

Yesterday's, Today's and Tomorrow's Opportunities

INSIDE:

Practice Advisory Group2
Change in Structure of OGC Board2
Coalbed Methane Tour3
Emergency Response Planning and Safety Inspector3
Drilling Activity Increase3
General Development Permit Applications6



Paul Gevatkoff,
Councillor, City of
Dawson Creek and
Conference Chair.

The 2003 BC Oil and Gas Conference is scheduled for September 29 - October 2, in Dawson Creek, BC. The conference program is designed around the theme, Yesterday's, Today's and Tomorrow's Opportunities. As a result, BC's oil and gas industry's historical, current and future opportunities will be highlighted.

"This conference is our opportunity to recognize First Nations, industry, and government for their accomplishments and achievements within the oil and gas industry, as well as set goals and targets for the future," said Paul Gevatkoff, Conference Committee Chair. "We are quite pleased with the amount of sponsorship and interest received from various businesses and organizations."

An exciting and informative program is planned for industry, community, government, and First Nations. The program for oil and gas week consists of a trade show, key speakers and presentations during the conference, as well as a series of evening workshops.

The Conference Committee is pleased to offer several distinguished keynote speakers, including the following:

- Honourable Herb Dhaliwal, *Minister of Natural Resources*;
- Honourable Richard Neufeld, *Minister of Energy and Mines*;
- Jon O'Riordan, *Deputy Minister of Sustainable Resource Management*;
- Dave Chater, *Director, Integrated Registry Branch, Ministry of Sustainable Resource Management*;
- Chief Councillor Liz Logan, *Fort Nelson First Nation*; and
- Audrey Poitraz, *National Spokesperson for the Metis National Council and President of the Metis Nation of Alberta*.
- James Burns, *Vice-President of Exploration, Dominion Canada*;
- Andy Popko, *Vice-President of Community Relations, EnCana Corporation*;
- Derek Doyle, *Commissioner, Oil and Gas Commission*;

For more information, or to register for the *Oil and Gas Conference 2003*, please visit:
<http://oilgas.dawsoncreek.ca>.



2003 OIL & GAS CONFERENCE

**YESTERDAY'S, TODAY'S AND
TOMORROW'S OPPORTUNITIES**

DAWSON CREEK, BC

Sept. 29th – Oct 2nd 2003

Practice Advisory Group

For more information regarding the Practice Advisory Group, please contact:

Doug McKenzie,
*Senior Technical Advisor,
Oil and Gas Commission*

(250) 952-0321

doug.mckenzie@gems5.gov.bc.ca

The Oil and Gas Practice Advisory Group (PAG) is a joint initiative between the Commission and the oil and gas industry that is intended to raise issues of mutual concern and work toward a resolution of those issues. PAG consists of a steering committee and eight subcommittees, each with expertise in a particular operational area of the oil and gas industry. The steering committee is comprised predominantly of the leaders of the subcommittees.

PAG is able to draw upon the knowledge and experience of many individuals. This network of individuals contributes to the identification of issues and the research and analysis that is required to bring the issues forward for resolution.

"The Practice Advisory Group is an excellent opportunity to draw on a diverse range of knowledge and experience of operational issues," said Mike Waberski, Steering Committee Chairman.

The steering committee examines the issues that are raised by the subcommittees. After the issue passes the scrutiny of the steering committee, it is passed on to the Commission for resolution.

The subcommittees are as follows:

- Community Relations, Archaeology, First Nations, and Dispute Resolutions;
- Surface and Environment;
- Seismic;
- Well Drilling, Completions, Operations, and Maintenance;

- Pipeline Design and Construction;
- Facilities Design and Construction;
- Pipeline and Facilities Operations and Maintenance; and
- Pipeline and Equipment Systems Integrity.

There are several issues currently under review. The Community Relations, Archaeology, First Nations, and Dispute Resolutions group has brought forward the need for clarification of OGC's dispute resolution process. They would also like to see the archaeological assessment process streamlined and standardized.

The Well Drilling, Completions, Operations, and Maintenance group has raised the issues of equipment spacing requirements on well sites, and the requirements for public notification of well test flaring.

The Pipeline and Facilities Operations and Maintenance group has brought forward the need for clarification of incident reporting requirements.

The Pipeline and Equipment Systems Integrity group expressed a need for a "one-call system" prior to digging so that there is a central source for pipeline locations. Another issue raised was the topic of reporting spills. There are currently three agencies which must be notified of spills: the OGC; the Ministry of Water, Land and Air Protection; and the Provincial Emergency Program. Industry would prefer to report spills to only one agency.

The OGC committed to implementing 80% of the recommendations made by PAG.

For information on the OGC Board of Directors, please contact:

Craig Wilkinson
Division Leader of Corporate Services

(250) 261-5771

craig.wilkinson@gems8.gov.bc.ca

Change in Structure of OGC Board

Amendments to the Oil and Gas Commission Act, through Bill 36, 2002 have changed the governance structure of the Oil and Gas Commission.

On June 24, 2003, as per the amended Act, Sheila Wynn, Deputy Minister of Energy and Mines, became Chair of the board. Derek Doyle, Oil and Gas Commissioner, was appointed Vice-Chair, and John Bechtold was appointed as the third Director of the board, for a term of five

years. The responsibilities of the board include:

- Providing strategic direction to the OGC;
- Ensuring appropriate plans and programs are in place;
- Approving the Commission's budget, service plans and regulatory initiatives; and
- Establishing the Commission's organization.

The Commissioner continues to be responsible for the operations of the Commission.

Coalbed Methane Tour

A delegation from British Columbia toured the coalbed methane (CBM) fields in Wyoming, Colorado, and New Mexico from June 15 – 20, 2003. Among the group of fourteen delegates were Chief Roland Willson and Diane Abel, West Moberly First Nations; Chief Councillor Allan Apsassin, Saulteau First Nations; Chief Joseph Norris, Halalt First Nations; and Karen Goodings. Government participants included Minister Richard Neufeld, Ministry of Energy and Mines; Minister Stan Hagen, Ministry of Sustainable Resource Management; Dave Chutter, MLA for Yale-Lillooet; Bill Bennett, MLA, East Kootenay; and officials from the Ministry of Energy and Mines and the Oil and Gas Commission.

The intent of the tour was to learn first-hand about CBM development in the United States, and to determine the best management strategy for potential CBM development in British Columbia. The delegates visited five active coalbed methane operations and learned about the effects of various operating practices and regulating requirements.

The delegation met with a number of groups including other oil and gas regulators, industry operators, and stakeholders.

The delegation returned with lessons and insights to consider when structuring regulations and management procedures for coalbed methane development in British Columbia.

For further information on the coalbed gas mission to the United States, please check out:

www.gov.bc.ca/em

Emergency Response Planning and Safety Inspector

Emergency response and safety inspections are a vital component of the Commission's Compliance and Enforcement Branch. In 2002, Frank Schneider took on the role of Emergency Response Planning and Safety (ERPS) Inspector. Frank works with industry representatives to ensure that emergency response plans are within OGC requirements and are current. Oil and gas companies must demonstrate their ability to carry out the scope of the emergency response

plans through validated exercises. Frank also provides information to the OGC and to the public with regards to sour gas emissions, flaring, odour concerns, spills and or other public related safety issues. Frank serves as a liaison between emergency agencies such as the RCMP, Municipal emergency services and the Provincial Emergency Program. In addition, he works with concerned citizens' groups and First Nations.

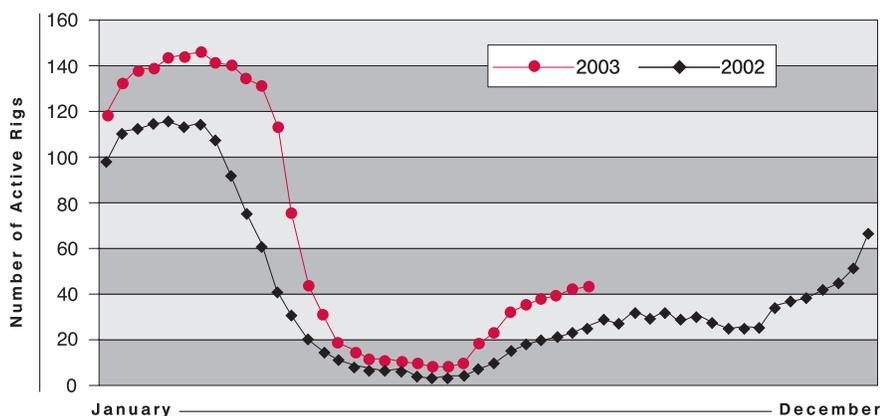
For more information on Emergency Response Planning and Safety, please contact:

Frank Schneider
Inspector,
Emergency Response
Planning and Safety

(250) 261-5757

frank.schneider@gems3.gov.bc.ca

Increase in BC's Drilling Rig Activity (2003 vs 2002)



The number of active drilling rigs in BC has increased dramatically this year over 2002, as demonstrated in the graph. To date, 2003 has been a very active year for the oil and gas industry.

On the Website

www.ogc.gov.bc.ca

If you have any questions or comments about the Commission's Annual Report, please contact:

Harleen Price
Stakeholder
Relations Advisor

(250) 261-5781

harleen.price@gems5.gov.bc.ca

For further information on General Development Permits, please contact:

Devin Scheck
Program Manager,
Coalbed Methane/
General Development
Permit

(250) 261-5799

devin.scheck@gems7.gov.bc.ca

The Commission's 2002 – 2003 Annual Report Now Available

The Commission's annual report informs stakeholders of our roles and responsibilities, financial and corporate performance, and the progress in achieving the OGC vision, "to be the innovative regulatory leader, respected by stakeholders, First Nations and clients."

A hard copy of the annual report can be obtained through the Stakeholder Relations and Communications branch, or accessed through our website at:

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

General Development Permit Applications

After conducting three pilot projects on the General Development Permit (GDP) concept during the winter of 2002-2003, the Commission is moving forward with GDPs as a means to apply for oil and gas permits. Earlier this year, meetings were held with First Nations and industry participants to gather feedback on the pilot projects and to receive input into the development of GDP guidelines.

A GDP application offers the opportunity for a review and an approval in principle for multiple works in a given project area. This application process is intended to better meet the needs of First Nations, government, industry, and stakeholders. The GDP is expected to create efficiencies in project design, enhance First Nation and stakeholder consultation, and provide improved opportunity to manage cumulative impacts.

Expressions of interest for GDP applications have been received from nine companies in a total of 15 areas for the 2003-2004 drilling season. It is anticipated that these applications will include approximately 300 well locations.

For more information on General Development

Permits, please refer to the guidance document and template on the OGC website at www.ogc.gov.bc.ca/fc_appinfo.asp

INFORMATION LETTERS

For more information on the information letters listed below, visit our website at:

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

Amended Legislation for Restoration Certificates (OGC 03-10)

The issuance of a Certificate of Restoration for a well, test hole, or facility is based upon the information available at the time of issuance. If it is determined that the abandonment was not in accordance with the regulations, the owner's obligation to conduct a proper abandonment continues, despite the issuance of a certificate.

New Legislation for Water Source Wells (OGC 03-12)

An amendment to the *Petroleum and Natural Gas Act* has been made to allow more than one water source test hole to be drilled on a Water Source Well Authorization. A new definition has also been added to categorize water source wells differently than oil and gas wells.

Fish and Wildlife Timing Windows (OGC 03-13)

The Oil and Gas Commission has released the document, Fish and Wildlife Timing Windows for Oil and Gas Exploration and Development in Northeast British Columbia. The intent of the document is to reduce impacts of industrial disturbances on fish and wildlife during sensitive life cycle stages.

Changes to OGC Website (OGC 03-16)

To provide improved access to information for our clients and stakeholders, the OGC has upgraded and enhanced its website.

The URL to the Commission's site will remain as www.ogc.gov.bc.ca.

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

Corey Jonsson, Stakeholder Relations Advisor: (250) 261-5789 corey.jonsson@gems4.gov.bc.ca

Harleen Price, Stakeholder Relations Advisor: (250) 261-5781 harleen.price@gems5.gov.bc.ca

The *Commissioner's Update* is published bi-monthly by the

OIL AND GAS COMMISSION

Stakeholder Relations and Communications Branch

200, 10003 – 110 Ave., Fort St. John, BC, V1J 6M7

Phone: (250) 261-5700 Fax: (250) 261-5744