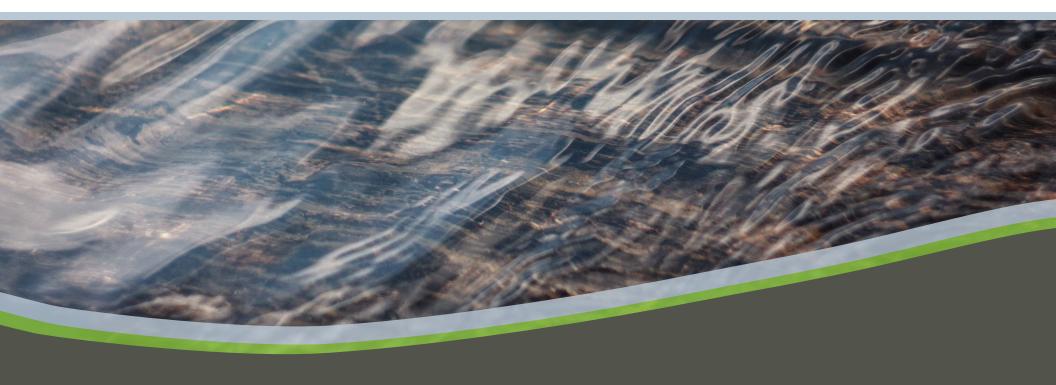
## Quarterly Oil and Gas Water Use Summary



Second Quarter 2014 (Apr-Jun)



#### PURPOSE

This *Quarterly Oil and Gas Water Use Summary* presents short-term water use and water licence data from the Q2 April to June 2014 period.

Previous annual water use reports and quarterly water use summaries are available on the BC Oil and Gas Commission website at <u>www.bcogc.ca</u>.

## TABLE OF CONTENTS

ROLE OF THE BC OIL AND GAS COMMISSION	4
How Water is Used5How Water is Accessed5	
SHORT-TERM WATER APPROVALS AND USE	
TABLE 1 - WATER APPROVAL AND USE FOR OIL AND GAS ACTIVITIES IN Q2 TABLE 2 - QUARTERLY WATER WITHDRAWALS FROM SECTION 8 APPROVAL 2011 Q1 - 2014 Q2	
LONG-TERM WATER LICENCES AND USE	7
TABLE 3 - WATER APPROVAL AND USE FOR OIL AND GAS ACTIVITIES IN Q2	2 2014
TABLE 4: SUMMARY OF WATER APPROVAL AND USE	
FOR OIL AND GAS ACTIVITIES IN 2014, ORGANIZED BY OGC WATER MANAGEMENT BASIN	8

# BC OIL AND GAS COMMISSION

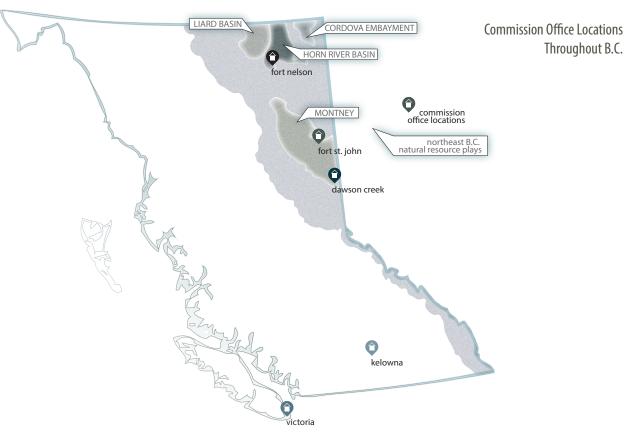
he <u>BC Oil and Gas Commission</u> (Commission) is a single-window Crown corporation that regulates oil and gas activity in the Province of British Columbia.

Role of the

The Commission regulates industry using 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 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.



### 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 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 include road maintenance, geophysical exploration, and other possible uses.

# SHORT-TERM WATER APPROVALS AND USE

During April to June of 2014, there were a total of 259 short-term water use approvals in place, representing 1,026 withdrawal locations, held by 43 companies (Table 1).

The total water volume associated with short-term approvals that were active on the last day of the quarter was 12,101,997 m<sup>3</sup>.

A total of 1,705,414 m<sup>3</sup> was reported as used by oil and gas operators for the first half of the year.

A break-down of short-term water approval and use by OGC Water Management Basin is listed in Table 4 on page 8.

TABLE 1 - WAT	TER APPROVAL AND USE FOR OIL AND GAS ACTIVITIES IN 2014	4 Q1	Q2
	Companies with Active Section 8 Approvals	40	43
	Active Section 8s	281	259
SHORT-TERM	Approved Withdrawal locations for Section 8s	1,197	1,026
	Volume Available for Use for Section 8s (m <sup>3</sup> )	13,096,294	12,101,997
	Cumulative Volume Reported Withdrawn for Section 8s (m <sup>3</sup> )	1,135,656	1,705,414

TABLE 2 - QUARTERLY WATER WITHDRAWALS (m<sup>3</sup>) FROM SECTION 8 APPROVALS, 2011 Q1 - 2014 Q2

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### LONG-TERM WATER LICENCES AND USE

In the second quarter of 2014, there were 22 active oil and gas related water licences, representing 36 withdrawal locations, held by nine companies. The total annual licensed water volume remains at 22,035,035 m<sup>3</sup> (Table 3).

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 1,156,354 m<sup>3</sup> of licensed water was reported as used in the first half of 2014.

TABLE 3 - WAT	TER APPROVAL AND USE FOR OIL AND GAS ACTIVITIES IN 2014	Q1	Q2
	Companies with Active Water Licences	9	9
11/1750	Active Water Licences	22	22
WATER LICENCE	Licensed Withdrawal Locations	36	36
LICLICL	Annual Volume Available for Use for Water Licences (m <sup>3</sup> )	22,035,035	22,035,035
	Cumulative Volume Reported Used in 2014 (m <sup>3</sup> )	129,808	1,156,354



#### TABLE 4 - SUMMARY OF WATER APPROVAL AND USE FOR OIL AND GAS ACTIVITIES IN 2014, ORGANIZED BY OGC WATER MANAGEMENT BASIN (Page 1 of 4)

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 (m <sup>3</sup> ) FOR LOCATIONS ACTIVE ON 6/30/2014	TOTAL VOLUME APPROVED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN IN 2014 (m <sup>3</sup> )	TOTAL VOLUME WITHDRAWN AS % OF MEAN ANNUAL RUNOFF	NUMBER O LICENSED WITHDRAWA LOCATIONS	VOLUME AL LICENSED	TOTAL VOLUME LICENSED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN (m <sup>3</sup> )	TOTAL VOLUME WITHDRAWN as % of MEAN ANNUAL RUNOFF	MEAN ANNUAL RUNOFF (m <sup>3</sup> )
<b>BEATTON RIVER</b> (sub-basin of Peace River)				. ,							
Upper Beatton River	42	1,188,051	0.238%	51,245	0.010%	0					499,408,440
Middle Beatton River	11	63,750		270		0					249,152,995
Middle Beatton Total (incl. Upper Beatton)	53	1,251,801	0.167%	51,515	0.007%	0	0	0.000%			748,561,435
Milligan Creek	11	235,854	0.123%	1,155	0.001%	0					191,536,686
Blueberry River	43	858,243	0.293%	44,017	0.015%	2	15,100	0.005%			293,278,540
Doig River	4	48,549	0.015%	40	0.000%	1	2,321,800	0.719%			323,069,523
Lower Beatton River	3	0		0		1	394,000				138,262,629
BEATTON TOTAL	114	2,394,447	0.141%	96,727	0.006%	4	2,730,900	0.161%			1,694,708,813
HALFWAY RIVER (sub-basin of Peace River)											
Chowade River	0					0					327,027,527
Upper Halfway River	2	150,000		0		0					795,962,409
Upper Halfway Total (includes Chowade)	2	150,000	0.013%	0	0.000%	0	0	0.000%			1,122,989,936
Graham River	3	1,279,900	0.149%	0	0.000%	0					860,627,172
Cameron River	35	730,509	0.327%	94,465	0.042%	0					223,679,567
Lower Halfway River	23	1,968,454		18,953		0					151,526,991
HALFWAY TOTAL	63	4,128,863	0.175%	113,418	0.005%	0	0	0.000%			2,358,823,666
<b>MOBERLY RIVER</b> (sub-basin of Peace River)											
Moberly River	1	40,000		0		0					391,714,995
MOBERLY TOTAL	1	40,000	0.000%	0	0.000%	0	0	0.000%			391,714,995
PINE RIVER (sub-basin of Peace River)											
Burnt River	2	10,000	0.001%	8	0.000%	0					737,930,022
Sukunka River	2	10,360		20		0					1,047,282,572
Sukunka River Total (includes Burnt)	4	20,360	0.001%	28	0.000%	0	0	0.000%			1,785,212,594
Upper Pine River	3	300	0.000%	0	0.000%	0					1,466,884,035
Murray River	37	76,898	0.003%	30	0.000%	7	25,000	0.001%			2,698,285,017
Lower Pine River	39	835,621		124,479		0					137,619,889
PINE TOTAL	83	933,179	0.019%	124,537	0.002%	7	25,000	0.000%			6,088,001,535

	SECTION 8 WATER USE APPROVALS - BC OIL AND GAS COMMISSION						UIL AND GAS KELAIED WAIEK LICENCES							
MAJOR and Sub-Basin Name	NUMBER OF APPROVED WITHDRAWAL LOCATIONS	TOTAL VOLUME APPROVED (m <sup>3</sup> ) FOR LOCATIONS ACTIVE ON 6/30/2014	TOTAL VOLUME APPROVED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN IN 2014(m <sup>3</sup> )	TOTAL VOLUME WITHDRAWN AS % OF MEAN ANNUAL RUNOFF	NUMBER ( Licensed Withdraw Location	O VOLUME VAL LICENSED	TOTAL VOLUME LICENSED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN (m <sup>3</sup> )	TOTAL VOLUM WITHDRAWN as % of MEA ANNUAL RUNOFF	N MEAN			
KISKATINAW RIVER (sub-basin of Peace River)														
West Kiskatinaw River	13	30,000	0.026%	0	0.000%	0					117,515,115			
East Kiskatinaw River	84	74,000	0.070%	16,928	0.016%	0					105,452,962			
Middle Kiskatinaw River	23	166,536		8,145		0					56,347,972			
Middle Kiskatinaw Total (incl. West & East)	120	270,536	0.097%	25,073	0.009%	0	0	0.000%			279,316,049			
Lower Kiskatinaw River	8	134,726		3,773	0.004%	1	400,000				89,659,847			
KISKATINAW TOTAL	128	405,262	0.110%	28,846	0.008%	1	400,000	0.108%			368,975,896			
PEACE RIVER														
Peace Arm	0					2	7,300,000	N/A	47,209	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	0.000%	0					91,018,843			
Cache Creek	2	21,500	0.029%	0	0.000%	2	185,000	0.248%			74,603,546			
Pouce Coupe River	2	0	0.000%	0	0.000%	1	2,000	0.001%			255,686,202			
Lower Peace River	1	300,000		0		2	2,717,469				114,470,012			
<b>PEACE TOTAL</b> (incl. Kisk/Pine/Moberly/Half/Beatton)	395	8,223,251	0.017%	363,528	0.001%	19	13,360,369	0.028%	47,209	0.000%	47,891,853,572			
SMOKY RIVER														
Smoky River	54	160,000		1,485	0.000%	1	2,500	0.000%			2,669,506,123			
SMOKY TOTAL	54	160,000	0.006%	1,485	0.000%	1	2,500	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%			3,698,913,327			
Lower Muskwa River	0	0				0					646,841,560			
MUSKWA TOTAL	0	0	0.000%	0	0.000%	0	0	0.000%			4,345,754,887			
<b>PROPHET RIVER</b> (sub-basin of Fort Nelson River)														
Upper Prophet River	6	101,190	0.007%	234	0.000%	0					1,470,271,289			
Middle Prophet River	6	23,400		0		0					621,428,680			
Middle Prophet Total (incl. Upper Prophet)	12	124,590	0.006%	234	0.000%	0	0	0.000%			2,091,699,969			
Lower Prophet River	4	22,900		0		0					272,262,427			
PROPHET TOTAL	16	147,490	0.006%	234	0.000%	0	0	0.000%			2,363,962,396			

SECTION 8 WATER USE APPROVALS - BC OIL AND GAS COMMISSION

**OIL AND GAS RELATED WATER LICENCES** 

SUMMARY OF WATER APPROVAL AND USE FOR OIL AND	SECTION 8 WATER USE APPROVALS - BC OIL AND GAS COMMISSION						OIL AND GAS RELATED WATER LICENCES							
	NUMBER OF APPROVED	TOTAL VOLUME APPROVED (m <sup>3</sup> ) FOR LOCATIONS	TOTAL VOLUME APPROVED as %	TOTAL VOLUME	TOTAL VOLUME WITHDRAWN AS % OF MEAN	NUMBER OF LICENSED	TOTAL VOLUME	TOTAL VOLUME LICENSED as % of MEAN	TOTAL VOLUME	TOTAL VOLUME WITHDRAWN as % of MEAN	MEAN ANNUAL			
MAJOR and W Sub-Basin Name	VITHDRAWAL LOCATIONS	ACTIVE ON 6/30/2014	of MEAN ANNUAL RUNOFF	WITHDRAWN IN 2014 (m³)	ANNUAL RUNOFF	WITHDRAWAI LOCATIONS	LICENSED (m³)	ANNUAL RUNOFF	WITHDRAWN (m <sup>3</sup> )	ANNUAL RUNOFF	RUNOFF (m <sup>3</sup> )			
SIKANNI CHIEF RIVER (sub-basin of Fort Nelson River)														
Upper Sikanni Chief River	1	720	0.000%	258,941	0.032%	1	2,993,000	0.371%	191,862	0.024%	807,771,692			
Middle Sikanni Chief River	38	449,517		48,601		0					949,755,794			
Middle Sikanni Chief Total (incl. Upper Sikanni)	39	450,237	0.026%	307,542	0.017%	1	2,993,000	0.170%	191,862	0.011%	1,757,527,486			
Lower Sikanni Chief	10	14,173		9,992		0					875,678,142			
SIKANNI CHIEF TOTAL	49	464,410	0.018%	317,534	0.012%	1	2,993,000	0.114%	191,862	0.007%	2,633,205,628			
FORT NELSON RIVER														
Kahntah River	9	3,875	0.001%	10,975	0.003%	0					400,582,903			
Fontas River	10	0		8,912		0					591,531,903			
Fontas Total (includes Kahntah)	19	3,875	0.000%	19,887	0.002%	0	0	0.000%	0	0.000%	992,114,806			
Klua River	6	21,000	0.005%	11,773	0.003%	0					402,135,448			
Upper Fort Nelson River	15	46,200		12,028		0					276,181,026			
Upper Fort Nelson Total (incl. Sikanni Chief Total,														
Kahntah, Fontas, Klua)	89	535,485	0.012%	361,222	0.008%	1	2,993,000	0.070%	191,862	0.004%	4,303,636,908			
Snake River	19	45,000	0.014%	5,342	0.002%	0					310,763,522			
Sahtaneh River	51	87,200	0.018%	11,257	0.002%	2	40,000	0.008%			474,904,729			
Middle Fort Nelson River	23	410,250		670,513		1	3,000,000				515,348,901			
Middle Ft Nelson Total (incl. Upper Ft. Nelson total,														
Muskwa Total, Prophet Total, Snake, Sahtaneh)	198	1,225,425	0.010%	1,048,568	0.009%	4	6,033,000	0.049%	191,862	0.002%	12,314,371,343			
Kiwigana River	14	41,550	0.009%	13,260	0.003%	5	42,500	0.010%			441,657,543			
Lower Fort Nelson River	12	74,600		2,412		0					312,768,938			
FORT NELSON TOTAL	224	1,341,575	0.010%	1,062,240	0.008%	9	6,075,500	0.046%	191,862	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%			33,677,368,825			
Grayling River	0					0					630,833,914			
Upper Toad River	0					0					1,521,055,576			
Racing River	0					0					1,488,336,681			
Lower Toad River	0					0					419,472,722			
Beaver River	0					0					10,862,659,426			
Middle Liard River	0					0					463,652,312			

	SECTIO	N 8 WATER USE A	PPROVALS - BC O	IL AND GAS COM	MISSION	OIL AND GAS RELATED WATER LICENCES							
MAJOR and Sub-Basin Name	NUMBER OF APPROVED WITHDRAWAL LOCATIONS	TOTAL VOLUME APPROVED (m <sup>3</sup> ) FOR LOCATIONS ACTIVE ON 6/30/2014	TOTAL VOLUME APPROVED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN IN 2014 (m³)	TOTAL VOLUME WITHDRAWN AS % OF MEAN ANNUAL RUNOFF	NUMBER O LICENSED WITHDRAW/ LOCATIONS	VOLUME AL LICENSED	TOTAL VOLUME LICENSED as % of MEAN ANNUAL RUNOFF	TOTAL VOLUME WITHDRAWN (m <sup>3</sup> )	TOTAL VOLUME WITHDRAWN as % of MEAN ANNUAL RUNOFF	MEAN ANNUAL RUNOFF (m <sup>3</sup> )		
LIARD RIVER con't													
Middle Liard (incl. Upper Liard Total, Grayling	,												
Upper Toad, Racing, Lower Toad, Beaver)	0	0	0.000%	0	0.000%	0	0	0.000%			49,063,379,456		
Capot-Blanc Creek	26	353,256	0.192%	14,789	0.008%	0					183,879,851		
Dunedin River	44	234,125	0.029%	7,472	0.001%	0					820,464,167		
Lower Liard River	24	580,158		69,394		0					1,236,634,664		
LIARD TOTAL (incl. Fort Nelson)	318	2,509,114	0.004%	1,155,895	0.002%	9	6,075,500	0.009%	191,862	0.000%	64,373,155,962		
PETITOT RIVER													
Sahdoanah River	24	57,300	0.023%	1,642	0.001%	0					252,625,362		
Upper Petitot River	44	365,490	0.025%	121,091	0.008%	0					1,476,579,488		
Tsea River	26	43,900	0.010%	29,624	0.007%	4	2,540,000	0.585%	917,283	0.211%	434,062,484		
Middle Petitot River	13	23,300		1,235		2	26,666				698,562,753		
Middle Petitot Total (incl. Sahdoanah,													
Upper Petitot, Tsea)	107	489,990	0.017%	153,592	0.005%	6	2,566,666	0.090%	917,283	0.032%	2,861,830,087		
Lower Petitot River	12	439,400		2,350		1	30,000				904,314,069		
PETITOT TOTAL	119	929,390	0.025%	155,942	0.004%	7	2,596,666	0.069%	917,283	0.024%	3,766,144,156		
HAY RIVER													
Upper Kotcho River	4	16,800	0.005%	3,510	0.001%	0					311,519,217		
Kyklo River	29	0	0.000%	5,520	0.004%	0					145,897,691		
Shekilie River	19	3,150	0.001%	0	0.000%	0					450,747,494		
Lower Kotcho River	5	0		0		0					311,519,217		
Lower Kotcho Total (includes Upper Kotcho,													
Kyklo, Shekilie)	57	19,950	0.002%	9,030	0.001%	0	0	0.000%			1,219,683,619		
Hay River	26	82,970		14,471		0					538,672,352		
HAY TOTAL	83	102,920	0.006%	23,501	0.001%	0	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.)	28	11,453		37		0	0				N/A		
GRAND TOTAL	1,026	12,101,997	0.010%	1,705,414	0.001%	36	22,035,035	0.018%	1,156,354	0.001%	120,568,508,464		



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

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

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