IMPORTANT INFORMATION

B.C. Reg. 278/2010 Deposited September 24, 2010

Oil and Gas Commission effective October 4, 2010

Oil and Gas Activities Act

FEE, LEVY AND SECURITY REGULATION

[includes amendments up to B.C. Reg. 252/2011, December 16, 2011]

Contents

Definitions

1 In this regulation:

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

"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.

Fees on application for a permit

2 The following fees must be submitted on application under section 24 of the Act:

(a) for an application for a permit to carry out geophysical exploration, $1 650;

(b) for an application for a permit to drill or operate a well for the purposes of exploring for or developing petroleum, natural gas, or both from a person other than a permit holder, $18 700;

(c) for an application for a permit to drill or operate a well for the purposes of exploring for or developing petroleum, natural gas, or both from a permit holder, $10 700;

(d) for an application for a permit to construct or operate a pipeline,

(i) $900 plus $200 per kilometre of pipeline for pipelines with an outside diameter of less than 152 millimetres,

(ii) $1 200 plus $400 per kilometre of pipeline for pipelines with an outside diameter of 152 millimetres or greater;

(d.1) for an application for an authorization respecting a pipeline referred to in section 9 (2) of the Act

(i) $200 per kilometre of pipeline for pipelines with an outside diameter of less than 152 millimetres,

(ii) $400 per kilometre of pipeline for pipelines with an outside diameter of 152 millimetres or greater;

(e) for an application for a permit to construct and operate a gas processing plant or production facility, other than a liquefied natural gas facility, for the production, gathering, processing or storage of petroleum, natural gas or both, that occupies 3 or more hectares of land, $16 000;

(e.1) for an application for a permit to construct and operate a liquefied natural gas facility,

(i) for a facility with a capacity less than 5 634 x 10^3 m^3/day, $50 000,

(ii) for a facility with a capacity greater than or equal to 5 634 x 10^3 m^3/day, $100 000;

(f) for an application for a permit to operate a storage reservoir, $5 000.

[am. B.C. Regs. 250/2011; 251/2011; 252/2011, s. 1.]

Fees on application for transfer of permit

3 A fee of $200 must be submitted on application under section 29 of the Act.

Fees on application for amendment of permit

4 The following fees must be submitted on application under section 31 of the Act:

(a) for an application to change a well name, $200;

(b) for an application to amend a permit to carry out geophysical exploration, $700;

(c) for an application to amend a permit to construct or operate a pipeline, $700;

(d) for an application to amend a permit to operate a storage reservoir, $5 000.

Other fees

5 A person who requests information from the commission must submit the following fees:

(a) $3 per page printed or copied;

(b) $60 per hour for time spent compiling or retrieving records, reports or other information.

Levy

6 For the purposes of section 110 of the Act, each producer must pay the following levy:

(a) $1.50 per cubic metre of petroleum;

(b) $0.75 per 1 000 cubic metres of marketable gas;

(c) $50 per kilometre of pipeline registered by a company, if the outside diameter of the pipeline is less than 152 millimetres;

(d) $60 per kilometre of pipeline registered by a company, if the outside diameter of the pipeline is 152 millimetres or greater.

[am. B.C. Reg. 252/2011, s. 2.]

Levy payment

7 (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 levy rate applicable in the billing month multiplied by the volume of marketable gas produced by that producer in the preceding production month;

(b) the petroleum levy rate applicable in the billing month multiplied by the volume of petroleum produced by that producer in the preceding production month.

(2) The period of time to be considered by the collector for purposes of determining production volume under subsection (1) (a) or (b) is the period beginning at 12:00 a.m., Mountain Standard Time, on the first day of the production month referred to in the applicable provision and ending at the same time on the first day of the next calendar month.

(3) 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.

(4) 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 delivered or faxed the invoice to the producer, the producer delivers or faxes to the collector a request for a review with reasons for the disagreement and any supporting documentation.

(5) A producer who requests a review is not exempted from the requirement to pay the levies stated in the invoice.

(6) If the collector reviews an invoice under subsection (4) and determines that the position of the producer is correct, the collector must

(a) invoice the producer for any additional levy owing, or

(b) credit the producer on the next invoice for any overpayment.

(7) If a producer does not make the levy payment within the time period set out in subsection (3), the producer will pay a penalty of $50 or 5% of the unpaid invoice amount, whichever is greater.

(8) If a penalty is assessed under subsection (7), the collector must give notice of that penalty to the producer at the earliest opportunity.

(9) 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 levy owing, or

(b) credit the producer on the next invoice for any overpayment.

(10) If a producer fails to pay an invoice from the collector within 45 days after receiving the invoice, any permit granted to the producer under the *Oil and Gas Activities Act* may be suspended or cancelled on 60 days' notice to the producer.

Security

8 (1) Security required under section 23 and 30 of the Act must be submitted in the form of cash or an irrevocable letter of credit from a Canadian chartered bank or credit union.

(2) The amount of the security to be provided under section 23 (2) (b) (i) of the Act is $50 000 per kilometre of the proposed pipeline according to the preliminary plan referred to in that section.

(3) The minimum security amount to be provided under section 30 of the Act is $7 500.

(4) The commission must return a security in its entirety to a person who provided the security

(a) under section 23 (2) (b) (i) of the Act, if the person has restored the land to the condition it was in before the land was entered under that section or has, under an agreement with the landowner, compensated the landowner for any damage or disturbance to the land;

(b) under section 30 of the Act, if all permits held by the former permit holder

(i) have been cancelled and the former permit holder has complied with section 40 (d) to (f) of the Act or has obtained a certificate of restoration, or

(ii) have been transferred to another person under section 29 of the Act.

(5) On the request of a permit holder, an official may return all or part of a security if the official is satisfied that all or part of the security is not required to secure the permit holder's obligations under the Act or the permit holder's permits or authorizations.

[Provisions relevant to the enactment of this regulation: *Oil and Gas Activities Act*, S.B.C. 2008, c. 36, sections 106, 109, 110 and 112]
