

February 10, 2022 Enforcement File: 2022-0004

Diamond LNG Canada Ltd. 4500,855 2nd Street SW Calgary, AB T2P 4K7

Attention: Mr. Darrell Brown

RE: Warning: Fail To Comply With A Condition Of An Authorization

Dear Mr. Brown,

Diamond LNG Canada Ltd. (Diamond) holds water use authorization AD 100112468 WU #5849 and AD 100113232 WU# 5977, each issued under the Water Sustainability Act. Each authorization contains the following condition:

The Permit Holder must maintain accurate records of all water withdrawal activities throughout the term authorized. Water withdrawal records for each diversion point, including "0" values for months where no water was withdrawn, must be recorded monthly. Water withdrawal records must be submitted to the Commission on a quarterly basis via eSubmission. Quarterly reports are due on or before April 25, July 25, October 25 and January 25.

This condition provides the company 25 days to compile its water withdrawal data and to submit a report to the Oil and Gas Commission (Commission). A report for the months of October, November and December was due no later than January 25, 2022.

On February 3, 2022, the Commission contacted Diamond and the required reports were received on February 8, 2022, 14 days past the due date.

Late reporting may result in issuance of a violation ticket. The Commission notes Diamond has no recent non-compliance history related to late water reporting.

Given the circumstances, Diamond is hereby issued a warning only for the following:

Diamond, on or about January 26, 2022, at or near Fort St. John in the Province of BC, did fail to comply with the condition of an authorization contrary to Section 106(3)(k) of the Water Sustainability Act.

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

Sincerely,

<original signed by>

Manager, Enforcement Oil and Gas Commission