

June 20, 2024

Chair Brad Sperling
Peace River Regional District
PO Box 110
Dawson Creek, B.C. V1G 4H8

Cc: Shawn.Dahlen@prrd.bc.ca

Dear Chair Sperling,

RE: May 30th British Columbia Energy Regulator presentation to Peace River Regional District

Thank you for the opportunity to share information about the British Columbia Energy Regulator (BCER) on May 30th at the Peace River Regional District Board (PRRD) meeting. Our team appreciated the chance to connect, present to the Board, and answer questions about the ongoing activities and projects within the region. We have prepared the following information in response to the Board's remaining questions from the meeting.

Orphans & Restoration:

When will we no longer have to claim sites as orphans? Are we going to be in a position in the future where there won't be orphan wells? Don't companies have to pay for restoration?

The BCER implements a comprehensive framework to ensure industry remains responsible for the costs of closure and restoration.

The Orphan levy, which is governed by legislation and regulation, is part of multi-pronged approach to minimize the risk of orphan sites in B.C. The levy is used to restore orphan sites in cases where permit holders have become insolvent or can not be found. To minimize the risk of orphan sites, the BCER uses two mechanisms to reduce the financial risk:

1. In 2019 the BCER implemented the Dormancy and Shutdown Regulation, which outlines required timelines for permit holders to restore their sites that no longer meet a threshold of activity. Through the timely restoration of dormant sites, the risk of inactive sites becoming orphaned in the future is minimized. This regulation has resulted in a significant increase in the amount of restoration work that occurs in northeast B.C. and therefore a reduced risk of future orphan sites.
2. In addition, the Permittee Capability Assessment program, which replaced the Liability Management Rating program in 2022, assesses a permit holder's corporate and financial health against their liability for restoration obligations. The program monitors industry's ability to meet its obligations. Where risk may be evident, the BCER requires permit holders to complete corrective actions and implement accelerated restoration work or provide security deposits to alleviate the risk. In addition to the Orphan levy, these security deposits are available to fund the restoration of orphan sites in the event of insolvency.

Do you have information on Schedule Bs and the reestablishment of vegetation. One concern we hear often from land owners is issues with pipeline crossings.

The Agricultural Land Commission (ALC) and British Columbia Energy Regulator [Schedule B Delegation Agreement](#) requires surface soils and vegetation cover be greater than or equal to 80 per cent of offsite value.

While this is the minimum, the BCER strives for greater than 80 per cent on orphan sites under its care and control, and is committed to working with land owners to restore sites on their land. Pipelines are regulated within this agreement and must adhere to the same requirements.

In addition to the delegation agreement, permit holders and the BCER (when restoring orphan sites) follow the requirements outlined in the [BCER Remediation and Reclamation Manual](#) and the Certificate of Restoration process. The BCER implements a certificate of restoration audit program to ensure permit holders have met the restoration standards. The BCER is also working with land owners in research initiatives to examine productivity on previously restored agricultural land, which may further inform best management practices.

Information regarding revegetation requirements in accordance with Schedule B of the [ALC BCER Delegation Agreement](#):

Specific to pipelines located within the Agricultural Land Reserve (ALR) within the Peace River Regional District and Northern Rockies Regional Municipality:

The pipeline permit holder is required to conduct reclamation within 24 months of the date of pipeline installation. Additionally, a Schedule B reclamation assessment report must be submitted to the BCER and the land owner(s) (for pipelines located on private land) after two full growing seasons post-construction. This allows two growing seasons for the vegetation to reestablish following construction of the pipeline. These timelines are described in more detail on page 5 of the ALC BCER Delegation Agreement. Schedule B, as referenced on page 23 of the Delegation Agreement, sets the methodology, criteria, and timelines, for the reclamation assessment.

Schedule B includes defined reclamation standards for soils, topography, and vegetation. In order to meet the vegetation reclamation standards for cultivated lands, vegetation density, height, health, and cover, must be greater than or equal to 80 per cent when visually compared to adjacent undisturbed land. Revegetation seed mixes must not increase the frequency or distribution of weed species on the pipeline or on adjacent undisturbed ground.

Once submitted, BCER staff review the Schedule B to determine if reclamation requirements have been met.

Are you still experiencing issues finding qualified contractors for restoration activities? Is this stalling the BCER's orphan restoration progress?

The BCER orphan program has an extensive list of local approved vendors completing orphan decommissioning and restoration work and we are confident in our ability to meet our annual workplan goals. Contractor availability is not significantly impeding orphan restoration progress. We encourage everyone to continue to promote the growth and opportunity in the restoration sector in northeast B.C. and the meaningful work of our local service providers.

How long will it take for the BCER to receive adequate funding for orphan restoration?

The BCER tracks and reviews the levy on industry to ensure we can meet our timely goals for restoration and place the cost of cleanup on industry and not taxpayers. We have a comprehensive plan to ensure risks on orphan sites are prioritized for immediate attention, and once risks are addressed, we implement large, area-based decommissioning and restoration programs for timely closure.

Is the BCER looking into “Orphan Camps”? Who is responsible for cleaning these up?

As mentioned, industry’s restoration obligations are monitored under the Permittee Capability Assessment. Campsites that are permitted by the BCER have restoration obligations, and in the event of bankruptcy, may be restored as orphan sites. Campsites that are no longer in use are not necessarily orphans. There may be campsites permitted by other agencies in other industries that are covered by other assurance programs.

Permitted energy activity sites, including camp sites, may be designated as orphan sites if the permit holder is bankrupt or cannot be located. There are specific situations where existing camps are designated as orphan sites, and the BCER can use the Orphan Site Reclamation Fund to facilitate cleanup. The Peejay Corner camp that was referred to during the meeting is not a designated orphan site.

If a land owner has concerns regarding a site on their property, they should contact the BCER at OrphanRestoration@bc-er.ca.

Water Management:

Do you have more information on snowpack and drought levels in the region?

As explained during the session, there are very few Snow Survey Stations in the Peace and Liard Basins compared to the size of the regions. The entire Liard Basin has two (one high elevation and one low elevation). By comparison, the Peace Basin has significantly more, with 27 in total (20 automated, seven manual), however only one of these stations (Fort St. John Airport) is located at low elevation and is representative of the plains areas surrounding Dawson Creek and Fort St. John. All other stations are located at high elevations in the Hart Ranges and around the Williston Reservoir, which accumulate significantly more snowpack and hold it for longer, so this skews the snowpack report for this region. Visit the provincial [Snow survey data webpage](#) for more information and to access the Snow Survey [Stations Interactive Map](#).

Who controls the process of transferring water licenses from legacy oil and gas wells that may be suitable for livestock?

This would be applied for through [FrontCounterBC](#) by the proponent/license holder as an amendment for a change of ownership and purpose.

Activity on Private Land:

Do you have any statistics on drilling on private land vs. Crown land in the region as well as major industry sites?

The table below identifies the breakdown of wells authorized on private vs. Crown land in the PRRD. Please note: the table below shows new wells authorized, not new well pads. Authorizations do not always reflect active drilling sites.

Year	Total Wells Auth.	No. Crown (% of Total)	No. Private (% of Total)
2024	394	232 (59%)	162 (41%)
2023	1,058	701 (66%)	357 (34%)
2022	289	9 (3%)	280 (97%)
2021	301	188 (62%)	113 (38%)
2020	530	347 (65%)	183 (35%)

In four of the last five years, the ratio of Crown land to private land authorizations has been relatively close with the heavier proportion being on Crown land. For example, between Jan. 1, 2024, and May 24, 2024, 59 per cent of well authorizations have been on Crown land and 41 per cent have been on private land. This is a fairly consistent split when compared to most years.

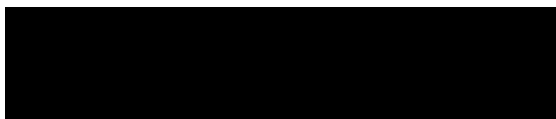
Overall, permitting was reduced in 2021 and 2022 while the Province evaluated the Yahey decision and worked with Blueberry River and other Treaty 8 First Nations to determine the next steps with regards to permitting. During that time period the BCER was better positioned to permit on private land while processes to address the outcomes of the Yahey decision on Crown land decisions were refined. The proportion of decisions on private vs. Crown land returned to average levels in 2023.

Are cumulative impacts considered on private land before a permit decision is made?

On private land within the ALR, the BCER adheres to the requirements of the OGC/ALC Delegation Agreement. BCER application reviews ensure activity has been minimized to the extent possible.

If you have further questions or would like additional information, please contact myself or Justine Johnson, Manager of Community Engagement at justine.johnson@bc-er.ca.

Sincerely,



Garth Thoroughgood,
Vice-President Indigenous Relations & Community Engagement