

January 29, 2019 Enforcement File: 18-170

ConocoPhillips Canada Resources Corp. PO Box 130, Station M Calgary, AB T2P 2H7

Attention: Sherry Etifier, Senior Coordinator, Regulatory Affairs

RE: Warning: Divert Water Without Lawful Authority

Dear Ms. Etifier,

On December 5, 2018 the Oil and Gas Commission (Commission) received a self-disclosure from ConocoPhillips Canada Resources Corp. (CPC). CPC reported inadvertently taking 96m3 of water from an unauthorized water source, namely d-50-C/94-A-13. At the time of withdrawal, this water source contained an active beaver lodge and RoyNorthern Land and Environmental (RN) was hired to assess the impact to the beavers. RN concluded their assessment stating the withdrawal from the water source had no adverse effect on the beaver's habitat or their winter survival. CPC has provided an action plan to avoid similar non-compliances in the future.CPC has also agreed to take 96m3 less water from its Section 10 authorization located at a-19-K/94-A-12, WU 4942, AD 100104909.

In consideration of all the above circumstances, CPC is hereby issued a warning only for the following:

CPC, did between October 23, 2018 and November 10, 2018 at or near Fort St. John, in the province of BC, did divert water from a stream without lawful authority contrary to Section 106(2)(b)(i) of the Water Sustainability Act.

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

Sincerely,

<original signed by>

Manager, Enforcement Oil and Gas Commission