meters away on lease road. Odours should not be offsite. Investigate and alleviate the odours. -No other concerns here at this time."

"-the above mentioned comments are considered to be deficiencies, but I have chose to only put in comments for the time being."

1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance?

[already approved]

BCER Compliance & Enforcement Officers record non-compliances and use a graduated enforcement model to address them. The action taken to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances.

2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, 'Hard to believe it's real':

B.C.'s energy regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.

[already approved]

Comments, as part of inspections, are often used as a mechanism to identify issues that are not in non-compliance to permit conditions, regulations, or the Act, but that Officers still wants to identify to a permit holder. This communication approach builds a compliance record that can then be utilized in future inspections.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

[already approved]

Compliance verification is not only managed by compliance & enforcement but is a multifaceted activity that numerous business groups in the BCER has a role in. As such, the BCER is confident it has adequate resources in place to ensure compliance of energy activities in B.C., continuing to protect the

environment and public safety. Identified compliance activities and their statuses can be found on the BCERs website as part of the Annual Compliance Plan Reporting.

Approximately three-quarters of all employees are union members. They include highly skilled professionals and statutory decision-makers with specialized training, professional governance and quality assurance requirements. These staff include engineers, hydrologists, hydrogeologists, foresters, agrologists, archaeologists, geologists, inspectors and environmental specialists.

3. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?

[already approved]

Please see the answer to 1, above.

4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation. Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

[already approved]

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

5. According to the BCER <u>Compliance and Enforcement manual</u>, the regulator "employs a graduated non-compliance response model where appropriate, ranging from non-compliance notices to more formal, statutory enforcement actions." Our review of the dataset showed a low percentage of instances in which official non-compliance notices were issued for apparent or noted non-compliance.

Can you explain why BC Energy Regulator officials chose not to issue notices of non-compliance for numerous activities that appear to involve non-compliance with regulations, including all of the instances highlighted in the quoted reports mentioned above?

The actions taken by Compliance & Enforcement Officers to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances.

6. The manual also notes: "where alleged non-compliances occur, the Regulator will take appropriate actions, as per the processes detailed in this manual."

Can you tell us more about how the actions of inspectors were considered to be "appropriate actions"? And can you share more details that might explain any patterns that appear to suggest inspectors prefer

to provide written or oral comments about potential non-compliances rather than issuing a formal notice of non-compliance?

BCER staff consider several factors to select the most appropriate compliance action, including the severity of actual or potential impact to the environment and public safety, the factual circumstances of the non-compliance, the compliance history of the permit holder, as well as how to achieve the best remedy and reduce the likelihood of repeat non-compliance.

7. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation aimed to protect the environment, wildlife, public safety and communities. Does the BC Energy Regulator believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

8. Numerous reports indicated "high LEL" from surface casing vents or in other areas under inspection, often referencing a "glove test". It appears these notes typically indicate leaks with explosive potential. Can you explain whether high LEL represents a contravention of the regulator's emissions regulations or other regulations? If not, can you please provide context to help our readers understand these comments and the latex glove test procedure?

Please see the answer to 6, above.

The glove test is a process Officers use to check for the indication of venting from the surface casing vent. This is accomplished by putting a latex glove over the surface casing vent to see if it inflates.

9. There appeared to be a high number of instances in which inspectors found faults with operator systems and numerous reports indicated other leaks, including SCV leaks and leaks from equipment at valves or hoses. Do these leaks constitute non-compliance with the regulator's emissions regulations or other regulations?

Please see the answer to 6, above.

10. Numerous reports indicate potential contraventions of regulations, including bullplugs or other equipment missing, valves not locked open as per regulations and flowlines not disconnected. Can you confirm whether these are examples of non-compliance?

Please see the answer to 6, above.

11. Our review of the dataset identifies what appears to be a large number of administrative errors, including apparent inadequate or outdated systems (i.e. SCADA calibration, ESD, etc.) and wells

marked as ACTIVE that should be updated to deactivated. Can you confirm whether these administrative errors are examples of non-compliance with BCER regulations?

Please see the answer to 6, above.

12. Previously you told The Narwhal: "The timeline for correction is dependent on risk to public safety and the environment, with baseline requirements being 24 hours, 14 days or 30 days."

Numerous inspection records we reviewed noted apparent non-compliance far exceeding those requirements, in some cases extending over multiple years. Can you explain why BC Energy Regulator officials appear to allow operators to continue conducting industrial activity while outstanding issues remain unaddressed?

As noted in Section 2.2 of the Compliance & Enforcement manual, if a permit holder cannot achieve compliance within the required correction timeline, they may request an extension. The request must include a rationale outlining any complicating factors necessitating the extension.

13. Does the BC Energy Regulator believe its compliance and enforcement activity is adequate in providing "assurance to British Columbians that oil and gas activities are conducted in compliance with the Energy Resource Activities Act (ERAA), the Regulator's specified enactments and all related regulations"?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

14. Does the BC Energy Regulator believe its compliance and enforcement activity is adequately upholding provincial regulations and legislation?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

15. Previously you told The Narwhal the BC Energy Regulator employs "22 compliance & enforcement officers and four technical advisors" to conduct field based compliance in the province. According to the government directory, the regulator's compliance and enforcement department currently comprises 17 compliance and enforcement officers, two technical advisors and seven supervisors or executives. Can you confirm the accurate numbers, including detailing how many employees conduct field based compliance?

s13

16. Given the expected — and already underway — increase in oil and gas and other energy projects in the province, does the BC Energy Regulator have any plans to increase the number of officers it employs? If so, can you please provide detailed information?

The BCER is in the process of adding an additional Compliance & Enforcement Officer in Terrace to support current and future work. Compliance & Enforcement can adjust resources as necessary to ensure coverage of energy projects in the province.

17. Is there any further context you can share with respect to the regulator's oversight of the energy sector, in particular oil and gas activities?

[already approved]

Please see the following: Ensure Industry Compliance | BC Energy Regulator (BCER).

The BCER is a regulator and does not have an advocacy function. Our role is to provide sound regulatory oversight of the energy industry and ensure companies comply with their permit conditions and provincial legislation. We do not advocate for industry or solicit economic development.





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

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BCER Web Site

T. 250-419-4357 F. 250-419-4403

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From: Currie, Graham < <u>Graham.Currie@bc-er.ca</u>>

Sent: Wednesday, February 12, 2025 1:03 PM

To: Dickinson, Sara <<u>Sara.Dickinson@bc-er.ca</u>>; Smook, Patrick <<u>Patrick.Smook@bc-er.ca</u>>; Bourke, Dax <<u>Dax.Bourke@bc-er.ca</u>>; Carr, Michelle <<u>Michelle.Carr@bc-er.ca</u>>; Executive DL <<u>Executive@bc-er.ca</u>>

Cc: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>; Thoroughgood, Garth < <u>Garth.Thoroughgood@bc-er.ca</u>>; Rygg, Philip

<Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA REQUEST: The Narwhal + Investigative Journalism Foundation - compliance & enforcement |

Deadline: February 14 at 3pm PT

We will - thanks everyone,

Graham

Pages: 693-698 Redacted pursuant to: s13 From: Currie, Graham

Sent: Friday, February 14, 2025 11:35 AM

To: Hohnsbehn, Cathy; Dickinson, Sara

Cc: Carr, Michelle; Thoroughgood, Garth

Subject: RE: Urgent media request for interview from The Narwhal and Investigative Journalism

Foundation regarding BC Energy Regulator compliance and enforcement (deadline

TODAY)

You don't need to Cathy – we're working on the response. Thanks,
Graham





Graham CurrieExecutive Director, Public Trust
Graham.Currie@bc-er.ca

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BCER Web Site \$22

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From: Hohnsbehn, Cathy <Cathy.Hohnsbehn@bc-er.ca>

Sent: Friday, February 14, 2025 10:34 AM **To:** Dickinson, Sara <Sara.Dickinson@bc-er.ca>

Cc: Carr, Michelle < Michelle.Carr@bc-er.ca>; Currie, Graham < Graham.Currie@bc-er.ca>; Thoroughgood, Garth

<Garth.Thoroughgood@bc-er.ca>

Subject: FW: Urgent media request for interview from The Narwhal and Investigative Journalism Foundation regarding BC Energy Regulator compliance and enforcement (deadline TODAY)

I have not responded.

Cathy

From: Kate Schneider < kate.schneider@theijf.org>

Sent: Friday, February 14, 2025 9:49 AM

To: Hohnsbehn, Cathy < Cathy.Hohnsbehn@bc-er.ca>

Cc: Matt Simmons <matt@thenarwhal.ca>

Subject: Urgent media request for interview from The Narwhal and Investigative Journalism Foundation regarding BC Energy Regulator compliance and enforcement (deadline TODAY)

Good morning Cathy,

As per Michelle's out-of-office message, forwarding along this urgent media request to you. Many thanks in advance for your assistance with our request.

Kind regards,

Kate

On Fri, Feb 14, 2025 at 5:44 PM Kate Schneider < kate.schneider@theijf.org > wrote:

Good morning Michelle,

Just wanted to follow up on this media request and to send a gentle reminder of our deadline **later today at 3 pm PT**. Please let us know as soon as possible if meeting this deadline will not be feasible and, if so, by what day and time you will be able to send us responses. Many thanks!

Best wishes,

Kate

On Tue, Feb 11, 2025 at 4:45 PM Matt Simmons < matt@thenarwhal.ca > wrote:

Good morning, Michelle,

We are journalists with The Narwhal and Investigative Journalism Foundation working in collaboration on a news report about the BC Energy Regulator.

We have reviewed a large dataset of compliance and enforcement activities conducted by BC Energy Regulator officials (formerly BC Oil and Gas Commission) previously provided to The Narwhal through freedom of information legislation and are reaching out to seek an interview about the contents of the documents and the nature of the regulator's compliance and enforcement.

Our deadline is Friday, February 14 at 3 p.m. PT, however if you need more time to respond, please let us know.

Upon review of more than 30,000 records of inspections made by regulator officials between early 2017 and late 2023, we found several hundreds of examples in which the inspector noted apparent environmental infractions but did not mark the inspection as an occurrence of non-compliance. We also found many hundreds of records that indicate potential infractions of both provincial regulations and environmental laws, including potential emissions violations, spills and other alleged non-compliances. Similarly, we found hundreds of what appeared to be administrative errors — such as producing wells being marked as deactivated or vice versa — that were not marked as non-compliance in the regulator's systems.

Of the alleged infractions we reviewed, dozens were noted as "serious" or similarly described by the inspector in terms that denote a significant non-compliance. In addition, we found numerous instances in which the inspector noted the company was out of compliance but they would not be marking it as such in the regulator's systems.

Here is a sample of some of the relevant notes made by inspectors on reports that were marked as in compliance:

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator that I had spoke [sic] to earlier in the day about the other sites, and took him over to have a look at what I had found. The birds were black (like a small raven or a crow), but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent. Operator said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found."

"There is orange plastic snow fencing that had been erected years ago and has fallen down. This is also true for the area around the well bore. The orange plastic snow fencing is not an acceptable measure to keep wildlife out of the contaminated areas. There is evidence that wildlife has frequented the water filled flare pit. The flare pit and well bore area need to have wildlife fencing installed. Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odor was detected. Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out."

"Truck at POD at the time of the inspection. Driver could not produce permit when asked. Driver could not provide volumes of water being withdraw. Quote "best guess" based on visual observation into tank and time taken to fill tank. ... Conditional pass pending follow up."

"Intake is contained in a screened basket with several small holes visible and one larger hole / tear approximately 2.5 cm by 15 cm. The pump / basket is sitting in approximately 7 to 10 cm of water and was actively pumping at the time of inspection. Discussed with the operator. ... Conditional pass pending follow up."

"This inspection will show as a PASS due to system limitations, however, there are concerns associated with the work that has been done."

"Petronas restored a sump 1 km down the road from this one after a deficiency was given. This sump should have been restored at the same time. Unfortunately, due to delays this site will see more than 7 years of vegetation growth destroyed and a new disturbance will have been initiated."

"There are numerous wildlife tracks attracted to the area which may have been an on lease sump. ... If there is contamination then big game and any livestock are excluded from the immediate area. The same request was required in October 2014 but nothing was received. This is a follow up inspection for the same concerns identified at that time."

"Active discharge above upstream dam. Sediment/turbidity noted in sump. Traced sedimentation to trench water pump off location (location not approved by CGL Environment). This is in non-compliance with section 12 of the EPMR."

"Sedimentation in numerous watercourses. As well, sediment plumes were noted in Lake 1F (approximately 586+750) and unnamed lake at approximately KP 587+300, caused by road or ROW runoff. This is in non-compliance with section 12 of the Environmental Protection and Management Regulation (EPMR) ... This non-compliance with the permit condition therefore means that Coastal GasLink is also in non-compliance with section 21(b)(2) of the Oil and Gas Activities Act (OGAA)"

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"-there are two c-rings onsite that are fairly stinky. I was able to smell them approximately 300 meters away on lease road. Odours should not be offsite. Investigate and alleviate the odours. -No other concerns here at this time."

"-the above mentioned comments are considered to be deficiencies, but I have chose to only put in comments for the time being."

. . .

- 1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance?
- 2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, 'Hard to believe it's real': B.C.'s energy regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

- 3. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?
- 4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation.

Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

5. Is there any other context you would like to provide to help our readers understand and interpret this information?

Thank you,

Matt Simmons
Reporter, The Narwhal
matt@thenarwhal.ca

Kate Schneider Reporter, Investigative Journalism Foundation kate.schneider@theijf.org From: Currie, Graham

Sent: Friday, February 14, 2025 10:49 AM

To: Carr, Michelle; Thoroughgood, Garth; Dickinson, Sara

Subject: RE: Media request for interview from The Narwhal and Investigative Journalism

Foundation regarding BC Energy Regulator compliance and enforcement

Thanks Michelle – we're on this and will meet the deadline. There were some additional questions (which we've provided responses to) that were sent our way, and not included in the request sent directly to you... you'll see all of that soon.

Graham





Graham Currie
Executive Director, Public Trust

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 F. 250-419-4403

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Graham.Currie@bc-er.ca BCER Web Site \$22

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From: Carr, Michelle < Michelle. Carr@bc-er.ca>

Sent: Friday, February 14, 2025 9:47 AM

To: Currie, Graham < Graham. Currie@bc-er.ca>; Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>; Dickinson, Sara

<Sara.Dickinson@bc-er.ca>

Subject: Fw: Media request for interview from The Narwhal and Investigative Journalism Foundation regarding BC

Energy Regulator compliance and enforcement

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From: Kate Schneider < kate.schneider@theijf.org>

Sent: Friday, February 14, 2025 9:45 AM

To: Matt Simmons < matt@thenarwhal.ca >
Cc: Carr, Michelle < Michelle.Carr@bc-er.ca >

Subject: Re: Media request for interview from The Narwhal and Investigative Journalism Foundation regarding

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- 2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, 'Hard to believe it's real': B.C.'s energy

regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

- 3. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?
- 4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation.

Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

5. Is there any other context you would like to provide to help our readers understand and interpret this information?

Thank you,

Matt Simmons Reporter, The Narwhal matt@thenarwhal.ca

Kate Schneider Reporter, Investigative Journalism Foundation kate.schneider@theijf.org Page 707 Redacted pursuant to: s13 From: Bourke, Dax < <u>Dax.Bourke@bc-er.ca</u>> Sent: Thursday, February 13, 2025 1:33 PM

To: Woods, Jonathan < Jonathan. Woods@bc-er.ca >

Cc: Smook, Patrick <Patrick.Smook@bc-er.ca>; Currie, Graham <Graham.Currie@bc-er.ca>; Thoroughgood, Garth

<Garth.Thoroughgood@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA REQUEST: The Narwhal + Investigative Journalism Foundation - compliance & enforcement |

Deadline: February 14 at 3pm PT

Responses in red below.





Dax Bourke CD Executive Director, Compliance & Enforcement Dax.Bourke@bc-er.ca Fort St. John Office Address Directory BCER Web Site T. 250-794-5395 F. 250-794-5390 s22

We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water

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From: Woods, Jonathan < <u>Jonathan.Woods@bc-er.ca</u>>

Sent: Wednesday, February 12, 2025 4:18 PM To: Bourke, Dax < Dax. Bourke@bc-er.ca>

Cc: Smook, Patrick < Patrick.Smook@bc-er.ca >; Currie, Graham < Graham.Currie@bc-er.ca >; Thoroughgood, Garth

<Garth.Thoroughgood@bc-er.ca>; Rygg, Philip <Phil.Rygg@bc-er.ca>; Denys, Lori <Lori.Denys@bc-er.ca>

Subject: RE: MEDIA REQUEST: The Narwhal + Investigative Journalism Foundation - compliance & enforcement |

Deadline: February 14 at 3pm PT

Hi Dax,

s13

REPORTERS:

Matt Simmons, The Narwhal

Kate Schneider, Investigative Journalism Foundation

DEADLINE:

Feb. 14 at 3pm PT

QUESTIONS AND BCER RESPONSES IN BLUE:

1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance?

[already approved]

BCER Compliance & Enforcement Officers record non-compliances and use a graduated enforcement model to address them. The action taken to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances.

2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, <u>'Hard to believe it's real': B.C.'s energy regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions</u>, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.

[already approved]

Comments, as part of inspections, are often used as a mechanism to identify issues that are not in non-compliance to permit conditions, regulations, or the Act, but that Officers still wants to identify to a permit holder. This communication approach builds a compliance record that can then be utilized in future inspections.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

[already approved]

Compliance verification is not only managed by compliance & enforcement but is a multifaceted activity that numerous business groups in the BCER has a role in. As such, the BCER is confident it has adequate resources in place to ensure compliance of energy activities in B.C., continuing to protect the environment and public safety. Identified compliance activities and their statuses can be found on the BCERs website as part of the Annual Compliance Plan Reporting.

Approximately three-quarters of all employees are union members. They include highly skilled professionals and statutory decision-makers with specialized training, professional governance and quality assurance requirements. These staff include engineers, hydrologists, hydrogeologists, foresters, agrologists, archaeologists, geologists, inspectors and environmental specialists.

3. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?

[already approved]

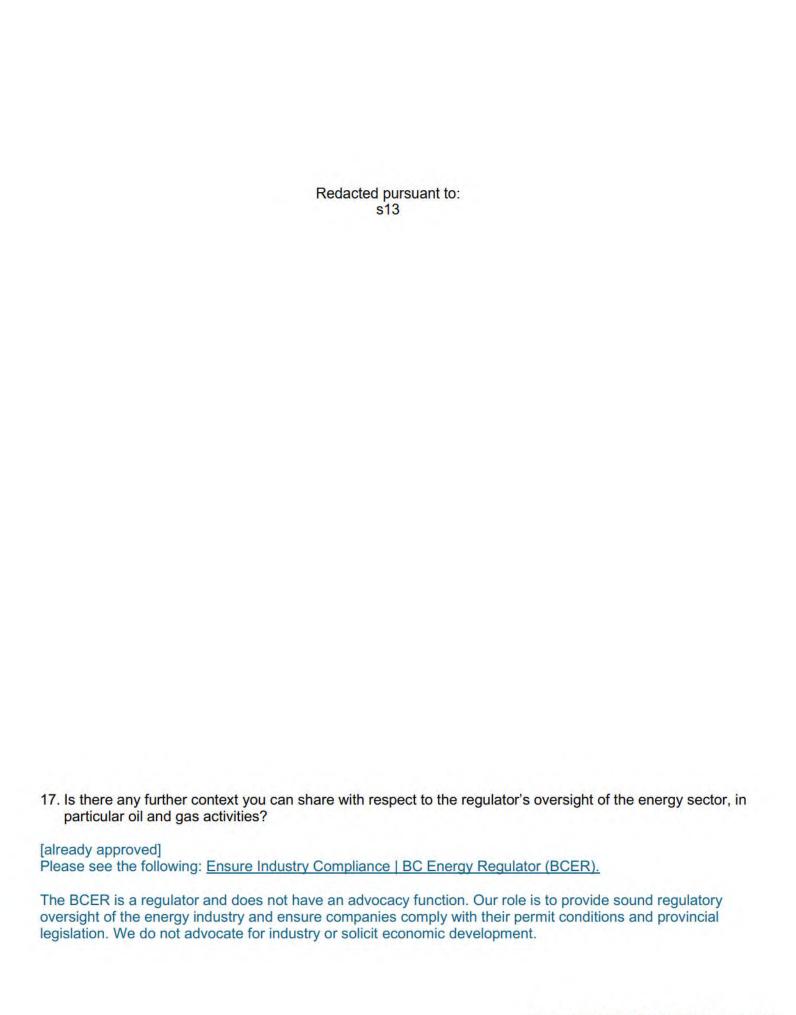
Please see the answer to 1, above.

4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation. Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

[already approved]

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

Page 710 Redacted pursuant to: s13



Page 712-714 Redacted pursuant to: s13 Redacted pursuant to: s13

From: Carr, Michelle < Michelle.Carr@bc-er.ca > Sent: Tuesday, February 11, 2025 9:35 AM

To: Executive DL; Thoroughgood, Garth < Garth. Thoroughgood@bc-er.ca>; Currie, Graham

<Graham.Currie@bc-er.ca>

Subject: Fw: Media request for interview from The Narwhal and Investigative Journalism Foundation regarding BC Energy Regulator compliance and enforcement

Pls see and action below.

Get Outlook for iOS

From: Matt Simmons < matt@thenarwhal.ca>
Sent: Tuesday, February 11, 2025 9:45 AM
To: Carr, Michelle < Michelle.Carr@bc-er.ca>

Cc: kate.schneider@theijf.org <kate.schneider@theijf.org>

Subject: Media request for interview from The Narwhal and Investigative Journalism Foundation regarding BC Energy Regulator compliance and enforcement

Good morning, Michelle,

We are journalists with The Narwhal and Investigative Journalism Foundation working in collaboration on a news report about the BC Energy Regulator.

We have reviewed a large dataset of compliance and enforcement activities conducted by BC Energy Regulator officials (formerly BC Oil and Gas Commission) previously provided to The Narwhal through freedom of information legislation and are reaching out to seek an interview about the contents of the documents and the nature of the regulator's compliance and enforcement.

Our deadline is Friday, February 14 at 3 p.m. PT, however if you need more time to respond, please let us know.

Upon review of more than 30,000 records of inspections made by regulator officials between early 2017 and late 2023, we found several hundreds of examples in which the inspector noted apparent environmental infractions but did not mark the inspection as an occurrence of non-compliance. We also found many hundreds of records that indicate potential infractions of both provincial regulations and environmental laws, including potential emissions violations, spills and other alleged non-compliances. Similarly, we found hundreds of what appeared to be administrative errors — such as producing wells being marked as deactivated or vice versa — that were not marked as non-compliance in the regulator's systems.

Of the alleged infractions we reviewed, dozens were noted as "serious" or similarly described by the inspector in terms that denote a significant non-compliance. In addition, we found numerous instances in which the inspector noted the company was out of compliance but they would not be marking it as such in the regulator's systems.

Here is a sample of some of the relevant notes made by inspectors on reports that were marked as in compliance:

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator that I had spoke [sic] to earlier in the day about the other sites, and took him over to have a look at what I had found. The birds were black (like a small raven or a crow), but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent. Operator said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found."

"There is orange plastic snow fencing that had been erected years ago and has fallen down. This is also true for the area around the well bore. The orange plastic snow fencing is not an acceptable measure to keep

wildlife out of the contaminated areas. There is evidence that wildlife has frequented the water filled flare pit. The flare pit and well bore area need to have wildlife fencing installed. Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odor was detected. Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out."

"Truck at POD at the time of the inspection. Driver could not produce permit when asked. Driver could not provide volumes of water being withdraw. Quote "best guess" based on visual observation into tank and time taken to fill tank. ... Conditional pass pending follow up."

"Intake is contained in a screened basket with several small holes visible and one larger hole / tear approximately 2.5 cm by 15 cm. The pump / basket is sitting in approximately 7 to 10 cm of water and was actively pumping at the time of inspection. Discussed with the operator. ... Conditional pass pending follow up."

"This inspection will show as a PASS due to system limitations, however, there are concerns associated with the work that has been done."

"Petronas restored a sump 1 km down the road from this one after a deficiency was given. This sump should have been restored at the same time. Unfortunately, due to delays this site will see more than 7 years of vegetation growth destroyed and a new disturbance will have been initiated."

"There are numerous wildlife tracks attracted to the area which may have been an on lease sump. ... If there is contamination then big game and any livestock are excluded from the immediate area. The same request was required in October 2014 but nothing was received. This is a follow up inspection for the same concerns identified at that time."

"Active discharge above upstream dam. Sediment/turbidity noted in sump. Traced sedimentation to trench water pump off location (location not approved by CGL Environment). This is in non-compliance with section 12 of the EPMR."

"Sedimentation in numerous watercourses. As well, sediment plumes were noted in Lake 1F (approximately 586+750) and unnamed lake at approximately KP 587+300, caused by road or ROW runoff. This is in non-compliance with section 12 of the Environmental Protection and Management Regulation (EPMR) ... This non-compliance with the permit condition therefore means that Coastal GasLink is also in non-compliance with section 21(b)(2) of the Oil and Gas Activities Act (OGAA)"

"Failure noted between cells, sediment leaving site via oil and gas road (RW 740.1.1) through ditchline. Flowing in ditch, then leaving roadway into vegetation. Turbid flow continues through timber/veg to Morice Owen FSR."

"Ditch block installation method unusual (bentonite bags in disarray, then squished/moved by pipe, more bags added on top(excavator took large scoop of bentonite bags, then dropped bags on top from height, breaking some of the bags during the process)"

"The flarepit at the 7-19-88-17 location has liquids in it that have a hydrocarbon odor. There is also a waxy substance on top of the liquids and covering the bullrushes. There is evidence of wildlife accessing the liquids in the flarepit. A fence should be installed around the pit to prevent wildlife access. How often is this flarepit used?"

"-there are two c-rings onsite that are fairly stinky. I was able to smell them approximately 300 meters away on lease road. Odours should not be offsite. Investigate and alleviate the odours. -No other concerns here at this time."

"-the above mentioned comments are considered to be deficiencies, but I have chose to only put in comments for the time being."

. . .

- 1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance?
- 2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, 'Hard to believe it's real': B.C.'s energy regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

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Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

5. Is there any other context you would like to provide to help our readers understand and interpret this information?

Thank you,

Matt Simmons
Reporter, The Narwhal
matt@thenarwhal.ca

Kate Schneider Reporter, Investigative Journalism Foundation kate.schneider@theijf.org From: Woods, Jonathan

Sent: Friday, February 14, 2025 6:14 PM

To: Currie, Graham

Cc: Rygg, Philip; Denys, Lori

Subject: weekly media request tracker Feb. 10-14, 2025

Attachments: TRACKER_Weekly Media_14Feb2025.pdf

Hi Graham,

Please find this week's media tracker attached





Jonathan Woods
Communications Specialist
Jonathan.Woods@bc-er.ca

Victoria Office Address Directory BCER Web Site T. 250-419-4357 F. 250-419-4403

We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water

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Weekly Media Tracker

Feb. 10-14, 2025

Total requests: 9

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 11	Update on NEBC Connector project	Business in Vancouver	Nelson Bennett	Mike Shepard	Response sent Feb.11

REQUEST:

I am hoping the BCER can provide an update on the NorthRiver Midstream NEBC Connector.

I understand that, due to the inability of the BCER to approve "new disturbance allocations" as per the Blueberry River First Nation agreement, NorthRiver appealed to the Canadian Energy Regulator asking for an order that would allow it to proceed without the provincial approvals.

Given that the B.C. government recently announced that the NEBC Connector is one of the projects to be fast-tracked, I am hoping to get an update on the project. Have all the necessary approvals now been granted, including new disturbance approvals?

RESPONSE:

- On January 17, 2025, the BCER reviewed and approved NorthRiver Midstream's application that will support the Northeast BC Connector Pipeline Project (Project).
- NorthRiver was granted New Disturbance allocation by the BCER for the portion of the project planned to be constructed in 2025 that will enable NorthRiver to commence construction of the Project. Additional allocation will be required by the company in 2026.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 11	BCER compliance and enforcement	The Narwhal and Investigative Journalism Foundation	Matt Simmons and Kate Schneider	Dax Bourke	In progress; waiting on MECS confirmation to respond to reporters

REQUEST AND RESPONSES:

We are journalists with The Narwhal and Investigative Journalism Foundation working in collaboration on a news report about the BC Energy Regulator.

We have reviewed a large dataset of compliance and enforcement activities conducted by BC Energy Regulator officials (formerly BC Oil and Gas Commission) previously provided to The Narwhal through freedom of information legislation and are reaching out to seek an interview with senior BC Energy Regulator officials about the contents of the documents.

Our deadline is Friday, February 14 at 3 p.m. PT, however if you need more time to respond, please let us know.

Upon review of more than 30,000 records of inspections made by regulator officials between early 2017 and late 2023, we found several hundreds of examples in which the inspector noted apparent environmental infractions but did not mark the inspection as an occurrence of non-compliance. We also found many hundreds of records that indicate potential infractions of both provincial regulations and environmental laws, including potential emissions violations, spills and other alleged non-compliances. Similarly, we found hundreds of what appeared to be administrative errors — such as producing wells being marked as deactivated or vice versa — that were not marked as non-compliance in the regulator's systems.

Of the inspection records we reviewed, dozens included alleged infractions noted as "serious" or similarly described by the inspector in terms that denote a significant non-compliance, even though the report concluded the site was in compliance. In addition, we found numerous instances in which the inspector noted the company was out of compliance but they would not be marking it as such in the regulator's systems.

Here is a sample of some of the relevant notes made by inspectors on reports that were marked as in compliance:

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator that I had spoke [sic] to earlier in the day about the other sites, and took him over to have a look at what I had found. The birds were black (like a

small raven or a crow), but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent. Operator said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found."

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Comments, as part of inspections, are often used as a mechanism to identify issues that are not in non-compliance to permit conditions, regulations, or the Act, but that Officers still wants to identify to a permit holder. This communication approach builds a compliance record that can then be utilized in future inspections.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

Compliance verification is not only managed by compliance & enforcement but is a multifaceted activity that numerous business groups in the BCER has a role in. As such, the BCER is confident it has adequate resources in place to ensure compliance of energy activities in B.C., continuing to protect the environment and public safety. Identified compliance activities and their statuses can be found on the BCERs website as part of the Annual Compliance Plan Reporting.

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3. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?

Please see the answer to 1, above.

- 4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation. Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities? The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.
- 5. According to the BCER <u>Compliance and Enforcement manual</u>, the regulator "employs a graduated non-compliance response model where appropriate, ranging from non-compliance notices to more formal, statutory enforcement actions." Our review of the dataset showed a low percentage of instances in which official non-compliance notices were issued for apparent or noted non-compliance.

Can you explain why BC Energy Regulator officials chose not to issue notices of non-compliance for numerous activities that appear to involve non-compliance with regulations, including all of the instances highlighted in the quoted reports mentioned above?

The actions taken by Compliance & Enforcement Officers to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances.

6. The manual also notes: "where alleged non-compliances occur, the Regulator will take appropriate actions, as per the processes detailed in this manual."

Can you tell us more about how the actions of inspectors were considered to be "appropriate actions"? And can you share more details that might explain any patterns that appear to suggest inspectors prefer to provide written or oral comments about potential non-compliances rather than issuing a formal notice of non-compliance?

BCER staff consider several factors to select the most appropriate compliance action, including the severity of actual or potential impact to the environment and public safety, the factual circumstances of the non-compliance, the compliance history of the permit holder, as well as how to achieve the best remedy and reduce the likelihood of repeat non-compliance.

7. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation aimed to protect the environment, wildlife, public safety and communities. Does the BC Energy Regulator believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

8. Numerous reports indicated "high LEL" from surface casing vents or in other areas under inspection, often referencing a "glove test". It appears these notes typically indicate leaks with explosive potential. Can you explain whether high LEL represents a contravention of the regulator's emissions regulations or other regulations? If not, can you please provide context to help our readers understand these comments and the latex glove test procedure?

Please see the answer to 6, above.

The glove test is a process Officers use to check for the indication of venting from the surface casing vent. This is accomplished by putting a latex glove over the surface casing vent to see if it inflates.

9. There appeared to be a high number of instances in which inspectors found faults with operator systems and numerous reports indicated other leaks, including SCV leaks and leaks from equipment at valves or hoses. Do these leaks constitute non-compliance with the regulator's emissions regulations or other regulations?

Please see the answer to 6, above.

- 10. Numerous reports indicate potential contraventions of regulations, including bullplugs or other equipment missing, valves not locked open as per regulations and flowlines not disconnected. Can you confirm whether these are examples of non-compliance?

 Please see the answer to 6, above.
- 11. Our review of the dataset identifies what appears to be a large number of administrative errors, including apparent inadequate or outdated systems (i.e. SCADA calibration, ESD, etc.) and wells marked as ACTIVE that should be updated to deactivated. Can you confirm whether these administrative errors are examples of non-compliance with BCER regulations?

 Please see the answer to 6, above.
- 12. Previously you told The Narwhal: "The timeline for correction is dependent on risk to public safety and the environment, with baseline requirements being 24 hours, 14 days or 30 days."

Numerous inspection records we reviewed noted apparent non-compliance far exceeding those requirements, in some cases extending over multiple years. Can you explain why BC Energy Regulator officials appear to allow operators to continue conducting industrial activity while outstanding issues remain unaddressed?

As noted in Section 2.2 of the Compliance & Enforcement manual, if a permit holder cannot achieve compliance within the required correction timeline, they may request an extension. The request must include a rationale outlining any complicating factors necessitating the extension.

13. Does the BC Energy Regulator believe its compliance and enforcement activity is adequate in providing "assurance to British Columbians that oil and gas activities are conducted in compliance with the Energy Resource Activities Act (ERAA), the Regulator's specified enactments and all related regulations"?

The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.

- 14. Does the BC Energy Regulator believe its compliance and enforcement activity is adequately upholding provincial regulations and legislation? The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.
- 15. Previously you told The Narwhal the BC Energy Regulator employs "22 compliance & enforcement officers and four technical advisors" to conduct field based compliance in the province. According to the government directory, the regulator's compliance and enforcement department currently comprises 17 compliance and enforcement officers, two technical advisors and seven supervisors or executives. Can you confirm the accurate numbers, including detailing how many employees conduct field based compliance?

The BCER Compliance & Enforcement team currently consists of 27 front line members including 5 Supervisors Compliance & Enforcement, 17 Compliance & Enforcement Officers, 1 Manager Enforcement, 1 Supervisor Technical Advisors, and 3 Technical Advisors. All of these positions have a role in conducting field compliance from inspections to investigations.

At the time of your previous inquiry, one position was an under-implementation role for recruiting. That position has since become a full-time permanent position.

16. Given the expected — and already underway — increase in oil and gas and other energy projects in the province, does the BC Energy Regulator have any plans to increase the number of officers it employs? If so, can you please provide detailed information?

As per our response directly above, the BCER has recently increased C+E staff capacity to support current and future work. Compliance & Enforcement can adjust resources as necessary to ensure coverage of energy projects in the province.

17. Is there any further context you can share with respect to the regulator's oversight of the energy sector, in particular oil and gas activities? Please see the following: Ensure Industry Compliance | BC Energy Regulator (BCER).

The BCER is a regulator and does not have an advocacy function. Our role is to provide sound regulatory oversight of the energy industry and ensure companies comply with their permit conditions and provincial legislation. We do not advocate for industry or solicit economic development.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 12	Seismic events in NEBC	CBC Radio	Hanna Petersen	Stu Venables	Response sent Feb.12

REQUEST:

Hello, I'd like to request an interview or comment regarding the seismic activity in the Fort St. John area related to hydraulic fracking -- two earthquakes occurred in the early morning Feb 12 followed by a few more that occurred this week. I'm working on a story for CBC Radio News. Please let me know if you can provide any information. Thanks so much.

RESPONSE:

The BCER is aware of the events in question, northwest of Fort St. John. With regard to last night's event, as we understand it - it was near a Tourmaline operation. The operator has suspended all fracturing activity and is not planning on resuming operations. The BCER continues to review all available information. The seismic event and active operations can be viewed on our website: www.bc-er.ca/seismicmonitoring

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 12	Seismic events in NEBC	CJDC-TV Dawson Creek	Jeff Cunha	Stu Venables	Response sent Feb.12

REQUEST:

I am hoping the BCER can provide some insight on whether these recent earthquakes occurring in the region are related to hydraulic fracturing operations?

RESPONSE:

The BCER is aware of the events in question, northwest of Fort St. John. With regard to last night's event, as we understand it - it was near a Tourmaline operation. The operator has suspended all fracturing activity and is not planning on resuming operations. The BCER continues to review all available information. The seismic event and active operations can be viewed on our website: www.bc-er.ca/seismicmonitoring

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 13	Seismic events in NEBC	Moose Media/ Energeticcity	Steve Berard	Stu Venables	Response sent Feb.13

REQUEST:

Good afternoon! I work with Moose Media and Energeticcity, an outlet based out of Fort St. John, B.C. I'm reaching out because I saw confirmation from the BCER in another outlet that some recent earthquakes near Fort St. John were caused by the operations of Tourmaline. I'd love to get that same confirmation and any further info the BCER can share with us regarding those quakes. Feel free to give me a call at the cell phone number I've included in this form if you'd prefer to discuss this verbally.

RESPONSE:

The BCER is aware of the events in question, northwest of FSJ. With regard to Tuesday night's event, as we understand it - it was near a Tourmaline operation. The operator has suspended all fracturing activity and is not planning on resuming operations. The BCER continues to review all available information. The seismic event and active operations can be viewed on our website:

www.bc-er.ca/seismicmonitoring

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 13	Green hydrogen	Post Media /Vancouver Sun	Tiffany Crawford	Geoff Turner	Response sent Feb.13

REQUEST:

This might seem like a strange question but I just read this AP story about a Swiss airline innovator who is planning to fly around the world in a plane using only green hydrogen. Here's a link to the story: https://apnews.com/article/climate-impulse-piccard-dinelli-hydrogen-flight-fuel-cells-87b227fc0a5ef3c95203091d73c5ebb7

I know B.C. makes green hydrogen but are there any companies working on green hydrogen for aviation purposes? I'd love to write a localized story on this for the Vancouver Sun - perhaps even an update on where we are at with green hydrogen. Please let me know if you have any ideas.

RESPONSE:

The BCER has oversight over the manufacturing, associated on-site storage and pipeline transportation of hydrogen in B.C.

We have received applications for hydrogen manufacturing projects – including those that would involve "green" hydrogen production – however, these applications are still under review.

The Canadian Hydrogen Association or the B.C. Centre for Innovation and Clean Energy may be able to provide you with more information on industry's plans in the hydrogen space related to aviation.

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 14	Seismic event regulatory enhancements/ seismic events in NEBC	Canadian Press	Brenna Owens	Stu Venables	Response sent Feb.14

REQUEST AND RESPONSES:

Is the Feb. 13 bulletin about the expansion of seismic monitoring a response to the series of quakes we've seen so far this month?

The provincial regulatory framework is continually reviewed and enhanced as technology changes and new information arises. These latest enhancements were initiated in 2024 and released on February 13, 2025.

What are the key differences between the 2021 amended order for the Kiskatinaw area and the "enhancements" announced yesterday?

The Order was changed to focus on Clarity, Simplification and Order Integrity.

The Order has had definitions added to provide **Clarity** in terms of when the order applies, the magnitude of record and what constitutes an induced seismicity pre-assessment.

The Order has been **Simplified**. All references to scenarios of when a well or set of wells may be suspended and the prescribed period of 5 days for the suspension have been removed and replaced with the single provision that if a local magnitude 3.00 or greater event is recorded within 5km of the active hydraulic fracturing operations, all operations are suspended immediately. Resumption can occur with written permission from the BCER.

Order Integrity was enhanced by removing any option for a permit holder to request an exemption and removing any discretionary terms, such as "may".

How many hydraulic fracking operators are located within the Kiskatinaw and North Montney seismic monitoring areas, and in the Peace more broadly?

Typically, more than 15 companies conduct fracturing operations across the broader Peace region, with 5 of those normally operating in the <u>KSMMA</u> and 6 in the <u>NMSMMA</u>

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 14	seismic events in NEBC	The Tyee	Ben Parfitt	Stu Venables	Response sent Feb.14

REQUEST AND RESPONSES:

1) that these events were triggered by either fracking activities or deep well wastewater disposal operations?

The seismic events you reference have been linked to hydraulic fracturing operations in the immediate vicinity.

Note that the BC Energy Regulator adopted a local magnitude (M_L) determination methodology in February 2021 as the magnitude standard for northeast B.C. and for regulatory decisions. As indicated on our <u>Northeast BC Seismicity App</u>, we recorded those two events as M_L 4.44 (Event ID = EOI_194896) and M_L 3.89 (EOI_194873)

The BCER has collaborated with seismologists to define the local magnitude (M_L) calculation methodology specifically for northeast B.C. that reflects the region's unique subsurface geology. The large array of seismometers and their positioning close to where energy activities are taking place, has resulted in our ability to obtain a highly accurate measurement of seismic activity in

the area. These local enhancements may account for differences in magnitude between the BCER and other agencies. Our magnitude calculations are used for regulatory decisions. Learn more about the adoption of local magnitude determination

2) that it has identified which operator was responsible and who that operator is

We determined that these two events were due to hydraulic fracturing operations being carried out by Tourmaline in the area. You can see the operations in question on our Northeast BC Seismicity App (note that the App displays the operation in question as "active" despite the fact that the operator suspended all fracturing activity and is not planning on resuming fracturing operations at the well-pad in question. This discrepancy is because the App displays where active fracturing is either upcoming, occurring, or has occurred within the last 6 months)

3) that fracking or wastewater disposal operations were suspended and if such operations still are?

As, per regulation, the operator suspended all fracturing activity and has been in communication with the BCER. The operator is not planning on resuming fracturing operations at the well-pad in question.

4) If the 4.8 magnitude earthquake of February 12 is related to fracking, can the BCER confirm that this would be the largest induced earthquake in northeast BC to date?

As above, we recorded the larger of the two events as M_L 4.44. This is not the highest magnitude induced earthquake that we have measured in northeast B.C. You can search all seismic events greater than M_L 1.5 in northeast B.C. since 2014 on our Northeast B.C. Seismicity App

Date:	Topic:	Media outlet / Organization:	Reporter / Requester:	BCER SME:	Status:
Feb. 14	Seismic events in NEBC	The Narwhal	Sarah Cox	Stu Venables	Response sent Feb.14

REQUEST AND RESPONSES:

I'm working on a story about the industry-induced earthquakes in the Peace region and have a few questions please.

The national earthquake data base says four industry-related earthquakes have occurred in the Peace region this week.

Can you confirm that these earthquakes were triggered by fracking or waste water disposal activities?

In terms of chronology:

First event = likely related to production activity
Second event = likely related to waste water disposal activity
Third and fourth events = related to hydraulic fracturing activity

Did the BCER receive notification of the earthquakes? If so, will you be posting anything on your website?

Yes - the BCER maintains a regional seismic monitoring array of 35 seismometers in northeast B.C. to track and record induced seismicity in the region with high precision. This array provided us with notification of all four of the events.

The BCER received required notifications from the operators and follows up on 100% of notifications.

Our Northeast B.C. Seismicity Map displays confirmed seismic events since 2014 of greater than local magnitude 1.5 that were recorded in NEBC, as well as providing the location of current industry activity.

View the Northeast BC Seismicity App

Who is the operator in question for each of the four earthquakes?

First event = Canadian Natural Resources and Pacific Canbriam are undertaking production activities in the vicinity which may be related to the event.

Second event = R360 Environmental Solutions Canada were operating disposal activity in the vicinity, which may be related to the event.

Third and fourth events = Tourmaline's fracturing operations were determined to have caused these events.

What steps is the BCER taking to make sure that this won't happen again?

The BCER continually reviews all available data from significant events to help inform current and future enhancements to our regulatory framework.

The BCER has several regulatory mechanisms in place to mitigate induced seismicity, including:

- The Drilling and Production Regulation requires the immediate suspension of any injection activities if a local magnitude 4.0 or greater event is recorded and linked to the activity, as well as the mandatory reporting of felt events to the BCER.
- Special Project Orders are in place in the Farmington (Kiskatinaw Seismic Monitoring and Mitigation Area) and Wonowon-Pink Mountain (North Montney Seismic Mitigation and Monitoring Area) regions that apply additional requirements for permit holders undertaking multi-stage hydraulic fracturing activities.
- **Seismic pre-assessment** submissions are mandatory prior to hydraulic fracturing along with real-time monitoring and mitigation plans during operations in the Special Project Order Areas.
- **Approval Orders** are required for each disposal well, which allows the BCER to apply conditions appropriate to the unique operating conditions of each disposal activity, all of which operate under strict pressure and reporting conditions.
- Ongoing Seismicity Research in collaboration with academic, government, and industry partners to better understand and mitigate induced seismicity).
- B.C. Induced Seismicity Research Consortium is a partnership with Geoscience BC and BC OGRIS to direct analysis and
 research of induced seismicity in the province and to provide seismic analysis to the BCER for the application of the BCER's
 induced seismicity regulatory strategy.

Does the BCER have any concerns about future earthquakes given the impending increase in fracking and waste water disposal activity in the Peace region?

As above, the BCER has several regulatory mechanisms in place to mitigate induced seismicity and the provincial regulatory framework is continually reviewed and enhanced as technology changes and new information arises.

Did the BCER notify BC Hydro about the earthquakes, given that BC Hydro operates major dams in the area?

No, the distances of the events to the BC Hydro infrastructure and their magnitudes meant that discussions with BC Hydro were not needed.

Is the BCER providing insurance or other compensation to property owners who can no longer get earthquake insurance in the event they have property damage or other losses related to industry-induced earthquakes?

The BCER cannot comment on the issue of liability in the unlikely event of damages caused by an induced seismicity event. Such general questions are best directed to the Province.

Is anyone at BCER available for a telephone interview to discuss the earthquakes? Our responses are provided above.

From: Currie, Graham

Sent: Wednesday, February 12, 2025 2:08 PM **To:** Woods, Jonathan; Rygg, Philip; Denys, Lori

Cc: Smook, Patrick; Bourke, Dax; Dickinson, Sara; Thoroughgood, Garth

Subject: RE: MEDIA REQUEST: The Narwhal + Investigative Journalism Foundation - compliance

& enforcement | Deadline: February 14 at 3pm PT

Jonathan – here's the approved response, cleaned up with the necessary changes.

The Narwhal + Investigative Journalism Foundation - compliance & enforcement | Deadline: February 14 at 3pm PT

- 1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance?
 - BCER Compliance & Enforcement Officers record non-compliances and use a graduated enforcement model to address them. The action taken to address a specific non-compliance is dependant on the nature of the non-compliance and case-specific circumstances.
- 2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, 'Hard to believe it's real': B.C.'s energy regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.
 - Comments, as part of inspections, are often used as a mechanism to identify issues that are not in non-compliance to permit conditions, regulations, or the Act, but that Officers still wants to identify to a permit holder. This communication approach builds a compliance record that can then be utilized in future inspections.
- 3. Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?
 - Compliance verification is not only managed by compliance & enforcement but is a multifaceted
 activity that numerous business groups in the BCER has a role in. As such, the BCER is confident it
 has adequate resources in place to ensure compliance of energy activities in B.C., continuing to
 protect the environment and public safety. Identified compliance activities and their statuses can be
 found on the BCERs website as part of the Annual Compliance Plan Reporting.
 - Approximately three-quarters of all employees are union members. They include highly skilled
 professionals and statutory decision-makers with specialized training, professional governance and
 quality assurance requirements. These staff include engineers, hydrologists, hydrogeologists,
 foresters, agrologists, archaeologists, geologists, inspectors and environmental specialists.
- 4. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?
 - Please see the answer to 1, above.
- 5. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation. Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

- The BCER is confident in the processes and systems in place to manage compliance of industry in ensuring the protection of the environment and public safety.
- 6. Is there any other context you would like to provide to help our readers understand and interpret this information?
 - Please see the following: Ensure Industry Compliance | BC Energy Regulator (BCER).
 - The BCER is a regulator and does not have an advocacy function. Our role is to provide sound regulatory oversight of the energy industry and ensure companies comply with their permit conditions and provincial legislation. We do not advocate for industry or solicit economic development.





Graham Currie
Executive Director, Public Trust
Graham.Currie@bc-er.ca

Victoria
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BCER Web Site

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We acknowledge and respect the many First Nations, each with unique cultures, languages, legal traditions and relationships to the land and water

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Page 736 Redacted pursuant to: s13 From: Smook, Patrick

Sent: Wednesday, February 12, 2025 1:57 PM

To: Carr, Michelle

Subject: RE: MEDIA REQUEST: The Narwhal + Investigative Journalism Foundation - compliance

& enforcement | Deadline: February 14 at 3pm PT

Great, thanks. I'll get this off to the team.





Patrick Smook RPF, MBA
Vice President, Compliance & Operations
Patrick.Smook@bc-er.ca

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 BCER Web Site
 \$22

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From: Carr, Michelle < Michelle.Carr@bc-er.ca>
Sent: Wednesday, February 12, 2025 1:57 PM
To: Smook, Patrick < Patrick.Smook@bc-er.ca>

Subject: RE: MEDIA REQUEST: The Narwhal + Investigative Journalism Foundation - compliance & enforcement |

Deadline: February 14 at 3pm PT

Brilliant.





Michelle Carr She/Her Commissioner, Chief Executive Officer Michelle.Carr@bc-er.ca Victoria T. 250-419-4455 Office Address Directory F. 250-419-4403 BCER Web Site

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From: Smook, Patrick < Patrick.Smook@bc-er.ca > Sent: Wednesday, February 12, 2025 1:54 PM
To: Carr, Michelle < Michelle.Carr@bc-er.ca >

Subject: FW: MEDIA REQUEST: The Narwhal + Investigative Journalism Foundation - compliance & enforcement |

Deadline: February 14 at 3pm PT

Hi Michelle,

Pages: 738-745 Redacted pursuant to: s13 Redacted pursuant to: s13

From: Carr, Michelle < Michelle.Carr@bc-er.ca > Sent: Tuesday, February 11, 2025 9:35 AM

To: Executive DL < <u>Executive@bc-er.ca</u>>; Thoroughgood, Garth < <u>Garth.Thoroughgood@bc-er.ca</u>>; Currie, Graham < <u>Graham.Currie@bc-er.ca</u>>

Subject: Fw: Media request for interview from The Narwhal and Investigative Journalism Foundation regarding BC Energy Regulator compliance and enforcement

Pls see and action below.

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From: Matt Simmons <<u>matt@thenarwhal.ca</u>>
Sent: Tuesday, February 11, 2025 9:45 AM
To: Carr, Michelle <<u>Michelle.Carr@bc-er.ca</u>>

Cc: kate.schneider@theijf.org <kate.schneider@theijf.org>

Subject: Media request for interview from The Narwhal and Investigative Journalism Foundation regarding BC Energy Regulator compliance and enforcement

Good morning, Michelle,

We are journalists with The Narwhal and Investigative Journalism Foundation working in collaboration on a news report about the BC Energy Regulator.

We have reviewed a large dataset of compliance and enforcement activities conducted by BC Energy Regulator officials (formerly BC Oil and Gas Commission) previously provided to The Narwhal through freedom of information legislation and are reaching out to seek an interview about the contents of the documents and the nature of the regulator's compliance and enforcement.

Our deadline is Friday, February 14 at 3 p.m. PT, however if you need more time to respond, please let us know.

Upon review of more than 30,000 records of inspections made by regulator officials between early 2017 and late 2023, we found several hundreds of examples in which the inspector noted apparent environmental infractions but did not mark the inspection as an occurrence of non-compliance. We also found many hundreds of records that indicate potential infractions of both provincial regulations and environmental laws, including potential emissions violations, spills and other alleged non-compliances. Similarly, we found hundreds of what appeared to be administrative errors — such as producing wells being marked as deactivated or vice versa — that were not marked as non-compliance in the regulator's systems.

Of the alleged infractions we reviewed, dozens were noted as "serious" or similarly described by the inspector in terms that denote a significant non-compliance. In addition, we found numerous instances in which the inspector noted the company was out of compliance but they would not be marking it as such in the regulator's systems.

Here is a sample of some of the relevant notes made by inspectors on reports that were marked as in compliance:

"Upon looking closer at the fluid, I noticed that there were six (6) dead birds floating in the diesel/water mixture. I went and located the operator that I had spoke [sic] to earlier in the day about the other sites, and took him over to have a look at what I had found. The birds were black (like a small raven or a crow), but also had what looked like moss on parts of them, so I think they had been in there probably most of the summer, obviously not real recent. Operator said he would get the containments cleaned out, but he hasnt contacted me to say so. Having the containments cleaned out before the things are half full of water, and being aware of the hazards associated with dirty containments, should be observed prior to dead wildlife being found."

"There is orange plastic snow fencing that had been erected years ago and has fallen down. This is also true for the area around the well bore. The orange plastic snow fencing is not an acceptable measure to keep wildlife out of the contaminated areas. There is evidence that wildlife has frequented the water filled flare pit. The flare pit and well bore area need to have wildlife fencing installed. Upon gently poking a stick in the bottom of the flare pit, a strong hydrocarbon odor was detected. Due to system limitations, this inspection will show as a PASS, however, there are concerns about the contaminated flare pit and the style of fencing to keep wildlife out."

"Truck at POD at the time of the inspection. Driver could not produce permit when asked. Driver could not provide volumes of water being withdraw. Quote "best guess" based on visual observation into tank and time taken to fill tank. ... Conditional pass pending follow up."

"Intake is contained in a screened basket with several small holes visible and one larger hole / tear approximately 2.5 cm by 15 cm. The pump / basket is sitting in approximately 7 to 10 cm of water and was actively pumping at the time of inspection. Discussed with the operator. ... Conditional pass pending follow up."

"This inspection will show as a PASS due to system limitations, however, there are concerns associated with the work that has been done."

"Petronas restored a sump 1 km down the road from this one after a deficiency was given. This sump should have been restored at the same time. Unfortunately, due to delays this site will see more than 7 years of vegetation growth destroyed and a new disturbance will have been initiated."

"There are numerous wildlife tracks attracted to the area which may have been an on lease sump. ... If there is contamination then big game and any livestock are excluded from the immediate area. The same request was required in October 2014 but nothing was received. This is a follow up inspection for the same concerns identified at that time."

"Active discharge above upstream dam. Sediment/turbidity noted in sump. Traced sedimentation to trench water pump off location (location not approved by CGL Environment). This is in non-compliance with section 12 of the EPMR."

"Sedimentation in numerous watercourses. As well, sediment plumes were noted in Lake 1F (approximately 586+750) and unnamed lake at approximately KP 587+300, caused by road or ROW runoff. This is in non-compliance with section 12 of the Environmental Protection and Management Regulation (EPMR) ... This non-compliance with the permit condition therefore means that Coastal GasLink is also in non-compliance with section 21(b)(2) of the Oil and Gas Activities Act (OGAA)"

"Failure noted between cells, sediment leaving site via oil and gas road (RW 740.1.1) through ditchline. Flowing in ditch, then leaving roadway into vegetation. Turbid flow continues through timber/veg to Morice Owen FSR."

"Ditch block installation method unusual (bentonite bags in disarray, then squished/moved by pipe, more bags added on top(excavator took large scoop of bentonite bags, then dropped bags on top from height, breaking some of the bags during the process)"

"The flarepit at the 7-19-88-17 location has liquids in it that have a hydrocarbon odor. There is also a waxy substance on top of the liquids and covering the bullrushes. There is evidence of wildlife accessing the liquids in the flarepit. A fence should be installed around the pit to prevent wildlife access. How often is this flarepit used?"

"-there are two c-rings onsite that are fairly stinky. I was able to smell them approximately 300 meters away on lease road. Odours should not be offsite. Investigate and alleviate the odours. -No other concerns here at this time."

"-the above mentioned comments are considered to be deficiencies, but I have chose to only put in comments for the time being."

- - -

- 1. Is there any context that you would like to share to help our readers understand how to interpret these comments and why the relevant inspections were marked as being in compliance?
- 2. In your previous role, you were responsible for overseeing LNG Canada and Coastal GasLink. As you are no doubt aware, the pipeline project presented a particular challenge for government compliance and enforcement and was responsible for numerous infractions of environmental laws and regulations. As The Narwhal reported on Oct. 11 2023 in an article titled, 'Hard to believe it's real': B.C.'s energy

regulator repeatedly gave Coastal GasLink a pass on alleged environmental infractions, BC Energy Regulator officials identified more than 80 potential infractions in 40 inspections of Coastal GasLink worksites but enforcement officers only flagged five as violations of provincial regulations.

Do you believe the BC Energy Regulator has adequate resources to ensure oil and gas and other energy sector operators are meeting provincial regulations and legislation intended to safeguard the environment and communities?

- 3. Can you explain why BC Energy Regulator officials appear to regularly identify activity that is in contravention of provincial laws or regulations but do not mark those contraventions as non-compliance?
- 4. Our review of the dataset appears to indicate widespread and frequent disregard by industry operators for the province's regulations and legislation.

Do you believe the actions revealed by the inspection records accurately reflect how the oil and gas industry conducts its activities?

5. Is there any other context you would like to provide to help our readers understand and interpret this information?

Thank you,

Matt Simmons
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Kate Schneider Reporter, Investigative Journalism Foundation kate.schneider@theijf.org