

Orphan and Dormant Sites Update



Nice to meet with you again

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BC Oil and Gas Commission

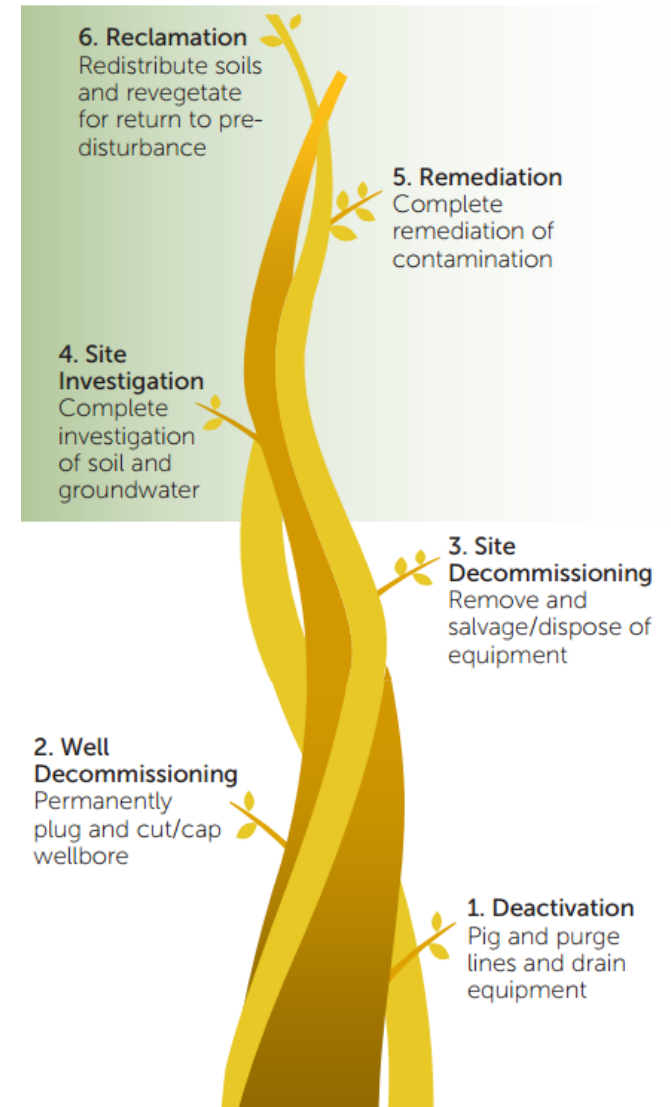
Terms

Orphan Site: An orphan designation is given by the Commission to wells and facilities, and associated operating areas when the operator is insolvent or can't be located.

Dormant Sites: Wells and their associated operating areas that for five or more years have not met a certain threshold of activity, but still has a viable operator.

Legacy Site: Historic oil and gas related disturbances that do not have associated permit or regulatory obligations.

The Restoration Process



Comprehensive Liability Management Plan (CLMP)

The CLMP was released on May 31, 2019 along with the Dormancy Regulation. The CLMP has three primary components:

1. Addressing orphan sites
2. Improving the rate of inactive site restoration
3. Modernizing liability management

The CLMP provides a path forward to address unrestored oil and gas sites, protect public safety and safeguard the environment.



Federal Stimulus Funding

- Part of the COVID-19 pandemic stimulus package announced on April 17, 2020.
- \$120 million to complete restoration work on orphan, dormant and legacy sites in northeast B.C.
- Funding provided by Canada through a partnership agreement between the Government of Canada and Province of British Columbia:
 - \$100 million is provided to decommission, assess and restore dormant sites;
 - \$15 million for orphan site restoration; and
 - \$5 million for cleanup of legacy disturbances.
- Administered by the Ministry of Energy, Mines and Petroleum Resources and the BC Oil and Gas Commission.



Canada/B.C. Agreement: Orphan Sites Supplemental Reclamation Program

- \$15 million envelope to treat orphan sites not already in the Orphan Site Work Plan – in addition to \$30 million base program for fiscal 2020/2021
- Funds being managed with B.C. service providers to carry out the:
 - well decommissioning (abandonment) of up to 20 wells;
 - site decommissioning of more than 50 equipment sites;
 - remediation of more than 20 sites; and
 - reclamation of more than 30 sites.
- Site nomination process required
- Funds to be spent by Dec. 31, 2022
- Administered by the Commission



Canada/B.C. Agreement: Reclamation of Dormant Sites Program

- \$100 million envelope to treat dormant sites
- Led by the Ministry of Energy, Mines and Petroleum Resources (MEMPR)
- Service sector companies may apply to MEMPR for grants up to \$100,000 or 50 per cent reimbursement (whichever is less)
- First \$50 million in contract and being implemented
- Second \$50 million to be initiated in early 2021
- Site nomination process required
- Funds to be spent by Dec. 31, 2022



Canada/B.C. Agreement: Legacy Sites Reclamation Program

- \$5 million envelope for legacy sites program
- Managed within an existing MOU - government (MEMPR, FLNRORD), industry and the Commission
- Management Committee will consist of signatories to the MOU
- Site nomination process required
- Funds administered by BC Oil and Gas Research and Innovation Society and added to approx. \$1.5 million existing funds
- Funds to be spent by Dec. 31, 2022



Dormant Sites Work Planning

Number of Permit Holders Completing Closure Work	
2019: 56	
2020: 66	

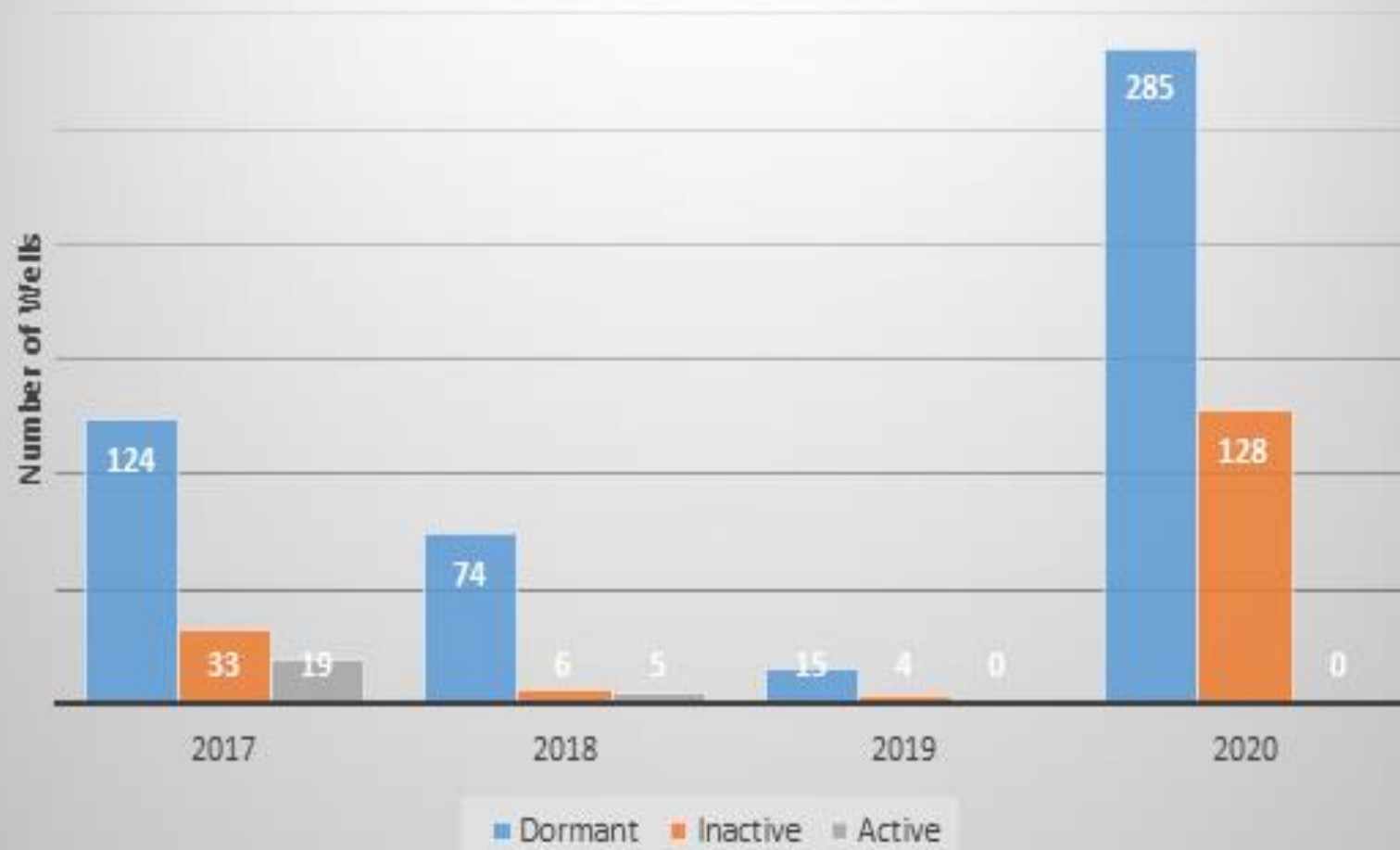
Total Number of Sites with Closure Work Scheduled	
2019: 1,674	
2020: 2,242	

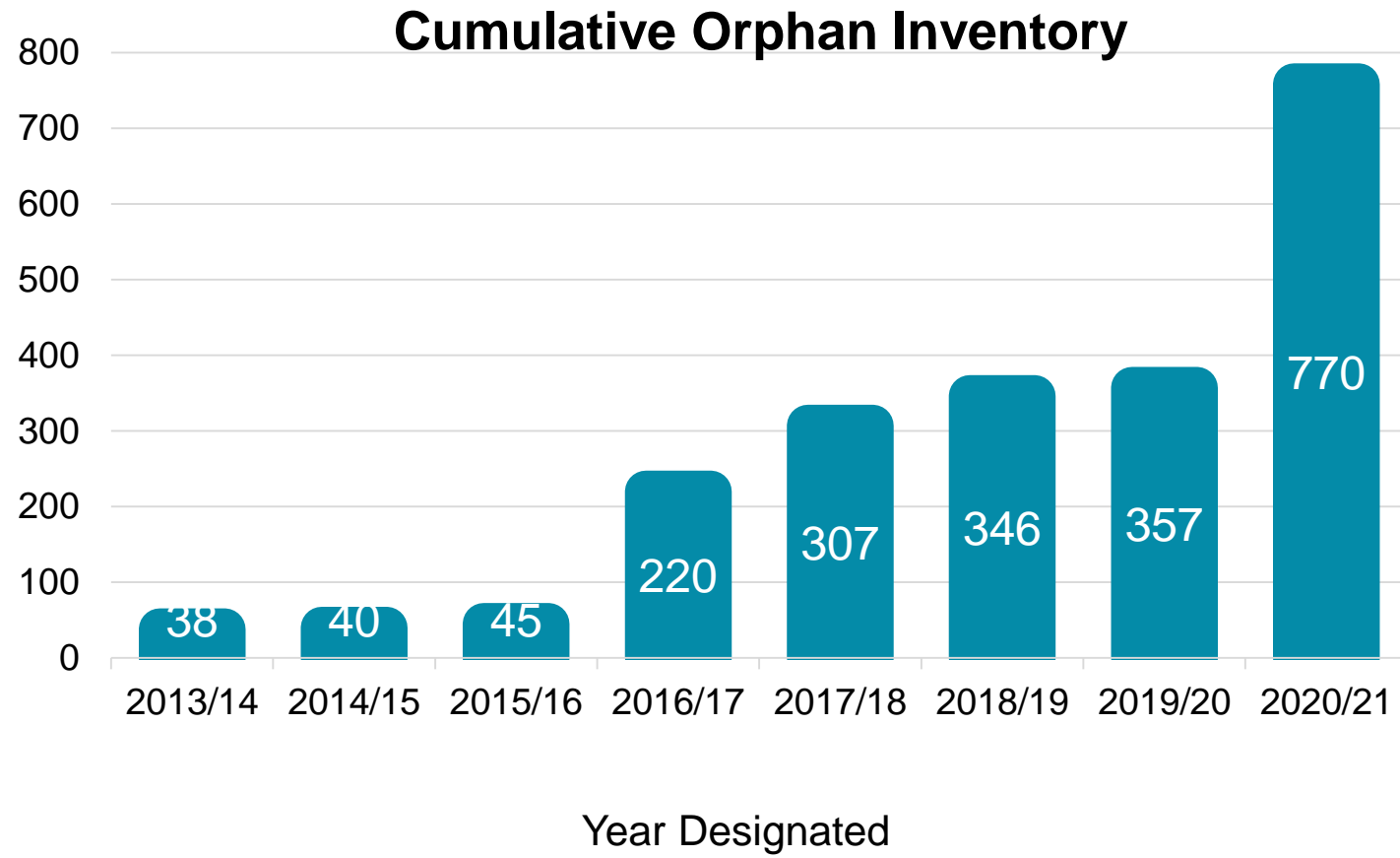
Planned Closure Work (as per Permit Holder Annual Work Plans)			
2019		2020	
Decommissioning	681	Decommissioning	935
Assessment	1,031	Assessment	1,343
Restoration	434	Restoration	1,179

* multiple work streams occurring at different sites



Status of Orphan Site Designations by Year





Status of Existing Orphan Population

- Current population of 770 orphan sites
 - 385 wells (50 per cent) are awaiting abandonment
 - 714 sites (93 per cent) require reclamation
- By the end of 2020/21, a further 100 wells will be abandoned, 40 sites will be remediated and an additional 50+ will be reclaimed
- Number of sites receiving reclamation will grow as sites are abandoned, decommissioned, and investigated.



An aerial photograph of an oil and gas processing facility in a rural, wooded area. The facility includes a small building, a large storage tank, and a complex network of pipes and valves. The background is a dense forest of tall, thin trees.

Thank you. Questions?

