

GENERAL ORDER 2018-017
Section 49 *Oil and Gas Activities Act*

Issued to:

Pavilion Energy Corp.
1100, 800-6th Avenue SW
Calgary, Alberta T2P 3G3

Attention: Mr. Cas Morel

Order:

Pursuant to section 49(1)(e) of the *Oil and Gas Activities Act* (the Act), I, Lance Ollenberger, order that Pavilion Energy Corp. (Pavilion) must:

1. Investigate and delineate all areas of potential environmental concerns located within the operating area located at 4-24-86-20 W6M (the operating area) and submit a site classification report to the Oil and Gas Commission (Commission) by October 31, 2018.
2. Conduct groundwater characterization of the operating area and install monitoring wells by October 31, 2018, and continue monitoring groundwater quality until onsite sources are removed and/or naturally attenuated.
3. Submit a revised remediation plan addressing the full extent of contamination to the Commission by October 31, 2018 with implementation of that plan by May 31, 2019.
4. Submit the required investigation and delineation report with revised remediation plan electronically to the Commission to mailbox C&E@bcogc.ca.

Note: The Commission requires that groundwater characterization include characterizing groundwater flow rate/yield and flow direction, chemical characterization and extent of contaminant migration.

Conditions:

- A. This order shall remain in effect until amended or terminated in whole or in part by the Commission.

Reasons:

I make this order for the following reasons:

1. Pavilion is the permit holder of the operating area.

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2. The operating area is located on a privately owned agricultural field within 500 meters of an occupied residence and within 220 meters of a wetland.
3. On May 14, 2018 Commission staff conducted an inspection of the operating area and noted visible staining on the ground on the south side of the heater skid and dehydrator building as well as to the east of the dehydrator near an underground tank. The path of the staining was noted to be travelling south east of the dehydrator building.
4. Pavilion hired Roy Northern Land and Environmental to investigate the staining and provide a remediation plan.
5. On July 12, 2018 the Commission received a report completed by Roy Northern Land and Environmental (the report) on behalf of Pavilion.
6. Commission staff have reviewed the report and note the following issues:
 - i) Vertical delineation to one meter depth shows a significant increase in contamination concentrations with depth and appears it is affecting the groundwater quality in the bedrock aquifer under and around the operating area;
 - ii) Some areas of potential environmental concerns including the flare pit area still need investigation, delineation and remediation as part of the proposed remediation plan; and
 - iii) The proposed remediation plan is not covering the full extent of soil and groundwater contamination. The full extent of soil and groundwater contamination is still unknown.
7. I am of the opinion this order is necessary to protect the environment.

Review and Appeal

Pavilion may request a review of this order under section 70 of the Act by submitting a request for review to: ogc.determinationreviews@bcogc.ca.

Pavilion may appeal this order to the Oil and Gas Appeal Tribunal under section 72 of the Act. The process for appeals may be found at www.ogat.gov.bc.ca and a notice of appeal may be sent to the Oil and Gas Appeal Tribunal at:

Oil and Gas Appeal Tribunal
PO Box 4925 Stn Prov Govt
Victoria, BC V8W 9V1



Lance Ollenberger
Vice President, Operations
BC Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 22nd day of August 2018.