

# 2011-2012 Compliance and Enforcement Activity Summary

BC Oil and Gas Commission



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About the

## BC Oil and Gas Commission

The BC Oil and Gas Commission is the provincial regulatory agency with responsibilities for regulating oil and gas activities in British Columbia, including exploration, development, pipeline transportation and reclamation.

The Commission's core services include reviewing and assessing applications for industry activity, consulting with First Nations, cooperating with partner agencies, and ensuring industry complies with provincial legislation and all regulatory requirements. The public interest is protected by ensuring public safety, respecting those affected by oil and gas activities, conserving the environment, and ensuring equitable participation in production.

For general information about the Commission, please visit [www.bcogc.ca](http://www.bcogc.ca) or phone 250-794-5200.



### Mission

We regulate oil and gas activities for the benefit of British Columbians.

We achieve this by:

- Protecting public safety,
- Respecting those affected by oil and gas activities,
- Conserving the environment, and
- Supporting resource development.

Through the active engagement of our stakeholders and partners, we provide fair and timely decisions within our regulatory framework.

We support opportunities for employee growth, recognize individual and group contributions, demonstrate accountability at all levels, and instill pride and confidence in our organization.

We serve with a passion for excellence.

### Vision

To be the leading oil and gas regulator in Canada.

### Values

Respectful

Accountable

Effective

Efficient

Responsive

Transparent

## Compliance and Enforcement

A priority role of the BC Oil and Gas Commission (Commission) is conducting compliance and enforcement activities for oil and gas operations in British Columbia.

The Commission's Compliance and Enforcement branch carries out inspections on activities to ensure compliance with the Oil and Gas Activities Act and all related regulations, permits and permit conditions, and has the authority to impose enforcement actions when necessary.

The Compliance and Enforcement Activity Summary provides statistics on industry compliance within the scope of oil and gas activities in British Columbia, including a summary of inspections performed and compliance and enforcement actions undertaken by Commission staff in the 2011 and 2012 calendar years.

Previous versions of this report are available online at [www.bccgc.ca](http://www.bccgc.ca). Compliance rates with respect to deficiencies and annual target levels are reported in the Commission's [Annual Service Plan Report](#).

## Compliance Overview

Regulatory compliance commences as soon as an application is submitted to the Commission. Prior to the approval of any oil or gas activity, applications are reviewed against legislative requirements, and environmental and public safety aspects. During detailed project reviews, the Commission may require modifications to an application based on First Nations consultations, land owner concerns or technical assessment results.

If an application is approved and construction commences, Commission inspectors monitor regulatory compliance using a risk-based inspection model as the primary method of prioritizing and allocating site inspection resources. The model gives priority to sites based on:

- **Operator:** based on previous inspections, incidents and complaints.
- **Site Location:** based on the proximity to residents and sensitive ecosystems.
- **Operations:** based on the likelihood of an incident occurring along with the probable consequences if one were to occur.

Site inspections are also triggered through public complaints, incidents, and when required during the application approval process.

Commission inspectors conduct site and field inspections and record and retain all data in a centralized database. The Commission's inspection process provides the operator an opportunity to work toward compliance. Where the Commission deems the operator is not achieving or not likely to achieve acceptable compliance, the operator is then subject to the more formal enforcement process. In situations where deficiencies are not corrected in the allotted time frame, Commission inspectors distribute a second inspection report to the operator. If this escalated communication does not correct the deficiency, the inspection file is forwarded to Commission enforcement officers to investigate and potentially employ enforcement actions.

Deficiency rankings identify the level of non-compliance and provide a time frame for remediation. The Commission uses the terms Low 30, Low 14, and High to rank deficiencies and each ranking has timelines dependent on severity.





## Compliance and Enforcement

The Commission's Compliance Management System (CMS) was designed with the expectation that permit holders use formal systems in their day-to-day operations to ensure compliance with the Oil and Gas Activities Act and applicable legislation at all times. The CMS is intended to ensure compliance through the proactive administration of inspections and audits of permit holder activities, correction of deficiencies, and management of investigations and alleged non-compliances.

Oil and Gas Operations Officers at the Commission are designated as Special Conservation Officers under the Environmental Management Act. This designation provides the authority to enforce both the Environmental Management Act and the Water Act, and also provides Peace Officer status to the designated officer. The Compliance and Enforcement branch works closely with other government agencies including the Ministry of Environment, Ministry of Forests, Lands and Natural Resource Operations, Ministry of Natural Gas Development, Ministry of Agriculture, Ministry of Finance, the National Energy Board and the Department of Fisheries and Oceans. The Commission has memoranda of understandings with each of these agencies that address aspects of compliance and enforcement including information and data exchange, sharing of expertise and collaboration on audits, inspections and investigations.

Enforcement measures deal with a wide range of activities and may escalate in consequence. For example, an enforcement action may range from imposing a deadline for remediating a problem to prosecution or shut-in by way of a ticket, charge or order.

The Commission maintains regular communication with industry on compliance overviews, site inspection activity, awareness of performance, and operator success in managing towards compliance. The majority of operators in B.C. work to meet and/or exceed regulatory requirements; however, if there is failure to meet regulatory requirements or follow Commission direction, or if an occurrence is deemed to be serious enough to warrant immediate action, the operator may be subject to enforcement measures. All enforcement is administered by Commission enforcement officers, or occasionally referred to other enforcement counterparts in government.

On the following page, table 1 details site inspections for 2011 and 2012. The decrease in inspections from 2011 is due in part to consistency in reporting. Table 2 details enforcement actions for 2011 and 2012. In 2013, the Commission began posting a quarterly overview of enforcement actions online at [www.bcogc.ca](http://www.bcogc.ca).

Table 1: 2011 and 2012 Site Inspections Statistics

Type of Action	2011	2012
Site Inspections	6,098	4,222
High Deficiencies Issued	22	14

Table 2: 2011 and 2012 Enforcement Actions

Type of Action	2011	2012	Definition
Orders issued	25	13	Orders are issued to correct an identified non-compliance or to protect the public or environment.
Charges	50	80	Charges are issued through ticketing or court in situations of identified non-compliances.
Warnings	21	22	Warnings are issued to operators for an alleged non-compliance; no further regulatory action taken.
Letters requiring action	48	76	A formal request identifies a requirement to be addressed and/or completed by a specific date.
Referrals to other branches/agencies	4	3	Non-compliance issues not under the jurisdiction of the Commission that were referred to the appropriate ministry or agency.
Unfounded violations	4	4	No enforcement action due to no existence of a non-compliance.
Unsolved cases	0	2	No enforcement action due to an investigation going unsolved for some reason.



## Moving Forward

Compliance and enforcement of oil and gas activities is a priority, and the Commission is responsible for ensuring all oil and gas operators in the province comply with applicable laws, legislations, permits and permit conditions.

Overall, field inspections and enforcement actions are an extension to the approach to safety throughout the entire lifecycle of an oil or gas project – from the application review stage, to permitting, to construction to ultimately reclamation and remediation.

Each year, the Commission continues to target higher compliance rates to ensure the safety of British Columbians and protection of the environment. In 2013, the Commission began posting a quarterly overview of enforcement actions online at [www.bcogc.ca](http://www.bcogc.ca).

