

February 20, 2018

Enforcement File: 2017-281FSJ

ConocoPhillips Canada Resources Corp.
PO Box 130 Station M
Calgary, Alberta T2P 2H7

Attention: Garrett Brown, Regulatory Affairs

Re: General Order 2017-107

Dear Garrett Brown,

On November 6, 2017, the Oil and Gas Commission (Commission) issued General Order 2017-107 to ConocoPhillips Canada Resources Corp. (ConocoPhillips).

ConocoPhillips has satisfied all the requirements of the Order.

Please be advised that pursuant to section 49(8) of the *Oil and Gas Activities Act*, General Order 2017-107 is hereby terminated.

If you have any questions or concerns, please do not hesitate to contact the Commission.

Sincerely,



Patrick Smook
Director, Compliance & Enforcement
BC Oil and Gas Commission

GENERAL ORDER 2017-107
Section 49 *Oil and Gas Activities Act*

Issued to:

ConocoPhillips Canada Resources Corp.
PO Box 130 Station M
Calgary, Alberta T2P 2H7

Attention: Garrett Brown, Regulatory Affairs

Order:

Pursuant to section 49(1)(b) of the *Oil and Gas Activities Act* (the Act), I, Lance Ollenberger, order that ConocoPhillips Canada Resources Corp. (ConocoPhillips) must:

1. On or before December 15, 2017, remove all the live storage water (i.e., all water stored in the structure that is above the native grade elevation) from ConocoPhillips' fresh water storage structure located at d-43-A/94-B-16 (the Structure) and subsequently maintain the water level in the Structure at or below that level.
2. On or before December 15, 2017, submit a plan (the Plan) satisfactory to the BC Oil and Gas Commission (Commission) that identifies how ConocoPhillips will either reclaim the Structure if no longer required or, if the Structure is required, how ConocoPhillips will apply for the requisite water license through Front Counter BC. The timelines included in the Plan must be as soon as practicable for the completion of the reclamation work or submission of applications. The Plan must be submitted to the Commission electronically at C&E@bcogc.ca.

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. ConocoPhillips is the holder of a *Land Act* authorization for the location of the Structure.
- ii. The Structure is a dam under the *Water Sustainability Act* (WSA).
- iii. On May 13, 2016 ConocoPhillips was issued a "Requirement to Provide Information" requesting ConocoPhillips to provide designs, drawings or specifications, etc., that detail total storage volume, live storage volume, berm

General Order 2017-107

height, water source (including NCD, stream and groundwater inflow), location and dam classification, and further, if ConocoPhillips assessed the Structure as a dam and it is currently impounding water, to provide an assessment by a qualified Professional Engineer as to the structural integrity of the dam, the construction of the dam in relation to minimum design requirements, and any risk to public safety or the environment associated with a failure of the dam.

- iv. On August 3, 2016 Industry Bulletin 2016-26 was published detailing Crown Land application requirements for freshwater storage sites.
- v. On September 6, 2016 Higher Ground Consulting, a third party company hired by ConocoPhillips, recommended that ConocoPhillips register the Structure as a fully registered dam subject to the *Dam Safety Regulation* (DSR).
- vi. During a field assessment conducted by the Commission on May 16, 2017, Justin Anderson, Dam Safety Officer, observed features that create concern about the integrity and stability of the Structure, namely:
 - a. The Structure displayed surface erosion.
- vii. ConocoPhillips has not provided information as requested to allow the Commission to assess the structural integrity of the Structure and whether it meets minimum design requirements.
- viii. The Structure is currently not registered per the WSA and the DSR as required.
- ix. In the absence of such information or regulatory licensing, there is concern that the Structure may pose a risk to public safety or the environment.
- x. I am of the opinion that this order is required for the protection of the environment and to mitigate a risk to public safety.

Review and Appeal

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

ConocoPhillips 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 6th day of November 2017.