

2013-2014 Compliance and Enforcement Activity Summary

BC Oil and Gas Commission



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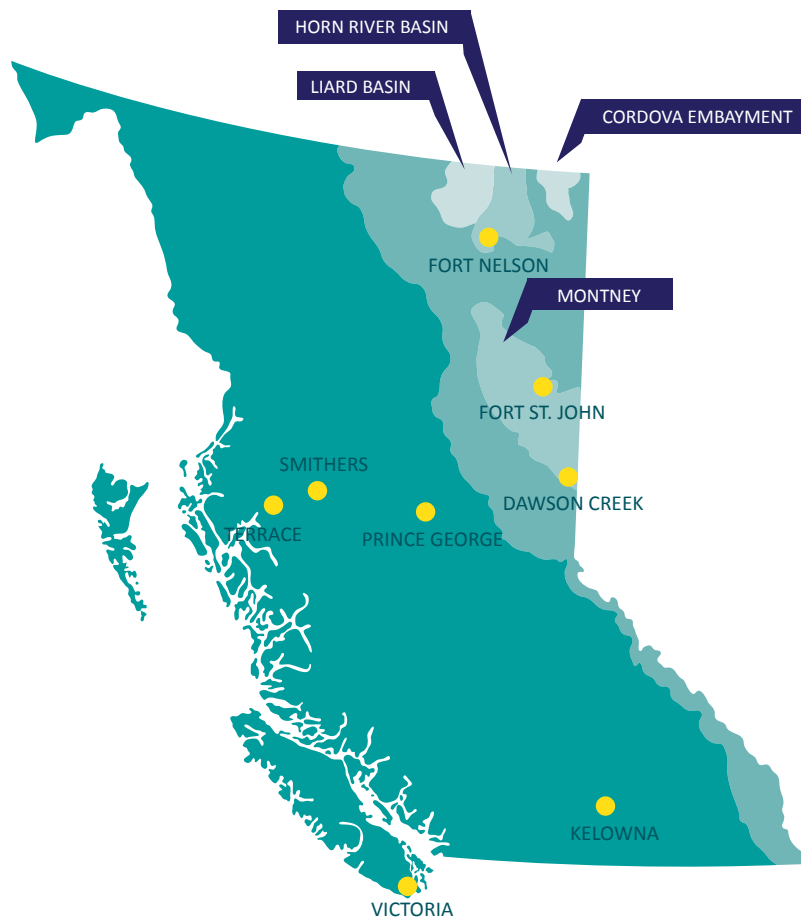
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Commission office locations and major B.C. natural gas plays

ABOUT US

The BC Oil and Gas Commission is the single-window regulatory agency with responsibilities for regulating oil and gas activities in B.C., 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 or phone 250-794-5200.

Purpose

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

The Commission's Compliance and Enforcement branch carries out thousands of inspections annually to ensure operators comply with all provincial laws, regulations and permit conditions. Oil and Gas Operations Officers have the authority to impose enforcement actions when necessary.

This Compliance and Enforcement Activity Summary provides statistics on inspections and enforcement actions in British Columbia, including a summary of inspections performed and enforcement actions undertaken by Commission staff in the 2013 and 2014 calendar years.

Previous versions of this report are available online at www.bcogc.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 at the Commission starts as soon as an application is submitted. Prior to the approval of any oil or gas activity, applications are reviewed against laws, regulations, and environmental and public safety requirements. During application reviews, the Commission may require modifications based on First Nations consultations, land owner concerns or technical assessment results.

If an application is approved and construction commences, Commission officers monitor regulatory compliance using a risk-based model to prioritize and allocate site inspection resources 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 as required during the application approval process. All Commission inspection data is recorded in a centralized database.

The Commission's inspection model provides operators the opportunity to work toward compliance. Deficiency rankings identify the level of non-compliance and provide a time frame for necessary remediation. The categories Low 30, Low 14 and High are based on severity and must be remedied in 30 days, 14 days or 24 hours respectively. If an operator corrects all deficiencies within the allotted timeframe, the site is determined compliant. If not, Commission officers investigate and take enforcement action as necessary.



Enforcement Overview

The Commission maintains regular communication with operators on compliance reviews, site inspection activities and performance results. The majority of operators in B.C. work to meet 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.

Enforcement is administered by Commission Oil and Gas Operations Officers, or in some cases referred to other government agencies. Officers at the Commission are designated as Special Conservation Officers under the Environmental Management Act, which provides the authority to enforce both the Environmental Management Act and the Water Act.

Enforcement investigations can involve other federal and provincial government agencies, and the Commission has memoranda of understandings that address information and data exchange, sharing of expertise and collaboration on audits, inspections and investigations. Agencies include 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's main enforcement tools are orders, tickets, warnings and administrative penalties. 2014 marks the first year the Commission began issuing administrative penalties, which are a result of enhancements to the Oil and Gas Activities Act. These can carry penalties of up to \$500,000. In some cases charges can be recommended to Crown counsel for prosecution and possible court conviction.

On the following page, Table 1 details site inspections for 2013 and 2014. Table 2 details enforcement actions for 2013 and 2014. The total amounts of fines issued under tickets for 2013 and 2014 were \$7,935 and \$10,580 respectively. Total administrative penalties issued in 2014 is \$90,200.

In 2013 the Commission began posting quarterly overviews of enforcement actions, which can be found online at www.bcogc.ca.

Table 1: 2013 and 2014 Site Inspections Statistics

Type of Action	2013	2014
Site Inspections	4,242	5,303
High Deficiencies* Issued	10	5

Table 2: 2013 and 2014 Enforcement Actions

Type of Action	2013	2014	Definition
Orders	54	19	Issued if there is a failure to comply with OGAA, associated regulations, permits or authorizations, or a previous order.
Tickets	27	63	Issued under the authority of provincial acts for which the Commission has regulatory responsibility, including the Water Act, Land Act and Forest Act.
Warnings	31	22	Issued to operators for alleged non-compliances; no further regulatory action is taken.
Administrative Penalties	0	5	May be levied in the event of a contravention of OGAA, in accordance with the act and regulation.

* High-risk deficiencies require correction within 24 hours of receiving notification. Inspectors will maintain communications with the permit holder to ensure continued monitoring of the deficiency until corrective measures are in place. High deficiencies can be related to such aspects as potential spills, improper well control or conducting an activity without the required approval.

Summary

Field inspections and enforcement actions are an extension to the safety approach applied throughout the entire lifecycle of an oil or gas project – from the application review stage, to permitting, to construction and 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. The new provision of administrative penalties has also strengthened the Commission's tools related to enforcement actions.

Over the past two years, the Commission has expanded its compliance and enforcement presence to the province's northwest to be closer to work related to proposed LNG plants and related projects, and will continue to do so as required.



More Information

www.bcogc.ca

This summary was published in May 2015 and is updated annually. Previous Compliance and Enforcement Reports can be found [here](#). For specific questions regarding this document please contact ogc.communications@bcogc.ca.



