



September 28, 2020

Mr. Brad Sperling
Chair
Peace River Regional District
brad.sperling@prrd.bc.ca

Dear Mr. Sperling:

Thank you for your correspondence of June 22, 2020, about the federal government's support for the clean-up of inactive and orphan oil and gas wells and outstanding surface lease payments.

As you have noted, the federal government provided British Columbia with \$120 million to accelerate the clean-up of inactive and orphan wells, which will create jobs throughout the province, have lasting environmental benefits, and help restart the province's economy.

The province is investing the funding in three new programs:

- The Dormant Sites Reclamation Program will provide \$100 million to reclaim dormant oil and gas sites, which are wells that have been inactive for five consecutive years and unlikely to be returned to services. This program began May 25, 2020, with immediate and significant interest from industry.
- The Orphan Sites Supplemental Reclamation Program will provide \$15 million to reclaim orphan oil and gas sites where the operator is insolvent, no longer exists, or cannot be located.
- The Legacy Sites Reclamation Program will provide \$5 million to address the legacy impacts of historical oil and gas activities that have environmental impacts, such as on wildlife habitat or the traditional use by Indigenous Peoples.

Regarding outstanding surface lease payments and the impact on landowners, this is under provincial jurisdiction. I would recommend you contact the Ministry of Energy, Mines and Petroleum Resources for British Columbia and the BC Oil and Gas Commission, both of whom I am copying on this letter. As you may know, the BC Oil and Gas Commission is the regulatory agency responsible for regulating oil and gas operations in British Columbia.

Again, thank you for writing. I appreciate your interest in this matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Seamus O'Regan", with a long horizontal flourish extending to the right.

The Honourable Seamus O'Regan, P.C., M.P.

c.c.: Mr. Jean-François Tremblay
Deputy Minister
Natural Resources Canada
jean-francois.tremblay@canada.ca

The Honourable Bruce Ralston, M.L.A.
Minister of Energy, Mines and Petroleum Resources
Government of British Columbia
EMPR.Minister@gov.bc.ca

Mr. Paul Jeakins
Commissioner and Chief Executive Officer
BC Oil and Gas Commission
Paul.Jeakins@bcogc.ca



PEACE RIVER REGIONAL DISTRICT

June 22, 2020

Honourable Seamus O'Regan
Minister of Natural Resources
House of Commons
Ottawa, Ontario, K1A 0A6

Sent Via Email: Seamus.OREgan@parl.gc.ca

Dear Minister O'Regan;

On behalf of the Regional Board, I would like to thank you for the federal Economic Response Plan that includes provisions for the clean-up of abandoned and orphaned wells in Western Provinces. British Columbia, which now has 770 orphaned wells, will see \$120 million through this new initiative.

Orphan wells are a growing problem for farmers and landowners who are left to deal with non-decommissioned wells on their property. The issue of orphan wells has been highlighted recently after a series of bankruptcies have left provincial governments on the hook for well decommissioning and reclamation. Gaps in provincial legislation meant energy companies in British Columbia were not required to decommission and restore well sites unless ordered to do so because of specific safety or environmental issues.

The issue of orphaned and abandoned wells is further compounded by non-payment of surface lease payments. Some companies in the oil and gas industry have taken action to reduce annual rental payments or not pay rent at all. In British Columbia, there are an inordinate number of Orders placed on industry by the Surface Rights Board for unpaid rent on surface leases.

Unpaid surface lease payments imposes an additional layer of pressure and challenges onto the landowner. The annual compensation paid to a landowner is based on the landowner no longer being able to use the land under the surface lease and acknowledges the impact that the surface lease has on the remainder of the land, as well as the nuisance, inconvenience, and noise caused by the operator.

While the Board appreciates all of the support you have given for orphaned wells, the Board would like to express its concern for landowners who have not received surface lease payments.

Sincerely,

Brad Sperling
Chair

c. Maja Tait, President, Union of BC Municipalities, ubcm@ubcm.ca

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PLEASE REPLY TO:

☒ Box 810, 1981 Alaska Ave, Dawson Creek, BC V1G 4H8 Tel: (250) 784-3200 or (800) 670-7773 Fax: (250) 784-3201 Email: prrd.dc@prrd.bc.ca
☐ 9505 100 St, Fort St. John, BC V1J 4N4 Tel: (250) 785-8084 Fax: (250) 785-1125 Email: prrd.fsj@prrd.bc.ca