

Ministry of Energy, Mines and Low Carbon Innovation

Guide to Acquiring Crown Petroleum and Natural Gas Tenure

December 2023

Summary of revisions

Date	Section	Description
December 2023	All	Updated to reflect ministry, division and branch name change; expanded on and clarified the reasons the ministry might reconfigure, defer or deny a posting request; and clarified the process related to withdrawing, postponing or revising a posting request. Added information on eBidding.
July 2018	Posting petroleum and natural gas rights.	Updated to reflect that the monthly Notice of Public Tender is no longer published in the BC Gazette.
March 2018	Reconfigured or denied posting requests.	Added information to explain how posting requests may be reconfigured.
November 2017	All	Ministry name change.
April 2017	All	New guide replaces former posting and bidding guides; contact information updated.

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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](#).

Introduction

The Ministry of Energy, Mines and Low Carbon Innovation (ministry) disposes of parcels of Crown reserves of petroleum and natural gas (PNG) rights in accordance with section 71 of the Petroleum and Natural Gas Act (PNGA). Dispositions take place according to the [schedule of disposition dates](#) and are conducted through online bidding. This guide provides information related to acquiring PNG tenures through the processes of requesting, posting and bidding on parcels of Crown PNG rights available for disposition.

Tenure types

The ministry disposes of parcels of Crown PNG rights in the form of subsurface tenure (PNG tenure). PNG tenure provides the exclusive right to explore for or produce Crown PNG resources specified in the tenure. Any oil and gas activities required to explore for or produce PNG resources, including well drilling and pipeline, facility or road construction, require a permit and are regulated by the BC Energy Regulator under the Energy Resource Activities Act. Oil and gas activities may occur on or off tenure, depending on the type of activity.

The ministry currently issues two different forms of PNG tenure: drilling licences and leases.

Drilling licences

Drilling licences are a form of tenure conveying the right to explore for PNG resources in a defined area. They are intended to stimulate exploration and infrastructure investment through the requirement to drill “earning wells”, which provide credits towards converting a drilling licence to a lease.

The minimum size of a drilling licence request is one gas spacing area (GSA) (see [gas spacing areas](#) below). The maximum size of a drilling licence request is 36 GSAs. The ministry generally requires justification from the posting company for requests over 6,000 hectares (~24 GSAs).

Leases

Leases are a form of tenure conveying the right to produce PNG resources in a defined area. They are the only form of tenure giving a right of production. In addition to production rights, leases convey certain storage and disposal rights, subject to storage leases that were issued prior to the PNG lease in the same location.

The minimum size of a lease request is one GSA, unless complete gas spacing is restricted by existing title in the same stratigraphic zone. If the lease request is for a petroleum well, a lease may be an oil spacing area, which is a single unit of the PNG grid or a quarter section of the Peace River Block. For more information on the PNG grid and the Peace River Block, go to the [Petroleum and Natural Gas Grid Guide](#).

Requesting petroleum and natural gas rights

The first step in acquiring PNG rights is to submit a request to the ministry to post PNG rights for disposition. The ministry accepts posting requests up to and including the closing date for postings shown on the [schedule of disposition dates](#).

Submitting posting requests

You can submit a request for posting Crown PNG rights by email at PTOnline@gov.bc.ca.

Address the email to:

Manager Crown Sales and GIS Services
Tenure and Resource Stewardship Branch
Energy Resources Division
Ministry of Energy, Mines and Low Carbon Innovation

Please use the [Sample Posting Request Letter](#) and include the following information in your request:

- disposition date (if no date is specified the request will be for the next disposition);
- written description of the area (based on the PNG grid and/or the Peace River Block);
- tenure type (drilling licence or lease);
- requested rights (i.e., all available rights or specific zones);
- sketch of area (map of legal description);
- contact information (name, address, phone and email).

The ministry will send you an email acknowledging receipt of your posting request. If you do not receive an acknowledgement email by the closing date for your desired sale, please contact the ministry by emailing PTOnline@gov.bc.ca or by telephone at 250-952-0333.

PLEASE NOTE: Posting requests do not get priority based on time or date of submission. If two or more posting requests for the same disposition overlap, reconfiguration may be necessary. The ministry will provide you with details if your posting request is changed.

Gas spacing areas

Your posting request must include a written description of the area you would like offered for disposition described in terms of GSAs. A GSA is made up of four units of the PNG grid or one section of the Peace River Block.

The centre of one GSA of the PNG grid is the intersection of four blocks of the grid.

Example: 1 GSA = Unit 100 of Block A; Unit 91 of Block B; Unit 1 of Block G; Unit 10 of Block H, or any other four-unit group moving outward in an adjacent manner.

025	024	023	022	021	030	029	028	027	026	
094-H-04 Block G						094-H-04 Block H				
015	014	013	012	011	020	019	018	017	016	
005	004	003	002	001	010	009	008	007	006	
					1 GSA					
095	094	093	092	091	100	099	098	097	096	
085	084	083	082	081	090	089	088	087	086	
094-H-04 Block B						094-H-04 Block A				
075	074	073	072	071	080	079	078	077	076	

Posting requests can be made for other-than-normal spacing (OTNS) areas. The OTNS areas exist where the Peace River Block adjoins the PNG grid and in areas adjacent to British Columbia's jurisdictional boundaries where partial GSAs are added to full GSAs.

If you are submitting a posting request for OTNS areas around the Peace River Block, please see the [Gas Spacing Map for the Peace River Block](#). For more information about the PNG grid, see the [Petroleum and Natural Gas Grid Regulation](#).

The ministry will inform you if any changes are made to the configuration of your posting request to accommodate OTNS areas.

Posting request maps and shapefiles

Posting requests being considered for disposition are shown on the posting request maps, in the parcel descriptions and in the shapefiles located on the [ministry website](#). If your posting requests do not appear on the posting request maps and you have not been advised of this decision, please contact the ministry by emailing PTOnline@gov.bc.ca or by telephone at 250-952-0333.

Pre-tenure referral of posting requests

All posting requests are subject to an internal review and referral process (pre-tenure referral) to determine if the requested PNG rights should be made available. The purpose of pre-tenure referral is to identify Indigenous interests and rights, potential cumulative effects, and local government interests, which are considered in the decision of whether to post PNG rights for sale.

As part of this process, the ministry consults with potentially impacted First Nations and considers cumulative effects and potential impacts to rights and title. This assessment may result in a posting request being reconfigured, deferred, or denied. Posting requests may also be reconfigured, deferred, or denied for the following reasons, among others:

- some or all of the area is identified by ministerial order under section 72 of the PNGA;
- some or all of the area is identified as an ecological reserve under the Ecological Reserve Act or the Protected Areas of British Columbia Act;
- some or all of the area is subject to negotiations and planning between the Province and First Nations;
- some or all of the area is subject to overlapping requests;
- the requesting party is indebted to the Government of British Columbia;
- some or all of the area is identified by policy as a resource review area;
- the cumulative effects of developing the PNG rights in the future would not be in the public interest.

A resource review area is an area where new requests to post PNG Crown rights are suspended. Resource review areas can be established for the following reasons, among others:

- to address concerns related to wildlife and species at risk management;
- to address Indigenous interests and land use issues;
- to address concerns of local governments;
- to facilitate negotiations and planning between First Nations and the Province;
- to ensure availability of rights, to improve resource recovery or to improve potential value to the Crown.

If a posting request is being reconfigured, deferred or denied, the ministry will contact the requestor. The requestor may also contact the ministry at PTOnline@gov.bc.ca or 250-952-0333 with any questions.

Posting requests currently deferred by the ministry are shown on the deferred parcel maps and in the shapefiles located on the [ministry website](#).

If outstanding issues are resolved, the parcel will be brought forward for sale. If the original requestor is no longer interested in proceeding, the ministry may postpone the parcel to a later sale. Please see [withdrawing, postponing or revising posting requests](#) below.

The ministry encourages requestors to engage with First Nations as early as possible in the planning stages to build relationships and for information-sharing purposes that may support consultation processes.

Withdrawing, postponing or revising posting requests

The original requester may ask that a posting request they made be withdrawn, postponed or revised up to the withdraw, postpone and revise deadline in the [schedule of disposition dates](#). To withdraw, postpone or revise a posting request, the original requester should contact the ministry for approval. The ministry retains the right to refuse requests to withdraw, postpone or revise a posting request when it is determined to be in the Crown's best interest.

Withdrawn posting requests

If the ministry accepts a request to withdraw a posting request, the ministry will not offer the withdrawn parcel for disposition.

Postponed posting requests

If the ministry accepts a request to postpone a posting request until a specific date, the ministry will offer the parcel in a future disposition provided the rights are still available. The postponement of a posting request does not guarantee that the original requested configuration and/or the original requested rights will be preserved for the future date. For instance, a postponed parcel may be brought forward early if a second request is received for those same rights prior to the postponed date.

If a parcel is postponed before pre-tenure referral is complete, the parcel will need to complete pre-tenure referral before being offered. All parcels postponed after pre-tenure referral is complete may require additional consultation.

Revised posting requests

The ministry may accept revisions to a posting request as follows:

- the requested tenure type may be changed;
- the requested rights may be changed;
- the size of the posting request may be reduced;
- multiple posting requests may be combined to create one or more larger parcels providing the footprint of the original requested area does not increase;
- posting requests may be split into smaller parcels providing the footprint of the original requested area does not increase.

Posting petroleum and natural gas rights

The ministry publishes a [Notice of Public Tender](#) online approximately seven weeks prior to the disposition date. The notice lists parcels of Crown PNG rights available for disposition, including caveats, terms and conditions.

Caveats disclose information identified during the pre-tenure referral process to inform bidders of matters that may affect development of the tenure, such as potential access restrictions, Crown designations, environmental values, local government zoning and Indigenous interests and rights. Tenure holders are expected to consider and address caveats accordingly prior to conducting oil and gas activities.

Terms and conditions can refer to the location, description of rights, length of time the rights are available and other information stipulated under the PNGA and associated regulations related to the administration and issuance of drilling licences and leases.

Successful bidders should also be aware that they will be required to abide by the laws governing exploration and development regardless of specific caveats, terms or conditions listed in the [Notice of Public Tender](#).

To subscribe to receive a copy of the Notice of Public Tender, please visit the ministry's [Crown sales notices](#) website and enter your email address under the heading "Subscribe".

Bidding for petroleum and natural gas rights

To acquire a parcel of Crown PNG rights at a disposition, you will need to create a Business BCeID account to access the ministry eBidding system. The [eBidding Help Guide](#) outlines how to use the eBidding system and the information required to bid on PNG rights.

Bid preparation

When bidding for tenure, you will need to advise who the title owner(s) will be and the total bid for the parcel.

Your total bid must include the tenure issuance fee of \$500, the first year's rent for the parcel and a bonus bid. There is no minimum bonus bid in British Columbia; however, the Minister reserves the right to reject any or all bids.

Payment for your bid is through a pre-authorized debit (PAD) code associated with your eBidding account. Please see the [remittances](#) information below for complete details on registering for a PAD code and submitting a payment.

Bid submission

Bids must be received by noon (PT) on the disposition date. Once submitted in the eBidding system, they can be withdrawn up until 10 minutes before noon of the sale day. All bids are reviewed by the adjudication panel. The Minister reserves the right to reject any or all bids received.

Bid acceptance

Acceptance of a bid by the Minister obliges the successful bidder to enter into a drilling licence or lease agreement pursuant to the terms specified by the Minister and as described in the parcel description contained in the Notice of Public Tender.

Please note: The Minister is prohibited from issuing a lease to a person who is indebted in accordance with section 53 (3) of the PNGA.

Disposition results

[Disposition results](#) are released the day after sale via the eBidding system. You can also subscribe to the email distribution list to receive notification of all results. To do so, please visit the ministry's [sales results & statistics](#) web page and enter your email address under the heading "Subscribe".

The ministry issues tenure the day following the disposition to provide tenure holders with beneficial use of a tenure agreement for its full term. Title documents are available for download from the eBidding system and one original signed copy of the title document is mailed to the tenure holder for their records. Corporations holding tenure in British Columbia must register with the BC Corporate Registry within two months of acquiring tenure, in accordance with section 375 (1) of the Business Corporations Act. Please contact the [BC Corporate Registry](#) for information.

Submitting a re-posting request

If no bids or no acceptable bids are received for a parcel, you may make a re-posting request for the next available disposition date. Re-posting requests can be made by email up to and including the no bid (NB) or no acceptable bid (NAB) closing date as shown on the [schedule of disposition dates](#). NB or NAB requests do not need to be requested by the original requestor, and they are included in the next sale for which a list of parcels has not already been advertised.

Re-posting requests must be the same shape, size and location and for the same rights as the original request. Re-posting request letters are the same as [posting request letters](#), but please ensure it clearly states that your request is for re-posting. The ministry retains the right to refuse re-posting requests.

Remittances

Payment for successful bids (tenure issuance fee, rent and bonus bid) is due at the time the bid is submitted. All payments must be made by pre-authorized debit (PAD). Your PAD will not be accessed if you are not the successful bidder.

Before you can pay by PAD, you must register using the forms attached below. Once you complete the forms, you will be assigned a PAD code, which you can use to pay through the ePayments system.

Please complete the following forms to register for PAD:

[PAD Authorization Letter](#)

[Debit Authorization](#)

[Authorization for Agent](#) – This form is required only if you intend to allow an agent to submit bids on your behalf (using their letterhead and requesting we debit your bank account).

Please submit the original signed forms by email to PNG.epayments@gov.bc.ca or by mail to the revenue reconciliation clerk at the address below. The ministry will process PAD program applications within two business days of receipt. Please contact the revenue reconciliation clerk at the email address above or telephone 250-952-0333 to confirm receipt of your PAD documents.

Contact information

Ministry of Energy, Mines and Low Carbon Innovation
Energy Resources Division
Tenure and Resource Stewardship Branch

Telephone: 250-952-0333
Email: PNGTitles@gov.bc.ca

Mailing Address:
PO Box 9326, Stn Prov Gov't
Victoria, BC V8W 9N3

Location:
4th Floor, 1810 Blanshard Street
Victoria, BC V8T 4J1