

October 8, 2010



## Fee Structure under the *Oil and Gas Activities Act*

With the *Oil and Gas Activities Act* (Act) coming into force October 4, 2010, all fees with respect to geophysical exploration, wells, facilities and pipelines are noted in the Fee, Levy and Security Regulation.

Where fees were previously outlined in Information Letters 10-02, 09-10, 09-14 and 09-17, this bulletin summarizes and clarifies the implementation of these fees under the new Act.

It is recommended that clients review the Fee, Levy and Security Regulation and contact the BC Oil and Gas Commission if they have any questions related to fee requirements prior to submitting an application.

**Fees for applications for permits** are specified in Section 2 of the Regulation:

- a) For application for a permit to carry out geophysical exploration \$1,650.
- b) For application for a permit to drill or operate a well \$18,300 if the applicant is not already a permit holder.
- c) For an application for a permit to drill or operate a well \$10,300 if the applicant is an existing permit holder.
- d) For an application for a permit to construct or operate a pipeline:
  - (i) \$900 plus \$200 per kilometre of pipeline for pipelines with an outside diameter of less than 152 millimetres, and
  - (ii) \$1,200 plus \$400 per kilometre of pipeline for pipelines with an outside diameter of 152 millimetres or greater.
- e) For an application for a permit to construct and operate a gas processing plant or production facility that occupies 3 or more hectares of land, \$16,000.
- f) For an application for a permit to operate a storage reservoir, \$5,000.

**Fees for the application for transfer of a permit** are specified in Section 3 of the Regulation and are \$200 for any permit transfer.

**Fees for the application for an amendment to a permit** are specified in Section 4 of the Regulation:

- (a) For an application to change a well name \$200.
- (b) For an application to amend a permit to carry out geophysical exploration \$700.
- (c) For an application to amend a permit to construct or operate a pipeline \$700.
- (d) For an application to amend a permit to operate a storage reservoir \$5,000.

**Other fees** are specified in Section 5 of the Regulation:

- (a) \$3 per page printed or copied.
- (b) \$60 per hour for time spent compiling or retrieving records, reports or other information.

### **Specifics**

A) Applications submitted after 4:30 p.m. (end of the business day) October 1, 2010 shall be subject to the new Fee Schedule. In the event that your application is declined and is resubmitted after the implementation date, the new Fee Schedule shall apply to the resubmitted application.

B) Pipelines:

a. For the purpose of fee calculations, pipeline and/or segment length shall be determined consistent with the actual length of pipe as indicated under the Engineering Tab in KERMIT. Where more than one segment is constructed within a right of way the fee shall be calculated based on the total length of all segments.

b. Instrument air lines, fuel gas lines and domestic use fresh water lines should be included in the permit applications for the associated pipelines or facilities, and in KERMIT under the engineering tab specification screen. Therefore these segments are not subject to permitting or amendment fees.

c. Any change resulting in additional length in kilometres of pipeline and/or pipeline segment(s) of less than two kilometres is handled as follows:

- Revisions made prior to pipeline permit approval do not require a fee.
- Amendments made after pipeline permit approval are subject to the \$700 Amendment Fee. No additional per km application fee will be required.

d. Any change prior or post pipeline permit approval resulting in the addition of total length of pipeline and/or pipeline segment(s) of two kilometres or greater shall require the submission of a new application, accompanied by the application fee. The new application must cross reference the original application to assist the review process.

e. Any change resulting in an increase to the diameter class of a pipeline and/or pipeline segment(s) which covers a total distance of less than two kilometres is handled as follows:

- Revisions made prior to pipeline permit approval do not require a fee
- Amendments made after pipeline permit approval are subject to the \$700 Amendment Fee. No additional per km application fee will be required.

f. Any change prior of post pipeline permit approval resulting in an increase to the diameter class of a pipeline and/or pipeline segment(s) which covers a total distance of two kilometres or greater shall require the submission of a new application, accompanied by the application fee. The new application must cross reference the original application to assist the review process.

g. Any change prior of post pipeline permit approval where there is a change of pipeline origin or destination in which both the start point and end point tie into a new location not previously identified on the original application, a new application shall be required. The new application must cross reference the original application to assist the review process.

h. Section 14 Renewals do not require a pipeline permit application fee.

i. An amendment to an approved pipeline permit to split a pipeline into two or more segments prior to Leave to Open, does not require an amendment fee. A new construction plan highlighting the change(s) on the plan and within the Area Table must be submitted with the amendment.

j. Clients must ensure calculations are correct prior to submitting an application. If there is any uncertainty to the calculations it is the applicant's responsibility to contact the Commission for assistance. The BC Oil and Gas Commission does not process refunds for overpayment of fees. Applications submitted with insufficient fees may be declined.

The Pipeline Permit Application Fee Worksheet has been updated to reflect these changes. The Worksheet is located at:

<http://www.ogc.gov.bc.ca/document.aspx?documentID=599&type=.doc>

For further information please view the Pipeline Permit Application Manual:

<http://www.ogc.gov.bc.ca/document.aspx?documentID=849&type=.pdf>

**Should you have any questions regarding this Information Bulletin, please contact:**

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