

May 31, 2018

Enforcement File: 2018-002FSJ

Pavilion Energy Corp.
1100, 800 – 6th Ave. SW
Calgary, Alberta T2P 3G3

Attention: Mr. Cas Morel, President

Re: General Order 2018-004

Dear Mr. Morel:

On March 8th, 2018, the BC Oil and Gas Commission (Commission) issued General Order 2018-004 to Pavilion Energy Corp. (Pavilion).

Pavilion 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 2018-004 is hereby terminated.

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

Sincerely,



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

GENERAL ORDER 2018-004
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, President

Order:

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

1. On or before 4:00 PM on May 7, 2018, submit accurate and complete piping and instrumentation diagrams (P&ID) for Facility ID 262 located at 4-24-86-20 W6M (the Facility).
2. On or before 4:00 PM on March 21, 2018, submit an evaluation completed by a qualified professional engineer, which is satisfactory to the Commission, identifying all potential sources of backflash at the Facility and how all of these potential sources have been addressed.
3. Submit the requirements for items 1 and 2 electronically to 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:

1. Pavilion became the permit holder of the Facility on December 8, 2016.
2. The Facility is located within 500 meters of an occupied residence.
3. On February 16, 2018, upon request, Pavilion submitted P&ID to the Commission. On February 28, 2018, Commission staff attended the Facility location and confirmed that the submitted P&ID was not up-to-date. Commission staff noted a booster compressor, a high pressure inlet separator and a production tank at the Facility that were not on the submitted P&ID.
4. Through inspections and discussions with Pavilion staff, Commission staff become aware that there is a continuous vent source entering the flare system at

General Order 2018-004

the Facility with no method of backflash control. Backflash has the potential to cause a flare system to fail.

5. An up-to-date P&ID will further the Commission's understanding of the current flare system in place.
6. An evaluation identifying all potential sources of backflash and how all these potential sources have been mitigated at the Facility is required to ensure the flare system can operate safely.
7. I am of the opinion this order is necessary to mitigate a risk to public safety and 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



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

DATED AT Fort St. John, in the Province of British Columbia, this 8th day of March, 2018.