



February 19, 2009

**INFORMATION LETTER # OGC 09-06**

**Subject: Pipeline Deactivation and Abandonment Process**

**To: All Stakeholders**

**Effective Date:** March 5, 2009

**Background:**

In consultation with landowners and the Canadian Association of Petroleum Producers, the BC Oil and Gas Commission (Commission) has initiated a pipeline deactivation and abandonment process.

This process adaption supports the Commission Service Plan and commitment to regulate the oil and gas industry for the best interest of all British Columbians by:

- i. Enhancing public safety through the detection of contaminates on, or adjacent to, the proposed abandonment location.
- ii. Limiting environmental impact through lease restoration, ground water or soil contamination rectification and, if deemed necessary, following the contaminated sites investigation process.
- iii. Facilitating landowner engagement in the plans for the deactivation, abandonment and/or restoration of implicated pipelines.

**Requirement:**

Deactivation and Abandonment Process:

- (a) Unless otherwise authorized by the Commission, a company shall deactivate, abandon or return to active service a pipeline that has not been in active flowing service for a period of twelve consecutive months.

After twelve consecutive months of inactivity, the company may be requested to submit an action plan to the Commission regarding the identified pipeline indicating deactivation, abandonment or return to active service. The plan shall be submitted within 60 days from the date of the request and include future company needs and intentions. The Commission may request an updated action plan at any time. Should the company wish to re-activate a pipeline or section of pipeline that has been deactivated, the company must submit an engineering assessment to the Commission for approval.

- (b) An action plan may identify the intent to abandon a pipeline or section of pipeline. The Commission shall assess the decision to abandon a pipeline, and/or section of pipeline in-place or through removal as per the criteria outlined in CSA Z662-07, section 10.17, Abandonment of Piping.

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Regulations regarding pipelines and/or sections of pipelines abandoned in-place include the following (as outlined in CSA Z662-07, section 10.17.2):

- i. Identify all ends with a permanent below ground tag/pin and a visible marker which indicates the following items: company, operator, pipeline location, date of abandonment and product that remains in the pipeline. On private lands the marker should be placed at the property or fence line. On Crown lands the marker should be placed at the ends of the abandoned pipeline or section.
  - ii. Remove any surface equipment including pig traps, risers, block valves and pipeline heaters, unless the equipment is located within the boundary of a facility that continues service.
- c) If the assessment identifies contaminates on, or adjacent to, the proposed abandonment location, the company requesting or directed to abandon a pipeline or section of a pipeline is required to notify the Ministry of Environment (MoE) of their intention to abandon the pipeline. The company may be required to submit a Site Profile under the *Environmental Management Act*, section 40, initiating the contaminated sites investigation process.
- (d) As long as the pipeline or part of a pipeline is in or above ground, the abandonment of a pipeline or part of a pipeline does not relieve the pipeline permit holder from responsibility or liability for public safety and environmental impacts, unless otherwise authorized by the Commission.

Pipeline owners are responsible for abandoning pipelines to a standard acceptable by the Commission and in accordance with this document.

When a pipeline is abandoned in accordance with Commission and MoE requirements, liability to the company is limited to unforeseen or undetected environmental, subsidence or ground water issues that may arise as a result of the pipeline abandonment.

Liability may include, but is not limited to: lease restoration regarding environmental, ground water or soil contamination; and, meeting any environmental requirements should subsidence or other factors affecting utilization of lands over the abandoned pipeline occur.

Companies are required to monitor all post-abandonment activities and rights-of-way to ensure activities, rights-of-way and/or remaining apparatuses remain problem free until such time as the company receives a certificate of abandonment.

- (e) If a landowner disturbs an abandoned pipeline after it has received its abandonment certificate due to his/her desire to use the lands, the landowner - not the pipeline company - is required to ensure pipeline disturbance is corrected to a standard acceptable to the Commission and the Agricultural Land Commission

**Administrative Process:**

Companies must apply to the Commission to deactivate a pipeline or pipeline section before they will be able to apply to abandon the pipeline or pipeline section.

To deactivate a pipeline, companies or operators must complete the following:

- i. submit a Pipeline Notice of Intent (NoI) to the Commission for proposed deactivation of pipeline,
- ii. complete a field assessment and risk analysis of the pipeline, and
- iii. notify landowner of company or operator intentions to perform work activities on pipeline (i.e. deactivation).

To abandon a pipeline, companies or operators must complete the following:

- i. submit a Pipeline NoI to the Commission for proposed pipeline abandonment,
- ii. submit field assessment to the Commission pipeline and facilities department for review (as per CSAZ662-07 requirements),
- iii. notify landowner of company or operator intentions to perform work activities on pipeline (i.e. abandonment),
- iv. any pipeline abandoned in place should remain part of the provincial one-call program, and
- v. if requested by the landowner, company/operator facilitates the removal of legal easement or encumbrance from landowner's land title for abandoned pipeline or section of pipeline at the company's expense. The application for removal of legal easement or encumbrance must be submitted to the Land Title Office within 12 months of abandonment.

**Definitions:**

“Abandonment” means a pipeline or part of a pipeline that is permanently removed from service and not maintained for later return to service, whether or not the pipeline or part of the pipeline is removed from the ground.

“Deactivate” means a pipeline, part of a pipeline or pipeline system that is removed from active flowing service and will continue to have the integrity of the pipeline maintained for later return to active flowing service.

Industry should note that an NoI needs to be filed via the online Kermit system:

[www.ogc.gov.bc.ca](http://www.ogc.gov.bc.ca)

**For further information regarding this Information Letter, please contact:**

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***Original signed by:***

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