

INDUSTRY BULLETIN 2015-35



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Clarification on Permit Expirations under OGAA

Preventing Permits from Expiring

The BC Oil and Gas Commission (Commission) is notifying operators that in order to satisfy the requirements of 'beginning an oil and gas activity' to prevent the permit from expiring, permit holders will need to submit a Notice of Construction Start (NCS) or apply for a Permit Extension.

Notice of Construction Start: Permit holders must submit a NCS to the Commission in order to prevent a permit from expiring. Once a NCS has been submitted to the Commission, the permit will be considered valid and will no longer be subject to Section 32(1) of the Oil and Gas Activities Act (OGAA). All of the activities permitted and authorized under one application, will be considered valid once the NCS has been submitted.

If a primary well at a well site is active under a NCS, subsequent well permits will automatically be valid and Section 32(2) will not apply. This is because the NCS has already been applied to that land under the primary well.

<u>Permit Extension Application</u>: This should be submitted for permits that do not have a NCS to prevent the permit from expiring. This needs to be submitted at least 30 days prior to the two-year expiry date, and can only be applied for once. Where multiple activities are permitted and authorized, under one application, and no NCS has been received, permit extensions are required for each activity. For multi-well pads, permit holders will be required to submit permit extension applications on all wells. If a permit expires without a permit extension application, the Commission will automatically record the permit as cancelled. The former permit holder must submit a new well permit application to the Commission with the prescribed applications fee, if they wish to proceed with a well in the same location.

Background

<u>Section 32(1) of the Oil and Gas Activities Act</u> states that a permit, and any authorization issued to the permit holder for a related activity of an oil and gas activity, expire on the day after the prescribed period has elapsed, if the permit holder has not, by that day, begun an oil and gas activity authorized in the permit. This prescribed time period, as defined by Section 8 of the OGAA General Regulation, is two years.

The Commission uses an Integrated Resource Information System (IRIS) to manage all well, geophysical, road, Water Act, and Crown land applications. Within this system, any OGAA well permit that expires as per Section 32(1) will automatically be recorded in IRIS as cancelled.

It is the permit holder's responsibility to ensure that an oil and gas permit is valid and has not expired prior to initiating construction.

For more information on this industry bulletin, please contact:

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