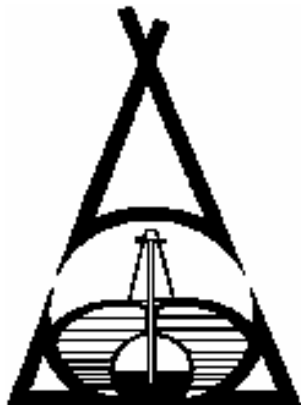




Indian Oil and Gas Canada

Federal Process for Environmental Approvals



IOGC

PNG Tenure Information
Exchange, Gulf Canada Square

CAPLA and CAPL

April 13, 2011





Outline

- Surface Dispositions
- Life Cycle of a Surface Lease/ROW
- Exploratory Licence Application Process
- Surface Agreement Application Process
- Role of the Environment Group
- Environmental Assessment Requirements
- Environmental Audit Management Framework
- Abandonment and Reclamation Process

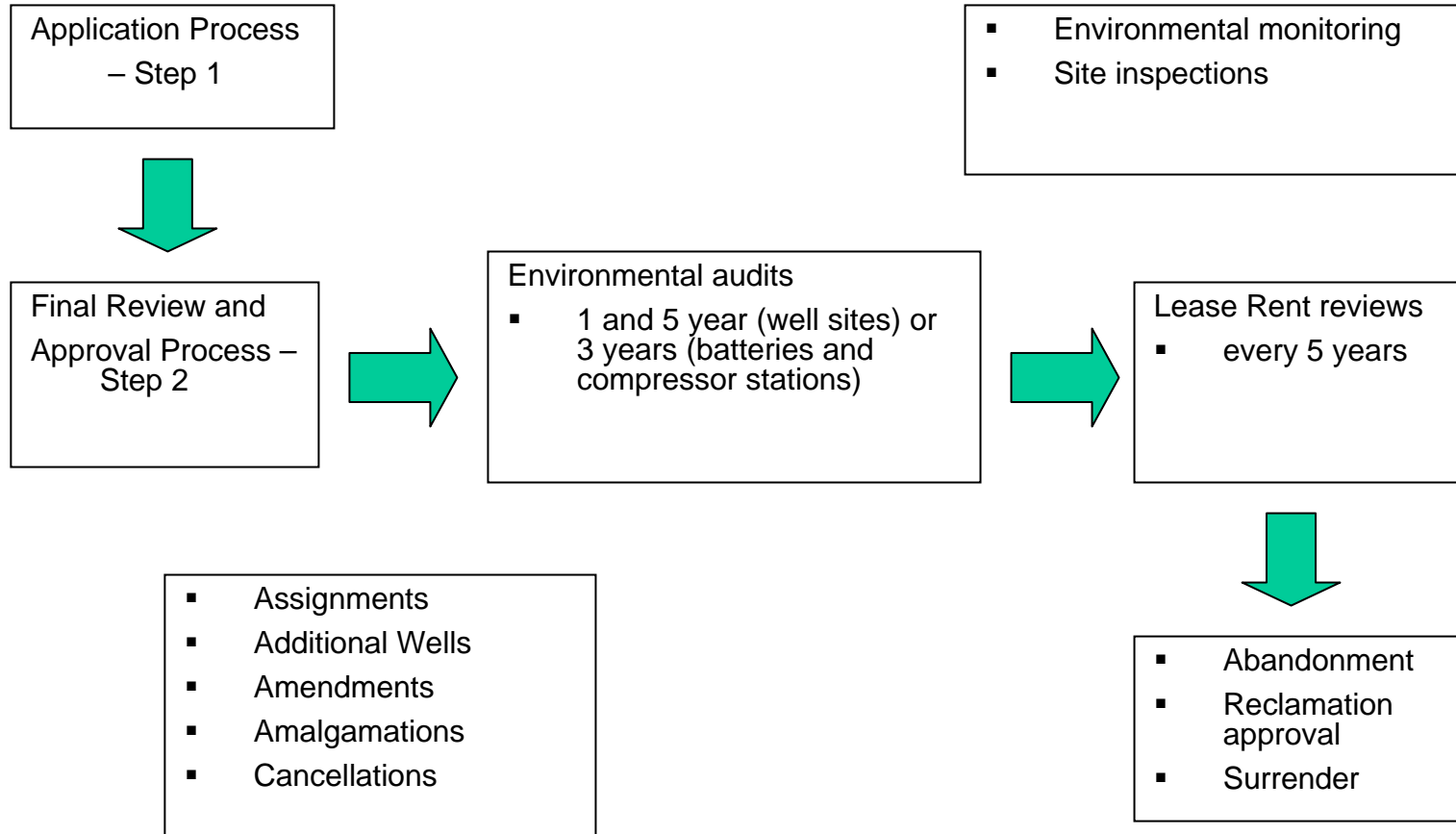


3 Types of Surface Dispositions

- Exploratory license (Seismic) (s 6-9)
- Surface lease (s 27)
- Right-of-way agreement (s 27)



Life Cycle of a Surface Lease/ROW





Exploratory Licence Application Process

What's New

- The Application Phase is now a Two-Step Process
- Effective November 1, 2006
- 1 year Expiry Date in Licence
- Notification of Commencement & Completion Dates for Field Work Required

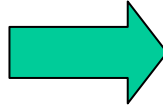


Surface Agreement Application Process

Step 1

Applicant submits to IOGC:

- Application
- Administration fee
- Environment Assessment (EA)
- Survey plan



IOGC Land Admin:

- Creates a file
- Verify corporate info, mineral rights and surface rates
- Forwards to Environmental Analyst for review

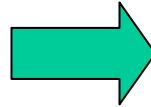


Surface Agreement Application Process

Step 1

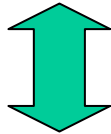
Environmental Analyst:

- Register project on CEAR (15d)
- Reviews EA
- Involve Other Gov't Dept's if necessary (DFO, Env.Can., etc)
- Prepares CEAA screening
- Prepares IOGC terms letter
- Forward file to Admin.



IOGC Land Admin:

- Fax lease application approval & IOGC terms letter to applicant and First Nation
- Applicant can now proceed to Step 2



- Discusses project with the First Nation Oil and Gas representative to ensure concerns addressed

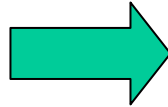


Surface Agreement Application Process

Step 2

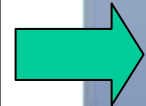
Applicant:

- Prepares 4 copies of agreement and attaches the IOGC terms letter
- Forwards agreement to Chief and Council, BCR is signed by Quorum
- Company signs agreements
- Returns all 4 executed originals to IOGC, including BCR



Applicant returns to IOGC:

- The 4 executed originals of lease including BCR
- 1 extra survey plan (signed by company & surveyor)
- Compensation cheque





Surface Agreement Application Process

Step 2 continued

IOGC Land Admin verifies:

- Appropriate monies received
- Quorum of signatures
- Revisions made (if applicable)
- Manager, Environment approval (CEAA Screening)

IOGC Execution:

- Agreements signed by Manager, Surface Land

IOGC Land Admin:

- Faxes Step 2 final approval to applicant and First Nation
- Money in Suspense released to First Nation
- Mail original lease to
 - Applicant
 - First Nation
 - Indian Land Registry





Role of the Environment Group

- Review Environmental Assessments
- Adopt the most stringent requirements
- Require environmental audits – 1, 3 &/or 5 year after





Role of the Environment Group

- Random and planned inspections – IOGC & ERCB, SER, BC O&G Commission
- Review reclamation applications and complete inspections
- Remediation, as necessary





Environmental Assessment Requirements

New Environmental Assessment Guidelines

- To better address CEAA
- Incorporate any new legislation
- Resolve previous inconsistencies



Environmental Assessment Requirements

Proponent's Responsibility

- have the EA completed by a qualified environmental consultant
- provide copies of the EA report to both IOGC and the First Nation Chief and Council for review
- ensure that the site contractor has a copy of the IOGC Environmental Protection Terms Letter onsite and abides by it throughout development and operations.



Environmental Assessment Requirements

Submission

- One unbound hard copy and one digital version to IOGC and Chief and Council
- Follow the EA template
- Allow sufficient time to process the application
- Document what the proponent **will** do to meet the regulatory requirements, not what they should do. Avoid the use of 'should' statements.

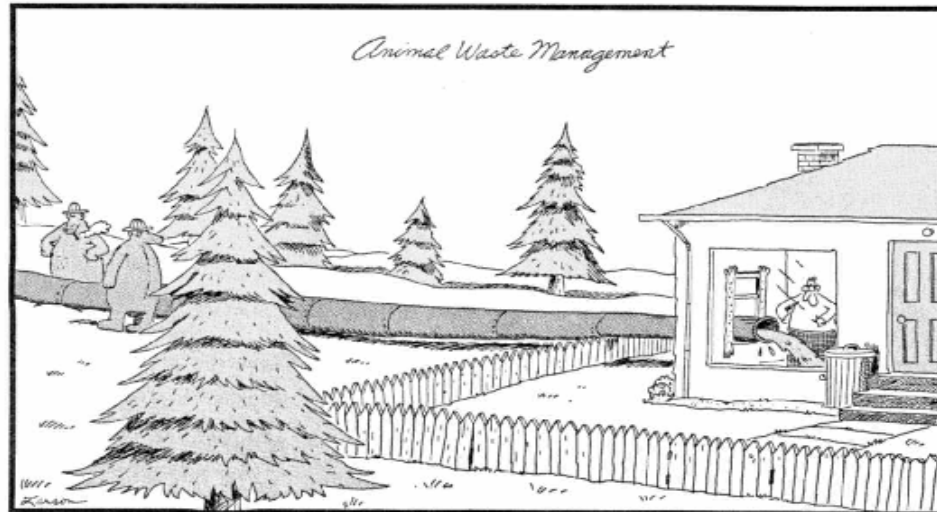
Note: Information (including correspondence, reports, maps, etc.) submitted as part of the EA process become part of IOGC's **public registry**.



Environmental Assessment Requirements

Project description

- The project description **must** include all components from site selection to decommissioning and reclamation as well as temporary or permanent structures (e.g. camps, log decks), associated infrastructure (e.g. communication towers), associated construction and type of equipment



Larson, G. 1989. Wildlife Preserves





Environmental Assessment Requirements

Environmental setting and field assessment timing

The site assessment must be completed by:

- an environmental professional (or person acting under the direct authority of);
- a First Nation Representative (Oil and Gas Representative, Cultural Resource Officer and/or Elder); and
- the Proponent.



Environmental Assessment Requirements

Environmental setting and field assessment timing

Site assessments, any baseline studies and surveys should be completed in spring/summer.

At the discretion of IOGC, exceptions may be made where the project is:

- scheduled for the winter;
- is on cultivated land;
- is at least 1 km from native prairie or parkland; and
- all other setbacks are able to be maintained.





Environmental Assessment Requirements

Environmental setting and field assessment timing

- If species at risk have been identified within the regional area and/or proposed project area, an additional level of assessment is required.
- Rare plant surveys are mandatory on proposed projects located on native prairie.





Environmental Assessment Requirements

Aboriginal Traditional Knowledge

- The proponent must address intellectual property rights. If detailed or sensitive Aboriginal Traditional Knowledge information is to be included in the EA, it should be forwarded confidentially to IOGC as a **separate addendum** to ensure it is not part of the public registry.



Early archaeologists

Larson, G. 1989. Wildlife Preserves





Environmental Assessment Requirements

Traditional, Cultural, Social Sites

- Specific traditional/ cultural land area locations are not necessarily required as long as the proponent is aware of setbacks or timing restrictions and the First Nation is comfortable with the agreement.



Environmental Assessment Requirements

Public Participation

- The EA must include a record of the personal and notification program that was conducted.
- The information should be presented using a tabular format indicating how the concerns will be or have been addressed. Indicate any outstanding concerns and why they have not or could not be addressed.
- IOGC requires “Record of Public Consultation” forms
- If there is known or suspected public concern and/or the proposed project is of a larger nature, more consultation and accommodation effort will be expected.





Environmental Assessment Requirements

Key Messages

- Have the EA completed by a qualified environmental consultant
- Plan ahead. Site assessments, baseline studies, wildlife surveys should be completed in the spring/summer to avoid delays
- Follow the EA template
- Apply well before your planned project start up or expiry



Environmental Audit Management Framework

Phase 1

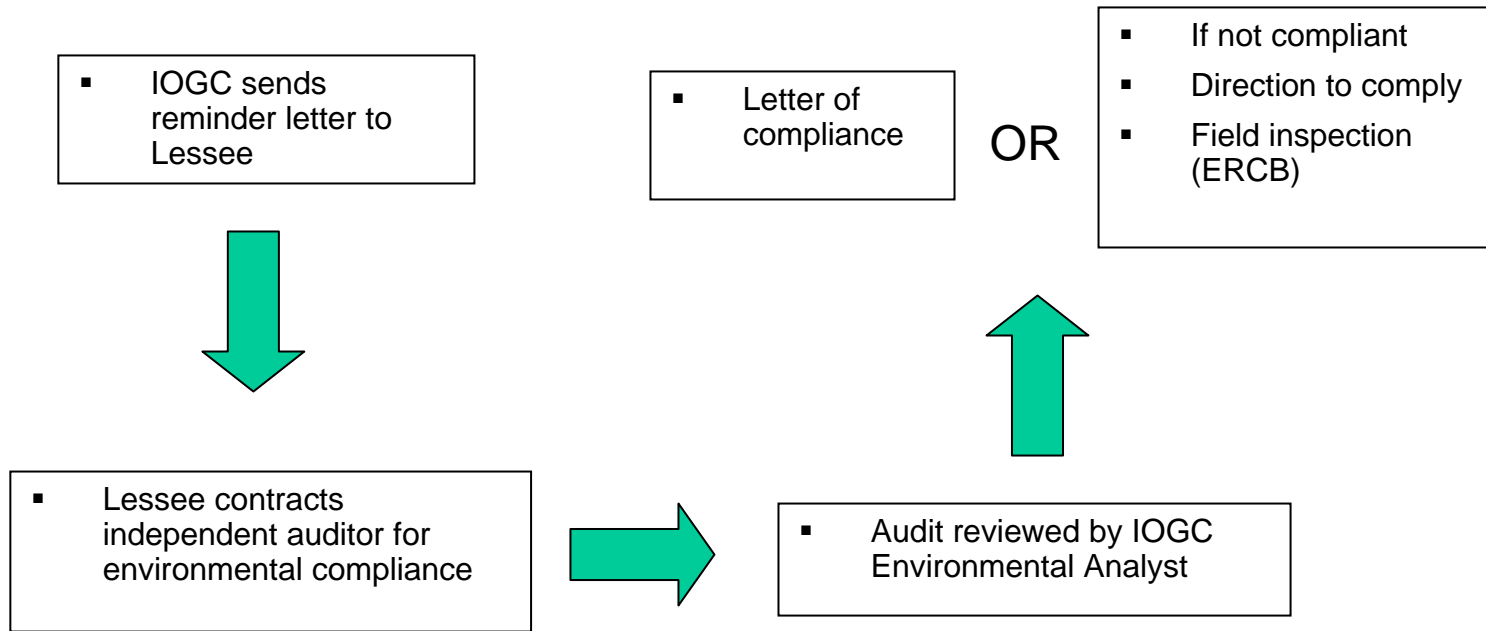
Steps:

- Reminder Letter and Audit Due Report to Company – January
- Environmental audit reports due by Dec 31
- If no audit received, a Direction to Comply letter will be sent in mid-late Feb requiring an audit by Dec 31
- If the audit is not received, a CEO to CEO letter may be sent and an inspection may be scheduled
- If the audit is still not received, the lease may be cancelled



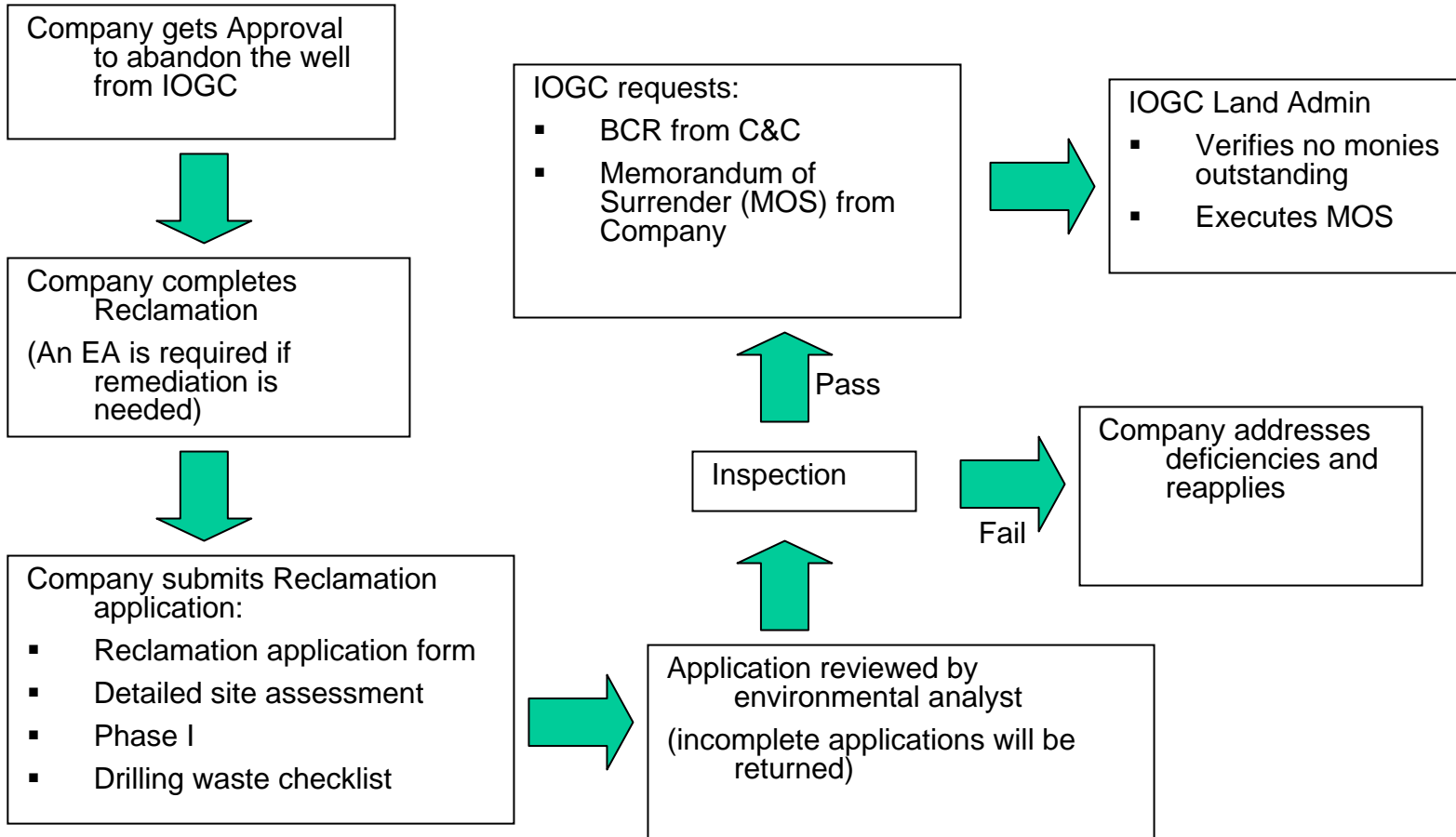
Environmental Audit Management Framework

Phase 2





Abandonment and Reclamation Process





Thank-you!

For more information, visit our website at:

www.iogc.gc.ca

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