

# Welcome

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LAND OWNER

## Dormant Sites Information Session

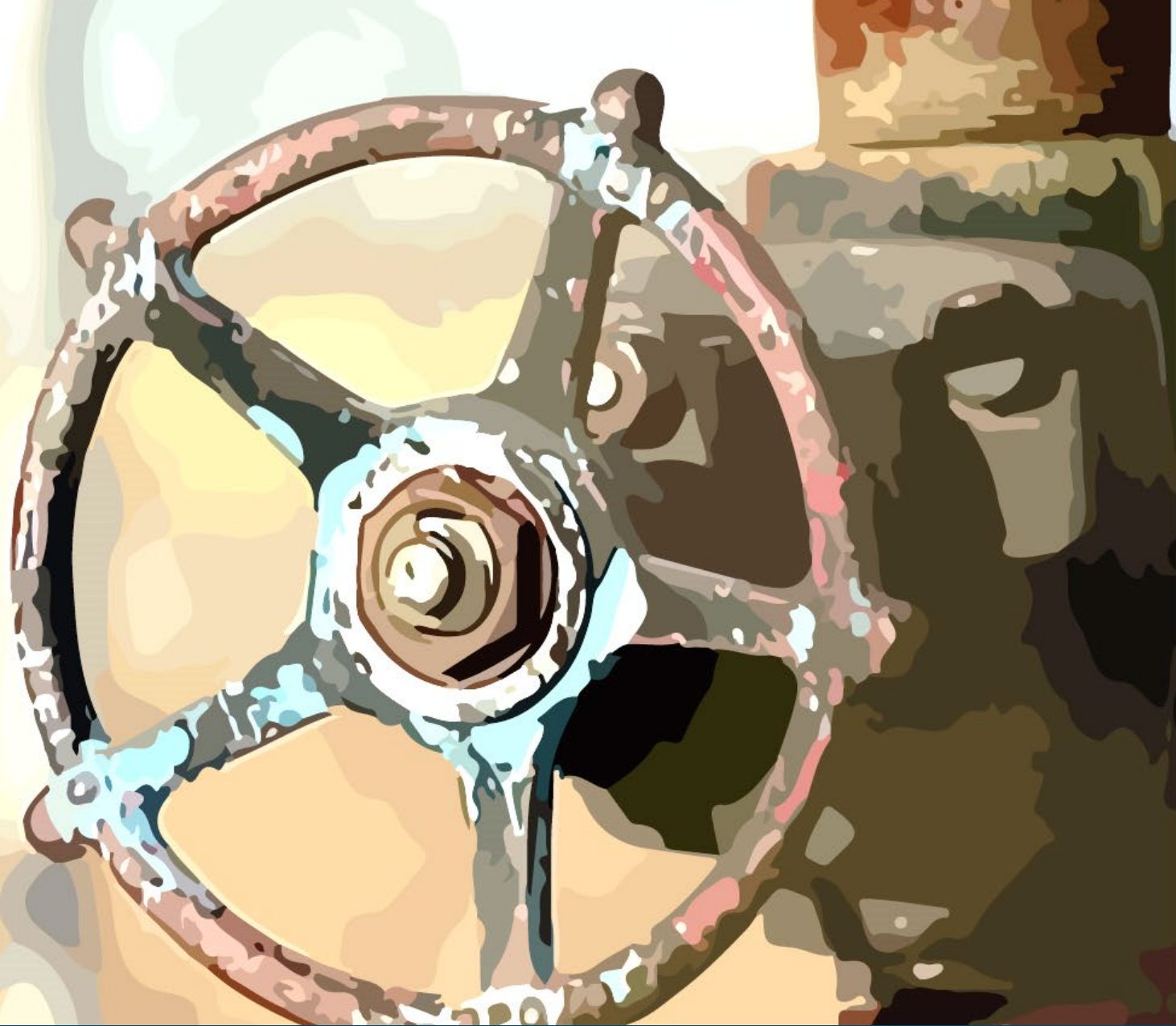


# Addressing a growing problem

- 10,000 well sites
- Bill 15
- Timelines for wells
- First province in western Canada to impose timelines

# Objectives

1. Timely clean up
2. Ensure flexibility to achieve cost-efficient restoration
3. Promote communication with land owners, local governments and Indigenous nations with an interest in such sites.



# Terms you may have heard

## Inactive

A well that is not producing, but has not yet undertaken abandonment activities (plugged and capped).

## Abandoned

A well that has been filled with cement (plugged) and its wellhead has been removed and capped.

## Orphan

A Commission designation given to wells and associated operating areas when the operator is insolvent or can't be located.

## Dormant (tonight's topic)

Wells and their associated operating areas which for five or more years have not met a certain threshold of activity.

# What is a dormant site?

## Single Well

The operating area of a well that has not met a threshold of activity for five consecutive years:

- 30 days production, injection or disposal
- A zone is completed
- A drilling event occurs

## Multi-well pad

- All wells on the pad do not meet the threshold of activity for five consecutive years.

## Exceptions

- Commission is satisfied well will become productive within a reasonable period of time
- Those portions of an operating area used to service an active facility or well

***These do not include orphan sites.***

# Regulatory building blocks



1. Define what is dormant
2. Impose requirements for:
  - Decommissioning
  - Site assessment
  - Remediation
  - Reclamation / restoration
  - Engagement
  - Reporting
3. Regulate to accommodate different types of portfolios:
  - Default requirements
  - Commission-approved Liability Reduction Plans

# Requirements:

## Step 1: Decommission the site

- Removal of surface infrastructure

## Step 2: Abandonment

- Plug and seal the well
  - Fill the wellbore with cement (plugging)
  - Cut and cap the wellhead
  - Replace excavated soil



# Site assessment

- Investigate the environmental quality of the site to confirm the presence or absence of contamination as required for a Certificate of Restoration.
- Provide appropriate documentation of the results of the investigation to the Commission.



# Remediation

The removal, treatment and/or management of contaminated soil, groundwater and surface water and the confirmation that contamination and/or risk of contamination is no longer present.



# Reclamation

- Reestablishing the surface to original site conditions or as close as practicable following its disturbance.
- The process and documentation requirements for sites within the Agricultural Land Reserve (ALR) differ from those that are outside the ALR.



# Timelines – Type A

Type A wells have been below the dormancy activity threshold for five or more straight years as of Dec. 31, 2018.

## Default Requirements

Decommission 30 per cent by Dec. 31, 2021.  
Decommission 70 per cent by Dec. 31, 2026.  
Decommission 100 per cent by Dec. 31, 2031.

Assess within two years of decommissioning, or by Dec. 31, 2030 if decommissioned in or before 2018.

Restore 40 per cent by Dec. 31, 2024.  
Restore 70 per cent by Dec. 31, 2030.  
Restore 100 per cent by Dec. 31, 2036.

# Timelines – Type A

Type A wells have been below the dormancy activity threshold for five or more straight years as of Dec. 31, 2018.

## Liability Reduction Plans

Must be consistent with restoration of 100 per cent of Type A sites by Dec. 31, 2036. Includes individualized annual targets which must be met.

Assess each site within two years of decommissioning, or by Dec. 31, 2033 if decommissioned in or before 2018.

# Timelines – Type B

Type B wells will reach their fifth straight year of being below the dormancy activity threshold between Jan. 1, 2019 and Dec. 31, 2023.

## Default Requirements

Decommission by December 31 of the year that is eight calendar years after reaching dormancy status.

Assess within two years of decommissioning, or by 10 years after the site became dormant if already decommissioned when reaching dormancy.

Restore by December 31 of the year that is 13 calendar years after the site became dormant.

# Timelines – Type B

Type B wells will reach their fifth straight year of being below the dormancy activity threshold between Jan. 1, 2019 and Dec. 31, 2023.

## Liability Reduction Plan

Must be consistent with restoration of 100 per cent of Type B sites by Dec. 31, 2036. Includes individualized annual targets which must be met.

Assess each site within two years of decommissioning, or by Dec. 31, 2033 if decommissioned in or before 2018.

# Timelines – Type C

Type C wells will reach their fifth straight year of being below the dormancy activity threshold in 2024 or later.

## Default Requirements

Decommission by December 31 of the fifth year after the site becomes dormant.

Assess by December 31 of the second calendar year after the site is decommissioned.

Restore by December 31 of the tenth year after the site becomes dormant.

# Timelines – Type C

Type C wells will reach their fifth straight year of being below the dormancy activity threshold in 2024 or later.

## Liability Reduction Plans

Must be consistent with the restoration of Type C sites by December 31 of the year that is 10 calendar years after the site becomes dormant.

# Engagement & Reporting

An objective is to ensure land owners receive notification and an opportunity to provide input when work on dormant sites is proposed on their land. A further objective is to allow for engagement with local governments and local Indigenous nations.

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**Thank you.  
Questions?**