



Land Use Policy

Oil and Gas Facilities and Well Sites

NAME OF POLICY:	Oil and Gas Facilities and Well Sites
APPLICATION:	<p>Applies to surface tenures for Crown land used for the purpose of oil and gas facilities and well sites. The policy does not apply to Pipelines, roads or Associated Oil and Gas Activities.</p> <p>This policy is intended to be used in concert with the Commission's Oil and Gas Application and Operations Manuals</p>
ISSUANCE:	Assistant Deputy Minister, Rural Opportunities, Tenures and Engineering Division
IMPLEMENTATION:	BC Energy Regulator; and Ministry of Forests (FOR)
REFERENCES:	<p><i>Land Act</i> (Ch. 245, RSBC 1996) <i>Land Title Act</i> (Ch. 250, RSBC 1996) <i>Ministry of Lands, Parks and Housing Act</i> (Ch. 307, RSBC 1996) <i>Oil and Gas Activities Act</i> (Ch. 39, RSBC 1996) <i>Petroleum and Natural Gas Act</i> (Ch. 361, RSBC 1996)</p> <p>This policy replaces the Oil and Gas Operational Land Use Policy dated August 15th, 2010</p>
RELATIONSHIP TO PREVIOUS POLICY:	

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1. POLICY APPLICATION

The Ministry of Forests (FOR) is responsible for the *Land Act* and the *Ministry of Lands, Parks and Housing Act* (MLPHA) as it relates to Crown lands. Within the context of oil and gas, MoF is responsible for the policies and procedures relating to *Land Act* dispositions of Crown land; establishing Crown land rents; fee simple dispositions (i.e., Crown grants), land use authorizations that are not within the legislated mandate of the BC Energy Regulator (the Regulator); and for establishing Crown land reserves and withdrawals including those associated with oil and gas.

The Regulator, operating as an agent of the Crown, is the regulatory authority for oil and gas activities in British Columbia including exploration, development, pipelines and reclamation and is responsible for enforcing industry compliance.

The Regulator is the decision-maker on and responsible for activities within its mandate, including all aspects of the processing and issuance of related Crown land tenures under the *Land Act*: the licence of occupation, lease and statutory right of way.

The Regulator is the first point of contact for all oil and gas activities, proposed and in place, and is responsible for ensuring that the application is addressed by the appropriate agency. This relationship is guided by the 2014 Memorandum of Understanding between the previous Ministry of Forests, Lands and Natural Resources and the Regulator.

Crown land authorizations are required to conduct investigative activities and, depending on the outcome of the work, to construct and operate an LNG facility.

This policy applies to surface *Land Act* dispositions issued for:

- Major Facilities, including Facilities for LNG,
- Production Field Facilities (e.g., compression stations, battery site),
- Well sites,

and are carried out, or proposed by proponents that meet the criteria established in section 7.1 of the *Oil and Gas Activities Act* General Regulation.

This policy does not apply to:

- Geothermal facilities;
- The entry upon and use of Crown land as enabled by the Regulator under the *Petroleum and Natural Gas Act* (Section 138);
- Linear installations such as powerlines, or Pipelines (which, by definition include Facilities associated with the pipeline such as line heaters, risers, farm taps, regulators etc.); or
- Associated Oil and Gas Activities.

Associated Oil and Gas Activities that are not within the scope of this Policy are tenured by the Regulator under the appropriate Crown Land Use Policy such as; Utilities (Pipelines and associated installations and Facilities, powerlines etc.), Aggregate and

Quarry Materials, Roadways, Industrial General, Communication Sites, Airports, and General Commercial.

2. PRINCIPLES AND GOALS

This policy is part of a series of policies that are used as a framework to facilitate and support decision-making relating to the authorization of Crown land use and to achieve government's goals with respect to the management of Crown land in a manner that is provincially consistent, fair and transparent. The policies serve as a communication tool to enable the public to understand how the Authorizing Agency makes decisions respecting Crown land.

For information on Crown land allocation principles see [Crown Land Allocation Principles](#).

3. DEFINITIONS AND ABBREVIATIONS

For a glossary of definitions and abbreviations see [Glossary and Abbreviations](#). Definitions that differ from the posted glossary are identified below:

Authorizing Agency means the agency with the legislative authority to dispose of Crown land for oil and gas purposes under the *Land Act* or *MLPHA*. In most cases it is the Regulator, however Crown grants (sales) and *MLPHA* tenures are issued by FOR.

4. APPLICANT ELIGIBILITY

For standard policy information on eligibility see [Eligibility and Restrictions](#).

In order to apply to the Regulator for a Crown land tenure under this policy, the applicant must meet the criteria identified in section 7 of the *Oil and Gas Activities Act* General Regulation and be applying for an Oil and Gas Activity.

5. FORM OF LAND ALLOCATION

For standard policy information on forms of allocation see the [Form of Crown Land Allocation](#).

Refer to Appendix 1 for a summary of the forms and terms of *Land Act* or *MLPHA* dispositions available for oil and gas facilities and Well sites.

The term of the *Land Act* or *MLPHA* tenure should be compatible with the term of the primary resource use authorization for the Oil and Gas Activity (i.e., OGAA Permit). On termination of the latter by any means including cancellation, the *Land Act* or *MLPHA* tenure remains valid until all obligations of the tenure holder have been met.

5.1 Temporary Licence of Occupation

A temporary licence of occupation may be used to authorize short-term use of Crown land and minor improvements for investigative or other temporary uses that are not addressed by the [Permissions Policy](#).

The maximum term for a temporary licence is two years.

For major facilities, including LNG Facilities, where an authorization longer than two years may be required to conduct site investigations, a replacement temporary licence may be used to authorize additional investigative work.

5.2 Licence of Occupation

The maximum term for a licence of occupation is 10 years.

An interim licence of occupation may be issued to authorize entry, occupation, and investigation and construction pending the issuance of a lease or statutory right of way. Upon completion of construction, the tenure area may be reduced to eliminate additional land required during construction to ultimately reflect only that land required for project operation. A Major Facility, including an LNG Major Facility, requires a lease, statutory right of way or sale.

5.3 Lease

For oil and gas leases, maximum term is 30 years.

For an LNG Major Facility, terms are initially set at 30 years, but extensions to the initial lease term is permissible for additional periods of five (5) year increments to a maximum of 60 years. Terms longer than 30 years should be tied to the term of primary resource use authorization.

The appropriate form of tenure for the operation, and decommissioning phases of a Major Facility, including the water lot portion of an LNG Facility, is a lease. The upland portion of an LNG Facility may be leased, although the preferred method of disposition is a sale.

5.4 Statutory Right of Way

A statutory right of way is normally used to authorize Well sites, Production Field Facilities, and linear components ancillary to Major Facilities.

Statutory rights of way for major activities are normally issued for 30 years but may be issued for so long as required.

5.5 Sale

Direct sales provide fee simple dispositions of Crown land. Sales are the preferred form of disposition for the upland portion of all Major Facilities, including LNG Facilities.

6. PRICING POLICY

For information on pricing see the [Pricing Policy](#).

6.1 Administrative Fees

Application and service fees for *Land Act* dispositions which are issued, by the Regulator using its authority under section 8 of OGAA, under this and other land use policies are prescribed by the Regulator (as is consistent with section 3 of the Crown Land Fees Regulation) and are outside this policy.

Application and other administrative fees as set out by the Crown Land Fees Regulation of the *Land Act* are applicable for Crown grants and land tenures issued by FOR. See [Crown Land Fees Procedure](#).

7. ALLOCATION PROCESSES

All prospective oil and gas clients are directed to the Regulator as the first point of contact to verify eligibility to apply under this policy. The Regulator will forward all applications that are not within its mandate to FrontCounter BC.

Applications for Crown land tenure under this Policy must be made to the Regulator via their [Application Management System](#) and are guided by information outlined in the Regulator's Application Manual (Regulator website <https://www.bcogc.ca/>)

For detailed standard information on allocation processes see [Allocation Procedures – Applications](#). Additional and special requirements are listed in the following sections.

7.1 Sale

Crown land sales may occur by application to FOR and only if the proposed site and the use is considered suitable by government agencies and other affected interests.

8. TENURE ADMINISTRATION

For standard tenure administration information that is in addition to the following see the [Tenure Administration Procedure](#). Additional and special requirements are:

8.1 Security/Performance Guarantee

Security requirements for tenures authorized by the Regulator are described in OGAA and the Fee, Levy and Security Regulation.

8.2 Monitoring and Enforcement

Adherence to tenure terms and conditions, OGAA Permit conditions, legislative / regulatory requirements and guidelines / standards form the basis for monitoring and enforcing compliance.

8.3 Termination / Abandonment

Surface tenure should be cancelled when the OGAA permit expires, is cancelled or terminates for any reason and the land area is restored or reclaimed to a satisfactory condition.

9. VARIANCE

Variances to this policy are to be completed in accordance with the [Policy Variance Procedure](#).

Appendix 1: Oil and Gas Facilities and Well Sites Policy Summary

TENURE	TERM	METHOD OF DISPOSITION
Temporary Licence	Maximum two years	Application
Licence of Occupation	Maximum 10 years	Application
Lease	Maximum 30 years, except for LNG major facilities.	Application
Right of Way	Normally 30 years In some circumstances, for as long as required	Application
Sale	Perpetuity	Application