

# OGRR DIRECTIVE 2013-01



March 22, 2013

# IMPLEMENTATION OF OIL AND GAS ROAD REGULATION

**TO: INDUSTRY CLIENTS** 

EFFECTIVE DATE: June 3, 2013

#### REQUIREMENT:

Effective June 3, 2013 the BC Oil and Gas Commission (Commission) will enact a new Oil and Gas Road Regulation (OGRR) under the authority of section 111 (2) of the Oil and Gas Activities Act (OGAA).

Under the single framework, all roads built, modified, and used for the purpose of conducting oil and gas or related activities will be prescribed roads and regulated with an increased focus on environmental and safety considerations. Construction, road use rules, and maintenance and deactivation requirements will be standardized and managed under OGRR. Appendix I provides a table outlining the transition requirements under OGRR for various categories of oil and gas roads effective June 3, 2013.

OGRR will be utilized until the Natural Resource Road Act (NRRA) and its associated regulations are in effect. The NRRA is currently under development.

Contraventions of OGRR will be addressed through the existing provisions in OGAA. Administrative penalties related to contraventions of OGRR will be determined and implemented at a later date. No new permit application fees are in effect at this time.

Under OGRR, the consultation and notification requirements of the Consultation and Notification Regulation will apply to oil and gas roads on both private and Crown land.

More information regarding oil and gas road permit application processes, standard practice and reporting requirements, training opportunities, and manual and form updates will be released prior to June 3, 2013.

#### **BACKGROUND:**

Until June 3, 2013 the Commission will approve and regulate oil and gas roads for oil and gas activities located on:

- Crown land by way of the Land Act.
- On private land by way of OGAA under the Prescribed Road Regulation.

As of June 3, 2013 construction and maintenance of all oil and gas roads will require permits under OGAA, with few exceptions for maintenance on older roads.

Three additional amendments have been made as part of the enactment of OGRR on June 3, 2013:

- The Prescribed Road Regulation will be repealed and replaced by OGRR on June 3, 2013.
- The Petroleum Development Road (PDR) Regulation under the Petroleum and Natural Gas Act will be repealed effective July 3, 2013. These roads will be permitted under OGRR.
- The Environmental Protection and Management (EPM) Regulation under OGAA
  has been amended in order to apply environmental protection and management
  requirements on oil and gas roads.

### Should you have any questions regarding this Directive, please contact:

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**Attachment** 

# **APPENDIX I**

## TRANSITION REQUIREMENTS for ROADS UNDER the OGAA OIL and GAS ROAD REGULATION

Category of Road  OGRR will regulate road use by all oil and gas permit holders	Authorization Required to Construct or Modify	Authorized to Maintain¹ the Road	Maintenance Standards	Comments
New Road construction (Includes modification to the road)	OGAA <sup>2</sup> Road Permit required to construct or modify <sup>3</sup>	Yes, under an issued OGAA Road Permit - permit will include the requirement to maintain until deactivated	OGRR to regulate maintenance through the road permit	Apply for road permit to construct or modify
Roads on Private Land built post Jan 27, 2011	OGAA Road Permit required to construct or modify	Yes, must maintain until deactivated according to OGRR  Considered to be "Road Permit Holders4" under OGRR	OGRR to regulate maintenance and deactivation	Built after Jan 27, 2011 and became a prescribed road by way of the Prescribed Road Reg on Jan 27, 2011

<sup>&</sup>lt;sup>1</sup> Authorized to maintain refers to whether the road operator will be grandfathered or otherwise authorized to maintain without an OGAA Road Permit. If the answer is "no" the road operator will need to apply for an OGAA Road Permit to legally maintain the road.

<sup>&</sup>lt;sup>2</sup> OGAA means the Oil and Gas Activities Act.

<sup>&</sup>lt;sup>3</sup> Modification is defined in the Oil and Gas Road Regulation (OGRR) as "the widening of the running surface of the road, the realigning of a portion of the road or the reconstructing of a portion of a road, and includes the installing or replacing of a bridge or major culvert associated with the road".

<sup>&</sup>lt;sup>4</sup> Under the OGRR, a "Road Permit Holder" means "a permit holder of a road permit and a person who is otherwise required to maintain an oil and gas road or was required, immediately before the coming into force of this regulation, to maintain an oil and gas road". So, if an operator has an authorization or permit for a road which includes an obligation to maintain or to operate safely, they are considered to be a "Road Permit Holder" and must maintain the road according to the OGRR.

Category of Road  OGRR will regulate road use by all oil and gas permit holders	Authorization Required to Construct or Modify	Authorized to Maintain¹the Road	Maintenance Standards	Comments
Roads on Private land that existed on Jan 27, 2011 <sup>5</sup> These became Prescribed Roads on that date	OGAA Road Permit required to construct or modify	Yes, authorized to maintain without an OGAA Road Permit by OGAA Section 118.1	OGRR standards not applicable unless specified in the Surface Lease Agreement <sup>6</sup>	Built before Jan 27, 2011 without the need for a permit and became prescribed roads by way of regulation No action required Must apply for an OGAA Road Permit if further construction or modification is contemplated
Existing Land Act roads Post Jan 27, 2011	OGAA Road Permit required to construct or modify, to maintain and deactivate	No, the issued Land Act permit prescribes maintenance but this is now an Oil and Gas Activity requiring authorization under OGAA  [Section 118.1 of OGAA does not authorize maintenance as only pre Jan 27, 2011 roads are captured]	OGRR standards apply through an OGAA Road Permit	Must apply for an OGAA Road Permit in order to maintain Land Act permits were issued after Oct 4, 2010 when OGAA came into force
Existing Land Act roads Pre Jan 27, 2011	OGAA Road Permit required to construct or modify	Yes, authorized to maintain without an OGAA Road Permit by OGAA Section 118.1  The issued Land Act permit prescribes maintenance but this is now an Oil and Gas Activity requiring authorization under OGAA	OGRR standards apply as considered a Road Permit Holder	No action required  Must apply for an OGAA Road Permit if further construction or modification is contemplated  Land Act permits were issued after Oct 4, 2010 when OGAA came into force

<sup>&</sup>lt;sup>5</sup> On January 27, 2011 OGAA was amended to include Section 118.1 which states "Despite Section 21, a person does not require a permit to maintain a road that existed immediately before January 27, 2011, and that is prescribed for the purpose of paragraph (f) of the definition of "oil and gas activity" in section 1 (2)." The purpose of this amendment was to authorize operators of roads on private land to maintain them. Roads on private land had never been required to have a permit; the deposit of the Prescribed Road Regulation changed this. Because maintaining a road is defined as an "Oil and Gas Activity" in OGAA and Section 21 of OGAA prohibits a person from carrying out an oil and gas activity without a permit, without this amendment it would have been illegal for operators of roads on private land to maintain them without a permit. The amendment does not obligate a person to maintain the newly prescribed road. An OGAA Road Permit to maintain these roads can be issued on application.

<sup>&</sup>lt;sup>6</sup> If there is a requirement for maintenance in the Surface Lease Agreement, then the operator is considered to be a "Road Permit Holder" under the OGRR and must maintain according to the OGRR.

Category of Road  OGRR will regulate road use by all oil and gas permit holders	Authorization Required to Construct or Modify	Authorized to Maintain¹ the Road	Maintenance Standards	Comments
Existing PNG Act Section 7 Roads	OGAA Road Permit required to construct or modify	Yes, may maintain without a road permit, not subject to OGRR unless there was a requirement to maintain or operate in the original authorization  Authorized to maintain without an OGRR Road Permit by OGAA Section 118.1	OGRR standards not applicable unless a requirement to maintain or operate safely was included in the original authorization, then the operator is considered to be a "Road Permit Holder" and must maintain under OGRR	Built before Jan 27, 2011 and became prescribed roads by way of OGRR regulation. Permission to maintain authorized by OGAA Section 118.1 Must apply for an OGAA Road Permit if further construction or modification is contemplated
Existing PNG Act PDR Roads Pre Jan 27, 2011	OGAA Road Permit required to construct or modify	Yes, must maintain according to OGRR  Operators are considered "Road Permit Holders" as defined by OGRR, but OGRR road permit not required  Authorized to maintain without an OGAA Road Permit by OGAA Section 118.1	OGRR standards apply, as operators are considered "Road Permit Holders" under OGRR	No action required  Must apply for an OGAA Road Permit if further construction or modification is contemplated Permits under the PDR Regulation were issued for these roads and may be replaced with an OGAA Road Permit on application by the permit holder
Existing non-status roads (e.g., built under forests or other authority and abandoned)	OGAA Road Permit required to construct or modify	Yes, permit holder may maintain without an OGAA Road Permit Authorized to maintain without an OGAA Road Permit by OGAA Section 118.1	OGRR standards not applicable	Built before Jan 27, 2011 and became prescribed roads by OGRR No action required to maintain, authorized by OGAA Section 118.1

Must apply for an OGAA Road Permit if further construction or modification is contemplated