



## GENERAL TERMS AND CONDITIONS

### DORMANT SITES RECLAMATION PROGRAM INCREMENT 2

These General Terms and Conditions are applicable to and will be supplemented by the specific terms contained within any offer letter (the "**Letter**") provided by the Province of British Columbia (the "**Province**") to potential recipients of a financial contribution (the "**Recipient**") for participation in and work associated with the Dormant Sites Reclamation Program.

#### SECTION 1 - DEFINITIONS

1. Where used:
  - (a) "Abandonment" means "abandon" as defined in *the Drilling and Production Regulation*;
  - (b) "Agreement" means these General Terms and Conditions and any additional terms, conditions or other substantive requirements contained within the Letter;
  - (c) "Assess", in relation to a dormant site, means "assess" [assessment]' as defined in the *Dormancy and Shutdown Regulation*;
  - (d) "Application" means, as applicable:
    - i. an application to the Province for the funding of a Project under the Dormant Sites Reclamation Program; or
    - ii. any Invoice and Reporting Form in relation to an approved Project, submitted by a Recipient including all supporting evidence and documentation provided to and required by the Province in relation thereto;
  - (e) "Business Day" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
  - (f) "Certificate of Restoration" means a certificate issued by the British Columbia Oil and Gas Commission under section 41 of the *Oil and Gas Activities Act*;

- (g) “Decommission” means “decommission” as defined in the *Dormancy and Shutdown Regulation*;
- (h) “Dormant Site” means a dormant site under the Dormancy and Shutdown Regulation under the *Oil and Gas Activities Act* and includes a dormant well;
- (i) “Dormant Sites Reclamation Program” means the program administered by the Province intended to decommission, assess and restore dormant sites under the *Oil and Gas Activities Act* and its regulations;
- (j) “Financial Contribution” means the total aggregate value stipulated in the Letter, or a portion thereof;
- (k) “Invoice and Reporting Form” means the form submitted by the Recipient to the Province related to the Eligible Costs claimed under the Dormant Sites Reclamation Program;
- (l) “Letter” means a letter from the Province to the Recipient approving it to receive funding in relation to a Project under the Dormant Sites Reclamation Program;
- (m) “Permit holder” means “permit holder” under the *Oil and Gas Activities Act*;
- (n) “Project” means the project described in the Services Schedule;
- (o) “Recipient” means:
  - i. a person who has applied to receive funding in relation to a Project under the Dormant Sites Reclamation Program, and
  - ii. a person has been approved to receive a Financial Contribution under the Dormant Sites Reclamation Program;
- (p) “Refund” means any refund or remission of federal or provincial tax or duty available with respect to any items that the Province has paid for or agreed to pay for under the Agreement;
- (q) “Remediate” means “remediate” [remediation] as defined in the Dormancy and Shutdown Regulation;
- (r) “Restore” means “restore” [restoration] as defined in the Dormancy and Shutdown Regulation;
- (s) “Services” means the services described in the Services Schedule;
- (t) “Specified work” means “specified work” as defined in the Dormancy and Shutdown Regulation;
- (u) “Stream” means “stream” as defined in the Water Sustainability Act; and
- (v) “Term” means the duration of the Agreement stipulated in the Services Schedule.

In this Agreement, words in the singular include the plural and words in the plural include the singular.

## **SECTION 2 - PROJECT WORK AND FUNDING**

The Recipient must carry out and complete the Project described in the Agreement, including in the Services Schedule and the Letter, and may use the Province's funding only for the purpose of defraying Eligible Costs incurred by the Recipient in carrying out and completing the Project.

## **SECTION 3 – PAYMENT OF FINANCIAL CONTRIBUTION**

Subject to the provisions of the Agreement, the Province will pay the Recipient in the amount, and at the times set out in the Letter.

The Province has no obligation to make the Financial Contribution unless the Recipient has complied with the criteria set out in the Agreement.

Notwithstanding any other provision of the Agreement the payment of the Financial Contribution by the Province to the Recipient pursuant to the Agreement is subject to:

- (a) there being sufficient monies available in an appropriation, as defined in the *Financial Administration Act* ("FAA"), to enable the Province, in any fiscal year when any payment of money by the Province to the Recipient falls due pursuant to the Agreement, to make that payment; and
- (b) Treasury Board, as defined in the FAA, not having controlled or limited, pursuant to the FAA, expenditure under any appropriation referred to in subparagraph (a) of this paragraph.

The Recipient must:

- (a) apply for, and use reasonable efforts to obtain, any available Refund, credit, rebate or remission of federal, provincial or other tax or duty imposed on the Recipient as a result of this Agreement that the Province has paid or reimbursed to the Recipient or agreed to pay or reimburse to the Recipient under this Agreement; and
- (b) immediately on receiving, or being credited with, any amount applied for under paragraph (a), remit that amount to the Province, or deduct that amount from the next request for payment under this Agreement.

The previous paragraph continues in force indefinitely, even after this Agreement expires or is terminated.

The Recipient is responsible for any Provincial Sales Tax (PST) and Goods and Services Tax (GST) and any other charges for which the Province has not expressly agreed to accept responsibility under the terms of the Agreement.

The Recipient must declare any amounts owing to the government under legislation or an agreement. Amounts due to the Recipient under the Agreement may be set-off against amounts owing to the government.

## **SECTION 4 - REPRESENTATIONS AND WARRANTIES**

The Recipient represents and warrants to the Province, with the intent that the Province rely on it in entering into the Agreement, that:

- (a) all information, statements, documents and reports furnished or submitted by the Recipient to the Province in connection with the Agreement, including those provided in an Application, are true and correct;
- (b) no third-party agreement provided as part of an Application has been amended, replaced, or terminated without the Recipient having informed and obtained the prior written consent of the Province;
- (c) there is no material information omitted from an Application which would make the information in the Application misleading or inaccurate;
- (d) no amount claimed as an Eligible Expense has or will be paid or reimbursed by any other party, nor will the Recipient obtain or be entitled to obtain other consideration for such amounts;
- (e) the Recipient has no knowledge of any fact that materially adversely affects, or so far as it can foresee, might materially adversely affect, the Recipient's properties, assets, condition (financial or otherwise), business or operations or its ability to fulfill its obligations under the Agreement;
- (f) to the best of its knowledge, no member of Parliament, current or former public office holder of Canada receives a direct or indirect benefit from this Agreement or obtains any advantage resulting from it unless they are complying with applicable regulations or policies, as the case may be, including the requirements under the *Parliament of Canada Act* (R.S.C. 1985, c. P-1.01), the *Conflict of Interest Act* (S.C. 2006, c. 9), or the Values and Ethics Code for the Public Sector; and
- (g) the Recipient is not in breach of, or in default under, any law of Canada or of the Province of British Columbia applicable to or binding on it.

All statements contained in any certificate, application, proposal or other document delivered by or on behalf of the Recipient to the Province under the Agreement or in connection with any of the transactions contemplated by it are deemed to be representations and warranties by the Recipient under the Agreement.

All representations, warranties, covenants and agreements made in the Agreement and all certificates, applications or other documents delivered by or on behalf of the Recipient are material, have been relied on by the Province, and continue in effect during the continuation of the Agreement.

## **SECTION 5 - INDEPENDENT RELATIONSHIP**

No partnership, joint venture, agency or other legal entity will be created by or will be deemed to be created by the Agreement or by any actions of the Parties pursuant to the Agreement.

The Recipient will be an independent entity and neither the Recipient nor its servants, agents or employees will be the servant, employee, or agent of the Province.

The Recipient will not, in any manner whatsoever, commit or purport to commit the Province to the payment of money to any person, firm, or corporation.

## **SECTION 6 – RECIPIENT’S OBLIGATIONS**

The Recipient will:

- (a) carry out the Services in accordance with the terms of the Agreement during the Term stated in the Services Schedule;
- (b) comply with the payment requirements, including all requirements concerning the use, application and expenditure of the payments provided under the Agreement;
- (c) comply with all applicable laws;
- (d) hire and retain only qualified staff;
- (e) unless agreed otherwise, supply, at its own cost, all labour, materials and approvals necessary to carry out the Services;
- (f) carry out the Services only in relation to Dormant Sites where municipal property taxes are paid as they become due; and
- (g) co-operate with the Province in making public announcements regarding the Dormant Sites Reclamation Program, the Project, and the Recipient’s participation in such Program that the Province requests, and consent to the Province making any public statement or issuing any press release, report, or other announcement regarding the Dormant Sites Reclamation Program, the Project, and the Recipient’s participation in such Program.

## **SECTION 7 - RECORDS**

The Recipient will:

- (a) establish and maintain accounting and administrative records in form and content satisfactory of the Province, to be used as the basis for the calculation of amounts owing;
- (b) at the request of the Province, within 30 days provide information satisfactory to the Province in order to allow the Province to determine if the Recipient is in compliance with all or any of the terms and conditions imposed upon it and account to the satisfaction of the Province for how the Financial Contribution or any portion of it was or is being used;
- (b) establish and maintain books of account, invoices, receipts and vouchers for all expenses incurred in form and content satisfactory to the Province;
- (c) permit the Province, for monitoring and audit purposes, at all reasonable times, upon reasonable notice, to enter any premises used by the Recipient to deliver the Services or keep any documents or records pertaining to the Services, in order for the Province to inspect, audit, examine, review and copy any findings, data, specifications, drawings, working papers, reports, surveys, spread sheets, evaluations, documents, databases and material, (both printed and electronic, including, but not limited to, hard disk or USBs’),

whether complete or not, that are produced, received or otherwise acquired by the Recipient as a result of the Agreement.

- (d) if applicable, obtain the consent of clients to allow provincial employees or designates access to client case files for the purposes of service monitoring and evaluation and research purposes, as outlined in the Privacy Protection Schedule.

The Parties agree that the Province does not have control, for the purpose of the *Freedom of Information and Protection of Privacy Act*, of the records held by the Recipient.

## **SECTION 8 - NON EXPENDED FINANCIAL CONTRIBUTION**

At the sole option of the Province, any portion of the Financial Contribution provided to the Recipient under the Agreement and not expended at the end of the Term shall be:

- (a) returned by the Recipient to the Minister of Finance; or
- (b) retained by the Recipient as supplemental funding provided for under an amendment to the Agreement; or
- (c) deducted by the Province from any future funding requests submitted by the Recipient and approved by the Province.

## **SECTION 9 - CONFLICT OF INTEREST**

The Recipient will not, during the Term, perform a service for or provide advice to any person, or entity where the performance of such service or the provision of the advice may, in the reasonable opinion of the Province, give rise to a conflict of interest between the obligations of the Recipient to the Province under the Agreement and the obligations of the Recipient to such other person or entity.

## **SECTION 10 - CONFIDENTIALITY**

The Recipient will treat as confidential all information and material supplied to or obtained by the Recipient, or any third party, as a result of the Agreement and will not, without the prior written consent of the Province, except as required by applicable law, permit its disclosure except to the extent that such disclosure is necessary to enable the Recipient to fulfill its obligations under the Agreement.

Subject to Section 6(f), the Province will treat as confidential all non-public information and material supplied by the Recipient in support of or pursuant to the Agreement, but may share such information:

- (a) between Ministries of the Province, with the BC Oil and Gas Commission or with any other regulator having jurisdiction, and with the Government of Canada;
- (b) with any third-party providing support to the Dormant Sites Reclamation Program, so long as that third party is subject to an obligation to treat such information as confidential; or

- (c) as required by applicable law or as otherwise required for the Province to fulfill its obligations under the Agreement.

## **SECTION 11 - DEFAULT**

Any of the following events will constitute an Event of Default:

- (a) the Recipient fails to comply with any provision of the Agreement;
- (b) any representation or warranty made by the Recipient under the Agreement is or becomes untrue or incorrect;
- (c) any information, statement, certificate, report or other document furnished or submitted by or on behalf of the Recipient pursuant to or as a result of the Agreement, including any Application, is or becomes untrue or incorrect;
- (d) the Recipient ceases, in the opinion of the Province, to operate;
- (e) a change occurs with respect to any one or more, including all, of the properties, assets, condition (financial or otherwise), business or operations of the Recipient which, in the opinion of the Province, materially adversely affects the ability of the Recipient to fulfill its obligations under the Agreement;
- (f) an order is made or a resolution is passed or a petition is filed for the liquidation or winding up of the Recipient;
- (g) the Recipient becomes insolvent or commits an act of bankruptcy or makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
- (h) a bankruptcy petition is filed or presented against, or a proposal under *the Bankruptcy and Insolvency Act* (Canada) is made by, the Recipient;
- (i) a receiver or receiver-manager of any property of the Recipient is appointed;  
or
- (j) the Recipient permits any sum which is not disputed to be due by it to remain unpaid after legal proceedings have been commenced to enforce payment thereof.

## **SECTION 12 – RESULTS OF AN EVENT OF DEFAULT**

Upon the occurrence of any Event of Default and at any time thereafter that the Province may, despite any other provision of the Agreement, at its option, elect to do any one or more of the following:

- (a) terminate the Agreement, in which case the payment of the amount required under the last paragraph of this section of the Agreement will discharge the Province of all liability to the Recipient under the Agreement;
- (b) require the Event of Default be remedied within a time period specified by the Province;
- (c) suspend any installment of the Financial Contribution or any amount that is due to the Recipient while the Event of Default continues;

- (d) waive the Event of Default;
- (e) require repayment of any portion of the Financial Contribution not spent in accordance with the Agreement;
- (f) disqualify the Recipient from being eligible to receive a Financial Contribution with respect to this and any other site or any other work being undertaken in relation to the Dormant Sites Reclamation Program (or any other associated program) and disqualify the Recipient from further participation in the Dormant Sites Reclamation Program (or any other associated program); and
- (g) pursue any other remedy available at law or in equity.

The Province may also, at its option, either:

- (a) terminate the Agreement on 30 days written notice, without cause; or
- (b) terminate the Agreement immediately if the Province determines that the Recipient's failure to comply places the health or safety of any person at immediate risk;

and in either case, the payment of the amount required under the last paragraph of this section of the Agreement will discharge the Province of all liability to the Recipient under the Agreement.

Where the Agreement is terminated before 100% completion of the Project, the Province will pay to the Recipient that portion of the Financial Contribution which is equal to the portion of the Project completed to the satisfaction of the Province prior to termination.

### **SECTION 13 – DISPUTE RESOLUTION**

In the event of any dispute between the Parties arising out of or in connection with the Agreement, the Parties must initially attempt to resolve the dispute through collaborative negotiation. If the dispute is not resolved through collaborative negotiation, the Province may elect to attempt to resolve the dispute through mediation under the rules of the British Columbia Mediator Roster Society. If the Province so elects, the Parties will participate in the mediation, the mediation will be held in Victoria, British Columbia, and the Parties will share equally the costs, other than those costs relating to the production of expert evidence or representation by counsel.

### **SECTION 14 – INSURANCE AND INDEMNITY**

During the Term of the Agreement, the Recipient will provide, maintain and pay for insurance as specified in the Insurance Schedule, which may be amended from time to time at the sole discretion of the Province.

Without limiting the provisions of subparagraph (c) of Section 6, the Recipient will comply with the Workers' Compensation Legislation for the Province of British Columbia.

The Recipient must indemnify and save harmless the Province, its employees and agents, from and against any and all losses, claims, damages, actions, causes of action, cost and



expenses that the Province may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of the Agreement, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission of the Recipient, or of any agent, employee, officer, director or sub-contractor of the Recipient pursuant to the Agreement, excepting always liability arising out of the independent negligent acts of the Province.

## **SECTION 15 – ASSIGNMENT AND SUB-CONTRACTING**

The Recipient will not, without the prior, written consent of the Province assign, either directly or indirectly, the Agreement.

No sub-contract entered into by the Recipient will relieve the Recipient from any of its obligations, including Section 6, under the Agreement or impose upon the Province any obligation or liability arising from any such sub-contract.

The Agreement will be binding upon the Province and its assigns and the Recipient, the Recipient's successors and permitted assigns.

## **SECTION 16 - REPAYMENT OR REDUCTIONS**

An amount paid by the Province to the Recipient or which is treated as such pursuant to the terms of the Agreement, and to which the Recipient is not entitled according to the terms of the Agreement is repayable to the Province and until repaid constitutes a debt due to the Province.

## **SECTION 17 – OTHER FUNDING**

If the Recipient receives funding for or in respect of the Services from any person, firm, corporation or other government or governmental body, then the Recipient will immediately provide the Province with full and complete details thereof.

## **SECTION 18 - NOTICES**

Where in the Agreement any notice or other communication is required to be given by any of the Parties, it will be made in writing. It will be effectively given:

- (a) by delivery, to the address of the Party set out below, on the date of delivery;
- (b) by pre-paid registered mail, to the address of the Party set out below, on the fifth business day after mailing;
- (c) by facsimile, to the facsimile number of the Party mentioned in the Agreement, on the date the facsimile is sent; or
- (d) by e-mail, to the e-mail address of the Party mentioned in the Agreement, on the date the e-mail is sent.

The contact information specific to each Party will be included in any Letter which may be provided to a Recipient.

## **SECTION 19 - NON-WAIVER**

No term or condition of the Agreement and no breach by the Recipient of any term or condition will be deemed to have been waived unless such waiver is in writing signed by the Province and the Recipient.

The written waiver by the Province of any breach by the Recipient of any term or condition of the Agreement will not be deemed to be a waiver of any other provision of any subsequent breach of the same or any other provision of the Agreement.

## **SECTION 20 – ENTIRE AGREEMENT**

These General Terms and Conditions and the Letter together constitute the Agreement between the Recipient and the Province. Any Schedules to either of the General Terms and Conditions or the Letter (including any appendices or other documents attached to, or incorporated by reference into, those Schedules), are included in and form part of the Agreement. In the case of any conflict between the provisions of these General Terms and Conditions and the Letter, the terms of the Letter will prevail.

## **SECTION 21 - MISCELLANEOUS**

All of the provisions of the Agreement in favour of the Province and all of the rights and remedies of the Province, either at law or in equity, will survive any expiration or sooner termination of the Agreement.

Nothing in the Agreement operates as a consent, permit, approval or authorization by the Province thereof to or for anything related to the Project that by law, the Recipient is required to obtain unless it is expressly stated herein to be such a consent, permit, approval or authorization.

## SERVICES SCHEDULE – INCREMENT 2

### The Project

#### 1. TERM

Notwithstanding the date of execution of the Agreement, the Term of the Agreement starts when it is executed by the Recipient and delivered to the Province in accordance with section 18 and ends the earlier of three months after the date the Province makes the final portion of the Financial Contribution or February 28, 2023.

#### 2. PROJECT

The Dormant Sites Reclamation Program (Program) accesses federal funding provided to the Province of British Columbia. The funding was established as part of the federal government's COVID-19 Economic Response Plan.

The Program offers opportunity for oil and natural gas service sector contractors in British Columbia to apply for a financial contribution to undertake and complete work on dormant site reclamation.

The Program also provides Indigenous peoples, landowners and local communities in British Columbia the opportunity to nominate dormant sites for reclamation.

Oil and gas field service companies and contractors based in British Columbia, with registration, office and operations in British Columbia are eligible to apply for funding under the Program.

Recipients that receive funding under the Program will undertake an Eligible Work Type in relation to a Dormant Site located in British Columbia

#### 3. PURPOSE AND EXPECTED RESULTS

The purpose of the Program is to deactivate, decommission and remediate wells, pipelines and related facilities at sites defined to be Dormant under the *British Columbia Oil and Gas Activities Act* (OGAA) and its regulations. The Program will be performed in accordance with the Dormancy and Shutdown Regulation (DSR) under the OGAA.

Dormant sites are distinctly different from orphan sites. Dormant sites have a viable operator or permit holder who is fully responsible for regulatory closure of each site.

The Program also provides Indigenous peoples, landowners and local communities in British Columbia the opportunity to nominate Dormant Sites for reclamation.

Measurable outcomes that are specific to the Program include:

- a. Total number of work hours of work generated, jobs created and maintained through operation of the Program
- b. Total number of Dormant Sites decommissioned or restored
- c. Number of sites receiving closure work under the Program
- d. Aggregated information on methane and hydrogen sulfide emissions eliminated by the Program, and
- e. Area of land reclaimed through activities funded under the Program.

The expected results of the Project will help the Province achieve the following goals:

- a. Funding is provided to British Columbia's oil and gas field service companies and contractors
- b. Jobs are maintained and created for British Columbians
- c. Priority sites for British Columbians are reclaimed and restored
- d. Work is accelerated on the deactivation and decommissioning of wells, pipelines, and related facilities, the removal of equipment, site investigation, site remediation, and final site reclamation of dormant oil and gas sites
- e. Environmental liability in the Province of British Columbia is reduced

#### **4. ELIGIBLE ACTIVITIES, WORK TYPE AND COSTS**

##### **Eligible Activities:**

- a. Eligible Work Type related to a Dormant Site
- b. Preparation of applications and reports relating to an Eligible Work Type for a Dormant Site where such documents will be submitted to the BC Oil and Gas Commission

##### **Eligible Work Type:**

The following types of work undertaken in relation to a Dormant Site:

- a. Abandonment and Decommissioning
- b. Contaminated sites investigation
- c. Reclamation
- d. Remediation
- e. Restoration

##### **Eligible Costs:**

Actual costs arising in relation to a Project and associated Eligible Activities which are approved by the Province in its sole discretion and may include:

- a. Costs associated with any physical alteration of land, vegetation or any other aspect of the natural environment
- b. Materials and supplies to complete an Eligible Work Type
- c. Wages and salaries, equipment rentals, transportation of equipment and workers to and from sites, camp and lodging costs for remote sites
- d. Laboratory sampling and analyses of results at an accredited laboratory in British Columbia

- e. Any tax where the Recipient is not eligible to obtain a refund or credit

## **5. INELIGIBLE ACTIVITIES AND COSTS**

### **Ineligible Activities:**

- a. Suspension (wells and facilities) and discontinuation (pipelines) activities undertaken in relation to a site which is not a Dormant Site
- b. Non-closure work on producing oil and natural gas sites
- c. Closure work for Dormant Sites outside of British Columbia
- d. Closure work undertaken in relation to a site which is not a Dormant Site
- e. Work completed or commenced before Increment 2 of the Program comes into effect on November 1, 2020.
- f. Any work undertaken after December 31, 2022.

### **Ineligible Costs:**

- a. Costs of work to prepare contract bids, costs associated with the application process for this Program
- b. Food and beverages (except for camp and lodging costs for remote sites) or other non-work-related expenses
- c. Administration fees
- d. Contingency allowances, administration costs, emergency spill response and/or recovery caused by activities during the Project, overhead, accounting, interest and the purchase of, and amortization and depreciation on, capital equipment that is not integral to the Project
- e. Costs related to any work or activity that occurs before November 1, 2020 or after December 31, 2022
- f. Any profit or administrative charges for Permit Holders
- g. Operational maintenance costs
- h. Any tax where the Recipient is eligible to obtain a refund or credit

## **6. OUTCOMES**

1. Through the delivery of the Services the Province wishes to realize the following outcomes and, without limiting the obligation of the Recipient to comply with other provisions of this Services Schedule, the Recipient must use commercially reasonable efforts to achieve them:
  - a. Support a sustainable, responsible and competitive oil and gas sector that creates and maintains immediate and lasting jobs for British Columbians
  - b. Provide economic relief to British Columbia's oil and gas field service companies and contractors
  - c. Support appropriate management of subsurface rights and timely decisions on oil and gas activity authorizations

- d. Contribute to economic and social reconciliation by building meaningful partnerships with Indigenous communities for oil and gas development and responsible lifecycle management
  - e. Accelerate work on the deactivation and decommissioning of wells, pipelines, and related facilities, the removal of equipment, site investigation, site remediation, and final site reclamation of dormant oil and gas sites.
  - f. Reduce environmental liability in British Columbia relating to upstream oil and gas sites
2. The Parties acknowledge that the Recipient does not warrant that these outcomes will be achieved.

## **7. DELIVERABLES**

The Project will be managed, and Financial Contributions will be provided to Recipients in three steps, which are as follows:

### **STEP 1: Initial Payment**

A Recipient will be eligible to receive a payment of 10% of its reasonably estimated Eligible Costs upon delivery to and verification by the Province of the executed agreement between the Province and the Recipient and an Invoice and Reporting Form with the following information:

- a. Detailed cost estimates for the Project, including description of the Eligible Work Type to be completed at each Dormant Site, intended sub-contractors, any major expenditures, and other relevant and material information
- b. A copy of the Contract with the Permit Holder that meets the following requirements:
  - i. Recipients must provide a copy of a valid contract with a British Columbian oil and gas activity Permit Holder that describes the allocation of the work relating to the specific Dormant Site and type of work to be completed on behalf of the Permit Holder.
  - ii. The contract must be fully executed and in force, with no 'subject to' clauses relating to the Project

Note: The Permit Holder is responsible for ensuring the contractor has the skills, expertise, capacity, equipment and applicable insurance to conduct the work to meet all provincial laws and regulatory requirements.

The Province reserves the right to compare estimated costs provided by the Recipient to the deemed liability of the Site as per the BC Oil and Gas Commission's Liability Management Program and may use such comparison in application selection. If an estimated cost is higher than the deemed liability, the

Province may require the permit holder to submit a site-specific liability assessment to the BC Oil and Gas Commission, and, where the Province determines in its sole discretion that such costs are not reasonable in the circumstances the Province may disallow such costs as Eligible Costs and reduce the value of some or all of the Financial Contribution by an amount equivalent to the difference.

## **STEP 2: Interim Payment**

A Recipient will be eligible to receive a payment of up to 60% of its Eligible Costs upon delivery to and verification by the Province of the Invoice and Reporting Form. The Interim Expenditures Summary must be delivered within the earlier of 90 days from the date the last work giving rise to the Eligible Costs was undertaken in relation to the Project or January 16, 2023 and must include:

- a. An Interim Expenditure Summary describing how the Financial Contribution has been allocated and an explanation of any financial variances from any cost or estimate previously provided to the Province
- b. Number of hours of work generated and number of workers involved
- c. An officer's certificate from a senior officer of the Recipient's organization (such as a Chief Executive Officer or Chief Financial Officer) attesting to the correctness and completeness of the financial information provided.

Upon receipt of the Invoice and Reporting Form and all other documents, required to apply for a Financial Contribution in relation to a Project, the Province will review the application within 90 days, and if the application meets the requirements of the Agreement, the Province will allow up to 100% of the Eligible Costs requested.

## **STEP 3: Final Payment**

1. A Recipient will be eligible to receive a final payment for its remaining Eligible Costs, to a maximum amount not exceeding the total Financial Contribution, upon delivery to and verification by the Province of the Invoice and Reporting Form. The Invoice and Reporting Form must be delivered within the earlier of 30 days from the date the last work giving rise to the Eligible Costs was undertaken in relation to the Project or January 16, 2023, and must include:

- a. A Final Financial Report, including:
  - i. A final income and expenditure summary describing how the Financial Contribution has been allocated and an explanation of any financial variances from any cost or estimate previously provided to the Province
  - ii. Number of hours of work generated and number of workers involved
  - iii. An officer's certificate from a senior officer of the Recipient's organization (such as a Chief Executive Officer or Chief Financial Officer) attesting to the correctness and completeness of the financial information provided

- b. The Final Project Report as stated in Section 9 – Reporting Requirements

Upon receipt of the Invoice and Reporting Form and all other documents required to apply for a Financial Contribution in relation to a Project, the Province will review the application within 90 days, and if the application meets the requirements of the Agreement, the Province will allow up to 100% of the Eligible Costs requested.

2. The total Financial Contribution provided by the Province for the Project will not exceed 50% of the lesser of:
  - a. the total estimated cost per Eligible Activity per Dormant Site or;
  - b. the amount of Eligible Costs actually spent by the Recipient per Eligible Activity per Dormant Site.

In no event will the Financial Contribution exceed \$100,000 per Eligible Activity per Dormant Site.

3. The Province may provide a Financial Contribution less than the total amount requested by the Recipient if the Province determines, in its sole discretion, that any cost claimed by the Recipient in respect of such does not constitute an Eligible Cost.
4. Where applicable based on the Eligible Work Type, the Province will only release the Financial Contribution before receiving confirmation of either Abandonment or Certificate of Restoration if the Recipient supplies evidence of work completed in the form of a written report certified by a Qualified Professional registered in British Columbia.
5. If the Province reasonably believes that any information accompanying the application for a Financial Contribution is incorrect, missing, or is otherwise inadequate, a notification will be sent by the Province to the Recipient of the inadequacy. The Recipient must, within the earlier of 30 days of receiving the notification, or January 30, 2023, provide the further information to the requester.
6. The Province is not required to begin a review of any request for a Financial Contribution or subsequent application for Financial Contribution concerning the Project until the further information requested of the Recipient has been provided, and the Province is satisfied that no further information is required in order to review the application.
7. At any time during the Project, the Recipient must make all reasonable efforts to provide the Province evidence of company and worker experience in the Eligible Work Type related to the Project.

## **8. REGULATORY COMPLIANCE**

1. Companies must maintain registered business status with BC Registries for the duration of the Project to remain eligible to receive a Financial Contribution under the Program.
2. Permit holders have their own site management and health and safety requirements for all contractors and personnel on their locations. As the sites are still in the care and control of each individual permit holder, service provider oversight in the field will come from the permit holders as required under law and all regulations. The laws of British Columbia as they apply to oil and gas activities in B.C. apply to any work performed under this Program. This includes all required permits, notices and consultation associated with the work.



## **9. REPORTING REQUIREMENTS**

The Recipient must make all reasonable efforts to respond to ad-hoc requests by the Province for information on Project progress. The Recipient must also advise the Province immediately of any substantial events that could impact the Project timeline.

### **Interim Reporting:**

1. The Recipient must provide progress reports relating to each individual Dormant Site and Eligible Work Type, and progress made in achieving the results as set out in this Services Schedule when applying for the 60% Financial Contribution.

### **Final Project Report:**

1. Following completion of the Project the Recipient must provide a Project performance report with Project highlights, description of outcomes with respect to results set out in this Services Schedule, quantitative and qualitative description of the accomplishments / success of the Project; challenges faced and solutions found, information on results (negative or positive) that were not anticipated, and lessons learned.
2. Specifically, the Recipient must also report on the following outcomes:
  - a. Level of reclamation achieved for an individual Dormant Site
  - b. Number of sites with reclamation completed
  - c. Number of reclaimed sites subject to Provincial law
  - d. Number of well abandonments completed
  - e. Number of pipeline abandonments completed
  - f. Number of sites receiving closure work
  - g. Date of completion of work by site and by Eligible Work Type
  - h. Submission of total timesheet hours for all workers by site and work type
  - i. Submission of the total number of personnel who worked on the Project by site and Eligible Work Type
3. All final reports submitted by the Recipient must be certified by a Qualified Professional (such as a Qualified Engineer, Professional Agrolgist or Professional Biologist) attesting to the correctness and completeness of the information provided, as applicable.

## INSURANCE SCHEDULE

1. The Recipient shall, without limiting its obligations or liabilities herein and at its own expense, provide and maintain the following insurances with insurers licensed in British Columbia and in forms and amounts acceptable to the Province.
  - (a) Automobile Liability on all vehicles owned, operated or licensed in the name of the Recipient, and if used for government business, in an amount not less than \$1,000,000.
  - (b) Comprehensive/Commercial General Liability in an amount not less than \$2,000,000 inclusive per occurrence, insuring against bodily injury, personal injury and property damage. The Province is to be an additional insured under this policy. Such insurance shall include, but not be limited to
    - Products and completed Operations Liability;
    - Owner's and Contractor's Protective Liability;
    - Blanket Written Contractor Liability;
    - Contingent Employer's Liability;
    - Personal Injury Liability;
    - Non-Owned Automobile Liability;
    - Cross Liability;
    - Employees as Additional Insured;
    - Broad Form Property Damage; and
    - If applicable, Tenant's Legal Liability in an amount adequate to cover a loss to premises of the Province occupied by the Recipient.
2. The foregoing insurance shall be primary and not require the sharing of any loss by any insurer of the Province.
3. The Recipient shall provide the Province with evidence of all required insurance prior to the commencement of the work or services. Such evidence shall be in the form of a completed Province of British Columbia Certificate of Insurance, duly signed by the Insurance Broker and the Insured. When requested by the Province, the Recipient shall provide certified copies of required policies.
4. All required insurance shall be endorsed to provide the Province with 30 days advance written notice of cancellation or material change.
5. The Recipient hereby waives all rights of recourse against the Province with regard to damage to the Recipient's property.
6. The Recipient will comply with the *Workers' Compensation Act* legislation for the Province of British Columbia.

## PRIVACY PROTECTION SCHEDULE

### Definitions

1. In this Schedule,
  - (a) “**Access**” means disclosure by the provision of access;
  - (b) “**Act**” means the *Freedom of Information and Protection of Privacy Act*;
  - (c) “**Contact Information**” means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;
  - (d) “**Personal Information**” means recorded information about an identifiable individual, other than Contact Information, collected or created by the Recipient as a result of the Agreement or any previous agreement between the Province and the Recipient dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the “control of a public body” within the meaning of the Act; and
  - (e) “**Privacy Course**” means the Province’s online privacy and information sharing training course.

### Purpose

2. The purpose of this Schedule is to:
  - (a) enable the Province to comply with the Province's statutory obligations under the Act with respect to Personal Information; and
  - (b) ensure that, as a service provider, the Recipient is aware of and complies with the Recipient's statutory obligations under the Act with respect to Personal Information.

### Collection of Personal Information

3. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Recipient may only collect or create Personal Information that is necessary for the performance of the Recipient’s obligations, or the exercise of the Recipient’s rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Recipient must collect Personal Information directly from the individual the information is about.
5. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Recipient must tell an individual from whom the Recipient collects Personal Information:
  - (a) the purpose for collecting it;
  - (b) the legal authority for collecting it; and

- (c) the title, business address and business telephone number of the person designated by the Province to answer questions about the Recipient's collection of Personal Information.

### **Privacy Training**

6. The Recipient must ensure that each person who will provide Services under the Agreement that involve the collection or creation of Personal Information that is or will be owned by the Province, will complete, at the Recipient's expense, the Privacy Course prior to that person providing those Services.
7. The requirement in 6 above will only apply to persons who have not previously completed the Privacy Course.

### **Accuracy of Personal Information**

8. The Recipient must make every reasonable effort to ensure the accuracy and completeness of any Personal Information to be used by the Recipient or the Province to make a decision that directly affects the individual the information is about.

### **Requests for Access to Personal Information**

9. If the Recipient receives a request for Access to Personal Information from a person other than the Province, the Recipient must promptly advise the person to make the request to the Province unless the Agreement expressly requires the Recipient to provide such Access and, if the Province has advised the Recipient of the name or title and Contact Information of an official of the Province to whom such requests are to be made, the Recipient must also promptly provide that official's name or title and Contact Information to the person making the request.

### **Correction of Personal Information**

10. Within 5 Business Days of receiving a written direction from the Province to correct or annotate any Personal Information, the Recipient must annotate or correct the information in accordance with the direction.
11. When issuing a written direction under Section 10, the Province must advise the Recipient of the date the correction request to which the direction relates was received by the Province in order that the Recipient may comply with Section 12.
12. Within 5 Business Days of correcting or annotating any Personal Information under Section 10, the Recipient must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, the Recipient disclosed the information being corrected or annotated.
13. If the Recipient receives a request for correction of Personal Information from a person other than the Province, the Recipient must promptly advise the person to make the request to the Province and, if the Province has advised the Recipient of the name or title and Contact Information of an official of the Province to whom such requests are to be made, the Recipient must also promptly provide that official's name or title and Contact Information to the person making the request.

### **Protection of Personal Information**

14. The Recipient must protect Personal Information by making reasonable security arrangements against such risks as unauthorized Access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

### **Storage and Access to Personal Information**

15. Unless the Province otherwise directs in writing, the Recipient must not store Personal Information outside Canada or permit Access to Personal Information from outside Canada.

### **Retention of Personal Information**

16. Unless the Agreement otherwise specifies, the Recipient must retain Personal Information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

### **Use of Personal Information**

17. Unless the Province otherwise directs in writing, the Recipient may only use Personal Information if that use is for the performance of the Recipient's obligations, or the exercise of the Recipient's rights, under the Agreement.

### **Disclosure of Personal Information**

18. Unless the Province otherwise directs in writing, the Recipient may only disclose Personal Information inside Canada to any person other than the Province if the disclosure is for the performance of the Recipient's obligations, or the exercise of the Recipient's rights, under the Agreement.
19. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Recipient must not disclose Personal Information outside Canada.

### **Notice of foreign demands for disclosure**

20. In addition to any obligation the Recipient may have to provide the notification contemplated by section 30.2 of the Act, if in relation to Personal Information in the custody or under the control of the Recipient, the Recipient:
  - (a) receives a foreign demand for disclosure;
  - (b) receives a request to disclose, produce or provide Access that the Recipient knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
  - (c) has reason to suspect that an unauthorized disclosure of Personal Information has occurred in response to a foreign demand for disclosure

the Recipient must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of Personal Information" will bear the same meanings as in section 30.2 of the Act.

### **Notice of unauthorized disclosure**

21. In addition to any obligation the Recipient may have to provide the notification contemplated by section 30.5 of the Act, if the Recipient knows that there has been an unauthorized disclosure of Personal Information in the custody or under the

control of the Recipient, the Recipient must immediately notify the Province. In this section, the phrase “unauthorized disclosure of Personal Information” will bear the same meaning as in section 30.5 of the Act.

### **Inspection of Personal Information**

22. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Recipient, enter on the Recipient’s premises to inspect any Personal Information in the possession of the Recipient or any of the Recipient’s information management policies or practices relevant to the Recipient’s management of Personal Information or the Recipient’s compliance with this Schedule and the Recipient must permit, and provide reasonable assistance to, any such inspection.

### **Compliance with the Act and directions**

23. The Recipient must in relation to Personal Information comply with:
- (a) the requirements of the Act applicable to the Recipient as a service provider, including any applicable order of the commissioner under the Act; and
  - (b) any direction given by the Province under this Schedule.
24. The Recipient acknowledges that it is familiar with the requirements of the Act governing Personal Information that are applicable to it as a service provider.

### **Notice of non-compliance**

25. If for any reason the Recipient does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Recipient must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

### **Termination of Agreement**

26. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Recipient, terminate the Agreement by giving written notice of such termination to the Recipient, upon any failure of the Recipient to comply with this Schedule in a material respect.

### **Interpretation**

27. In this Schedule, references to Sections by number are to Sections of this Schedule unless otherwise specified in this Schedule.
28. Any reference to the “Recipient” in this Schedule includes any subcontractor or agent retained by the Recipient to perform obligations under the Agreement and the Recipient must ensure that any such subcontractors and agents comply with this Schedule.
29. The obligations of the Recipient in this Schedule will survive the termination of the Agreement.

30. If a provision of the Agreement (including any direction given by the Province under this Schedule) conflicts with a requirement of the Act or an applicable order of the commissioner under the Act, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.
31. The Recipient must comply with the provisions of this Schedule despite any conflicting provision of the Agreement or, subject to 32 below, the law of any jurisdiction outside Canada.
32. Nothing in this Schedule requires the Recipient to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

### **Obtaining Consent**

33. Where necessary, the Recipient will obtain the informed consent of all clients served under the Agreement to allow provincial employees or designates access to Personal Information in the Recipient's client case files and all records printed or electronic related to the Agreement for the purposes of monitoring, program evaluation and research purposes. The Recipient will include the following declaration on their client forms to ensure consent:

“The personal information provided will be accessible to the service provider (the Recipient) and service funder (the Province) for the purposes of service delivery, service monitoring, evaluation and research only. Any personal information supplied to either the service provider or service funder is considered confidential and will not be released to any third party without your written consent and will only be reported in aggregated data. Completion and submission of this application form implies consent to this access for such purposes.”

34. Consent will be obtained at the time of application.