

A Guide to Public Engagement and Appropriate Dispute Resolution

FIRST EDITION
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The guide will be updated and revised as new information becomes available, and as input is received from readers. If you have suggestions to improve the content of this guide for future editions, please contact:

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A Guide to Public Engagement and Appropriate Dispute Resolution

FIRST EDITION

BC'S OIL AND GAS COMMISSION



FOREWORD

The sale of BC's petroleum and natural gas rights by the Ministry of Energy, Mines and Petroleum Resources grants oil and gas companies the right to explore for, develop and produce petroleum and natural gas resources. Before engaging in any activities, however, these companies must first receive the approval of the Oil and Gas Commission (OGC).

The OGC regulates oil and gas activities by balancing environmental, economic and social factors. It fulfils its mandate by way of a comprehensive oil and gas application review process. Public engagement is a critical part of this process because it provides the OGC with information that contributes to its decision to approve or reject an oil and gas application. Although there is currently no specific legislation requiring companies to conduct a public engagement process, the OGC requires public engagement information in order to make balanced and timely decisions about applications.

Therefore, all companies who submit applications to the OGC for approval to explore and/or develop oil and gas projects must complete a public engagement process that allows the public (see Section 1.1 for definition of "public" as it is used in this guide) to express concerns about how the proposed oil and gas operations may affect them. The objective is to resolve any concerns prior to the company submitting the application.

We have developed this guide to assist oil and gas companies and those affected by oil and gas activities to understand what tools are available to them when entering a public engagement process. Its purpose is to provide oil and gas exploration/development applicants and participants with OGC's expectations regarding public engagement (PE) and appropriate dispute resolution (ADR). The guide may also be used when industry is engaged with First Nations groups concerning oil and gas activities. The OGC's public engagement process is not intended, however, to be a substitute for the government's responsibility to consult with First Nations on their treaty and/or aboriginal rights.

This guide provides sections on how to engage PE participants before, during and after application decisions are made, and defines key concepts and best practices in the public engagement process. As well, it sets out roles and responsibilities of oil and gas applicants, the affected public, and the Oil and Gas Commission.





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GUIDE INTRODUCTION

1.1 THE AFFECTED PUBLIC: A DEFINITION

For the purposes of this guide “the affected public” is considered to include all oil and gas stakeholders (for instance landowners, nearby residents and tenure holders) who are “directly and adversely affected” by oil and gas operations. A person’s rights are directly and adversely affected if:

- They are affected in a different way or to a greater degree than other members of the public; or,
- They can show a connection between the oil, gas or pipeline activity that is proposed and the rights and interests that may be affected; or,
- Their complaint relates to a property right or other economic interest.

This guide can be used when industry is engaged with First Nations who are directly and adversely affected by oil and gas operations, but it does not replace government’s responsibility to consult on treaty and/or aboriginal rights, which are handled separately at the provincial and federal levels of government.

Although not specifically required, the OGC sees benefits from engaging participants who fall outside of the strict definition of “directly and adversely affected.” Keeping the wider public informed on oil and gas activities—and with opportunities for input—fosters an environment of open communication and trust.

In this guide the terms “public” and “directly and adversely affected” are also meant to include the term “interested person” as referenced in the Oil and Gas Commission Act.

1.2 WHAT ARE THE OGC’S EXPECTATIONS AROUND PUBLIC ENGAGEMENT?

The OGC requires applicants/proponents of an oil and gas project to involve the affected public in oil and gas operational planning. To meet this requirement, the OGC expects that a public engagement (PE) plan will be developed and implemented by each oil and gas applicant and made available, if requested, to the regulator. This PE plan will state the applicant’s project goals and objectives and is expected to apply throughout the life of the oil and gas development. This guide provides information to assist oil and gas companies plan, implement and document their PE plan.

1.3 THE PUBLIC ENGAGEMENT PLAN

When seeking access to oil and gas for exploration and development purposes applicants must find ways to minimize interference with other affected owners and users of the land. To do this, rights and responsibilities need to be shared, and respectful relationships are required among all of the parties involved. Public engagement (PE) provides the framework for such sharing and relationship building. The PE plan shows how applicants will:

- Identify the affected public.
Whose rights are directly and adversely affected by the project?
- Notify and inform the affected public.
Tell the story of the project and public engagement in plain language.
- Listen and learn from each other about issues and concerns.
Design and hold meetings and other activities to engage the affected public.
- Solve problems.
Use early enhanced negotiations and early appropriate dispute resolution (ADR).
- Demonstrate their PE efforts.
Track activities and prepare reports that demonstrate actions taken throughout previous phases.

Alternative or Appropriate?

While the Oil and Gas Commission Act still refers to ADR as “alternative” dispute resolution, the OGC now uses the updated “appropriate” dispute resolution. Why? ADR techniques offer a range of options, any one of these options may be *appropriate*, depending on the circumstances.

1.4 THE APPROPRIATE DISPUTE RESOLUTION PROCESS

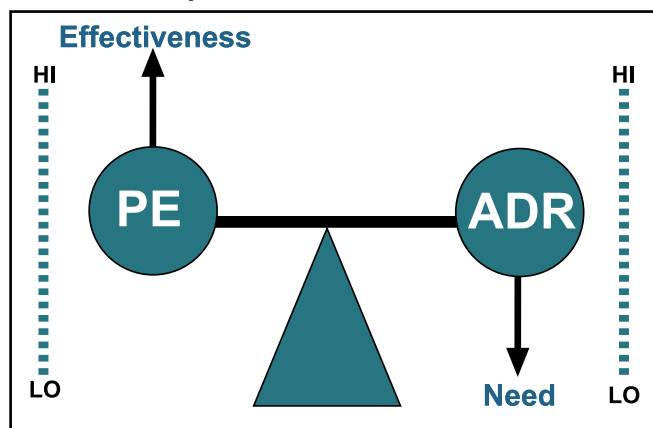
The ADR process comprises a set of tools and techniques that can be used to help parties address conflict that arises. The OGC’s ADR process facilitates disputes between oil and gas companies and the affected public. It is a voluntary process that must be agreed to by both parties in a dispute. It comprises a series of stages in dispute facilitation that helps the Commission make its final decision on the oil and gas application. *Section 4 of this guide describes the OGC ADR process in detail and Section 6 provides best practices used in ADR.*

1.5 A BALANCED APPROACH: PUBLIC ENGAGEMENT AND ADR

The Oil and Gas Commission is committed to supporting all participants in undertaking PE in oil and gas operational planning. Its ADR process has also been revised to support the early resolution of application disputes. The Commission believes in a balanced approach between PE and ADR.

The operating philosophy behind this integrated initiative is that both meaningful public input (through public engagement) and effective conflict management (through appropriate dispute resolution) involve working with people in a balanced way that enhances relationships and leads to better understanding and cooperation. Involving the affected public early in the process helps prevent conflicts and enhances ADR for any disputes that arise later on. Early and effective PE can also mean a reduced need for ADR, as shown in the graphic below.

Increased PE Equals Decreased ADR



1.6 WHO BENEFITS FROM PE AND ADR?

What’s in it for the oil and gas applicant?

- Increases the likelihood of the application being compliant.
- Improves relationships with the affected public.
- Increases understanding of surface/land issues.
- Increases the possibility of filing a routine application.
- Fewer barriers, faster application decisions.
- Increases the likelihood of cost savings.
- Enhances the applicant’s reputation in the community.
- Ensures ongoing communication and positive relationships with the affected public throughout the life of the project.

What's in it for the affected public?

- Input from the affected public is factored into practical recommendations for each project, including project timing, drilling method or location, type of equipment used, and techniques for minimizing environmental impacts.
- Provides an effective opportunity for meaningful input.
- Provides a transparent and respectful process.
- Leads to a better understanding of the oil and gas activity.
- Establishes a relationship with the oil and gas company operating nearby.

1.7 ROLES AND RESPONSIBILITIES OF INDUSTRY, THE AFFECTED PUBLIC AND THE OGC

Industry	Affected Public	Oil and Gas Commission
<ul style="list-style-type: none"> • Conducts a public engagement process with landowners, occupants and affected parties to identify concerns or issues. • When appropriate, modifies activity plans to mitigate public concerns. • Provides summary of suggested mitigation options. • Keeps all documentation to demonstrate completion of the public engagement process. 	<ul style="list-style-type: none"> • Provides summary of issues or concerns, and possible solutions, to the proponent and to the Oil and Gas Commission. • Affected parties are encouraged to document concerns through a letter or through the <i>Notice of Unresolved Concern</i> form. (see Section 4.2 and Appendix 2) • Recommends mitigation options. 	<ul style="list-style-type: none"> • Determines if satisfactory and representative level of public input was used in the activity planning. • Assesses issues, and evaluates if appropriate measures were taken to address concerns. • Recommends the use of both appropriate dispute resolution (ADR) and facilitation when appropriate. • Where appropriate and within regulatory jurisdiction, considers adding mitigation commitments as activity conditions.



1.8 WHAT IS FOUND IN THE REMAINDER OF THIS GUIDE?

Section 2 focuses on public engagement before the oil and gas application is made, including the phases of public engagement, minimum distances for consultation/notification and tips on how to engage the affected public.

Section 3 details how the OGC uses information gathered from the PE process and how it makes decisions.

Section 4 provides details on the ADR process: How does it work? What are some ADR methods? When is preliminary ADR used?

Section 5 describes the *Request for Reconsideration* process after the application decision and discusses ongoing PE requirements throughout the life of the project.

Section 6 describes best practices in PE and ADR.

The appendices provide a glossary of terms, OGC forms, and resources for further information.

This guide provides information to assist oil and gas companies plan, implement and document their PE plan.

SECTION 2

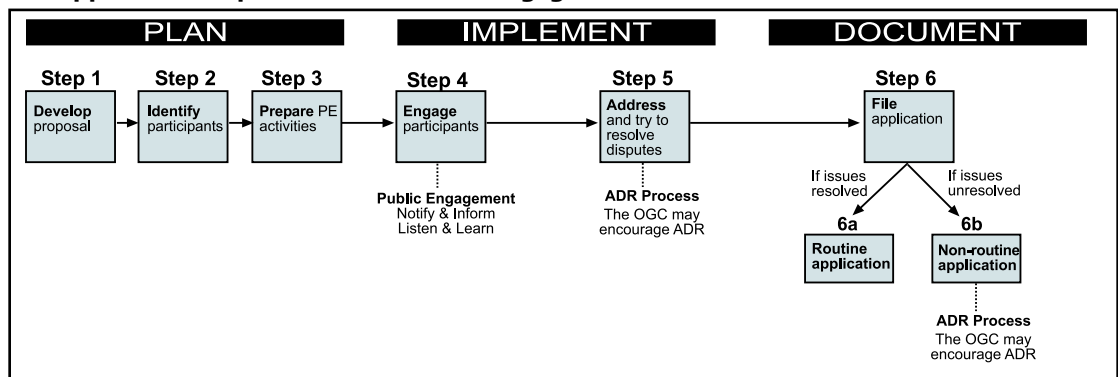
BEFORE THE OIL AND GAS APPLICATION

2.1 PUBLIC ENGAGEMENT AND THE PRE-APPLICATION PROCESS

Planning, implementing and documenting are the key phases of the integrated public engagement process. The basic pre-application steps within these phases are outlined below:

1. Develop the oil and gas proposal.
2. Identify participants for your PE program.
3. Prepare PE engagement activities and processes.
4. Engage participants (notify and inform, listen and learn).
5. Develop strategies to address objections, concerns and issues (the OGC may encourage ADR; see simplified ADR process on page 18).
- 6a. File routine application if issues are resolved.
- 6b. File non-routine application if issues remain unresolved (the OGC may encourage ADR).

Pre-Application Responsibilities in Public Engagement



2.2 ROUTINE VERSUS NON-ROUTINE APPLICATIONS

If the answer is "yes" to any of the following questions, an oil and gas application is considered to be non-routine:

1. Is the application area inside a major river corridor or special or protected land use area as defined in a Land and Resource Management Plan?
2. Is the application area located outside of Northeast BC?
3. Is the application area inside the Muskwa-Kechika Management Area?
4. Is the application non-compliant with the "Environmental Practices Summary" outlined in the Pipeline & Facilities Operations Manual?
5. Is the application non-compliant with the Planning and Construction Guide?
6. Is the application non-compliant with the Stream Crossing Planning Guide for Northeast BC?
7. Does the application include a sour well with residences, parks, major highways, places of public concourse or urban centers within the Emergency Planning Zone?
8. Are there any conflicts or unresolved concerns with landowners, tenure holders, woodlot licensees or others?

2.3 PLANNING, IMPLEMENTING AND DOCUMENTING PUBLIC ENGAGEMENT

Key to public engagement is a clear understanding of what the engagement is about, where you are in the process, and how to move through it to provide participants with opportunities for input.

By viewing public engagement as a three-phased process (plan, implement and document), oil and gas companies can:

- Clarify commitments to be made to participants.
- Define goals and objectives of the PE plan.
- Identify roles and responsibilities of the oil and gas company.
- Focus public engagement efforts.

The three phases of public engagement are described below.

1. Planning public engagement:

Clearly defines objectives early in the process, keeping the end result in mind.

PLAN		
Notify and Inform	Listen and Learn	Problem Solve
<p>Identify those whose rights are directly and adversely affected</p> <p>The OGC can be used as a resource at this stage</p>	<p>Plan how to involve participants in open, honest and respectful two-way processes to surface issues and concerns (eg methods and timing)</p>	<p>Plan how to explore issues and concerns raised through the listen and learn phase</p> <p>Plan how concerns are to be addressed and communicated</p>

2. Implementing the PE process:

Provides information in a consistent and effective manner using public engagement best practices.

IMPLEMENT		
Notify and Inform	Listen and Learn	Problem Solve
<p>Provide clear; open, timely accurate information</p> <p>Provide appropriate resources for the circumstances</p>	<p>Focus on mutual understanding of issues and concerns</p> <p>Work with individuals and groups as required</p>	<p>Focus on interests, not positions</p> <p>Generate options for resolution</p> <p>Provide opportunities for enhanced interest based negotiations</p> <p>Encourage the use of PDR</p>

For more information on best practices around public engagement, see Section 6.

PDR: preliminary dispute resolution

Interest-based negotiations: see sidebar Section 4.5

3. Documenting the results of the PE planning process:

Demonstrates effectiveness and accountability and is a requirement of the OGC.

DOCUMENT		
Notify and Inform	Listen and Learn	Problem Solve
<p>Who was notified and informed of the proposed project?</p> <p>Who is directly and adversely affected by the proposed project?</p> <p>Which best practices tools were used in the notify and inform phase?</p> <p>How effective was this phase?</p>	<p>Have all issues and concerns been identified?</p> <p>Which best practices tools were used through the listen and learn phase?</p> <p>How effective was this phase?</p>	<p>What are options to mitigate concerns?</p> <p>What are the results of early negotiations and PDR?</p> <p>Which best practice tools were used to problem solve?</p> <p>What are the concerns not resolved through early negotiations or PDR?</p>

2.4 WHO COULD POTENTIALLY BE DIRECTLY AND ADVERSELY AFFECTED?

Participants in a PE program might include any or all of the following groups:

- Landowners
- Occupants
- Nearby residents
- Applicant/proponent(s)
- First Nations
- Industry (other than applicant/proponent)
- Other tenure holders (e.g. guide outfitters, trappers, grazing licensees)
- Local government authorities (including regional districts and municipalities)

2.5 DIRECTLY AND ADVERSELY AFFECTED

Prior to the OGC approving applications for an oil or gas activity, companies are responsible to engage participants in a process that will identify those whose rights or interests may be directly and adversely affected by their (the company's) oil or gas activity, and address any issues that may arise through this engagement process. (Please see the exception for geophysical activities on page 10.) Industry must initiate effective negotiations and early dispute resolution processes as early in the pre-application process as possible.

A person's rights are directly and adversely affected if:

- They are affected in a different way or to a greater degree than other members of the public; or,
- They can show a connection between the oil, gas or pipeline activity that is proposed and the rights and interests that may be affected; or,
- Their complaint relates to a property right or other economic interest.



2.6 MINIMUM DISTANCE INFORMATION FOR CONSULTATION AND NOTIFICATION

The OGC has set out minimum distances for oil and gas companies to consult with or notify the affected public. These distances vary according to each activity. The following tables specify the minimum distances from the oil and gas activity within which:

- the proponent is expected to involve the affected public through consultation/notification about the oil and gas project; and/or,
- the proponent should notify the affected public about project timing.

This document is for guidance, so local circumstances may indicate that greater distances would be appropriate. Proponents should use the OGC as an information resource if there is any doubt about minimum distances. The Commission may determine that a greater distance is warranted and would direct the proponent to modify the extent of consultation/notification. *Note that emergency response planning has enhanced requirements for consultation. See sidebar on next page.*

Minimum Distance: Wells

Application	Consultation	Notification
Sweet Well Authorization	<ul style="list-style-type: none"> • Landowners • Occupants • All residents living within 1.0 kilometre • Other tenure holders¹ 	<ul style="list-style-type: none"> • Local government authorities and Indian Reserves whose boundaries are within 1.5 kilometres of the well site. • Other tenure holders¹
Sour Well Authorization	<ul style="list-style-type: none"> • Landowners • Occupants • All residents living within a minimum of 1.0 kilometre; the emergency planning zone may indicate greater distances • Other tenure holders¹ 	<ul style="list-style-type: none"> • Local government authorities and Indian Reserves whose boundaries are within 3.0 kilometres of the Emergency Planning Zone (see sidebar for more info on EPZ.) • Other tenure holders¹
Well test and well/facility maintenance flaring	<ul style="list-style-type: none"> • Consultation is conducted during well/facility application stage 	<ul style="list-style-type: none"> • Landowners • Occupants • All residents within 1.0 kilometre • Local government authorities and Indian Reserves whose boundaries are within 1.5 kilometres of the well/facility • Other tenure holders¹ • For additional information on flaring notification, refer to the Information Letter OGC 03-23, on the OGC website.
Single oil well – continuous flare sweet or sour	<ul style="list-style-type: none"> • Landowners • Occupants • All residents within 1.0 kilometre • Other tenure holders¹ 	<ul style="list-style-type: none"> • Local government authorities and Indian Reserves whose boundaries are within 1.5 kilometres of the well • Other tenure holders¹

What is the difference between consultation and notification?

Consultation – is the two-way exchange of information between companies and the parties impacted by the oil and gas project. For example, making a personal home visit and following up by telephone.

Notification – is the supply of appropriate written information to the public about a proposed activity, e.g. conducting open houses, placing ads in local newspapers or sending an information letter in the mail to the affected person. Notification may lead to consultation if a member of the public identifies an interest that might be affected by the activity.

Emergency Response Planning

The on-line document *BC Oil and Gas Commission Emergency Response Plan Requirements* is the primary resource for developing ERPs and understanding ERP zones for consultation and notification. Of particular interest from a public engagement perspective are the following sections:

Section 2.1: Determination of the Emergency Planning Zone (Pages 5 to 7).

Section 2.2: Public and local government involvement in emergency preparedness and response (Pages 7 to 12).



The Emergency Response Plan Requirements document can be found at the following web location: www.ogc.gov.bc.ca/documents/guidelines/

Minimum Distance: Pipelines²

Application	Consultation	Notification
Sour Pipeline (contains 1% or greater hydrogen sulphide)	<ul style="list-style-type: none"> Landowners Occupants Other tenure holders¹ 	<ul style="list-style-type: none"> Local government authorities and Indian Reserves whose boundaries contain or are within 1.5 kilometres of the EPZ Other tenure holders¹
Other pipelines (e.g. water lines, slurry, fuel gas)	<ul style="list-style-type: none"> Landowners Occupants Other tenure holders¹ 	<ul style="list-style-type: none"> Local government authorities and Indian Reserves whose boundaries contain or are within 1.5 kilometres of the EPZ Other tenure holders¹
Sweet Pipeline	<ul style="list-style-type: none"> Landowners Occupants Other tenure holders¹ 	<ul style="list-style-type: none"> Local government authorities and Indian Reserves whose boundaries are within 0.5 kilometres of the EPZ Other tenure holders¹

Minimum Distance: Facilities

Application	Consultation	Notification
Sour Facility	<ul style="list-style-type: none"> Landowners Occupants All residents living within 3.0 kilometres Other tenure holders¹ 	<ul style="list-style-type: none"> Local government authorities and Indian Reserves whose boundaries are within 8.0 kilometres of the EPZ Other tenure holders¹
Sweet Facility	<ul style="list-style-type: none"> Landowners Occupants All residents living within 1.0 kilometre Other tenure holders¹ 	<ul style="list-style-type: none"> Local government authorities and Indian Reserves whose boundaries are within 1.5 kilometres of the project Other tenure holders¹

Minimum Distance: Geophysical³

Application	Consultation	Notification
Geophysical	<ul style="list-style-type: none"> Landowners Occupants Other tenure holders¹ 	<ul style="list-style-type: none"> All residents living within 0.4 kilometre of each side of the line location Local government authorities and Indian Reserves whose boundaries are within 1 kilometre Registered trappers Guide outfitters Other tenure holders¹

Notes to Minimum Distances

- Affected tenure holders must be notified or consulted depending on the rights associated with each specific tenure. Where exclusive use has been granted to a tenure holder (eg agriculture lease) the company must obtain written consent. For more information on specific tenure rights please refer to <http://srmwww.gov.bc.ca/rmd/crt/pdf/TENURE.pdf>
- There are no pre-determined notification/consultation radius distances specified for pipelines as each project requirement is specific to the content of the line and release rate. However, sour pipeline setbacks are indicated in the Sour Pipeline Regulation located on the OGC's website at www.ogc.gov.bc.ca/legislation.asp.
- In the case of geophysical activities, prior to application submission notification/consultation with all affected parties must be initiated but not necessarily completed. The Public Engagement Report must be submitted prior to application approval. Prior to commencement of geophysical activities on land, other than Crown land, an agreement must be obtained from the landowner, as per Section 9, Part 3 of the Petroleum and Natural Gas Act. Notification of all other residents within 0.4 kilometre of a geophysical program is required prior to commencement of activities.

2.7 TENURE CONFLICTS

The OGC works with affected parties to define a framework of best practices and procedures for consultation and conflict resolution between tenure holders. Tenure holders affected by oil and gas activities include (but are not limited to):

- Trappers
- Guide/Outfitters
- Grazing licensees
- Others (mineral claims, agricultural leases)

The Oil and Gas Trapper's Notification and Compensation Program is a tool for industry and trappers to work together and sets out terms and conditions for both parties. The province makes every effort to ensure that resource management is coordinated, and that tenured activities will not negatively impact long-term public interests.

2.8 HOW TO ENGAGE THE AFFECTED PUBLIC

The methods used to complete a public engagement process will vary depending on the nature of the oil and gas project. In general, some things to consider when designing the activities in a PE program include:

- The complexity of the project related to project size and time span.
- The proximity to residences in the area.
- The historical relationship between the oil and gas industry and the community.
- Health and safety issues associated with the activity.
- Other resource users or tenures held in the area.
- The environmental setting of the project.

Engagement methods

Each oil and gas project, and subsequent issues that may arise for the affected public, are unique; engagement methods should be selected to fit the circumstances and can be made once you have identified who needs to be notified/consulted in the process and where they are located. Once oil and gas companies have identified the affected public, they can decide on:

- The degree of personal contact required.
- The content of notification packages.
- Meetings and engagement processes and events.

Some commonly used techniques for public engagement include:

- Organizing meetings with community representatives and conducting open houses.
- Attending community functions.
- Making personal home visits and following-up with telephone conversations.
- Sending regular and timely mail, newsletters and e-mail updating the project status.
- Placing advertisements in local newspapers and public buildings.
- Hiring a local company representative.

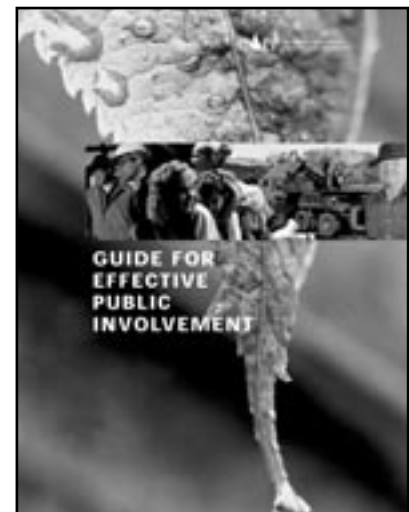


For more information on the Oil and Gas Trapper's Notification and Compensation Program, see: <http://www.ogc.gov.bc.ca/documents/informationbulletins/>

For more information on tenures in British Columbia, see *A Practical Guide to Effective Coordination of Resource Tenures*, available online at <http://srmwww.gov.bc.ca/rmd/crt/pdf/TENURE.pdf>



Some useful resources on public engagement include the IAP2 public participation toolbox available online at <http://www.iap2.org> and the Canadian Association of Petroleum Producers' *Guide to Effective Public Involvement* available online at www.capp.ca.



2.9 INFORMING THE AFFECTED PUBLIC

Members of the affected public should be provided with sufficient information to understand the project and its potential impact. In some cases oil and gas companies may not be able to share some information with the affected public, for instance information cannot be shared if it is:

- Not expected to be a part of the project.
- Not known at the outset of the PE program.
- Confidential and would compromise the competitiveness of the project.

How much information?

For affected parties within the consultation and notification radius of an oil and gas activity (as defined in Section 2.6 above), the following is considered the minimum recommended detail:

- Company name, company contact person, phone number, activity location and type.
- A brief description of the proposed activity and how the activity relates to, or is part of the existing development in the area.
- Project scheduling and the proposed date of the activity initiation and construction.
- For new well and facility applications, a description of the planned or potential future facility equipment that may be installed such as separators, compressors, dehydrators, pumping units, storage tanks, measurement equipment and permanent flare stacks.
- A description of any flaring that might occur associated with drilling completions, testing, and operations of a well or facility.
- Possible sources of odours and proposed measures to control or eliminate them.
- Scope of emission and control measures.
- Noise emissions associated with the activity and planned mitigative measures (including facilities but not pipelines).
- Amount, type and timing of vehicle traffic that might be associated with the activity.
- A map which locates the proposed activity in relationship to dwellings, public facilities and urban centres.

In addition to the above, sour wells, production facilities and pipelines require:

- A discussion and supporting information that would allow a member of the affected public to understand the potential implications of an uncontrolled release of H₂S and the contingency plans to safeguard the public.
- Establishing the H₂S content for wells and proposed H₂S content for pipelines and facilities.

The above information should be presented using appropriate language so that the affected public can clearly understand the project details and how it could impact upon them.

2.10 DOCUMENTING PUBLIC ENGAGEMENT ACTIVITIES

To demonstrate to the OGC that actions have been taken to plan and implement a public engagement program, companies need to track their activities and prepare appropriate documentation. They are required to submit the *Public Engagement Report* form to the OGC with the activity application. Additional public engagement documentation is not required to be submitted with the application unless there are unresolved concerns. In situations where there are unresolved concerns, the applicants are required to include details of the issues and the mitigative options proposed. The OGC will use this PE documentation for evaluation purposes. Options for the OGC at this point could include:

- Making a decision on the application based on the information available.
- Directing the company to conform to, or exceed, best practices in public engagement.
- Directing the company to continue consultation.
- Proposing the use of appropriate dispute resolution.

If unresolved concerns are identified through the PE process, the OGC will encourage dispute resolution processes to resolve these problems.



Industry Communications

It's important for industry to communicate with the affected public on how it will implement the commitments/agreements arising from public consultation.

The OGC recommends oil and gas companies document the following information, detailing their completed public engagement process:

- A description of the public engagement process completed.
- A list of persons notified.
- A list of persons consulted.
- A copy of all notification/consultation information.
- A description of any outstanding issues and mitigative options proposed.
- A description of mutually acceptable agreements made.
- A map showing the location of proposed activity and the persons within both the consultation and notification distances with corresponding key of names on the contact list.

The OGC has the authority to audit/review all relevant materials at any time.

2.11 STEPS TO TAKE BY THE AFFECTED PUBLIC IF THEY HAVE UNRESOLVED CONCERNS

If the affected public has an unresolved concern regarding a proposed project, the following steps should be followed:

- The applicant should be notified in writing and details of the concern provided, as well as any recommendations for mitigation. The OGC encourages companies and the affected public to attempt to resolve concerns prior to coming to the regulator.
- The affected public is also encouraged to complete the Oil and Gas Commission's *Notice of Unresolved Concern* form available at the Commission and on the OGC's website (see Section 4.2 for more information).
- Under *Section 8* of the *Oil and Gas Commission Act*, appropriate dispute resolution is available to assist parties to resolve disputes (see Section 4.2 for more information).

2.12 WHEN LOCAL GOVERNMENT AUTHORITIES OR FIRST NATIONS HAVE CONCERNS

As with the affected public, local governments and First Nations should notify and provide details to the applicant of unresolved concerns, as well as any recommendations for mitigation. The OGC encourages companies and local government/First Nations to attempt to resolve concerns prior to coming to the regulator. Local governments should direct their unresolved concerns to the OGC's ADR manager or stakeholder relations advisor. First Nations should contact the senior aboriginal program specialist in the OGC's Project Assessment Branch. Both should document their concerns on a *Notice of Unresolved Concern* form or in a letter, sending it to the company and the OGC.



Prior Resolution

The OGC encourages companies and the affected public to attempt to resolve concerns prior to coming to the regulator.

APPLICATION SUBMISSION AND REVIEW PROCESS

3.1 SUBMITTING AN APPLICATION TO THE OGC

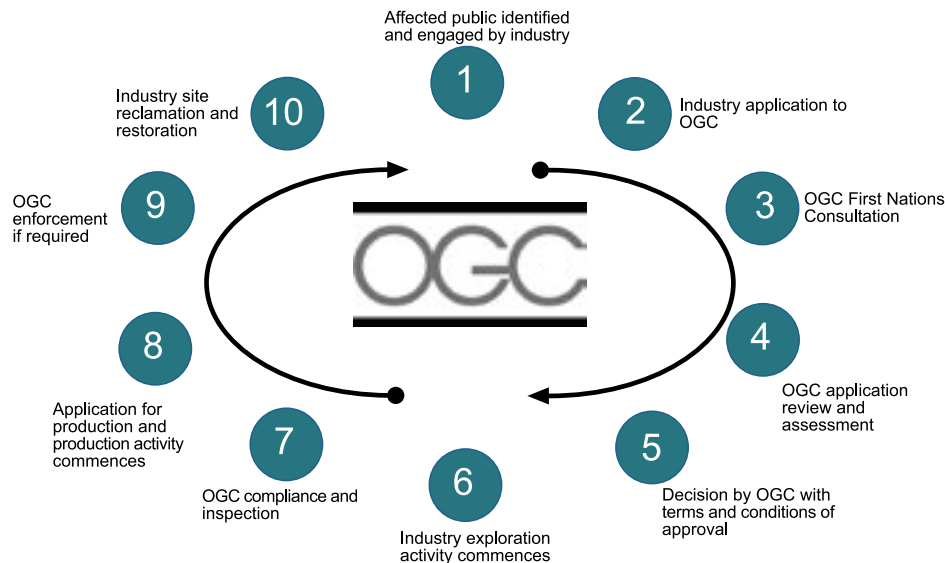
The Commission reviews oil and gas applications, ensuring decisions are made in the public interest with regard to environmental, economic, and social impacts. Depending on the activity type, each application is reviewed with consideration for forests, environment, archaeology, technical engineering aspects, First Nations, and public engagement. Public input is important to OGC decisions on oil and gas applications: it is factored into practical recommendations for each project, including project timing, drilling method or location, type of equipment used, and techniques for minimizing environmental impacts.

The *Public Engagement Report*, which summarizes the nature of any dispute between the oil and gas company and the affected public, must be submitted to the OGC with the oil and gas activity application. This does not apply to geophysical programs where companies must submit the *Public Engagement Report* and any details prior to application approval. In-depth public engagement documentation is not required to be submitted at the time of application but must be available at the request of the OGC. See Appendix 3 for a copy of the *Public Engagement Report*.

Using Public Input

Public input is important to OGC decisions on oil and gas applications: it is factored into practical recommendations for each project.

Typical OGC application review process



3.2 HOW DOES THE OGC USE PUBLIC ENGAGEMENT INFORMATION?

The OGC uses information gathered from the PE process to:

- Identify parties who may be impacted by, or have an interest in the project.
- Identify concerns or issues that might arise from the project.
- Create an opportunity for the company to develop commitments in response to local input.
- Increase the use of local experts and traditional environmental knowledge.
- Focus on and resolve real public concerns and issues, rather than regulatory procedures and administration.
- Provide appropriate information to the Oil and Gas Commission to enable a fair and balanced decision.
- Expedite decision-making.

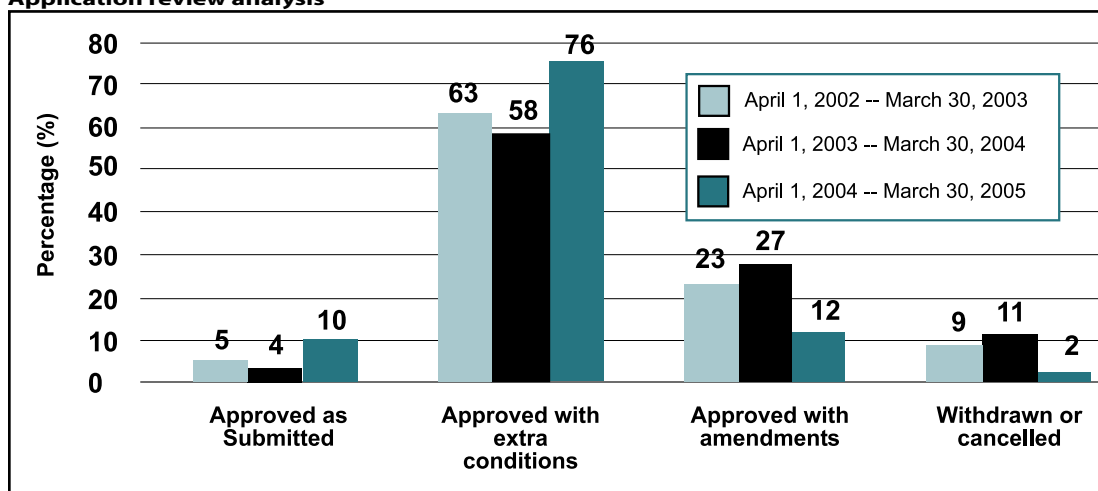
3.3 OGC DECISIONS: MITIGATIVE MEASURES

As part of its decisions on oil and gas applications, the OGC often imposes conditions on the applicant to mitigate concerns of the affected public. Examples of public concerns on which the OGC could impose conditions include:

- Noise of oil and gas machinery.
- Air pollution.
- Concern for health and safety.
- Consultation with other government ministries or organizations (such as for traffic control).
- Water quality.
- Visual quality.

Applications are often revised and approvals often contain conditions to address issues brought forward during the public engagement and application review process, as reflected in the following chart:

Application review analysis



Addressing Issues

Applications are often revised and approvals often contain conditions to address issues brought forward during the public engagement and application review process.

The following table provides more detail on mitigative measures available to the OGC. These mitigative measures are not a requirement but demonstrate some options that may be used by industry and the affected public in resolving issues relating to oil and gas activities. Through consultation, industry and the affected public may use this as a resource to resolve issues relating to the specific circumstances of each unique activity.

Mitigative measures available to the OGC

Issue	Possible Mitigative Measures
Air Quality	<ul style="list-style-type: none"> • Ensure efficient combustion of all hydrocarbon emissions containing hydrogen sulphide (H₂S) gas. • Utilize dust suppression on gravel roads that impact nearby residents.
Flaring of sour gas	Ensure efficient combustion of all hydrocarbon emissions containing hydrogen sulphide gas (H ₂ S) by means of conventional flare or incineration.
Noise	Utilization of noise suppression techniques: <ul style="list-style-type: none"> • Drilling and service rigs employ adequate means to reduce the noise impact on nearby residents (i.e.: hospital grade mufflers). • Upgraded mufflers and exhaust systems on gas powered pumping units and/or compressors. • Utilizing conventional flare versus incineration.
The operation of sour gas facilities	Ensure producing wells with H ₂ S gas content utilize: <ul style="list-style-type: none"> • Operable vapor control systems on storage tanks and trucks transporting fluids. • H₂S detection and alarm systems.

Mitigative measures available to the OGC - continued

Traffic Concerns	The Ministry of Transportation must authorize the placement of signs to address concerns regarding traffic speeds, etc., within road or highway right-of-ways.
Visual Quality	<ul style="list-style-type: none">• Maintain clean and orderly wellsite.• Minimal buildings and/or tanks on site for producing wells.• Low impact seismic.• Narrower seismic line widths.
Water Quality	Testing of nearby water wells and/or dugouts prior to initial drilling/completions and seismic operations, and in the event a noticeable change is observed in the water quality or flow-rate after completion of operations. Testing may include: <ul style="list-style-type: none">• Water quality analysis (potability testing by an accredited Canadian laboratory).• Flow-rate testing of water wells.• Setbacks from water sources (dugouts, springs, etc).



SECTION 4

THE APPROPRIATE DISPUTE RESOLUTION PROCESS

The OGC encourages the independent resolution of concerns and problems associated with oil and gas applications and related public engagement activities (early public engagement can mean less need for dispute resolution), but if agreement is an unresolved dispute, the OGC encourages participants to use ADR to help resolve any differences. Early dispute resolution in the pre-application phase is a way of “getting ahead of conflict.” Although participation in ADR is voluntary, if conflicts still exist after the application is submitted, the OGC may encourage that the ADR process be used.

4.1 WHY USE ADR?

It is in the best interest of industry to participate in ADR, because if a company chooses not to, it is difficult for the OGC to make a decision regarding the application, and the process timeline may be significantly extended. Participation in the ADR process by affected parties is also important, because the OGC will make its decision based only on available information. If information is not brought forward by affected parties, their interests may not be addressed.

By using the ADR process, the parties involved are likely to gain a sense of ownership over the proceedings and its outcome. Using ADR has several other benefits:

- It can lead to win-win outcomes.
- It improves and maintains relationships.
- It is less costly than legal proceedings.
- It can lead to more routine applications for oil and gas applicants.

4.2 THE NOTICE OF UNRESOLVED CONCERN

The Notice of Unresolved Concern (NUC) is the first official notice to the OGC that an affected party is concerned with an oil and gas application. It is often the only way that the OGC is notified of issues at this stage in the process, and provides an opportunity to initiate consultation. It is also a formal record that can be used by the OGC in the application decision-making process. The NUC documents any disagreement from the point of view of the affected party, including details of the concern, and is a formal record that is reviewed by the OGC during its decision-making process.

The NUC form can be obtained from the OGC or from its website. An affected member of the public fills the form out and sends it to both the applicant and the OGC. It is important for affected parties to be specific about issues of concern and what is being done to resolve them. The form is considered to be part of the documentation that the OGC uses in its decision-making process (see Appendix 2 for the *Notice of Unresolved Concern* form).

The OGC follows up when it receives the NUC form and may offer dispute facilitation at this point (see Section 4.5).

4.3 HOW DOES THE OGC’S ADR PROCESS WORK?

The OGC has an ADR process in place to facilitate dispute resolution between the affected public and oil and gas companies. As shown in the simplified ADR process figure on page 18, the process moves through a series of dispute facilitation stages that helps the OGC make its final decision on the application. If the best efforts of all of the stages of the dispute resolution process results in an impasse between the parties, the OGC makes the final decision using all of the information available. Issues unrelated to the OGC’s mandate are re-directed to the appropriate government agency or ministry.

ADR is a voluntary process, so both parties must elect to participate for it to proceed. The process must be completed prior to completion of the OGC’s review of the company’s project application. In other words, the two processes—the ADR process and the OGC’s overall application review process—continue concurrently. Neither one of these processes will predetermine the outcome of the other.

The figure on the next page is a simplified version of the Oil and Gas Commission’s ADR process.

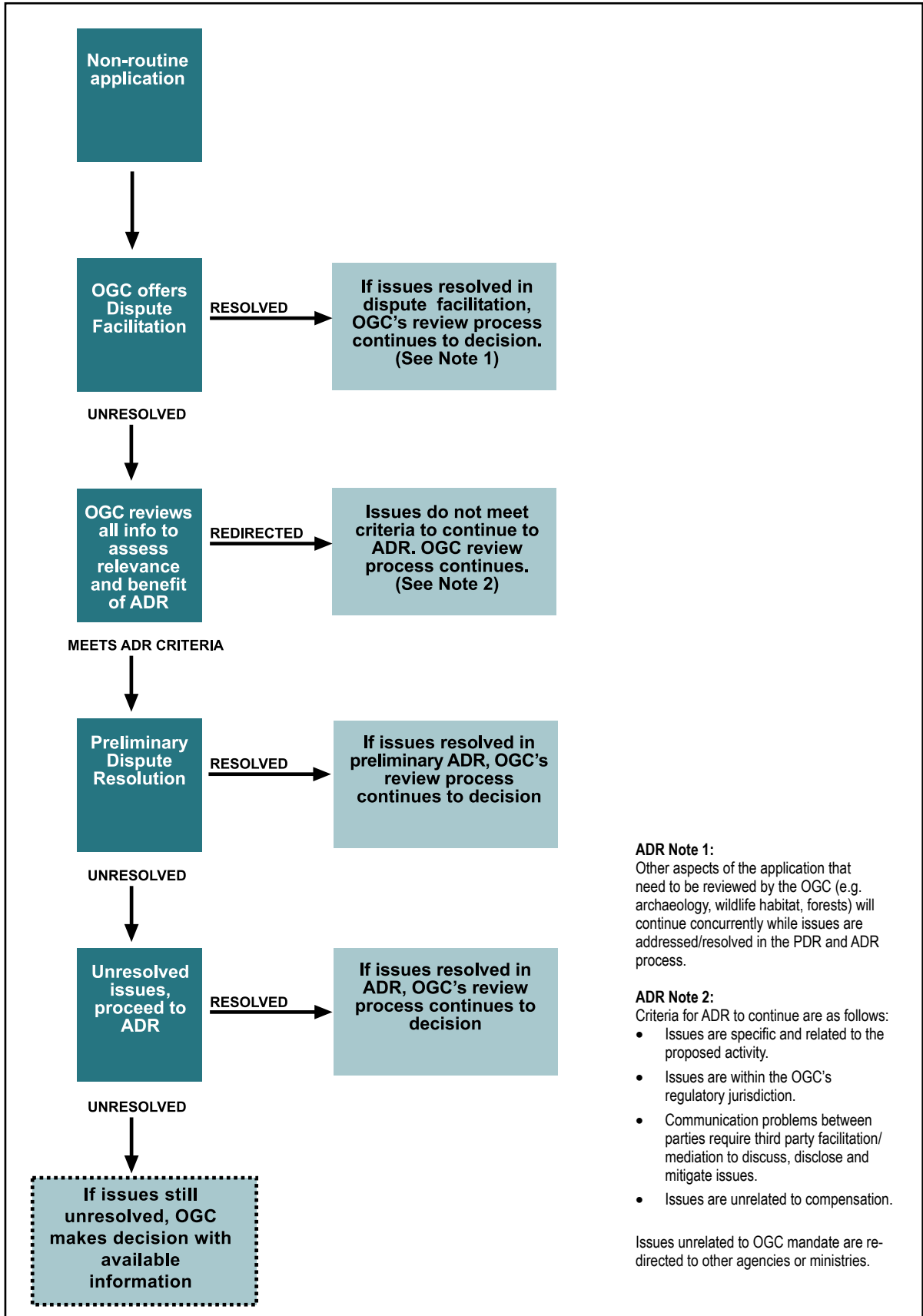
The Mediation and Arbitration Board

Disputes over right of entry and financial compensation to landowners are not part of the OGC’s ADR process. The Mediation and Arbitration Board (MAB) provides opportunities to address these disputes, with the exception of geophysical activities since the landowner has the right to deny entry onto their land.

Alternative or Appropriate?

While the Oil and Gas Commission Act still refers to ADR as “alternative” dispute resolution, the OGC now uses the updated “appropriate” dispute resolution. Why? ADR techniques offer a range of options, any one of these options may be *appropriate*, depending on the circumstances.

The simplified ADR process



ADR Note 1:

Other aspects of the application that need to be reviewed by the OGC (e.g. archaeology, wildlife habitat, forests) will continue concurrently while issues are addressed/resolved in the PDR and ADR process.

ADR Note 2:

Criteria for ADR to continue are as follows:

- Issues are specific and related to the proposed activity.
- Issues are within the OGC's regulatory jurisdiction.
- Communication problems between parties require third party facilitation/mediation to discuss, disclose and mitigate issues.
- Issues are unrelated to compensation.

Issues unrelated to OGC mandate are redirected to other agencies or ministries.

4.4 ADR METHODS

ADR is not a single process, but can be viewed as a collection of tools and techniques to arrive at an agreement between parties. The “appropriate” technique depends on the circumstances of the given situation and the nature of the dispute. ADR methods include negotiation, facilitation, mediation, settlement conferences, neutral evaluation, and non-binding arbitration. Parties may consider the possibility, where appropriate, of using more than one ADR process. Definitions of each method are listed below, in order of increasing structure and formality.

Negotiation: is any form of direct or indirect “unfacilitated” communication in which opposing parties discuss steps they could take to resolve a dispute between them.

Facilitation: is a coordinated, informal problem solving process involving a third party.

Mediation: is a non-binding process where a neutral, impartial third party, with no decision-making authority, attempts to facilitate a settlement between disputing parties.

A Settlement Conference: is used to describe an informal but structured (often multi-party) negotiation directly between the parties prior to a decision by the OGC.

Neutral Evaluation: is a process where parties obtain from an experienced (and possibly expert) neutral facilitator, a non-binding, reasoned evaluation of their dispute on its merits.

Non-Binding Arbitration: is a dispute resolution process in which a dispute is submitted through formal presentation of evidence and arguments to a neutral adjudicator, who is empowered by the disputants to recommend non-binding terms of settlement.

4.5 OGC DISPUTE FACILITATION

Although industry is responsible for effective consultation with the affected public, OGC staff can complement this with dispute facilitation. OGC-led dispute facilitation is a further opportunity for conflict resolution within the ADR process. As with other forms of ADR, early facilitation efforts lead to better results.

Objectives of OGC’s dispute facilitation

- To provide all of the parties with a better understanding of the OGC’s regulatory environment and its rights and obligations.
- To clarify questions about the decision process and the substance of previous decisions and to allow parties to tap into the depth of knowledge and experience of the OGC staff.
- To attempt to focus all parties on interests rather than positions (see sidebar).
- To help parties reach mutually agreeable solutions that also meet OGC regulatory requirements.

Dispute facilitation is led by an OGC staff member trained in facilitation who assists the parties to work through an informal negotiation process which can take many forms, including facilitated meetings or conference calls. The Commission employs a full-time ADR manager who can assist the process.

4.6 PRELIMINARY DISPUTE RESOLUTION (PDR)

The PDR meeting is a critical first stage to an effective mediation or to other forms of ADR. The purpose of the PDR meeting is to bring together potentially affected parties to discuss the nature and extent of their dispute and to plan possible options for resolution. Commonly, at this stage, one or more parties have made application to the OGC objecting to the proposed development. The parties, with assistance of an experienced ADR professional (see Section 4.7 for OGC staff involvement), will clarify their issues and discuss together the appropriate process to attempt to resolve their mutual situation. Although conducting a PDR meeting is voluntary, the parties are nevertheless strongly encouraged to at least try participating in the process.

Full Consideration

The OGC is not bound by any settlement reached by parties in an ADR process, but it will give full consideration and due weight to any terms of settlement reached or recommended by parties to a dispute.

Interest-Based Problem Solving

Unlike a “positional” approach to problem solving, interest-based problem solving focuses on the interests (needs, wants, concerns and fears) associated with a position, not the position itself. In interest-based problem solving, parties:

- Clarify issues to be addressed.
- Identify their interests.
- Develop criteria for determining the extent to which interests are met.
- Brainstorm options.
- Assess options according to criteria.
- Refine options and select a preferred option.

PDR meetings

Parties in a PDR meeting typically address:

- Who should be participating.
- A plan for dispute resolution.
- The best process and the best mediator for their unique situation.
- How required information will be obtained and used.
- How disclosure will be handled.
- What costs will be associated with all aspects of the ADR process.
- Who will track and pay these costs.
- What role OGC staff or experts will play.

The PDR meeting also addresses how to create an ADR agreement that commits the parties on key issues such as:

- Meeting in good faith and in an honest attempt to reach a resolution.
- Confidentiality, privacy and “without prejudice” discussions.
- Mechanisms for enforcement of any agreements reached.
- The impact on timing to OGC application decision.
- The logistics of the next process, including timing, duration, and location.
- Necessary rules of engagement or procedures for the conduct of future ADR meetings.

The PDR meeting: possible outcomes

- In some cases parties may go on to settle their dispute in the PDR meeting.
- A decision to proceed to ADR or an OGC decision is another possible outcome of a PDR meeting.
- Even in cases requiring ADR, the parties may solve some points of the dispute and improve the efficiency of future public engagement processes, saving considerable time and resources for all concerned.
- In most cases the parties will have created and executed a process agreement (or other agreement), which sets out the future rules of engagement.

4.7 THE OGC'S ROLE IN ADR

OGC staff involvement in the ADR process is important because staff members are able to:

- Act as an impartial source of information about the issues in disputes including scientific and technical information.
- Provide information about OGC regulations, interim directives, policies, rules and practices.
- Provide fair and impartial guidance to parties about the likely approach of the OGC on any particular issue.

The OGC may decide upon the nature and extent of its participation in each ADR case. Among other actions, the OGC may do one or more of the following:

- Facilitate communication between parties.
- Assess the potential for an ADR process with the parties.
- Facilitate exchange of necessary documents or information between parties.
- Locate or identify expert assistance or advice to assist the parties.
- Assume responsibility for tasks necessary to convene, conduct and conclude an ADR process.
- Appoint one or more neutral facilitators.



The OGC can also provide parties with detailed and accurate information, advice and direction about:

- What ADR options are available to parties.
- How the ADR processes described in this guide work.
- How to assess which ADR option is appropriate for a particular dispute.
- How to locate, select and retain a qualified neutral facilitator (see sidebar).
- The approximate costs of ADR processes.
- The time required to complete various ADR processes.
- Roles and responsibilities of the parties in different ADR processes.
- Re-directing issues outside of the OGC mandate to the appropriate agency.

If parties agree to an ADR process from an OGC recommendation, the OGC may:

- Authorize an OGC staff person to assist in the ADR process; or,
- Authorize an independent neutral facilitator; or,
- Aid the parties in identifying a neutral facilitator.

If an OGC staff person is authorized to assist in the ADR process, this staff person will not subsequently play a role in the OGC's decision-making process.

4.8 ADR PROFESSIONALS

An ADR professional provides neutral conflict resolution services and can assist with planning, designing and implementing ADR processes. The ADR professional can be provided from within the OGC, or from a list of neutral facilitators maintained by the OGC. Other ADR professionals can also be appointed, provided the appointment is agreed to by all parties. Specific services that can be expected from ADR professionals include:

- Conducting an initial assessment with all parties in order to gather information, identify issues and explain ADR options.
- Providing support functions such as communications, logistics and administration.
- Assisting with the design and selection of appropriate dispute resolution processes.
- Facilitating open and effective communication among all parties.

4.9 FUNDING OF ADR

If there are any costs associated with a PDR meeting, the OGC recommends that an oil and gas applicant cover the participant's meeting costs. Most PDR meetings are short, keeping costs to a minimum. Funding for additional ADR meetings should be discussed and agreed upon during the PDR meeting. By funding the ADR program, industry improves public relations and demonstrates a commitment to a fair and balanced system.

Typical costs associated with OGC appropriate dispute resolution processes include:

- Professional fees for neutral service providers.
- Travel and related expenses.
- Facility and related charges (nominal if meetings are held at the OGC or a company office).

4.10 TIMING OF ADR PROCESSES

Each ADR process is unique; therefore a specific ADR timetable cannot be defined in this guide. However, the ADR process must be completed prior to the completion of the OGC's review of the project application. The parties can agree to an alternative timetable, but this must be approved by the OGC. If an ADR process is not completed and the parties disagree on the timing of future steps, the OGC may make a decision on how to proceed based on information such as the nature and circumstances of the dispute and the proposed project. The OGC is available for consultation concerning ADR timing.

Neutral Facilitators

A neutral facilitator is an impartial and independent person authorized to facilitate a settlement by a process of consensual ADR under Sections 8 or 9 of the Oil and Gas Commission Act. The OGC's ADR manager keeps a list of neutral facilitators to draw from if required.

Concurrent Review

Other aspects, aside from the public engagement process, that need to be reviewed by the OGC will continue concurrently with the ADR process.

4.11 ADR AGREEMENTS

When an ADR process is concluded, the parties advise the OGC. The OGC then gives full consideration to:

- Agreements made in resolving the issues.
- Partial agreements made on any issue.
- Agreements made about procedures all parties would like the OGC to follow in making its decision.
- Agreements made about information all parties would like the OGC to consider in making its decision.
- Any other relevant matter agreed to by the parties.
- Any recommendations made by the neutral ADR professional.

Advice or information respecting ADR outcomes must be:

- Recorded in writing.
- Signed either by the neutral facilitator or by authorized representatives of the parties.
- Delivered immediately to the OGC for its consideration.

4.12 OTHER CONFLICTS OUTSIDE OF THE OGC'S ADR PROCESS

Disputes over right of entry and financial compensation to landowners are not part of the OGC's ADR process. The Mediation and Arbitration Board (MAB) handles these disputes (with the exception of geophysical activities since the landowner has the right to deny entry onto their land).

If a company holds the rights to petroleum or natural gas resources, and needs to enter private land to access those resources, they will generally employ a land agent to notify the landowner and provide the owner with details of the company's intentions as well as the compensation that the company is prepared to offer for use of the land.

If an agreement is reached, the parties may sign a surface lease form and Land Title Act documents, allowing the company to register the lease. If an agreement is not reached, then either party may apply to the MAB for assistance in resolving this dispute.



For more information on the Mediation and Arbitration Board, visit its website at www.em.gov.bc.ca/subwebs/M&ABoard/



AFTER THE APPLICATION DECISION

5.1 REQUEST FOR RECONSIDERATION

If an affected party in the approval process believes the Oil and Gas Commission erred in the decision-making process, the party can submit an application for “reconsideration” to the Advisory Committee which has jurisdiction to request that the Oil and Gas Commission grant an authorization for consensual appropriate dispute resolution. This is legislated under Section 9 of the Oil and Gas Commission Act.

The Advisory Committee, in care of the Committee’s Secretary, must receive a Section 9 application within fifteen working days from the original approval date. A quorum of the Advisory Committee will conduct a written hearing and meet to deliberate the issue(s) outlined in the Section 9 application. The written hearing is based on a review of the Oil and Gas Commission file in addition to any supplementary written material submitted by the applicant, project proponent and/or the Oil and Gas Commission.

Upon review the Advisory Committee can:

- Request the Commissioner reconsider the original decision and proceed with consensual appropriate dispute resolution; or,
- Decline the request; or,
- Make recommendations as a result of the review.

The decision of the Advisory Committee must be made within 30 business days of the original approval. The Commissioner must grant or refuse the request of the Advisory Committee within five business days of the request of the Advisory Committee.

The Oil and Gas Commission Advisory Committee

The Minister of Energy, Mines and Petroleum Resources is responsible for establishing the Advisory Committee, which brings together a broad range of interests reflecting geographic diversity and varied perspectives. In addition to the reconsideration process, the Committee meets quarterly to respond to the plans of the Commission, discuss issues and make recommendations to the Commissioner. Members are appointed to the Committee for four years and are staggered to allow for continuity within the Committee. All decisions of the Advisory Committee are posted on the OGC website.

5.2 ONGOING PUBLIC ENGAGEMENT

Ongoing public engagement is required when oil and gas companies apply to the OGC for approval of completed wells, well test flaring, maintenance, and/or facility construction. In addition, oil and gas companies are required to provide regular updates of activities to the OGC.

The OGC encourages oil and gas companies to communicate with the affected public using best practices identified in this guide. If an affected party has concerns about oil and gas operations they should not hesitate to contact the company to report these concerns. Potential complaints may include the presence of odour, noise, environmental damage, and trespassing situations. Should a company fail to respond to the complaint, the affected party should contact the OGC. A Compliance and Enforcement Inspector will respond.

The OGC’s Compliance and Enforcement staff monitors conditions of activity approvals to ensure compliance. The OGC may also conduct enhanced monitoring/inspections of certain activities.

The Oil and Gas Commission Act can be viewed at http://www.qp.gov.bc.ca/statreg/stat/0/98039_01.htm

Past decisions and other information on the Advisory Committee and the request for reconsideration process can be found on the Oil and Gas Commission website at www.ogc.gov.bc.ca



Section 9 of the Oil and Gas Commission Act sets out the Advisory Committee’s role in reconsideration by appropriate dispute resolution.

What will the OGC do with complaints?

- Review and respond to complaints expressed by the affected public about oil and gas exploration, development, transportation, and production activities.
- Respond to issues and questions that may arise as oil and gas activities approved by the OGC evolve through stages of development. These may include land survey, geophysical testing, drilling and completion activities, land restoration and abandonment.
- Conduct field inspections of oil and gas operations located on both private and adjacent Crown lands to ensure compliance with the *Petroleum and Natural Gas Act*, the *Pipeline Act*, as well as other associated regulations and applicable legislation.
- Issue remedial and/or stop-work orders when oil and gas activities are deemed to be in contravention of applicable regulations or legislation.

Issues and concerns outside of the OGC Mandate

The OGC cannot provide legal advice, nor can it mitigate issues or concerns that are not within its mandate. These issues/concerns may include (but are not restricted to) matters of compensation and conditions of third party agreements, such as surface lease agreements between the landowner and oil and gas company. Upon investigation, the OGC may redirect concerns to other agencies; e.g., the Workers' Compensation Board, the Ministry of Environment, the Department of Fisheries and Oceans.



SOME BEST PRACTICES FOR PUBLIC ENGAGEMENT

6.1 WHAT ARE BEST PRACTICES IN PE AND ADR?

There are other components to a public engagement program—aside from the technical understanding of the PE process and regulatory requirements—which are key to its success or failure. These include good communications skills and understanding the nature of issues that may arise. What should be the guiding principles of public engagement? How should you communicate? What should you keep in mind about other participants in the process? These are some of the questions this section tries to answer.

In general, the following principles should be used to guide a best practices approach to building relationships and problem solving in the PE/ADR process.

Respecting others' values – be aware of, value, respect and take into consideration local cultures, communities, special circumstances, and interests.

Building relationships and trust – open channels for communications and constructive working relationships are valued as a key foundation for effective involvement; honour your commitments and agreements and communicate any changes in plans in a timely manner.

Accountability – Putting this principle into action would include documenting and implementing commitments made to participants.

The following sections (6.2 to 6.8) provide a summary of best practices to keep in mind when communicating with the affected public. Much of this information has been adapted from the Canadian Association of Petroleum Producers' *Guide for Effective Public Involvement*.

6.2 BUILDING POSITIVE RELATIONSHIPS AND PERSONAL TRUST

It's very important to build trust and credibility before and during your PE program. This can be done by emphasizing cooperation and positive attitudes, minimizing differences, and reducing the tendency to stereotype and form negative perceptions.

Some of the following tips may be useful when embarking on a PE program:

- Recognize that honesty and trust are essential.
- Admit mistakes. Be prepared to admit that you were wrong, that you do not know, or that you have changed your mind or plans. Be prepared to explain why. Ask for help or advice. Concede gracefully.
- Establish personal relationships. Learn from each other and build on each other's ideas.
- Avoid becoming defensive. One of the major goals of a PE program is to air concerns and ideas.
- Do not neglect those whose perspective differs from yours, or those who support your perspective. Keep a balance. The objective is to arrive at a point where you either agree or agree to disagree while respecting each other's interests.
- Know your facts and have the data to back up your position.
- It's important for industry to communicate with the affected public on how it will implement the commitments/agreements arising from public consultation.

6.3 THE PROCESS

- Encourage open discussion. Discuss what procedures or methods are most acceptable within the group. Urge all interested parties to take an active role in the discussion.
- Respect others and expect respect. Use care in addressing situations where a person or group is not treating others with respect.

6.4 PARTICIPANT EXPECTATIONS

Public engagement in project planning will not resolve all conflicts or satisfy all participants. Setting and communicating realistic objectives for the public engagement process will help the public understand the limitations of the process and what is achievable. This will minimize unrealistic expectations and reduce conflict.

Be clear with all participants about:

- The intended level of public engagement.
- The scope of topics that are and are not open for discussion and meaningful input.
- Your flexibility or inflexibility around decisions already made or yet to be made.
- Your reasons for all of the above.

6.5 COMMUNICATING COMPLEX INFORMATION

- Maps and technical information should be translated into language easily understood by the layperson. Site visits and special seminars and workshops are another way to convey information. Effective public engagement requires an informed public.
- Whenever possible, use graphics to explain complex theories and systems.
- Avoid using jargon.

6.6 MAINTAINING CONTACT WITH THE WIDER PUBLIC

Although not specifically required, the OGC recognizes that it would be beneficial to relationship-building if industry considered engaging participants from the wider public; those who fall outside of the strict definition of “directly and adversely affected.” Keeping the wider public informed when appropriate, and providing opportunities for public input, (meetings, news releases and publications) maintains project viability and visibility.

6.7 FEEDBACK

Effective feedback is an invitation to interact. It does not assume the provider is right and the receiver is wrong. It considers both parties’ needs.

When receiving feedback try to:

- Ask for feedback and specify what you want feedback on.
- Clarify what you have heard before interpreting or reacting to the feedback.
- Deal with it.
- Avoid defensiveness (e.g., denying, explaining or justifying).
- Share your reaction; explain how the feedback was helpful.

6.8 COLLABORATIVE DECISION-MAKING AND PROBLEM SOLVING

When people come together in a group to resolve issues, participants often have pre-established positions or pre-conceived solutions that conflict with those held by other participants.

Each participant has reasons for their positions and solutions; often these interests and values can be addressed by different solutions. To develop solutions that address a range of interests and values, those coming together to resolve issues need to:

- Explore the interests and values underlying participants’ positions.
- Clarify convergence or divergence among the perspectives of various participants.
- Identify, clarify and evaluate options for whatever it is they’re trying to develop or implement (e.g., policies, plans or activities).
- Build consensus and resolve conflict.

APPENDIX 1: TERMS USED IN THIS GUIDE

APPENDIX 2: FORMS

APPENDIX 3: RESOURCES AND FURTHER READING

APPENDIX 1

TERMS USED IN THIS GUIDE*

Applicant: a person or corporation seeking from the OGC an approval, license, permit or other authorization referred to in a specified enactment.

Arbitration: a dispute resolution process in which a dispute is submitted through presentation of evidence and arguments to a neutral adjudicator, who is empowered by the disputants to either recommend non-binding terms of settlement or a non-binding decision.

Alternative Dispute Resolution (ADR) mechanisms: refers to dispute resolution processes which are consensual in three respects: 1) parties consent to participate in an ADR process, 2) participating parties agree on which ADR process is to be used, and 3) resolution is reached by agreement and is not imposed on the parties. It is not necessary that all parties agree to participate for an ADR process to proceed, but only participating parties are bound by any resolution reached. Consensual ADR methods include negotiation, facilitation, mediation, neutral evaluation, non-binding arbitration and settlement conferences.

Appropriate Dispute Resolution: is a process comprising a set of tools and techniques that can be used to help parties address conflict that arises.

Best Practices: are guidelines, principles and behaviors that lead to effective engagement.

Compromise: the outcome of a decision-making process that requires that one or more participants relinquish something in return for achieving something else.

Conflict Resolution: provides the opportunity for relationship building and creative development of fair and enduring solutions to deal with conflict. Conflict resolution can be used to help resolve almost any type of dispute and can include a wide range of processes that encourage nonviolent dispute resolution outside of the traditional court system.

Emergency planning zone: that area around a well, production facility or pipeline which could be exposed to hazardous concentrations of hydrogen sulphide.

Emergency Response Plan: an outline of emergency procedures designed to ensure public safety which will be followed by the operator in the event of an uncontrolled release of oil or gas, as specified in section 58 of the Drilling and Production Regulation.

Facilitation: a process by which a neutral third party helps to coordinate the activities of a group, acts as a communication facilitator during meetings, or helps to manage conflict between groups, while moving conflicting groups towards consensus.

First Nation: in Canada, a community of aboriginal people who are represented by chief and council under the Indian Act.

Hydrogen Sulphide: H₂S; a toxic, colourless gas that is odourless at high concentrations but smells like rotten eggs at low concentrations. Hydrogen sulphide is produced during the decomposition of organic matter and occurs with hydrocarbons in some areas.

Interest-based negotiations: an approach to negotiating in which negotiators focus on objectives rather than stating a single acceptable outcome, as in position-based negotiations. This approach allows negotiators the flexibility to explore options that meet the objectives of all parties.

Local Government Authorities: include regional districts and municipalities.

Mediation: is a voluntary and confidential process in which a neutral third-party facilitator helps people discuss difficult issues and negotiate an agreement. Basic steps in the process include gathering information, framing the issues, developing options, negotiating, and formalizing agreements. Parties in mediation create their own solutions and the mediator does not have any decision-making power over the outcome.

Mediation and Arbitration Board: When a company holds the rights to petroleum resources and needs to enter private land to access those resources, they are required to consult with the landowner. The company must also negotiate its terms of compensation for the use of the private land. If an agreement is reached, the parties sign a standard surface lease form and land title act documents, allowing the company to register the lease. However, the landowner may refuse any offer of compensation, or disagree with the proposed location or access route. Either party may apply to the Board for assistance in resolving the dispute.

Negotiation: any form of direct or indirect “unfacilitated” communication in which opposing parties discuss steps they could take to resolve a dispute between them. It can occur directly by principals or indirectly through agents such as lawyers.

Neutral facilitator: means an impartial and independent person authorized to facilitate a settlement by a process of consensual ADR under Section 8 or 9 of the Oil and Gas Commission Act.

Neutral evaluation: a process where parties obtain from a neutral facilitator a non-binding, reasoned evaluation of their case on its merits. The opinion or assessment is expected to have persuasive value, especially to the extent that the neutral facilitator is jointly selected.

Notification: the supply of appropriate written information to the public about a proposed activity. Notification may lead to consultation if a member of the public identifies an interest that might be affected by the activity. Notification can be delivered or mailed.

Occupant: means a person, other than the owner:

- in actual possession of the land surface,
- shown on the indefeasible or absolute title to the land surface as having an interest in the land,
- to whom the board has granted use of or a right of entry to or the right to take the land surface.

Oil and Gas Commission Alternative Dispute Resolution mechanism: Under Section 8 of the Oil and Gas Commission Act, the Commission, upon its own initiative or upon the request of an interested person, may authorize the use of the Alternative Dispute Resolution process. The Commission's ADR mechanism can be used on a strictly consensual basis. ADR does not apply to issues of financial compensation, such as those within the jurisdiction of the Mediation and Arbitration Board.

PDR: preliminary dispute resolution (refer to Section 4.6 of this guidebook).

Participating Party: is a party who agrees to participate in an ADR process.

Personal consultation: two-way communication that involves exchanges of information between companies and the affected public. Personal consultation involves dialogue about how the company and community will interact (process related) and provides an opportunity to address issues of mutual interest (project related).

Quorum: a number of people, fixed by rule, that must be present to make valid the proceedings of a committee, society, court, etc.

Resident: any persons living within the distances outlined in minimum required distance table.

Settlement conference: term used to describe a broad range of activities involving an informal but structured meeting and dialogue directly between parties prior to a binding decision by the OGC. Objectives can include: expediting the disposition of the case; discouraging wasteful pre-decision activities; improving efficiency of the OGC's process through more thorough preparation, and negotiating the settlement of the case.

Sour facility: any facility that meets the criteria required to be assigned a "Facility Code" with the Oil & Gas Commission and that handles sour gas containing 1% or greater of hydrogen sulphide (H₂S) (includes gas or oil wells producing or capable of producing sour gas). Examples of equipment requiring a "Facility Code" include the installation of a permanent compressor, gas dehydrator, oil battery (continuous flare), water disposal/injection equipment, pipeline terminal, or gas processing plant.

Sour Gas: natural gas, including solution (conservation) gas, containing hydrogen sulphide (H₂S).

Sour Well: any oil or gas well expected to encounter sour gas bearing formations during drilling, or any oil or gas well capable of producing sour gas.

Sweet facility: any facility that meets the criteria required to be assigned a "Facility Code" with the Oil & Gas Commission and that handles gas containing less than 1% of hydrogen sulphide (H₂S). Examples of equipment requiring a "Facility Code" include the installation of a permanent compressor, gas dehydrator, oil battery (continuous flare), water disposal/injection equipment, pipeline terminal, or gas processing plant.

Sweet Gas: natural gas, including solution (conservation) gas, containing no measurable quantities of hydrogen sulphide (H₂S).

Sweet Well: any oil or gas well not expected to encounter sour gas bearing formations during drilling, or any oil or gas well not capable of producing sour gas.

Stakeholders: include member companies, environmental groups, other government departments and agencies, communities, and individual citizens who all have a stake in the responsible development of our energy resources, each with their own particular perspective and emphasis.

Tenure Holders: have a commercial interest in use of a common land base, which is also shared with non-commercial users.

Unresolved concerns: through the public engagement process, the proponent has identified unresolved concerns regarding the project. Proponents are required to submit copies of all public engagement documentation for review, prior to receipt of the decision.

*** These definitions are only for the purposes of public engagement, and in no way affect the definitions and requirements in other legislation and regulation.**

APPENDIX 2
FORMS



PUBLIC ENGAGEMENT REPORT

Geophysical No.: _____

This is an auditable form

Project Name and Location: _____

	<i>For Commission Use Only</i>
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This report must be submitted to the Project Assessment Branch of the Oil and Gas Commission. Submission for wells, pipelines and facilities must accompany the initial application. Submission for geophysical must be prior to application approval.

If a dispute occurs between the applicant and a member of the public that cannot be resolved by the parties, the Oil and Gas Commission may encourage the use of appropriate dispute resolution.

To demonstrate to the OGC that actions have been taken to plan and implement a public engagement program, companies need to track their activities and prepare appropriate documentation. They are required to submit the *Public Engagement Report* form to the OGC with the activity application. Additional public engagement documentation is not required to be submitted with the application unless there are unresolved concerns. In situations where there are unresolved concerns, the applicants are required to include details of the issues and the mitigative options proposed. The OGC will use this PE documentation for evaluation purposes. Please refer to the *Guide to Public Engagement and Appropriate Dispute Resolution* for guidelines in preparing a public engagement report.

- Documentation of the public engagement process should include the following:
- | | |
|--|--|
| <ul style="list-style-type: none"> • A description of the public engagement process completed. • A list of persons notified. • A list of persons consulted. | <ul style="list-style-type: none"> • A copy of all notification/consultation information. • A record of all communications. • A description of mitigative options proposed. • A map showing location of activity and the persons within consultation and notification distances. |
|--|--|

Details of any unresolved issues or concerns (please check the box that applies):

There are unresolved issues (please attach details on issues and mitigative options).

All issues have been resolved (additional public engagement documentation is not required).

Name:		Title:	
Signature:		Company:	
Address:			
Date:	Phone:	Fax:	E-mail:

The personal information requested on this form is collected under the authority of and used for the purpose of administering the Oil and Gas Commission Act. Under certain circumstances, some information may be released subject to the provisions of the Freedom of Information and Protection of Privacy Act. If you have questions about the collection, use or disclosure of this information, contact the Corporate Services Branch, Records Administrator, in Fort St. John at the address above.



Oil and Gas Commission
 200, 10003 - 110th Avenue
 Fort St. John, BC V1J 6M7
 www.ogc.gov.bc.ca

Phone (24hr): (250) 261-5700
 Fax: (250) 261-5728

Notice of Unresolved Concern*

The OGC encourages parties to resolve disputes between themselves whenever possible.

This notice is to be submitted to the Proponent/Company, with a copy to be sent to the Oil and Gas Commission		<i>For Commission Use Only</i>	
Area of interest <i>(please check one)</i> <input type="checkbox"/> Proponent <input type="checkbox"/> Company <input type="checkbox"/> Tenure holder <input type="checkbox"/> Landowner <input type="checkbox"/> Affected resident <input type="checkbox"/> Other directly affected person <input type="checkbox"/> Occupant			
I/We wish to notify the Oil and Gas Commission of an unresolved concern with the following party: Name: _____ Address: _____ _____ _____ Phone: _____		Project information: Project description: _____ Project location: _____ OGC file number (if available): _____ <i>Land Agent/Company Representative:</i> Name: _____ Phone no.: _____	
Please outline the following (attach additional sheets or documents if required): 1. Summary of unresolved concern: _____ _____ _____ _____ 2. Summary of public engagement process (meetings, phone calls, etc.): _____ _____ _____ _____			
Applicant Name:		Title:	
Applicant Signature:		Company:	
Address:			
Date:	Phone:	Fax:	E-mail:
The personal information requested on this form is collected under the authority of and used for the purpose of administering the Oil and Gas Commission Act. Under certain circumstances, some information may be released subject to the provisions of the Freedom of Information and Protection of Privacy Act. If you have any questions about the collection, use or disclosure of this information, contact the Corporate Services Branch, Records Administrator, in Fort St. John at the address above.			

* See Section 2.11 of the "Guide to Public Engagement and Appropriate Dispute Resolution" for more information on this form.



OIL AND GAS COMMISSION

200, 10003 - 110th Ave
Fort St. John BC V1J 6M7
www.ogc.gov.bc.ca

Phone: (250) 261-5700
Fax: (250) 261-5773
24-hr: (250) 261-5744

APPLICATION FOR RECONSIDERATION BY CONSENSUAL APPROPRIATE DISPUTE RESOLUTION

Application submitted under the authority of the Oil and Gas Commission Act, section 9 (1)... "An application to the advisory committee must be made in writing and delivered within 15 business days after the date of the original decision to (a) the advisory committee in care of the secretary, and (b) each original applicant."

For Commission Use Only		Date Received:	
1. <i>Name of Applicant:</i> (please print)			
2. <i>Name of Applicant:</i> (please print)			
Name(s) of project proponent(s) or original applicant(s): (please print)		Type of project (e.g., pipeline, well):	
		Project location:	
		OGC File number, if available:	
		Date of original decision:	
I/We hereby apply to the Oil and Gas Commission's Advisory Committee for a request to the Oil and Gas Commission to authorize one or more persons to facilitate settlement, by a process of consensual Appropriate dispute resolution, of a dispute related to the decision of the Commission described above. A description of the dispute and the grounds for this application are as follows: (Please use the back of this form or attach additional sheets, if necessary.)			
1. Name:		Title:	
Signature:		Company:	
Address:			
Date:	Phone:	Fax:	Email:
2. Name:		Title:	
Signature:		Company:	
Address:			
Date:	Phone:	Fax:	Email:

The personal information requested on this form is collected under the authority of and used for the purpose of administering the Oil and Gas Commission Act. Under certain circumstances, some information may be released subject to the provisions of the Freedom of Information and Protection of Privacy Act. If you have any questions about the collection, use or disclosure of this information, contact the Corporate Services Branch, Records Administrator, in Fort St. John at the address above.

OGC 074 appreconsiderationconsensualADR Revised 07/02

APPENDIX 3

RESOURCES AND FURTHER READING

Useful Websites

The Oil and Gas Commission
www.ogc.gov.bc.ca

The Canadian Association of Petroleum Producers
www.capp.ca

International Association for Public Participation (Public Participation Toolbox)
www.iap2.org

Useful Publications

Guide for Effective Public Involvement, CAPP, December 2003 (available online at www.capp.ca)

Appropriate Dispute Resolution - Guidelines, National Energy Board Canada, July 2003 (available online at http://www.neb.gc.ca/ActsRegulations/ADRGuidelines2003_e.pdf)

Directive 056, Alberta Energy and Utilities Board, September 12, 2005 (available online at [www.eub.ca/docs/documents/directives/Directive 056.pdf](http://www.eub.ca/docs/documents/directives/Directive%20056.pdf))

Landowner's Information Guide for Oil and Gas Activities in British Columbia, Oil and Gas Commission, April 2005 (available online at www.ogc.gov.bc.ca/landpubs.asp)

BC Oil and Gas Commission Emergency Response Plan Requirements (available online at www.ogc.gov.bc.ca/documents/guides/)

A Guide to Effective Coordination of Resource Tenures (available online at <http://srmwww.gov.bc.ca/rmd/crt/pdf/tenure.pdf>)



OIL AND GAS
COMMISSION

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