

June 8, 2020

Enforcement File: 20-001FSJ

NorthRiver Midstream Inc.
1400, 888 – 3rd Street SW
Calgary, Alberta
T2P 5C5
Canada

Attention: Mr. Jeff Enns, Regulatory Specialist

RE: Warning: Failure to Comply With a Permit, Oil and Gas Activities Act Section 21(b)(ii)

Dear Mr. Enns,

On December 30, 2019 NorthRiver Midstream Inc. (NorthRiver) self-disclosed two instances of non-compliance to the BC Oil and Gas Commission (Commission) regarding Pipeline Project Numbers 6863-002 (Pipeline 6863-002) and 7103-004 (Pipeline 7103-004).

NorthRiver acquired both pipelines by way of corporate acquisition on October 1, 2018. During a pipeline integrity review in December 2019, NorthRiver became aware of the subject non-compliances.

During this review, it was discovered that NorthRiver had been operating Pipeline 6863-002 at an average H₂S mol% in excess of its licensed maximums from May 2019 to December 2019.

In its self-disclosure submitted to the Commission, NorthRiver states that it been operating Pipeline 7103-004 as an acid gas pipeline since its acquisition in October 2018. Pipeline 7103-004 is currently licensed to transport miscellaneous gases with no specified maximum H₂S mol% content.

The self-disclosure further explained that NorthRiver intended to submit applications to the Commission for consideration regarding their desired amendments to the pipelines' permits. NorthRiver stated that their goal was to have the pipeline permits amended so that continuing to operate Pipelines 6863-002 and 7103-004 as they had been in December 2019 to meet operational requirements would no longer be in non-compliance.

Following NorthRiver's self-disclosure and subsequent communication with the Commission, NorthRiver has committed to operating Pipeline 6863-002 and Pipeline

7103-004 in accordance with their existing permits until such a time that the Commission approves any future amendment applications.

Given the circumstances, NorthRiver is hereby issued 2 warnings only for the following:

1. NorthRiver, on or about October 1, 2018 until December 30, 2019 at or near Fort St. John in the Province of BC, did fail to carry out an oil and gas activity in compliance with a permit issued to NorthRiver contrary to section 21(b)(ii) of the *Oil and Gas Activities Act*.
2. NorthRiver, on or about May 1, 2019 until December 30, 2019 at or near Fort St. John in the Province of BC, did fail to carry out an oil and gas activity in compliance with a permit issued to NorthRiver contrary to section 21(b)(ii) of the *Oil and Gas Activities Act*.

If NorthRiver has any questions about this matter please feel free to contact the undersigned.

Sincerely,

<Original signed by>

Compliance & Enforcement Officer
BC Oil and Gas Commission