



Changes to Fee, Levy and Security Regulation

TO: Industry Clients

EFFECTIVE DATE: Feb. 6, 2014

BACKGROUND:

The Fee, Levy and Security Regulation (FLSR) under the Oil and Gas Activities Act ([OGAA](#)) is the tool by which the BC Oil and Gas Commission (Commission) acquires funds to meet its regulatory obligations and recover expenses. Current fees, levies, and securities are noted in the FLSR under OGAA.

A review has resulted in changes to the FLSR that will take effect starting Feb. 6, 2014. An Appendix has been provided at the end of this bulletin detailing the pending changes, new categories and resulting fee schedule.

PENDING CHANGES:

Starting Feb. 6, 2014 applications submitted to the Commission will be subject to the new fee schedule. The following fee and levy revisions and new category examples provided below do not reflect all pending changes. Clients are encouraged to refer to the attached Appendix for the full schedule.

As of the effective date, the revised well permit application fee will be:

- \$12,400 for existing permit holders, as well as first time permit holders. \$600 of this fee will be used to fund the Science and Community Environmental Knowledge Fund (SCEK).

As of the effective date, the revised levies will be:

- \$1.45 per cubic metre of petroleum (\$0.12 of this will fund SCEK)¹.
- \$0.73 per thousand cubic metres of marketable gas (\$0.06 of this will fund SCEK)².

These new rates will appear on producers' Feb. 7, 2014 invoices.

^{1, 2} Bulletin amended April 29, 2014

MAJOR PROJECT FEES:

Due to new facility and pipeline classifications, and the increased technical nature of major project applications, the revised FLSR will reflect new fee categories to support the time required to efficiently review and process the applications. Some examples of these fees are as follows:

CLASS C LNG Facilities

- Permit Application: \$650,000
- Post-design Amendment: \$350,000
- Major Amendment: \$15,000

For additional information on Class A and B facilities, as well as minor and major amendment fees, please refer to the attached Appendix.

ROADS:

As a result of the enactment of the Oil and Gas Road Regulation (OGRR) under OGAA, the Commission will be issuing permits for oil and gas roads:

- Winter access roads ≥ 5 km permit application: \$100/km
- All season access roads ≥ 5 km permit application: \$200/km
- Road ≥ 5 km major amendment application: \$500

For all other permit and amendment application fees and new fee categories effective on Feb. 6, 2014 please refer to the attached Appendix.

It is recommended clients familiarize themselves with the pending FLSR changes and ensure payments are accurate when submitting applications; if there is any uncertainty regarding calculations it is the applicant's responsibility to contact the Commission for assistance. Applications submitted prior to the effective date that are declined and resubmitted after Feb. 6, 2014 may be subject to the new fee schedule, as advised by the Commission.

Support materials (such as pipeline application [manuals](#)), and KERMIT/IRIS will reflect the FLSR changes on the effective date.

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

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Appendix

APPENDIX Fee, Levy and Security Regulation Changes
Effective Feb. 6, 2014

CATEGORY	RATE		
PRODUCTION LEVIES	Former	NEW	Qualifiers
PETROLEUM /m ³	\$1.41	\$1.45	Increase to fund SCEK.
GAS /10 ³ m ³	\$0.71	\$0.73	Increase to fund SCEK.
ROADS (see <u>OGRR Directive 2013-01</u>)	Former	NEW	Qualifiers
Winter access ≥ 5 km	none	\$100/km	Greater than or equal to 5 km.
All season access ≥ 5 km	none	\$200/km	Greater than or equal to 5 km.
Road ≥ 5 km major amendment application	none	\$500	Greater than or equal to 5 km.
CORE FACILITY	Former	NEW	Qualifiers
Table booking	none	\$150/day	Includes use of facility equipment (e.g. microscopes).
Examine well core	\$40/well	\$6/box	
Examine drill cuttings	\$30/day	\$50/well	
Core cutting	none	\$15/cut	
Removal of core from warehouse	\$300/well	\$300 + \$6/box	
Re-boxing (other misc services)	none	\$60/hr	
MISC ADMIN	Former	NEW	Qualifiers
Printing/copying of info per page	\$3/page	\$4/page	
Transfer of permit (applies to all permits)	\$200	\$100 - \$300	\$100 - company name change or amalgamation. \$300 - all other permit transfers.

APPLICATION CATEGORY	Permit APPLICATION Fee		Permit AMENDMENT Fee		RATE		
	Former	NEW	Former	NEW	Former	NEW	Qualifiers
Storage reservoir permit	\$5,000	\$0	\$5,000	n/a			

CoR	Permit APPLICATION Fee		Permit AMENDMENT Fee		RATE		
	Former	NEW	Former	NEW	Former	NEW	Qualifiers
Certificate of restoration	\$0	\$1,500	n/a	n/a			

GEOPHYSICAL	Permit APPLICATION Fee		Permit AMENDMENT Fee		RATE		
	Former	NEW	Former	NEW	Former	NEW	Qualifiers
Geophysical exploration permit	\$1,650	\$3,000	\$700	\$1,200			

WELLS	Permit APPLICATION Fee		Permit AMENDMENT Fee		RATE		
	Former	NEW	Former	NEW	Former	NEW	Qualifiers
Permit to drill or operate a well (already a permit holder)	\$10,700	\$12,400	\$200 (formerly applied to well name change)	Minor: \$1,000 Major: \$7,000			
Permit to drill or operate a well (first time permit holder)	\$18,700	\$12,400	\$200 (formerly applied to well name change)	Minor: \$1,000 Major: \$7,000			

Major amendment has the same meaning as in the [Consultation and Notification Regulation](#).
Minor amendment - an amendment to a permit that is not a major amendment.

APPLICATION CATEGORY	Permit APPLICATION Fee		Permit AMENDMENT Fee		RATE		Qualifiers
	Former	NEW	Former	NEW	Former	NEW	
PIPELINES							
CLASS A < 168.3 mm OD	\$900 + \$200/km	\$1,500 + \$300/km	\$700	Minor: \$1,000 Major: \$7,000			Outside diameter less than 168.3 mm.
CLASS B ≥ 168.3 mm OD but < 609.6 mm OD	\$1,200 + \$400/km	\$2,000 + \$500/km	\$700	Minor: \$1,000 Major: \$7,000			Outside diameter greater than or equal to 168.3 mm but less than 609.6 mm.
Approvals in respect of NEB pipelines (per km)	\$200 - \$400	\$300 - \$600					Per km amount dependent on outside diameter.

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MAJOR PIPELINES	Permit APPLICATION Fee		Permit AMENDMENT Fee		RATE		Qualifiers
	Former	NEW	Former	NEW	Former	NEW	
Class C permit < 50 km in length	<i>new category</i>	\$2,000 + \$1,400/km	<i>new category</i>	Minor: \$5,000 Major: \$25,000			Less than 50 km long. OD 609.6 mm or more.
Class C permit ≥ 50 km in length	<i>new category</i>	\$370,000 + \$1,400/km	<i>new category</i>	Minor: \$5,000 Major: \$25,000			Greater than or equal to 50 km long. OD 609.6 mm or more.
Class C Levies (no change to Class A and Class B pipeline levies)					new category	\$200/km	OD 609.6 mm or more.

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Minor amendment - an amendment to a permit that is not a major amendment.

CATEGORY	Permit APPLICATION Fee		Permit AMENDMENT Fee		RATE		
FACILITIES	<i>Former</i>	NEW	<i>Former</i>	NEW	<i>Former</i>	NEW	Qualifiers
Class A LNG ≤ 1.4 10 ⁶ m ³ /day	\$50,000	\$25,000	\$0	Major: \$1,000 Post-design: n/a			Capacity: less than or equal to 1.4 10 ⁶ m ³ /day.
Class B LNG > 1.4 10 ⁶ m ³ /day - ≤ 5.634 10 ⁶ m ³ /day	\$50,000	\$75,000	\$0	Major: \$7,000 Post-design: \$50,000			Capacity: greater than 1.4 10 ⁶ m ³ /day up to or equal to 5.634 10 ⁶ m ³ /day.
Class C LNG > 5.634 10 ⁶ m ³ /day	\$100,000	\$650,000	\$0	Major: \$15,000 Post-design: \$350,000			Capacity: greater than 5.634 10 ⁶ m ³ /day.
Class A NATURAL GAS ≤ 1.4 10 ⁶ m ³ /day	\$16,000	\$25,000	\$0	Minor: \$1,000 Major: \$7,000			Capacity: less than or equal to 1.4 10 ⁶ m ³ /day.
Class B NATURAL GAS > 1.4 10 ⁶ m ³ /day - ≤ 5.634 10 ⁶ m ³ /day	\$16,000	\$50,000	\$0	Minor: \$1,000 Major: \$7,000			Capacity: greater than 1.4 10 ⁶ m ³ /day up to or equal to 5.634 10 ⁶ m ³ /day.
Class C NATURAL GAS > 5.634 10 ⁶ m ³ /day	\$16,000	\$75,000	\$0	Minor: \$1,000 Major: \$7,000			Capacity: greater than 5.634 10 ⁶ m ³ /day.
OIL (facility that processes petroleum)	\$16,000	\$12,400	\$0	Minor: \$1,000 Major: \$7,000			Permit application fees or minor and major amendment fee/s not applicable for oil or non o/g facility on a permitted area.
Non oil and gas (other than LNG, natural gas, or oil)	\$16,000	\$12,400	\$0	Minor: \$1,000 Major: \$7,000			Permit application fees or minor and major amendment fee/s not applicable for oil or non o/g facility on a permitted area.

Major amendment has the same meaning as in the [Consultation and Notification Regulation](#).

Minor amendment - an amendment to a permit that is not a major amendment.