

April 1, 2021

Enforcement File: 2021-0050

Cancen Oil Processors B.C. Inc. 11464-149 Street NW Edmonton, Alberta T5M 1W7

Attention: Mr. Keith Talbot

<u>RE: Warning: Fail To Comply With Section 11 Of The Dormancy And Shutdown</u> <u>Regulation</u>

Dear Mr. Talbot,

Cancen Oil Processors B.C. Inc. (Cancen) is a permit holder with a dormant well as defined by the Dormancy And Shutdown Regulation (Regulation)

Section 11(1) of the Regulation states;

A permit holder must, in accordance with this section, develop, and submit to the commission a copy of, an annual work plan for a calendar year if

(a)the permit holder's portfolio of current sites includes a dormant site, or

(b) the permit holder has a portfolio of former sites.

Section 11(2) of the Regulation states

An annual work plan under subsection (1) must be developed, and a copy submitted to the commission, by the following date:

(a) in the case of an annual work plan for 2019, by August 31, 2019;

(b)in the case of an annual work plan for any other calendar year, by the earlier of

(i)January 30 of the calendar year, and

(ii) the date that is 60 days before the permit holder does specified work at a dormant site in the calendar year.

Cancen was contacted by the Oil and Gas Commission (Commission) when the annual work plan was not received by the required date. Cancen was given until

March 5, 2021 to submit the annual work plan. The annual work plan was received on March 29, 2021.

When administrative deficiencies have been issued to Cancen in the past Cancen has come into compliance within the required correction dates. This is the first instance of Cancen not complying by the required correction date and given that Cancen has now come into compliance, Cancen is hereby issued a warning only for the following:

Cancen, on or about January 31, 2021, at or near Fort St. John, in the Province of BC, did fail to comply with Section 11(2)(b)(ii) of the Dormancy And Shutdown Regulation.

If Cancen has any questions about this matter please feel free to contact the undersigned.

Sincerely,

<original signed by>

Manager, Enforcement Oil and Gas Commission