

Ministry of Natural Gas Development

Guidelines for Registering or Discharging an Encumbrance

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Assistant Deputy Minister
Upstream Development Division
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Guidelines for Registering or Discharging an Encumbrance

The Tenure and Geoscience Branch (the Branch) maintains a registry of encumbrances against petroleum and natural gas titles issued by the Branch. Encumbrances are recorded for information purposes only and do not affect the application of any provision of the *Petroleum and Natural Gas Act*.

Examples of types of agreements that can be registered (not an exhaustive list)

- *Bank Act* (Canada) assignment (section 177 or section 426)
- Deed of trust
- Debenture
- Farmout agreement
- Mortgage
- Builder's lien

Procedures and Requirements for Recording Encumbrances

- Send the encumbrance document to the Branch and include a letter of instruction identifying the affected titles. Branch staff cannot interpret schedules to determine which titles are to be encumbered.
- Companies listed in the encumbrance document do not need to be registered titleholders.
- The encumbrance document must be dated and signed by a signing officer of the company recording the encumbrance (e.g. financial institution recording the encumbrance).
- The encumbrance document must be an original or certified true copy, which will be retained in the Branch. Additional copies, which may be photocopies, can be submitted and will be returned bearing evidence of registration in the Branch.
- The Branch will assign a registration number to the encumbrance, which must be quoted in any subsequent discharge documentation.
- Title searches can be obtained at the following [website](https://a100.gov.bc.ca/pub/ipsweb/) (<https://a100.gov.bc.ca/pub/ipsweb/>).

Procedures and Requirements for Discharging Encumbrances Recorded by the Branch

- Send the discharge notice to the Branch, and include letter of instruction identifying the affected titles. Branch staff cannot interpret schedules to determine which titles are to be discharged.
- Information on the discharge notice must be consistent with the information on the original encumbrance registration. This includes:
 - type of encumbrance being discharged,
 - full names of the companies involved,

- date of the original encumbrance registration,
- original encumbrance number, and
- title number(s) being discharged.
- Each recorded encumbrance being discharged must be on a separate discharge notice.
 - Note: When a lease is split for administrative purposes, any encumbrances on the title are added to the new lease. It is recommended that title searches be obtained to ensure the most current information is used when preparing a discharge.
- The notice must state if the encumbrance is being partially or wholly discharged.
- The notice must be dated and signed by a signing officer of the company for which the encumbrance was originally recorded. If this company is no longer in existence or has changed its name, documentation must be submitted to verify this.
- The discharge notice must be an original, which will be retained by the Branch. Additional copies may be submitted and will be returned bearing evidence of discharge.
- Title searches can be obtained at the following [website](https://a100.gov.bc.ca/pub/ipsweb/) (https://a100.gov.bc.ca/pub/ipsweb/).

Sample Notice of Discharge of Encumbrance

Notice of Discharge of Encumbrance

The Bank Hereby gives notice that the (type of encumbrance here) dated March 1, 2014 between The Bank and John Doe Resources Limited which was recorded in the Tenure and Geoscience Branch on March 20, 2014 as (encumbrance number here) is (fully or partially discharged) in respect of (lease or licence numbers).

Dated at _____ this _____ day of _____, 2016.

The Bank

Per: _____

Contact Information

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Upstream Development Division
Tenure and Geoscience Branch

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Victoria, BC V8W 9N3

Location (use for courier deliveries):

6th Floor, 1810 Blanshard Street
Victoria BC V8T 4J1