



## Commission Launches Industry Review Period for Updated LMR Liability Model

**EFFECTIVE DATE: Jan. 13, 2020**

The BC Oil and Gas Commission (Commission) is enhancing the Liability Management Rating (LMR) Program to more closely track and respond to oil and gas liabilities, evaluate financial risk, and ensure there is appropriate funding to mitigate liability risk as outlined in the Commission's [Comprehensive Liability Management Plan](#).

The Commission has developed an updated method of estimating liability depending on the site and activity. The updated liability model will be integrated into the LMR Program on **March 1, 2020**. In the interim, the Commission is providing permit holders with an opportunity to review their liabilities and to ensure that documentation for their permits is up-to-date.

Permit holders may access their liability information by visiting <https://www.bcogc.ca/online-services> and selecting the Liability Management well or facility report on the right-hand side.

If you would like to receive detailed background on the liability model changes or to report any issues with the updated liability information, please contact [Liability.Management@bcogc.ca](mailto:Liability.Management@bcogc.ca).

If any permit transfers are required, please contact [AssetManagement@bcogc.ca](mailto:AssetManagement@bcogc.ca).

The Commission currently uses the LMR program to evaluate each company's ability to pay for site restoration. The deemed liability of a well or facility is the estimated cost to decommission and restore the site. The LMR is the ratio of estimated operational assets (deemed assets) and security deposit to estimated decommissioning and restoration liabilities (deemed liabilities) for permit holders. For more information on the LMR Program please visit the [LMR Program webpage](#).

**If you have any questions regarding this Industry Bulletin, please contact:**

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