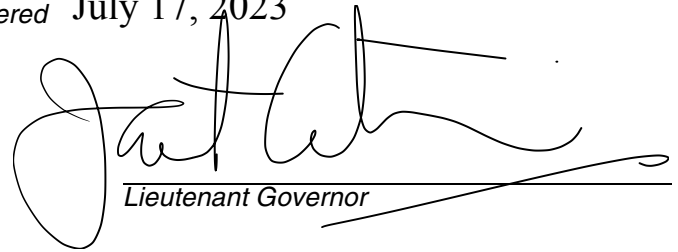


PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 463

, Approved and Ordered July 17, 2023

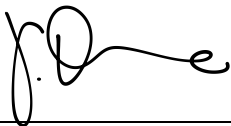


Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that

- (a) sections 27 and 28 of the *Natural Gas Development Statutes Amendment Act, 2015*, S.B.C. 2015, c. 40, are brought into force,
- (b) sections 48 and 50 of the *Energy Statutes Amendment Act, 2022*, S.B.C. 2022, c. 42, are brought into force,
- (c) section 59 of the *Energy Statutes Amendment Act, 2022*, S.B.C. 2022, c. 42, is repealed,
- (d) the Petroleum and Natural Gas Storage Reservoir Regulation, B.C. Reg. 350/97, is repealed, and
- (e) the attached Petroleum and Natural Gas Storage Reservoir Regulation is made.



Minister of Energy, Mines and Low Carbon Innovation



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Natural Gas Development Statutes Amendment Act, 2015*, S.B.C. 2015, c. 40, s. 58;
Energy Statutes Amendment Act, 2022, S.B.C. 2022, c. 42, ss. 59 and 77;
Petroleum and Natural Gas Act, R.S.B.C. 1996, c. 361, ss. 130, 132 and 133

Other: OIC 1139/97

R10682119

PETROLEUM AND NATURAL GAS STORAGE RESERVOIR REGULATION

Definitions

1 In this regulation:

“**Act**” means the *Petroleum and Natural Gas Act*;

“**base of fish scales marker**” has the same meaning as in section 51 of the Water Sustainability Regulation;

“**storage reservoir exploration licence**” means a licence under section 126 of the Act;

“**subject area**” has the same meaning as in section 51 of the Water Sustainability Regulation.

Exception

2 Sections 126 (2) to (4) and 130 of the Act and this regulation do not apply to that area of British Columbia lying west of longitude 122° West, east of the Strait of Georgia, south of latitude 49°30' North and north of the Canada-United States of America border.

Application for storage reservoir exploration licence

3 (1) An applicant for a storage reservoir exploration licence must include the following in the application:

- (a) a description and map identifying the proposed licence location, including the proposed geographic area and geologic formations;
- (b) the potential type, source and volume of substances to be stored or disposed of;
- (c) a summary of geological and engineering knowledge respecting the nature of the geologic formations referred to in paragraph (a), including respecting
 - (i) the cap rock zones,
 - (ii) the intended confinement mechanism, and
 - (iii) the suitability of the geologic formations for storage or disposal of the substances referred to in paragraph (b);
- (d) the rationale for the selection of the proposed licence location, including the proposed geographic area and geologic formations;
- (e) a description of
 - (i) the proposed exploration work, including any proposed seismic studies, wells, cores and tests and associated timelines, and
 - (ii) the additional information expected to be obtained through the proposed exploration work;
- (f) information identifying each well or pool that could be impacted by the proposed exploration work;
- (g) information identifying each holder of a lease, licence, permit or other interest under the Act, or a lease or permit under the *Geothermal Resources*

Act, that could be impacted by the proposed exploration work, with the applicable title holder name and title number;

- (h) comments respecting the potential impacts of the proposed exploration work on each well and pool identified under paragraph (f) and each lease, licence, permit and other interest identified under paragraph (g);
- (i) the requested licence term;
- (j) in relation to the information referred to in each of paragraphs (c) to (h), the name and business contact information of an individual registered under the *Professional Governance Act* as a professional engineer, professional engineering licensee, professional geoscientist or professional geoscientist licensee who is responsible for preparing or reviewing the information;
- (k) any other information required by the minister for the purposes of determining the applicant's ability to meet the terms and conditions of the licence.

- (2) An applicant for a storage reservoir exploration licence may include in the application a summary of any engagement carried out by the applicant in relation to the proposed licence.

Storage reservoir exploration licence renewal

- 4 The minister, on the minister's own initiative or on the request of a licensee, may renew a storage reservoir exploration licence
 - (a) on the same or different terms and conditions, and
 - (b) for a period determined by the minister.

Application for storage reservoir licence

- 5 (1) An applicant for a storage reservoir licence other than an applicant described in subsection (2) must include the following in the application:
 - (a) a description and map identifying the proposed licence location, including the proposed geographic area and geologic formations;
 - (b) the type, source and volume of substances proposed to be stored or disposed of;
 - (c) a description, with supporting information, of
 - (i) the nature and size of the proposed storage reservoir,
 - (ii) the nature of the proposed confinement mechanism, and
 - (iii) the suitability of the geologic formations for storage or disposal of the substances referred to in paragraph (b);
 - (d) a description of the proposed work relating to accessing, developing and using the storage reservoir and associated timelines;
 - (e) information identifying each well or pool that could be impacted by the proposed work;
 - (f) information identifying each holder of a lease, licence, permit or other interest under the *Act*, or a lease or permit under the *Geothermal Resources Act*, that could be impacted by the proposed work, with the applicable title holder name and title number;

- (g) comments respecting the potential impacts of the proposed work on each well and pool identified under paragraph (e) and each lease, licence, permit and other interest identified under paragraph (f);
 - (h) in relation to the information referred to in each of paragraphs (c) to (g), the name and business contact information of an individual registered under the *Professional Governance Act* as a professional engineer, professional engineering licensee, professional geoscientist or professional geoscientist licensee who is responsible for preparing or reviewing the information;
 - (i) any other information required by the minister for the purposes of evaluating the application in accordance with section 7.
- (2) Subsection (3) applies in relation to an applicant for a storage reservoir licence if
- (a) the applicant holds a lease for the location of the storage reservoir to which the application relates,
 - (b) the applicant has the right under the lease to store or dispose of the substances referred to in section 50 (2) (b) of the Act into the storage reservoir, and
 - (c) the development or use of the storage reservoir has been designated as a special project under section 75 (1) (c.1) of the *Oil and Gas Activities Act*.
- (3) An applicant for a storage reservoir licence described in subsection (2) must include the following in the application:
- (a) a description of the storage reservoir, including its geographic area and geologic formation and the confinement mechanism used;
 - (b) the type, source and volume of substances proposed to be stored or disposed of in the storage reservoir;
 - (c) any other information required by the minister for the purposes of evaluating the application in accordance with section 7.
- (4) An applicant for a storage reservoir licence may include in the application a summary of any engagement carried out by the applicant in relation to the proposed licence.

Publication of application

- 6 The minister may publish, on a publicly accessible website maintained by or on behalf of the minister, the following information in relation to an application for a storage reservoir licence:
- (a) the date the application was received;
 - (b) the name of the applicant;
 - (c) the location of the proposed licence, including the proposed geographic area and geologic formations;
 - (d) the substances proposed to be stored or disposed of into the storage reservoir.

Evaluation of application for storage reservoir licence

- 7 For the purposes of section 130 (2.1) of the Act, the minister must, in evaluating an application for a storage reservoir licence, consider the following:

- (a) whether the development and use of the proposed storage reservoir could have effects on an Indigenous nation or the rights recognized and affirmed by section 35 of the *Constitution Act, 1982*;
- (b) whether the development and use of the proposed storage reservoir could have impacts on existing or future holders of
 - (i) leases, licences, permits or other interests under the Act, or
 - (ii) leases or permits under the *Geothermal Resources Act*;
- (c) the feasibility of developing the proposed storage reservoir for the intended use;
- (d) the suitability of the proposed storage reservoir for the intended use;
- (e) the best use of the proposed storage reservoir;
- (f) potential adverse impacts on the quality of groundwater;
- (g) the implications for the availability of storage for the oil and gas sector;
- (h) the targets established under section 2 of the *Climate Change Accountability Act* for the purpose of reducing BC greenhouse gas emissions;
- (i) the applicant's ability to meet the terms and conditions of the licence;
- (j) the public interest in granting or refusing to grant the licence.

Size of storage reservoir licence location

- 8** The minimum size of a storage reservoir licence location is a normal spacing area for a natural gas well as set out in section 65 of the Act.

Minimum depth of storage reservoir licence location

- 9** (1) The minimum depth of a storage reservoir licence location in the subject area is as follows:
- (a) if there is a base of fish scales marker,
 - (i) the depth of the base of fish scales marker, if the depth of the base of fish scales marker is between 300 m and 600 m below the earth's surface,
 - (ii) 300 m below the earth's surface, if the depth of the base of fish scales marker is less than 300 m below the earth's surface, and
 - (iii) 600 m below the earth's surface, if the depth of the base of fish scales marker is greater than 600 m below the earth's surface;
 - (b) if there is no base of fish scales marker,
 - (i) the depth of strata that are older than the base of fish scales marker, if the depth of the older strata is between 300 m and 600 m below the earth's surface,
 - (ii) 300 m below the earth's surface, if the depth of strata that are older than the base of fish scales marker is less than 300 m below the earth's surface, and
 - (iii) 600 m below the earth's surface, if the depth of strata that are older than the base of fish scales marker is greater than 600 m below the earth's surface.

- (2) The minimum depth of a storage reservoir licence location outside the subject area is 600 m below the earth's surface.
- (3) Despite subsections (1) and (2), the minister may approve a minimum depth of a storage reservoir licence location that is nearer the earth's surface if satisfied that the development or use of the storage reservoir is not likely to have an adverse impact on the quality of groundwater.

Storage reservoir licence term, extension and renewal

- 10**
- (1) The term of a storage reservoir licence is 15 years.
 - (2) The minister, on the minister's own initiative or on the request of a licensee, may
 - (a) extend the term of a storage reservoir licence for a period of 2 years or less on one or more occasions, or
 - (b) renew a storage reservoir licence for a period of 15 years.

Terms and conditions of storage reservoir licence

- 11**
- The minister may impose one or more of the following terms and conditions on a storage reservoir licence:
- (a) the licensee must apply, by the date specified by the minister, for designation of the development or use of the storage reservoir as a special project under section 75 (1) (c.1) of the *Oil and Gas Activities Act*;
 - (b) the licence may be cancelled if the licensee ceases, for the period of time specified by the minister, development of the storage reservoir, injection of substances authorized under the licence or any other activity specified by the minister;
 - (c) the licensee must store or dispose of into the storage reservoir only substances from sources specified, or not prohibited, as applicable, by the minister;
 - (d) any other terms and conditions that the minister considers advisable.

Amendment of storage reservoir licence

- 12**
- (1) For the purposes of section 130 (5) (a) of the Act, the minister may amend a storage reservoir licence on the minister's own initiative or on the request of a licensee.
 - (2) Before amending a storage reservoir licence on the minister's own initiative, the minister must give written notice of the amendment to the licensee.

Transfer of storage reservoir licence

- 13**
- For the purposes of section 130 (5) (b) of the Act, the minister must, before approving the transfer of a storage reservoir licence, consider the following:
- (a) whether the transfer would be consistent with maintaining the safe development or use of the storage reservoir for storage or disposal of substances authorized under the licence;
 - (b) the implications for the availability of storage for the oil and gas sector;

- (c) the ability of the proposed licensee to meet the terms and conditions of the licence;
- (d) the public interest in approving or refusing the transfer.

Fees

- 14** The following fees are prescribed:
- (a) for a storage reservoir exploration licence, \$500;
 - (b) for a storage reservoir licence, \$200.

Storage reservoir licence rentals

- 15**
- (1) The annual rent for a storage reservoir licence is \$7.50 per hectare
 - (a) payable for the first year at the time of application for the licence, and
 - (b) payable in each subsequent year on or before the anniversary date of the licence.
 - (2) Subject to subsection (3), a licence expires 60 days after the rental payment is due if the licensee fails to pay the annual rent required under subsection (1).
 - (3) Subsection (2) does not apply if
 - (a) the annual rent, plus a late payment fee of \$100, is paid within 10 days after the rental payment was due, or
 - (b) the annual rent, plus a late payment fee of \$500, is paid more than 10 days after but within 60 days after the rental payment was due.