

June 20, 2024

Enforcement File: 2024-0058

Pavilion Energy Corp.
Suite 2150, 736-6th Ave SW
Calgary, Alberta T2P 3T7

Attention: Mr. Cas Morel, President

Re: General Order 2024-0058-01

Dear Mr. Morel:

On May 30, 2024, the BC Energy Regulator, issued General Order 2024-0058-01 to Pavilion Energy Corp.. (Pavilion).

Please be advised that pursuant to section 49(8) of the *Oil and Gas Activities Act*, General Order 2024-0058-01 is hereby terminated.

If you have any questions or concerns, please do not hesitate to contact the Regulator.

Sincerely,



R. A Workman
Manager, Enforcement
BC Energy Regulator

GENERAL ORDER 2024-0058-01
Section 49 *Energy Resource Activities Act*

Issued to:

Pavilion Energy Corp.
Suite 2150-736 6th Avenue
Calgary, Alberta T2P 3T7

Attention: Cas Morel, President

Order:

Pursuant to sections 49(1)(d) and 49(1)(e)(i) and (ii) of the *Energy Resource Activities Act* (the Act), I, Robert Workman, order that Pavilion Energy Corp. (Pavilion) must:

1. By May 30, 2024, at 5:00 PM, Pacific Standard Time, and for a period not to exceed 30 days from the date of issuance of this order, ensure surface casing vent gas from WA 2262 located at 06-29-085-18 W6M (location) is directed to a temporary flare, designed, and operated within the limits specified by a professional engineer licenced or registered under the *Professional Governance Act*.

Conditions:

- A. This order shall remain in effect until amended or terminated in whole or in part by the BCER.

Reasons:

I make this order for the following reasons:

- i. Pavilion is the permit holder for WA 2262.
- ii. Pavilion is the permit holder for pipeline project 000025632, segment 1 (the Pipeline).
- iii. WA 2262 has a serious surface casing vent flow that is tied into the Pipeline and flows to a production facility.
- iv. On May 28, 2024, BCER staff, during an inspection of the location, observed that the surface casing vent gas from WA 2262 was venting through an attached Pressure Safety Valve to atmosphere when the gas should be flowing down the Pipeline to the production facility.
- v. On May 28, 2024, David Laing of Pavilion was contacted and advised BCER staff “there is an ice plug in the Pipeline’, preventing flow”.

- vi. This well is located in a rural agricultural area within a half mile of a private residence and the surface casing vent flow reported by Pavilion in July, 2020, was 4751.04m³/day.
- vii. Temporary flaring under the circumstances is considered a necessary interim measure to mitigate immediate impacts from venting the surface casing vent flow to atmosphere.
- viii. I am of the opinion that Pavilion is not in compliance with sections 41(1) of the Drilling and Production Regulation.
- ix. I am of the opinion that Pavilion is not in compliance with section 41(4.01) of the Drilling and Production Regulation.
- x. I am of the opinion this order is also necessary to mitigate a risk to public safety and to protect the environment.

Review or Appeal

Pavilion may request a review of this order under section 70 of the Act or appeal this order under section 72 of the Act. Both a review and an appeal of the order cannot be commenced simultaneously.

A request for review may be sent to: determinationreviews@bc-er.ca.

Alternatively, a notice of appeal may be sent to the Energy Resource Appeal Tribunal to info@bcerat.ca or mailed to:

Energy Resource Appeal Tribunal
PO Box 4925 Stn Prov Govt
Victoria, BC V8W 9V1

Information regarding the process for appeals may be found at www.bcerat.ca.



Robert Workman
Manager, Enforcement
BC Energy Regulator

DATED AT Fort St. John, in the Province of British Columbia, this 30th day of May, 2024.