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IMPORTANT INFORMATION

B.C. Reg. 274/2010

Deposited September 24, 2010

O.C. 595/2010

effective October 4, 2010

Oil and Gas Activities Act
OIL AND GAS ACTIVITIES ACT

GENERAL REGULATION

[includes amendments up to B.C. Reg. 147/2012, June 25, 2012]

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Schedule A

Definitions

1 (1) In this regulation:

"Act" means the *Oil and Gas Activities Act*;

"collector" means the collector designated under section 6;

"Crown land registry" means the Crown land registry continued under section 7 of the *Land Act*;

"director" has the same meaning as in section 1 of the *Petroleum and Natural Gas Act*;

(2) In the Act and in this regulation:

"operator" means

(a) a person entitled to produce and dispose of petroleum and natural gas from a well under the *Petroleum and Natural Gas Act*, or

(b) a permit holder with permission

(i) to drill, complete and produce from a well,

(ii) to construct or operate a pipeline, or

(iii) to construct, operate and restore a facility;

"producer" means

(a) a holder of a location who markets or otherwise disposes of petroleum, natural gas or both produced by

(i) the holder of the location, or

(ii) a person authorized to produce the petroleum, natural gas or both by the holder of the location, and

(b) a person authorized by a holder of a location to produce and market or otherwise dispose of, on the holder's behalf, petroleum, natural gas or both.

Part 1 — Miscellaneous

Oil and gas activities

2 The construction and operation of a facility are prescribed activities for the purposes of paragraph (g) of the definition of "oil and gas activity" in section 1 (2) of the Act.

Pipelines

3 (1) The following substances are prescribed for the purposes of paragraph (e) of the definition of "pipeline" in section 1 (2) of the Act:

(a) water or steam used for geothermal activities or oil and gas activities;

(b) carbon dioxide;

(c) liquid hydrocarbons.

- (2) Piping used in a gas distribution main, as defined in regulations under the *Safety Standards Act*, is prescribed for the purposes of paragraph (h) of the definition of "pipeline" in section 1 (2) of the Act.

Specified provisions

- 4 The Oil and Gas Waste Regulation, B.C. Reg. 254/2005, is prescribed for the purposes of paragraph (f) of the definition of "specified provision" in section 1 (2) of the Act.

Capacity and powers of the commission

- 5 The following circumstances are prescribed for the purposes of section 6 (2) of the Act:
- (a) with respect to the power referred to in section 6 (1) (a) of the Act, the commission intends to acquire or dispose of a subsidiary corporation;
 - (b) with respect to the power referred to in section 6 (1) (c) of the Act, the commission intends to negotiate or enter into an agreement with the government of Canada, the government of another province or territory, a local government or a First Nation or with an official or agent of any of them that would require the commission to pay or entitle the commission to receive \$1 000 000 or more in any one year.

Application of section 8 of the Act to pipelines

under jurisdiction of Canada

- 5.1 The commission's powers under section 8 of the Act are extended to include the power to issue an approval, other than an approval under the *Environmental Management Act* or the *Heritage Conservation Act*, with respect to a pipeline referred to in section 9 (2) of the Act, other than a pipeline set out in Schedule A.

[en. B.C. Reg. 40/2012, s. 1; am. B.C. Reg. 147/2012, s. (b) (i).]

Collector designated

- 6 The royalty collector appointed under section 73 (3) of the *Petroleum and Natural Gas Act* is designated as the collector of the tax and the collector of the levy.

Application of the *Public Inquiry Act*

- 7 (1) For the purposes of an inquiry, investigation, study or report under section 12 of the Act,
- (a) the commission has the powers, privileges and protection of a commission under sections 9, 10, 12, 14 to 16, 20, 21, 22 (1), 23 (a), (b) and (d) to (f) and 32 of the *Public Inquiry Act*, and
 - (b) a person has the privileges and protections of a person or participant under sections 11 and 13 of the *Public Inquiry Act*.
- (2) Section 29 of the *Public Inquiry Act* applies to an inquiry, investigation, study or report under section 12 of the Act.

Permit expiration period

8 The period prescribed for the purposes of section 32 (1) of the Act is 2 years

- (a) from the date the permit is issued, or
- (b) in the case of an approval, authorization or certificate deemed to be a permit under section 116 or 117 of the Act, from the date the approval, authorization or certificate was issued.

Prescribed decisions

9 Decisions made by the commission under section 27, 29 or 31 (7) of the Act are prescribed for the purposes of the definition of "determination" in section 69 (1) of the Act.

Special projects

10 (1) For the purposes of section 75 (1) (b) of the Act, **"innovative technology"** means technology that is unproven to produce petroleum, natural gas or both in a particular application.

(2) The following activities are prescribed for the purposes of section 75 (1) (d) of the Act:

- (a) the operation or use of a storage reservoir, including the disposal of produced water or acid gases;
- (b) the disposal of petroleum, natural gas, water produced in relation to the production of petroleum or natural gas, or waste;
- (c) the development or production of coalbed gas and of shale gas.

Repealed

11 Repealed. [B.C. Reg. 147/2012, s. (b) (ii).]

Repealed

12 Repealed. [B.C. Reg. 147/2012, s. (b) (ii).]

Registry

13 The following information is prescribed for the purposes of section 77 of the Act:

- (a) the name of and contact information for each permit holder;
- (b) the permit number of each permit and a description of the conditions imposed, if any, on each permit;
- (c) a description of each amendment or transfer of each permit;
- (d) a description of each permit holder's compliance history;
- (e) with respect to each well,
 - (i) the name and location of the well,
 - (ii) the name of the drilling contractor, and
 - (iii) a description of the operational history of the well, including the dates of the start of production, completion, recompletion, workover, suspension and abandonment;
- (f) with respect to each pipeline,
 - (i) the name and location of the pipeline, including as-built drawings of

- the pipeline,
 - (ii) a description of the operational history of the pipeline, including the dates of the start of construction, pressure tests, leave to open, suspension and abandonment, and
 - (iii) the length, outside diameter, wall thickness, line specifications and maximum operating pressure of the pipeline;
- (g) with respect to each facility,
- (i) the name and location of the facility and of each associated field,
 - (ii) the site number of and as-built drawings for the facility,
 - (iii) a description of the operational history of the facility, including the dates of the start of construction, pressure tests, leave to open, suspension and abandonment,
 - (iv) a statement of the facility's production or processing capacity, and
 - (v) the manufacturers' specifications for vessels, appurtenances and on-lease pipe associated with the facility;
- (h) with respect to geophysical activities,
- (i) each project's name and a description of the area of geophysical activity for each project,
 - (ii) each project's start date, and
 - (iii) a description of the operational history of each project, including a description of each project's type of activity and energy source.

Part 2 — Release of Information

Definitions

14 In this Part:

"geological and geophysical reports" means geological, geophysical and other reports in the possession of the ministry or the commission that have confidential status because of a designation made by the minister under section 122 (2) of the *Petroleum and Natural Gas Act*, but does not include well reports and well data;

"well reports and well data" means

- (a) information obtained from or about a well, including drilling reports, well history reports, unprocessed and processed log data, dipmeter surveys, directional surveys, drill stem test data and analyses, wire line data, pressure-volume temperature and flow test data and analyses, subsurface pressure data and analyses, completion information, reports respecting monitoring of hydraulic fracturing, geological and geophysical information, drilling depths, casing and cementing information, well status, gas, oil or water sample or analysis data, drill cuttings and cores and any analysis and description of the drill cuttings and cores, and

- (b) proprietary geological information, engineering data and supporting calculations contained in pre-application submissions for well permits,

but does not include geological and geophysical reports.

Confidentiality

- 15** Subject to this Part, well reports and well data that are received by the commission in the course of the administration of the Act must be held confidential by the commission.

Geological and geophysical reports

- 16** The commission must release geological and geophysical reports from confidential status
- (a) 10 years after the earliest date of receipt by the commission or the ministry, if the commission or ministry receives the information in the performance of a program of work referred to in any of sections 43, 56, 57 or 58 (3) of the *Petroleum and Natural Gas Act*, or
 - (b) 21 years after the earliest date of receipt by the commission or the ministry, if the commission or ministry receives the information other than as set out in paragraph (a).

Well reports and well data

- 17** (1) Subject to subsections (2) to (9) of this section and sections 18 to 20, 22 and 23, the commission must release well reports and well data, recorded with or submitted to the commission, from confidential status
- (a) 2 months after the date of release of the drilling rig for a well or portion of a well classified as a development well under the Drilling and Production Regulation,
 - (b) 6 months after the date of release of the drilling rig for a well or portion of a well classified as an exploratory outpost well under the Drilling and Production Regulation,
 - (c) one year after the date of release of the drilling rig for a well or portion of a well classified as an exploratory wildcat well under the Drilling and Production Regulation,
 - (d) one year after the date of release of the drilling or service rig for a well that has been re-entered and the well or a portion of the well has been designated as a discovery well under the Drilling and Production Regulation,
 - (e) 18 months after the date of release of the drilling rig for a well or portion of a well classified as a special data well under the Drilling and Production Regulation, and
 - (f) for a well or a portion of a well forming part of a special project under section 75 (1) (b) of the Act, the later of
 - (i) 3 years after the date of the order designating the special project, and
 - (ii) an applicable period under paragraphs (a) to (e),unless the commission establishes another date for release under subsection (2).
- (2) The commission, in an order designating a special project under section 75 (1) (b) of the Act, may establish a date for the release of well reports and well data from confidential status that is earlier than the dates set out in subsection (1).
- (3) The commissioner and deputy commissioner are designated as employees of the

commission who, on application of a permit holder of a well, may order that the requirements of subsection (1) for the release from confidential status of well reports and well data do not apply to that well for the period and, subject to the other conditions the commissioner or deputy commissioner may specify, if satisfied that

- (a) the permit holder has requested that the ministry offer a Crown reserve for disposition by public tender under section 71 of the *Petroleum and Natural Gas Act* and the ministry has deferred its decision on the request,
- (b) the well reports and well data include information from which a person might reasonably be expected to infer the existence of petroleum or natural gas in the Crown reserve referred to in paragraph (a), and
- (c) the release of the well information in accordance with subsection (1) would significantly harm the business interests of the permit holder.

(4) The commission must not under subsection (1) release from confidential status well reports and well data respecting a well at any time when a decision is pending on an application for any of the following:

- (a) a designation of the well or portion of the well as a discovery well under section 2 (3) (b) of the Drilling and Production Regulation;
- (b) a designation of the well or a portion of the well as a special data well under the Drilling and Production Regulation;
- (c) an order under subsection (3);
- (d) a designation as a special project under section 75 for the well or a portion of the well or of a pool, field or area that includes the well.

(5) If a well report or well data for a well has been released from confidential status under subsection (1), the well report or well data must not be reclassified as confidential by a designation, an amendment or an order referred to in subsection (4).

(6) Repealed. [B.C. Reg. 235/2011, s. 1.]

(7) The commission may release well reports and well data from confidential status

- (a) if, for any reason, the rights to the well have reverted to the government, or
- (b) with the concurrence of the person who submitted the information to the ministry or the commission.

(8) The commission, on request by the director, must make well reports, well data, geological reports and geophysical reports available to

- (a) the government of Canada,
- (b) the government of another province of Canada,
- (c) the government of a jurisdiction outside Canada,
- (d) an international organization of states, or
- (e) an agency of any of the governments or organizations referred to in paragraphs (a) to (d).

(9) The director may make a request for the purposes of subsection (8) if satisfied that the reports or data to be made available under that subsection will be kept confidential by the government, organization or agency to which the reports or data will be made

available.

[am. B.C. Reg. 235/2011, s. 1.]

Publication and availability of records and reports

17.1 (1) The following records or reports are not subject to section 15 of this regulation:

- (a) records or reports submitted to the commission under section 37 of the Drilling and Production Regulation;
- (b) records of the expected total vertical and measured depths at the time of approval of the well permit, formation at expected total depth, position, ground elevation and drilling status of the well;
- (c) all applications for permits and amendments to permits, including all submissions supporting those applications.

(2) The commission must publish the records and reports referred to in subsection (1) (a) as soon as practicable after receiving those records and reports.

(3) The commission must make the records referred to in subsection (1) (b) and (c) available to the public at all times during business hours and may make those records available to the public at any other time.

[en. B.C. Reg. 235/2011, s. 2.]

Surrendered locations

18 If a location or a part of a location is surrendered, any information obtained from a well on that location or part of a location may be released from confidential status at any time after the surrender.

Crown reserves

19 If a location or a part of a location is or becomes Crown reserve, all geological and geophysical reports and well reports and well data for that location or part of a location may be released from confidential status.

Lieutenant Governor in Council may release information

20 Despite any restrictions placed on the release of information by this Part, any information may be released by the Lieutenant Governor in Council at any time when the Lieutenant Governor in Council considers it in the public interest to do so.

Released information

21 If information has been released from confidential status under this section, any person may attend at the office of the commission and, for a fee set out in section 5 of the Fee, Levy and Security Regulation, examine or copy the records.

Discovery wells

22 Despite section 17 (1), on application by a permit holder of a well or portion of a well designated as a discovery well under section 2 (3) (b) of the Drilling and Production Regulation, the commission may exempt a subsequent well drilled in the same pool as the discovery well from the application of section 17 (1) and substitute the date applicable to the discovery well under section 17 (1) as the date when the well reports and well data

respecting the subsequent well must be released from confidential status.

Date drilling operations cease

- 23** (1) If drilling operations for a well referred to in any of paragraphs (a) to (d) of section 17 (1) have ceased with the intention of resuming drilling at a later date and

- (a) one year has elapsed since the date drilling operations ceased, and
- (b) drilling has not resumed,

the dates set out in section 17 (1) (a) to (d) do not apply and the commission must immediately release well reports and well data, recorded with or submitted to the commission, from confidential status.

- (2) If drilling operations have ceased for a well referred to in section 17 (1) (e) or (f) with the intention of resuming drilling at a later date and

- (a) one year has elapsed since the date drilling operations ceased, and
- (b) drilling has not resumed,

the date that the drilling operations ceased is, for the purposes of section 17 (1) (e) or (f), whichever is applicable, to be considered the date of release of the drilling rig.

Part 3 — Surveys

Pipeline survey

- 24** (1) Within 16 months after completion of a pipeline, a pipeline permit holder must do the following:

- (a) complete the surveying and posting of the pipeline right of way according to applicable rules made under section 75 of the *Land Surveyors Act*;
- (b) if the pipeline or a portion of the pipeline goes through Crown land, submit to the commission the plans of the survey through Crown land;
- (c) if the pipeline or a portion of the pipeline goes through land other than Crown land, submit to the registrar under the *Land Title Act* for deposit the plans of the survey through land other than Crown land in the form required under that Act.

- (2) The commission may issue to a pipeline permit holder who submitted plans under subsection (1) (b) an approval of the plans if the commission is satisfied the plans represent a pipeline approved by the pipeline permit holder's permit.
- (3) Within 30 days of receiving an approval under subsection (2), a pipeline permit holder must submit to the Surveyor General the approved plans in the form required under the rules referred to in subsection (1) (a).
- (4) After approval by the Surveyor General, the plans of Crown land required under subsection (1) (b) are the official plans of survey of the right of way through Crown land.

Well site survey

- 25** (1) Within 90 days after receiving a well permit, a well permit holder must

- (a) complete a well site survey and well site survey plan for the permitted well in accordance with the applicable rules made under section 75 of the *Land Surveyors Act*, and
 - (b) submit, in a form acceptable to the Surveyor General, the well site survey plan to the Surveyor General.
- (2) On submission of a well site survey plan under subsection (1), the Surveyor General may confirm that the well site survey and well site survey plan were made in compliance with subsection (1) (a) and file the well site survey plan in the Crown land registry.
- (3) If the location of the well shown on a well site survey plan is changed or a new well is drilled on the well site after the well site survey plan is submitted to the Surveyor General under subsection (1), the well permit holder must submit, within 90 days of the change of location or the drilling of the new well, a revised well site survey plan to the Surveyor General and subsections (1) (a) and (2) apply to that submission.

Extensions

- 26** (1) The Surveyor General, on written request, may grant to a permit holder an extension of the time under section 24 (1), 25 (1) or both by which the obligations under those sections must be met, if satisfied that circumstances warrant the extension.
- (2) The Surveyor General must provide written notice to the commission of an extension granted under subsection (1).

Part 4 — Orphan Sites

Definitions and interpretation

- 27** In this Part:

"marketable gas" means natural gas that is available for sale for direct consumption as a domestic, commercial or industrial fuel, or as an industrial raw material, or is delivered to a storage facility, whether it occurs naturally or results from the processing of natural gas;

"natural gas" means natural gas as defined in section 1 of the *Petroleum and Natural Gas Act*;

"petroleum" means petroleum as defined in section 1 of the *Petroleum and Natural Gas Act*.

Tax payment

- 28** (1) The collector must invoice, on a monthly basis, each producer for an amount equal to the aggregate of the following calculations:
- (a) the marketable gas tax rate in effect for the production month multiplied by the volume of marketable gas produced by the producer in the month;
 - (b) the petroleum tax rate in effect for the production month multiplied by the volume of petroleum produced by the producer in the month.
- (2) A producer who receives an invoice from the collector must, within 15 business days

of receiving the invoice, pay to the collector, at the address that the collector may from time to time specify, the amount stated in the invoice.

- (3) If a producer is not in agreement with the amount invoiced by the collector, the collector must review the invoice if, within 90 days of the date the collector gave the invoice to the producer, the producer gives the collector a request for a review with reasons for the disagreement and any supporting documentation.
- (4) A producer who requests a review under subsection (3) is not exempted from the requirement to pay under subsection (2).
- (5) If the collector reviews an invoice under subsection (3) and determines that the position of the producer is correct, the collector must
 - (a) invoice the producer for any additional tax owing, or
 - (b) credit the producer, on the next invoice, for any overpayment.
- (6) If a tax payment is not made within the time period set out in subsection (2), the collector may impose on the producer a penalty of \$50 or 5% of the unpaid invoice amount, whichever is greater.
- (7) If a penalty is assessed under subsection (6), the collector must give notice of that penalty to the producer at the earliest opportunity.
- (8) If the production volumes used to invoice a producer under subsection (1) are adjusted after the invoice has been sent, the collector must
 - (a) invoice the producer for any additional tax owing, or
 - (b) credit the producer, on the next invoice, for any overpayment.

Applications for compensation by landowners

- 29** (1) An application for compensation under section 46 of the Act must be submitted to the commission by the landowner in the form and including the information required by the commission.
- (2) An application must be accompanied by all of the following:
- (a) if available and applicable, a copy of a surface lease with respect to the landowner's land;
 - (b) the amount claimed in compensation for the loss referred to in section 46 (1) of the Act;
 - (c) if available and applicable, evidence of when the last payment under a surface lease was made to the landowner;
 - (d) evidence showing the efforts made by the landowner to obtain payment of outstanding amounts owed under the surface lease agreement;
 - (e) a description of the oil and gas activity carried out on the landowner's property;
 - (f) if the landowner is not a party to a surface lease, evidence of the landowner's interest in the land and the date the landowner acquired the land;
 - (g) any other information relevant to establishing or evaluating the compensation to be paid under section 46 of the Act.

(3) With respect to a site designated under section 45 (2) of the Act,

(a) the maximum compensation to be paid with respect to the period before the designation of the site is \$50 000, and

(b) the compensation to be paid with respect to the period from the designation of the site to the date of issuance of a certificate of restoration for the site or a determination referred to in section 45 (5) (c) of the Act being made is either

(i) the annual payment under the surface lease, or

(ii) if there is no surface lease with respect to the land, an annual payment determined by the commission as reasonable compensation for the landowner's loss referred to in section 46 (2) of the Act.

Schedule A

[en. B.C. Reg. 40/2012, s. 2.]

(Section 5.1)

- 1.** Pipeline of the Enbridge Northern Gateway Project, National Energy Board file number OF-Fac-Oil-N304-2010-01 01.

[Provisions relevant to the enactment of this regulation: *Oil and Gas Activities Act*, S.B.C. 2008, c. 36, sections 94 to 100 and 102]