

Ministry of Energy, Mines and Petroleum Resources

Guide to Natural Gas and Oil Tenure Rents, Fees and Penalties

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Upstream Development Division
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Ministry of
Energy, Mines and
Petroleum Resources

Summary of Revisions

Effective date	Section	Description
August 2017	All	Ministry name change.
October 2016	Leases and Miscellaneous Fees	Updated to : <ul style="list-style-type: none">• include the new lease reinstatement fee,• include the fee for continuation with penalty for five year leases, and• remove the encumbrance fee as it is no longer required for the registration or discharge of encumbrances.

This guide describes the rents, fees and penalties associated with natural gas and oil tenure. 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](#).

Drilling Licences		
Rent, Fee or Penalty	Amount	Details
Issuance fee	\$500	<ul style="list-style-type: none"> • Due upon acceptance of bid • Charged for each title issued
Annual rent	\$3.50 per hectare	<ul style="list-style-type: none"> • Due upon acceptance of bid and then each year on the anniversary date
Fee for late rental payment within 60 days after anniversary	\$500	<ul style="list-style-type: none"> • Drilling licence expires after 60 days
Reinstatement fee	\$500	<ul style="list-style-type: none"> • Director has limited discretion to reinstate a drilling licence that expired due to non-payment of rent. The following criteria must be met, though meeting the criteria does not guarantee reinstatement: <ul style="list-style-type: none"> ○ The non-payment was inadvertent or due to non-financial circumstances beyond the control of the licensee; ○ No portion of the expired drilling licence has been sold at a Crown disposition subsequent to the expiry of the drilling licence; ○ The licensee submits a written request to the Director for re-instatement accompanied by the re-instatement fee of \$500. • Reinstatement fee is charged in addition to the above fee for late rental payment
Fee and annual rent for standard extension (section 3(5) of the Petroleum and Natural Gas Drilling Licence Regulation)	Fee – \$500 Rent – \$7.00 per hectare	<ul style="list-style-type: none"> • Due before lease anniversary date
Annual rent for other drilling licence extensions	\$3.50 per hectare	<ul style="list-style-type: none"> • Drilling over expiry is an exception • See the Guide to the Petroleum and Natural Gas Drilling Licence Regulation for more information

Leases		
Rent, Fee or Penalty	Amount	Details
Issuance fee	\$500	<ul style="list-style-type: none"> • Due upon acceptance of bid, or with lease selection application if converting to lease from a drilling licence or permit • Charged for each title issued (including new leases issued from a split lease)
Annual rent	\$7.50 per hectare	<ul style="list-style-type: none"> • Due upon acceptance of bid or with lease selection application and then each year on the anniversary date
Penalty for late rental payment within 30 days after anniversary	1.5% of the rent	<ul style="list-style-type: none"> • Penalty increases after 30 days
Penalty for late rental payment 31 to 60 days after anniversary	3% of the rent	<ul style="list-style-type: none"> • Lease expires after 60 days
Reinstatement fee	\$500	<ul style="list-style-type: none"> • Minister has limited discretion to reinstate a lease that expired due to non-payment of rent. The following criteria must be met, though meeting the criteria does not guarantee reinstatement: <ul style="list-style-type: none"> ○ The non-payment was inadvertent or due to non-financial circumstances beyond the control of the licensee; ○ No portion of the expired lease has been sold at a Crown disposition subsequent to the expiry of the drilling licence; ○ The lessee submits a written request to the Minister for re-instatement accompanied by the re-instatement fee of \$500. • Reinstatement fee charged in addition to the above penalty for late rental payment.
Continuation with penalty – first year	\$15 per hectare	<ul style="list-style-type: none"> • May be used for five-year or ten-year leases not eligible under other continuation provisions • Penalty increases for the second and third years for ten year leases • See the Guide to BC Petroleum and Natural Gas Act Lease Continuations for more information
Continuation with penalty – second and third years	\$25 per hectare	<ul style="list-style-type: none"> • May be used for 10-year leases not eligible under other continuation provisions • Not available for five-year leases • See the Guide to BC Petroleum and Natural Gas Act Lease Continuations for more information

Miscellaneous Fees		
Fee	Amount	Details
Visual examination of records	\$25 per hour	
Preparation and issuance of a title search letter	\$7.50	
Copy of a record 13 pages or less	\$10	<ul style="list-style-type: none"> • Also applies to providing an extract of 13 pages or less from a record
Copy of a record 14 pages or more	\$0.75 per page	<ul style="list-style-type: none"> • Also applies to providing an extract of 14 pages or more from a record
Certifying a copy of a record 15 pages or less	\$15	<ul style="list-style-type: none"> • Charged in addition to the above fee for copying a record • Also applies to certifying an extract of 15 pages or less from a record
Certifying a copy of a record 16 pages or more	\$1 per page	<ul style="list-style-type: none"> • Charged in addition to the above fee for copying a record • Also applies to certifying an extract of 16 pages or more from a record

More Information

Online: <http://www2.gov.bc.ca/gov/content/industry/natural-gas-oil/petroleum-natural-gas-tenure>

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