

June 28, 2018

Enforcement File:2018-078

Issued to:

1116331 B.C. LTD.
405-1210-8th Street, SW
Calgary Alberta T2R 1L3

Attention: Mr. Sandy Loutitt

Re: General Order 2018-011

Dear Mr. Loutitt,

Pursuant to section 78(2)(a) of the *Oil and Gas Activities Act* (the Act), General Order 2018-011 is hereby corrected as follows:

“Pursuant to section **49(1)(d)** of the Oil and Gas Activities Act (the Act) ,I, Patrick Smook, order that 1116331 B.C. LTD. (1116331) must:”

If 1116331 B.C. LTD. has any questions about this correction, please do not hesitate to contact the BC Oil and Gas Commission.

Thank you in advance for your attention to this matter.

Sincerely,



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

GENERAL ORDER 2018-011
Section 49 *Oil and Gas Activities Act*

Issued to:

1116331 B.C. LTD.
405, 1210-8th Street SW
Calgary Alberta T2R 1L3

Attention: Mr. Sandy Loutitt

Order:

Pursuant to section 49(1) (a) of the *Oil and Gas Activities Act* (the Act), I, Patrick Smook, order that 1116331 B.C. LTD. (1116331) must:

1. On or before July 6, 2018:
 - a) Submit to the Commission a Province of British Columbia Certificate of Insurance (certificate) confirming that 1116331 has a comprehensive/commercial general liability insurance policy that meets the requirements set out in section 6.6 of each of the following Licences of Occupation between the Commission and 1116331: 953991 (dated May 1, 2017), 942782 (dated December 30, 2013 and assigned to 1116331 on April 28, 2017) and 953913 (dated May 1, 2017).
 - b) The certificate must be submitted electronically to the Compliance and Enforcement mailbox at C&E@bcogc.ca.

2. On or before July 6, 2018:
 - a) Implement and maintain a 24-hour emergency contact number.

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:

Certificate

- i. 1116331 is the permit holder of two wells and one pipeline. Commission records indicate none of the wells or pipeline have been abandoned.
- ii. 1116331 is the holder of three licences of occupation under section 39 of the Land Act. The license numbers are 953991, 942782 and 953913 (the Licences).

- iii. The Licences were issued by the Commission pursuant to its authority under section 8(1) of the Act.
- iv. Condition 6.6 of each of the Licences states:

You must

- (a) *without limiting your obligations or liabilities under this Agreement, at your expense, effect and keep in force during the Term Comprehensive/Commercial General Liability insurance protecting us and the Province as additional insured in an amount of not less than \$1,000,000 inclusive per occurrence insuring against liability for personal injury, bodily injury (including death) or property damage, and claims for liability assumed under contract, arising from all accidents or occurrences on the Land or the Improvements;*
 - (b) *on the Commencement Date and immediately upon demand, deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance required to be maintained by you under this Agreement;*
 - (c) *ensure that all insurance required to be maintained by you under this Agreement is*
 - (i) *placed with insurers licensed in British Columbia,*
 - (ii) *primary and does not require the sharing of any loss by any insurer that insures us, and*
 - (iii) *endorsed to provide us with 30 days' advance written notice of cancellation or material change; and*
 - (d) *deliver to us, immediately upon demand, certified copies of all policies of insurance required to be maintained by you under this Agreement.*
- v. On April 28, 2018, 1116331's certificate expired. The Commission has sent two e-mails and one voicemail to 1116331 requesting an updated certificate with no response until May 23, 2018.
 - vi. On May 23, 2018 Commission staff spoke to Mr. Sandy Loutitt (Loutitt) by phone. Loutitt indicated that 1116331 would not be renewing its certificate.
 - vii. It is my opinion that by failing to renew its certificate, 1116331 has failed to meet its obligations under the Licences.

24-Hour Emergency Contact Number

- viii. Section 12(b) of the *Emergency Management Regulation* (EMR) requires permit holders to ensure that any equipment needed by the permit holder for communication during an emergency is functional.
- ix. Further, section 2(1) of the EMR requires permit holders to comply with CSA Z246.2. Section 11.2 of CSA Z246.2 requires that emergency response plans contain "emergency contact information for an individual, group or organization that has a role in the management of an emergency". Section 13.1(a)(iv) of CSA Z246.2 requires operators to provide stakeholders within an emergency planning zone with a description of how they can contact the operator.
- x. On March 12, 2018 Commission staff called 1116331's 24-hour emergency response number. A message was left with the company for a return call and no return call was received on March 12, 2018.

- xi. On April 24, 2018 Commission staff e-mailed 1116331 requesting information on how the company would meet its emergency response notification requirement and no response was received.
- xii. On May 22, 2018 Commission staff called 1116331's emergency number and spoke to a receptionist. A message was passed on to Loutitt requesting a call back or a response to the e-mail sent on April 24, 2018. No response has been received to date.
- xiii. I am of the opinion that 1116331 does not have the equipment in place to allow for communication during an emergency and is therefore not compliant with the EMR.

Review and Appeal:

1116331 may request a review of this order under section 70 of the Act by submitting a request for review to ogc.determinationreviews@bcogc.ca.

1116331 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 9425 Stn Prov Govt
Victoria, BC, V8W 9V1



Patrick Smook
Director, Compliance and Enforcement
Oil and Gas Commission

DATED AT Fort St. John, in the Province of British Columbia, this 21st day of June, 2018.