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**

[Map showing the Montney Wet and Dry Gas Regions]
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
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 ¼ 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 ¼ section (65 ha);

• Expanded area permitted for oil and gas sites and ancillary buildings/equipment to 2 ha per ¼ 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 ¼ 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 ¼ section;
  – All battery, compressor, production or processing facilities;
  – Change in use of a surface lease; and,
  – All waste management facilities
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
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).

• 1,250 ha of new surface land use clearing occurred in 2018/2019 in the ALR.
# OGC Annual Delegation Statistics

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Decisions</th>
<th>Area (ha) Affected by Decisions</th>
<th>No. of Exempted Activities</th>
<th>No. of Schedule B Reports Received</th>
<th>No. of Inspections</th>
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<td>25</td>
<td>180</td>
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<td>161</td>
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Prior to 2013, ALC made decisions for applications >7 ha
# Oil and Gas Activities in the ALR

<table>
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<th>Oil and Gas Activity</th>
<th>Area (ha)</th>
<th>Area (%)</th>
<th>Total Area (ha)</th>
<th>Total Area (%)</th>
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<tr>
<td></td>
<td>Crown</td>
<td>Private</td>
<td>Crown</td>
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<td>Pipelines</td>
<td>4356</td>
<td>3939</td>
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<td>Well Sites</td>
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<td>Roads</td>
<td>2201</td>
<td>909</td>
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<td>Other (ancillary)</td>
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<td>1577</td>
<td>9</td>
<td>12</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11,429</strong></td>
<td><strong>13,313</strong></td>
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*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.
QUESTIONS?