



OIL AND GAS
COMMISSION

Commissioner's Update

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Introducing the Commissioner's Update

Welcome to the Oil and Gas Commission's (OGC's) first update for 2002. The *Commissioner's Update* is a bi-monthly publication to provide First Nations, clients and stakeholders with information about developments in British Columbia's oil and gas industry and the regulatory duties of the OGC.

The OGC has four important regulatory roles:

- ◆ Balanced decision-making
- ◆ Engineering integrity and resource conservation

- ◆ Consultation and dispute resolution
- ◆ Monitoring compliance and enforcement of permit conditions

The *Commissioner's Update* will inform about improvement initiatives ongoing at the OGC. We will also share with readers, updates on coming events and meetings. To be a successful regulator, the Commission is committed to being open and accessible. We look forward to hearing from you. Please don't hesitate to give us a call.

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Three Year Business Plan Finalized

In December 2001, the Oil and Gas Commission conducted a three year planning session. The issues on the regulator's horizon included:

- The need to improve the relationships with First Nations, communities and stakeholders
- The importance of continued environmental research and marrying resource management with innovative regulation
- An increasingly competitive investment climate
- The need to develop technology and human resource capacity

- The increasing concerns related to health, safety and operational impact
- A government commitment to shift to performance-based regulation and
- The need to manage issues related to conflicting tenure and land-use.

This environmental scan prompted the four key strategies in the 2002-2005 business plan. The strategies are known as 'SPEC'.

In the months ahead, the *Commissioner's Update* will advise readers on the progress made on each goal, and inform about new projects and initiatives.

S	Single-window service	Offer 85% of services in a single-window agency model.
P	Performance-based delivery	Reduce regulatory burden by 33% and shift 60% of regulations to a performance/result-based system.
E	Efficiency and effectiveness	Markedly improve the satisfaction of clients, First Nations, and stakeholders with the OGC; to significantly reduce the time taken to process applications and requests; and, to improve the compliance of the oil and gas industry with regulatory requirements.
C	Collaboration with First Nations and communities	Markedly improve the satisfaction of the First Nations with the OGC and industry.

Vision of the Oil and Gas Commission:

"To be an innovative regulatory leader, respected by stakeholders, First Nations and clients."

Community-Industry Collaboration

The Oil and Gas Commission hosted a community-industry workshop on Saturday, February 2nd, 2002. Residents within or neighboring Mile 59 and Mile 62.5 of the Alaska Highway met with Calpine Canada to improve communications and clarify information about an application for a sweet oil well project.

Many excellent questions and concerns were raised at the workshop. Representatives of the OGC provided presentations on the application review and compliance and enforcement processes for the proposed project. Calpine Canada presented program information and mitigative commitments. A decision on the application will be made considering the valuable input received at the community-industry workshop.

If you have questions about this workshop or the proposed application, please contact

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Ingredients of Community-Industry Workshop Success

- Respect for all
- Make personal contact
- Issue factual newsletters to all participants before and after workshop
- Regulator (OGC) actively participates and provides information about regulator's role
- Have unified vision and purpose
- Proponent and community members actively participate
- Company and regulator speak with one voice and respect workshop ground rules
- All contributions are heard and documented on flip charts

New Publications

MDRC Operating Code: A Guideline for Oil and Gas Construction Contractors and Service Firms

An operating code for the Maximum Disturbance Review Criteria (MDRC) is available. The document is a guideline for oil and gas construction contractors and service firms.

The MDRC operating code pamphlet describes the preferred maximum disturbance allowance for the development of:

- Well sites
- Access routes
- Right of ways for pipelines
- Other associated projects requirements such as remote sumps, decking sites, camp sites and borrow pits.

Information on planning strategies and application preparation; size and spacing of new disturbance and construction techniques is outlined in the document.

The MDRC operating code encourages companies to reduce environmental impact and implement land use and water management techniques in development plans and operational strategies. The code also specifies parameters for typical oil and gas activities.

How to reach us

**The Oil and Gas Commission
has a 24 hour emergency
response number:
250-261-5700**

***To request a
copy of the
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Interagency Compliance and Enforcement Review

A review of the oil and gas industry's compliance with provincial and federal health, safety and environmental regulations was initiated in January, 2002 by the Ministry of Water, Land and Air Protection, the Ministry of Forests, and the Oil and Gas Commission. The review focuses on winter exploration activities in Northeastern British Columbia and will conclude in April, 2002.

In 2001 the agencies collaborated on a similar initiative. Key findings of this review were:

- 79% of all oil and gas activity related to

environmental protection and public safety were in major compliance.

- More than 150 well sites were inspected and 97% were found to be in major compliance.
- The areas of highest non-compliance were in stream crossing and waste management.

The objectives for enhanced regulatory compliance and enforcement in the oil and gas industry is to support safe and responsible use of oil and gas resources in British Columbia. A three-part strategy has been developed to meet this objective (see table below).

For more information on the Compliance and Enforcement Review and the OGC Strategy contact:

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OGC Strategy for Enhanced Compliance and Enforcement

PART 1	PART 2	PART 3
<p>Enhance Enforcement</p> <p>Conduct annual multi-agency reviews.</p> <p>Standardize or improve multi-agency compliance indicators and reporting mechanisms.</p> <p>Examine potential for creating a one-window compliance and enforcement delivery model.</p> <p>Streamline communication between government ministries and agencies.</p>	<p>Increase Audit and Compliance Management</p> <p>Introduce accountability waivers and sign-off documentation to tie professional accountability to oil and gas operational activities.</p> <p>Increase people and resources to major non-compliant inspection areas.</p> <p>Integrate application review process with performance level of oil and gas field compliance.</p>	<p>Guidance and Tools</p> <p>Launch informational program about BC's environmental, health and safety regulations.</p> <p>Develop educational booklets.</p> <p>Provide opportunities for educational workshops.</p>

General Development Permit – A Pilot Project

Streamlining the process of applying for permits is the focus of a new OGC pilot project. Currently applications are submitted separately for each approval and reviewed sequentially as required by the Petroleum and Natural Gas Act and the Pipeline Act. The pilot project aims to simplify the application process by having all applications relevant to the company's project submitted as one—a 'General Development Permit' which includes the company's 'Area Operating Plan'. This approach also aims to reduce review duplication thus speeding the examination process.

Program approval requirements will also be

worked on throughout the pilot project. The environmental benefits of a General Development Permit approval program are many, including improved planning of site access and operator coordination, as well as managing cumulative impact.

Participants in the pilot project include three oil companies; the Alberta Energy Company, Nexen and Pioneer, as well as Fort Nelson First Nation, Prophet River First Nation and the OGC. The pilot is anticipated to be under way by March 2002. The operational launch is planned for next winter's 2002 drilling season applications.

Coming Events:

Meeting in March of the Oil and Gas Practice Advisory Committee. Discussions will include the Integrity Management System of British Columbia's Pipelines and Facilities.

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Meetings & Events

Emergency Management Requirements

The Energy Utility Board (EUB) of Alberta conducted a consultation session with industry and interested stakeholders on February 13, 2002. Richard Slocomb, a production engineer with the Oil and Gas Commission, participated as an observer at the EUB's release of its newly revised Emergency Management Requirements. Mr. Slocomb is currently revising the Emergency Response Plan (ERP) requirements as part of the Oil and Gas Commission's development of a new stakeholder involvement guide. "It is important to monitor new EUB initiatives. It is a great opportunity to share new ideas with other regulatory colleagues." Richard said. "The OGC is updating its corporate-level

emergency management plan. In addition, we are enhancing our ERP requirements."

In 2002, the Oil and Gas Commission will require industry to have all special sour ERPs approved prior to the issuance of a well authorization. Stricter requirements for companies' site-specific plans are being introduced.

The OGC's engineering group is also examining the EUB's Public Safety and Sour Gas Recommendations. The recommendations were generated through a multi-stakeholder process in 2000-2001. There are recommendations for improvements related to set-back issues, human health impact, public consultation, air modeling and emergency response planning now under evaluation by OGC staff.

Watch for details about the changes to OGC Emergency Response Plan requirements and the Stakeholder Involvement Guideline in the May issue of the *Commissioner's Update*.

On the Website

www.ogc.gov.bc.ca

The Oil and Gas Commission website includes useful information on

- statistics
- new publications
- corporate facts
- helpful checklists
- archival material

Annual Reserves Data

www.ogc.gov.bc.ca/publications.asp

Did you know that annual reserves data can be downloaded off the OGC website? It is entitled *Hydrocarbon and By-Product Reserves in British Columbia*.

Produced annually by the OGC's Engineering and Geology Branch, the report provides a statistical analysis of the year-over-year change

in the amount of oil, gas and by-products produced and discovered throughout the province.

The 2002 *Hydrocarbon and By-Product Reserves in British Columbia* report will be published in July. Hard copies of this report are available from Crown Publications in Victoria.

For more information, please contact

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News Release

www.ogc.gov.bc.ca/archives.asp#nr

The Oil and Gas Commission 2002-2005 Service Plan is now available on the OGC website. The Service Plan describes how the Commission will provide its services from April 1, 2002 to March 31, 2005.

If you have questions or require further information, please contact:

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