

July 28, 1997

INFORMATIONAL NOTICE 97-5

**OIL AND GAS EXPLORATION AND DEVELOPMENT
ON PROVINCIAL CROWN LANDS**

Introduction

This interim informational notice is issued jointly by the Department of Energy and Mines - Petroleum and Energy Branch and the Department of Natural Resources. The purpose of this notice is to clarify processes and procedures governing oil and gas developments on Provincial Crown Land.

Definitions

“Crown land” means land where the surface rights are owned by the Province. Note that Crown oil and gas rights may or may not be located on Crown land (surface) and that in some cases, oil and gas rights underlying Crown land are freehold.

“Crown land general permit” is a legal tenure document issued under The Crown Lands Act to cover specified activities on Crown land. This document can be renewed annually.

“Crown land surface lease” is a legal tenure document issued under The Crown Lands Act to cover specified activities on Crown land. This document has a term of 21 years.

“Natural Resources” means the Department of Natural Resources.

“Petroleum” means the Petroleum and Energy Branch of the Department of Energy and Mines.

“Work Permit” means a permit issued under The Crown Lands Act for permission to conduct operations on Crown land.

Crown Oil and Gas Lease Sales

Petroleum conducts periodic sales of Crown oil and gas lease rights. Industry may post parcels for inclusion in a lease sale. Once the deadline for postings has passed, Petroleum forwards a list of all parcels requested to Natural Resources.

Natural Resources reviews the list of parcels requested and identifies sensitive areas. Generally, sites with native vegetation cover are considered important habitat areas for flora and fauna and are subject to development and operational conditions. Sites of this nature will generally require the approval of a development plan before commencing operations.

Petroleum will prepare a Crown lease sale notice which will indicate those parcels where special restrictions apply and where a development plan may be required. In some cases surface access to a parcel may be restricted in whole or in part.

Development Plan

Where a Crown oil and gas lease or exploration reservation indicates a development plan is required, the proponent should contact Petroleum with a summary of the nature and scope of the proposed development. This should include the activities that are immediately planned and the maximum potential future development should the initial work be successful.

On sensitive Crown land (e.g. Wildlife Management Area, Provincial Park etc.) where the oil and gas rights are freehold, the proponent should advise Petroleum of its intended development. Petroleum, in consultation with Natural Resources, will advise the proponent if a development plan is required. In this case the proponent shall submit a proposed development summary to Petroleum as outlined below.

A proposed development summary must be submitted to Petroleum in triplicate by the proponent.

Upon submission of a proposed development summary, Petroleum will consult with Natural Resources to determine what special considerations need to be addressed in the development plan. At this time it may be appropriate to arrange a meeting between the proponent, Petroleum and Natural Resources. Natural Resources and Petroleum commit to providing requirements for a development plan within ten (10) working days of the submission of a complete project summary.

A development plan should include a detailed description of the planned operations, an assessment of the occurrence of rare, threatened or endangered flora and fauna in the development area and proposed mitigative measures to minimize impacts of the operation. The plan should also provide, where required, information on public consultation and a mechanism by which public concerns will be accommodated.

When the proponent submits the proposed development plan, Natural Resources and Petroleum will assess the adequacy of the measures proposed and the public consultation proposed where required. Following assessment of the plan and subject to any required consultation between the parties, Natural Resources and Petroleum commit to advising the proponent within thirty (30) working days that

- the proposed development plan is approved subject to terms and conditions,
- additional information is required for evaluation of the proposed development plan,
- the proposed development will be subject to public consultation , or
- the plan is inadequate and will not be approved in its current form.

Once the development plan has been approved, the proponent is free to pursue the other permits and licenses necessary to authorize its operation (e.g. work permit, Crown lands general permit or Crown surface lease from Natural Resources and geophysical or well license from Petroleum).

Upon completion of the development or any phase of the development or whenever requested, the proponent shall file with Petroleum a brief report summarizing activities on the site and demonstrating compliance with the development plan.

Geophysical Operations

Where it is proposed to conduct geophysical operations on Crown land, the proponent must obtain a work permit from Natural Resources and a Geophysical license from Petroleum. Application should be made to Petroleum for a Geophysical License. Petroleum will forward the application to Natural Resources for issuance of a work permit. Unless special circumstances exist (e.g. unique or sensitive areas, or presence of rare or endangered species) Natural Resources will issue a work permit within three (3) working days of receipt of the application.

The proponent is also required to apply to the Director of Crown Lands of Natural Resources for a Crown Lands General Permit. This will include reasonable compensation for right of entry as determined by Natural Resources. However, provided a work permit and a geophysical license have been obtained, the proponent can commence the program prior to approval of the Crown Land General Permit.

Wells

Where it is proposed to drill a well on Crown Land, the proponent should apply to the Director of Crown Lands or the appropriate Regional Land Manager for a Crown surface lease. The proponent should provide a sketch of the area showing the proposed wellsite and the planned access road. Approval/issuance of a Crown surface lease will take approximately fifteen (15) working days.

Once a Crown surface lease has been issued, the proponent should contact the regional Natural Resources office to obtain a work permit to survey the site. The Work Permit will be issued within 1 working day of receipt of the application. Once the site is surveyed, the proponent may make application to Petroleum for a well license. Petroleum will issue a well license within 2 working days of receipt of a complete application.

Inquiries

Inquiries should be directed to the appropriate office of Natural Resources or Petroleum as outlined on Attachment No. 1.

L. R. Dubreuil
Director
Petroleum and Energy Branch
Energy and Mines

G. Baker
Director
Policy Coordination Branch
Natural Resources

**Attachment No. 1
Contacts List**

I. Natural Resources

A. WORK PERMITS

<u>District</u>	<u>Phone Number</u>	<u>Contact</u>
Brandon	726-6445	Dennis Hlady Barry Zachedniak
Turtle Mountain	534-7204	Larry Ross Larry Buhler
Killarney	523-8230	Don Maxwell
Virden	748-2043	Rick Cline
Shoal Lake	759-2475	Ian Ripley Ross Stewart

If District Natural Resources Officer is unavailable call

1. Lorne Misanchuk
Regional Lands Manager
622-2103
2. Tom Moran
Resources Manager
534-6838

For **Wildlife** Information

Wildlife Representative	726-6448	Larry Bidlake Regional Wildlife Manager
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For **Parks** Information

Parks Representative	726-6306	Ken Schykulski Regional Parks Manager
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B. CROWN LANDS GENERAL PERMITS/CROWN SURFACE LEASES

1. Bryan Sheridan
Acting Director, Crown Lands Branch
476-3441
2. Dwain McBain

Leases & Permits
476-3441

3. Lorne Misanchuk
Regional Lands Manager
622-2103
4. Tom Moran
Resources Manager
534-6838

II. Petroleum and Energy Branch

<u>District</u>	<u>Phone Number</u>	<u>Contact</u>
Viriden	748-1557	Bruce Dunning Allan Gervin
Waskada	673-2472	Lorne Barsness Jan McClelland

Alternate contacts

1. John Fox
Chief Petroleum Engineer
945-6574
2. Bob Dubreuil
Director, Petroleum and Energy
945-6573