

Ministry of Energy, Mines and Low Carbon Innovation

**Guidance for Obtaining and Utilizing Subsurface Tenure for
Carbon Dioxide Storage**

December 2022



Ministry of
Energy, Mines and
Low Carbon Innovation

Summary of Revisions

Date	Section	Description
December 2022	New Guide	Carbon Dioxide Storage Subsurface Tenure

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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 and administers Crown reserves of petroleum and natural gas (PNG) rights in the form of tenure in accordance with the *Petroleum and Natural Gas Act* (PNGA).

There are two forms of tenure that can be utilized for storage or disposal of carbon dioxide: (1) petroleum and natural gas leases issued in accordance with Part 6 or section 71 of the PNGA, known as a PNG leases; and (2) storage reservoir licences issued in accordance with section 130 of the PNGA.

The purpose of this document is to provide information and guide proponents on obtaining and utilizing PNG leases and storage reservoir licences for the storage or disposal of carbon dioxide.

Definitions

The definitions below are provided for convenience; should they differ from what is listed in the PNGA, the PNGA definitions take priority:

"natural gas": means all fluid hydrocarbons, before and after processing, that are not defined as petroleum, and includes hydrogen sulphide, carbon dioxide and helium produced from a well.

"storage reservoir": means an underground reservoir that is capable of being used for the introduction, disposal, storage or recovery of petroleum, natural gas, carbon dioxide, water produced in relation to the production of petroleum or natural gas, waste or any other prescribed substance.

Storage or Disposal Utilizing a Petroleum and Natural Gas Lease

A holder of a PNG lease may utilize the lease in accordance with section 50 of the PNGA to store or dispose of natural gas and substances associated with petroleum or natural gas exploration, production, or processing. This includes carbon dioxide produced from a well or captured at a petroleum or natural gas facility.

To acquire a PNG lease, which includes the right to store or dispose of carbon dioxide associated with petroleum and natural gas operations, please see [Guide to Acquiring Crown Petroleum and Natural Gas Tenures](#).

A holder of a PNG lease may also, after the end of its initial term, including years of continuation, apply to the Ministry for a lease continuation in accordance with section 61.1 of the PNGA for the purpose of planning for future storage or disposal of carbon dioxide. For application requirements for a section 61.1 lease continuation, please see [Guide to BC Petroleum and Natural Gas Act Lease Continuations](#).

Storage or disposal of carbon dioxide utilizing a PNG lease must occur in accordance with a permit or order issued under section 75 of the *Oil and Gas Activities Act*. Please contact the [BC Oil and Gas Commission](#) for application requirements to store or dispose of carbon dioxide into the underground formation in the location of the PNG lease.

Storage or Disposal Utilizing a Storage Reservoir Licence

Storage Reservoir Licences

A storage reservoir license may be utilized to store or dispose of carbon dioxide from any source.

A holder of a PNG permit, drilling license, lease, another storage reservoir license or exploration license may apply to the Ministry for a storage reservoir licence, issued in accordance with section 130 of the PNGA. Application requirements and contact information are listed below.

Storage or disposal of carbon dioxide utilizing a storage reservoir license must occur in accordance with a permit or order issued under section 75 of the *Oil and Gas Activities Act*. Please contact the [BC Oil and Gas Commission](#) regarding the application requirements to store or dispose of carbon dioxide into the storage reservoir.

Exploration Licences

If a proponent does not hold a tenure necessary to apply for a storage reservoir license, or if more information on the geology and engineering properties of a potential underground storage reservoir is needed to support an application for storage reservoir license to store or dispose of carbon dioxide from any source, a proponent may apply to the Ministry for an exploration license, issued in accordance with section 126 of the PNGA. Application requirements and contact information are provided below.

The information gathered under an exploration license for an underground storage reservoir will be used in the process of applying for a storage reservoir license.

Fees and Rent for Exploration and Storage Reservoir Licences

The fee for an exploration license is \$500. There is no annual rent payable.

The fee for a storage reservoir license is \$200 and the annual rent is \$7.50 per hectare, payable for the first year at the time of application.

Application Requirements

The Petroleum and Natural Gas Storage Reservoir Regulation (see [BC Laws](#)) references application requirements. For further details regarding application requirements, please contact the Ministry.

Please note: References to a storage reservoir lease in the Petroleum and Natural Gas Storage Reservoir Regulation are to be read as a reference to a storage reservoir license.

Contact Information

Ministry of Energy, Mines and Low Carbon Innovation
Oil and Gas Division
Tenure and Geoscience 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