



Commissioner's Update

Prosperity Through Unity Conference Surpasses All Expectations

The 2002 Prosperity Through Unity Conference, October 2-4, accommodated more delegates than anticipated. The conference consisted of a full industry reverse business fair, workshops and keynote addresses by company executives, Ministers, Treaty 8 First Nation Chiefs and Elders.

The working conference allowed delegates to confer and join discussions surrounding employment, education, enterprise, community, environment and communication. Government, industry and Treaty 8 First Nations made a number of commitments.

The theme, 'Prosperity through Unity,' was picked up by all. Many challenges relating to the oil and gas industry were addressed. The

open, straight talk in workshops proved that, by putting our heads together in unity, we could solve problems in a sustaining manner.

The 2003 Oil and Gas Conference will be hosted by the City of Dawson Creek. For more details on the 2003 conference, please contact:

Elaine Peterson
(250) 784-3600

A summary of the 2002 conference and the complete list of commitments are available at:

www.ogc.gov.bc.ca
or contact

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Technology Will Help to Improve the Application Process for All

The OGC is launching a pilot project which will enable oil and gas companies to submit the spatial components (mapping data) of petroleum development and land use applications over the internet. The electronic Petroleum Applications Spatial Submission (ePASS) will support the government's objective to improve efficiency and is the first step towards digital application submissions for oil, gas and pipeline program approvals. The OGC will continue to accept applications as usual.

A training manual is also being developed and the OGC will coordinate the training for client users such as engineering and legal surveying companies which have Computer Assisted Drafting (CAD) sections.

Moving to Geographical Information Systems (GIS) and electronic data-sharing will improve

accuracy, facilitate the review process, enhance the OGC's consultation process with First Nations, provide industry with information to assist in pre-planning and increase the OGC's ability to share information with First Nations and others.

At the Prosperity through Unity Conference, the Ministry of Sustainable Resource Management, through Deputy Minister Jon O'Riordon, committed to implement an integrated registry project to compile data relating to land tenures in Northeast BC.

For more information about ePASS, contact:

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Vision of the Oil and Gas Commission:

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

For more information on the Well Abandonment and Rehabilitation Program, contact:

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OGC Launches Well Abandonment and Site Rehabilitation Program

The OGC is continuing to develop a Well Abandonment and Site Rehabilitation Program for inactive and abandoned well sites in BC. This program will reduce the cumulative impact of industry on the environment, allowing surface activity to be restored and returned to the land base.

The specific wells that are being targeted include:

- Wells without Certificate of Restoration (COR) that have cancelled Petroleum and Natural Gas (PNG) titles; and,
- Wells that are dry and abandoned but the surface abandonment is not complete.

In August 2002, there were 44 wells in BC with expired subsurface tenures and incomplete surface abandonments. The OGC has contacted 18 industry operators regarding the issuance of abandonment orders, identifying timelines for appropriate well abandonment by their company. As a result, seven of the 44 wells have completed surface abandonment and a further 20 are scheduled for abandonment prior to January 31, 2002.

The OGC will continue to identify other suspended and abandoned wells, address concerns, and issue abandonment orders.

OGC Website Revisions

As of October 31, 2002, the OGC website has made available a number of corporate reports in new formats, allowing stakeholders to access information more efficiently and effectively.

The OGC corporate reports are organized into three categories:

1. Reports on performance;
2. Economic activity; and,
3. Status of decisions.

Non-confidential reporting on oil and gas activity applications is also available on the website for interested parties, such as service contractors and First Nations. This information will assist service contractors to market their businesses and improve relationships with industry and First Nations.

The information that is available upon application submission includes:

- Type of project (i.e. well, pipeline, seismic, facility);
- Location of the project;
- Company owning the project;
- Company acting as land agent for the project; and,
- A list of First Nation communities that will be consulted for that project.

This information is releasable to the public under the Freedom of Information and Protection of Privacy Act.

The OGC will provide improved stakeholder services by continuing to enhance information on the website for First Nations, industry and the community. The changes to the website are expected to be completed by spring 2003.

OGC Corporate Reports are found at:
www.ogc.gov.bc.ca/corporatereports.asp

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www.ogc.gov.bc.ca/corporate-reports.asp

How to reach us.

**The Oil and Gas Commission's
24 hour emergency response number:**

(250) 261-5700

Sharing Right-of-Ways Reduces Cumulative Environmental Impact

Companies, construction contractors and service firms are constantly striving to reduce environmental impact by sharing right-of-way (ROW) corridors, using existing winter access to new well sites and coordinating long term year-round access.

Typical width of a pipeline ROW is 15 metres. If two pipelines cross an area on separate

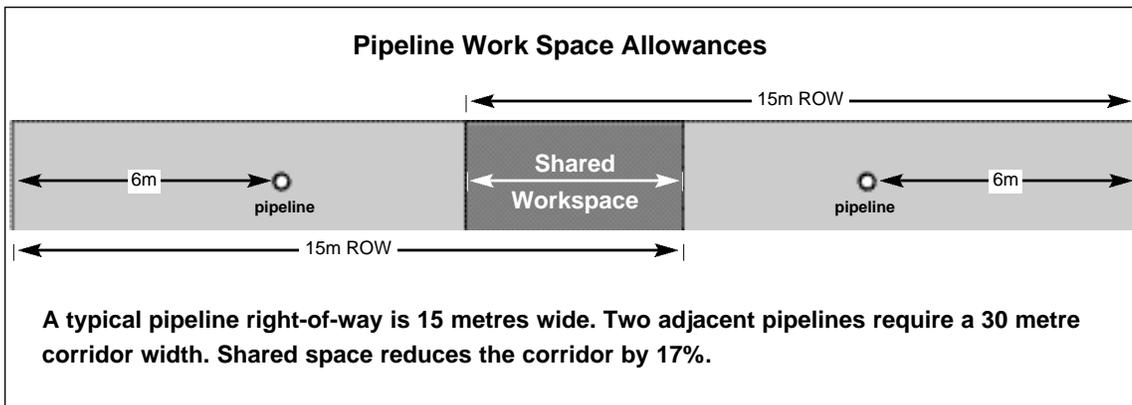
alignments, a 30 metre width of land would be cleared where forested. However, when pipelines are placed on adjoining ROW's the total width can be reduced to 25 metres, a reduction of 17%. Similarly, when pipelines are placed adjacent to roads, the width of clearing is significantly reduced. This sharing of working areas along pipelines benefits everyone.

For further information on overlapping right-of-ways, contact:

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Manager-Pipelines

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Practices Advisory Group Recommendations Improve Performance

The Practices Advisory Group (PAG), comprising over 40 volunteers from every aspect of the industry, has committed to working collaboratively with each other and the OGC to improve performance in many areas of the industry.

The Oil and Gas Practices Advisory Group have focused on issues related to environment, land use, drilling, operations, maintenance, design, safety, construction and public involvement procedures. The OGC has committed to implement 80% of the recommendations made by PAG. To date the OGC has accepted 100% of PAG's recommendations.

Three major papers incorporating nine recommendations were submitted to the OGC this year. As a result the OGC has:

1. Clarified the process and ground rules for pipeline crossings of watercourses to ensure erosion control, habitat protection and

appropriate boring distances. A commitment was made to work on a guidance booklet.

2. Eliminated the need for an Application to Alter a Well and an Application for Flaring Approval, for initial completion of a well if <5% H₂S. As of January 1, 2003 written notification to the OGC will be sufficient.
3. Improved overall environmental decision-making and reduced duplication of processes by integrating applications for temporary and permanent well access roads. A royalty on fill material has been dropped as part of this initiative.

The OGC has committed to share new initiatives with PAG for input and will seek input on a re-written wells section in the Oil and Gas Handbook. The OGC has also committed to assign a staff person to ensure that the hundreds of years of experience around the PAG table be harvested in a timely manner.

To become involved in the Oil and Gas Practices Advisory Group, please write to:

Richard Caesar
Chairperson

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gems3.gov.bc.ca

If you have questions or concerns about this review or the report, contact:

Joyce Beaudry
A/Deputy
Commissioner

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The report is available on the OGC website:

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

For more information on the SCEK fund or to submit a proposal, please write to:

Director of
Corporate
Services,
Oil and Gas
Commission,
200,
10003 - 110 Ave.,
Fort St. John,
BC, V1J 6M7

Phone:
(250) 261-5771

The Peejay Oil Spill Review of Response Procedures

The review of the OGC's response to the Peejay oil spill has been concluded. A three-member panel, all of whom are external to the Commission, investigated the pipeline break incident in the Canadian Natural Resources Limited (CNRL) Peejay field system. Joyce Beaudry, OGC A/Deputy Commissioner, chaired the review of this incident to assess the effectiveness of emergency response to an oil spill and to look for opportunities to strengthen the OGC's emergency management system.

The review panel received information from individuals directly associated with, or representing, various aspects of the Peejay oil spill response. The panel's report outlines recommendations that provide ways to improve procedures and systems in various areas of emergency

response, including:

- The initial assessment of incidents and environmental impact;
- Internal and external communication; and,
- Opportunities for others to be involved in and/or informed of the incident.

The Commission intends to utilize this report to develop effective solutions that can be implemented in its current emergency management practices to strengthen emergency response to petroleum related incidents.

The OGC appreciates the contributions and time given by panel members Gerry Attachie, Chris Bakker and Russ Brown; Chair, Joyce Beaudry; and, the excellent input from Randy Stamp of CNRL.

Changes to the Environment Fund

The OGC has proposed to refocus the Environment Fund, currently a research-based fund, to a Science and Community Environmental Knowledge (SCEK) Fund. With the continued support of the Canadian Association of Petroleum Producers (CAPP) and Small Explorers and Producers Association of Canada (SEPAC), the fund integrates science with community environmental knowledge in the regulation, mitigation and cumulative impact management of oil and gas activities.

The SCEK Fund financially supports scientific studies and the integration of traditional community environmental knowledge related to the effects of oil and gas development, reclamation and restoration to a sustainable ecosystem in north-east BC.

The fund will be comprised of four knowledge envelopes encompassing the science and community issues relevant to BC's oil and gas industry. These envelopes are:

- Health and safety;
- Ecosystem and cumulative impact management;
- Engineering and technology; and,
- Education and extension.

The SCEK fund governance system will have two elements: an annual conference and a project management system. The annual conference will identify the fund priorities within the four

broad envelopes. The annual conference will report on studies completed or in progress and the application to OGC's regulatory duty. The findings will be applied to future regulations, our shared knowledge base and the management of the cumulative impacts of oil and gas.

Many of the improvements to the Environment Fund follow a review of the fund by Dr. Barry Sandler in July 2002. The independent review of the fund considered the fund's effectiveness and merit, providing recommendations to the Commission for enhancements. The recommendations include modifying research priorities annually with multi-party input and providing results of funded projects to industry and community.

To date, \$2 million has been invested into 18 environmental research projects relating to the effects of oil and gas exploration and development. Three projects are completed and seven more are targeted to conclude this winter. The OGC will organize the first conference in May 2003.

At the Prosperity Through Unity conference, CAPP and SEPAC, whose members contribute all of the fund money, committed to working with the OGC in redefining the fund and improving its accessibility to First Nation interests. CAPP and SEPAC are considering renewing their five-year commitment to the fund.

New Position Focuses on Pipeline Integrity Management

The OGC has created a new position in order to fulfill its commitments on regulatory service improvement. Richard Caesar, former Manager of Pipeline and Facilities Safety & Engineering with the OGC, has accepted this new role, reporting to the Commissioner's office.

Richard's current responsibilities include:

- Developing a pipeline integrity management program to ensure the safety of pipelines within the province for both downstream and upstream systems;

- Supporting the broadening mandate of the Practices Advisory Group;
- Establishing a plan to guide the transfer of pipeline and well site tenures; and,
- Participating in sub-committee work with the Canadian Standards Association.

Richard's previous position has temporarily been filled by Gord Hockridge, formerly an OGC Pipeline and Facilities Inspector.

Meetings & Events

Geophysical Contractors' Meeting

The OGC participated in the BC Fall Meeting of the Canadian Association of Geophysical Contractors (CAGC). The meeting, held on October 16 in Fort St. John, gave the OGC an opportunity to share information and invite discussion on such topics as:

- Single window service enhancements;
- Regulatory, process and fee changes;
- Results based regulation; and,
- Stakeholder involvement.

The CAGC has hosted this annual meeting since the early 1980s, providing a valuable opportunity for industry, Workers' Compensation Board and government to share information and build collaborative relationships.

Tribute to Bill Kammermayer Sr.

The OGC would like to take this opportunity to wish Bill Kammermayer Sr. all the best on his retirement from the CAGC. As President, he helped to originate the annual CAGC/regulator meetings in the province of BC. He was also instrumental in bringing together the CAGC, Canadian Association of Petroleum Producers and BC Ministries in developing the Trapper Notification Program. We thank Bill for the many contributions he has made during his 20 years with the CAGC.

Did you know?

Pipeline Application and Review

The OGC will accept pipeline applications immediately following the receipt of a well application.

The OGC encourages industry to apply for pipelines to tie-in wells at the earliest opportunity. The application process has been designed to allow adequate time for the review and consultation process, enabling industry to commence construction by the time the well is ready for tie-in. This assures industry that the way is clear, the route selected is not an issue and construction can proceed.

Approvals for pipelines are issued whenever the reviews are completed, provided the Well Authority has been approved. If the well has not yet been completed, the pipeline approval is still issued with a condition that it is 'validated' by sending a Notification of Proven Well. Construction can proceed the moment the Notification of Proven Well is faxed to the OGC.

If you have questions or concerns about the pipeline application and review process, contact:

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(250) 261-5707

penny.buckler@gems6.gov.bc.ca



Seasons Greetings from the OGC

We wish you growing prosperity through
our joint efforts to build unity in 2003.

For further information or to provide feedback on the Guidelines for Coalbed Methane Projects in BC, contact:

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gems4.gov.bc.ca.

On the Website

www.ogc.gov.bc.ca

Application Submission Process

The OGC has improved the application submission process for geophysical and well site operations, effective October 1, 2002. Please visit:

www.ogc.gov.bc.ca/documents/information_letters.asp

OGC Landowner Brochures

The OGC brochures, *Well Sites and the Landowner* and *Seismic Operations and the Landowner*, provide landowners and occupants with general information on well site development and seismic operations on private land.

These informational brochures are available at:

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

Draft CBM Guidelines

The draft Guidelines for Coalbed Methane Projects in British Columbia are now available on the website at:

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

Your feedback is important to us in continuing to improve all our guidelines. (*See sidebar for contact information*).

Seed Mixture Guidelines and Helpful Hints

Seed mixture guidelines, prepared by the Ministry of Forests and the OGC, provide industry with helpful hints and recommended seeding practices at the time of reclamation. The guidelines are available at:

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

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

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