

Oil and Gas Commission Act

[SBC 1998] CHAPTER 39

Assented to July 30, 1998

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73 Commencement

Definitions

1 (1) In this Act:

"advisory committee" means the advisory committee established under section 7;

"commission" means the Oil and Gas Commission established under section 2;

"minister" means the minister responsible for the administration of this Act;

"oil and gas activity" means any activity related to

(a) the search for petroleum, natural gas or both,

(b) the exploration and development of petroleum, natural gas or both, or

(c) the production, gathering, processing and storage of petroleum, natural gas or both,
and includes

(d) the reclamation of sites disturbed because of an activity within this definition, and

(e) the monitoring and long term protection, control and treatment of those sites;

"pipeline" has the meaning given to it in the *Pipeline Act*;

"specified enactment" means

(a) any of the following provisions of the *Forest Act*, but only in relation to a master licence to cut:

(i) section 47.4 (*licence to cut for persons occupying land or for oil and gas purposes*);

(ii) section 47.5 (*content of occupant and master licences to cut*);

(iii) section 76 (*suspension of rights*);

(iv) section 77 (*cancellation*);

(v) section 81 (*eligibility*),

(b) section 117 of the *Forest Act* (road use permits for industrial use),

(c) section 21 (b) of the *Forest Practices Code of British Columbia Act* (logging plans),

(d) section 12 of the *Heritage Conservation Act* (permit authorizing an action referred to in section 13 of that Act),

(e) any of the following provisions of the *Land Act*:

(i) section 11 to the extent that section 11 relates to a lease or grant described in section 11 (2) (b) to (d) (disposing of Crown land);

(ii) section 14 (temporary occupation of Crown land);

(iii) section 21 (limit on area of lease);

(iv) section 26 (1) (interest on deferred payments);

(v) section 30 (amendment of area under application);

- (vi) section 32 (application procedure for dispositions);
- (vii) section 33 (public notice), except in relation to a disposition by purchase;
- (viii) section 35 (feasibility studies);
- (ix) section 36 (security deposit);
- (x) section 37 (affidavit);
- (xi) section 38 (lease of Crown land);
- (xii) section 39 (licence of occupation);
- (xiii) section 40 (right of way and easement);
- (xiv) section 41 (failure to complete survey);
- (xv) section 42 (1) (date of disposition);
- (xvi) section 43 (cancellation of disposition);
- (xvii) section 44 (amendment and cancellation if approval or grant improper);
- (xviii) section 46 (2) (relief respecting cancelled disposition);
- (xix) section 59 (trespass on Crown land);
- (xx) section 63 (disputed applications);
- (xxi) section 67 (1) (garbage on Crown land);
- (xxii) section 96 (1) (occupational rental);
- (xxiii) section 99 (2) to (4) (assignment of disposition);
- (xxiv) section 107 (restricting lawsuits against public officials);
- (xxv) section 109 (1) (execution of documents),
- (f) any of the following provisions of the *Environmental Management Act*:
 - (i) section 9 (hazardous waste storage and disposal);
 - (ii) section 14 (permits);
 - (iii) section 15 (approvals);
 - (iv) section 16 (amendment of permits and approvals);
 - (v) section 17 (transfers of permits and approvals, etc.);
 - (vi) section 20 (abandonment),
- (g) any of the following provisions of the *Water Act*, but only in relation to an approval as defined in section 1 of the *Water Act*:
 - (i) section 8 (short term use of water);
 - (ii) section 9 (1) (a) (changes in and about a stream);

- (iii) section 22 (records);
- (iv) section 23 (suspension and cancellation of rights and licences);
- (v) section 26 (permits over Crown land), and
- (h) a prescribed regulation under any of the following Acts:
 - (i) *Forest Act*;
 - (ii) *Forest Practices Code of British Columbia Act*;
 - (iii) *Heritage Conservation Act*;
 - (iv) *Land Act*;
 - (v) *Environmental Management Act*;
 - (vi) *Water Act*.

(2) Words and expressions used but not defined in this Act have the same meanings as in the *Petroleum and Natural Gas Act*.

Corporation established

- 2** (1) A corporation known as the Oil and Gas Commission is continued, consisting of 3 directors.
- (2) The deputy minister is a director and is the chair of the commission.
- (3) The Lieutenant Governor in Council may appoint 2 directors, for a term not longer than 5 years, one of whom is the commissioner and vice chair of the commission.
- (4) A vacancy in the membership of the commission or the incapacity of one of the directors does not impair the power of the remaining directors to act.
- (5) A majority of the directors holding office constitutes a quorum at meetings of the commission.
- (6) If there is a tie vote, the chair of the commission, or in the absence of the chair the vice chair, has a casting vote.
- (7) If a person appointed under subsection (3) dies or is unable to act, the minister, by order, may appoint an acting commissioner or acting director for a period not longer than 6 months.
- (8) The commission must pay a person appointed under subsection (3) or (7) an allowance for reasonable travelling and incidental expenses necessarily incurred in carrying out the business of the corporation.
- (9) Subject to sections 5 and 6.1, the commission must direct its operations.
- (10) The Lieutenant Governor in Council may appoint a deputy commissioner.
- (11) The deputy commissioner has the powers of the commissioner, but does not have a vote in meetings or decisions of the commission.

Commission is an agent of the government

2.1 The commission is an agent of the government.

Purposes

3 The purposes of the commission are to

(a) regulate oil and gas activities and pipelines in British Columbia in a manner that

(i) provides for the sound development of the oil and gas sector, by fostering a healthy environment, a sound economy and social well being,

(ii) conserves oil and gas resources in British Columbia,

(iii) ensures safe and efficient practices, and

(iv) assists owners of oil and gas resources to participate equitably in the production of shared pools of oil and gas,

(b) provide for effective and efficient processes for the review of applications related to oil and gas activities or pipelines, and to ensure that applications that are approved are in the public interest having regard to environmental, economic and social effects,

(c) encourage the participation of First Nations and aboriginal peoples in processes affecting them,

(d) participate in planning processes, and

(e) undertake programs of education and communication in order to advance safe and efficient practices and the other purposes of the commission.

Application of Act to Muskwa-Kechika Management Area

3.1 If there is a conflict or inconsistency between this Act and the *Muskwa-Kechika Management Area Act*, the *Muskwa-Kechika Management Area Act* prevails.

Relationship with aboriginal and treaty rights

4 For greater certainty, the provisions of this Act are intended to respect aboriginal and treaty rights in a manner consistent with section 35 of the *Constitution Act, 1982*.

Direction and management of the commission

5 (1) The commission may pass resolutions it considers necessary or advisable to direct its affairs, exercise its power and perform its duties, including resolutions for one or more of the following:

(a) calling and holding meetings of the commission and the procedures to be followed at the meetings;

(b) approving proposals to recommend amendments to the Act and regulations;

(c) approving the commission's annual service plan under the *Budget Transparency and Accountability Act*, as well as the commission's annual budget estimate detailing the expected revenues and planned expenditures of the commission for the next fiscal year;

(d) approving the commission's estimates made in respect of the levies prescribed in accordance with section 22 (5) of this Act;

(e) establishing a plan of organization to carry out the powers of the commission.

(2) A resolution approved by the directors by mail, facsimile transmission, telephone, electronic mail or any other similar means of communication and confirmed in writing or other graphic communication is as valid as if it had been passed at a meeting of the directors properly called and constituted.

Capacity and powers of the commission

6 (1) For the purposes of this Act, the commission may

(a) acquire, hold and dispose of property,

(b) invest money, and, subject to the prior approval of the Lieutenant Governor in Council, borrow money,

(c) negotiate and enter into agreements with the government, or with an official or agency of it, or with any person, including, subject to the prior approval of the Lieutenant Governor in Council, with the government of Canada, the government of another province, First Nations or local governments, or with an official or agency of any of them,

(d) subject to the prior approval of the Lieutenant Governor in Council, expend money for mitigation measures in relation to oil and gas activities and pipelines, and

(e) do other things that the Lieutenant Governor in Council may authorize.

(2) For the purpose of discharging the commission's responsibilities under a provision referred to in paragraph (e) of the definition of "specified enactment" in section 1 (1), an employee of the commission who has identification from the commission for the purpose, the commissioner and deputy commissioner have at reasonable times a right to enter Crown land and premises.

(3) Subsection (1) (d) does not apply to the expenditure of money by the commission from the fund created under section 6.2.

Powers of the commissioner

6.1 (1) Subject to the direction of the commission, the commissioner must manage the operations of the commission or supervise the management of those operations.

(2) The commissioner may delegate the exercise of any power or performance of any duty conferred or imposed on the commission under this Act, the *Petroleum and Natural Gas Act* or the *Pipeline Act*, other than a power to make regulations or the powers under section 5 (1) or 6 (1), to an employee or officer of the commission or to another public officer or agency responsible for carrying out duties under a specified enactment.

(3) A delegation under subsection (2) to a person other than an employee or officer of the commission must be limited to a specific period of time and a particular oil and gas activity or pipeline.

(4) A delegation under subsection (2) may be to an officer of the commission or to a public officer by name or by designation of the office.

Reclamation of orphan sites

6.2 (1) In this section and sections 6.3 to 6.5:

"**fund**" means the orphan site reclamation fund established under this section;

"**land owner**" means

(a) a person registered in the land title office as the registered owner of the land surface or as its purchaser under an agreement for sale, and

(b) a person to whom a disposition of Crown land has been issued under the *Land 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 that is delivered to a storage facility, whether it occurs naturally or results from the processing of natural gas;

"**operator**" has the meaning defined in the regulations;

"**orphan site**" means a site designated under subsection (5) (a);

"producer" has the meaning defined in section 22 (1);

"reclaim" includes to abandon or restore under

(a) the *Petroleum and Natural Gas Act*, or

(b) the *Pipeline Act*.

(2) The commission may reclaim orphan sites.

(3) A fund, to be held by the commission and to be known as the orphan site reclamation fund, is established to provide money for the following purposes:

(a) to pay the costs of reclamation in respect of orphan sites;

(b) to pay costs incurred in pursuing reimbursement for the costs referred to in paragraph (a) from the person responsible for paying them;

(c) to pay any other costs directly related to the operations of the commission in respect of the fund;

(d) to pay compensation for the purposes of section 6.3.

(4) The following must be deposited to the credit of the fund:

(a) money paid to the commission under section 23 (2) (a.1);

(b) money borrowed to meet any deficit in the fund;

(c) money recovered or received by the commission under subsection (7) and section 6.3 (3) and (4);

(d) any interest or other income of the fund.

(5) The commission may do one or more of the following:

(a) designate as an orphan site any of the following if the operator is insolvent, if the commission has not been able to identify the operator or, subject to the regulations, for another reason considered sufficient by the commission:

(i) a well, test hole or production facility that has not been abandoned in accordance with the regulations under the *Petroleum and Natural Gas Act*;

(ii) a pipeline on which reclamation has not been performed;

(b) pay money from the fund for any of the purposes referred to in subsection (3) in accordance with any regulations made for the purposes of this section and sections 6.3 and 6.4;

(c) subject to the prior approval of the Lieutenant Governor in Council, borrow money to meet any deficit in the fund;

(d) from the fund, repay any money borrowed by the commission for the purposes of the fund;

(e) determine the date on which a pipeline facility site has been satisfactorily restored.

(6) For the purposes of subsection (5), an operator must be considered to be insolvent if the operator files for protection under the *Companies' Creditors Arrangement Act* (Canada) or is a bankrupt or an insolvent person under the *Bankruptcy and Insolvency Act* (Canada).

(7) If the commission reclaims or provides for the reclamation of an orphan site, the costs paid out of the fund in respect of that orphan site are a debt payable by the operator to the commission and the commission has a right of action against the operator for the recovery of that debt.

(8) For the purpose of reclaiming an orphan site, the commission has the same powers as it has under sections 104 and 106 of the *Petroleum and Natural Gas Act*.

Compensation for land owners respecting orphan sites

6.3 (1) On application by a land owner on whose land the commission expends money in accordance with section 6.2, if the commission is satisfied that the operator has failed to make payments due to the land owner under a surface lease, and subject to the maximums, conditions and limitations prescribed by regulation, the commission may make payments from the fund to compensate the land owner.

(2) A surface lease referred to in subsection (1) includes an order of the Mediation and Arbitration Board under Part 3 of the *Petroleum and Natural Gas Act*.

(3) Before it compensates a land owner under subsection (1), the commission may require as a condition of compensation that the land owner assign to the commission the land owner's rights to overdue payments under the surface lease.

(4) If the commission provides compensation to a land owner, the commission has a right of action against the operator for the recovery of the amount paid in compensation.

Orphan site reclamation fund tax

6.4 (1) Subject to a regulation made under section 6.5 (2) (d), a producer must pay to the government for the raising of revenue for the purposes of the fund a tax as determined under subsection (2).

(2) The tax under subsection (1) must be paid by a producer at the following rates:

(a) \$0.03 per 1 000 cubic metres of marketable gas produced by the producer in a production month;

(b) \$0.06 per cubic metre of petroleum produced by the producer in a production month.

(3) Subject to subsection (4), sections 73 (4) and 74 to 77 of the *Petroleum and Natural Gas Act* apply to the tax under this section as if it were a royalty under those sections of the *Petroleum and Natural Gas Act*.

(4) If there is a conflict between a regulation made under sections 6.2 to 6.5 of this Act and sections 73 (4) and 74 to 77 of the *Petroleum and Natural Gas Act* or the regulations made under those sections of that Act, the regulation made under this Act prevails.

(5) The commission must provide to a producer a notice of the tax payable by that producer under this section.

(6) A notice required under subsection (5) may be provided to a producer by including the notice in an invoice sent to the producer in respect of a levy payable under regulations made under section 22 (5) of this Act.

(7) A producer must pay the tax by the date specified under the regulations.

(8) A producer who fails to pay the tax by the date specified under the regulations must pay to the government penalties set by regulation.

Regulations for sections 6.2 to 6.4

6.5 (1) In this section, "**tax**" means the tax under section 6.4.

(2) The Lieutenant Governor in Council may make regulations for the purposes of sections 6.2 to 6.4 and without limitation may make regulations as follows:

(a) respecting administration of the fund;

(b) respecting the designation of orphan sites;

- (c) prescribing the conditions and limitations on compensation for land owners under section 6.3;
- (d) suspending the operation of the tax;
- (e) respecting the assessment and reassessment of tax;
- (f) respecting appeals from assessment or reassessment of tax;
- (g) respecting refunds of tax;
- (h) providing for exemptions from payment of tax;
- (i) respecting time limits and time periods related to the tax, including returns, assessments, reassessments, appeals, refunds or exemptions and including different time limits and time periods for different classes of persons;
- (j) establishing procedures for giving notice of tax payable, collection of tax, and use of the fund;
- (k) setting minimum amounts to be retained in reserve in the fund;
- (l) setting penalties for the purposes of section 6.4 (8).

Advisory committee

7 (1) The minister must establish an advisory committee to

- (a) provide advice and make recommendations to the commission as to the fulfillment of the commission's purposes and its adherence to the responsibilities of the commission under section 17,
- (b) fulfill that committee's role described in section 9,
- (c) anticipate and identify environmental, economic and social issues arising out of the commission's operations,
- (d) by June 30 of each year, review the commission's operating plans and audited financial statements for the fiscal year of the commission that ended on March 31 of that year, and
- (e) assist the commission to develop short and long term operating plans.

(2) The commission may pay to an advisory committee member

- (a) an allowance for reasonable travelling and incidental expenses necessarily incurred in carrying out the responsibilities of the advisory committee, and
- (b) if the advisory committee member is not a member of the Legislative Assembly or a public servant, remuneration at rates set by the Lieutenant Governor in Council.

Alternative dispute resolution

8 (1) The commission must encourage the use of consensual alternative dispute resolution methods for the purpose of resolving disputes relating to the commission's discretion, functions and duties under

- (a) this Act in relation to a specified enactment, or
- (b) the *Petroleum and Natural Gas Act* or the *Pipeline Act* in relation to a licence, permit, approval or other authorization under either of those Acts.

(2) The commission on its own initiative or at the request of an interested person may authorize one or more persons to facilitate settlement, by a process of consensual alternative dispute resolution, of a dispute relating to the carrying out of the commission's discretion, functions and duties under

- (a) this Act in relation to a specified enactment, or
 - (b) the *Petroleum and Natural Gas Act* or the *Pipeline Act* in relation to a licence, permit, approval or other authorization under either of those Acts.
- (3) The commission may ask the person or persons authorized under subsection (2), if unsuccessful in settling the dispute, to make recommendations that must be considered by the commission before deciding the disputed matter.

Advisory committee's role in reconsideration by alternative dispute resolution

9 (1) The advisory committee, on application in the prescribed manner by an interested person, may request that the commission grant an authorization, referred to in section 8 (2), in respect of any decision of the commission other than a decision for which a right of appeal is provided under section 136 of the *Petroleum and Natural Gas Act*, section 100 of the *Environmental Management Act* or section 92 of the *Water Act*.

(2) If the commission grants the authorization requested by the advisory committee,

(a) the effect of the commission's original decision is suspended pending the outcome of the reconsideration under paragraph (b), and

(b) following the consensual alternative dispute resolution process, and after taking into account the recommendations referred to in section 8 (3), if there are any, the commission must reconsider the original decision and redetermine the matter in a manner the commission considers appropriate.

(3) The advisory committee must exercise its discretion to make a request under subsection (1) within the prescribed period after the decision that is the subject of the request.

(4) The commission must

(a) grant or refuse the request within the prescribed period after it receives the request, and

(b) redetermine the matter that is the subject of the request within the prescribed period after granting the request.

Inquiries and recommendations

10 (1) The commission may, and at the request of the Lieutenant Governor in Council, must, at the places, at the times and in a manner it considers advisable

(a) make inquiries and investigations and prepare studies and reports on any matter within the scope of this Act, and

(b) recommend to the Lieutenant Governor in Council any measures the commission considers necessary or advisable in the public interest related to oil and gas activities or pipelines.

(2) Subsection (1) does not apply to a matter that is before the commission.

Conflict of interest

11 (1) A director or senior officer of the commission must not, directly or indirectly,

(a) hold, acquire or have a beneficial interest in a share, or other security of a corporation or other person subject to regulation under this Act, or

(b) have a significant beneficial interest in a device, appliance, machine, article, patent or patented process, or a part of it, that is required or used by a corporation or other person referred to in paragraph (a) for the purpose of its equipment or service.

(2) A director or senior officer of the commission, in whom a beneficial interest referred to in subsection (1) (a) or (b) is or becomes vested, must divest himself or herself of the beneficial interest within 3 months after becoming a

director or senior officer or after acquisition of the property, as the case may be.

(3) The use or purchase for personal or domestic purposes, of gas or petroleum products or service from a person subject to regulation under this Act is not a contravention of this section, and does not disqualify a director or senior officer from acting in any matter affecting that person.

Officers and employees

12 (1) The commissioner may appoint officers and employees necessary to carry on the business and operations of the commission and may define their duties and determine their remuneration.

(2) The *Public Service Act* and the *Public Service Labour Relations Act* do not apply to the commission or to its officers or employees.

(3) Despite subsection (2), the Public Service Pension Plan, continued under the *Public Sector Pension Plans Act*, continues to apply to the commission and to its officers and employees.

Financial administration

13 (1) The commission must establish and maintain an accounting system satisfactory to the Minister of Finance.

(2) Whenever required by the minister, the commission must provide detailed accounts of its revenues and expenditures for the period or to the date the minister designates.

(3) All books or records of account, documents and other financial records are at all times open for inspection by the minister or a person designated by the minister.

(4) The Minister of Finance may direct the Comptroller General to examine and report to Treasury Board on any or all of the financial and accounting operations of the commission.

(5) The fiscal year of the commission is a period of 12 months beginning on April 1 in each year and ending on March 31 in the next year.

(6) The Minister of Finance is the fiscal agent of the commission.

Audit

14 At least once for each fiscal year, the accounts of the commission must be audited and reported on to the Executive Council through the minister and to the commission by an auditor appointed by the Lieutenant Governor in Council, and the costs of the audit must be paid by the commission.

Annual report

15 (1) The commission must prepare and deliver to the Executive Council through the minister, within 2 months after the end of the fiscal year of the commission,

(a) a report of the commission on its operations for the preceding fiscal year, and

(b) a financial statement in the form required by the Minister of Finance showing the revenues, expenditures, assets and liabilities of the commission at the end of the preceding fiscal year.

(2) The financial statement delivered under subsection (1) must be prepared in accordance with generally accepted accounting principles.

(3) The minister must promptly lay the report before the Legislative Assembly if it is in session and, if the Legislative Assembly is not in session, the report must be filed with the Clerk of the Legislative Assembly.

Investment

16 (1) The commission may place with the Minister of Finance investment money the commission receives but does not immediately require for carrying out the purposes of this Act.

(2) Money placed with the Minister of Finance under this section is to be treated for all purposes as money placed with that minister under section 40 (5) of the *Financial Administration Act*.

Commission's responsibilities under various enactments

17 (1) For the regulation of oil and gas activities and pipelines, the commission, instead of the official named in a specified enactment,

(a) has all the powers relating to a discretion, function or duty referred to in the specified enactment, and

(b) is charged with the all the responsibilities pertaining to that discretion, function or duty.

(2) The exercise of the powers conferred on the commission by subsection (1), the carrying out of each discretion, function and duty referred to in a specified enactment and the responsibilities with which the commission is charged under this section remain subject in all respects to the Act that contains the specified enactment, and that Act continues to apply.

(3) Despite subsections (1) and (2), the commission must not grant or refuse a road use permit under section 117 of the *Forest Act* without first consulting with the district manager under that Act.

(4) Despite subsections (1) and (2), but subject to subsection (5), the commission and the appropriate officials under the various Acts that contain the specified enactments are each responsible for enforcing the provisions of those Acts in relation to the matters described in the specified enactments.

(5) [Repealed 2002-26-21.]

(6) Despite subsections (1) and (2), section 143 of the *Forest Act* does not apply to a determination, order or decision of the commission under section 76 or 77 of the *Forest Act*.

(7) The production of an approval as defined in section 1 of the *Water Act*, or a copy of an approval so defined, certified to be a copy by the commission or an employee of the commission authorized by it to certify copies, is without further proof evidence in a court of the matters and things set out in the approval.

General development permits

17.1 (1) In this section, "**general development permit**" means a permit issued under subsection (2).

(2) The commission, on application, may issue a general development permit.

(3) A general development permit is an approval in principle for oil and gas activities and pipelines in an area of British Columbia.

(4) A general development permit must

(a) state the terms and conditions, including siting considerations, that must be included in approvals, licences, permits or other authorizations subsequently issued under the *Petroleum and Natural Gas Act*, the *Pipeline Act* or the specified enactments by the commission for the oil and gas activity or pipeline,

(b) be limited to a specified period of time, and

(c) be limited to a specified area.

(5) A term or condition specified in a general development permit must be applied to an approval, a licence, a permit

or another authorization, as appropriate, subsequently issued in accordance with the *Petroleum and Natural Gas Act*, the *Pipeline Act* or a specified enactment.

(6) Despite subsection (4), a term or condition specified in a general development permit may be amended or replaced by a term or condition of an approval, a licence, a permit or another authorization, subsequently issued in accordance with the *Petroleum and Natural Gas Act*, the *Pipeline Act* or a specified enactment for each oil and gas activity or pipeline associated with the general development permit.

(7) The commission may require at any time that the holder of a general development permit provide the commission with reports on any matter related to the permit.

(8) With the concurrence of the holder of the general development permit, the commission, by order, may amend, suspend or cancel a general development permit.

(9) Without the concurrence of the holder of the general development permit, the commission, by order, may

(a) amend or suspend a general development permit if the commission has information that was not considered when the permit was issued and that information relates to matters that may be affected by an application under a specified enactment, or

(b) suspend or cancel a general development permit if the commission believes that

(i) the applicant omitted relevant information from the application for the permit,

(ii) the holder has contravened or is in default of a requirement or condition of the permit, or

(iii) the holder has contravened a provision of this Act, the *Petroleum and Natural Gas Act*, the *Pipeline Act* or a specified enactment.

(10) The refusal of the commission to issue a general development permit or the suspension or cancellation of a permit under subsection (8) or (9) does not prevent a person from making an application for an approval, a licence, a permit or another authorization under the *Petroleum and Natural Gas Act*, the *Pipeline Act* or a specified enactment related to matters applied for in the permit.

(11) A general development permit does not authorize the holder of the permit to enter property, or to make any alteration to property.

(12) A general development permit must not be transferred unless

(a) the commission consents in writing to the transfer, and

(b) the document that is the evidence of the transfer is filed with the commission.

(13) The commission must keep a record of each transfer to which it has consented.

Application of sections 17 and 17.1 to pipelines under jurisdiction of Canada

17.2 Sections 17 and 17.1 do not apply to a pipeline that is subject to the *National Energy Board Act* (Canada) but the Lieutenant Governor in Council may, by regulation, make all or part of sections 17 and 17.1 apply to a pipeline that is subject to that Act.

Transition

18 (1) If directly related to an oil and gas activity or a pipeline,

(a) an approval, licence, permit or other authorization referred to in a specified enactment listed in paragraph (a), (b), (c), (d), (f) or (g) of the definition of "specified enactment" in section 1 (1), and

(b) an instrument referred to in paragraph (e) of that definition,

that has been issued under the Act that contains the specified enactment before the date this section comes into force, and that is in effect immediately before that date, is deemed to be an approval, licence, permit, other authorization or instrument issued by the commission under this Act.

(2) If doubt exists as to whether an approval, licence, permit, other authorization or instrument referred to in subsection (1) is directly related to an oil and gas activity or holder, the commissioner by order may resolve the doubt.

Repealed

19–21 [Repealed 2003-46-23.]

Regulations

22 (1) In this section, "**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.

(2) The Lieutenant Governor in Council may make regulations referred to in section 41 of the *Interpretation Act*.

(3) Without limiting subsection (2), the Lieutenant Governor in Council may make regulations as follows:

- (a) respecting policies and procedures to be followed by the commission in conducting its affairs, exercising its powers and discretion, carrying out its functions and duties and discharging its responsibilities;
- (b) respecting applications to the commission;
- (c) prescribing time limits within which specified steps in the application process must be taken;
- (d) defining words and expressions used but not defined in this Act;
- (e) prescribing, as a specified enactment, a regulation or part of a regulation under any of the Acts referred to in paragraph (h) of the definition of "specified enactment" in section 1 (1);
- (f) respecting general development permits and applications for them.

(4) A regulation under subsection (3) (a) to (c) respecting any matter

- (a) under the *Petroleum and Natural Gas Act*, is subject to that Act and the regulations under that Act,
- (b) under the *Pipeline Act*, is subject to that Act and the regulations under that Act, and
- (c) referred to in a specified enactment, is subject to the Act that contains the specified enactment and to the regulations under that Act.

(5) Without limiting subsection (2), the Lieutenant Governor in Council, for the purpose of recovering expenses arising out of the administration of this Act in a fiscal year, may make regulations as follows:

- (a) requiring producers to pay a levy to the government;
- (b) establishing the amount, or the method of determining the amount, of the levy;

- (c) designating an employee of the government as the collector of the levy for payment under section 23 to the commission and providing for its collection;
- (c.1) designating an employee of the government as the collector of the tax under section 6.4 and providing for the collection of the tax;
- (d) providing for imposition of penalties to enforce payment of the levy, including cancellation of a permit, licence or lease granted under the *Petroleum and Natural Gas Act*.
- (6) A regulation under subsection (5) may
 - (a) classify producers for the purpose of the regulation according to
 - (i) whether they produce petroleum or natural gas or both,
 - (ii) the date on which production commences or commenced, or
 - (iii) any other basis the Lieutenant Governor in Council considers appropriate, and
 - (b) provide differently for different classes of producers.

Appropriation

- 23** (1) In this section, "**revenue**" includes interest but does not include penalties.
- (2) The Minister of Finance, out of the consolidated revenue fund, must pay to the commission
- (a) the revenue derived from the levies authorized under section 22 (5),
 - (a.1) the revenue derived from the tax under section 6.4, and
 - (b) the revenue derived from fees in relation to
 - (i) applications for and issuance of approvals, licences, permits and other authorizations issued by the commission under the *Petroleum and Natural Gas Act* and the *Pipeline Act*, and
 - (ii) annual fees prescribed under section 133 (2) (q) of the *Petroleum and Natural Gas Act* and under section 35 (2) (d) of the *Pipeline Act*.

Forms

- 24** (1) The commission may require forms for applications referred to in section 22 (3) (b) or for other purposes, including but not limited to forms by which applicants may apply under one or more of the *Petroleum and Natural Gas Act*, the *Pipeline Act* and the specified enactments for an approval, licence, permit, other authorization, the issuance of an instrument or the exercise of a discretion of the commission or for any combination of those things.
- (2) A form required under subsection (1) must be consistent with this Act and with each other Act, if any, that is applicable to the subject matter of the form.

Consequential Amendments

[Note: See Table of Legislative Changes for the status of sections 25 to 72.]

Section(s)	Affected Act
25	<i>Financial Information Act</i>
26	<i>Freedom of Information and Protection of Privacy Act</i>
27–58	<i>Petroleum and Natural Gas Act</i>

59–69	<i>Pipeline Act</i>
70–72	<i>Utilities Commission Act</i>

Commencement

73 This Act comes into force by regulation of the Lieutenant Governor in Council.

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