

B.C. Reg. 8/2014
Oil and Gas Commission

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Oil and Gas Activities Act

FEE, LEVY AND SECURITY REGULATION

Note: Check the Cumulative Regulation Bulletin 2014
for any non-consolidated amendments to this regulation that may be in effect.

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Part 1 — Definitions

Definitions

1 In this regulation:

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

"Class A LNG facility" means an LNG facility with a capacity to process no more than 1.4 million m³/day of natural gas;

"Class A natural gas facility" means a natural gas facility with a capacity to process no more than 1.4 million m³/day of natural gas;

"Class A pipeline" means a pipeline with an outside diameter of less than 168.3 mm;

"Class B LNG facility" means an LNG facility with a capacity to process more than 1.4 million m³/day but no more than 5.6 million m³/day of natural gas;

"Class B natural gas facility" means a natural gas facility with a capacity to process more than 1.4 million m³/day but no more than 5.6 million m³/day of natural gas;

"Class B pipeline" means a pipeline with an outside diameter of 168.3 mm or more and less than 609.6 mm;

"Class C LNG facility" means an LNG facility with a capacity to process more than 5.6 million m³/day of natural gas;

"Class C natural gas facility" means a natural gas facility with a capacity to process more than 5.6 million m³/day of natural gas;

"Class C pipeline" means a pipeline with an outside diameter of 609.6 mm or more;

"LNG" means liquefied natural gas;

"LNG facility" means a facility that processes natural gas and produces LNG;

"major amendment" has the same meaning as in the Consultation and Notification Regulation, B.C. Reg 279/2010;

"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;

"minor amendment" is an amendment to a permit that is not a major amendment;

"natural gas facility" means a facility that is

- (a) a compressor station,
- (b) a gas dehydrator, or
- (c) a gas processing plant;

"non-oil-and-gas facility" means a facility other than an LNG facility, natural gas facility or oil facility;

"oil facility" means a facility that processes petroleum.

Part 2 — Oil and Gas Activity Fees

Fees re geophysical permits

- 2 (1) A \$3 000 fee must be submitted on application under section 24 of the Act for a permit to carry out geophysical exploration.
- (2) A \$1 200 fee must be submitted on application under section 31 of the Act to amend a permit to carry out geophysical exploration.

Fees re well permits

- 3 (1) A \$12 400 fee must be submitted on application under section 24 of the Act for a permit to drill or operate a well for the purposes of exploring for or developing petroleum, natural gas or both.
- (2) A \$12 400 fee must be submitted on application under section 24 of the Act for a permit to drill or operate a well that is a water source well.

Fees on application for amendment of a well permit

- 4 The following fees must be submitted on application under section 31 of the Act:
 - (a) for an application to make a minor amendment to a permit referred to in section 3 of this regulation, \$1 000;
 - (b) for an application to make a major amendment to a permit referred to in section 3 of this regulation, \$7 000.

Fees on application for a pipeline permit

- 5 (1) In this section, "**twinned pipeline**" means 2 onshore Class C pipelines that
 - (a) are 50 km or more in length,
 - (b) are part of a Class C pipeline project,
 - (c) are constructed at the same time and in the same right of way, and
 - (d) carry the same kind of fluid.
- (2) The following fees must be submitted on application under section 24 of the Act for a permit to construct or operate a pipeline:
 - (a) for a Class A pipeline,
 - (i) a basic fee of \$1 500, and
 - (ii) \$300 per km of pipeline;
 - (b) for a Class B pipeline,
 - (i) a basic fee of \$2 000, and
 - (ii) \$500 per km of pipeline;
 - (c) for a Class C pipeline that is less than 50 km in length,
 - (i) a basic fee of \$2 000, and
 - (ii) \$1 400 per km of pipeline;
 - (d) for a Class C pipeline that is 50 km or more in length,
 - (i) subject to subsection (3), a basic fee of \$370 000, and

- (ii) \$1 400 per km of pipeline;
- (e) for a twinned pipeline,
 - (i) a basic fee of \$370 000, and
 - (ii) \$2 200 per km of twinned pipeline.
- (3) Subsection (2) (d) (i) does not apply if
 - (a) the commission is satisfied that the application is in respect of a segment of pipeline that is an integral component of an overall Class C pipeline project, and
 - (b) the basic fee referred to in subsection (2) (d) (i) has been submitted in respect of at least one segment of the Class C pipeline project.

Fees on application for amendment of a pipeline permit

- 6** The following fees must be submitted on application under section 31 of the Act:
- (a) for an application for an amendment for a permit for a Class A pipeline,
 - (i) \$1 000 for a minor amendment, and
 - (ii) \$7 000 for a major amendment;
 - (b) for an application for an amendment for a permit for a Class B pipeline,
 - (i) \$1 000 for a minor amendment, and
 - (ii) \$7 000 for a major amendment;
 - (c) for an application for an amendment for a permit for a Class C pipeline,
 - (i) \$5 000 for a minor amendment, and
 - (ii) \$25 000 for a major amendment.

Fees on application for an approval under section 9 (2) of the Act

- 7** (1) In this section, "**approval**" has the same meaning as in section 9 of the Act.
- (2) The following fees must be submitted on application for an approval respecting a pipeline referred to in section 9 (2) of the Act:
- (a) \$300 per km of Class A pipeline;
 - (b) \$500 per km of Class B pipeline;
 - (c) \$600 per km of Class C pipeline.

Fees on application for a natural gas facility permit

- 8** The following fees must be submitted on application under section 24 of the Act for a permit to construct or operate a natural gas facility:
- (a) for an application for a Class A natural gas facility, \$25 000;
 - (b) for an application for a Class B natural gas facility, \$50 000;
 - (c) for an application for a Class C natural gas facility, \$75 000.

Fees on application for amendment of a natural gas facility permit

- 9** The following fees must be submitted on application under section 31 of the Act:
- (a) for an application to make a minor amendment to a permit referred to in

section 8 of this regulation, \$1 000;

(b) for an application to make a major amendment to a permit referred to in section 8 of this regulation, \$7 000.

Fees on application for an LNG facility permit

10 The following fees must be submitted on application under section 24 of the Act for a permit to construct or operate an LNG facility:

(a) for an application for a Class A LNG facility, \$25 000;

(b) for an application for a Class B LNG facility, \$75 000;

(c) for an application for a Class C LNG facility, \$650 000.

Fees on application for amendment of an LNG facility permit

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

(a) for an application for a major amendment to a permit for a Class A LNG facility, \$1 000;

(b) for an application for a major amendment to a permit for a Class B LNG facility,

(i) \$50 000 in the case of a major amendment to incorporate a completed engineering design, and

(ii) \$7 000 in all other cases;

(c) for an application for a major amendment to a permit for Class C LNG facility,

(i) \$350 000 in the case of a major amendment to incorporate a completed engineering design, and

(ii) \$15 000 in all other cases.

Fees on application for an oil facility permit

12 (1) Subject to subsection (2), a \$12 400 fee must be submitted on application under section 24 of the Act for a permit to construct or operate an oil facility.

(2) Subsection (1) does not apply if the application is in respect of a facility located in an area with respect to which the applicant has a permit.

Fees on application for amendment of an oil facility permit

13 (1) Subject to subsection (2), the following fees must be submitted on application under section 31 of the Act in respect of permit for an oil facility:

(a) for an application to make a minor amendment, \$1 000;

(b) for an application to make a major amendment, \$7 000.

(2) Subsection (1) does not apply if the application is in respect of a permit for a facility located in an area with respect to which the applicant has a permit.

Fees on application for a non-oil-and-gas facility permit

14 (1) Subject to subsection (2), a \$12 400 fee must be submitted on application under section 24 of the Act for a permit to construct or operate a non-oil-and-gas facility.

- (2) Subsection (1) does not apply if the application is in respect of a permit for a facility located in an area with respect to which the applicant has a permit.

Fees on application for amendment of a non-oil-and-gas facility permit

- 15** (1) Subject to subsection (2), the following fees must be submitted on application under section 31 of the Act in respect of a permit for a non-oil-and-gas facility:
- (a) for an application to make a minor amendment, \$1 000;
 - (b) for an application to make a major amendment, \$7 000.
- (2) Subsection (1) does not apply if the application is in respect of a permit for a facility that is located in an area with respect to which the applicant has a permit.

Fees on application for a permit

- 16** The following fees must be submitted on application under section 24 of the Act for a permit to construct an oil and gas road:
- (a) \$100 per km, if the oil and gas road is 5 km or greater in length and is to be constructed as a winter access road only;
 - (b) \$200 per km, if the oil and gas road is 5 km or greater in length and is to be constructed as an all-season access road.

Fees on application for amendment of permit

- 17** A \$500 fee must be submitted on application under section 31 of the Act for a major amendment to a permit for an oil and gas road 5 km or greater in length.

Part 3 — Other Fees

Fees on application for transfer of permit

- 18** The following fees must be submitted on application under section 29 of the Act:
- (a) \$100, if the application is accompanied by an amalgamation certificate from the Corporate Registry and the certificate names both the person who applies for the transfer and the person to whom the permit is to be transferred;
 - (b) \$100, if the application is accompanied by a name change certificate from the Corporate Registry naming both the person who applies for the transfer and the person to whom the permit is to be transferred;
 - (c) \$300, in all other cases.

Core lab fees

- 19** (1) For the purposes of section 31 (3) of the Drilling and Production Regulation, the following fees are prescribed:
- (a) to examine core and drill cuttings at the core lab,
 - (i) \$150 per day for each examination table,
 - (ii) \$6 per box to examine a well core,

- (iii) \$50 per well to examine drill cuttings, and
- (iv) \$15 per sample of core required to be cut;
- (b) to remove a well core from the core lab, \$300 plus \$6 per box;
- (c) for services respecting the return of the core, including re-boxing, core box repair and core box replacements, \$60 per hour.

Certificate of restoration

- 20** A \$1 500 fee must be submitted on application under section 41 (1) of the Act for a certificate of restoration.

Other fees

- 21** A person who requests information from the commission must submit the following fees:
- (a) \$4 per page printed or copied;
 - (b) \$60 per hour for time spent compiling or retrieving records, reports or other information.

Part 4 — Levies

Definitions

- 22** In this Part, "**collector**" and "**producer**" have the same meanings as in the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation.

Levy

- 23** For the purposes of section 110 of the Act, a permit holder must pay the following levies:
- (a) if the permit holder is a producer, \$1.45 per m³ of petroleum produced by the producer;
 - (b) if the permit holder is a producer, \$0.73 per 1 000 m³ of marketable gas produced by the producer;
 - (c) if the permit holder holds a pipeline permit respecting a Class A pipeline, \$50 per km of the permit holder's Class A pipeline;
 - (d) if the permit holder holds a pipeline permit respecting a Class B pipeline, \$60 per km of the permit holder's Class B pipeline;
 - (e) if the permit holder holds a pipeline permit respecting a Class C pipeline, \$200 per km of the permit holder's Class C pipeline.

Levy payment

- 24** (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 the 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 does not agree 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 must 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 Act may be suspended or cancelled on 60 days' notice to the producer.

Part 5 — Security

Security

- 25** (1) Security required under section 23 or 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
 - (a) for private land, \$50 000 per km of the proposed pipeline according to the preliminary plan referred to in section 23 of the Act, and
 - (b) for Crown land, \$10 000 per km of the proposed pipeline according to the

preliminary plan referred to in section 23 of the Act, up to a maximum of \$150 000.

(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, and

(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]