



McLeod Lake Signs Agreement with Government

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Honourable Richard Neufeld, Minister of Energy and Mines, (right) presents Chief Harley Chingee with a book on the Peace region, by local author and photographer, Don Petit.

The McLeod Lake Indian Band (MLIB) and the Provincial Government signed an Oil and Gas consultation Agreement, January 10, 2003.

Joining Chief Harley Chingee to celebrate the signing ceremony was Honourable Richard Neufeld, Minister of Energy and Mines. Gary Gurnsey, Economic Development Manager of McLeod Lake Indian Band, Derek Doyle, Oil and Gas Commissioner and Tom Ouellette, Director of Aboriginal Relations and Land Use also attended the luncheon and signing ceremony.

"The Agreement sets out a process for consultation, provides economic development funding and is intended to provide First Nations, the oil and gas industry and the Province with increased economic stability and certainty in northeast BC", said Honourable Richard Neufeld.

This Agreement is similar to the consultation Agreements developed with other Treaty 8 First Nation communities in 2001 and 2002.

"This consultation Agreement puts us all on the road to unity," said MLIB Chief Harley Chingee.

MLIB signed the McLeod Lake Indian Band Treaty 8 Adhesion and Settlement Agreement, April 28, 2000. The settlement includes a number of key elements, which helps create a positive and stable climate for investment for McLeod Lake and its surrounding communities.

The information letter to industry regarding the McLeod Lake Indian Band consultation Agreement can be found at:

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

For further information, please contact

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Advancing Prosperity through Unity

At the 2002 Oil and Gas Conference, Prosperity Through Unity, there were a number of commitments made by participants within the six interactive workshops: environment, employment, education, communication, communities and enterprise. Conference participants endeavoured to resolve community

and industry concerns, hence, advancing prosperity through unity.

The commitments resulting from the workshops have been captured in four distinct subject areas: Land and Resources, Employment, Education and Business Development.

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Vision of the Oil and Gas Commission:

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

Changes to the Advisory Committee

The Oil and Gas Commission welcomes new members to the Oil and Gas Advisory Committee. Honourable Richard Neufeld, Minister of Energy and Mines, appointed new members: Jim Campbell, Kathie Dickie, Michelle Gardner, Van Greig and David Pryce, November 4, 2002. The new members are appointed for four years, while other members are re-appointed for two years.

The Oil and Gas Advisory Committee includes: Bob Fedderly, Chair, Jim Campbell, Kathie Dickie, Michelle Gardner, Carylin Greatbanks, Van Greig, David Pryce and Wayne Sawchuk.

The Oil and Gas Advisory Committee includes members with knowledge of environment, oil and gas, First Nations, community and government. The committee's mandate is to provide advice to the Commission on consultation, environment, enforcement, health, budget, business and strategic planning, information systems and financial matters. The committee examines requests for reconsideration of OGC decisions and provides advice on Alternative Dispute Resolution.



The Advisory Committee meets regularly throughout the year. Pictured here are (from left to right), Michelle Gardner, Kathie Dickie, Bob Fedderly, Carylin Greatbanks, Wayne Sawchuk, Karen Koncohrada (Ministry of Energy and Mines, Ex-Officio) and Van Greig. Jim Campbell and David Pryce were absent for the photo.

The creation of the Oil and Gas Advisory Committee reflects the government's commitment to expand consultation with local interest groups, as the oil and gas industry grows. The committee was born as part of the 1998 Oil and Gas Initiative.

The Commission thanks former members, Chris Bakker, David Luff and Jackie Allen for their years of service, dedication and contributions to the Advisory Committee.

For further information on this survey and the OGC's draft guidelines please contact:

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Gravity Survey Provides Knowledge of Special Management Areas

On August 9, 2002 the OGC authorized Encana Oil & Gas Co. Ltd. to conduct a helicopter-based gravity survey within the Besa-Prophet pre-tenure plan area. There was public concern that the survey could interfere with, and jeopardize the data quality of a multi-year wildlife study being conducted in the area by the University of Northern British Columbia (UNBC) examining movements of Stone sheep, bears, wolves and caribou.

The OGC placed many conditions on the approval, which had been amended by EnCana to respond to concerns. Some of these were:

- Decreasing the size of the program;
- Completing the survey in a shorter timeframe by bringing in more equipment; and
- Having a wildlife biologist fly over the area

daily, prior to activity taking place, to locate animals and recommend areas to avoid.

Representatives from the OGC, the Ministry of Sustainable Resources, Muskwa-Kechika Advisory Board, Diversified Environmental Consultants and Outsource Seismic Consultants Inc. reviewed the survey's operational reports in a post-activity meeting on December 19, 2002. It was determined that the wildlife study was not impacted because of the precautions taken by the operator.

This survey has provided knowledge on how work can be carried out in special management areas. The OGC will use the information to create Guidelines for Low Impact Seismic Operations in the Muskwa-Kechika and other special management areas. The first draft of these guidelines will be completed by April 1, 2003



Craig Wilkinson,
Director of Corporate
Services Branch

New Director of Corporate Services

Craig Wilkinson joined the Oil and Gas Commission, as Director of Corporate Services. Craig brings many years of financial and management experience to the OGC.

Craig has worked in senior finance and administration positions with the Ministry of Attorney General, Industry and Apprentice Commission and, more recently, with the Vancouver Community College. Craig's expertise is in the areas of strategic planning, budget management, information technology and human resource management.

Craig's role with the Commission includes planning, developing, implementing and managing the organization's financial operations and information system. As Director of Corporate Services, Craig will also serve as the secretariat for the Oil and Gas Advisory Committee. Craig is responsible for the administration of the \$5 million Science and Community Environmental Knowledge Fund provided by industry and the \$18 million OGC annual budget, including payments to First Nations for consultation capacity development.

Craig has a bachelor of arts in economics from the University of Victoria, an MBA from Dalhousie University and is a Certified Management Accountant.

If you have any questions regarding the OGC budget, Service Plan or Oil and Gas Advisory Committee, please contact:

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Advancing Prosperity through Unity Continued from page 1

The four principal objectives from the workshops were to:

- Create a Land and Resource Centre responsible for compiling and linking all lands information databases;
- Establish a central contact location for the employment programs available to the public;
- Identify the barriers to education and facilitate educational paths, bridges and partnerships available to prospective students; Develop a system for awarding and tracking credits for training and education; and,
- Increase business development opportunities

for local companies. This will be accomplished through increased communication ties between industry and community, while defining the needs of all.

Further objectives will be identified by the teams as they continue to evolve.

Four key people have agreed to lead in these areas and thus assist the City of Fort St. John and the OGC in fulfilling the commitments. These leaders are, respectively: Dave Chater, Director, Ministry of Sustainable Resource Management; Sheila Gibb, Manager, JobWaves BC; Ron Samborski, Superintendent, School District 60; and Bob Fedderly, President, Northern Society of Oilfield Contractors.

The leaders will continue to seek support of others whose interests and expertise lie within

The 2003 Oil and Gas Conference, *Yesterday, Today and Tomorrow's Opportunities*

September 29 –
October 2, 2003.

For more information, please contact:

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How to reach us

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

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2002 and 2003 Early Activity Report

For further information on applications and approvals, please contact:

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 Applications and
 Approvals Branch*

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During the calendar year 2002, the OGC experienced a significant increase in amendments to applications.

The number of amendments approved in 2002 compared to 2001, increased by 22.4%, while new applications approved decreased by 10.5%.

"The Commission will be completing an internal analysis of the amendments to determine the cause for the increase in amendments," said Larry London, Director of Applications and Approvals Branch. "The analysis will assist the Commission in encouraging companies to undertake additional planning and

identify other efficiencies for reducing the number of amendments."

"The number of applications approved for two months of 2003, compared to 2002 is significant," said London. "Geophysical applications have increased 66%, wells have increased 40% and pipelines have increased by 140%."

In response to the increase, the Applications and Approvals Branch have added new staff. The OGC welcomes John Dame and Kerry Harvey, as Resource Officers and Maureen Simmons and Donna Bozarth as Land Examiners.

New Applications Approved			Amendments Approved			
APPLICATION	2000	2001	2002	2000	2001	2002
Geophysical	121	135	157	64	114	180
Wells	972	955	874	259	429	548
Pipelines	435	592	474	73	121	85

Collaborative Learning in Hudson's Hope

If you have questions please contact:

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Over 200 people gathered in the Hudson's Hope Community Hall on February 10, 2003 to share information and voice concerns about potential coalbed methane (CBM) development in the area. Representatives of the Ministry of Energy and Mines (MEM) and the OGC hosted an open house, followed by a public meeting, to provide information and to listen and respond to community concerns.

The following issues were among those frequently raised at the meeting:

- Public consultation;
- Environmental protection;
- Water disposal;
- Air quality;
- Cumulative impacts; and
- Quality of life.

An application to drill a CBM well on Crown land in the Hudson's Hope area was received February 21, 2003.

There have been 38 CBM wells and 22 test holes drilled in the province to date. MEM and the Commission have been visiting communities, sharing information about this relatively new resource potential. The OGC held a public meeting in Hudson's Hope on June 20, 2002 to discuss oil and gas development, public involvement, OGC's regulatory duty, and MEM's tenure sale processes. At that time there was some interest in CBM and the OGC offered to return with MEM at a later date.

Both agencies returned to Hudson's Hope March 7 and 8, together with resource experts, and other ministries and agencies, to provide answers to the many excellent questions and concerns that were raised. The OGC has also opened an information sharing office in the community, for a period of time, to identify additional questions and concerns, provide information and work with the community in examining concerns and mitigative measures.

Did you know?

Facts about Coalbed Methane

Coalbed methane (CBM) is a natural gas found in coal seams in almost every coal-field across the province. It is mainly comprised of methane. Carbon dioxide, nitrogen and other hydrocarbons may also be present in small quantities. Coalbed methane is identical to the methane contained in conventional natural gas that is produced and consumed in the province today.

CBM requires minimal processing, eliminating potential emissions. CBM is classified as sweet gas as it contains no hydrogen sulphide. Compressors move the gas from the well to the pipeline system. Although there may be flaring, the volumes necessary for CBM are lower than for conventional oil and gas wells. For example, 255,000 m³ per well for total flare volume for CBM versus up to approximately 1,000,000 m³ for conventional gas flare volumes from exploratory wells.

Water is a key element in CBM operations. To encourage CBM to flow, the natural pressure in the coal seam must be decreased by removing the water that occupies the coal. This is done by pumping it to the surface where water is separated from the gas. The water is tested and, depending on the quality and quantity, the appropriate disposal method is determined. The OGC requires subsurface disposal. The OGC will not allow water to be discharged on the surface unless it meets the criteria set out by the

For more information on CBM please visit our website

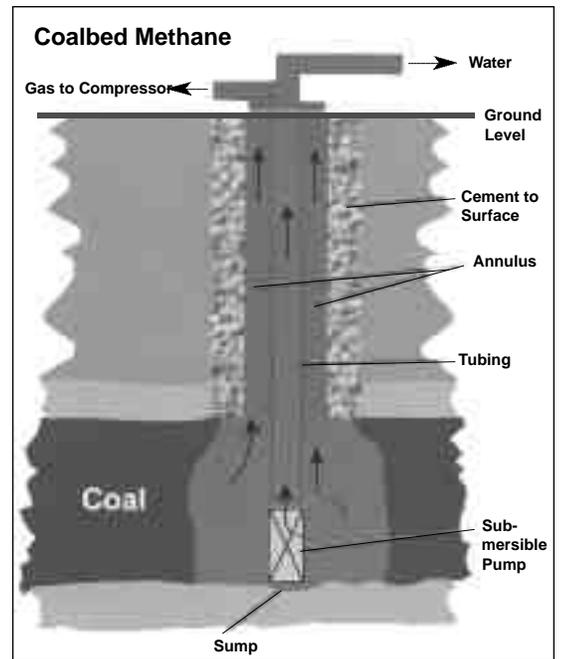
www.ogc.gov.bc.ca

or contact:

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Schematic diagram of open-hole completion technique for a typical CBM well.

Ministry of Water Land and Air Protection.

Companies wishing to drill a CBM well must make application to the Oil and Gas Commission and are required to follow the same processes as for conventional oil and gas activities. The OGC has strict requirements in place and have also created specific guidelines for coalbed methane projects in BC (www.ogc.gov.bc.ca/guidelines.asp). Each application is carefully reviewed and decisions are made in the public interest, considering social, economic and environmental values.

Beefing up Compliance and Enforcement

Three new inspectors have recently joined the Compliance and Enforcement Branch, adding 80 years of combined oil and gas experience. Bob Ziebart previously worked for the Ministry of Employment and Investment and Westcoast Energy. Todd Jones worked for eight years in the drilling industry and in pipeline and facilities construction for 18 years. Brian Christian worked with many local companies through his association with Hyland Oilfield Services.

A recruitment process has begun to hire an

Enforcement Manager, bringing the OGC closer to its one window goal, thus reducing the number of agencies dealing with industry.

If you have questions about the Compliance and Enforcement Branch and its compliance and enforcement commitments, please contact:

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For further information on the Northern Lights College Foundation please contact:

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For further information on the Application to Alter a Well, please see the information letter for industry at:

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

or contact:

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The Dave Johnson Fund

The Dave Johnson Memorial Foundation, a long time supporter of the Northern Lights College Foundation, recently increased their support with a donation of \$20,000 towards the purchase of a Fall Arrest/Confined Space Simulator for the Oil and Gas Training Program at the Fort St. John campus.

In recognition of donations made to Northern Lights College by the Dave Johnson Memorial Foundation, Brian Sumbot, Director, Northern Lights College Foundation presented Ritha Johnson, Dave Johnson Memorial Foundation and Derek Doyle, Commissioner, OGC, with appreciation plaques.

The Dave Johnson Memorial Foundation was created in 1997 to commemorate the life of Dave Johnson, who, throughout his 36 years of government service, from the early 1960's until his untimely death in 1997, helped shape the petroleum industry in BC. At the time of his death, Johnson was the District Engineer for the Ministry of Energy Mines in the Fort St. John area. During his career, Johnson guided the petroleum industry from a modest beginning of a few hundred wells to over 10,000. He was well known for his quiet leadership and ability to combine technical excellence with fairness and firmness.

On the Website

www.ogc.gov.bc.ca

The OGC Service Plan

The OGC Service Plan for the next three years was released as part of the provincial budget documentation requirements.

The current service plan continues to achieve the Commission's vision and mission. The key objectives of the previous service plan remain as the foundation for the Service Plan 2003-2006.

Elimination of Fees

In a continuing effort to improve efficiency in the oil and gas sector, the OGC has eliminated specific fees related to oil and gas applications. Please note the information letter on these changes effective January 1, 2003.

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

Snowfill information

Snowfills are commonly used by the forest and oil and gas industries to temporarily cross streams in northern BC during the winter months. Check out the information letter on snowfills:

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

Voluntary Compliance Commitment from Industry

To encourage industry compliance in specific activities, the OGC Compliance and Enforcement Branch is seeking commitments in the areas of:

- Stream crossings, snowfills and ice bridges;
- Sewage management and disposal at campsites and drilling rigs;
- Special waste storage, transportation and disposal; and
- Water usage by camps, drilling rigs and seismic crews.

More information on voluntary compliance commitment can be found at:

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

Changes for the Application to Alter a Well

OGC's Engineering and Geology Branch has increased efficiency for industry through the implementation of the submission requirements for Applications to Alter a Well.

Sample statistics during the week of January 27 to 31, 2003 demonstrated that 62% of Applications to Alter were replaced by notifications. An OGC Initial Completion Notification form takes the place of the Application to Alter for non-special sour well operations.

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

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