



Report Released and Directives Issued Following Final Investigation Into Piping Failure

TO: Industry Clients

EFFECTIVE DATE: Immediately

FORT ST. JOHN — The BC Oil and Gas Commission (Commission) released a final report and issued new industry-wide directives following completion of the Engineering/Technical Investigation into the piping failure that occurred Nov. 22, 2009 at an Encana wellsite near Pouce Coupe, British Columbia. The investigation revealed that the failure resulted from internal erosion of piping caused by flowing fracture sand suspended in the gas stream.

The November 2010 final version of the report has been amended to reflect new information provided by the RCMP obtained from the 911 call centre logs in Prince George. The initial timeline published in the Failure Investigation report released in February 2010 contained errors due to the time difference between the 911 call centre in Prince George and the local time at the incident.

In light of the corrected time information, the Commission has determined there is insufficient evidence to support a finding to the effect that there was limited coordination in the response between Encana and the RCMP following the receipt of the first 911 call at 9:30 a.m. The evidence now shows that communication between Encana and RCMP began at 9:45 a.m., approximately 15 minutes after the initial 911 call at 9:30 a.m.

In the February 2010 report, Encana was issued 12 directives intended to prevent the future occurrence of a similar failure, and the final report provides a review of Encana's response. As noted in the report, the Commission is to date satisfied with Encana's response to the directives and continues to monitor the ongoing response.

A Safety Advisory (2010-02) issued Feb. 4, 2010 called on industry to ensure leak detection and isolation equipment at wellsites was compliant with regulatory requirements. It was noted a new directive would be issued to industry as a result.

In closing the Engineering/Technical Investigation, the Commission has determined that a number of findings and directives are applicable to all companies operating and maintaining gas wellsite facilities in British Columbia. Accordingly, the Commission has issued a directive (Directive 2010-06) to all operators of gas wellsite facilities in British Columbia requiring them to:

- Establish procedures for monitoring sand returns during cleanup flow of wells and define the cleanup target criteria for sand return volumes.

- Establish erosion and corrosion monitoring programs for wellsite piping as part of mandatory Integrity Management Programs.
- For new wells where emergency shutdown devices are required or have been installed, they must be as near as practicable to the wellhead and no bends are permitted between the wellhead and the emergency shutdown devices.
- Consult with and involve local responders in emergency planning and emergency exercises.

The Commission will work with all operators in responding to and implementing these directives.

If you have any questions regarding this Information Bulletin, please contact:

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