



## Non-Producers Added to Liability Management Rating Program

**TO:** Industry Clients

**EFFECTIVE:** Immediately

### BACKGROUND:

Phase III of the BC Oil and Gas Commission's (Commission) Liability Management Rating (LMR) program came into effect June 3, 2013. Phase III was developed to include non-producing permit holders whose assets are in the form of processing and/or disposal infrastructure, and uses a revised deemed asset calculation specifically for non-producers. The liability model now applies to both producers and non-producers.

Additional updates to the program in Phase III include the removal of gathering points and the update of liability costs for disposal stations. The updated [LMR Program Manual](#) has been posted to the Commission's website.

The objective of the LMR program is to manage the liability risks of oil and gas activities by ensuring permit holders have the means to carry the financial risks of their operations through to regulatory closure. The Commission had been operating under Phase II since November 2011. The program has been developed for use by the Commission for determining required security deposits for permit holders under Section 30 of the Oil and Gas Activities Act, but does not address security requirements outlined in Section 23.

For further information on this industry bulletin, please contact:

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