



## INFORMATION LETTER

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OIL AND GAS DIVISION

OGD-20-04

### **SUBJECT: COVID-19 Emergency Tenure Continuation Option**

The COVID-19 pandemic has interrupted business operations in the oil and gas sector. Oil and gas operators are facing unprecedented challenges that may result in delays in exploring for or producing petroleum and natural gas. As a consequence, the time-limited tenure rights of drilling licences and leases could expire before the tenure holder has completed their exploration or drilling operations.

Drilling licence and lease continuation options are already available for tenure holders to extend the term of a tenure. This includes options to address site access and safety issues as recently described in [Information Letter OGD 20-03](#). However, the existing continuation options may not be operationally feasible or applicable to all tenure holders at this time. To address the unique challenges faced by industry due to COVID-19, the Petroleum and Natural Gas Drilling Licence and Lease Regulation was amended on May 28, 2020 ([OIC 265/2020](#), [B.C. Reg. 112/2020](#)) to provide a new tenure continuation option.

The new COVID-19 emergency continuation provision provides the minister with discretionary authority to grant a one-time, one-year continuation of drilling licences and leases with terms ending in the year beginning on June 1, 2020. The new continuation may apply to tenures at the end of their primary term or another type of continuation term under the *Petroleum and Natural Gas Act* (PNGA), including tenures that are no longer eligible to continue on payment of a penalty.

#### Eligibility Criteria and Application Process

- For a drilling licence or lease to be eligible for continuation under this provision, the current term must end in the year beginning on June 1, 2020 (i.e., drilling licences and leases with terms that end before June 1, 2020 or after May 31, 2021 are not eligible).
- The application letter and annual rental payment must be submitted before the end of the current term of the drilling licence or lease. Late rental payments are not accepted for this continuation provision and will lead to the rejection of your continuation application.
- All rental payments must be made by an ePayment Continuation/Extension Submission. All qualified titles available to you for payment on the system at the time of payment may be included in a single Submission and a single application. The applicable rental rates are \$3.50 per hectare for drilling licences and \$7.50 per hectare for leases.



- Application letters must be addressed to the Director of Petroleum Lands and sent before the end of the current term of the drilling licence or lease.
  - Provide the ePayments Submission number from your rent payment in the subject line.
  - Use company letterhead and ensure the letter is signed and dated.
  - Use separate application letters for separate Submissions numbers.
  - Request a continuation under section 8 of the Petroleum and Natural Gas Drilling Licence and Lease Regulation. No other information is required to support your application.

- Submit application letters by courier, mail or email:

By Courier:

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

By Email:

Email Subject line:

“Section 8 Continuation Application -  
<submission #>”

Scan and attach the application letter  
and email it to [pngtitles@gov.bc.ca](mailto:pngtitles@gov.bc.ca)

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 petroleum and natural gas tenure policy guidance documents to reflect the changes made this year to the PNGA and regulations. Further information letters will be published as these guides are updated.

May Mah-Paulson  
Assistant Deputy Minister  
Oil and Gas Division

May 2020

For further information contact:

Oil and Gas Division  
PO Box 9326, Stn Prov Gov't  
Victoria, BC V8W 9N3  
Telephone: 250-952-0333  
Facsimile: 250-952-0291  
Email: [PNGTitles@gov.bc.ca](mailto:PNGTitles@gov.bc.ca)