

Ministry of Energy, Mines and Low Carbon Innovation

**Policy for Continuations under Sections 3 (5.1) and 5.01 of the
Petroleum and Natural Gas Drilling Licence and Lease Regulation**

December 2023



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Energy, Mines and
Low Carbon Innovation

Summary of revisions

Date	Section	Description
December 2023	All	Updated guide to reflect changes from BC Reg. 33/2020: <ul style="list-style-type: none">• Added further prescribed delays for drilling licences and the ability to continue leases.• Replaced term ‘extension’ with ‘continuation’ where appropriate.• Clarified the factors for consideration.
August 2017	All	Ministry name change.

The information in this guide is for your convenience and guidance and is not a replacement for the legislation or regulations. You can access the legislation and regulations online through [BC Laws](#).

Overview

This guide explains the factors the Minister may consider in determining whether to continue a drilling licence or lease for a prescribed delay in drilling activity under sections 3 (5.1) or 5.01 of the Petroleum and Natural Gas Drilling Licence and Lease Regulation (DLLR). There are circumstances identified under sections 3 (5.1) and 5.01 of the DLLR that may result in drilling delays. A drilling licence or lease continuation may be granted if drilling of a well is delayed pending completion of any of the following (prescribed delays):

- an environmental or socioeconomic study;
- a public hearing;
- a planning or consultation process;
- a correction of unsafe well site conditions;
- the provision of safe access to the well site.

It is important to read the [Guidance to the Administration of Petroleum and Natural Gas Drilling Licences](#) and the [Guide to Petroleum and Natural Gas Act Lease Continuations](#) for additional information on the criteria and application requirements for this type of continuation.

Factors for consideration

- In the case of an environmental or socioeconomic study, a public hearing or a planning and consultation process:
 - Is the prescribed delay one that has been initiated or legislated by a government agency?
 - What planning or consultation processes with First Nations have occurred? Have these been initiated or legislated by a government agency?
- How has the prescribed delay specifically contributed to a delay in drilling?
- Was the permit (well authorization) approved prior to the prescribed delay taking effect and, if so, why did drilling not start at that time?
- Are there factors other than the prescribed delay that may have caused a delay in drilling?
- What steps has the licensee taken toward exploration on the drilling licence?
- Could a continuation of the drilling licence result in expedient drilling of the earning well and conversion of the drilling licence to a lease once the delay has been resolved?
- Could a continuation of the drilling licence or lease result in more expedient development of the area than reversion of the rights to the Crown?
- Would a continuation of the drilling licence or lease allow for the drilling to be done in a way that is consistent with the goals of the study, hearing or process?
- Has a continuation already been granted under section 3 (5) of the DLLR or section 62 of the Petroleum and Natural Gas Act and, if not, would a continuation under one of these sections be more suitable?

- Have any prior continuations under sections 3 (5.1) or 5.01 of the DLLR been granted and, if so, what caused the continued delay in drilling over the previous licence or lease continuation term(s)?

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