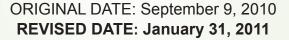


INFORMATION BULLETIN

2010-18





Clarification for Calculating Oil and Gas Activity Areas for Applications within the Agricultural Land Reserve

TO: Industry Clients and Stakeholders

EFFECTIVE DATE: September 9, 2010

BACKGROUND

The Agricultural Land Reserve (ALR) is a provincial land use zone in which agriculture is recognized as the priority use. Non-agricultural uses such as oil and gas activities are not an outright permitted use, and require approval as per the Agricultural Land Commission Act (Act).

A Delegation Agreement (Agreement) between the BC Oil and Gas Commission (Commission) and the Agricultural Land Commission (ALC) provides for an effective and streamlined land-use decision process in the Peace River Regional District and the Northern Rockies Regional Municipality.

Land area thresholds have been established in the Agreement to determine which agency is responsible for reviewing and making decisions on oil and gas activity applications in the ALR (see Appendix 1 in the Agreement).

Where the combined total area occupied by the existing and proposed oil and gas activities is greater than seven hectares per quarter section, an ALC Act Application is required to be made via local government for permission to use ALR land for non-farm purposes. The authority lies with the ALC to determine whether or not to approve these applications.

CALCULATIONS

The following oil and gas non-farm uses **must be included** when calculating the seven hectares per quarter section:

- Wellsites (total lease area).
- Access roads
- Compressor and battery sites (total lease area).
- Produced water and gas handling or processing facilities.
- Gas processing plant or production facility sites (total lease area).
- Riser sites for multiple pipelines linked to a facility.
- Borrow pit.
- Remote sump.

Oil and gas activities not included in calculations:

- Pipelines (if underground).
- Temporary winter access in frozen conditions where roadbed developments are not required.
- Access within public road allowances.
- A single riser site directly related to the operation of a pipeline.
- Ancillary temporary use sites (log decking sites, workspaces and campsites) where:
 - 1. Temporary use occurs only during the construction of a facility or drilling of a wellsite is then reclaimed.
 - 2. No surface soil stripping or no significant compaction or rutting (as compared to adjacent site) occurs; and if it does, the disturbed land is reclaimed immediately.
 - 3. The temporary use site is available for farm use when construction of the facility or wellsite has been completed.

The associated construction plan for all activities within the ALR, excluding pipelines, must include a schedule listing all existing and proposed areas of oil and gas disturbances in all quarter sections or equivalent covered by the proposal.

The area grid used for the quarter section or equivalent is the legal quarter of a section within the Peace River Block (e.g. S.E. ¼, section 1, township 86, Range 17, W6M). Outside the Peace River Block, "units" are used from the National Topographic System (e.g. Unit 52, Block E, 94-A-11).

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

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