



File: 43500-01

August 12, 2005

To: All Oil and Gas Operators

Re: BC Oil and Gas Waste Regulation has been Amended

The Oil and Gas Waste Regulation (BC Reg 208/96), issued under authority of the *Environmental Management Act*, was repealed and replaced with the amended BC Oil and Gas Waste Regulation (BC Reg 254/2005) on July 27, 2005. The amended regulation is available from the BC Queen's Printer (<http://www.bcsolutions.gov.bc.ca/qp/>); an unofficial copy is on the Ministry of Environment web site at: http://wlapwww.gov.bc.ca/epd/epdpa/industrial_waste/petrochemical/petrochemical_regs.htm.

Many changes have been made to the regulation. Most of the amendments are effective immediately but some are effective January 1, 2006. The purpose of this letter is to highlight some of the changes that may have more immediate significance to oil and gas operations in British Columbia - please consult an official copy of the regulation to ensure that you are aware of all changes that may affect your British Columbia operations.

In particular, please note that:

- Emission standards for nitrogen oxides from compressor drivers, oil pump drivers and electricity generators are unchanged, but now may apply at power ratings as low as 100 kW. Please refer to Sections 4 and 6 of the regulation to become familiar with the details of these changes.
- There have been significant changes to requirements for vapour emissions from tanks, both fixed and during transportation. A maximum allowable ambient hydrogen sulphide concentration at the perimeter of facilities applies to all facilities with tanks, now including facilities such as tank storage yards (Section 3). Discharges from tank vents must now meet a concentration-based standard only during transportation (as opposed to during loading), but there is now a new requirement that discharges from tank vents may not cause objectionable odours (Section 5). Definitions of "tank" and "objectionable odour" are now included in the regulation (Section 2).
- The authorization for emissions from well test flaring has been modified and should be reviewed by anyone conducting a well test where the concentration of hydrogen sulphide in the gas to be combusted is at least 5% by volume (*i.e.* authorizations under Section 6). The regulation now stipulates that an environmental impact procedure must be completed and submitted prior to the well test - this is the same assessment procedure currently in use. Written confirmation of well test results must now be submitted within 30 days of completion of a well test. Again, this requirement is not new but has now been incorporated into the regulation. The purpose of this requirement is to obtain the data needed to collect fees required by the Permit Fees Regulation. Details of documentation that will be required by the Ministry will be provided to operators in the Ministry of Environment's letter

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of response when the well test is registered. Fees for well test emissions are due within 30 days of receipt of an invoice from the Ministry of Environment (Section 9).

- There are numerous changes to the drilling waste disposal requirements (Section 7). Two of the most significant changes are described below.
 - The scope of wastes authorized for discharge under section 7 has been expanded to include a number of drilling waste types that were previously not included in the regulation, with the result that *Environmental Management Act* approvals should no longer be required for these routine discharges.
 - Director's consent to the discharge location for off-site disposals not immediately adjacent to the lease is also no longer required; specification of suitable locations will be made in the BC Oil and Gas Handbook. This latter change is especially significant for disposals such as landspray-while-drilling on winter access roads.
- There are numerous changes to the disposal requirements for hydrostatic test fluids, precipitation collected in flare pits and collected surface runoff (Section 7). Some of the changes are designed to reduce the administrative burden while maintaining environmental protection. As disposal requirements are made less prescriptive, there is increased responsibility on industry for stewardship. Three of the more significant changes for the disposal of miscellaneous fluids in Section 7 are described below:
 - The use of field methods of analysis for some types of discharges is facilitated;
 - The seasonal restriction on release of collected surface runoff is removed, which eliminates the need for *Environmental Management Act* approvals for discharges outside of the growing season; and
 - A requirement is introduced for toxicity assessment of hydrostatic test fluids where additives are used in the test fluid.

The Ministry expects to produce a User's Guide to the Oil and Gas Waste Regulation within the next year. Further information regarding the amendments may be obtained from staff in the Ministry's Fort St. John or Prince George offices, at the following phone numbers:

Fort St. John	250-787-3411
Prince George	250-565-6155

Yours truly,

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Omineca and Peace Regions