

GENERAL ORDER 2017-104
Section 49 *Oil and Gas Activities Act*

Issued to:

Success Energy Ltd.
88 Range Green NW
Calgary, AB T3G 1H3

Attention: Mr. Brent Cooper

Order:

Pursuant to section 49(1)(a) and (b) of the *Oil and Gas Activities Act* (the Act), I, Lance Ollenberger, order that Success Energy Ltd. (Success) must:

1. On or before 4:00 PM, Pacific Standard Time on October 30, 2017, shut-in well WA 04980 (the Well) located at 16-19-085-23 W6M (operating area). The Well shall remain shut-in until otherwise authorized by the BC Oil and Gas Commission (the Commission).
2. On or before 4:00 PM, Pacific Standard Time on November 2, 2017, remove all visible hydrocarbon contaminated surface liquids within the operating area.
3. On or before 4:00 PM, Pacific Standard Time on November 2, 2017 contain the source of the hydrocarbon contamination under and around the leaking production tank to prevent the further movement of contamination.

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:

- i. Success is the permit holder of the Well at the subject location.
- ii. On October 26, 2017, Commission staff conducted an inspection of the operating area and the following observations were noted:
 - a. The facility handles flammable gas. As such, section 77(1)(d) of the *Drilling and Production Regulation* (DPR) requires that the facility identification sign includes a symbol from Schedule 1 of the DPR. The facility identification sign is not equipped with a flammable gas symbol from Schedule 1 of the DPR.

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- b. There is hydrocarbon staining on the ground at the wellhead. This staining indicates that the permit holder has failed to prevent spillage contrary to section 37(1)(a) of the Act.
 - c. On October 11, 2017, Commission staff attended the operating area and no staining was observed coming from the sides of the production tank associated with the separator. On October 26, 2017, staining was observed on the sides of the production tank associated with the separator with hydrocarbon spillage evident on the ground around the tank and within the operating area contrary to section 37(1)(a) of the Act.
 - d. The production tank within the operating area has no secondary containment. Section 50(2) of the DPR states that secondary containment be in accordance with the current edition of National Fire Protection Association Code 30: Flammable and Combustible Liquids Code (the "Code"). In turn, section 22.11 of the Code requires that every aboveground storage tank have some means to prevent an accidental release of liquid from endangering important facilities and adjoining property or from reaching waterways.
 - e. The valve associated with the high pressure sensor on the separator is not locked open. The high pressure sensor is safety equipment. The valve is a device that can bypass or disable safety equipment and failure to lock it is contrary to section 49(2) of the DPR.
 - f. The valve associated with the high pressure sensor on the production tank is not locked open. The high pressure sensor is safety equipment. The valve is a device that can bypass or disable safety equipment and failure to lock it open is contrary to section 49(2) of the DPR.
 - g. The operating area does not contain a system to detect and control leaks as quickly as practicable as required by section 39(2) of the DPR. This is evident based on the following :
 - 1. Surface hydrocarbon spillage was observed under the snow with the well and facility in production on October 26, 2017. The permit holder representative was not aware that spillage was occurring when informed by the Commission on the same day.
 - 2. The permit holder representative informed Commission staff that the most recent operating area visit occurred on October 23, 2017.
 - h. On June 30, 2015, the permit holder was issued General Order 2015-015. One of the requirements of General Order 2015-015 was to remove unused equipment on the operating area. This requirement is still outstanding as two unused dilapidated shacks and three unused storage tanks remain on site.
- iii. On October 27, 2017, Commission staff conducted a further inspection of the operating area and the following was noted:

- a. New spillage of hydrocarbons from the production tank contrary to section 37(1)(a) of the Act. This was evident to the Commission staff as previous spillage was observed under the snow on the operating area and now spillage was observed to be on top of the snow in the same area.
 - b. Gas from production is sent to flare and the volume is sufficient to support stable combustion. The facility flare was not lit and in operation, which allows the gas to go straight to atmosphere contrary to section 41(1) of the DPR.
 - c. The solenoid has been disconnected to the Emergency Shutdown Device (ESD) on the inlet separator effectively bypassing safety equipment contrary to section 49(2) of the DPR.
- iv. I am of the opinion that Success is not in compliance with the above-noted sections of the DPR and the Act and, further, that this Order is necessary to protect the environment.

Review and Appeal:

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

Success may appeal this order to the Oil and Gas Appeal Tribunal under section 72 of the Act. The process for appeals can 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 30th day of October, 2017.