# Quarterly Oil and Gas Water Use Summary

First Quarter 2014 (Jan-Mar)



### **PURPOSE**

This *Quarterly Oil and Gas Water Use Summary* presents short-term water use and water licence data from the Q1 January to March 2014 period.

Previous annual water use reports and quarterly water use summaries are available on the BC Oil and Gas Commission website at <a href="https://www.bcogc.ca">www.bcogc.ca</a>.

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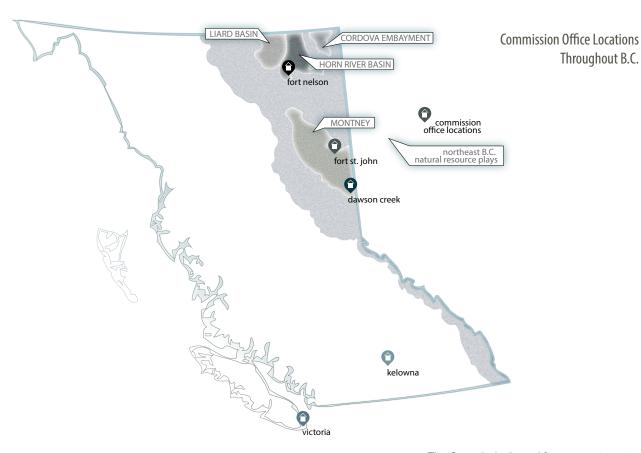
### BC OIL AND GAS COMMISSION

he BC Oil and Gas Commission (Commission) is a single-window Crown corporation that regulates oil and gas activity in the Province of British Columbia.

The Commission regulates industry by way of the administration of the Oil and Gas Activities Act (OGAA), the Petroleum and Natural Gas (PNG) Act, and associated regulations. Specified enactments provide the Commission additional authorities to permit oil and gas activities related to forestry, heritage conservation, roads, land and water use, and other natural resources. This consolidated authority allows the Commission to monitor activity in a comprehensive and effective manner where oil and gas activities occur, including on Crown land, privately held land, and the Agricultural Land Reserve.

The Commission is responsible for reviewing, assessing, and making decisions on water authorizations from both surface and subsurface water sources. The Commission has the expertise and tools to make informed water allocation decisions: protecting and maintaining environmental and community water needs are its first priorities.

Where water authorization is granted, the Commission becomes responsible for regulating the permissions by which oil and gas companies operate.



The Commission manages water use with a specific focus on environmental values at every opportunity, monitoring the water withdrawal and enforcing compliance with applicable legislation where required.

The Commission's workforce operates out of Fort Nelson, Fort St. John, Dawson Creek, Kelowna and Victoria, with the largest number of employees concentrated in Fort St. John, the heart of oil and gas activity in the province. The offices in Fort Nelson and Dawson Creek ensure the Commission's presence in communities of the Horn River Basin and Montney gas plays respectively.

Throughout B.C.

### **HOW WATER IS USED**

Water is used for various purposes in the oil and gas industry.



The largest use of water for oil and gas activities is for hydraulic fracturing.

However, water is used for other purposes, such as:



Seismic or geophysical exploration



**Drilling** 



Machine washing



**Dust control** 



Water floods (to enhance oil recovery)



Ice road freezing



Hydrostatic testing of pipelines

### **HOW WATER IS ACCESSED**

here are different ways the oil and gas industry in British Columbia may access water. Some methods are managed through provincial legislation, including:

- Water licences issued under the Water Act. The Commission has staff designated as Regional Water Managers with authority for issuing and administering long-term water licences.
- Short-term surface water use or diversion approvals issued under Section 8 of the Water Act. Short-term water use is administered by the Commission.
- Water source wells authorized by the Commission under OGAA. Water source
  wells are a specific type of well where the water withdrawn is intended for the purpose
  of injection into an underground formation to enhance oil or natural gas recovery.
- Flowback water that returns to the surface after being injected for hydraulic fracturing.
- Produced water that flows to the surface as a by-product of oil and gas production.

The oil and gas industry can also access water by other means:



- **Private agreements** can be made with landowners or others who have a source of surface water supply such as a dugout or a groundwater well.
- Groundwater wells for oil and gas use where the activity does not involve water injection (hydraulic fracturing) into the subsurface. These purposes include road maintenance, geophysical exploration, and other possible uses.

## SHORT-TERM WATER APPROVALS AND USE

During January to March of 2014, there were a total of 281 short-term water use approvals in place, representing 1,197 withdrawal locations, held by 40 companies (Table 1).

The total water volume associated with short-term approvals that were active on the last day of the quarter was 13,096,294 m<sup>3</sup>.

A total of 1,134,761 m³ was reported as used by oil and gas operators for the three-month period.

A break-down of short-term water approval and use by OGC Water Management Basin is listed in Table 3 on page 8.

TABLE 1 - WATER APPROVAL AND USE FOR OIL AND GAS ACTIVITIES IN Q1 2014

	Companies with Active Section 8 Approvals	40
	Active Section 8s	281
SHORT-TERM	Approved Withdrawal locations for Section 8s	1,197
	Volume Approved (m³) for Locations Active on 3/31/2014	13,096,294
	Volume Reported Withdrawn for Section 8s (m³)	1,134,761
	Companies with Active Water Licences	9
MATER	Active Water Licences	22
WATER	Licenced Withdrawal Locations	36
LICENCE	Annual Volume Available for Use for Water Licences (m³)	22,035,035
	Volume Reported Used for Water Licences (m³)	129,808

	Q1	Q2	Q3	Q4	SUM
2011	782,388	662,767	1,266,317	1,100,613	3,812,085
2012	1,345,289	982,376	1,088,192	340,607	3,756,464
2013	1,061,417	482,054	605,408	747,986	2,896,865



# LONG-TERM WATER LICENCES AND USE

In the first quarter of 2014, there were 22 active oil and gas related water licences, representing 36 withdrawal locations, held by nine companies. The total annual licenced water volume was 22,035,035 m³ (Table 1).

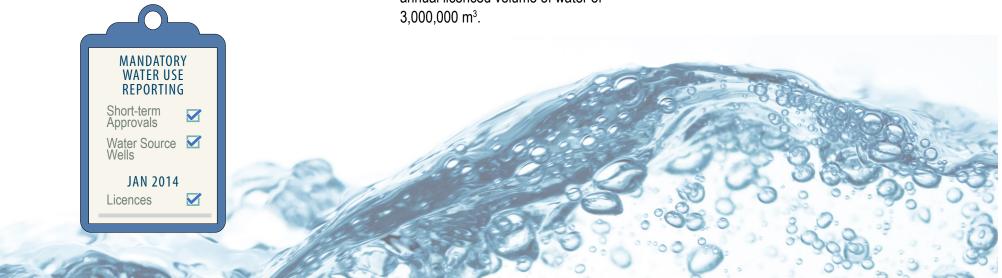
Mandatory reporting of water use under water licence has generally not been a requirement; in 2014, the Commission amended these licences to require water use reporting.

A total of 129,808 m<sup>3</sup> of licenced water was reported as used in the first three months of 2014.

Additionally, there were two water licences issued to oil and gas companies in the first quarter of 2014:

- Water Licence #C131230 was issued by the Commission to Progress Energy Ltd on Feb. 27, 2014 for the Upper Sikanni Chief River. It has a total annual licenced volume of water of 2,993,000 m<sup>3</sup>.
- Water Licence #C129170 was issued by the Ministry of Forests, Lands and Natural Resource Operations to Encana Corporation on Mar. 27, 2014 for the Middle Fort Nelson River. It has a total annual licenced volume of water of 3 000 000 m<sup>3</sup>

Before these two water licences were issued, each company had an active Section 8 short-term approval at the withdrawal locations. The total volume of water reported as withdrawn through a Section 8 at these two sites for Q1 was 801,401m³, which represents 71 per cent of the total water withdrawn under short-term approval in northeast B.C.



### SECTION 8 WATER USE APPROVALS - BC OIL AND GAS COMMISSION

### OIL AND GAS RELATED WATER LICENCES

BY OGC WATER MANAGEMENT BASIN (Page 1 of 4)  MAJOR and Sub-Basin Name	NUMBER OF APPROVED WITHDRAWAL LOCATIONS	TOTAL VOLUME APPROVED (m³) FOR LOCATIONS ACTIVE ON 3/31/2014	TOTAL VOLUME APPROVED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN (m³)	TOTAL VOLUME WITHDRAWN AS % OF MEAN ANNUAL RUNOFF	NUMBER OF LICENSED WITHDRAWA LOCATIONS	VOLUME L LICENSED	TOTAL VOLUME LICENSED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN (m³)	TOTAL VOLUME WITHDRAWN as % of MEAN ANNUAL RUNOFF	MEAN ANNUAL RUNOFF (m³)
BEATTON RIVER (sub-basin of Peace River)											
Upper Beatton River	36	694,891	0.139%	50,545	0.010%	0					499,408,440
Middle Beatton River	12	54,850		270		0					249,152,995
Middle Beatton Total (incl. Upper Beatton)	48	749,741	0.100%	50,815	0.007%	0	0	0.000%	0	0.000%	748,561,435
Milligan Creek	15	235,854	0.123%	1,155	0.001%	0					191,536,686
Blueberry River	52	756,393	0.258%	17,547	0.006%	2	15,100	0.005%	0	0.000%	293,278,540
Doig River	6	48,549	0.015%	40	0.000%	1	2,321,800	0.719%	0	0.000%	323,069,523
Lower Beatton River	3	10,110		0		1	349,000		0	0.000%	138,262,629
BEATTON TOTAL	124	1,800,647	0.106%	69,557	0.004%	4	2,730,900	0.161%	0	0.000%	1,694,708,813
HALFWAY RIVER (sub-basin of Peace River)											
Chowade River	0					0					327,027,527
Upper Halfway River	7	150,000		0		0					795,962,409
Upper Halfway Total (includes Chowade)	7	150,000	0.013%	0	0.000%	0	0	0.000%	0	0.000%	1,122,989,936
Graham River	5	1,279,900	0.149%	0	0.000%	0					860,627,172
Cameron River	23	688,509	0.308%	50,713	0.023%	0					223,679,567
Lower Halfway River	25	2,023,926		288		0					151,526,991
HALFWAY TOTAL	60	4,142,335	0.176%	51,001	0.002%	0	0	0.000%	0	0.000%	2,358,823,666
MOBERLY RIVER (sub-basin of Peace River)											
Moberly River	0					0					391,714,995
MOBERLY TOTAL	0	0	0.000%	0	0.000%	0	0	0.000%	0	0.000%	391,714,995
PINE RIVER (sub-basin of Peace River)											
Burnt River	1	2,800	0.000%	0	0.000%	0					737,930,022
Sukunka River	2	3,160		0		0					1,047,282,572
Sukunka River Total (includes Burnt)	3	5,960	0.000%	0	0.000%	0	0	0.000%	0	0.000%	1,785,212,594
Upper Pine River	2	300	0.000%	0	0.000%	0					1,466,884,035
Murray River	39	490,898	0.018%	30	0.000%	7	25,000	0.001%	0	0.000%	2,698,285,017
Lower Pine River	37	349,281		9,670		0					137,619,889
PINE TOTAL	81	846,439	0.019%	9,700	0.000%	7	25,000	0.000%	0	0.000%	6,088,001,535

#### OIL AND GAS RELATED WATER LICENCES

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MAJOR and Sub-Basin Name	NUMBER OF APPROVED WITHDRAWAL LOCATIONS	TOTAL VOLUME APPROVED (m³) FOR LOCATIONS ACTIVE ON 3/31/2014	TOTAL VOLUME APPROVED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN (m³)	TOTAL VOLUME WITHDRAWN AS % OF MEAN ANNUAL RUNOFF	NUMBER OF LICENSED WITHDRAWAL LOCATIONS	TOTAL VOLUME LICENSED (m³)	TOTAL VOLUME LICENSED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN (m³)	TOTAL VOLUM WITHDRAWN as % of MEAI ANNUAL RUNOFF	MEAN	
KISKATINAW RIVER (sub-basin of Peace River)												
West Kiskatinaw River	13	98,000	0.083%	0	0.000%	0					117,515,115	
East Kiskatinaw River	83	723,700	0.686%	0	0.000%	0					105,452,962	
Middle Kiskatinaw River	22	202,836		0		0					56,347,972	
Middle Kiskatinaw Total (incl. West & East)	118	1,024,536	0.367%	0	0.000%	0	0	0.000%	0	0.000%	279,316,049	
Lower Kiskatinaw River	8	117,372		0	0.000%	1	400,000				89,659,847	
KISKATINAW TOTAL	126	1,141,908	0.309%	0	0.000%	1	400,000	0.108%	0	0.000%	368,975,896	
PEACE RIVER												
Peace Arm	0					2	7,300,000	N/A	3,327	N/A	N/A	
Upper Peace River	0					0					36,423,413,429	
Lynx Creek	0					0					30,436,635	
Farrell Creek	1			0	0.000%	0					91,018,843	
Cache Creek	2	2,500	0.003%	0	0.000%	2	185,000	0.248%	0	0.000%	74,603,546	
Pouce Coupe River	2	6,400	0.003%	0	0.000%	1	2,000	0.001%	0	0.000%	255,686,202	
Lower Peace River	1	300,000		0		2	2,717,469		0	0.000%	114,470,012	
<b>PEACE TOTAL</b> (incl. Kisk/Pine/Moberly/Half/Beatton)	397	8,240,229	0.017%	130,258	0.000%	19 1	3,360,369	0.028%	3,327	0.000%	47,891,853,572	
SMOKY RIVER												
Smoky River	54	386,250		0	0.000%	1	2,500	0.000%			2,669,506,123	
SMOKY TOTAL	54	386,250	0.014%	0	0.000%	1	2,500	0.000%	0	0.000%	2,669,506,123	
MUSKWA RIVER (sub-basin of Fort Nelson River)												
Upper Muskwa River	0					0					1,725,201,511	
Middle Muskwa River	0					0					1,973,711,816	
Middle Muskwa Total (incl. Upper Muskwa)	0	0	0.000%	0	0.000%	0	0	0.000%	0	0.000%	3,698,913,327	
Lower Muskwa River	0	2,100				0					646,841,560	
MUSKWA TOTAL	0	2,100	0.000%	0	0.000%	0	0	0.000%	0	0.000%	4,345,754,887	
PROPHET RIVER (sub-basin of Fort Nelson River)												
Upper Prophet River	5	67,190	0.005%	0	0.000%	0					1,470,271,289	
Middle Prophet River	6	23,400		0		0					621,428,680	
Middle Prophet Total (incl. Upper Prophet)	11	90,590	0.004%	0	0.000%	0	0	0.000%	0	0.000%	2,091,699,969	
Lower Prophet River	5	22,900		0		0					272,262,427	
PROPHET TOTAL	16	113,490	0.005%	0	0.000%	0	0	0.000%	0	0.000%	2,363,962,396	

SUMMARY OF WATER APPROVAL AND USE FOR OIL AND	SECTION	8 WATER USE AP	PROVALS - BC OIL	AND GAS COMM	MISSION	OIL AND GAS RELATED WATER LICENCES						
GAS ACTIVITIES IN 2014, ORGANIZED BY OGC WATER MANAGEMENT BASIN (Page 2 of 4)  MAJOR and Sub-Basin Name	NUMBER OF APPROVED WITHDRAWAL LOCATIONS	TOTAL VOLUME APPROVED (m³) FOR LOCATIONS ACTIVE ON 3/31/2014	TOTAL VOLUME APPROVED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN (m³)	TOTAL VOLUME WITHDRAWN AS % OF MEAN ANNUAL RUNOFF	NUMBER OI LICENSED WITHDRAWA LOCATIONS	VOLUME LL LICENSED	TOTAL VOLUME LICENSED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN (m³)	TOTAL VOLUME WITHDRAWN as % of MEAN ANNUAL RUNOFF	MEAN ANNUAL RUNOFF (m³)	
SIKANNI CHIEF RIVER (sub-basin of Fort Nelson River)									,			
Upper Sikanni Chief River	5	69,820	0.009%	258,149	0.032%	1	2,993,000	0.371%	126,481	0.016%	807,771,692	
Middle Sikanni Chief River	36	397,067		7,288		0					949,755,794	
Middle Sikanni Chief Total (incl. Upper Sikanni)	41	466,887	0.027%	265,437	0.015%	1	2,993,000	0.170%	126,481	0.007%	1,757,527,486	
Lower Sikanni Chief	43	14,173		9,992		0					875,678,142	
SIKANNI CHIEF TOTAL	84	481,060	0.018%	275,429	0.010%	1	2,993,000	0.114%	126,481	0.005%	2,633,205,628	
FORT NELSON RIVER												
Kahntah River	62	45,875	0.011%	10,975	0.003%	0					400,582,903	
Fontas River	40	49,650		8,912		0					591,531,903	
Fontas Total (includes Kahntah)	102	95,525	0.010%	19,887	0.002%	0	0	0.000%	0	0.000%	992,114,806	
Klua River	7	21,000	0.005%	11,773	0.003%	0					402,135,448	
Upper Fort Nelson River	15	58,800		10,828		0					276,181,026	
Upper Fort Nelson Total (incl. Sikanni Chief Total	,											
Kahntah, Fontas, Klua)	208	656,385	0.015%	317,917	0.007%	1	2,993,000	0.070%	126,481	0.003%	4,303,636,908	
Snake River	22	70,200	0.023%	5,192	0.002%	0					310,763,522	
Sahtaneh River	52	221,600	0.047%	11,257	0.002%	2	40,000	0.008%			474,904,729	
Middle Fort Nelson River	24	607,450		555,513		1	3,000,000				515,348,901	
Middle Ft Nelson Total (incl. Upper Ft. Nelson total,												
Muskwa Total, Prophet Total, Snake, Sahtaneh)	322	1,671,225	0.014%	889,879	0.007%	4	6,033,000	0.049%	126,481	0.001%	12,314,371,343	
Kiwigana River	30	71,200	0.016%	685	0.000%	5	42,500	0.010%			441,657,543	
Lower Fort Nelson River	11	74,600		797		0					312,768,938	
FORT NELSON TOTAL	363	1,817,025	0.014%	891,361	0.007%	9	6,075,500	0.046%	126,481	0.001%	13,068,797,824	
LIARD RIVER												
Muncho River	0					0					551,551,360	
Upper Liard River	0					0					33,125,817,465	
Upper Liard Total (incl. Muncho)	0	0	0.000%	0	0.000%	0	0	0.000%	0	0.000%	33,677,368,825	
Grayling River	0					0					630,833,914	
Upper Toad River Racing River	0					0					1,521,055,576 1,488,336,681	
Lower Toad River	0					0					419,472,722	
											TI2,T14,144	
Beaver River	0					0					10,862,659,426	

### OIL AND GAS RELATED WATER LICENCES

MAJOR and Sub-Basin Name	NUMBER OF APPROVED WITHDRAWAL LOCATIONS	TOTAL VOLUME APPROVED (m³) FOR LOCATIONS ACTIVE ON 3/31/2014	TOTAL VOLUME APPROVED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN (m³)	TOTAL VOLUME WITHDRAWN AS % OF MEAN ANNUAL RUNOFF	NUMBER LICENSE WITHDRAY LOCATIO	D VOLUME WAL LICENSED	TOTAL VOLUME LICENSED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN (m³)	TOTAL VOLUME WITHDRAWN as % of MEAN ANNUAL RUNOFF	MEAN
LIARD RIVER con't											
Middle Liard (incl. Upper Liard Total, Grayling,	J										
Upper Toad, Racing, Lower Toad, Beaver)	0	0	0.000%	0	0.000%	0	0	0.000%	0	0.000%	49,063,379,456
Capot-Blanc Creek	16	353,256	0.192%	10,136	0.006%	0					183,879,851
Dunedin RIver	38	211,075	0.026%	1,021	0.000%	0					820,464,167
Lower Liard River	19	589,158		56,024		0					1,236,634,664
LIARD TOTAL (incl. Fort Nelson)	436	2,970,514	0.005%	958,542	0.001%	9	6,075,500	0.009%	0	0.000%	64,373,155,962
PETITOT RIVER											
Sahdoanah River	43	52,300	0.021%	1,140	0.000%	0					252,625,362
Upper Petitot River	59	365,490	0.025%	8,548	0.001%	0					1,476,579,488
Tsea River	46	72,166	0.017%	4,824	0.001%	4	2,540,000	0.585%	0	0.000%	434,062,484
Middle Petitot River	17	23,300		735		2	26,666		0	0.000%	698,562,753
Middle Petitot Total (incl. Sahdoanah,											
Upper Petitot, Tsea)	165	513,256	0.018%	15,247	0.001%	6	2,566,666	0.090%	0	0.000%	2,861,830,087
Lower Petitot River	12	439,400		2,150		1	30,000		0	0.000%	904,314,069
PETITOT TOTAL	177	952,656	0.025%	17,397	0.000%	7	2,596,666	0.069%	0	0.000%	3,766,144,156
HAY RIVER											
Upper Kotcho River	7	16,800	0.005%	3,510	0.001%	0					311,519,217
Kyklo River	29	112,365	0.077%	5,520	0.004%	0					145,897,691
Shekilie River	20	78,808	0.017%	0	0.000%	0					450,747,494
Lower Kotcho River	6	18,500		0		0					311,519,217
Lower Kotcho Total (includes Upper Kotcho,											
Kyklo, Shekilie)	62	226,473	0.019%	9,030	0.001%	0	0	0.000%	0	0.000%	1,219,683,619
Hay River	30	133,970		14,471		0					538,672,352
HAY TOTAL	92	360,443	0.020%	23,501	0.001%	0	0	0.000%	0	0.000%	1,758,355,971
CHINCHAGA RIVER											
Chinchaga River	29	165,869	0.151%	5,026	0.005%	0					109,492,680
CHINCHAGA TOTAL	29	165,869	0.151%	5,026	0.005%	0	0	0.000%			109,492,680
OTHER (outside Northeast B.C.)	12	20,333		37		0	0				N/A
GRAND TOTAL	1,197	13,096,294	0.011%	1,134,761	0.001%	36	22,035,035	0.018%	129,808	0.000%	120,568,508,464



Previous annual water reports and quarterly updates are available on the Commission's website at: <a href="http://www.bcogc.ca/public-zone/water-information">http://www.bcogc.ca/public-zone/water-information</a>

For specific questions or enquiries regarding this data, please contact:

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