

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

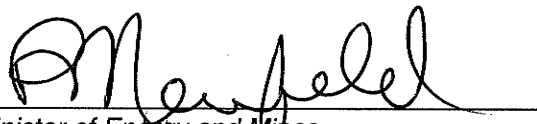
5 , Approved and Ordered **JAN 12 2006**

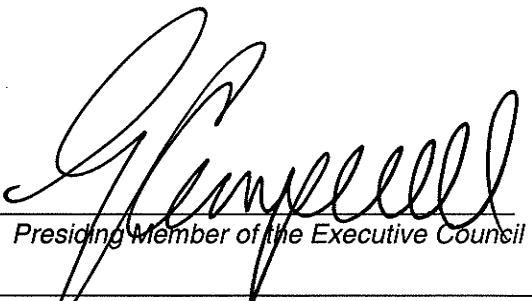

Lieutenant Governor

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, effective April 1, 2006,

- (a) sections 22 to 25 of the *Miscellaneous Statutes Amendment Act, (No. 2), 2005*, S.B.C. 2005, c. 35, are brought into force, and
- (b) the Oil and Gas Commission Levy Regulation, B.C. Reg. 363/98, is amended as set out in the attached Schedule.


Minister of Energy and Mines
and Petroleum Resources


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:- Oil and Gas Commission Act, S.B.C. 1998, c. 39, ss. 6.5 and 22

Miscellaneous Statutes Amendment Act, (No. 2), 2005, S.B.C. 2005, c. 35, s. 43

Other (specify):- oic 969/98

SCHEDULE

1 *The title to the Oil and Gas Commission Levy Regulation, B.C. Reg 363/98, is amended by adding “and Orphan Site Reclamation Fund Tax” after “Levy”.*

2 *Section 1 is amended*

(a) by renumbering the section as section 1 (1),

(b) in subsection (1) by repealing the definition of “production month”,

(c) in subsection (1) by adding the following definition:

“tax” means the tax imposed under section 6.4 of the Act; , *and*

(d) by adding the following subsection:

(2) In the Act and in this regulation:

“operator” means

(a) a person entitled to produce and dispose of petroleum and natural gas from a well under the *Petroleum and Natural Gas Act*,

(b) the owner responsible to the commission for the drilling, completion, production and abandonment of a well or test hole or the general construction, operation and reclamation of any production facility or plant covered by the *Petroleum and Natural Gas Act*, or

(c) in relation to a pipeline, a person or corporation having authority under the *Pipeline Act* or a special Act to construct or operate pipelines to transport oil, gas or solids;

“production month”, in relation to a billing month, means the calendar month listed in Column 2 opposite that billing month listed in Column 1 of the following table:

COLUMN 1 <i>Billing Month</i>	COLUMN 2 <i>Production Month</i>
October	August
November	September
December	October
January	November
February	December
March	January
April	February
May	March
June	April
July	May

COLUMN 1 <i>Billing Month</i>	COLUMN 2 <i>Production Month</i>
August	June
September	July

3 **Section 2 is amended by adding “and taxes” after “levies”.**

4 **The following sections are added:**

Manner of payment of orphan site reclamation fund tax

- 5 (1) Words and expressions used in this section and sections 6 and 7 but not defined in those sections have the same meaning as in the *Petroleum and Natural Gas Act*.
- (2) For the purposes of sections 6.2 and 6.3 of the Act, each producer must pay the tax at the appropriate tax rate under section 6.4 (2) of the Act in the manner set by this regulation.

Applications for compensation by land owners

- 6 (1) An application for compensation must be submitted to the commission by the land owner in the form and including the information required by the commission.
- (2) The application must be accompanied by the following:
- (a) a copy of the surface lease agreement or order of the board that imposed a surface lease agreement;
 - (b) evidence of when the last payment under the surface lease agreement was made to the land owner;
 - (c) a claim for the overdue payments owed under the surface lease agreement by the operator to the land owner;
 - (d) evidence showing the efforts made by the land owner to obtain payment of outstanding amounts owed under the surface lease agreement.
- (3) In respect of a site designated under section 6.2 (5) of the Act, compensation must be paid in the amount of the sum of the amounts calculated under the following paragraphs:
- (a) in respect of the period before the designation of a site under section 6.2 (5) of the Act, the lesser of
 - (i) the overdue payments under the surface lease agreement, and
 - (ii) \$50 000;
 - (b) in respect of the period from the designation of a site under section 6.2 (5) of the Act to the date of a certificate of restoration issued for the site, the annual payments under the surface lease agreement.

Application of section 4 to sections 5 and 6

- 7 For the purposes of sections 5 and 6,
- (a) section 4 (1) applies as if the references to “marketable gas levy rate” and “petroleum levy rate” were references to the tax rates set under section 6.4 (2) (a) and (b) of the Act respectively,
 - (b) section 4 (2) to (5), (8) and (10) applies, and
 - (c) section 4 (6), (7) and (9) applies as if the references to “levy” were references to “tax”.