

THE COMMUNITY CONNECTOR

JUNE 2020

THE BC OIL AND GAS COMMISSION'S
BIANNUAL NEWSLETTER – ISSUE 1

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MESSAGE

FROM THE CEO



This is the inaugural issue of the BC Oil and Gas Commission’s external newsletter and a new tool to help us reach out and provide updates on some of the key happenings around the Commission that can help those affected by energy resource development.

The Commission is an agent of government staffed by expert public servants who are guided by several strategic goals inherent in our legally defined mandate and in our mission statement, including:

- Protect public safety
- Respect those affected by energy resource development
- Safeguard the environment
- Support responsible energy resource development
- Provide organizational excellence

With seven offices throughout B.C., Commission staff live and work close to the communities that interact with energy activities; and while the Province allows for and sets the policy for natural gas development, it’s our dedicated staff who take up the regulatory oversight outlined in the goals above.

The world-wide pandemic has impacted all our lives and how we conduct our business. It was no exception for the Commission, but we were able to adapt and maintain all of our critical services. What didn’t change was our commitment to serve the many communities we interact with.

As you look through our first edition of this newsletter, it should give you a glimpse into some of the people and ongoing work at the Commission, and I hope you find it informative and useful and that it sparks some conversations.

Paul Jeakins
CEO

MEETINGS WITH LAND OWNERS

If you have concerns regarding an application, please contact Community Relations at ogc.writtensubmissions@bcogc.ca

The Commission would like to connect with you as land owners, learn about your interests regarding oil and gas activity, and make information available to you when you need it.

From the summer of 2018 to late fall of 2019 we had discussions with a group of community members in the Farmington area. These conversations gave the Commission insight to what land owners experience as they manage the operation of their agricultural business in the midst of oil and gas development.

We were also reminded how much value there is for land owners to receive updates on our regulatory processes and to know we are working to ensure oil and gas companies improve the development of their sites. What we heard during these meetings reinforced our learnings from the 2019 and 2020 stakeholder surveys. This feedback has shown how important it is to bring more information to communities and have regular conversations about how and what we regulate.

Once provincial health guidance tells us it is safe, the Stakeholder Relations branch will continue to meet with land owners in various communities to talk about concerns and provide information on our job as a regulator.

If you are a land owner and would like to meet with our Stakeholder Relations staff, please email Stakeholder@bcogc.ca or call 250-794-5200 to arrange a time.

REGIONAL NETWORKING GROUP

The Commission's Stakeholder Relations branch has created the Regional Networking Group (RNG) to improve our communication with land owners and others directly impacted by oil, gas and geothermal activities. We recognize the importance of two-way information sharing and dialogue. If you are interested in receiving and sharing information about quality of life impacts related to private land we invite you to sign up and be a part of the RNG.

We will use this group connection to let you know about upcoming public events hosted by the Commission and pertinent industry updates and bulletins. We also hope to hear from you on select topics through email discussions and by responding to the occasional survey.

If you would like to participate in the RNG, please express your interest through email to Stakeholder@bcogc.ca. Your information will remain private and will only be used for distribution of Commission-approved content. We look forward to hearing from you.

If you are a land owner and would like to participate in the Regional Networking Group, please let us know at Stakeholder@bcogc.ca





We invite any local government representatives with questions to reach out. Please contact us at stakeholder@bcogc.ca or call 250-794-5200.

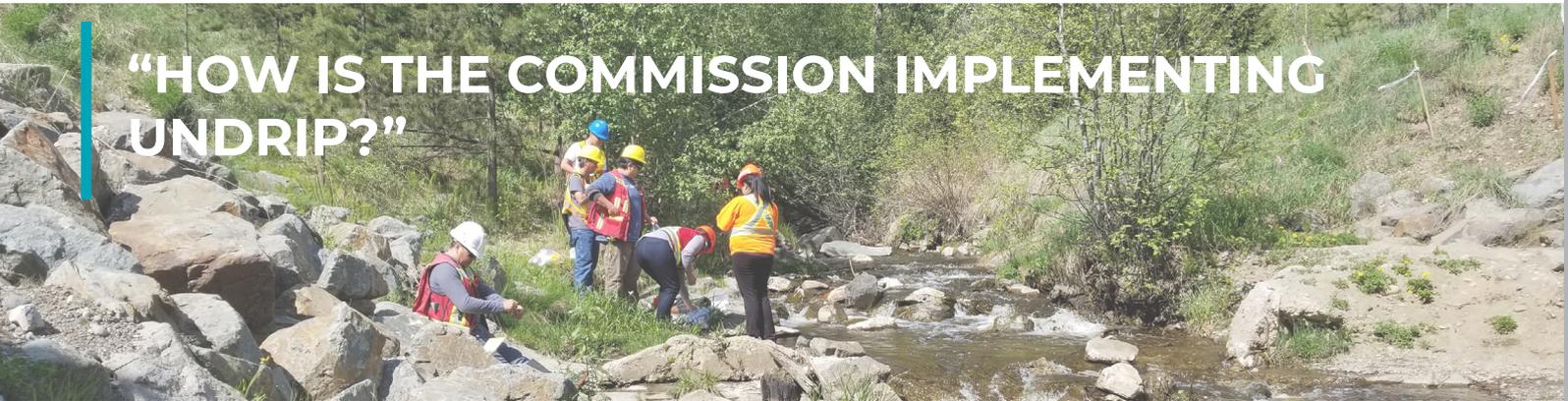
LOCAL GOVERNMENT ENGAGEMENT

Our Stakeholder Relations staff met with municipal councils in several northeast B.C. communities in the fall of 2019. These meetings were opportunities to get to know one another, discuss the Commission's work, and gather information about any matters local government and their constituents have about oil and gas activities. Ultimately, we want to foster the Commission's understanding of community-based concerns and create the best approach for addressing each one.

Common to most discussions was the desire for more information; mayors, councillors and other municipal representatives want answers at the ready when questions or concerns come to them. The Commission

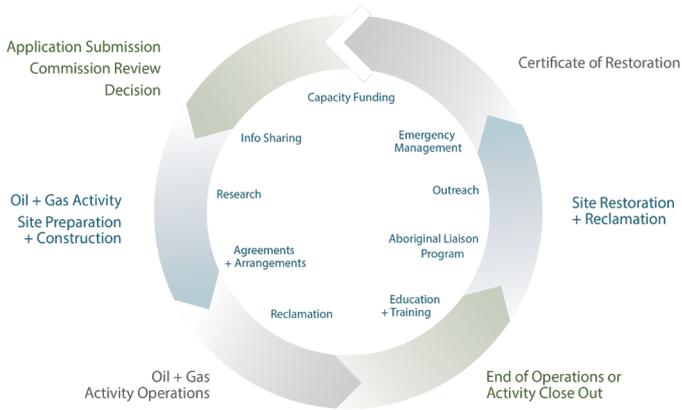
is supporting local government by sending updated and new information to community officials as it becomes available. To date, we have provided Industry Bulletins, Information Bulletins and Safety Advisories, via email, shortly after they are published. We also talked about the Commission's new website, which is much more user-friendly than the previous version, and is found online at www.bcogc.ca.

Everyone agreed regular meetings are critical to building positive and collaborative working relationships. Some communities want quarterly meetings while others prefer biannual and we are receptive to whatever works best for each municipal council.



We are asked this question more frequently since the Province of B.C. passed the Declaration on the Rights of Indigenous Peoples Act (Act) in November 2019. The Act commits to aligning provincial laws with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in support of reconciliation.

As a Crown agency, the Commission has been contributing to provincial reconciliation efforts since its inception in 1998. Our approach is rooted in collaborative efforts and partnerships with Indigenous communities throughout the regulatory lifecycle from the development of regulations, to consultation on applications, through to compliance and site restoration. Woven throughout are capacity building opportunities, such as the Aboriginal Liaison Program and the Indigenous Education Program, to support communities' ability to work with the Commission. Likewise, the Commission provides training and learning opportunities for our staff so we can effectively work with Indigenous communities across the province. These efforts aim to develop mutually-beneficial, collaborative working relationships between Indigenous communities and the Commission and to ensure the interests of Indigenous peoples are understood, respected and considered in the delivery of our mandate.



The Commission collaborates with Indigenous groups throughout the regulatory lifecycle.

ENGAGEMENT ON REGULATORY CHANGE

WHAT'S UP?

The Commission has a policy of continuous improvement for the oil and gas regulatory framework. When a proposal for regulatory change is being considered, engagement will help to inform the best policy change possible, given multiple interests. Engagement with Indigenous Peoples and stakeholders is one way the Commission is working hard through its values of transparency, innovation, integrity, respect and responsiveness to help meet government's commitment to responsible and inclusive governance.

The Commission is looking to engage people more regularly on proposed policy and regulatory change. Possible modes of engagement include this newsletter, webinars, workshops, social media and email. Engagement looks to inform and receive feedback from people on potential regulatory change. It helps the Commission make better decisions by understanding what people consider important. The type of engagement will vary depending on the nature of the proposed change.

We hope to learn about your values, preferences and needs; to identify issues and possible solutions; and to hear your ideas and alternatives.

The Commission's goals of engagement include an approach more inclusive of Indigenous Peoples and stakeholders whose voices are heard in the implementation of change.



NEW METHANE EMISSIONS REGULATIONS



These regulations are expected to have the same effect as taking 390,000 cars off the road each year.

390,000



New regulations will reduce methane emissions in the upstream natural gas and oil industry by 45 per cent by 2025.

The Commission worked with government, environmental organizations and industry to establish new regulations that will reduce methane emissions in the upstream natural gas and oil industry by 45 per cent by 2025. These came into effect on Jan. 1, 2020 and are expected to have the same effect as taking 390,000 cars off the road each year, reducing methane emissions by 10.9 megatonnes of carbon dioxide equivalent over 10 years.

The new regulations support the Province's CleanBC plan and address the primary sources of methane emissions, including pneumatic devices and equipment leaks (also called fugitive emissions), and compressor seals, glycol dehydrators, storage tanks and surface casing vents.

The Commission published a new Fugitive Emissions Management Guideline and a Leak Detection and Repair Data Collection Template to support the implementation of the regulations. These include detailed annual reporting requirements to the Commission with the first submission due in 2021. We will use the data collected to confirm compliance with the regulations, assess and report on progress achieved towards reduction goals and to improve our understanding of emissions from the sector.

The BC Oil & Gas Methane Emissions Research Collaborative (MERC), is a joint initiative between industry, government, the Commission and non-profits with the goal of advancing research on methane emissions from oil and gas activity to support B.C.'s methane emission reduction targets. The Commission is collaborating with the MERC on research activities that will contribute to its understanding of methane emissions and support a planned review of the efficiency and effectiveness of its methane regulations in 2022.

PIPELINE REGULATION UPDATES

The Commission's Pipeline Regulation was amended in March 2020. This regulation covers technical requirements related to pipelines through their lifecycle including design, construction, operation, and decommissioning. The amendments will result in improvements to the operation of pipeline systems in B.C. such as:

- Enhancing requirements for Safety and Loss Management Systems by making the guidelines in Annex A of CSA Z662 mandatory for pipeline permit holders. CSA Z662 is a national standard for pipeline systems that is referenced in the Pipeline Regulation. A Safety and Loss Management System is a set of processes for the management of pipeline safety and the prevention of losses.
- Adding a requirement for permit holders to maintain pipeline rights-of-way so that they are free of debris and derelict equipment.
- Requiring BC 1 Call registration for all pipelines, not just active ones. BC 1 Call provides a single point of contact to obtain information on buried infrastructure prior to conducting ground disturbance activities (call before you dig). For more information on BC 1 Call and

guidelines for safe excavation, go to www.bc1c.ca.

- Amending pipeline deactivation requirements to apply to newly constructed pipelines in addition to those that have been active and allow for permit holders to submit a pipeline deactivation plan, which better aligns deactivation requirements with the regulatory requirements for Dormant Sites.
- Requiring pipeline integrity management plans for pipeline construction. Previously these plans were required when a pipeline began operation.
- Updating the requirements for post-construction drawings of pipelines to be consistent with other Commission regulations and updated guidelines from Engineers and Geoscientists of B.C.

These changes enhance the Commission's regulatory framework and will ensure the ongoing safe and environmentally responsible construction, operation and decommissioning of pipelines in B.C.

CONSULTATION & NOTIFICATION REGULATION WE HEARD YOU

Before a company brings a new oil and gas activity into a community, those nearby need a chance to learn about these plans and bring any concerns forward. The Consultation and Notification (C&N) Regulation built a framework for dialogue, dictating when activities trigger engagement with people, timeframes for discussion, and what information is valuable for review.

While people want to discuss new activities or large changes to existing ones, having to review and respond to minor changes is time consuming and inefficient. We recognize people prefer to concentrate their energies on those activities or changes most likely to affect their properties.

We understand there are challenges in responding to a company's planned activity in a short time, and are reviewing that time frame.

Many of you have asked for more fulsome information, particularly regarding changes in noise, dust, odour, and light resulting from a proposed activity. Both the regulation and companion guidance could consider this.

We are currently reviewing the C&N Regulation and working to improve it in a way that will balance everyone's needs during C&N. Please contact RegulatoryAffairs@bcogc.ca with any questions.



COMPLIANCE & ENFORCEMENT UPDATE

The Commission's Compliance and Enforcement (C&E) branch works to ensure permitted oil and gas activities comply with the Oil and Gas Activities Act, related regulations, specified enactments and other applicable legislation.

Compliance is accomplished through proactive monitoring and inspection of permit holder activities, investigation of alleged non-compliances, and enforcement. We also respond to incidents and stakeholder complaints in the field, lead the Commission's drone program, and operate the Commission's air quality monitoring equipment, which includes the Commission Air Monitoring Environmental Laboratory and the Roaming Air Monitor.

Field inspection operations have kept our C&E officers very busy over the past few months. Between January and March we completed about 1,400 inspections. Although most occurred in the Fort Nelson, Fort St. John, and Dawson Creek areas, we are active throughout the province. We've done over 100 inspections on Coastal GasLink and LNG Canada since construction started, and we are active on the Vancouver Airport Fuel Delivery pipeline project as well.

Despite the challenges of the COVID-19 pandemic, we have been productive in the field while maintaining physical distancing requirements and restricting travel. We are currently starting our spring/summer inspection program, and our drone pilots will be working to document dormant sites, dug outs, water hubs and dams this summer.



If you have an inquiry or concern about an oil and gas activity, please call us at 250-794-5200, or by mail to:

**6534 Airport Rd, Fort St. John, B.C.
V1J 4M6**
Tel: 250-794-5200
Fax: 250-794-5378

**3-1445 102 Ave, Dawson Creek, B.C.
V1G 2E1**
Tel: 250-795-2140
Fax: 250-795-2149

LIABILITY MANAGEMENT OF OIL AND GAS SITES IN B.C.

What is Liability Management? For the Commission, Liability Management means working to safeguard the environment and to hold industry accountable. The Commission has two core programs for managing liability: the Dormant Sites Program and the Liability Management Rating (LMR) program.

DORMANT SITES PROGRAM

The Dormant Sites Program launched in May 2019 and imposes timelines for the cleanup of oil and gas sites that are considered dormant (limited activity for five consecutive years). Sites are categorized based on historic activity and each type of site has intermediate and final site cleanup timelines that must be met.

Clean-up occurs in three stages:

1. Decommissioning involves permanently plugging the well and removing surface equipment.
2. Assessment involves investigating the site for any potential contamination.
3. Restoration involves cleaning up any contamination (remediation), redistributing salvaged soils, re-contouring the original slope and drainage, and re-vegetating the site (reclamation).

The Dormant Sites Program first addresses the historical backlog of dormant sites that have not been cleaned up. This historical backlog represents approximately 1/3 of all oil and gas sites in B.C. When the Dormant Sites Program is fully implemented, dormant sites will be required to be decommissioned within five years. Following decommissioning, assessment must occur within two years. Finally, restoration must be completed within 10 years of a site becoming dormant.

The Dormant Sites Program will dramatically reduce the number of inactive sites and will reduce the footprint of oil and gas activity on the landscape of northeast B.C.

THE LMR PROGRAM

In 2010, the Commission launched the Liability Management Rating (LMR) Program to manage the financial risks of oil and gas activities. The objective of the program is to ensure oil and gas permit holders are financially responsible for the cleanup of their sites. The LMR Program accomplishes this by collecting security deposits from permit holders if their LMR falls below 1.0. The LMR is calculated using the permit holder's production over the past 12 months, existing security, and the liabilities associated with their oil and gas wells and facilities.

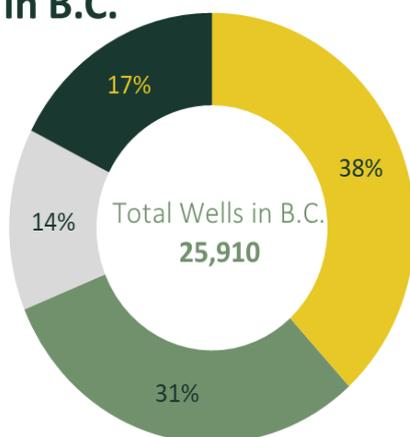
While the LMR program has resulted in a substantial increase in security deposits collected, it has not been sufficient to prevent an increase in the number of orphan sites. To address this, the Commission is developing new tools to monitor the corporate health of permit holders. In March 2020, the Commission implemented an updated liability model to more accurately track the liability of wells and facilities across the lifecycle of oil and gas activities.

Well Populations in B.C.

- Active Wells
- Inactive Wells
- Abandoned Wells
- Wells with a Certificate of Restoration

Orphan wells can be in all categories, except 'Active Wells'

Excludes wells under development



Watch for further information on how the Commission plans to utilize funds provided by the Government of Canada's COVID-19 stimulus package for additional work on orphan sites. In 2019, the Commission developed a [Comprehensive Liability Management Plan](#), which details the steps and actions taken by the Commission to reclaim oil and gas sites, and makes B.C. the first province in western Canada to impose in law timelines for the cleanup of wells.

BC

WINTER GAMES

Fort St. John was chosen as the host city for the 2020 BC Winter Games and the Commission was proud to provide corporate sponsorship and encouraged staff members to lend a hand where they could. We all knew it would take a community-wide effort to pull it off.

Jody (Senior Advisor, Permit Administration) volunteered all four days of the games, each day at a different event. She found herself wanting to volunteer for many reasons: she has had children in sports and knows how hard it is to run an event without volunteers; she enjoys getting out and visiting with different folks; and she loves giving back to the community.

Cierra (Environmental Management Technologist) joined the Games' Environmental Logistics team, with the goal of making the weekend as close to "zero waste" as possible. She directed athletes, coaches, and the public to put waste in the correct bins, sorted waste, and hauled waste to their proper locations.

Volunteering at events like the Winter Games is supported by the Commission, which encourages employees to volunteer their skills, expertise and efforts in the communities where we live, work and play.



TO LEARN MORE ABOUT THE WORK WE'RE DOING

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BCOGC.CA

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 **FOLLOW US ON INSTAGRAM:** @BCOGC

 **EMAIL US: OGC.**
WEBADMIN@BCOGC.CA

 **FOLLOW US ON TWITTER:** @BCOGC

 **SIGN UP TO RECEIVE THE COMMUNITY CONNECTOR NEWSLETTER:**
STAKEHOLDER@BCOGC.CA

You may have noticed... the Commission has a fresh new website (bcogc.ca) that is modern, up-to-date and easier to use (it also works great on a mobile phone). We hope you enjoy it and you can provide feedback directly by clicking the vertical green bar that says "Website Feedback" on the right hand side of all pages on the site.

