

INDUSTRY BULLETIN 2018-29

Dec. 7, 2018



Commission Investigating Hydraulic Fracturing Operations in Specified Area

The BC Oil and Gas Commission (Commission) convened a technical review on Dec. 4, 2018 with all companies operating in proximity to the <u>seismic events</u> recorded Nov. 29, 2018.

The events, measuring between 3.4 and 4.5 magnitude, occurred near hydraulic fracturing operations being conducted by Canadian Natural Resources Ltd. (CNRL) in the Septimus field of the Montney formation, southeast of Fort St. John. As per the Commission's Kiskatinaw Seismic Monitoring and Mitigation Area (KSMMA) <u>Special Project Order</u> and the <u>Drilling and Production Regulation</u>, CNRL immediately suspended hydraulic fracturing operations. CNRL's operations may not continue without the written consent of the Commission.

The Commission has isolated the event to a small area of the Montney approximately 20 kms south of Fort St. John, on the south side of the Peace River (see Appendix 1). Companies operating within that area have confirmed that there will be no hydraulic fracturing activities for the next 30 days within the specified area. This will provide the Commission with sufficient time to conduct a thorough investigation. Companies will need to confirm with the Commission before operations within the specific area resume.

Background:

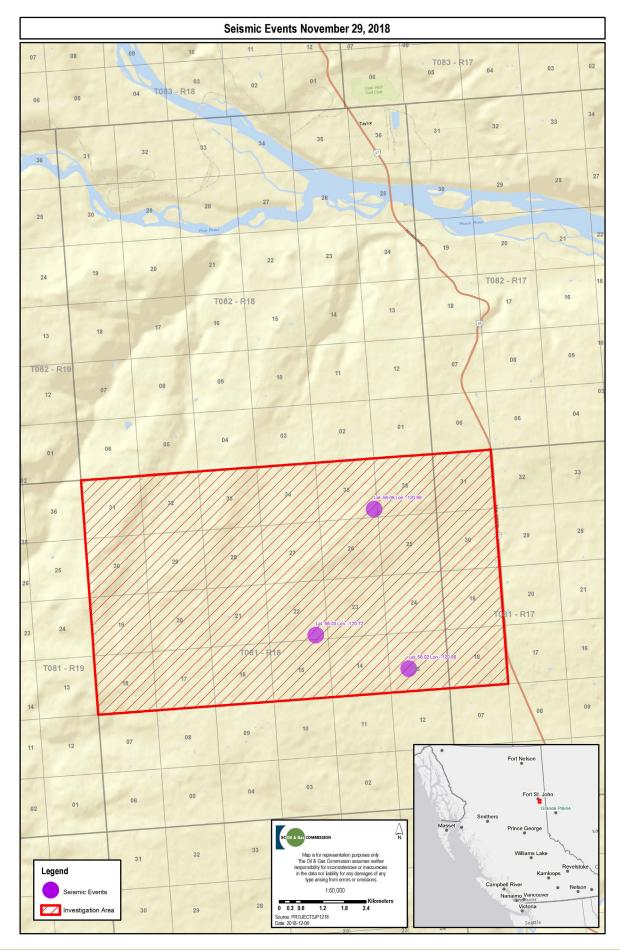
The Commission was the first regulator in North America to draw the link between hydraulic fracturing and induced seismic events and takes a leadership role in the detection and mitigation of induced seismicity from unconventional oil and gas development. Commission studies in <u>2012</u> and <u>2014</u> led to regulatory and oversight enhancements, such as the introduction of 20 <u>new seismic monitoring stations</u> and changes to the Drilling and Production Regulation to mitigate the frequency and effects of induced seismicity.

Based upon ongoing research and cooperation initiatives, the Commission issued a Special Project Order in May 2018, strengthening the regulation of induced seismicity resulting from hydraulic fracturing operations in the KSMMA. The Order requires the immediate shut down of operations when an induced seismic event reaches or exceeds a 3.0 magnitude within the KSMMA, rather than at 4.0, as specified in section 21.1 of the Drilling and Production Regulation.

In addition, the Commission has enhanced permit conditions since <u>Jan. 1, 2018</u>, which require the presence of ground motion monitoring during hydraulic fracturing activities for areas where previous seismic activity occurred, as well as reporting of events.

More details on these seismic events can be found on the Natural Resources Canada site at: <u>http://www.earthquakescanada.nrcan.gc.ca/index-en.php</u>.

Appendix 1: Area of Investigation



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

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Public enquiries and concerns can be made via the Commission's 24 hour public number: 250-794-5200. Email inquiries can also be sent to <u>OGCSeismic.Reports@bcogc.ca</u>.

The BC Oil and Gas Commission protects public safety and safeguards the environment through the sound regulation of oil, gas and geothermal activities in B.C. From exploration through to final reclamation, the Commission works closely with communities and land owners, and confirms industry compliance with provincial legislation. It also ensures there are close working relationships; consults with, and considers the interests of Indigenous peoples.

With more than 20 years' dedicated service, the Commission is committed to safe and responsible energy resource management for British Columbia.