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Commission Takes Action on Unlicenced Dams

EFFECTIVE DATE: IMMEDIATELY

Following an inspection of dams used by the oil and gas industry in northeast British Columbia, the BC Oil and Gas Commission (Commission) has issued seven compliance orders to ensure they are safe and pose no threat to the environment.

During the spring, the Commission proactively inspected 51 dams located in the Montney region and Horn River Basin.

As a result of the inspections, the Commission found there were no incidents of failures or release of water or sediment from any of the dams. However, some issues were noted at seven dams, and Orders (as per Section 49 of the Oil and Gas Activities Act) were issued to two companies.

Five Orders were issued to Progress Energy Canada Ltd. and subsequently, the company was required to draw down water levels to 50 per cent of live storage. The Commission has carried out follow up inspections to confirm these Orders are being complied with.

Conoco-Phillips was issued two Orders to dewater two dams. Conoco-Phillips acquired responsibility for these sites when they purchased the leases from another Montney operator. Their Orders have been complied with and are now terminated.

Some freshwater storage structures used in the oil and gas industry qualify as dams under the Dam Safety Regulation of the Water Sustainability Act. The Commission was granted the authority to inspect those dams under the regulation in 2016 to ensure they are in compliance and will remain safe to the public and environment.

The Commission required the operators of water storage structures to submit the necessary applications, including assessments and any necessary design modifications done by qualified engineers – and those continue to come in, with the Commission working to review all of them to ensure timely decisions are made in accordance with applicable regulatory and legal requirements.

The Commission has taken an expanded role this year – including both designating existing staff and hiring new staff who will be designated as dam safety officers and engineers – to ensure the proper oversight of dams used for oil and gas purposes.

The Commission is also launching two new features to ensure full transparency. A <u>Compliance and Enforcement page</u> is now available, showing all orders and determinations issued to oil and gas operators going forward. Additionally, a <u>Regulated Dams page</u> displays all Commission-regulated dams.

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