

Guidelines: Geoscience Exploration Licence Application Updated April 30, 2015

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Contact Information

Chief Operations Officer



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PURPOSE OF THESE GUIDELINES

These guidelines are provided to assist with applications for

- a new geoscience exploration licence,
- an extension of an operating period pertaining to an existing licence, and
- the modification of an operation pertaining to an existing licence.

Disclaimer: If there is any conflict or inconsistency between these guidelines or the application form and any provision of the Yukon Oil and Gas Act (YOGA) or its regulations, the Yukon Oil and Gas Act and its regulations prevails.

WHO CAN APPLY?

Any person may apply for a geoscience exploration licence by submitting a completed application form to the Chief Operations Officer (COO). It's not necessary to be a holder of an oil and gas disposition to obtain a geoscience exploration licence, however it is necessary to be eligible to hold a licence.

ELIGIBILITY TO HOLD A LICENCE

According to section 4 of the OGLAR, in order to be eligible to hold a licence, a person must be incorporated, continued or registered under the Business Corporations Act; incorporated or continued under the Bank Act (Canada); licensed under the Insurance Act; or approved by the Minister.

SUBMISSION REQUIREMENTS

Submit in a format acceptable to the Chief Operations Officer, using the Geoscience Exploration Licence Application form which can be downloaded from www.emr.gov.yk.ca/oilandgas/formsandfees.html. E-mail is the preferred method of submission, but if mailing, please send 2 copies of the application to Oil and Gas Resources (OGR) at the address provided in the contact information box at the top of these guidelines. For more information, please telephone Oil and Gas Resources.



AUTHORITY

The Chief Operations Officer, Oil and Gas Resources, has the authority to issue a Geoscience Exploration Licence pursuant to the Yukon *Oil and Gas Act* (YOGA), the *Oil and Gas Geoscience Exploration Regulations* (OGGER), the *Oil and Gas Drilling and Production Regulations* (OGDPR), and the *Oil and Gas Licence Administration Regulations* (OGLAR).

WHAT IS A GEOSCIENCE EXPLORATION LICENCE?

A Geoscience Exploration Licence is required for any oil and gas exploration activity, including investigations of the subsurface of the earth using direct methods (for example, geological mapping) or indirect methods (including a seismic survey).

OIL AND GAS ACTIVITIES REQUIRING A LICENCE

Under the YOGA, licences are required for all oil and gas activities in Yukon. Oil and gas activity includes:

- 1. Exploration, such as seismic or geological mapping;
- 2. Drilling of oil and gas wells; and
- 3. Construction and operation of
 - a. a pipeline wholly contained in Yukon,
 - b. a gas processing plant, or
 - c. an oil and gas facility.

TYPES OF GEOSCIENCE LICENSES & FEES

Geophysical Geoscience Licenses

- Required for any geophysical operation which attempts to measure or investigate the subsurface of the earth through indirect methods.
- Geophysical operations can be seismic, magnetic, gravimetric, electromagnetic, or other.
- Application fee: \$500.

Geological Geoscience Licenses

- Required for any geological operation which attempts to locate oil and gas through surface of the earth investigation.
- Geological Operations can be Geological Mapping, Aerial Photography, Geotechnical Survey, Ground Penetrating Survey, or Other.
- Application fee: \$300.



LIST OF FORMS

The Geoscience Exploration Licence Application form and guidelines are available at www.emr.gov.yk.ca/oilandgas/formsandfees.html.

TIMING OF APPLICATION

The application for a geoscience exploration licence must be submitted at least 30 days prior to the commencement date of the operation.

PRIOR TO APPLYING FOR A LICENCE

It is important that project planning be largely in place before applying for a geoscience exploration licence. Due to requirements regarding consultation and notification with First Nations, and the *Yukon Environmental and Socio-Economic Assessment Act* (YESAA), applicants are encouraged to contact the Chief Operations Officer early. The COO can provide guidance throughout the planning and application process.

Consultation and Notification Requirements

Consultation and Notification with affected Yukon First Nation(s), and others affected by the proposed activity is **required prior to application** for a licence (see **#13 Attachments** on the application form).

Proof of Financial Assurance

Proof of financial assurance may be required upon submission of the application.

The YESAA Process

Most projects and activities will be subject to an assessment process before a licence is issued. Assessments are done pursuant to the *Yukon Environmental and Socio-Economic Assessment Act* (YESAA). This Act applies throughout Yukon and to projects under the authority of federal, territorial and First Nations governments. A YESAA Board (YESAB) and regional designated offices have been established to conduct environmental and socio-economic assessments.

Proponents are asked to provide information on the project and the surrounding environment, the potential environmental effects, socio-economic effects directly related to the project, and mitigation proposed to eliminate or reduce these effects. The Board seeks input from governments, advisory committees, and the public in conducting the assessment. The Board then recommends whether the project should proceed, what mitigation measures are required, and whether further assessment is required.

Oil and Gas Resources works with other agencies to coordinate the application submission requirements, the YESAA process, the regulatory review of the recommendations, and the development of appropriate licence terms and conditions. Not all proposed geoscience activities initiate the YESAA assessment process. Contact the COO for details concerning your proposal.

If a YESAA assessment process is initiated, then the application process will involve two parallel streams. An internal review is done within the Yukon government with Oil and Gas Resources as the lead regulator. The YESAA Board presents Oil and Gas Resources with a Recommendation Report based on their consultations with various stakeholders. The COO may respond with Accept/Vary/Reject to any or all of the recommendations.



Operations Review of the Project by OGR

Within OGR, the licence applicant's proposal undergoes an operations review to ensure that it can be conducted safely and to industry standards. The project is examined to ensure that the proposed operations comply with the YOGA and regulations. Adherence to other territorial legislation and standards from the Department of Environment, the Department of Community Services, the Yukon Workers' Compensation Health and Safety Board, the Heritage Branch of the Department of Tourism & Culture, and acts and regulations from Indian and Northern Affairs Canada is also verified.

The operations review is complete when all the required information has been received and examined and the program operations are assessed. Licences may be issued with or without conditions regarding operations, or the licence may be denied.

Assessment Requirements Determination

YESAA assessments are required for many activities; Part 3 of the YOGA, and the YESAB website (www.yesab.ca) should be consulted.

For more information on timelines and how the YESAB and the Government of Yukon work together please refer to: www.emr.gov.yk.ca/pdf/yesaa_guide_final_web.pdf.

Best Management Practices

Yukon has developed, and is continuing to develop best management practices for oil and gas exploration and development activities. To download a copy of the Yukon *Oil and Gas Best Management Practices* brochure, visit the Oil and Gas Resources website at www.emr.gov.yk.ca/oilandgas/best_management_practices.html. While oil and gas best management practices are not legislation, they are considered by officials of Oil and Gas Resources and influence decisions made in the course of administering the OGA and its regulations.

Land Use Permits

Land use permits are required for most activities on Yukon lands. The *Territorial Land Use Regulations* specify project requirements for permits and would apply to such oil and gas projects as clearing seismic lines, constructing an access route, or clearing a well site. Land use permits are typically issued for a period of two years with an option for a one-year extension.

A permit does not provide the holder exclusive rights, interest, or tenure to the land. Permits typically include terms and conditions to ensure that work is conducted in an environmentally safe and responsible manner.

For more information please refer to www.emr.gov.yk.ca/lands/index.html.



Water Licences

A water licence under the <u>Waters Act and Waters Regulation</u> may be required for certain oil and gas activities depending on the water usage and the need to discharge into a water body:

- During exploration and ice road construction, the proponent may require a water licence if water use is more than 100 m₃/day.
- Stream crossings greater than five metres in width may require a water licence for culvert installation.
- Camps with a capacity of greater than 50 people per day will require a water licence for waste disposal.

Drilling mud and cutting disposal sumps will not require a licence if the Alberta Energy Utility Board Guide 50 is followed.

During well drilling, produced water may be extracted from the formation and reinjected back to the formation or another formation that is not connected to surface or groundwater, without a licence.

Benefits Agreements

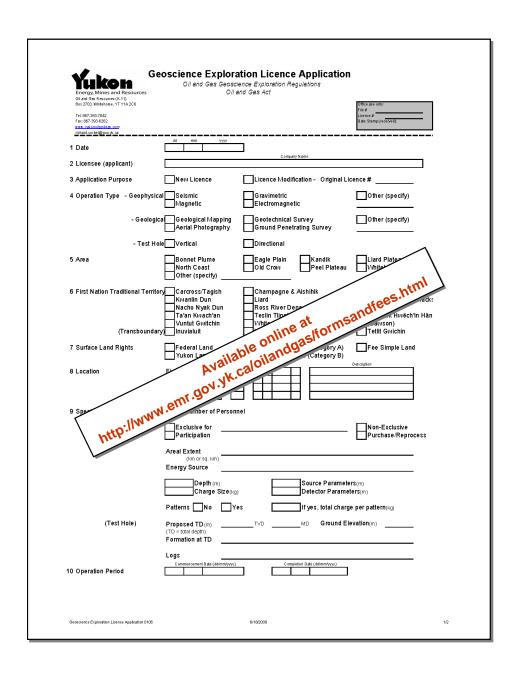
A benefits agreement is required in Yukon for all projects with estimated expenditures of more than \$1 million over a 12-month period. A benefits agreement identifies employment and training opportunities for Yukon residents including Yukon First Nations and residents of communities affected by oil and gas activity. It also identifies opportunities for Yukon businesses to supply goods and services to the licensee and the licensee's contractors. The benefits are to be commensurate with the nature, scale, duration, and cost of the project, and shall not place an excessive burden on the licensee. The agreement is negotiated by the licensee, the Yukon government, and the affected Yukon First Nation(s). For more information about benefits agreements, visit the Oil and Gas Resources website at

http://www.emr.gov.yk.ca/oilandgas/authorizing_activities.html.



INSTRUCTIONS FOR COMPLETING THE GEOSCIENCE EXPLORATION LICENCE APPLICATION

The application form consists of two pages in MS EXCEL format. After saving the document to your computer, complete the application by tabbing through the fields and completing the information. The form can also be navigated by using the mouse to place the insertion point where needed.





Page 2 of the form.

,	Field Work \$ - Data Processing \$ - Other \$ - Total \$ -	
Y=Required, N=Not required	Registration Number Consent of First Nation(s) Benefits Agreement C Y N N N	
Y=Yes attached (N=Not attached F	Geoscience program(Geoscience Exploration Guidelines) Consultation and Notification(Geoscience Exploration Guidelines) Proof of Financial Assurance(oil and Gas Act, Section 66) Application Fee(Oil and Gas Licence Administration Regulations) Deviations from the Oil and Gas Geoscience Exploration Regulations Y	
ו 14 Contact Information	Deviations from the Oil and Gas Geoscience Exploration Regulations	
Data Acquisition Contractor Drilling Contractor	Contact Name Title Company Name Phone Number	
		\
	e-mail address Contact Name Company Name Address Available online at Postal Code Fax Number Title Title Phone Number Address Postal Code Fax Number Fax Number	, \
	· · · · · · · · · · · · · · · · · · ·	
Data Processing Contractor Logging Contractor	Company Name	
	Address Online askorin	
	Nyailable Ilanos Postal Code	
	NVK.Cal	
Data Interpretation	or govern	
9.10	Phone Number	
- Ilwww.	Address	
http	Postal Code	
	e-mail address Fax Number	
Licensee	Contact Name (s)	
	Phone Number	
	Address Postal Code	
	e-mail address Fax Number	
1	Name: Title:	
	Signature: Date:	
Geosciènce Exploration Licence Application 0106	6/19/2009 2/2	



Above the Line

3 Application Purpose

This area will be completed by the staff at Oil and Gas Resources.

	ploration Licence Application Geoscience Exploration Regulations Oil and Gas Act	Office use only: File # Licence # Date Stamp (received):
1 Date Indicate the date the application will submitted to the Chief Operations Off		dd mm yyyy
2 Licensee (applicant) Enter the legal company name of the	applicant.	
2 Licensee (applicant)	C ompany Name	
3 Application Purpose Indicate the reason for the application	n by checking one box.	

If a **New Licence** is being applied for, complete the entire application form.

New Licence

If the purpose of the application is a **Licence Modification**, enter the number of the original licence to be modified. Attach details of the modification. It is not necessary to complete the rest of the form if that information has been previously submitted to Oil and Gas Resources.

Licence Modification - Original Licence #



4 Operation Type

Indicate the type of operation that will be carried out. Please submit one application for every operation applied for.

Geophysical Operation

Includes any indirect investigation of the earth's subsurface other than velocity or vertical seismic surveys (but includes walkaway vertical seismic surveys).

4 Operation Type - Geophysical Seismic Magnetic	Gravimetric Electromagnetic	Other (specify)
- Geologica Geological Mapping Aerial Photography	Geotechnical Survey Ground Penetrating Survey	Other (specify)
- Test Hole∭Vertical	Directional	

Geological Operation

Includes any investigation of the surface and near surface of the earth other than test holes.

Geological mapping includes taking soil, rock or geochemical samples, measurements of lineaments and other geological features, noting lithological, stratigraphic, sedimentological and paleontological details of rock outcrops, etc.

Aerial photography includes only that for the purpose of locating oil or gas.

Geotechnical surveys include any geological surveys that do not penetrate the surface of the earth, excluding aerial photography and geological mapping.

Ground penetrating surveys include near-surface investigation of the earth such as tomography and ground penetrating radar.

Test Hole Operation

Includes any hole drilled for near-surface investigation of the earth but which is not intended for production of oil or gas.

Other

Specify types of operations not included in geophysical, geological, or test hole. Applicants are encouraged to contact the Chief Operations Officer to discuss other operations prior to submitting this application.



5 Area	Bonnet Plume North Coast Other (specify)	Eagle Plain Old Crow	Kandik Peel Plateau	Liard Plateau Whitehorse Trough
	into which the operati ne grid area and section			ocation under
-	be obtained from the Conr.gov.yk.ca/oilandgas			h, and accessed
6 First Nation Tra	ditional Territory			
traditional territo	nal territories into whic pries of all Yukon First i tyukon.gov.yk.ca/geon	Nations can be f	ound online	
	vialuit and Tetlit Gwich on regime. Liard and l			
6 First Nation Traditiona	al Territory Carcross/Tagish Kwanlin Dun Nacho Nyak Dun Ta'an Kwach'an Vuntut Gwitchin Inuvialuit	Champagne & Ais Liard Ross River Dena Teslin Tlingit White River Kaska Dena	shihik	Kluane Little Salmon/Carmacks Selkirk Tr'ondëk Hwëch'in Hän (Dawson) Tetlit Gwichin
Claims and Imple	ights er of surface land right ementation Secretariat gov.yk.ca/land_claims_	through their we	ebpage:	ntact Yukon's Land
7 Surface Land Rights	Federal Land Yukon Land	First Nations Land		Fee Simple Land
8 Location Indicate the phys	sical location where the	-	e carried ou	t. Attach a map.
8 Location	Field Work Camp Location Access			



9 Specifics of Operations

9 Specifics of Operations	Number of P	ersonnel	
(Geophys. & Geolog.)	Exclusive for Participation		Non-Exclusive Purchase/Reproce
	Areal Extent (km or sq. km)		
	Energy Source		
	Depth (m) Charge S		Source Parameters(m) Detector Parameters(m)
	Patterns No	Yes [If yes, total charge per pattern(kg)
(Test Hole)	Proposed TD (m) (TD = total depth) Formation at TD	TVD _	MD Ground Elevation(m)
	Logs		

Number of Personnel

Indicate the total number of personnel involved in the operation, including people on work crews.

Geophysical and Geological

Exclusive survey: operation conducted to acquire data for the licensee only and not for sale.

Non-exclusive survey: operation conducted to acquire data for the purpose of sale to the public.

Participation survey: operation where the data acquired is to be shared among the participants.

Aerial extent: for linear operations (e.g. seismic) this is measured in kilometres, for operations that span in length and width this is measured in square kilometres.

Energy Source: power source (e.g. explosive, vibroseis).

Depth: that the energy source will be set, measured in metres from ground level.

Charge size: indicate explosive charge size in kilograms.

Source and detector parameters: indicate spacing for both the energy source and the detectors.

Patterns: indicate whether or not any patterns will be used, and the size of the energy source per pattern if applicable.



Test Hole

Proposed TD(m): indicate the true vertical depth (TVD) and the measured depth (MD).

Indicate **Ground Elevation** in metres above sea level.

Formation at TD: indicate the last formation that will be drilled into at total depth.

Logs: list all logs that are to be run in the test hole, including deviation logs. Attach extra pages if need be.

10 Operation Period

Indicate the commencement date and completion date of the operation. Note that completion includes the required abandonment of any holes and waste removal.

	Commencement Date (dd/mm/yyyy)	Completion Date (dd/mm/yyyy)
10 Operation Period		
	· · · · · · · · · · · · · · · · · · ·	

11 Estimated Expenditures

Estimate the total expenditures for the operation from beginning to end.

11 Estimated Expenditures	Field Work	\$ -		
	Data Processing	\$ -		
	Other	\$ -	Total	\$ -

12 Other Permits/Agreements

If any of the following permits/agreements are required, select \mathbf{Y} (Required), otherwise select \mathbf{N} (Not Required). If permits have been obtained, or any agreements, consent, and or consultation has been completed, choose \mathbf{C} to indicate completed or obtained. Where applicable, include the corresponding number. More than one box can be selected.

Registration Number

The corporate registration number of the applicant obtained under the Yukon *Business Corporations Act* when the company was incorporated, continued, or registered. Companies may also be incorporated or continued under the *Bank Act* (Canada) or licensed under the *Insurance Act* (Canada). If this is the case, please provide the appropriate documentation for verification. All companies operating in the Yukon must be registered. For more information, contact Yukon Corporate Affairs through their website: www.community.gov.yk.ca/corp/index.html.



Consent of First Nation(s)

Before the effective date of a Yukon First Nation's final land claim agreement, the Chief Operations Officer cannot issue any licences in the traditional territory of that First Nation without the consent of that First Nation. Consent should be sought prior to the submission of a licence application.

Three Yukon First Nations are currently without final land claim agreements: Ross River Dena Council, Liard First Nation and White River First Nation. The traditional territories of these three Yukon First Nations are shown on the map entitled *Yukon Land Status with Oil and Gas Interests*. A map showing the traditional territories of all Yukon First Nations can be found online at www.environmentyukon.gov.yk.ca/geomatics/maps/FNTT.pdf. Details of the First Nation settlement areas can be obtained from the Yukon Land Claims and Implementation Secretariat

http://www.eco.gov.yk.ca/land_claims_fn_relations.html.

Benefits Agreement

If the licenced work will entail costs over \$1,000,000.00 in any 12 month period, a benefits agreement must be in place prior to the commencement of any activity.

The agreement must be negotiated by the licensee or applicant, the Government of Yukon, and Yukon First Nation(s) with settlement land or traditional territory where the activity is proposed. For more information and community contacts, call Oil and Gas Resources.

13 Attachments

Choose Y (YES) if the item is attached, and N (NO) if the item is not attached.

13 Attachments	Geoscience program(Geoscience Exploration Guidelines)		N
Y=Yes attached	Consultation and Notification(Geoscience Exploration Guidelines)		N
N=Not attached	Proof of Financial Assurance(Oil and Gas Act, Section 66)		N
	Application Fee(Oil and Gas Licence Administration Regulations)	Y	N
	Deviations from the Oil and Gas Geoscience Exploration Regulations		N

Geoscience Program

The geoscience program should include the following:

- 1. A page-sized plat showing the location of the operation in relation to adjacent rivers, other geographical and cultural features, or provincial/territorial boundaries.
- 2. A map of the program location. Send a paper copy, and also an electronic version. Verify the electronic format with the COO and follow these specifications:
 - a. Scale: 1:50,000 to 1:250,000. Note: this scale is usually appropriate, however a larger scale may be required. Verify with the Chief Operations Officer.
 - b. Include proposed seismic lines in relation to existing geophysical control in the area.
 - c. For 3D surveys, identify in-lines and cross-lines, and areas with less than full coverage.



- d. Indicate the position of the proposed operation.
- e. List the interests to which the operation may apply.
- f. Indicate proposed access roads or lines, and camps.
- 3. A complete technical description of the operation, for example, a description for a reflection seismic operation might read:
 - a. '1200% CDP reflection seismic',
 - b. include gravity and magnetic data and
 - c. specify the charge size and depth
- 4. A breakdown of the number of kilometres for each type of seismic proposed.
- 5. If the operation crosses the Yukon boundary, provide the total size of the operation, and also the size of the Yukon portion of the operation.
- 6. A list of the number of drilling and vibroseis units to be mobilized.
- 7. An outline of the safety precautions in place to ensure a minimum blasting/vibroseis distance between existing well sites and planned seismic lines.
- 8. An outline of the measures in place to protect known archaeological sites, and First Nation Burial Sites from intersecting or adjacent seismic lines.
- 9. An outline of the safety precautions in place to ensure minimum blasting/vibroseis distances between seismic lines and gathering lines or pipelines.
 - a. Include copies of pipeline crossing agreements.
- 10. The Emergency Response Plan for the operation.
- 11. The communication systems procedures including back-up procedures.
- 12. Provide specification on the maximum number of personnel expected during peak activity.
- 13. River and lake crossing descriptions and procedures.
- 14. Ice-bridge and road construction technical descriptions.

Consultation and Notification

Consultation with land owners, trappers, outfitters, and First Nation(s) on whose traditional territory the proposed activity will take place is required prior to application for a licence. The intent of this consultation is to unveil any concerns or sensitivities that interest holders might have, to address issues and concerns during the planning stage of the operation.

Notification to trappers is required prior to the commencement of activities, and may consist of telephone calls, letters or a meeting to explain what equipment will be used and the exact dates that the operation will be carried out.

It is the responsibility of licensees to keep detailed records of the notification process. Copies of all correspondence, dates and times of telephone calls, meeting minutes, concerns raised and measures taken to address them, are required with the application and prior to the commencement of operation.



Proof of Financial Assurance

Contact Oil and Gas Resources to determine if proof of financial assurance is required. The Minister may require a letter of credit, a guarantee, or an indemnity bond. The amount will be determined by the Minister based on the risk associated with the proposed operation.

Application Fee

Ensure the application fee is included with the application.

Deviations from the Oil and Gas Geoscience Exploration Regulations

Provide details if applying for deviations from the regulations. Check **Y** (YES) if any bold outlined boxes have been checked, and if other deviations from the regulations are being applied for.

14 Contact Information

Enter the contact information for EITHER:

- the data acquisition contractor, OR the drilling contractor; and
- the data processing contractor OR the logging contractor, and
- the licensee.

Fields that are not needed in the Contact Information section can be left blank.

The form must be signed by a person in authority and authorized to do so.

Indicate the date the form was signed.

Data Acquisition Contractor	Contact Name	Title
Drilling Contractor		
	Company Name	Phone Number
	Address	
		Postal Code
	e-mail address	Fax Number
Data Processing Contractor	Contact Name	Title
Logging Contractor		
	Company Name	Phone Number
	Address	
		Postal Code
	e-mail address	Fax Number
Data Interpretation Contractor	Contact Name	Title
	Company Name	Phone Number
	Address	
		Postal Code
	e-mail address	Fax Number
Licensee	Contact Name (s)	Title
		Phone Number
	Address	
		Postal Code
	e-mail address	Fax Number
	Name:	Title: