

An aerial photograph of an oil and gas site, likely a well pad or processing area, surrounded by green fields and forests. A semi-circular dirt road or access path runs along the site. In the background, there's a small pond and more greenery. A large green rectangular box with a white border is superimposed over the center of the image, containing the title text.

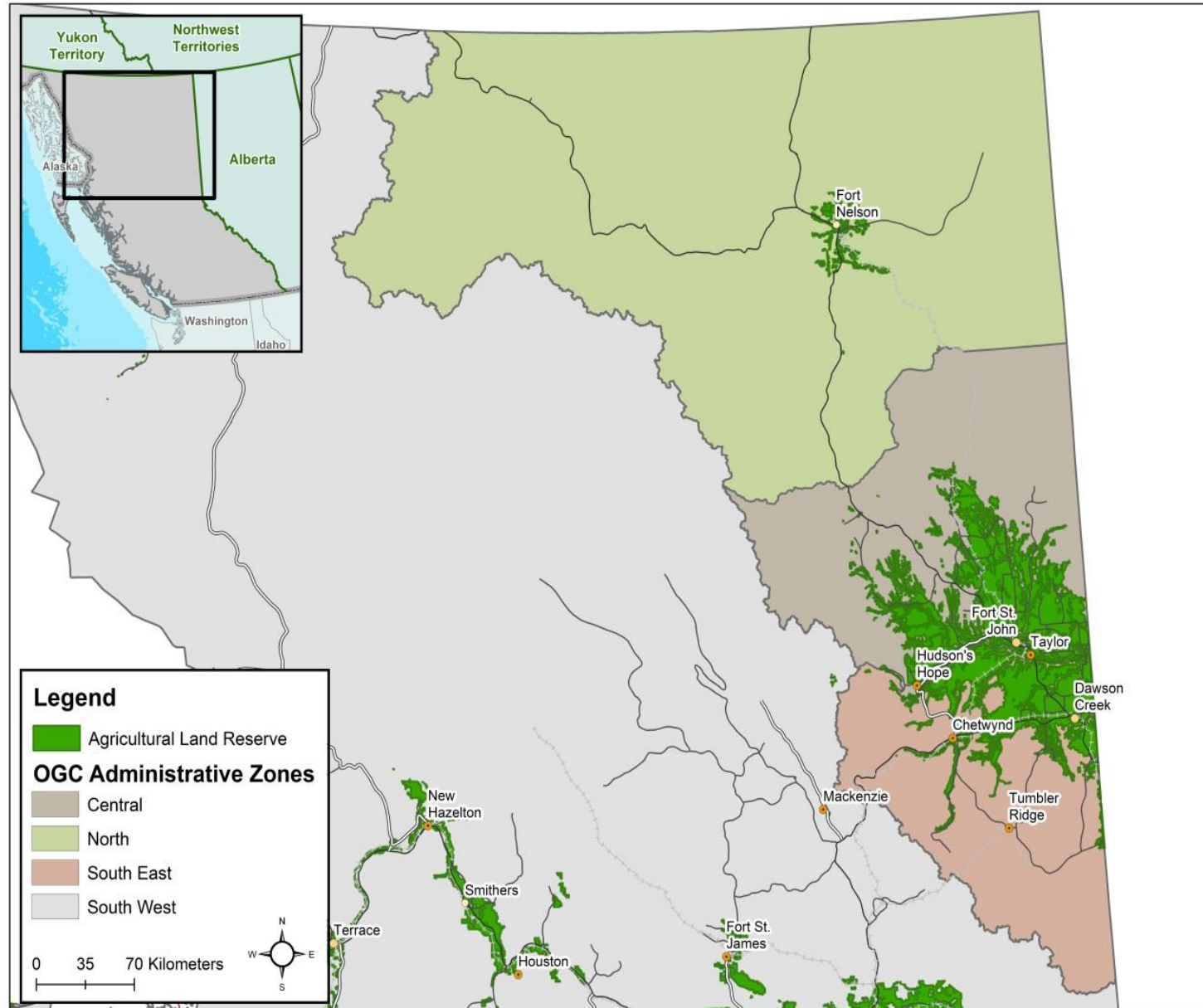
ALC OIL AND GAS DELEGATION AGREEMENT



OUTLINE

1. Background
 - Oil and Gas Impacts on the ALR
2. History of Oil and Gas Activities in the ALR
3. OGC Delegation Agreement
4. OGC Annual Report Statistics

Context



Montney Wet and Dry Gas Regions



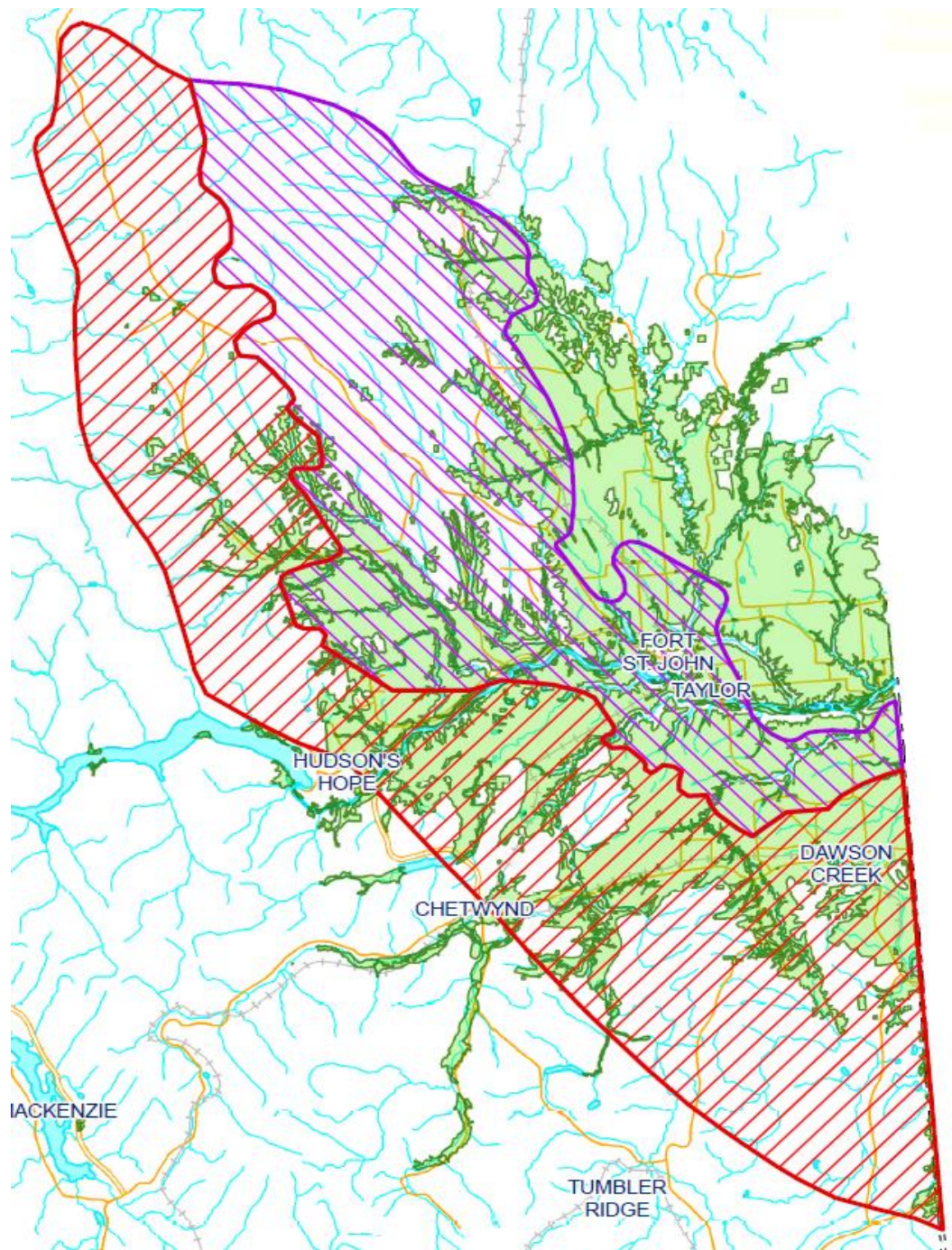
Dry Gas



Wet Gas



Agricultural Land Reserve



Oil and Gas Impacts on the ALR

- Disturbance and loss of soil resource
- Location, extent and density of oil and gas uses
- Impact on agricultural landscape and land use
- Reduction of capability of land for agriculture
- Interruption of field patterns and isolation of producing lands
- Appropriate reclamation to an agricultural standard

Philosophy of Temporary Oil and Gas Use in the ALR

Agricultural
Land Use

Temp.
Extraction Use
Approval

Avoidance &
Mgmt. of
Impacts on
Ag. Land

Reclamation

Agricultural
Land Use

Land Remains in the Agricultural Land Reserve
throughout entire process

An aerial photograph of a rural landscape. In the upper left, there is a small, irregularly shaped pond surrounded by a dirt embankment. A dirt road or path runs diagonally across the middle of the image. The surrounding area is covered in lush green grass and patches of trees. In the lower half of the image, there is a large, active industrial site, likely an oil or gas wellhead. The site features several large, cylindrical storage tanks, various pipes, and a complex network of roads and tracks. There are also some smaller buildings or structures within the site. The overall scene depicts a mix of natural and industrial environments.

HISTORY OF OIL & GAS ACTIVITIES IN THE ALR

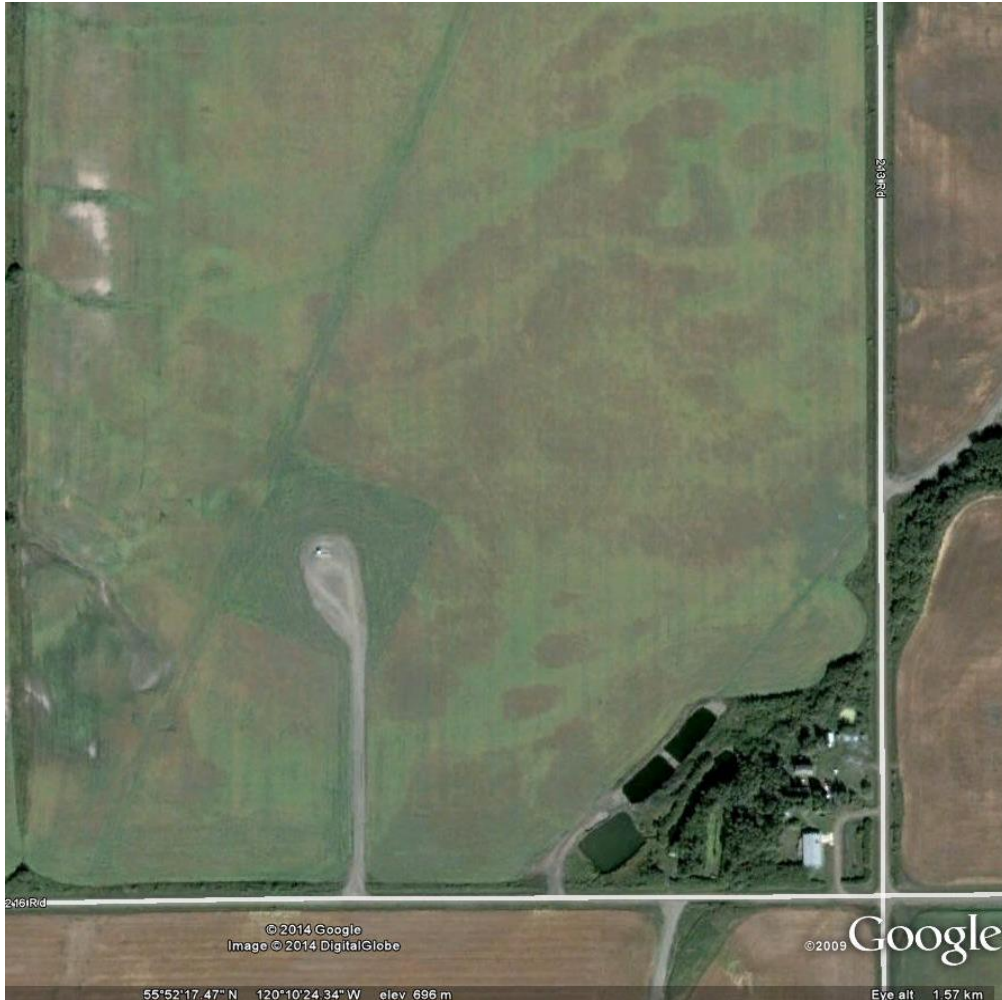
General Order #4473/1976:

- Exempted applications in the Peace River-Liard Regional District for:
 - Oil and gas well sites and ancillary buildings and equipment occupying <2 acres (0.8 ha);
 - Exploratory sites and ancillary buildings and sump pits; and,
 - Roads and gathering and flow line rights-of-way.

General Order #4473/1976:

- Required that:
 - Well / exploratory site rehabilitated to original or better topographical and soil conditions when abandoned;
 - Any pipeline constructed for gathering purposes must not restrict agricultural use of the land; and,
 - During construction topsoil must be conserved and replaced when pipeline is backfilled.

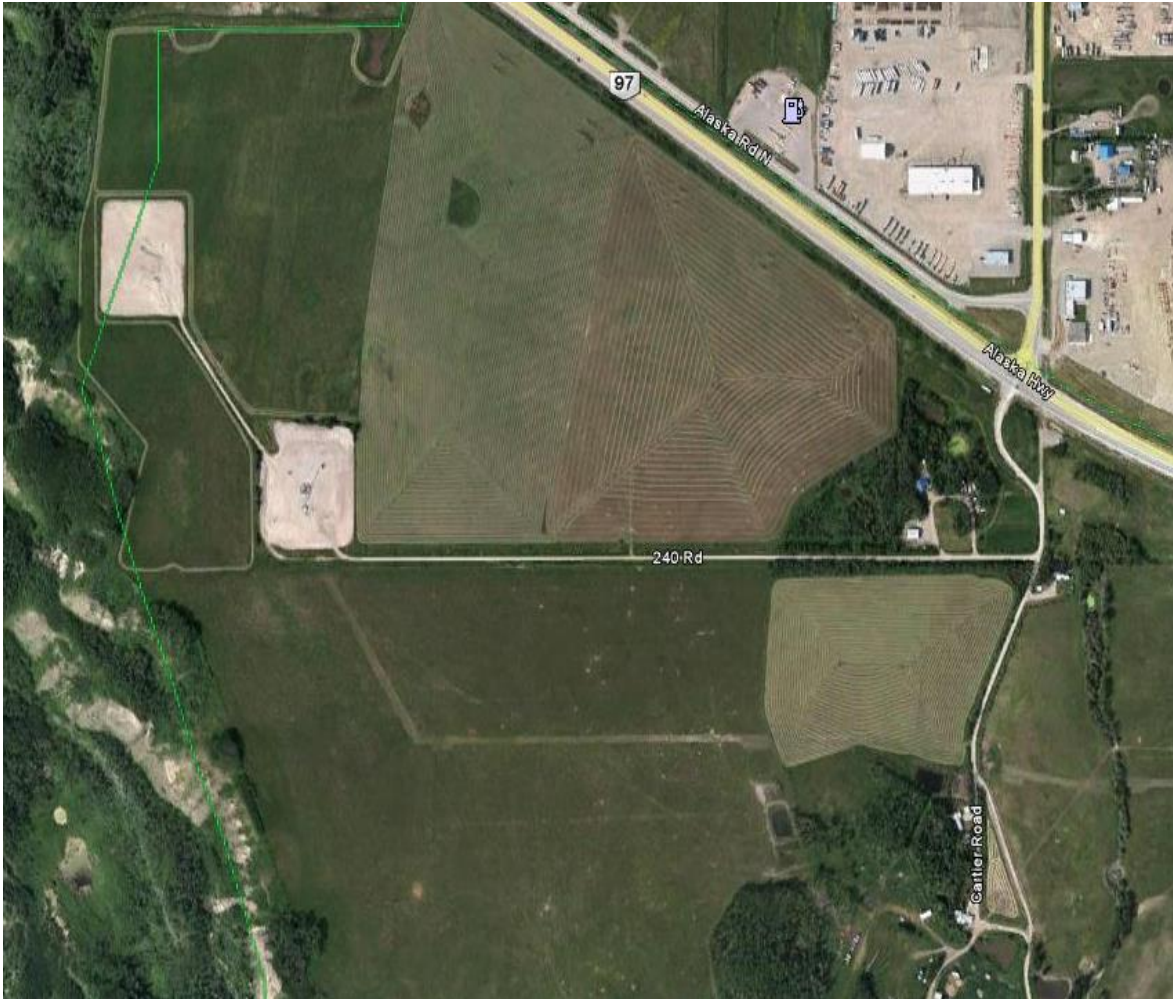
Example



A wellsite in the centre of a $\frac{1}{4}$ section.

Note the teardrop “finish”, but the disturbed lease area and pipeline.

Example



Well sites under construction in Fort St. John.

Note the disrupted field pattern.

Example: wellsites interrupting fields



General Order #132/1982:

- Established specifics around site development and reclamation standards;
- Required normal spacing areas for oil and gas wells on parcels 16 ha or larger, specifically:
 - one gas well site per section (259 ha); and/or,
 - one oil well site per $\frac{1}{4}$ section (65 ha);
- Expanded area permitted for oil and gas sites and ancillary buildings/equipment to 2 ha per $\frac{1}{4}$ section.

General Order #293/1995:

- Exempted applications in the Peace River Regional District and Fort Nelson-Liard Regional District for:
 - Geophysical exploration for oil and gas;
 - Pipelines less than 5 km in length;
 - Two well sites per $\frac{1}{4}$ section on new surface leases to a maximum area of 5 ha; and,
 - A new well on an existing surface lease where the site had already been disturbed.
- Conditions of exemption included reporting requirements and enhanced reclamation standards.

Delegation to the CEO – 1997:

- Decision-making delegated for non-exempted oil and gas activities to CEO.
- Streamlined the non-farm use application process and reduced application response time to oil and gas producers for the following:
 - Third or more well sites;
 - Pipelines longer than 5 km;
 - Combined oil and gas development beyond 5 ha per $\frac{1}{4}$ section;
 - All battery, compressor, production or processing facilities;
 - Change in use of a surface lease; and,
 - All waste management facilities

An aerial photograph of a construction site, likely for a water treatment facility, featuring various industrial structures, pipes, and a large circular pond. The site is surrounded by green fields and a forested area. A semi-transparent green rectangle with a white border is centered over the image, containing the title text.

OGC DELEGATION AGREEMENT

OGC Delegation Agreement

- **2002:** Section 26 of the ALCA amended to give ALC power to delegate decision-making powers to an “authority” and to exempt activities from application through that delegation.
- **2004:** ALC delegated decision-making authority for two years to the OGC for non-farm uses associated with oil and gas production facilities.
 - Exempted applications for oil and gas activities and pipelines <7 ha per ¼ section.
 - >7 ha triggered NFU application to ALC.
 - Replaced General Order #293/1995 and delegation of decision-making to CEO.

OGC Delegation Agreement

- **Auditing provision:** ALC responsible to audit OGC decisions as per the original 2004 ALC/OGC Delegation Agreement:
- **2005 Audit:** Former Commissioner Hadland reviewed 32 wellsites, 7 pipelines and 7 facilities (out of 391). General findings confirmed that the industry understood topsoil conservation, but had limited oversight or monitoring:
- **2009 Audit:** Forest Practices Board (reviewed 105 of 907 wellsites). Recommended better training of operators in stripping topsoil, and better oversight of reclamation.

Example: Gas processing plant



Example: Fracking operation



Example: Multi-well site



OGC Delegation Agreement - Updates

- **2006 & 2010:** Delegation extended.
- **2013:** Delegation agreement rewritten to mitigate ALC and oil and gas industry conflicts:
 - Decreased threshold for permitted oil and gas uses to 20 ha/Section due to technical changes to industry, i.e. multi-well sites;
 - All applications for facilities greater than 20 ha delegated to OGC (prompted by ALC delays in decision-making and interference with oil and gas planning);
 - Voluntary siting hierarchy established for facilities (low capability, forested, etc.)
- **2017:** Delegation updated – minor updates about reporting and soil assessment.

Current OGC Delegation Agreement

- Oil and gas facilities less than 20 ha per section permitted without application;
- OGC makes decisions on facilities greater than 20 ha;
- Requires:
 - Stripping/stockpiling topsoil;
 - Schedule A pre-site assessment report;
 - Schedule B reclamation/closure report for all abandoned facilities;

Current OGC Delegation Agreement

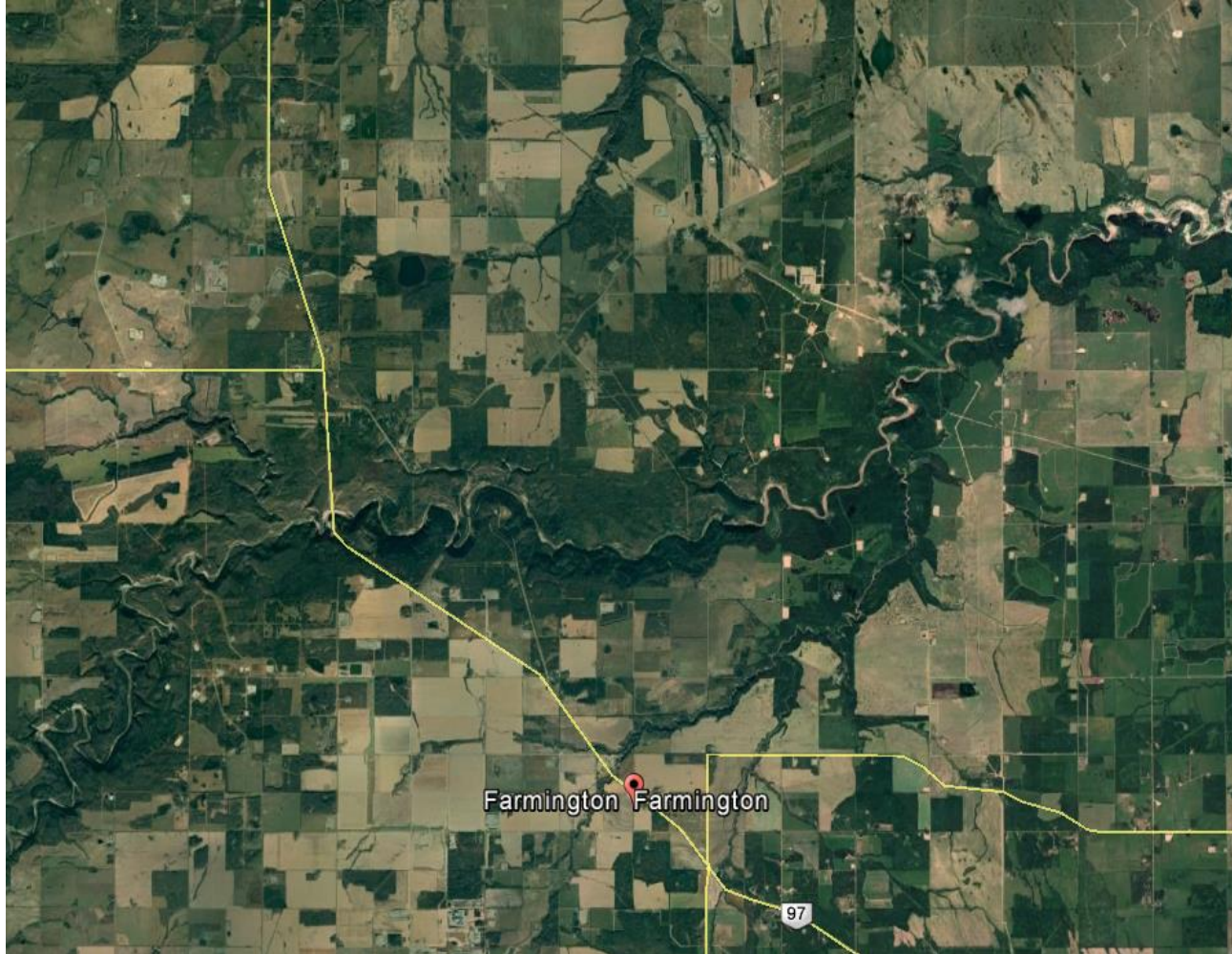
- Provides criteria for siting facilities based on soil capability, level of agricultural development, etc.;
- Bestows OGC responsibility for Compliance and Enforcement;
- Requires OGC to provide annual reports to ALC for auditing purposes, including:
 - No. of NFU's permitted;
 - No. and summary of inspections/enforcement actions undertaken.

Example



Oil and Gas
in Farmington

Example



Oil and Gas in
Farmington

Example




2003 snapshot
of Rolla – Class
3 soils

Example



2017 Rolla
same location
as previous
slide.

Constructed
and planned
facilities are
shown in red
and yellow

An aerial photograph of a construction site. In the foreground, there's a large, flat, brownish area, possibly a cleared field or a large pit. To the right, a dense forest of tall evergreen trees borders the site. In the middle ground, a large, curved dirt road or embankment runs across the frame. Behind this, there's a construction area with various pieces of equipment, including cranes, trucks, and storage containers. A small pond is visible near the construction area. In the background, a paved road curves through a green field. The overall scene depicts a large-scale earthmoving or infrastructure project in a rural or semi-rural area.

OGC ANNUAL REPORT STATISTICS

OGC Annual Report 2018/2019

- **25,965 ha** of land in the ALR in the Peace River Regional District is affected by oil and gas development (1.95% of ALR land in the region).
- **1250 ha** of new surface land use clearing occurred in 2018/2019 in the ALR .

OGC Annual Delegation Statistics

Year	No. of Decisions	Area (ha) Affected by Decisions	No. of Exempted Activities	No. of Schedule B Reports Received	No. of Inspections
2018/2019	25	180		201 (953)	1262
2017/2018	38	302.3	-	44 (326 ha)	1694
2016/2017	28	159			1976
2015/2016	26	-			1793
2014/2015	29	-	297	26	256
2013/2014	0	0	256	94	73
2012/2013	0	0	276	120	3
2011/2012	0	0	429	85	6
2010/2011	0	0	661	162	3
2009/2010	12	-	683	89	17
2008/2009	-	-	-	105	-
2007/2008	3	-	618	81	13
TOTAL	161	-	-	-	-

Prior to 2013, ALC made decisions for applications >7 ha

Oil and Gas Activities in the ALR

Oil and Gas Activity	Area (ha)		Area (%)		Total Area (ha)	Total Area (%)
	Crown	Private	Crown	Private		
Pipelines	4356	3939	33	29	8777	62
Well Sites	3631	6888	27	52	10,682	79
Roads	2201	909	17	7	3256	24
Other (ancillary)	1241	1577	9	12	3250	21
TOTAL	11,429*	13,313*	-	-	25,965**	-

*2017/2018 statistics

**as of May 31, 2019

Minister's Independent Advisory Committee

Need for Immediate Action

Mitigating the impacts of oil and gas activity in the ALR:

- The IAC believes there is a policy imbalance threatening the productive agricultural land base in the North East.

STATUS UPDATE:

Early discussions between AGRI, EMPR, the ALC and the OGC underway. All are committed to working together to try and assess the impacts of O&G on Agriculture in the NE & finding ways to mitigate potential impacts in order to achieve greater balance between Agriculture and OGC objectives in the area

The background of the slide is a close-up photograph of a wheat field. The wheat stalks are golden-brown, indicating they are ripe. A semi-transparent green rectangular box is centered over the image, containing the word "QUESTIONS?".

QUESTIONS?