



NEWS RELEASE

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BC FLARING REDUCTION TARGETS ON TRACK

FORT ST. JOHN – The BC Oil and Gas Commission (Commission) reports progress in the reduction of flaring in the Province of British Columbia, announced CEO and Commissioner Alex Ferguson.

“The Commission is committed to ensuring Energy Plan goals are achieved,” stated Mr. Ferguson. “Today we report reaching a 26.5% reduction in solution gas flaring since the introduction of the Energy Plan.”

The BC Energy Plan set an interim target of 50% routine flaring reduction by 2011. The 26.5% reduction to date is on track to meeting that interim target. Ensuring optimal recovery of oil and gas resources on behalf of the people of the province is a key priority in British Columbia.

“In March of 2008 the Commission introduced the Flaring, Incinerating and Venting Reduction Guideline for British Columbia (Guideline),” Ferguson continued. “This Guideline is “Energy Plan plus” in that it tackles multiple forms of flaring; not just routine.”

In accordance with the clear and consistent expectations of the Guideline objective hierarchy, operators must evaluate three options:

1. Can flaring, incinerating, and venting be eliminated?
2. Can flaring, incinerating, and venting be reduced?
3. Will flaring, incinerating, and venting meet performance standards?

In addition to this hierarchy the Commission has identified high visibility continuous flares located in and around the communities of northeastern B.C. and has begun working with operators to limit or extinguish visible flaring.

The Commission is going to extend this initiative to investigate options to minimize or eliminate well test and clean-up flares.

To view the report please visit the Commission website at: www.ogc.gov.bc.ca

The BC Oil and Gas Commission is an independent, single-window regulator of oil and gas activities in the Province of British Columbia. The Commission has regulatory responsibility for industry activity from the exploration and development phases, through to facilities operation and decommissioning. Among its more specific objectives are public safety, conservation of petroleum resources, fostering a healthy environment, and equitable participation in production.

A backgrounder follows.

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BACKGROUND

September 25, 2009
BC Oil & Gas Commission

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 focussed 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 plans to extend this initiative by investigating options to minimize or eliminate well test and clean-up flares. Such options may include:

- Requiring pipeline construction prior to the completion of a well to ensure gathering systems are in place for inline testing rather than flaring where possible; and
- Enhanced facility design to ensure facilities have the necessary equipment to accept inline test gas; and
- Undertake a review of current Guideline flare volume and time limits with a view to further limitations.

Total gas flaring accounts for less than 2% of green house gas emissions in BC.

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