



**FOCUS**

## SOUTH PEACE FRINGE AREA OFFICIAL COMMUNITY PLAN Minutes - Advisory Committee Meeting - February 23, 2010

Date: February 23, 2010  
Time: 7:00 pm  
Place: Peace River Regional District office

Committee: Linda Fontaine                      Iva Tuttle                      Rod Kronlachner  
                 Judy Madden                      Kerry Clark  
                 Barbara Swail                      Christine Aylward  
                 Ruth Veiner                      Ian Marchuk

Director: Wayne Hiebert, Director of Electoral Area 'D'

Staff: Debbie Kunz, Assistant Manager of Development Services

MEMPR              Mike Lambert, Ministry of Energy, Mines and Petroleum  
OGC                      Ben Mitchell-Banks, Oil and Gas Commission

1. CALL TO ORDER - meeting was called to order at 7:00 pm.
2. MOVED by Wayne Hiebert, SECONDED by Barbara Swail, that the minutes of Jan. 19<sup>th</sup>, 2010 be adopted as read.
3. Information Sharing Session  
A brief description was given of the boundaries for the South Peace Fringe Area Official Community Plan. The new plan will replace parts of the existing 1986 Dawson Creek Rural Area OCP, within the more developed areas. The purpose of these Information sharing sessions is to better understand existing provincial legislation within the context of preparing an Official Community Plan.

### Presentation by Ministry Energy, Mines and Petroleum

Mike Lambert gave a brief overview of the new Oil and Gas Activities Act (OGAA).

With the dramatic growth of industry over the past decade there have been;

- increased pressures on dated regularity systems designed over 40-50 years ago;
- new technology developments in the oil and gas industry;
- future development of un-conventional resources such as tight or shale gas;
- changes in societal norms and standards in respect to the environmental impacts;

Thus, government deemed that these legislation changes were necessary and OGAA was brought into law in May 2008.

In order to implement this Act a new set of Oil and Gas Activity Regulations are being developed and the plan is to have these brought into law by May 2010.

The regulations are either OGC Board approved or they are approved by Lieutenant Governor in Council. (LGIC) The following regulations are currently being drafted to implement OGAA:

- Environmental Protection and Management Regulations (LGIC)
- Drilling and Production (OGC Board)
- Pipelines and Facilities (OGC Board)
- Consultation and Notification (OGC Board)
- Geophysical (OGC Board)
- Administrative Penalties (LGIC)
- Transition Regulations (LGIC)
- General (Administrative) Regulations (LGIC)
- Road Regulations - it is expected that these will be forthcoming at a time after the initial set are approved and brought into force.
- Emergency Management - more consultation is needed, including further discussions with government legal counsel on the regulatory construct.

On March 10, at PRRD office (Dawson Creek) there is another review of the 'Consultation and Notification' draft with some non-industry Northeast Energy Mines Advisory Committee Members (NEEMAC) OGC and MEMPR staff. This is opportunity for review and discussion of the latest policy captured in the draft 'Consultation & Notification' regs.

From the perspective of agriculture, the Environmental Protection and Management Regs. is to address soil management, natural drainage and erosion control in 3 phases:

Phase I - Construction

Phase II - Operations

Phase III - Reclamations

It has been attempted to design the Regulations to address oil and gas activities as they might apply across the province, despite the fact that 99% of the industry being located in North-eastern BC.

- To date the majority of comments received on all the draft regulations have been from northerners.

Questions: Will there be enforcement with the new regulations?

Yes, OGC will be the regulator. The past regulations were very limited in enforcement with few ways to apply penalties to the industry.

The new regulations will give OGC the ability to:

- apply administrative penalties
- serve industry with Orders that may stop and start specific activities
- suspend, cancel permits or refuse issuance of permits
- recognize cross border regulations

ie. Soil erosion on private lands may be dealt with:

- if there is a reduction of productivity of the land due to unacceptable soil erosion, then enforcement may result in an administrative penalty being activated.

Comment: Low impact pipelining has proven to be effective in reducing impacts under certain conditions. Landowners could discuss these techniques with the construction company to see if they would be beneficial on that particular project.

Comment: Agriculture land and its importance is being recognized by these regulations, ie recognition of the ALR, invasive plant management, maintaining range lands and protecting range improvements, reclamation of soil for future production.

Comment: The new Farmers Advocate position will also compliment the new Act and Regulations.

Question: Is the Muskwa Kechika area affected by the Horn River Shale field?

- No, the Horn River shale area lies generally east of Alaska Highway and North of Fort Nelson.

Question: How will OGAA address areas for specific environmental protection?

The Ministry of Environment has the authorities under OGAA to designate specific areas for protection and to prescribe measures to achieve protection:

- ie.
- Areas will be designated to protect endangered species - Northern and/or Boreal Caribou
  - MOE can designate specific 'wetlands to be protected'
  - Or to protect areas where ground water recharge protection is important for community water supplies.

Question: Will there be annual compensation provided to farmers who have pipelines crossing their land?

- No OGAA does not deal with compensation.
- The negotiation between an oil and gas activity PNG rights holder and the annual rental payments are not enabled in the current legislation. However, this could be considered if government was convinced and agreed to a major amendment to the existing legislation.

Will there be any triggers to require an 'Environmental Assessment Review' on oil and gas activity? - Depends.

- Triggers for environmental assessments are defined in the Reviewable Projects Regulations, under the "Environmental Assessment Act".
- Environmental Assessment reviews are required for major Mines / Dams / Wind Projects and for a small set of oil and gas activities where the size of the project crosses the review threshold. I.e. Gas plants or major pipelines.

Will there be requirements for industry to 'share right-of-way (R/W) corridors'?

- No, not in the OGAA regulations
  - specific objectives to minimize impacts are essential parts of the process where industry plans their pipelines. R/W corridors, involving such things as; routing, topographical limitations, avoiding bends and corners, taking shortest distances, least land disturbance.
- OGC reviews all of these factors when reviewing and adjudicating pipeline permits.

Comment: currently different industrial companies have R/W's that lie side by side.

- shared R/W would lesson cumulative impacts.
- in some areas multi-right-of-ways are not a desired objective.

Comment: OGAA and Regulations must take people's health and safety into consideration.

Yes, this is a major consideration. The Emergency Management regime that OGAA enables and the OGC will administrate is still open to discussion. Further, this is at least partly referenced in the Consultation and Notification Regulations.

Difference between a License and Lease, briefly reviewed. Most licenses provide a list of rights over crown land; while leases are long term and may be issued over crown or private lands.

#### Water Presentation (Mike Lambert fielded questions regarding MOE legislation)

MOE has no 'Water Stewardship Division' staff based in the Peace. They provide staff to address water management in the Peace from Prince George. Some residents feel that it is most important to encourage the provincial government to re-think where they have their staff. MOE Water Stewardship Division staff in the Peace country would be a major asset.

Question: Are there any changes around 'water protection' in the OGAA regulations?

- Oil and Gas Commission has specific authorities under the Water Act and for the most part regulates only 'short term use approvals' for oil and gas activity 'water use'.
- Min. of Environment (Water Stewardship Div.) adjudicates applications from the oil and gas industry for 'long term water use - licenses'.
- It is MOST important not to loose focus on 'WATER' protection and conservation

Water - Use, surface / quality / quantity

Comments - many people in the Peace country depend on surface water for drinking water as well as for agricultural purposes.

- Building large storage facilities for water, upstream of residential areas could have serious direct effect on the water quantity and quality downstream.
- If drainage is interrupted, there will be direct impacts to environmental systems.

Response: - there are some studies being conducted or in the scoping stage to carefully review the 'water availability and potential demand for use'.

Additional Comments:

- there are different times of the year, when there is plenty of water, while other times of the year there can be a shortage and thus not available for use
- there have been suggestions that industry, capture and store water at high peak flow times - then use the stored water during low flow seasons or drought times
- However, this type of use can have a large impact to water sources down stream.

- Borrow Pits may be a good source to store water, however care must be given to impacts on adjacent properties, possibly borrow pits on Crown land may be better
- Care needs to be given to:
  - o Protect Recharge areas
  - o Amount of surface water being stored
- Piping water from large water sources may be considered but are very expensive.  
ie. Murray River

Some highlights from the Draft OGAA Regulations with respect to water:

- Environmental Protection Regs. - development setbacks from water wells and water works and protection of water quality, quantity and timing of flow;
- Drilling and Production Regs - natural gas or oil well 'casing requirements' down to 600 metres to protect any useable water unless, it can be shown no useable water source exists.
  - Water re-use must be considered and it was verified that industry is researching these options, especially in the shale gas areas for fracking purposes.
  - it is to industries 'best' interest to be efficient in their use of water as it is a major cost factor in their developments (ie. hauling water)
- Geophysical Regs. - flowing seismic bore holes will no longer be permitted to be completed as water wells. Under the regulation the company must seal the hole and advise the landowner of the location and measures taken to seal off the aquifer. This will ensure the land and water quality are protected and the landowner is aware of the location in case future problems occur. When the location of the aquifer is known the landowner can drill water well if one is needed.

The draw down of water use in the Peace country is becoming a high priority concern, as the demand on water use increases. What is the 'sustainable' amount of water for use by residents and industry'????

#### Peace Water Workshop

- a water workshop was hosted over Feb. 23<sup>rd</sup> and 24<sup>th</sup> with provincial and local government, First Nations, industry and other stakeholders.
- It is most important that we all collaborate and be good 'steward' of Water.
- There is an inter-jurisdictional responsibility of water.
- Need to identify the information Gaps regarding water - availability and sustainable use.

The following is a list of major issues identified by workshop participants:

- Existing tools for water management
- Inventory water use, including reporting, base line data
- Monitor water quality and quantity
- Partnerships to be formed and strengthen for 'water' - communication
- Cumulative impacts and assessment
- Research technology to improve water use

- Compliance and Enforcement
- Water management - transport water, piping, hauling, borrow pits, storage
- Water Use - potable water versus industry use
- Environmental impacts
- Mapping water aquifers

GeoScience, a not-for-profit organization is:

- studying groundwater resources in the Horn River Basin north of Fort Nelson
- currently scoping a Peace area regional surface and sub-surface water study with respect to Peace.
- There is a need to collect all of the surface and groundwater data available and then assemble and analyze it. Then it should be made available for all users to utilize.

#### Oil and Gas Commission presentation - Ben Mitchell-Banks

Ben Mitchell-Banks, gave a brief presentation, introducing the roles and responsibilities of OGC.

- Responsible for implementing the Oil and Gas Regulations, as per the Act.
- 'Result based models' will be used in some circumstances. In a result oriented section of a regulation industry has to achieve the objectives of a specific regulation requirement rather than simply follow certain rules. This ensures the objective is achieved and allows the use of new technology and application of new knowledge to improve practices. I.e. new technology may be used to demonstrate how a 'well' will be controlled.
- the new Oil and Gas Regulations has raised the accountability of the regulations.

What is meant by 'results based where practicable'?

- Generally meaning 'where feasible', however there is still on going work on this to further clarify this term.
- it will still be important to list all the objectives that need to be met by 'results based'.
- Some ministry's using 'results based' are having trouble working on this basis where objectives cannot be clearly defined. In the technical regulations objectives are generally easy to define.
- 'Results based' can be more difficult to enforce, unless objectives are well defined.
- Yes, health and safety is an objective required by 'results based' standards
- Equipment standards will also be an important results based objective

How many OGC staff is available for I nspections - approximately 15

- there are I nspectors in Fort Nelson, Dawson Creek and Fort St. John offices.
- additional staff requirements may be required once the OGAA regulations are put into affect.

The two projects currently receiving an increased rate of work activity are:

Horn River - located in the most northeastern part of BC, however there is a lot of infrastructure and services to be built, prior to extensive oil and gas development in this area.

Montney Shale - located into the North and South Peace regions, where most of the infrastructure and services are in place, but due to the population in this area, public's concerns must be considered.

- the Montney shale area expands in size from approximately 150 km in length to approx. 75 km in width, extending from parts of Alberta and to a part of BC which is located in the Peace region.
- With the new un-conventional drilling process there is less surface disturbance, however the actual well pad sites may be larger in area.
- Un-conventional drilling requires a large amount of water in its fracking process.

It was agreed that more work may be needed in the Inspection Program once the Oil and Gas Regulations for OGAA are finalized.

4. Next Steps

This completes the 'Information sharing sessions'.

Drafting the OCP context and mapping is now underway and ongoing.

Advisory Committee will be notified when a Draft OCP copy is available for review and discussion.

5. MEETING was terminated at 9:05 pm.

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Debbie Kunz, Recorder