

July 7, 2014

Brian Underhill, Executive Director
Provincial Agricultural Land Commission
133-4940 Canada Way
Burnaby, BC V5G 4K6

Dear Brian Underhill

Re: 2013/14 ALC-OGC Delegation Agreement Annual Activity Report

This letter is the annual report required under Section VI of the Delegation Agreement (Agreement). Section VI requires annual reporting of the following elements:

- 1) Total number of Schedule A Reports for activities exempted from application for permission for non-farm use.
- 2) Total number of applications received by the OGC and the decision made
- 3) Total number of Schedule B Reports received by the OGC.
- 4) Total number of inspections and investigations conducted by the OGC.
 - a) Summary of individual inspections and investigations.
- 5) Total number of enforcement actions undertaken by the OGC.

The following is a summary of the reporting elements that support Delegation Agreement implementation.

1. Total number of Schedule A reports for activities exempted from application for permission for non-farm use – 221 (Pipelines – 85; Wells – 97; Roads – 20; Facilities – 1; Other 18)

These activities are Exempt from making application under section 20(3) of the *ALC Act*, provided conditions outlined in Part II of the Agreement have been met. Exempt activities pertain to those oil and gas activities found in column two of Appendix I of the Agreement. Oil and gas activities exempted from *ALC Act* application still require approval from the OGC under oil and gas legislation. The 'other' category includes temporary campsites, temporary workspaces, borrow pits, water storage sites and investigative permits that

are required to carry out an oil and gas activity.

The reason the total number of Schedule A reports received for activities exempted from application for permission for non-farm use is less than the total number of exempt activities below, is that not all activities required new area or had a disturbance on the land. Examples of these activities include a new well on an existing pad, a pipeline amendment with no new area, a road permit with no new disturbance (i.e. over existing road) or a geotechnical investigation.

2. Total number of applications received in the ALR by the OGC

ALC Applications Total - 311

Exempt Activity Applications – 256

Approved by the OGC Commissioner – 26

Approved by ALC - 27

In 2013/14, 26 *ALC Act* applications were submitted for decision by the OGC Commissioner, or Deputy Commissioner. Twenty seven oil and gas activities permitted by the OGC were first approved by the ALC as they fell outside the OGC's delegation under the Agreement. The remaining 256 applications were exempt activities because they fell under Appendix I of the Agreement as a non-farm use activity.

3. Total number of Schedule B's – 94 (Wells – 12; Pipelines – 82)

When ALR land is no longer required for an oil and gas activity, or within two years of pipeline installation; the Commission requires the activity owner to submit a complete post-reclamation site assessment report as set out in Schedule B of the Agreement.

The Commission is responsible for evaluating and recording Schedule B's before issuing a Certificate of Restoration for well-sites or other oil and gas activities, and evaluating and recording Schedule B assessments for pipelines immediately upon completion of construction and reclamation, or within a maximum of 24 months after installation.

4. Total number of inspections and investigations conducted by the OGC pursuant to Part V of the Agreement –73 (Inspections–73; Investigations–0)

In 2013/14, there were 73 inspections of new construction of oil and gas activities within the ALR. During these new construction inspections, specific attention is given to compliance with the provisions of the *ALC Act* and the Delegation Agreement. Many additional, subsequent, inspections occur at these sites, as well as ongoing inspections of existing activities. General compliance is evaluated during these additional inspections of new activities as well as during inspections of ongoing oil and gas activities, however, the conduct of these inspections are not specifically related to the provisions of the *ALC Act* or the Delegation Agreement and therefore not reported on in this section.

Zero of those inspections resulted in identifying a potential non-compliance with the *ALC Act*. Zero investigations under the *ALC Act* were conducted.

5. Total number of enforcement actions undertaken by the OGC pursuant to Section 56(1) of the ALC Act – 0

Zero enforcement actions were undertaken by the OGC pursuant to Section 56(1) of the ALC act in 2013/14 fiscal year.

Please contact me if you have any questions about this report.
Sincerely,



Howard Madill,
Director of Stewardship
BC Oil and Gas Commission
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