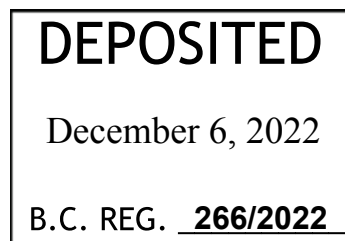


PROVINCE OF BRITISH COLUMBIA
REGULATION OF THE BOARD OF THE OIL AND GAS COMMISSION

Oil and Gas Activities Act

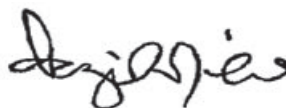
The Board of the Oil and Gas Commission orders that, effective January 1, 2023,

- (a) the Dormancy and Shutdown Regulation, B.C. Reg. 112/2019, is amended as set out in the attached Schedule 1, and
- (b) the Drilling and Production Regulation, B.C. Reg. 282/2010, is amended as set out in the attached Schedule 2.



December 6, 2022

Date



Chair, Board of Directors

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Oil and Gas Activities Act*, S.B.C. 2008, c. 36, ss. 106, 111 and 111.1

Other: _____

R20593424

SCHEDULE 1

1 Section 1 of the Dormancy and Shutdown Regulation, B.C. Reg. 112/2019, is amended

(a) by adding the following definitions:

“facility” has the same meaning as in section 1 of the Drilling and Production Regulation and may include a facility that is not associated with a well;

“facility permit” means a permit that includes permission to construct or operate a facility; ,

(b) by repealing the definition of “permit holder” and substituting the following:

“permit holder” means,

(a) in relation to a dormant site, the person who holds the well permit, facility permit or pipeline permit, as the case may be, for the site, and

(b) in relation to a former site, the former permit holder who held the well permit, facility permit or pipeline permit, as the case may be, for the site; ,

(c) by adding the following definition:

“pipeline permit” means a permit that includes permission to construct or operate a pipeline; ,

(d) in the definition of “portfolio of former sites” by striking out “for which the permit holder held the well permit for the former site” and substituting “that are sites for which the permit holder held well permits, facility permits or pipeline permits”, and

(e) by repealing the definition of “reference year” and substituting the following:

“reference year”, in relation to a type B or C site, means the following:

(a) if the site became a dormant site under section 3 (1) (a), 3.01 (1) (a) or 3.02 (1) (a), the last of the 5 calendar years referred to in that section;

(b) if the site became a dormant site under section 3 (1) (b), 3.01 (1) (b) or 3.02 (1) (b), the calendar year in which the notice referred to in that section was received;

(c) if the site is a former site, the calendar year in which the well permit, facility permit or pipeline permit, as the case may be, for the former site is cancelled, is declared spent or expires.

2 Section 2 is repealed and the following substituted:

Dormant sites

2 (1) In this section,

“dormant facility” means a facility that is dormant in accordance with section 3.01 [when facilities are dormant];

“dormant pipeline” means a pipeline that is dormant in accordance with section 3.02 [when pipelines are dormant];

“dormant well” means a well that is dormant in accordance with section 3 [when wells are dormant].

- (2) Subject to subsection (3), the operating area for a well permit, a facility permit or a pipeline permit, as the case may be, is a dormant site for the purposes of the definition of “dormant site” in section 43.1 [definitions] of the Act if
 - (a) the well, the facility or the pipeline permitted by the permit is a dormant well, a dormant facility or a dormant pipeline, as the case may be, and
 - (b) in the case of a well on a multi-well pad, the other wells on the pad are also dormant wells.
- (3) A portion of an operating area is not a dormant site for the purposes of the definition of “dormant site” in section 43.1 of the Act if any of the following is located in the portion:
 - (a) a facility not solely associated with a dormant well, a dormant facility or a dormant pipeline;
 - (b) a pipeline not solely associated with a dormant well, a dormant facility or a dormant pipeline;
 - (c) a well not solely associated with a dormant well, a dormant facility or a dormant pipeline;
 - (d) an oil and gas road not solely associated with a dormant well, a dormant facility or a dormant pipeline.

3 Section 3 (1) (a) is amended

(a) in subparagraph (iv) by striking out “, or”, and

(b) by adding the following subparagraph:

- (v) a certificate of restoration is issued for the site, or .

4 The following sections are added:

When facilities are dormant

- 3.01** (1) Subject to subsection (2), a facility is dormant for the purposes of section 2 if
- (a) neither of the following has occurred for the facility over the last 5 calendar years:
 - (i) the facility has been operated;
 - (ii) a certificate of restoration has been issued for the site, or
 - (b) the commission has received a written notice from the permit holder that the facility is dormant.
- (2) A facility is not dormant for 2 years after the date on which the commission gives to the permit holder for the facility a written notice under subsection (3).
- (3) The commission may give to a permit holder a written notice for the purposes of subsection (2) in relation to a facility if the commission is satisfied, having regard to the following factors, that the facility will be operated within a reasonable period of time:
- (a) available reserves of substances to be gathered, processed, measured, stored or disposed of at the facility;

- (b) economic factors, including, without limitation,
 - (i) the cost to resume the operation of the facility, and
 - (ii) forecast production and prices;
- (c) safety factors, including, without limitation, facility integrity.

When pipelines are dormant

- 3.02** (1) A pipeline is dormant for the purposes of section 2 if
- (a) the pipeline or part of the pipeline has not transported fluids over the last 5 calendar years, or
 - (b) the commission has received a written notice from the permit holder that the pipeline is dormant.
- (2) The 5-year period set out in subsection (1) (a) includes any period for deactivating the pipeline or part of the pipeline set out in a plan approved by the commission under section 9 (4) [*deactivation*] of the Pipeline Regulation or in a condition imposed with respect to an exemption granted under section 14 [*exemptions*] of the Pipeline Regulation.

5 Section 3.1 is repealed and the following substituted:

Former sites

- 3.1** (1) Subject to subsection (2), the operating area for a well permit, a facility permit or a pipeline permit is a former site for the purposes of this regulation if
- (a) the permit
 - (i) is cancelled under section 26 [*actions by commission respecting permit*] or 33 [*surrender of permit or permission*] of the Act,
 - (ii) is declared spent under section 27 [*spent permit or permission*] of the Act, or
 - (iii) expires under section 32 [*expiration of permit and authorizations*] of the Act, and
 - (b) a certificate of restoration has not been issued for the site.
- (2) A portion of an operating area is not a former site if any of the following is located on the portion:
- (a) a well not solely associated with the oil and gas activity permitted by the permit referred to in subsection (1);
 - (b) a facility not solely associated with the oil and gas activity permitted by the permit referred to in subsection (1);
 - (c) a pipeline not solely associated with the oil and gas activity permitted by the permit referred to in subsection (1);
 - (d) an oil and gas road not solely associated with the oil and gas activity permitted by the permit referred to in subsection (1).

6 Section 4 (3) is amended

- (a) *in paragraph (a) by adding “, 3.01 (a) or 3.02 (a)” after “under section 3 (1) (a)”*,

(b) in paragraph (b) by adding “, 3.01 (b) or 3.02 (b)” after “under section 3 (1) (b)”, and

(c) in paragraph (c) by adding “, a facility permit or pipeline permit” after “well permit”.

7 Section 6 is repealed and the following substituted:

Decommissioning

6 A dormant site or a former site is decommissioned for the purposes of this regulation if the permit holder for the site

(a) does the following, as applicable:

(i) if the site is or was the operating area for a well permit, complies with the applicable requirements in section 26 (1) (a) to (c) [*plugging requirements for wells*] of the Drilling and Production Regulation;

(ii) if the site is or was the operating area for a facility permit, complies with the applicable requirements in section 79 [*obligations on cancellation or cessation of operations*] of the Drilling and Production Regulation;

(iii) if the site is or was the operating area for a pipeline permit, complies with the applicable requirements in section 11 [*obligations on cancellation or cessation of operations*] of the Pipeline Regulation,

(b) removes from the site any facilities and other equipment that are associated with an oil and gas activity that is permitted by the permit, and

(c) removes from the site any facilities and other equipment that are associated with a related activity of an oil and gas activity that is permitted by the permit.

8 Section 7 is amended

(a) by striking out “and” at the end of paragraph (a) (ii), and

(b) by adding the following paragraphs:

(c) takes the actions identified in paragraphs (a) and (b) in relation to all facilities and other equipment that are associated with an oil and gas activity permitted by the well permit or the facility permit, as the case may be, and

(d) in the case of a dormant site or a former site that includes a pipeline right of way, does the following:

(i) ensures that all areas of potential environmental concern associated with the pipeline are identified and investigated by a person who

(A) is a registrant within the meaning of the *Professional Governance Act*, and

(B) through suitable education, experience, accreditation and knowledge, may be reasonably relied on to provide advice within the person’s area of expertise as it relates to this regulation;

- (ii) submits an investigation report to the commission, in the form and manner required by the commission.

9 Section 9 is amended

(a) by repealing subsection (1) (b) (ii) and substituting the following:

- (ii) in the case of a dormant site on Crown land, has complied with the applicable requirements in section 19 [*areas to be restored*] of the Environmental Protection and Management Regulation or is exempted under that regulation from the applicable requirements.,
and

(b) by repealing subsection (2) (b) and substituting the following:

- (b) in the case of a former site on Crown land, the permit holder has complied with the applicable requirements in section 19 of the Environmental Protection and Management Regulation or is exempted under that regulation from the applicable requirements.

10 Section 17 is amended

(a) in subsection (1) by striking out “A permit holder” and substituting “Subject to subsection (4), a permit holder”,

(b) in subsection (2) by striking out “A permit holder” and substituting “Subject to subsection (5), a permit holder”, and

(c) by adding the following subsections:

- (4) If the permit holder for a type C site complies with the applicable requirements in section 6 [*decommissioning*] of this regulation before December 31, 2024, the site that is the operating area for the permit is decommissioned for the purposes of this regulation.
- (5) If subsection (4) applies, the permit holder for the site must assess the site by December 31, 2031.

11 The following section is added to Division 2:

Pipeline deactivation timelines

- 25.1** In the event of a conflict, a timeline set out in section 17 [*type C sites*] or 22 [*basic requirements*] of this regulation prevails over a timeline set out in a plan approved by the commission under section 9 (4) (a) [*deactivation*] of the Pipeline Regulation.

12 Section 26 is repealed and the following substituted:

Records

- 26** The plans, reports and notices required under this regulation are prescribed for the purposes of section 38 (1) (a) [*records, reports and plans*] of the Act.

13 *The following section is added:*

Exemptions

- 26.1** (1) Subject to subsection (2), an official may exempt a permit holder from complying with any of the following provisions of this regulation:
- (a) section 15 [*type A sites*];
 - (b) section 16 [*type B sites*];
 - (c) section 17 [*type C sites*];
 - (d) section 18 [*priority sites*].
- (2) Before granting an exemption under subsection (1), an official must be satisfied that, in the circumstances,
- (a) compliance with the provision or provisions is not reasonably practicable,
or
 - (b) the exemption is in the public interest.
- (3) In granting an exemption under subsection (1), an official may impose any conditions on the exemption the official considers necessary.

SCHEDULE 2

1 *Section 79 of the Drilling and Production Regulation, B.C. Reg. 282/2010, is amended*

(a) by adding the following subsection:

- (0.1) In this section, “**inactive facility**” means a facility at which no petroleum, natural gas, water or substance referred to in paragraph (d) or (e) of the definition of “pipeline” in the Act is gathered, processed, measured or disposed of. , **and**

(b) by repealing subsection (2) and substituting the following:

- (2) The facility permit holder of an inactive facility must
- (a) within 12 consecutive months of the facility becoming an inactive facility, suspend the facility in a manner that ensures its ongoing safety and integrity,
and
 - (b) within 60 days of the suspension of the facility, notify the commission of the suspension.