



**SECTION 3.3. - OGC - Administration of Land Act Tenures for
Provincially Regulated Petroleum, Natural Gas and Pipelines**

(OLD LMM SECTION 1.3.0702)

NAME OF AGREEMENT: ADMINISTRATION OF LAND ACT TENURES FOR
PROVINCIALY REGULATED PETROLEUM,
NATURAL GAS AND PIPELINES

RECIPROCAL AGENCY: OIL AND GAS COMMISSION

ISSUANCE: Assistant Deputy Minister, Crown Land Administration
Division

IMPLEMENTATION: Ministry of Agriculture and Lands

REFERENCES: Land Act
Ministry of Lands, Parks and Housing Act
Oil and Gas Commission Act
Petroleum and Natural Gas Act
Pipeline Act

**RELATIONSHIP TO
PREVIOUS
AGREEMENT:**

Effective date	BN #	Summary of Changes:
		Unchanged

**RELATIONSHIP TO
PREVIOUS AGREEMENT**

New Agreement

ADMINISTRATION OF LAND ACT TENURES FOR PROVINCIALY REGULATED PETROLEUM, NATURAL GAS AND PIPELINES

MEMORANDUM OF UNDERSTANDING (MOU) between the OIL AND GAS COMMISSION (OGC) and LAND AND WATER BC INC. (LWBC)

1.0 PURPOSE

The MOU describes a framework for effective processes and procedures that ensure the OGC and LWBC work together in an adaptive, non-duplicative and efficient relationship within the legal framework that governs oil and gas activities and pipelines in the Province. It defines the relationship between the two agencies at a provincial level and includes appendices that further clarify roles at the regional level.

2.0 SCOPE

The OGC provides a single agency approach for dispositions and approvals for the exploration, development, production, and pipeline transportation of petroleum and natural gas in the Province. The OGC responsibilities include the issuance of tenures under the *Land* and *Water Act* required for petroleum and natural gas activities and provincially-regulated pipelines. LWBC is an important partner in processing and administering these tenures and remains responsible for some requirements related to oil and gas activities (i.e. sale of Crown land, ancillary uses and federally regulated pipelines).

This MOU applies throughout the Province.

This agreement replaces the former MOU between the OGC and the BC Assets and Land Corporation" dated April 30, 1998.

This agreement conforms with and is subject to the following legislation: the *Oil and Gas Commission Act*, the *Petroleum and Natural Gas Act*, the *Pipeline Act*, the *Land Act*, *Water Act* and the *Ministry of Lands Parks and Housing Act*. If a provision of this MOU conflicts with a requirement of an Act or regulation, the provision will be interpreted and applied to be consistent with that Act or regulation.

3.0 GUIDING PRINCIPLES

The following principles will guide the relationship between the OGC and LWBC:

- the OGC and LWBC will respect each other's decisions that must balance environmental, social and economic values;
- the working relationship will be efficient, simple and transparent to the public, industry, and each other
- each agency will work to ensure:
 - organizational accountability,
 - clear objectives and procedures, and

- timeliness of response to applications.

4.0 ROLES AND RESPONSIBILITIES

4.1 Legal Responsibilities

The purposes of the OGC include providing 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.

“Oil and gas activity” means any activity related to:

- the search for petroleum, natural gas or both,
- the exploration and development of petroleum, natural gas, or both, or
- the production, gathering, processing and storage of petroleum, natural gas or both, and includes:
- the reclamation of sites disturbed because of an activity within this definition, and,
- the monitoring and long term protection, control and treatment of those sites.

The OGC is responsible for issuing *Land Act* tenures that are required to carry out these oil and gas activities, including tenures for:

- pipelines and compressor stations,
- processing facilities (including battery installations),
- drillsites,
- wellsites,
- permanent and temporary campsites,
- roads required to access drillsites and wellsites
- airstrips for oil and gas purposes,
- gravel pits for oil and gas purposes,
- electric power transmission with terminus at wellsite, pump or similar facility, and,
- cable telecommunications which are integral to oil and gas activities and originate and terminate at a wellsite, pump or similar facility.

The OGC is also responsible for issuing *Water Act* approvals for short term use of water and changes in and about a stream, that may be required to carry out oil and gas activities and pipelines.

LWBC is responsible for issuing *Land Act* tenures and *Water Act* approvals for uses that are secondary, or ancillary, to oil and gas activities. These land uses may form part of an oil and gas application but are intended for multiple purposes or they do not directly support an oil and gas activity.

Such secondary, or ancillary, purposes include:

- electric power transmission and distribution (except as noted above),

- telecommunications distribution/transmission (communications sites and cable telecommunications), and,
- gravel pits, open campsites and airstrips which support multiple purposes.

LWBC also remains responsible for the sale of Crown land and issuing and administering all *Land Act* tenures for federally regulated pipelines.

4.2 Agency Roles

In all areas of the Province, the OGC will undertake the following:

- act as the contact for general questions and information pertaining to oil and gas activities;
- for proposals outside North-eastern BC, directing proponents to the appropriate LWBC Service Centre or Field Office as required;
- formally accepting all applications described in paragraph 4.1
- processing applications and issuing tenures under the *Land Act* (including managing associated insurance/bonding requirements, advertising and public consultation, referrals, dispute resolution, and satisfying the government's obligation to consult with First Nations);
- processing tenure amendments, assignments, cancellations, replacements and renewals and *Water Act* approvals;
- After October 2001, issuing long-term tenures for wellsites, (i.e., Licence of Occupation) with well approval
- entering all required information into Tantalus and updates Crown land registry database and maps
- assigning appropriate OGC file numbers;
- assisting LWBC with situations involving a default in rental payments; and
- consulting with the appropriate LWBC Service Centre or Field Office before making determinations on approvals and permits, as identified in the appendices.

LWBC supports the processes and decisions of the OGC by:

- providing in a timely manner, professional and technical expertise and administrative assistance for applications under the *Land Act* and *Water Act*, as required;
- providing field staff to assist OGC with managing tenure audits and assist with trespass and tenure compliance as agreed upon for specific cases;
- working with the Ministry of Sustainable Resource Management in the setting of rental pricing and administrative fees for uses tenures and approvals under the *Land Act* and *Water Act*;
- monitoring oil and gas aggregate tenures, including taking measurements for administrative and compliance purposes
- assisting with clean-up inspections of campsites
- administering associated billings to the tenure holder, including management of accounts receivable as described in Appendices 1 and 2
- granting Notations of Interest for Petroleum Development Roads;

- expediting the adjudication of tenures for secondary or ancillary purposes;
- continuing to administer long term tenures under the *Land Act* (i.e., Leases, Licence of Occupation and Statutory Rights of Way) on pre-OGC 1998 oil and gas applications before October 1998
- Continue to administer long term tenures on all applications received by the OGC up to October 1, 2002; and
- Handling status enquiries on Crown land when requested by oil and gas companies.

See the appendices for more detailed assignments of roles outside of, and within, the Northeast region of the Province.

5.0 INFORMATION EXCHANGE

The OGC and LWBC will:

- openly and freely share information and data, as may be required by the other agency in the delivery of their mandate; and,
- ensure the availability of staff to consult on areas of mutual interest (e.g. telephone conversations, conference calls or meetings with agency representatives to review the critical or controversial points of the application and potential agency concerns).

6.0 ADMINISTRATION AND DISPUTE RESOLUTION

The OGC Director, Applications and Approvals Branch, and the LWBC Service Centre Director, Northern Region will be responsible for the administration of this MOU.

Disputes regarding the interpretation of this MOU will be:

- addressed by the directors responsible for the administration of this MOU; or
- if required, by the OGC Commissioner and the LWBC Chief Executive Officer.

7.0 PERIODIC REVIEW

The OGC Director, Applications and Approvals Branch, and the LWBC Service Centre Director, Northern Region will review the effectiveness of this revised MOU after the first year of implementation and as required thereafter, if significant issues are identified.

8.0 LEGISLATION AND POLICY CHANGES

Both agencies agree to consult with each other with respect to planned legislation or policy changes that may affect the other's operations.

9.0 AMENDMENTS AND TERMINATION

This MOU may be reviewed and amended by mutual consent. Either party may terminate this MOU on sixty (60) days notice.

10.0 EFFECTIVE DATE

This MOU becomes effective upon execution by both parties.

Derek Doyle
Commissioner
Oil and Gas Commission

Date:

Bill Valentine
Chief Executive Officer
Land and Water BC Inc.

Date:

**APPENDIX 1 –
THE ADMINISTRATION OF *LAND ACT* TENURES FOR PROVINCIALY
REGULATED PETROLEUM, NATURAL GAS AND PIPELINES WITHIN THE NE
REGION OF BC.**

1.0 Introduction

This appendix to the MOU identifies and coordinates specific responsibilities of the OGC and the LWBC Field Office in Fort St. John respecting the issuance of tenures and approvals under the *Land and Water Act* tenures for oil and gas activities within Northeast British Columbia.

2.0 Responsibilities/Process/Procedures

Stage 1: Pre-application

During this phase the proponent assembles his project application document. The OGC will be the first point of contact for an oil and gas application. The OGC will provide the required upfront professional and technical expertise and administrative assistance for applications under the *Land and Water Act*, as well as processing applications and issuing *Land and Water Act* tenures and approvals.

Role of the Commission

- The OGC will advise the proponent on information that the proponent needs to obtain through independent research to enable assessment of the application under the *Land and Water Act*.
- The OGC will assist the proponent in gathering information available within the public sector regarding potential impacts to the land base so that the proponent can formulate a plan for mitigation of negative impacts. The OGC will provide the proponent with suggestions for mitigative actions to avoid negative environmental impacts if appropriate and requested by the proponent.
- The OGC will help the proponent identify those agencies that would have an interest in the proposed activity and inform the proponent regarding other agencies to contact for permits not obtainable from the OGC.
- The OGC will advise the proponent of their public consultation requirements.
- The OGC will guide the proponent concerning relevant First Nations issues.
- The OGC will undertake preliminary statusing and enter the pre-application into Tantalus and IRIS
- The OGC will inform the proponent of the need for an application under the *Environmental Assessment Act*, if required. The OGC will contact the Environmental Assessment (EA) office if the project is a reviewable project pursuant to the *Environmental Assessment Act*. The OGC will assist the Environmental Assessment office with the task and defer its decision making pending completion of the EA process.
- The OGC may request LWBC involvement in an EA process.

Role of LWBC

- None

Stage 2: Application

Role of the Commission

- The OGC accepts the application package, screens it for preliminary completeness (and informs the proponents of missing information such as fees, application forms, and information requirements), assigns the appropriate OGC file number, and enters it into Tantalus and IRIS.
- For applications involving land tenures, further screening will be carried out for application completeness to ensure:
- advertisements have been placed in the media; and
- there is evidence that public concerns have been satisfactorily addressed either through the EA process or through public consultations carried out by the proponent.

Role of LWBC

- None.

Stage 3: Land and Water Use Assessment

During this phase issues surrounding pipeline route selection, land access, camp locations, stream crossings, heritage protection, waste management and timber harvesting concerns are addressed.

Role of the Commission

- The OGC will conduct field inspections, complete status work and plotting, and prepare hard copy map sheets.
- Where Crown land or water access is required, a complete copy of the application will be transmitted by the OGC to the regional offices of the relevant government agencies. The OGC will later distribute to the reviewing agencies information packages assembled by the proponent addressing outstanding items.
- The OGC will commence formal consultations with First Nations as required.
- For projects that have not proceeded through a review by the Environmental Assessment Office a more comprehensive public and stakeholder review may need to be conducted. The type and level of consultation will depend on the nature and location of the project and will reflect comments from reviewing agencies familiar with local concerns.
- The OGC may arrange a meeting or conference call with agency representatives to review the critical or controversial points of the application and agency concerns.

Role of LWBC

- LWBC will provide limited assistance as may be requested and agreed upon.

Stage 4: Integration and Final Review

During this phase, application review and assessment work is finalized by the OGC. Feedback and recommendations from the previous step are integrated to provide Commission staff with a comprehensive project impact overview.

Role of the Commission

- The OGC will integrate all agency and First Nations views and public comments and prepare an assessment of the issues raised by the application.
- The OGC may conduct additional meetings and/or assessments in order to reach their decision.
- The OGC will prepare reasons for decision as required.

Role of LWBC

- None.

Stage 5: Decision (post October 2002)

At this stage, the final decision is made by the OGC considering comments received from agencies, the public and First Nations. The OGC will issue its decision along with all other permitting required. Conditions for carrying out the project may be attached, where appropriate, in response to identified concerns.

Role of the Commission

- The OGC will prepare the offer letter and issue legal tenure documents.

Role of LWBC

- None

Stage 6: Tenure administration

The ongoing administration of Crown land tenures is a shared responsibility. LWBC remains responsible for all financial aspects of tenure management and tenure reviews; whereas the OGC undertakes all amendments, assignments, replacements and renewals.

Role of the Commission

- The OGC will conduct all tenure amendments, assignments, cancellations, replacements and renewals.
- The OGC will be the primary contact for clients' concerns or questions pertaining to oil and gas activities and pipelines.
- The OGC will be responsible for enforcing tenure compliance and managing trespass pertaining to oil and gas activities and pipelines.

Role of LWBC

- LWBC will administer all billings associated with long term tenure, including management of accounts receivable and quantity surveys where relevant.
- LWBC will undertake all rent reviews and assist the OGC with other tenure reviews as may be requested and agreed upon.
- LWBC will assist the OGC on request with assignments/name changes. Depending on the volume and work priorities LWBC may seek to negotiate a fee for this service from the OGC.
- LWBC will assist with trespass and tenure compliance issues as may be requested and agreed upon.

APPENDIX 2 –
**THE ADMINISTRATION OF *LAND ACT* TENURES FOR PROVINCIALY
REGULATED PETROLEUM, NATURAL GAS AND PIPELINES OUTSIDE OF
THE NE REGION OF BC.**

1.0 Introduction

The purpose of this appendix is to identify and coordinate specific responsibilities of the OGC and LWBC respecting the issuance of *Land* and *Water Act* tenures and approvals for oil and gas activities and pipelines outside the Northeast of British Columbia. The OGC carries out their functions from their office in Fort St. John and may request assistance from LWBC Service Centres and Field Offices located in other geographic centres to carry out functions related to *Land* and *Water Act* tenures and approvals.

2.0 Responsibilities/Process/Procedures

Stage 1: Pre-application

During this phase the proponent assembles his project application document. For applications outside of the NE, the OGC will advise the proponent of the general requirements that apply to all applications for Crown land and water for oil and gas activities, and also advise the proponent to contact the appropriate LWBC office for additional regional or site specific information requirements. Given their broader regional presence, LWBC will assist the OGC through the provision of professional, technical and administrative expertise that cannot reasonably be provided directly by the OGC. The OGC should be notified of any meetings between LWBC and the proponent. The processing and issuance of tenures for oil and gas purposes (other than for federally-regulated pipelines and ancillary services) is the legal responsibility of the OGC and cannot be undertaken by LWBC.

Role of the Commission

- The OGC is the initial contact for all inquiries and applications for oil and gas purposes in the Province. The OGC informs the proponent of general requirements and processes, including the role of LWBC in assisting with the application. The OGC will direct the applicant to the appropriate LWBC regional office for additional regional or site specific information.
- The OGC will enter the pre-application data into Tantalus.
- The OGC will inform the proponent of aboriginal and treaty processes and obligations.
- The OGC will guide the proponent concerning relevant First Nation issues and requirements
- The OGC will inform the proponent regarding other agencies to contact for permits not obtainable from the OGC.
- The OGC will inform the proponent of the need for an application under the *Environmental Assessment Act*, if required. The OGC will contact the Environmental Assessment (EA) process, if the project is a reviewable project pursuant to the *Environmental Assessment Act*. The OGC will assist the EA

office task and defer their decision on an application for a reviewable project pending completion of the EA process.

- The OGC may request LWBC involvement in an EA process.

Role of LWBC

- LWBC will advise the proponent to contact the OGC for general information regarding oil and gas activities and pipelines.
- LWBC will advise the proponent of any additional information that the proponent needs to obtain through independent research to enable assessment of applications under the *Land and Water Acts*.
- LWBC will advise the OGC of information available to the public regarding environmental issues so that the proponent can formulate a plan to mitigate potential negative impacts. LWBC will provide the OGC with suggestions for mitigative actions to avoid negative environmental impacts.
- LWBC will undertake preliminary statusing.
- LWBC will help the OGC identify those agencies that would have an interest in the proposed oil and gas activity or pipeline.
- LWBC will advise the OGC of any public consultation concerns.
- LWBC may participate in the Environmental Assessment process as may be requested and agreed upon.

Stage 2: Application

Role of the Commission

- The OGC reviews the application package, screens it for preliminary completeness (and informs the proponents of missing information such as fees, application forms, and information requirements), assigns the appropriate OGC file number and enters it into Tantalus.
- For applications involving land tenures, further screening will be carried out for application completeness to ensure:
 - advertisements have been placed in the media; and
 - evidence that public concerns have been satisfactorily addressed either through the EA process or through public consultations carried out by the proponent.

Role of LWBC

- None.

Stage 3: Land and Water Use Assessment

During this phase issues surrounding pipeline route selection, land access, camp locations, stream crossings, heritage protection, waste management and timber harvesting concerns are addressed.

Role of the Commission

- Where Crown land access or water is required, a complete copy of the application will be transmitted by the OGC to regional offices of the relevant government agencies. The OGC will distribute to the reviewing agencies information packages assembled by the proponent addressing outstanding items.

- The OGC will review the referral responses and provide LWBC with relevant information. The OGC may request that LWBC provide land use recommendations, including proposed terms mitigating negative impacts of the project.
- The OGC will undertake formal consultations with First Nations as required.
- For projects that have not proceeded through the Environmental Review conducted by the EA Office, a more comprehensive public and stakeholder review may need to be conducted. The type and level of consultation will depend on the nature and location of the project and will reflect comments from reviewing agencies familiar with local concerns.
- The OGC may arrange a meeting or conference call with agency representatives to review the critical or controversial points of an application and agency concerns.

Role of LWBC

- LWBC will conduct field inspections, complete status work and plotting, and prepare hard copy map sheets for the OGC.
- LWBC will not be required to assess or respond to the application with respect to First Nations issues, or any issues that arise from public consultation. If LWBC is aware to any significant First Nation or general public issues, information will be provided to OGC for follow up.

Stage 4: Integration and Final Review

During this phase, application review and assessment work is finalized by the OGC. Feedback and recommendations from the previous step are integrated to provide Commission staff with a comprehensive project impact overview.

Role of the Commission

- The OGC will integrate all agency views, including LWBC's land use recommendation, and prepare an overall assessment of the application.
- The OGC may conduct additional meetings and/or assessments in order to reach their final decision.
- The OGC will prepare reasons for decision as required.

Role of LWBC

- LWBC responds to any requests from the OGC for clarification or additional information relating to land use issues.

Stage 5: Decision

At this stage, the final decision is made by the OGC based on comments received from line agencies, the public and First Nations. The OGC will issue its decision along with all other permitting required. Conditions for carrying out the project may be attached, where appropriate, to address identified concerns.

Role of the Commission

- The OGC will prepare the offer letter and issue legal tenure documents.

Role of LWBC

- By mutual agreement LWBC will assist with long-term tenure documentation if requested by the OGC.

Stage 6: Tenure administration

The ongoing administration of Crown land and water tenures is a shared responsibility. LWBC remains responsible for all financial aspects of tenure management and tenure reviews; whereas the OGC undertakes all assignments. LWBC drafts all offers and documentation, amendments, replacements and renewals for all oil and gas tenures files previously established prior to the commencement of the Commission.

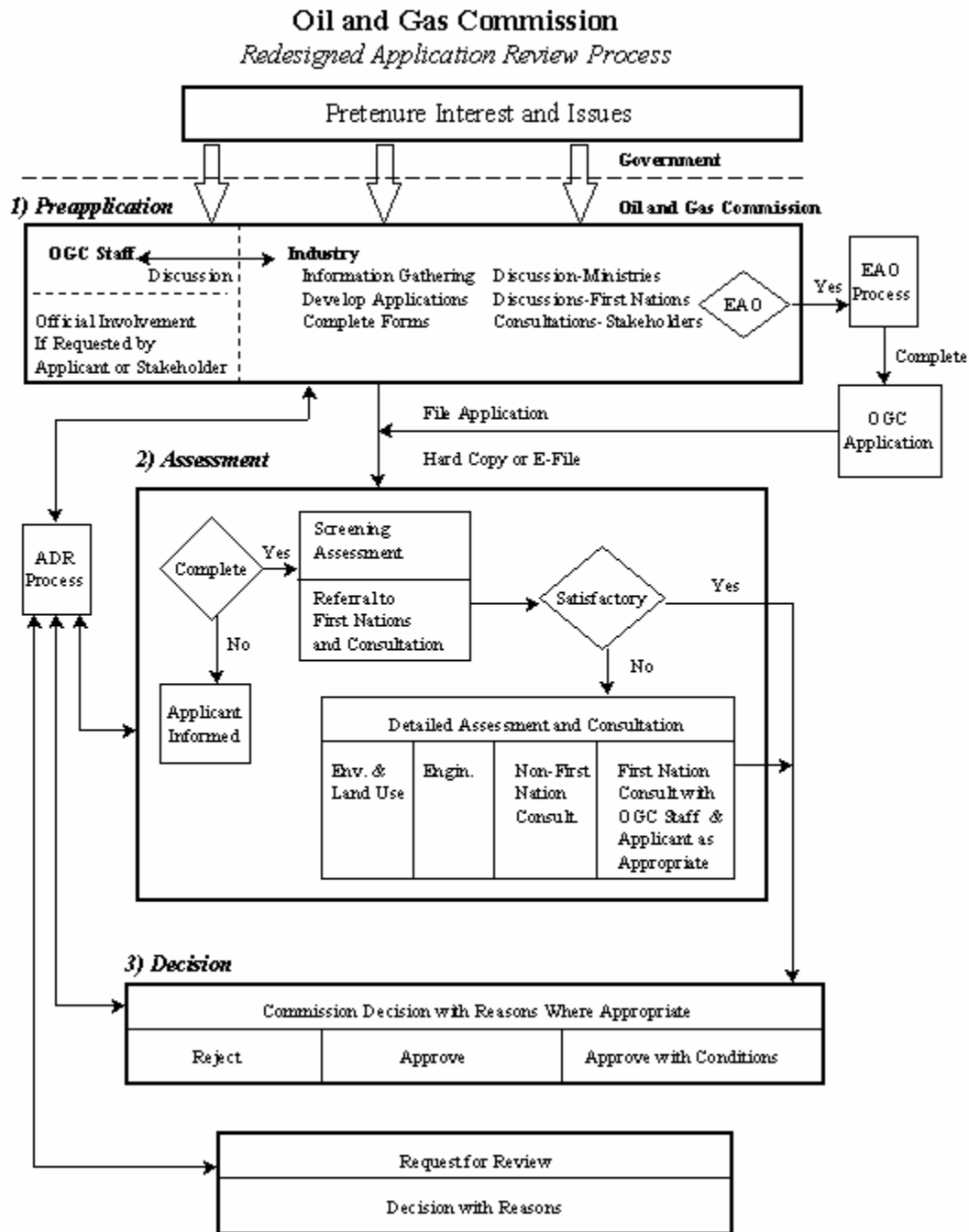
Role of the Commission

- The OGC will conduct all tenure assignments and cancellations.
- The OGC will be the primary contact for clients' concerns or questions pertaining to oil and gas activities and pipelines.
- The OGC will be responsible for enforcing tenure compliance and managing trespass pertaining to oil and gas activities and pipelines.
- Tenures that are no longer required for oil and gas purposes will be transferred by the OGC to LWBC as agreed upon.

Role of LWBC

- LWBC will administer all billings associated with *Land Act* tenures to the tenure holder, including management of accounts receivable and quantity surveys where relevant.
- LWBC will undertake all rent reviews and assist the OGC with other tenure reviews as may be requested and agreed upon.
- LWBC will assist with trespass and tenure compliance issues as required and agreed upon.

1.1.1.1.1 Appendix 3 – OGC General Application Review Process



APPENDIX 4 - PROCEDURES RELATING TO LAND ACT TENURES FOR OIL AND GAS ACTIVITIES

Within Northeast

Outside Northeast

<p>Stage 1: Pre-application</p>	<p>OGC</p> <ul style="list-style-type: none"> undertakes preliminary staturing enters pre-application into Tantalus advises and assists the proponent (provides information on agencies to contact, First Nations and public consultation requirements, etc.) initiates and supports EA process (if required) <p>LWBC</p> <ul style="list-style-type: none"> may participate in EA process 	<p>OGC</p> <ul style="list-style-type: none"> enters pre-application into Tantalus advises and assists the proponent (provides information on agencies to contact, First Nations and public consultation requirements, etc.) initiates and supports EA process (if required) <p>LWBC</p> <ul style="list-style-type: none"> undertakes preliminary staturing advises OGC re local agencies to contact and public consultation concerns may participate in EA process
<p>Stage 2: Application</p>	<p>OGC</p> <ul style="list-style-type: none"> accepts application and screens for completeness <p>LWBC</p> <ul style="list-style-type: none"> none 	<p>OGC</p> <ul style="list-style-type: none"> accepts application and screens for completeness <p>LWBC</p> <ul style="list-style-type: none"> none
<p>Stage 3: Land & Water Use Assessment</p>	<p>OGC</p> <ul style="list-style-type: none"> conducts field inspections, completes staturing and prepares map sheets. conducts agency and stakeholder referrals commences formal consultations with First Nations carries out public consultations (if no EA process) <p>LWBC</p> <ul style="list-style-type: none"> none 	<p>OGC</p> <ul style="list-style-type: none"> conducts agency and stakeholder referrals and provides LWBC with relevant information commences formal consultations with First Nations carries out public consultations (if no EA process) <p>LWBC</p> <ul style="list-style-type: none"> conducts field inspections, completes staturing and prepares map sheets. provides land use recommendation (if requested)
<p>Stage 4: Integration and Final Review</p>	<p>OGC</p> <ul style="list-style-type: none"> integrates feedback and recommendations from all agencies, First Nations and public prepares an overall assessment of the application and reasons for decision <p>LWBC</p> <ul style="list-style-type: none"> none 	<p>OGC</p> <ul style="list-style-type: none"> integrates feedback and recommendations from all agencies, First Nations and public prepares an overall assessment of the application and reasons for decision <p>LWBC</p> <ul style="list-style-type: none"> may provide clarification and additional information
<p>Stage 5: Decision</p>	<p>OGC</p> <ul style="list-style-type: none"> prepares offer letter and issues tenure documents <p>LWBC</p> <ul style="list-style-type: none"> may assist in preparation of long term tenure documentation 	<p>OGC</p> <ul style="list-style-type: none"> prepares offer letter and issues tenure documents <p>LWBC</p> <ul style="list-style-type: none"> may assist in preparation of long term tenure documentation
<p>Stage 6: Tenure Administration</p>	<p>OGC</p> <ul style="list-style-type: none"> conducts all amendments, assignments, cancellations, replacements and renewals enforces tenure compliance and trespass <p>LWBC</p> <ul style="list-style-type: none"> administers financial aspects and rent reviews may assist with other tenure reviews, trespass and compliance 	<p>OGC</p> <ul style="list-style-type: none"> conducts all amendments, assignments, cancellations, replacements and renewals enforces tenure compliance and trespass <p>LWBC</p> <ul style="list-style-type: none"> administers financial aspects and rent reviews may assist with other tenure reviews, trespass and compliance

