

INFORMATION LETTER

ENERGY RESOURCES DIVISION

OGD-23-03

SUBJECT: Amendments to the Petroleum and Natural Gas Storage Reservoir Regulation

Amendments to the *Petroleum and Natural Gas Act* (PNGA) and the Petroleum and Natural Gas Storage Reservoir Regulation have been brought into force. See <u>Order in Council 463/23</u> for the new regulation.

Amendments to the PNGA removed restrictions on who can apply for a storage reservoir licence. Previously a person would have to hold a storage reservoir exploration licence or a petroleum and natural gas tenure. This change removes an unnecessary barrier to obtaining a licence for storage of carbon dioxide.

The Petroleum and Natural Gas Storage Reservoir Regulation has been amended to:

- update content requirements for applications for storage reservoir exploration licences and storage reservoir licences;
- allow for publication of specific storage reservoir licence application information, such as location and substances proposed to be stored;
- add the requirement for the Minister to consider a specific set of matters when evaluating an application for a storage reservoir licence;
- add a minimum depth for storage reservoirs to minimize the risk of contamination of groundwater;
- require a minimum size of a normal spacing area for a storage reservoir licence location;
- add the requirement for a transfer of a storage reservoir licence to be approved by the Minister;
- allow for terms and conditions to encourage active use of storage reservoirs to support emissions reduction;
- clarify terms, extensions and renewals for storage reservoir exploration licences and storage reservoir licences; and
- allow for amendments to a storage reservoir licence.

The Ministry is updating the Guidance for Obtaining and Utilizing Subsurface Storage Tenure for Carbon Dioxide Storage to reflect these amendments. The Ministry is also working on an application guide and an information letter will be issued when these policy guides are available.

Nathaniel Amann-Blake Assistant Deputy Minister Energy Resources Division

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For further information contact:

Energy Resources Division PO Box 9326, Stn Prov Gov't Victoria, BC V8W 9N3 Telephone: 250-952-0333 Email: PNGTitles@gov.bc.ca