

IN THE MATTER of a CONTRAVENTION  
of the *OIL AND GAS ACTIVITIES ACT*  
[SBC 2008] Chapter 36  
before  
The BC OIL AND GAS COMMISSION  
Case File 2018-019DC

BETWEEN

The BC Oil and Gas Commission

AND

Leucrotta Exploration Inc.

AND

Remote OTS Ltd.

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ADMINISTRATIVE FINDING

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Before

Andy Johnson, Vice President,  
Operations

Representing the Oil and Gas Commission

Kate Mana, Compliance and  
Enforcement Officer

Representing Leucrotta Exploration Inc.

Terry Trudeau, COO & VP Operations

Representing Remote OTS Ltd.

John Gruber, Counsel

Decision Date

June 17, 2021

## Introduction:

1. On November 9, 2018, Leucrotta Exploration Inc. (Leucrotta) notified the BC Oil and Gas Commission of an incident at wellsite location (LDS) 8-22-81-14 in Doe River, British Columbia. Leucrotta subsequently provided additional information and an investigation commenced and culminated in the creation of a Contravention Report (the Report).
2. The Report was prepared by a Compliance and Enforcement Officer and sent to me by the Director, Compliance and Enforcement alleging that Leucrotta and Remote OTS Ltd. (Remote) an on-site contractor, contravened sections 13(1)(a), 51(1)(c), and 16(1)(a) of the *Drilling and Production Regulation* (DPR).
3. On November 30, 2020, the BC Oil and Gas Commission sent Leucrotta a letter and the Report informing Leucrotta that the Commission was considering making a finding that Leucrotta contravened sections 13(1)(a), 51(1)(c), and 16(1)(a) of the DPR. The letter informed Leucrotta of its opportunity to be heard in written form (the Leucrotta OTBH Letter) and advised that a finding of contravention might result in the Commission imposing an administrative penalty in accordance with section 63 of OGAA.
4. Leucrotta provided a response in a letter dated January 5, 2021 (the First Leucrotta Response).
5. On November 30, 2020, the Commission sent Remote a letter and the Report informing Remote that the Commission was considering making a finding that Remote contravened sections 13(1)(a), 51(1)(c), and 16(1)(a) of the DPR. The letter informed Remote of its opportunity to be heard in written form (the Remote OTBH Letter) and advised that a finding of contravention might result in the Commission imposing an administrative penalty in accordance with section 63 of OGAA.
6. Remote provided a response in a letter dated February 5, 2021 (the First Remote Response).
7. On February 11, 2021, Leucrotta was provided with the First Remote Response. Similarly, Remote was provided with the First Leucrotta Response. Leucrotta and Remote were each provided an opportunity to review the response and present any additional submissions or evidence relating to the contravention. Leucrotta provided a response in a letter dated February 25, 2021 (the Second Leucrotta Response). Remote provided a response in a letter dated February 26, 2021 (the Second Remote Response).
8. I have been delegated authority under sections 62 and 63 of OGAA. I will be making a determination with regards to: whether Leucrotta contravened sections 13(1)(a), 51(1)(c), and 16(1)(a) of the DPR; whether Remote contravened sections 13(1)(a), 51(1)(c), and 16(1)(a) of the DPR; whether to impose an administrative penalty under section 63 of OGAA to Leucrotta and/or Remote; and the amount of the penalties, if any. I have reviewed the Report, the First and Second Leucrotta Responses and the

First and Second Remote Responses. In making a determination, I rely on these documents, and the applicable legislation.

### **Applicable Legislation**

9. Section 13(1)(a) of the DPR states that a well permit holder must ensure that there is a sufficient number of trained and competent individuals carrying out well operations for those operations to be carried out safely and without causing pollution.
10. Maximum penalties for specific violations are set by regulation. Section 5(2) of the *Administrative Penalties Regulation (APR)* provides that a person who contravenes section 13 of the DPR is liable to an administrative penalty not exceeding \$250,000.”
11. Section 51(1)(c) of the DPR states:  
  
51(1) A well permit holder must ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances or refuse from a well, tank or other facility do not do any of the following:  
  
    (c) run over, pollute or damage any land or public road;
12. Section 5(1) of the APR provides that a person who contravenes section 51(1) of the DPR is liable to an administrative penalty not exceeding \$500,000.”
13. Section 16(1)(a) of the DPR states that a well permit holder must ensure that all tools and equipment used in well operations, production, injection or disposal are installed and operated in accordance with the manufacturer’s specifications or sound engineering practices.
14. Section 5(1) of the APR provides that a person who contravenes section 16(1)(a) of the DPR is liable to an administrative penalty not exceeding \$500,000.
15. Section 62(1) of OGAA states that, after providing an opportunity to be heard to a person who is alleged to have contravened a provision of the Act, the regulations, a permit, an authorization or an order, the Commission may find that the person has contravened the provision.
16. Section 62(4) of the OGAA states that if a person contravenes a provision referred to in subsection (1), any other person who (a) is directly or indirectly responsible for the act or omission that constitutes the contravention, and (b) is a contractor, employee or agent of the person or of an other person described in paragraph (a) also contravenes the provision.
17. Section 62(5) of OGAA states, in part, that the Commission may not find that a person has contravened a provision of OGAA or the regulations if the person demonstrates to the satisfaction of the Commission that they exercised due diligence to prevent the contravention.

18. Section 63(1) states that, if the Commission finds that a person contravened a provision of OGAA or its regulations, the Commission may impose an administrative penalty. Section 63(2) of OGAA sets out the factors that must be considered when determining whether to impose an administrative penalty under section 63(1) and the amount of the penalty. These include:
- (a) previous contraventions by, administrative penalties imposed on, or orders issued to the person;
  - (b) the gravity and magnitude of the contravention;
  - (c) the extent of harm to others resulting from the contravention;
  - (d) whether the contravention was repeated or continuous;
  - (e) whether the contravention was deliberate;
  - (f) any economic benefit derived by the person from the contravention;
  - (g) the person's efforts to prevent and correct the contravention; and
  - (h) other prescribed matters.

## **Background**

19. On November 9, 2018, the Commission was notified by Leucrotta of an incident that had occurred at wellsite location (DLS) 8-22-81-14 in Doe River, British Columbia. The initial incident reported to the Commission via the Emergency Management BC Reporting line described the event as "line break on low stage test vessel, material spilled to ground. Clean up will commence in the am. No waterways affected. Leak has been stopped".
20. Subsequent to this initial incident notification, further information was provided to the Commission that the low stage vessel was operated by Remote and that a Remote on-site worker had been sprayed with hydrogen peroxide.
21. Remote had been hired by Leucrotta to treat hydrogen sulfide (H<sub>2</sub>S) in produced water at the site which included the supply of chemicals, personnel, and equipment to complete this task.
22. During the process of treating the produced water there was a high energy rupture of piping on Remote's equipment that created both a spill onsite of approximately 1100 litres of 50% hydrogen peroxide and another 4.5m<sup>3</sup> of produced water and caused chemical burns to Remote's operator operating the treatment equipment.

## **Issues**

23. The issues which I will decide are:

### Section 13(1)(a) of the DPR:

- Did Leucrotta fail to ensure that there was a sufficient number of trained and competent individuals carrying out well operations for those operations to be carried out safely and without causing pollution?

- Did Leucrotta exercise due diligence in its efforts to ensure that there was a sufficient number of trained and competent individuals carrying out well operations for those operations to be carried out safely and without causing pollution?
- Did Leucrotta contravene section 13(1)(a) of the DPR?
- If Leucrotta contravened section 13(1)(a), was Remote, as Leucrotta's contractor, directly or indirectly responsible for the act or omission that constituted the contravention?
- Did Remote exercise due diligence in its efforts to ensure that there was a sufficient number of trained and competent individuals carrying out well operations for those operations to be carried out safely and without causing pollution?
- Did Remote contravene section 13(1)(a) of the DPR?

Section 51(1)(c) of the DPR:

- Did Leucrotta fail to ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances or refuse from a well, tank or other facility, did not run over, pollute or damage any land or public road?
- Did Leucrotta exercise due diligence in its efforts to ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances or refuse from a well, tank or other facility, did not run over, pollute or damage any land or public road?
- Did Leucrotta contravene section 51(1)(c) of the DPR?
- If Leucrotta contravened section 51(1)(c) of the DPR, was Remote, as Leucrotta's contractor, directly or indirectly responsible for the act or omission that constituted the contravention?
- Did Remote exercise due diligence in its efforts to ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances or refuse from a well, tank or other facility, did not run over, pollute or damage any land or public road?
- Did Remote contravene section 51(1)(c) of the DPR?

Section 16(1)(a) of the DPR:

- Did Leucrotta fail to ensure that all tools and equipment used in well operations were installed and operated in accordance with the manufacturer's specifications or sound engineering practices?
- Did Leucrotta exercise due diligence in its efforts to ensure that all tools and equipment used in well operations were installed and operated in accordance with the manufacturer's specifications or sound engineering practices?
- Did Leucrotta contravene section 16(1)(a) of the DPR?
- If Leucrotta contravened section 16(1)(a) of the DPR, was Remote, as Leucrotta's contractor, directly or indirectly responsible for the act or omission that constituted the contravention?
- Did Remote exercise due diligence in its efforts to ensure that all tools and equipment used in well operations were installed and operated in accordance with the manufacturer's specifications or sound engineering practices?
- Did Remote contravene section 16(1)(a) of the DPR?

## Section 63 of OGAA

- If Leucrotta is found to have contravened sections 13(1)(a), 51(1)(c) and/or 16(1)(a) of the DPR what if any, administrative penalty to impose?
- If Remote is found to have contravened sections 13(1)(a), 51(1)(c) and/or 16(1)(a) what if any, administrative penalty to impose?

## **Section 13(1)(a) of the DPR:**

Did Leucrotta fail to ensure that there was a sufficient number of trained and competent individuals carrying out well operations for those operations to be carried out safely and without causing pollution?

24. Leucrotta hired Remote to complete treatment of sour produced water from Leucrotta's B8-22-81-14W6M well. To complete the treatment, Remote employed hydrogen peroxide.
25. Leucrotta relied on its contractor to carry out the treatment with individuals who were sufficiently trained and competent in the procedure. Leucrotta suggests that it could not have anticipated the necessary individuals because it was unaware that Remote substituted chlorine dioxide with hydrogen peroxide to complete the treatment without their knowledge.
26. In its First Response, Remote suggests that its employees received "specific training with respect to this particular assignment for Leucrotta". However, Remote provided no training records to substantiate this assertion. There was a single employee from Remote engaged in the treatment process. Remote provided the employee's curriculum vitae and noted he had "lots of field experience" but did not identify specific qualifications or training in the treatment of sour produced water with hydrogen peroxide.
27. Six other onsite workers were present at the site, including Leucrotta's on-site contract supervisor, three persons operating well production high stage and low stage separators, a medic and a truck driver to transfer treated water. These persons were not employed by Remote and there was no evidence submitted as to their training or experience in treating sour produced water with hydrogen peroxide.
28. Leucrotta does not dispute the fact that the individuals at the site were insufficiently trained and competent to carry out the treatment of the sour produced water. Although Leucrotta relied on its contractor, there was no evidence that the single person Remote employed had the requisite training or competence to perform the work.
29. Therefore, I find that Leucrotta failed to ensure that there was a sufficient number of trained and competent individuals carrying out well operations for those operations to be carried out safely and without causing pollution.

Did Leucrotta exercise due diligence in its efforts to ensure that there was a sufficient number of trained and competent individuals carrying out well operations for those operations to be carried out safely and without causing pollution?

30. Pursuant to section 62(5) of the OGAA, I may not find Leucrotta contravened section 13(1)(a) of the DPR if Leucrotta demonstrates to my satisfaction that it exercised due diligence to prevent the contravention. The test to be applied is whether Leucrotta has demonstrated that it took all reasonable steps to prevent the contravention.
31. In its Responses, Leucrotta denies knowing that Remote would use hydrogen peroxide as the treatment method and therefore was unaware of any obligation to ensure differently trained individuals carry out the treatment.
32. Both Leucrotta and Remote acknowledge that significant communication regarding the treatment process was conducted verbally and Leucrotta's post-incident investigation observed that Leucrotta and Remote did not sign a formal service agreement. In the absence of any formal agreement, Leucrotta had no mechanism by which it could set out its expectations with respect to the scope of work, including potential changes to that scope of work, nor did it have a mechanism to direct or require individuals with required training or experience to complete the treatment.
33. In its First Response, Remote concedes that discussions regarding the proposed treatment process was primarily conducted "over the phone". This assertion is supported by the lengthy email records between employees of Leucrotta and Remote included in the Report that suggest many particulars of the scope of work were confirmed orally.
34. Leucrotta does not dispute that there were no formal terms and conditions or a contractual scope of work, only that the evidence supports its assertion that the change in treatment process was made without its knowledge.
35. I find no evidence that Leucrotta took reasonable steps to ensure that there was a sufficient number of trained and competent individuals carrying out of the treatment of sour produced water. Leucrotta cannot simply rely on its lack of awareness to suggest that no other steps were necessary when it had no mechanisms or procedures to direct the work or keep itself informed. At a minimum, Leucrotta could have implemented a written agreement outlining the scope of work and expectations regarding the necessary competency of persons performing the treatment process with its contractor.
36. Therefore, Leucrotta has failed to satisfy me that it took all reasonable steps to prevent the contravention.

Did Leucrotta contravene section 13(1)(a) of the DPR?

37. I find that Leucrotta failed to ensure that there was a sufficient number of trained and competent individuals carrying out well operations for those operations to be carried out safely and without causing pollution. I am not satisfied that Leucrotta exercised due diligence to prevent the contravention. As such, I find that Leucrotta contravened section 13(1)(a) of the DPR.

If Leucrotta contravened section 13(1)(a) of the DPR, was Remote, as Leucrotta's contractor, directly or indirectly responsible for the act or omission that constituted the contravention?

38. Section 13(1)(a) of the DPR requires a **well permit holder** to ensure that there is a sufficient number of trained and competent individuals carrying out well operations for those operations to be carried out safely and without causing pollution. The Report includes an amendment to the permit for the well, which identifies Leucrotta as the well permit holder. The identity of the well permit holder is undisputed in evidence.
39. Although Remote is not the well permit holder, section 62(4) of OGAA provides that if a person contravenes a provision, any other person who (a) is directly or indirectly responsible for the act or omission that constitutes the contravention, and (b) is a contractor, employee or agent of the person or of an other person described in paragraph (a) also contravenes the provision. Based on my conclusions above, I have found Leucrotta contravened section 13(1)(a) of the DPR. I also note that the Report identifies that Remote was a contractor of Leucrotta, which Remote has not disputed. Therefore, I accept that Remote was a contractor of Leucrotta.
40. I must therefore consider whether Remote was directly or indirectly responsible for the contravention of Leucrotta.
41. As previously noted, Remote suggests that its employees received "specific training with respect to this particular assignment for Leucrotta" but did not provide any training records to substantiate this assertion. Rather, the evidence submitted by Remote during the investigation suggests that the training and procedures to ensure appropriate staff were not yet in place at the time of the incident.
42. In particular, Remote's HSE & Operations Supervisor acknowledged that Remote did not have a written procedure for the use of hydrogen peroxide and was still in the process of developing one as part of this undertaking. Remote further indicated that they had a single employee on site at the time of the incident and only noted that he had "lots of field experience" as relevant to his training and competency. Remote's own incident investigation stated that "Remote OTS workers on site were not experienced in the use of hydrogen peroxide to treat sour solution because this was the first time it was being used for Remote OTS in Canada."
43. As a result, Remote did not have a sufficient number of trained and competent individuals carrying out the treatment of sour produced water for those operations to be carried out safely and without causing pollution. This failure by Remote directly resulted in the contravention by Leucrotta of section 13(1)(a) of the DPR.

Did Remote exercise due diligence in its efforts to ensure that there was a sufficient number of trained and competent individuals carrying out well operations for those operations to be carried out safely and without causing pollution?

44. Remote provided no evidence of any policies or procedures related to the training and competency of its employees engaged in the treatment of sour produced water. As Remote acknowledged, it was only in the process of developing a written

procedure for the use of hydrogen peroxide as part of the work for Remote when the incident occurred.

45. Remote has failed to satisfy me that it took all reasonable steps to prevent the contravention.

Did Remote contravene section 13(1)(a) of the DPR?

46. I find that Remote failed to ensure that there was a sufficient number of trained and competent individuals carrying out well operations for those operations to be carried out safely and without causing pollution. I am not satisfied that Remote exercised due diligence to prevent the contravention. As such, I find that Remote contravened section 13(1)(a) of the DPR.

**Section 51(1)(c) of the DPR:**

Did Leucrotta fail to ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances or refuse from a well, tank or other facility, did not run over, pollute or damage any land or public road?

47. The Report alleges that Leucrotta failed to ensure that produced water, effluent and hydrogen peroxide did not spill on the ground as a result of the treatment of sour produced water. The incident investigation report completed by Leucrotta indicates that there was an uncontrolled release of hydrogen peroxide and well effluent of 1,100 litres over the lease area. The release was the result of a high energy rupture that blew the line off of the two stage separator which punctured a hole in the hydrogen peroxide tank. As a result, hydrogen peroxide spilled onto an employee and the ground. Leucrotta did not dispute the fact that there was a spill as a result of the blown line and the hydrogen peroxide tank.
48. I find that Leucrotta failed to ensure that produced water, effluent and hydrogen peroxide did not run over, pollute or damage any land or public road.

Did Leucrotta exercise due diligence in its efforts to ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances or refuse from a well, tank or other facility, did not run over, pollute or damage any land or public road?

49. Pursuant to section 62(5) of the OGAA, I may not find Leucrotta contravened section 51(1)(c) of the DPR if Leucrotta demonstrates to my satisfaction that it exercised due diligence to prevent the contravention. The test to be applied is whether Leucrotta has demonstrated that it took all reasonable steps to prevent the contravention.
50. In its Responses, Leucrotta denies knowing that Remote would use hydrogen peroxide as the treatment method and therefore cannot be responsible for a spill resulting from the use of a chemical it had not approved.
51. As previously noted, Leucrotta does not dispute that there were no formal terms and conditions or a contractual scope of work, only that the evidence supports its assertion that the change in treatment process was made without its knowledge.

52. I find no evidence that Leucrotta took reasonable steps to ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances or refuse from a well, tank or other facility, did not run over, pollute or damage any land or public road. At a minimum, Leucrotta could have implemented a written agreement outlining the scope of work and expectations with its contractor to ensure that the appropriate treatment process was followed and thereby potentially avoid the incident.
53. Leucrotta has failed to satisfy me that it took all reasonable steps to prevent the contravention.

Did Leucrotta contravene section 51(1)(c) of the DPR?

54. I find that Leucrotta has failed to ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances or refuse from a well, tank or other facility, did not run over, pollute or damage any land or public road.

If Leucrotta contravened section 51(1)(c) of the DPR, was Remote as Leucrotta's contractor, directly or indirectly responsible for the act or omission that constituted the contravention?

55. Section 51(1)(c) of the DPR requires a well permit holder to ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances or refuse from a well, tank or other facility, did not run over, pollute or damage any land or public road. Again, Remote is not the well permit holder. I must therefore consider, in accordance with section 62(4) of OGAA, if Remote, as Leucrotta's contractor, had a role (direct or indirect) in the contravention of section 51(1)(c).
56. Remote argues that it was not responsible for the spill because it was caused by the use of equipment owned and operated by Lochend, a third party onsite. While it is possible that equipment from Lochend contributed to the spill, which I do not conclude, the fact that another party may have contributed to the incident does not mean that Remote may also have been directly or indirectly responsible for the spill.
57. There is no dispute that Remote was in charge of the treatment process as the contracted completion supervisor and Remote acknowledges that it was operating the equipment that resulted in the spill of hydrogen peroxide and produced water. Remote employees conducted the treatment process using its own chemicals and connected its own equipment to the site. As a result, I am satisfied that Remote was directly operating the equipment responsible for the spill.
58. Therefore, I find that Remote had direct responsibility for the failure to ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances, or refuse from a well, tank or other facility, did not run over, pollute or damage any land or public road.

Did Remote exercise due diligence in its efforts to ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances or refuse from a well, tank or other facility, did not run over, pollute or damage any land or public road?

59. Remote acknowledged that it did not have a written procedure specifically for the use of hydrogen peroxide. In its Response, Remote suggests that the process for using hydrogen peroxide should not be considered separate as the use of hydrogen peroxide and chlorine dioxide both “involve the injection of chemicals into a flow stream and the handling of chemicals.”
60. However, Remote’s own incident investigation acknowledged that the work procedure used by Remote was for chlorine dioxide and not hydrogen peroxide and that this was the first time Remote used hydrogen peroxide to treat sour produced water in Canada. As noted previously, Remote was still in the process of developing a separate written procedure for the use of hydrogen peroxide at the time of the incident.
61. The fact that the use of chlorine dioxide and hydrogen peroxide both involve the injection of chemicals into a flow stream is not persuasive that the same procedure can be used for each circumstance. Remote was undoubtedly aware of this given they felt the need to develop a separate written procedure for the use of hydrogen peroxide.
62. In its Response, Remote also suggests that it exercised due diligence by relying on the infrastructure of the third party, Lochend, and ensuring adequately trained staff. I have already observed that Remote’s incident investigation stated that Remote’s on-site employees “were not experienced in the use of hydrogen peroxide to treat sour solution”. In any event, while Remote may rely on a third party to perform its work, Remote provided no evidence of any steps it undertook to ensure that the third party’s infrastructure was suitable for the proposed treatment process.
63. Remote has failed to satisfy me that it took all reasonable steps to prevent the contravention.

Did Remote contravene section 51(1)(c) of the DPR?

64. I find that Remote failed to ensure that formation water, oil, drilling fluid, completion fluid, waste, chemical substances or refuse from a well, tank or other facility, did not run over, pollute or damage any land or public road. I am not satisfied that Remote exercised due diligence to prevent the contravention. As such, I find that Remote contravened section 51(1)(c) of the DPR.

**Section 16(1)(a) of the DPR:**

Did Leucrotta fail to ensure that all tools and equipment used in well operations were installed and operated in accordance with the manufacturer’s specifications or sound engineering practices?

65. Completion operations used hydrogen peroxide for the purpose of treating sour produced water from Leucrotta’s well. The Report alleges that the injection of hydrogen peroxide in the piping system that was not configured to prevent pressure buildup was not consistent with sound engineering practices.
66. Remote submitted a report from Altec Inspection Ltd. contesting that the injection of hydrogen peroxide was the cause of the high-energy rupture. Although the rupture

itself was highly dangerous and resulted in serious injury to a Remote employee, the cause of the rupture is not relevant to my determination. Rather, I must determine whether the use of hydrogen peroxide itself for treating sour produced water in Leucrotta's equipment was done in accordance with sound engineering practices.

67. The parties do not dispute that the use of hydrogen peroxide as a treatment for sour produced water has limitations and requires implementation of certain safety measures for its safe use. However, I am not satisfied that there is sufficient evidence before me to determine the relevant sound engineering practices that should have been employed during the treatment process.
68. Although the Report contains information on risks associated with the use of hydrogen peroxide generally, including safe handling and storage, this information addresses general risks associated with the use of hydrogen peroxide. The information does not address manufacturer's specifications or engineering practices specific to the use of hydrogen peroxide for the treatment of sour water in the context of the oil and gas industry.
69. In the absence of clear evidence of the applicable practices, I find that there is no contravention of section 16(1)(a) of the DPR.
70. As I have concluded there is no contravention of section 16(1)(a) of the DPR, I do not need to consider whether Leucrotta exercised due diligence.
71. As I have concluded there is no contravention of section 16(1)(a) of the DPR by Leucrotta, I do not need to consider whether Remote, as Leucrotta's contractor, was directly or indirectly responsible for the act or omission that constituted the contravention.

If Leucrotta is found to have contravened sections 13(1)(a), 51(1)(c) and/or 16(1)(a) of the DPR what if any, administrative penalty to impose?

72. Section 63 of OGAA sets out factors that the Commission must take into consideration when determining whether or not to impose an administrative penalty. In the following paragraphs, I consider the applicability of those factors to these contraventions.
73. There were no previous contraventions or administrative penalties but at the time of the contravention, Leucrotta had three previous general orders issued and one ticket.
74. The contravention was of significant magnitude. Approximately 1100 litres of 50% hydrogen peroxide was spilled on the site.
75. There was significant harm to others as a result of this contravention. An onsite worker was sprayed with hydrogen peroxide causing serious chemical burns to his eyes and face.
76. The contravention was not deliberate.

77. Leucrotta did not derive any economic benefit from the incident.
78. There is no evidence that the contravention was repeated or continuous and Leucrotta took corrective action after the incident, including completing an onsite audit to include an additional safety inspector for all future drilling and completion operations, as well as developing a contractor management program to inform expectations and requirements for evaluating and selecting contractors.
79. In consideration of the foregoing, I find that Leucrotta contravened sections 13(1)(a) and 51(1)(c) of the DPR. I am imposing an administrative penalty of \$20,000.

If Remote is found to have contravened sections 13(1)(a), 51(1)(c) and/or 16(1)(a) what if any, administrative penalty to impose?

80. Remote has not been subject to any previous contravention decisions, administrative penalties or any general orders at the time of this contravention.
81. The contravention was of significant magnitude. As noted previously, approximately 1100 litres of 50% hydrogen peroxide was spilled on the site.
82. There was significant harm to others as a result of this contravention. An onsite worker was sprayed with hydrogen peroxide causing serious chemical burns to his eyes and face.
83. There is no evidence that the contravention was repeated or continuous.
84. The contravention was not deliberate.
85. Remote did not derive any economic benefit.
86. Remote did not provide any evidence of any policies or procedures that have been implemented or updated to ensure that regulatory requirements will be adhered to despite acknowledging the insufficiency of existing policies and procedures at the time of the incident.
87. In consideration of the foregoing, I find that Remote contravened sections 13(1)(a) and 51(1)(c) of the DPR. I am imposing an administrative penalty of \$20,000.



Andy Johnson  
Vice President, Operations  
BC Oil and Gas Commission

Date: June 17, 2021