

INDUSTRY BULLETIN 2018-14

July 4, 2018

BC Oil and Gas Commission and Agricultural Land Commission Delegation Agreement Updated

EFFECTIVE: Immediately

An updated Delegation Agreement between the Agricultural Land Commission (ALC) and the BC Oil and Gas Commission (Commission) is now available on the <u>Commission's website</u>. The agreement covers oil and gas activities and related ancillary activities within the Peace River Regional District and the Northern Rockies Regional Municipality.

Updates to the Delegation Agreement include:

Submission timelines of Schedule B reports specific to pipeline installation

- Where construction of a pipeline was completed prior to May 1, the report must be submitted by Dec. 31 of the second calendar year following the year of construction.
- Where construction of a pipeline was completed after May 1, the report must be submitted by Dec. 31 of the third calendar year following the year of construction.

Appendix I – Categories of Oil and Gas Activity and Ancillary Activity Non-Farm Uses

- Clarification on the proposed activities that are exempt from application or require application under the ALC Act for non-farm use permission; specifically:
 - Distinction of above ground and buried powerlines.
 - Sumps associated exclusively with directional drilling activities in the construction of a pipeline.

Area Calculations

- Distinction between electric powerlines using single pole structures and those that do not use single pole structures.
- Clarifying that the following do not contribute to non-farm use disturbance areas:
 - Underground and temporary above ground lines.
 - Temporary access using protective matting where no roadbed is required and compaction is minimal.
 - Areas for which a Schedule B report declaring reclamation as complete has been accepted by the Commission.

Appendix II - Guidelines for Planning Oil and Gas Activities and Ancillary Activities on ALR Lands

- Consideration should be given to locate proposed oil and gas activities or ancillary activities on non-ALR land. This option has been added to the top of the Order of Preference list.
- Clarification that locating activities on previously disturbed areas applies specifically to areas disturbed by non-farm use (previous or current). Areas in use for agricultural purposes are not considered disturbed within this preference hierarchy.

An application and submission training session will be held on July 23, 2018 at 9 a.m. at the Commission's Fort St. John office, 6534 Airport Road, for all operators submitting oil and gas activity applications.

A <u>Frequently Asked Questions document</u> is available on the Commission's website. Any further questions can be submitted and will be added to the document with answers included.

A backgrounder follows.

Should you have any questions regarding this Industry Bulletin, please contact:

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Backgrounder

The original Delegation Agreement was signed in 2004 and subsequently updated in 2013 to reflect the development of unconventional oil and gas activities and the Oil and Gas Activities Act. It has since required further updates to expand the audit and reporting requirements, refine technical terms, and to improve the success rate of the Schedule B requirement. The updated agreement maintains the same purpose and process as the previous agreements:

All oil and gas activities and ancillary activity sites are considered temporary, non-farm uses in the Agricultural Land Reserve, and as such, the ALC requires the land surface to be reclaimed to its predevelopment agricultural condition when no longer required for oil and gas activity.

- The Schedule A (pre-site assessment) process requires recommendations to ensure soil conservation, manage surface water, control invasive species and conduct effective reclamation.
- Appendix I identifies oil and gas activity that are exempt from ALC Act Non-Farm Use decisions
 as well as those that require a decision by the Commission.
 - Non-farm use proposals by a non-operator for oil and gas related activities continue to require an application condition within 24 months.
- Appendix II identifies requirements to plan the location of activities in order to minimize impacts on agricultural land and agricultural operations.
- Sites no longer required for oil and gas activities are subject to reclamation by the activity owner to the same agricultural condition.

The Schedule B (post-reclamation site assessment) must be completed and submitted to confirm that an oil and gas activity site has been reclaimed according to the requirements specified in that Schedule.

