

# Overview

## BC Oil and Gas Commission



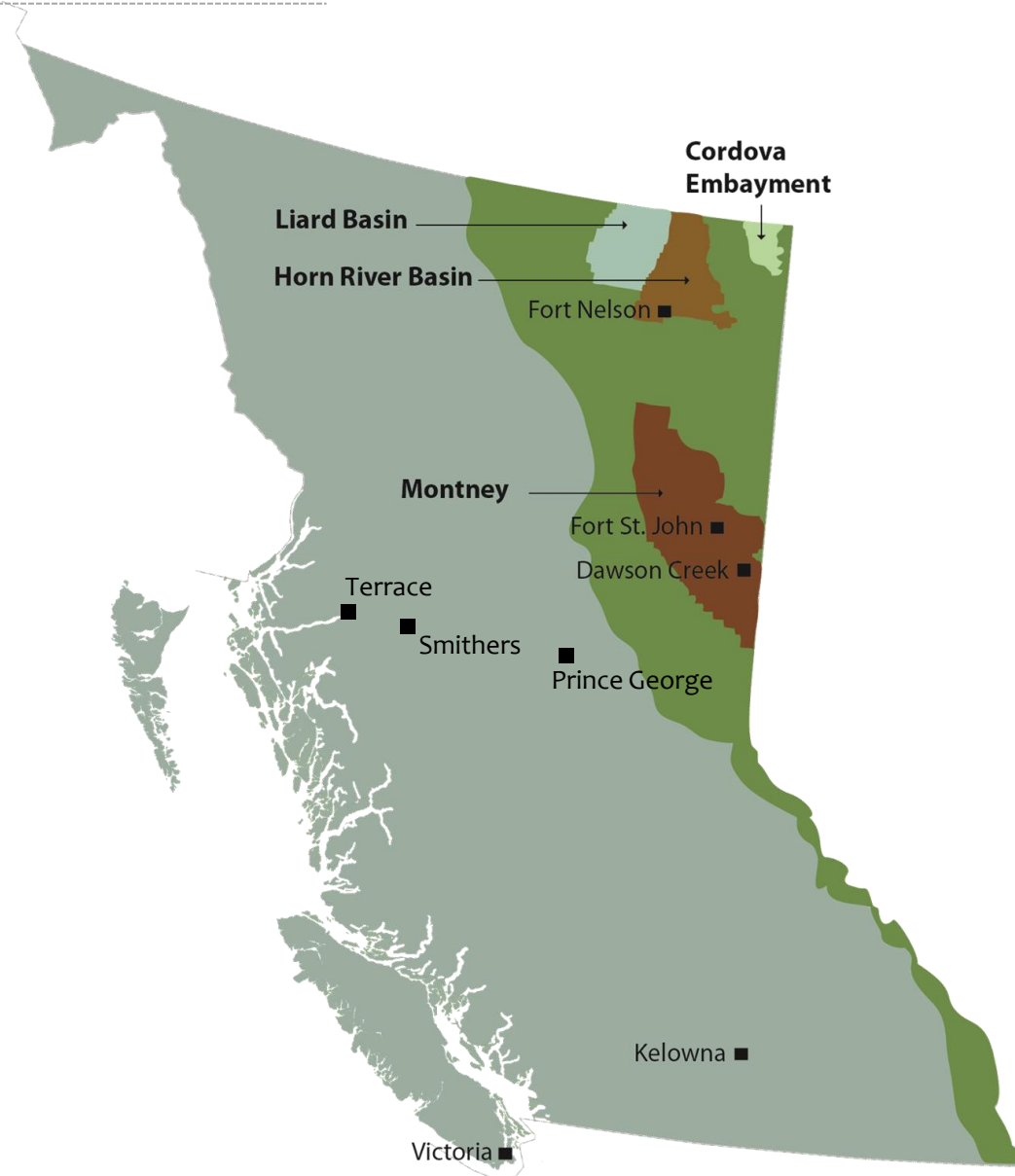
APRIL 2015



- Established in 1998.
- Intended as “one-window” regulator for the oil and gas sector.
- Delivered by a combination of primary statute and “specified enactment” authorities.
- Pure regulator for the sector:
  - Does not develop legislation or associated policy except technical regulations .
  - Does not issue sub-surface tenures or set / administer royalties.
- Funded by a combination of application / annual fees and levies on oil and gas production.



# THE COMMISSION IN B.C.



# WHAT GUIDES US?

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- Legislation – OGAA and Regulations
- Policy – Government Agencies
- Input from First Nations and others affected by activities
- Memoranda of Understandings
- Our commitment to being a credible regulator

Enacted  
2010

Modernized  
legislative  
framework

Reviewed  
and audited  
for  
effectiveness

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# **OIL AND GAS ACTIVITIES ACT** [SBC 2008] CHAPTER 36

Part 1 – Definitions  
1 Definitions  
2 Administration  
Division 1 – Oil and Gas Commission  
3 Corporation continued  
4 Purposes  
5 Commission as an agent of the government  
6 Capacity and powers of commission  
7 Powers of commissioner  
8 Commissioner's responsibilities  
9 Application

# PURPOSE – OGAA

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4 The purposes of the commission include the following:

- (a) to regulate oil and gas activities in British Columbia in a manner that
  - (i) provides for the sound development of the oil and gas sector, by fostering a healthy environment, a sound economy and social well-being,
  - (ii) conserves petroleum and natural gas resources,
  - (iii) ensures safe and efficient practices, and
  - (iv) assists owners of petroleum and natural gas resources to participate equitably in the production of shared pools of petroleum and natural gas;
- (b) to provide for effective and efficient processes for the review of applications for permits and to ensure that applications that are approved are in the public interest having regard to environmental, economic and social effects;
- (c) to encourage the participation of First Nations and aboriginal peoples in processes affecting them;
- (d) to participate in planning processes;
- (e) to undertake programs of education and communication in order to advance safe and efficient practices and the other purposes of the commission.

## OGAA Regulations

Geophysical Exploration

Drilling & Production

Pipeline & LNG Facility

Consultation & Notification

Fee, Levy & Security

## Cabinet Regulations

OGAA & General

PNGA General

Regulations Act Schedule

Environmental Protection & Mgmt

Administrative Penalties

# OGAA – KEY FEATURES

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## **Defines “Oil and Gas Activities”:**

- (a) geophysical exploration,
- (b) the exploration for and development of petroleum, natural gas or both,
- (c) the production, gathering, processing, storage or disposal of petroleum, natural gas or both,
- (d) the operation or use of a storage reservoir,
- (e) the construction or operation of a pipeline, (includes pipelines for the following)
  - Hydrocarbons, produced water, disposal from facility, geothermal water/steam, carbon dioxide.
  - Water used for oil and gas activities
  - Excludes low pressure (less than 700 kPa) pipelines to customers from a gas utility
- (f) the construction or maintenance of a prescribed road, and
  - Roads on private land have been prescribed
- (g) the activities prescribed by regulation;
  - The construction or operation of a facility has been prescribed



# OGAA – KEY FEATURES

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- Prohibits the carrying out of an oil and gas activity unless a permit is issued under OGAA.
- Applies to both Crown and private land however, BCOGC does not deal with private land access decisions or compensation issues.
- Identifies “specified enactments” and “specified provisions”
- Authorizes the BCOGC to issue authorizations under specified enactments for “related activities”.
  - Related activities are activities that are required to carry out an oil and gas activity and also require authorization under a specified enactment.
- Prevents the BCOGC from issuing authorizations under specified enactments unless the applicant holds or has applied for an OGAA permit for the activity to which it relates.

# OGAA – KEY FEATURES

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- Oil and gas activities include all obligations through the life of the activity including final reclamation and remediation.
- The *Environmental Protection and Management Regulation* (EPMR) applies only on Crown land.
- Technical regulations and the *Agricultural Land Commission Act* apply reclamation / remediation to private land.
- EPMR provisions are patterned on the *Forest and Range Practices Act* (FRPA) and *Forest Planning and Practices Regulation* (FPPR).
- In most cases FRPA does not apply to oil and gas activities or related activities but a number of FPPR provisions have been ported directly over and apply under the EPMR.

# OGAA – PIPELINE CROSSINGS

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- Section 76(1) of OGAA addresses circumstances if a pipeline is in existence.
- Section 34(2)(b) addresses authorization required to carry out an oil and gas activity within a highway.
- Section 6 of the Pipeline and Liquefied Natural Gas Regulation addresses pipelines being constructed along, over or under the right of way of a highway.
- Pipeline Crossings Regulation addresses Pipeline Crossing Distances and Cost Allocation for Pipeline Crossings.
- CSA Z662 is the standard for Oil and Gas Pipeline Systems.

# SPECIFIED ENACTMENTS

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## Single-window

Land Act



Temporary Occupation of Crown Land  
Licence of Occupation  
Right-of-Way

Water Act



Water Permits and Licences  
Changes in & About a Stream  
Permits Over Crown Land

Forest Act



Master Licence to Cut

Other  
Enactments



Heritage Conservation Act  
Environmental Management Act



# SPECIFIED PROVISIONS

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## ***Environmental Management Act***

Section 9 – Hazardous Waste Storage and Disposal

Section 14 – Permits for Introduction of Waste

Section 15 – Approvals for Introduction of Waste

## ***Forest Act***

Section 47.4 – Master Licence to Cut

Section 117 – Road Use Permit

## ***Heritage Conservation Act***

Section 12 – Permit to Alter or Remove Heritage Sites /  
Objects

# SPECIFIED PROVISIONS

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## ***Land Act***

Section 11 – Disposal of Crown Land

Section 14 – Temporary Occupation, Roads

## ***Airstrips on Crown Land***

Section 38 – Lease

Section 39 – Licence of Occupation

Section 40 – Right of Way and Easement

Section 96 – Occupational Rental

## ***Water Act***

Section 8 - Short Term Use of Water

Section 9 - Changes In and About a Stream

Section 26 - Permits over Crown Land

# SPECIFIED PROVISIONS

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- OGAA also authorizes the BCOGC to issue approvals under specified enactments for National Energy Board Pipelines if specified in regulation:
  - Issuance of approvals by the BCOGC under the Forest Act, Land Act and Water Act are specified in regulation .
  - The Enbridge Northern Gateway Pipeline is excluded from application of the above.

# DELEGATED AUTHORITIES AND DESIGNATIONS

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## ***Forest Act***

Section 47.4 – Master Licence to Cut

Section 117 – Road Use Permit

## ***Land Act***

Section 14 – Investigative Use

## ***Water Act***

## ***Environmental Management Act***

Section 106 – Staff designated as Special  
Conservation Officers



## ***Agricultural Land Commission Act***

- Delegation Agreement with the ALC.
- Authorizes some decisions on oil and gas non-farm use.
- Applies only in the Northeast.

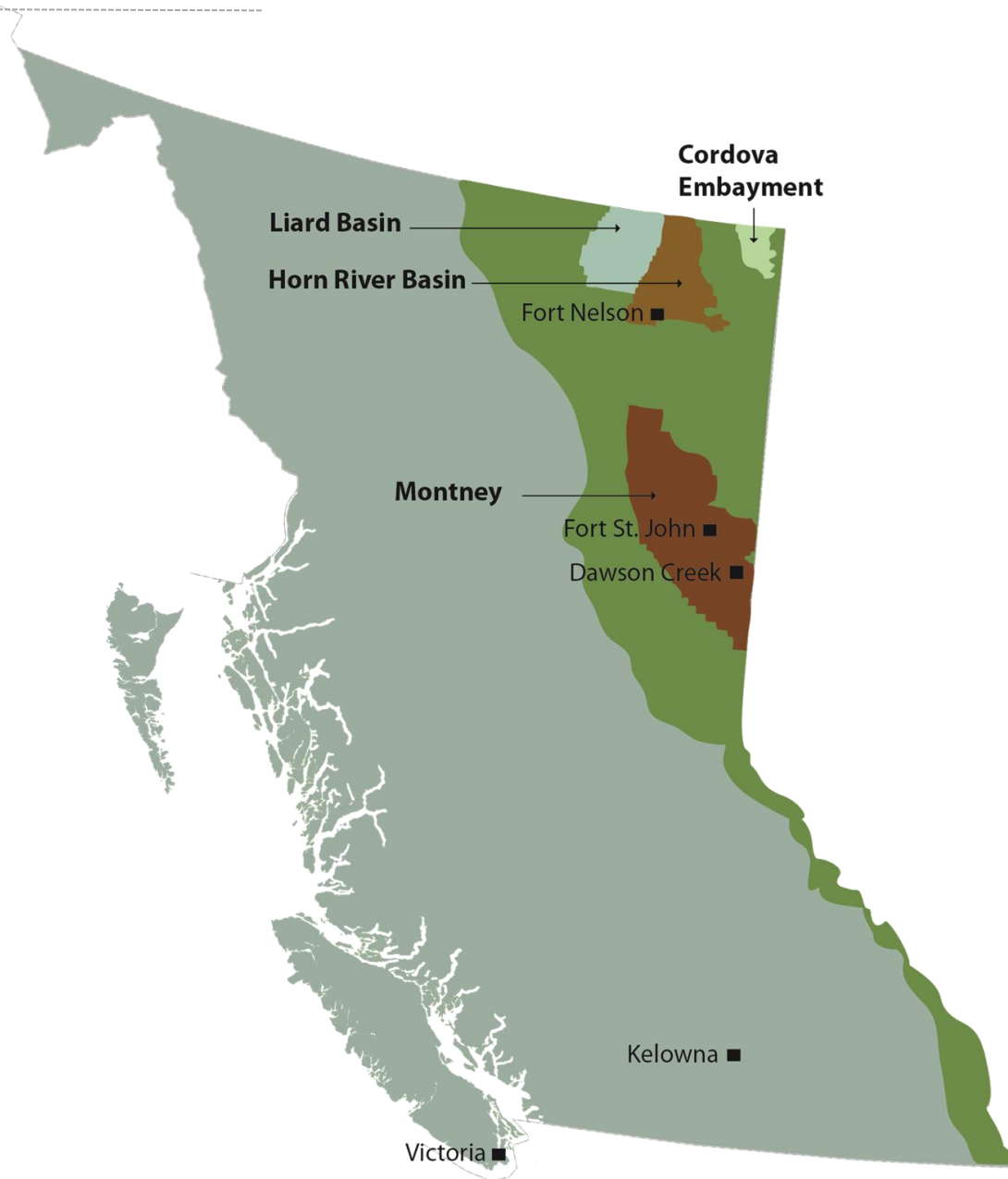
The BCOGC also has numerous MOUs in place or being developed with provincial and federal agencies covering shared activities.

Five years ago,  
15% of wells  
drilled in B.C.  
targeted  
unconventional  
sources.

Now, over  
90% do.



# B.C.'S BASINS



## Liard Basin

- Shale
- 9,340 sq km
- Early development

## Horn River Basin

- Shale
- 11,400 sq km
- 78 Tcf marketable natural gas
- 663 Bcf cumulative production

## Cordova Embayment

- Shale
- 2,690 sq km
- 30-68 Tcf marketable gas
- Early development

## Montney

- Tight gas/shale
- 29,850 sq km
- 271 Tcf marketable gas
- 2650 Bcf cumulative production



# STUDIES

**UNBC**



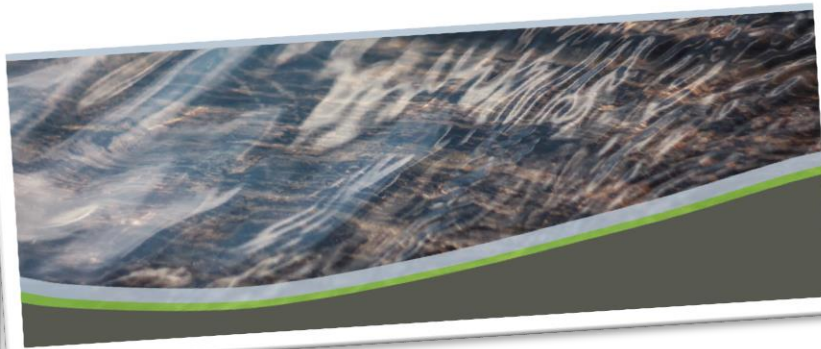
Emissions | Induced Seismicity | Public Opinion | Groundwater | Gas Migration



# TRANSPARENCY

## Water Use for Oil and Gas Activity

2013 Annual Report



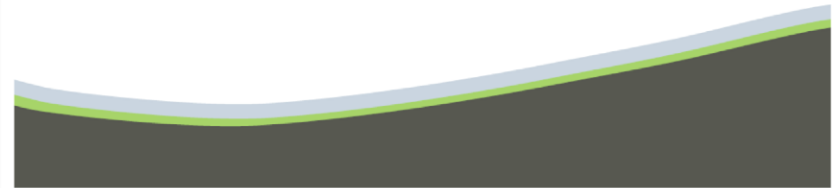
## Flaring Summary

2013 | BC Oil and Gas Commission



## Investigation of Observed Seismicity in the Montney Trend

December 2014



## 2013 Pipeline Performance Summary

BC Oil and Gas Commission



**VISION: To provide oil and gas regulatory excellence for British Columbia's changing energy future**

