

INDUSTRY BULLETIN 2013-11

August 6, 2013



Delegation Agreement Updated

TO: Industry Clients

REQUIREMENT:

An updated delegation agreement between the Agricultural Land Commission (ALC) and the BC Oil and Gas Commission (OGC) has been posted to the OGC <u>website</u>. The agreement covers oil and gas activities and related ancillary activities within the Peace River Regional District and Northern Rockies Regional Municipality.

The main updates to the delegation agreement include:

Appendix I - Categories of Oil and Gas Activity and Ancillary Activity Non-Farm Uses

- To improve efficiency, the majority of oil and gas non-farm use applications will now be submitted to the OGC.
- Criteria is simplified and more directly related to impacts on agricultural land.
- Following are the two main criteria now used to determine if non-farm use application are to be submitted to the OGC:
- 1. An ALC non-farm use application (submitted to the OGC) is required if cumulative oil and gas surface use is greater than 20 ha per Section (256 ha).
- 2. An ALC non-farm use application (submitted to the OGC) is required for selected activity sites greater than three ha, such as facilities and water storage sites proposed by an operator.

Appendix II - Guidelines for Planning Oil and Gas Activities and Ancillary Activities on Agricultural Land Reserve (ALR) Lands

- The appendix has been changed from an OGC application review guideline to an industry guideline for location planning to avoid and minimize agricultural impacts.
- The ALC requires industry to use the guidelines when planning surface land use requirements and provide a rationale statement.

Schedule A - Pre-site Assessment

- A new component is included for an area assessment to facilitate industry's use of Appendix II.
- Recommendations provided for soil conservation will be permit conditions where appropriate.

An application and submission training session will be held in the fall in Fort St. John for all operators submitting oil and gas activity applications. The new agreement will become effective following the training session.

An initial question and answer document is available on the ALC and OGC <u>websites</u>. Any further questions can be submitted and will be added to the document with answers included.

BACKGROUND:

The original agreement, signed in 2004, required updates to continue to be relevant to the development of unconventional oil and gas activities and the Oil and Gas Activities Act. The updated agreement maintains the same purpose and process as the previous agreement:

- All oil and gas activities and ancillary activity sites are considered temporary, non-farm uses in the ALR. The ALC requires the land surface to be reclaimed to its pre-development agricultural condition when no longer required for oil and gas activity.
- The Schedule A (pre-site assessment) ensures soil conservation and effective reclamation potential.
- Appendix II Industry must plan the location of activities to have minimum impact on agricultural use of the land.
- Appendix I Oil and gas activity applications are streamed as either Exempt from ALC Act decision, or require an application & decision under the ALC Act.
 - Non-farm use proposals by a non-operator for oil and gas related activities continue to require an application to the ALC.
- Sites no longer required for oil and gas activities are required to be reclaimed by industry to the same agricultural condition within 24 months.
- Schedule B Industry must provide a reclamation report to confirm a site has been reclaimed.

For further information on this industry bulletin, please contact:

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