

September 29th, 2009

Chair Karen Goodings and Board of Directors
Peace River Regional District
Box 810
1981 Alaska Avenue
Dawson Creek, BC V1G 4H8

RE: 2008/2009 Commission Annual Flaring Reduction Report Release

Dear Chair Goodings and Board:

The BC Oil and Gas Commission (Commission) is pleased to provide you and your colleagues with the 2008/2009 Annual Flaring Reduction Report. The report details progress in the reduction of flaring in the Province of British Columbia, following on the 2008 release of the Flaring, Incinerating and Venting Reduction Guideline (Guideline) and BC Energy Plan.

Some of the reports key highlights are as follows:

- Industry has achieved a 26.5% reduction in routine (solution gas) flaring since the introduction of the Energy Plan.
- More than 97% of solution gas is currently conserved.
- From its peak in 1997 solution gas flaring has declined in volume by 85%.
- The Commission was created in 1998 and has flaring data back to 1996. Between 1996 and 2008 the number of wells drilled in British Columbia doubled while flare volumes from all sources have been reduced by 19%.

The Commission has focused efforts to reduce flaring near communities by targeting continuous flares within a five kilometre radius of Rolla, Tomslake, Farmington, and Fort St John.

The Commission is extending this initiative by investigating options to minimize or eliminate well test and clean-up flares. Such options include:

- Pipeline construction prior to the completion of a well, to ensure gathering systems are in place for inline testing where possible, therefore eliminating the test flare.

- Enhanced facility design to ensure facilities have the necessary equipment to accept inline test gas.
- Undertake a review of current Guideline flare volume and time limits with a view to further limitations.

The Commission was recognized recently as being one of the best-run regulating agencies in Canada. We are committed to accountability and transparency in reporting and by sharing this report with you, we hope to continue the collaborative efforts put forth by of all stakeholders involved in the oil and gas industry within the province. These initiatives highlight our collective commitment to our communities, economic competitiveness, and the environment, while ensuring safety remains our top priority.

Yours truly,

Original signed by

Alex Ferguson
Commissioner and CEO
BC Oil & Gas Commission