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**Derek Doyle, OGC Commissioner**

## Message from the Commissioner

The Oil and Gas Commission had a productive summer. This issue of the Commissioner's Update features many new efforts by our staff to achieve excellence in our service plan delivery.

Readers will learn about the Prophet River Ungulate Study. Also featured is the enhancement and streamlining of the review processes through professional designation seals and pre-authorization of environmental amendments. Finally, we discuss the introduction of some fee reductions.

I am pleased to share with you some highlights of the many visits I've enjoyed with the agricultural community, other regulators, First Nations, and our clients.

**Meetings with the Agriculture Community**  
I had the privilege of visiting with a number of agricultural landowners in Rolla. We discussed issues surrounding oil and gas activities in their community. Meeting with our stakeholders is vital to achieving our vision to be *the innovative regulator respected by stakeholders, First Nations, and clients*. I learned about some common concerns found by many agricultural stakeholders. These include:

- A need for company representatives to give landowners adequate time to review information and understand the project before signing agreements;
- An opportunity to enhance access planning by using existing roads as opposed to prime farmland; and,
- A need to improve the timeliness and quality of reclamation.

OGC commits to continue meeting with stakeholders to provide information and hear feedback on how we can continually improve our regulatory duty.

### National Regulator's Meeting

I attended the National Oil and Gas Regulator's meeting, June 20. Other provincial oil and gas regulators also in attendance included representatives from the National Energy Board, Alberta Energy Utilities Board, Nova Scotia Off-shore Board and the Yukon Oil and Gas Management Branch.

The focus of the meeting was to explore opportunities for regulatory harmonization and collaboration. Our agenda was full and covered the following topics: consultation with First Nation communities; regulatory challenges and trends in the oil and gas sector; and pipeline integrity issues.

### 16th Annual West Moberly Days

During "Moberly Days" celebrations, July 26-28, Wanda McDonald, OGC Senior Aboriginal Program Specialist, and I enjoyed conversations with community members and the other visitors also in attendance. Participants from industry, government and community attended the annual event hosted by West Moberly First Nations.

The traditional games included hand games; horseshoes; a bannock and tea making contest; bow and arrow contests; axe throwing; and, calling contests. The sense of renewal and community was a delight.

While I was unable to attend Fort Nelson First Nations "Building for Our Youth" summer gathering, August 8-9, Tom Ouellette, OGC Director of Aboriginal Relations and Land Use, reported on its great success. I understand more than 200 people participated in the celebration.

### Meeting our clients

To assist in the preparation and planning for the 2002-2003 drilling season, I met with the 10 most active oil and gas companies operating in BC. I learned about opportunities for improvement to the OGC's service delivery. I also used the

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The Hydrocarbon and By-Product Reserves Report is available from

Crown  
Publications

(250) 386-4636

or find the Annual Reserves Data on the OGC website:

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

## 2001 Hydrocarbon and By-Product Reserves Report

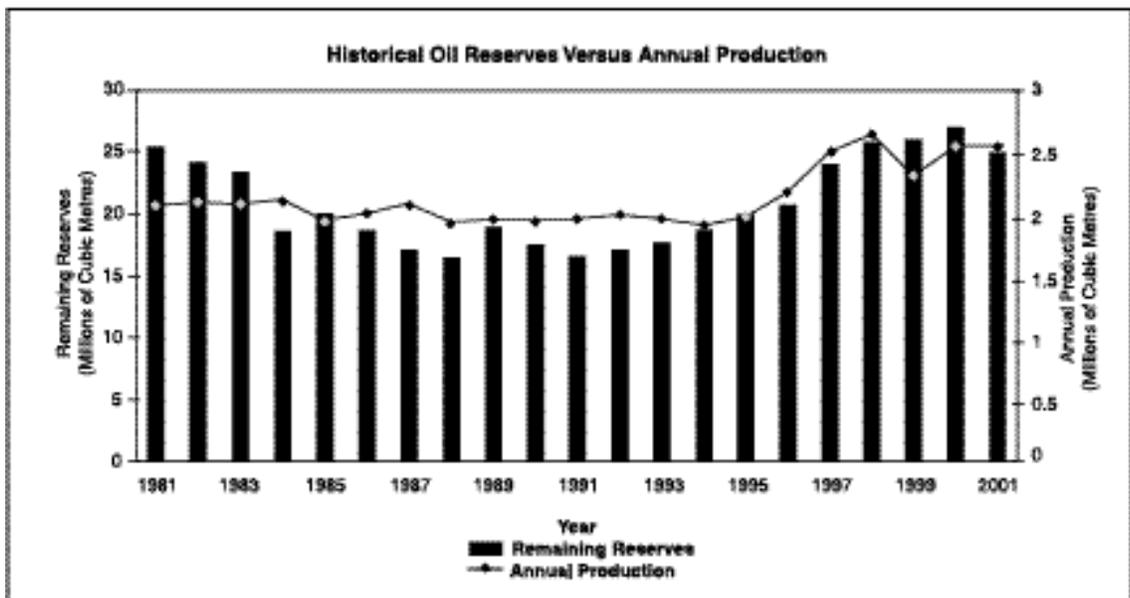
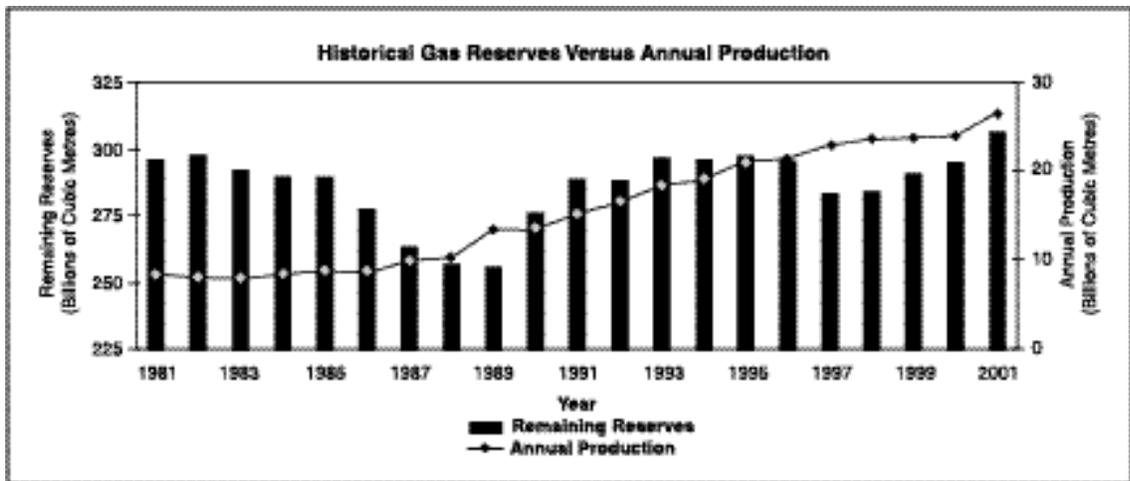
OGC's *Hydrocarbon and By-Product Reserves In British Columbia 2001 Report* is now available. The *Hydrocarbon and By-Product Reserves Report* is prepared by the Oil and Gas Commission Reservoir Engineering and Geology Branch and includes information and analysis on the oil and gas reserves; oil and gas production; and gas analysis data.

Highlights from the report include:

- In 2001, BC reached record levels of drilling activity with 850 wells drilled.
- Gas reserve figures also increased with the

oil and gas activity levels in the province.

- BC had 2,697 producing gas wells and 1,027 producing oil wells at December 31, 2001; this compares to 1,215 gas and 820 oil wells producing 5 years ago.
- The raw gas proven reserves are approximately 306.5 billion cubic metres, which represent an increase of about 4% from 2000.
- Raw gas production for 2001 was 26.5 billion cubic metres compared to 23.9 billion cubic metres in 2000.



## Prophet River First Nation Study Cysts in Ungulates

Prophet River First Nation, through the Oil and Gas Commission Environment Fund, is studying moose health in Prophet River's traditional territory. Led by biologist Claudia Howard and Band Manager Brian Wolf, the study is analyzing the possible causes of the development of cysts on moose's lungs and liver and other abnormalities.

"The purpose of this study is to determine whether or not the cysts growing on moose organs are, in fact, what local biologists anticipate the cause to be, a naturally occurring disease that is commonly found in ungulate populations," Claudia Howard said. The reason for this study is to assure the Prophet River First Nation community that its reliance on moose meat is not threatened and is safe for consumption, Brian Wolf said.

The study will determine the correlation, if any, between the occurrence of the cysts to the proximity of oil and gas activity. Based on the outcome, management strategies will be recommended to industry that create a safer, healthier environment for wildlife.

This project consists of three stages.

1. Sampling procedure and laboratory analysis are defined. A landscape habitat analysis of the



Prophet River First Nation Band Manager Brian Wolf, (from left to right), Chief Liza Wolf and Bob Purdon, OGC Senior Aboriginal Program Specialist sign the agreement for the moose study project .

area is completed to determine the concentration of well sites and proximity of diseased moose to the well site activity.

2. Hunting and analysis of the moose.
3. Findings and recommendations.

Launched in August, the expected completion date for this project is December 2002.

## Besa-Prophet Pre-Tenure Plan Approved

Honourable Stan Hagen, Minister of Sustainable Resource Management, has approved the Phase I of the Besa-Prophet Pre-Tenure Plan. This pre-tenure plan encourages exploration of natural gas deposits and environmentally responsible development in the Phase I planning area. The approved plan is the second pre-tenure plan approved within the Muskwa-Kechika Management Area; the Upper Sikanni Management Plan was approved in 1995.

Industry may now buy tenures in the area through the Ministry of Energy and Mines' tenuring process. All tenures will be subject to the pre-tenure plan and successful tenure holders must then submit exploration proposals consistent with the plan. The Commission is responsible for ensuring the permits it issues also follow the pre-tenure plan. Geophysical exploration can

proceed in the absence of an approved pre-tenure plan.

Oil and gas pre-tenure planning for five more areas within the Muskwa-Kechika, including the Phase II area of the Besa-Prophet, is expected to be complete by Spring 2003. Two more pre-tenure plans will be completed by December 2003.

*Commissioner's Message continued from page 1*

occasion to review with industry how they can improve their environmental compliance and application submissions. I shared with the companies many of the concerns I've heard from the agricultural stakeholders and First Nations.

Thank you for your continued support and guidance as we deliver our regulatory duty for the benefit of all.

*For a copy of Phase I of the Besa-Prophet Pre-Tenure Plan, and for more information about other pre-tenure plans, visit:*

<http://srmrpdwww.env.gov.bc.ca/ecdev/mog/>

*For more information on Reservoir Engineering and Geology Branch streamlining measures contact:*

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**Also available at:**

www.ogc.gov.bc.  
ca/fc\_  
reservoirgeo.asp

## Reservoir Engineering and Geology Section Regulatory Streamlining

To serve clients more effectively, the Reservoir Engineering and Geology Branch has implemented various streamlining measures. The streamlining measures implemented include:

- Relaxation of the requirement to core every well drilled. Coring is now only required when information gained will benefit in the development of oil and gas resources.
- Requests for the waiving of the requirement to log wells are now handled via telephone for routine situations.
- Consolidation of annual well pressure survey

requirements within pools. This will minimize the number of tests while ensuring adequate data is obtained.

- Instructions for the Well Deliverability Test Report; the Reservoir Pressure Survey Test Report; and the Production Allowable Report.
- Removal of the requirement to apply for a Daily Gas Allowable for every well. Daily Gas Allowables are now required only for gas wells in specific situations, such as where there are reservoir concerns or correlative rights issues.

## New OGC Positions Support Service Delivery

The OGC is enhancing its Compliance and Enforcement role by focusing additional resources in aboriginal relations and emergency response management. The OGC Aboriginal Relations and Land Use Branch is expanding its business to include Geographic Information System services for Treaty 8 First Nation communities. As part of the OGC Service Plan, four positions were created to deliver these new improvements. The four positions are:

### First Nations Outreach Inspector

Gord Jones has been named First Nations Outreach Inspector. Gord will be responsible for informing and consulting First Nation communities on compliance and enforcement inspection activities on sensitive lands. When appropriate, Gord will invite First Nation Lands Department staff to ride along on inspections.

### Safety, Emergency Response and Security Inspector

Frank Schneider has been appointed Safety, Emergency Response and Security Inspector. In this new role, Frank's primary focus is to implement and manage the OGC Emergency Response Plan and Occupational Health and Safety Programs for the Compliance and Enforcement Branch. This position will compliment the emergency response management

functions of OGC's Engineering Branch. The emphasis of this position is education for public and worker safety awareness.

### Pipelines & Facilities Inspecting Engineer

Len Barteau has relocated to the OGC's Kamloops office to fill the new Inspecting Engineer position. He inspects pipelines and facilities from Hope to the Alberta Border and from Quesnel to the American Border. Previously these duties were performed intermittently from Fort St. John.

### First Nations Geographic Information Systems Coordinator

Geoff Haines has joined the OGC as a First Nations Geographic Information Systems (GIS) Coordinator. Geoff provides GIS services to First Nation communities, including assisting in training First Nations staff in GIS technology and developing GIS community capability to receive OGC information electronically.

### **How to reach us**

**The Oil and Gas Commission  
has a 24 hour  
emergency response number:**

**(250) 261-5700**

## Fee Elimination Effective September 1, 2002

*For further information on the fee elimination and amendment, contact:*

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*or see the BC Legislative Assembly website:*

[www.legis.gov.bc.ca/legislation/index.htm](http://www.legis.gov.bc.ca/legislation/index.htm)

*For further information on changes to the application submission process see:*

[www.ogc.gov.bc.ca/information/letters.asp](http://www.ogc.gov.bc.ca/information/letters.asp)

Effective September 1, 2002, six fees under the *Pipeline Regulations*, and one fee under the *Petroleum and Natural Gas General Regulations*, were eliminated. There were no fee increases to offset the pipeline fee elimination.

The elimination reduces the regulatory burden and creates efficiencies in the billing and accounting processes for industry and the OGC. The time required to issue Certificates of Operation will be substantially reduced as a result of eliminating associated fee and collection systems.

Seven of the twenty-two fees payable pursuant to Section 20 of the *Pipeline Regulation* and Section 2 (f) of the *Petroleum and Natural Gas General Regulations* will be eliminated. Additionally; there is an amendment to Section 2 (c) of the *Petroleum and Natural Gas General Regulations* further reducing the fees payable. All other fees remain unchanged.

This elimination and reduction of fees is a result of OGC's Service Plan objectives.

## Changes to Application Submission Process

The OGC Application and Approvals Branch is introducing a number of changes to encourage the use of professional designation seals and green initiatives by industry. The changes will enhance review time frames and improve compliance monitoring. The changes take effect, October 1, 2002, and include:

### Environmental Upgrade Notice

Environmental Upgrade Notice is the automatic approval privilege of a field change that presents a favourable environmental outcome. Examples include: moving a well site access road to an area already opened up by previous activities; or, changing the use of an area to avoid additional timber harvesting.

Where compliance and enforcement inspections indicate that the environmental dividends are not being achieved, Environmental Upgrade Notice and the minor change privileges will be withdrawn from the company.

### Minor Changes to Approved Activities

The OGC's goal is to provide industry with the flexibility to locate activities in the field to minimize disturbances and environmental impacts. Minor changes to approved activities may be applied to the following oil and gas activities:

- On access roads where pre-selected borrow pits are unsuitable; and,
- Along temporary access roads and lease

sites where sumps, flare sites, decking sites and temporary camps require minor adjustments to achieve good environmental practice.

The proponent is required to file a notice of the minor changes with the Commission. These changes must be consistent with approval conditions, and cannot adversely affect treaty rights, other tenure holders, or archaeological sites.

### Single Well Site Access Road Application Process

Applications for both temporary and permanent well site access roads have been consolidated into a single process under Section 7 of the *Petroleum and Natural Gas Act*. Temporary access is often the preferred method of initial access. Provided that a permanent well site access road was indicated in the original application, it may now proceed without further permitting by the Commission.

### Registered Professional Forest (RPF) Stamp and Sealing of Timber Harvesting Field Assessment (THFA)

Following consultation with the Association of British Columbia Professional Foresters, the OGC is now accepting THFA forms which have been completed by a registered professional forester. The benefits of this initiative include: improved individual processing times, environmental performance and compliance.

## Meetings & Events

*The August edition of Prosperity Through Unity Bulletin is available online at*

www.ogc.gov.bc.ca  
or  
www.cityfsj.com



### Oil and Gas Conference: "Prosperity Through Unity" Update

The Prosperity through Unity conference is upon us. An exciting agenda is offered including:

- Keynote addresses from First Nations, governments, regulators and industry;
- Workshops, actions and commitments;
- Award ceremony;
- Networking and Trade Show; and,
- Community involvement in the Prosperity Centre.

"The goal of the conference is to create a forum to work and celebrate the opportunities for oil and gas development in BC," conference co-chair Pat Pimm explained. "The city of Fort St. John is thrilled to host this milestone occasion. We look forward to many deals being made between industry, local businesses, First Nations and area educators."

### Speakers

The distinguished line up of keynote speakers scheduled are: The Honourable Richard Neufeld, Minister of Energy and Mines; the Honourable Kevin Falcon, Minister of State for Deregulation; Pierre Alvarez, President of Canadian Association of Petroleum Producers; Chief of Treaty 8 First Nations; Chief Clarence Louie, Osoyoos Indian Band; Robert Sullivan, Energy Secretary, State of Oklahoma; Mike Graham, Senior Vice President, EnCana Corporation; Wayne Foo, former President, Dominion Energy Canada Ltd; Chief Garry Oker, Doig River First Nation; and, Bob Reid, President Duke Energy Gas Transmission (Canada), and many others.

### Facilitated workshops

The conference highlight is two-days of facilitated workshops. Delegates have a choice to attend one workshop each day on the following topics: environment, employment, education, communications, communities and enterprise. The working program will conclude with a Commitment Ratification celebration. The event will honour the commitments made between delegates and will serve as a foundation for future initiatives to enhance building prosperity through unity in BC.

### Prosperity Centre

A Prosperity Centre will be open to the public and delegates throughout the conference. The centre will include a trade show component, entertainment and presentations on the environment, First Nations and community/industry issues.

### Emergency Management System

Deputy Commissioner, Joyce Beaudry, has led the improved Emergency Management System (EMS) of the OGC. The Commission's plan is now integrated with BC Emergency Management System (BCERMS).

We are improving the plan to respond to industry growth, provide an EMS manual, formation of teams and staff training. Deputy Commissioner Joyce Beaudry said. "Through staff training, OGC will continue to efficiently respond to oil and gas incidents."

OGC staff completed Incident Command Systems (ICS) courses in July. ICS is a North American recognized emergency management system. ICS 100 provides general terminology, structure and organization on BCERMS. ICS 200 and 300 levels prepare staff on specific requirements for incidents and emergencies.

Six Doig River First Nation's Petroleum Education Training program (PET) trainees and 33 OGC staff members completed ICS 100, 200 and 300.

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

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