
Made at City of Grande Prairie, in the
Province of Alberta, on

June 14, 2016

ALBERTA ENERGY REGULATOR

Under Section 113 of the *Environmental Protection and Enhancement Act*

Under Section 29 of the *Pipeline Act*

ConocoPhillips Canada Operations Ltd.
1600 401 9 Ave SW / PO Box 130 Stn M
Calgary, AB T2P 2H7

ConocoPhillips Canada Operations Ltd. (Licensee/Conoco)

Whereas the Licensee is the approval holder and owner of a 7.25 kilometre (km) pipeline, AER licence P47357 Line 001 (Licence) issued by the Alberta Energy Regulator (AER) under the *Pipeline Act* authorizing the Licensee to the construct and operate a pipeline to transport condensate from 01-36-060-03-W6M to 14-07-060-02-W6M;

Whereas at approximately 1700hrs on June 09, 2016, the Licensee reported a pipeline failure (Failure) to the AER that the Licensee reported it was first made aware of on June 09, 2016 at 1550hrs;

Whereas the location of the Failure is 4-31-60-2-W6M approximately 65 km NE of Grande Cache, Alberta (Site);

Whereas the site of the Failure is located within the Little Smoky Caribou Range and a Secondary Grizzly Bear Zone. A key wildlife and biodiversity zone is 1 km to the northwest of the site and a core grizzly bear zone is 5 km to the south of the site as per "23681-523" Wildlife Management Plan 2016-06-11, Matrix Solutions Inc.;

Whereas at the time the Licensee reported the incident to the AER the Failure had resulted in a release of an unknown volume of condensate (Substance) from the pipeline as defined in subsection 1((hhh) of the *Environmental Protection and Enhancement Act (EPEA)* (Release);

Whereas at the location of the Failure, the Licensee reported and the AER has confirmed that a dead patch of vegetation was observed but no free hydrocarbons were observed, however approximately 300 m downhill from the site a visible sheen and free product was observed on an unnamed creek;

Whereas sheen is visible on the unnamed creek for a distance of approximately 4.5 km and is being contained by a boom erected by the Licensee;

Whereas the Licensee has activated its emergency response plan and established an incident command structure;

Whereas the Licensee has advised that it has instigated further resources to respond to the Failure, including facilitating additional spill response resources to the site and engagement of a biologist;

Whereas the Licensee has advised that it has isolated the pipeline and the Failure and has advised that it has taken steps to remove residual Substance from the pipeline;

Whereas the Licensee has advised that it has deployed soaker pads and booms to contain the released condensate;

Whereas on June 10, 2016, AER inspector(s) attended the site and confirmed that a release of a substance from a pipeline had occurred and observed a visible sheen in the unnamed creek both up and downstream of a nearby beaver pond;

Whereas approximately 2 km further downstream of the beaver pond is the Simonette River, and at the date of this order, the AER has not observed any visible sheen but has received analytical data identifying F2 hydrocarbons slightly above detection limits for freshwater aquatic life;

Whereas the Licensee has advised the AER that its contractors are developing wildlife impact mitigation, spill containment and recovery, and waste management plans;

Whereas the Licensee may be challenged by the geography of the site and recent heavy rainfall, which has elevated the need for ridged safety plans and enhancements (matting, earthmoving equipment) to facilitate road access to the site and affected areas, including but not limited to areas in and around the unnamed creek ;

Whereas the cause of the Failure has not yet been determined and both the Licensee and the AER continue to investigate the Release/Failure to determine the cause of the Release/Failure and whether the Licensee may have contravened any provisions of the *Pipeline Act*, *Pipeline Rules*, *Environmental Protection and Enhancement Act*, or the conditions of the Licence;

Whereas the Licensee has estimated the volume of the Substance released resulting from the Failure to be approximately 379 m³;

Whereas the Licensee and its consultants continue to collect water samples to determine the concentration of the Substance released from the Failure and any associated impacts;

Whereas Candace MacDonald, Manager of Enforcement and Surveillance, is a Director for the purposes of issuing Environmental Protection Orders under *EPEA* (Director);

Whereas the Director is of the opinion that a release of a substance or substances into the environment has occurred, and that the substance has caused, is causing, or may cause an adverse effect, and remedial work is required to mitigate the adverse effects, including on the spill site and surrounding areas, affected waterbodies, shoreline area, aquatic life, and affected wildlife as a result of the Release;

Whereas the Licensee is a “person responsible” for substances as defined in section 1(tt) of *EPEA*;

Therefore I, Candace MacDonald, Manager Enforcement and Surveillance, pursuant to sections 113 and 241 of *EPEA*, and section 29(1)(b) of the *Pipeline Act* DO HERBY ORDER the Licensee to do the following:

Immediate Containment and Assessment of Public Safety

Immediately contain the Release of the Substance and minimize future adverse effects on the environment (for example prevent the further spread of the Release to further waterbodies (e.g., wetlands, marshes, bogs).

Immediately identify and report on potentially affected parties that could be adversely affected by the Release and develop a communications plan for notification to such potentially affected parties. This plan should include but not be limited to domestic, agricultural, and recreational users of lands and waterbodies affected.

Immediately control public access to the affected areas.

Report to the Director by noon of each day following the issuance of this order a list of parties and times they were notified, until otherwise directed in writing by the Director.

Sampling and Monitoring Plan

Immediately submit a Sampling and Monitoring Plan acceptable to the Director.

Immediately commence sampling, at a minimum once per 24 hour period, for hydrocarbons and other analytes or compounds required by the Director in the affected waterbodies, wetlands, and airshed until otherwise directed in writing by the Director.

Report to the Director by noon of each day the results of the sampling until otherwise directed in writing by the Director.

Wildlife Plan

Immediately submit a Wildlife Mitigation Plan acceptable to the Director.

Immediately conduct an assessment of impacted wildlife which must include, at a minimum, fish, waterfowl, amphibians, and mammals.

The Wildlife Mitigation Plan must include, at a minimum,

- a. the steps taken to prevent impacts to wildlife,
- b. the rehabilitation of impacted wildlife, and
- c. the humane euthanasia of impacted wildlife.

In carrying out the requirements of this Order and the Wildlife Mitigation Plan, Conoco must obtain and comply with all required federal and provincial permits and governing legislation.

Conoco immediately upon receipt of the order must provide to the Director copies of all federal and provincial permits obtained in the implementation of the requirements of this Order.

Report to the Director by noon of each day an updated inventory of impacted wildlife, until otherwise directed in writing by the Director.

Detailed Delineation and Remediation Plan

Immediately submit a Detailed Delineation and Remediation Plan acceptable to the Director.

The Detailed Delineation and Remediation Plan must include

- d. a detailed plan to delineate the full extent (vertical and lateral) of the Substances, if any, in the soils, subsoils, surface water, and groundwater of any areas affected by the Release, including methods and techniques for delineating the Substances;
- e. all of the steps that will be taken to remediate the Substances identified during the delineation at all locations where they are present, including the methods and remedial techniques that will be employed;
- f. the steps that will be taken for the transportation and disposal of the Substances that are recovered from any affected soils, subsoils, groundwater, and surface water; and

- g. a schedule of implementation for the Detailed Delineation and Remediation Plan for approval by the Director.

The remedial work described in the Detailed Delineation and Remediation Plan must at least meet the criteria set out in *Alberta Tier 1 Soil and Groundwater Remediation Guidelines* and be carried out in accordance with the schedule of implementation for this Plan that has been approved by the Director.

Waste Management Plan

All waste must be classified and transported to an approved waste management facility. All applicable provincial permits and licencing are to be obtained and provided to the Director.

Reporting to the Director and the Public

Provide to the Director by noon each day a daily written report (Director's Report) until otherwise directed by the Director in writing.

The Director's Report must contain

- h. the steps taken by the Licensee in the last 24 hours to remediate the Substances and
- i. the steps to be taken by the Licensee in the next 24 hours.

Provide to the public, by 2:00 p.m. each day, a daily written report containing, at a minimum, the information included in the Director's Report (Daily Public Report). The Daily Public Report must be posted, at a minimum, on the Licensee's website until otherwise directed by the Director in writing.

Pipeline Failure and Release Prevention Plan

The Licensee must safely shut down the pipeline, and the pipeline must not be restarted until the AER has provided written approval as required under section 29 of the *Pipeline Act*.

The Licensee must submit a plan to prevent future releases for all high-risk lines for approval by the AER on or before August 15, 2016 (pipeline failure and release prevention plan);

The Licensee must implement the pipeline failure and release prevention plan by October 14, 2016.

The Licensee must implement the recommendations approved by the Director by October 14, 2016.

Requirements Applicable to all Plans Submitted under the Order

All Plans submitted by the Licensee under this order must be prepared and implemented by qualified environmental professionals.

The Final Report

The Licensee shall submit to the Director a final report (Final Report) within 30 days of the completion of all the work required in compliance with this Order, summarizing such work and including verification that the work has met all standards and criteria as specified by the Director.

Dated at the City of Grande Prairie in the Province of Alberta on the 14th day of June 2016.

<original signed by>

Candace MacDonald
Manager, Enforcement and Surveillance
Alberta Energy Regulator

In complying with this order, the party or parties named must obtain all approvals necessary, notwithstanding the above requirements.

This order in no way precludes any enforcement actions being taken regarding this matter under the *Pipeline Act, Environmental Protection and Enhancement Act*, or any other provincial or federal legislation or by any other regulator with jurisdiction.

Under the *Responsible Energy Development Act*, an eligible person may appeal decisions that meet certain criteria. Eligible persons and appealable decisions are defined in section 36 of the *Responsible Energy Development Act* and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request according to the AER's requirements. You can find filing requirements and forms on the AER website, www.aer.ca, under Applications & Notices: Appeals.