



## INFORMATION LETTER

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OIL AND GAS DIVISION

OGD-20-03

**SUBJECT: Expanded Circumstances for the Continuation of Drilling Licences and Leases**

The Ministry has recently received questions from petroleum and natural gas tenure holders about delays in drilling as a result of COVID-19 and the inability to safely carry out work at well sites. Recent amendments to the *Petroleum and Natural Gas Act* (PNGA) and regulations expanded the circumstances in which the minister has discretion to continue a drilling licence or a lease if drilling of a well is delayed. These amendments were announced in Information Letter [OGD 20-01](#) in February 2020.

Among the expanded circumstances for continuation is the ability for the minister to grant one or more continuations of a drilling licence or a lease if drilling of a well has been delayed pending the completion of:

- the correction of unsafe conditions at the well site; or
- the provision of safe access to the well site.

To address the recent questions received by the Ministry, this information letter provides details on the criteria and application requirements for continuation in the above circumstances. These are just two of the circumstances under section 3 (5.1) and section 5.01 of the Petroleum and Natural Gas Drilling Licence and Lease Regulation. For information on the other circumstances, please see the Information Letter referenced above.

### Criteria to Qualify for a Drilling Licence or a Lease Continuation

The minister may grant continuation for a period of one year or less. There is no limit on the number of times that a tenure holder may apply for this continuation; however, approval is discretionary, and an application is required for each successive extension.

For an application to be considered by the minister, the following criteria must be met:

- The tenure holder must submit a written application to the Director of Petroleum Lands before the end of the current term of the drilling licence or lease along with the annual rent.
- The tenure holder must have submitted an application to drill a well to the BC Oil and Gas Commission at least 30 days before the end of the current term of

the drilling licence or lease. In the case of a drilling licence, the application must have been for a well that would be eligible for designation as an earning well.

- Drilling of the well must be delayed pending completion of:
  - the correction of unsafe conditions at the well site; or
  - the provision of safe access to the well site.

#### Application Process

- If you wish to extend only a portion of the licence or lease, calculate the size of the portion you wish to extend.
- Pay the annual rent per hectare by Submission in ePayments before the end of the current term of the licence or lease.
- Submit a written application to the Director of Petroleum Lands before the end of the current term of the licence or lease.
  - Provide the ePayments Submission number from your rent payment in the subject line.
  - Indicate which section of the Petroleum and Natural Gas Drilling Licence and Lease Regulation you are applying under (section 3 (5.1) for drilling licences; section 5.01 for leases).
  - Provide the legal description of any portions you wish to terminate.
  - Include a copy of the well authorization or permit application that was submitted to the OGC at least 30 days before the end of the current term of the licence or lease.
  - Provide documentation demonstrating how drilling of the well has been delayed.
- Make sure the letter and Submission are for the same title/request; use separate letters for separate Submissions.
- Include the ePayments Submission number in the subject line of your letter.
- Use company letterhead and ensure the letter is signed and dated.
- An ePayments Submission ensures that rent for the title is paid on time; it does not replace the need for a written application.
- Submit application letters by courier or mail:

By courier:

Director of Petroleum Lands  
Ministry of Energy, Mines and Petroleum Resources  
4<sup>th</sup> floor, 1810 Blanshard Street  
Victoria BC V8T 4J1

By mail:

Director of Petroleum Lands  
Ministry of Energy, Mines and Petroleum Resources  
PO Box 9326 STN PROV GOVT  
Victoria BC V8W 9N3

The Ministry is working to revise the tenure policy guides to reflect the changes to the PNGA and regulations and provide more information about application requirements. Further information letters will be published as these guides are updated.

May Mah-Paulson  
Assistant Deputy Minister  
Oil and Gas Division

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For further information contact:

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