



April 2, 2007

INFORMATION LETTER #OGC 07-11

SUBJECT: Amendments to the Well Authorization Application Fee and the Petroleum and Natural Gas Levy Rates

To Industry Clients:

Regarding the OGAA Implementation: All necessary regulations, documents and background information on OGAA can be found at www.ogc.gov.bc.ca/OGAA/

For any questions pertaining to the status of this document, please contact the Commission at (250) 261-5700.

Effective May 1, 2007, the application fee for well authorizations, as established in the *Petroleum and Natural Gas General Regulation*, and levy rates for petroleum and marketable gas production, as established in the *Oil and Gas Commission Levy and Orphan Site Reclamation Fund Tax Regulation*, are changed as follows:

- a) For applications for a well authorization under section 15 (6) of the *Drilling and Production Regulation*
 - (i) \$9100 for the first well on a surface lease, and
 - (ii) \$8500 for each subsequent well on a surface lease.

- b) For levies on production under the *Oil and Gas Commission Levy and Orphan Site Reclamation Fund Tax Regulation*
 - (i) \$0.94 per cubic metre of petroleum, and
 - (ii) \$0.47 per 1000 cubic metres of marketable gas.

The Commission's revenues will be consistent with the distribution of its costs to 55 per cent for exploration-driven activities and 45 per cent for production-driven activities.

Three key projects initiated in 2006/07 to improve the Commission's operational effectiveness and efficiency, and for reducing staff turnover will continue. Funding of the Science and Community Environmental Knowledge (SCEK) program will be re-initiated in 2007/08.

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OFFICE OF THE COMMISSIONER

#200, 10003 110 Ave Fort St. John BC V1J 6M7 Ph: (250) 261-5729 Fax: (250) 261-5744
<http://www.ogc.gov.bc.ca> Ph: (250) 261-5700 24 Hr.

For additional information, please contact:

Jim Sproul
Executive Director, Business Services Division
Oil and Gas Commission
5th Floor, Terasen Building
1675 Douglas Street
Victoria, BC, V8W 9N3
Telephone: (250) 356-2707
Fax: (250) 356-2962
E-mail: Jim.Sproul@gov.bc.ca

Original signed by:

Ross Curtis
Commissioner