

Guidelines: Permit Renewal

Updated January 28, 2013

Contents

This document provides guidelines for the renewal of an oil and gas permit.

Authority-----	1
Fees-----	1
What is a Permit Renewal?-----	1
Conditions Required for Renewal-----	1
Qualifying Well -----	1
Permit Location-----	2
Extending the Term of a Permit -----	2
Effective Date of a Renewal Term-----	2
Rentals -----	2
Responsibilities of Permittees -----	2
Further Information -----	3

Contact Information



Hand delivery,
mail & courier



Phone / Fax



E-mail

Oil and Gas Rights and Royalties
 Government of Yukon
 Dept. of Energy, Mines and Resources
 Oil & Gas Resources
 Suite 300, 211 Main Street
 Whitehorse, Yukon
 Y1A 2B2

Phone: (867) 667-3427
 Fax: (867) 393-6262

oilandgasdisposition@gov.yk.ca

AUTHORITY

The renewal of an oil and gas permit is completed pursuant to Yukon's *Oil and Gas Act*, (YOGA) and the *Oil and Gas Disposition Regulations* (OGDR).

If there is any conflict or inconsistency between these Guidelines and any provision of the Yukon *Oil and Gas Act* or its regulations, the latter provisions prevail.

FEES

There is no fee to renew a permit.

WHAT IS A PERMIT RENEWAL?

Currently, the initial term of a Yukon Oil and Gas Permit is six years. Permits may be renewed for a second term of four years. The aggregate term of a Permit cannot exceed 10 years. When all conditions are met, Permits renew automatically after the expiry of the initial term. The Minister will confirm the renewal with a letter to the designated representative or sole holder of a disposition.

CONDITIONS REQUIRED FOR RENEWAL

Qualifying Well

The drilling of a qualifying well must be completed, or have commenced during the initial term of the Permit. The qualifying well must be drilled within the Permit location or; if outside the Permit location, within an approved Group of Permits. The Minister will refuse to renew a Permit if drilling of a qualifying well is not pursued diligently.

Permit Location

The location of the Permit for the renewal term shall consist of the same surface and subsurface areas as in the initial term of the Permit unless

- part of the location has been converted to a Yukon Lease pursuant to section 37 of YOGA and section 38 of the OGDR, or
- the Minister has approved a surrender of part of the location of the Permit prior to the expiration of its initial term pursuant to section 23 of the OGDR.

EXTENDING THE TERM OF A PERMIT

The initial term of a Permit may be extended if the drilling of a well has commenced, is being pursued diligently, and cannot be completed before the term has expired.

If approved by the Division Head, the Permit's term will be extended until drilling has been completed and for an additional 90 day period following the rig release date.

If the drilling of the well is suspended because of dangerous or extreme weather, mechanical or other technical problems, drilling is considered as "being pursued diligently" during the suspension period.

If drilling cannot be completed because of technical or mechanical problems, and a new well is commenced within the timeframe allowed by the Division head, the drilling of the new well is deemed to have begun before the expiration of the initial term of the Permit.

EFFECTIVE DATE OF A RENEWAL TERM

Pursuant to sections 34 and 35 of YOGA, unless requested by the Permittees, the renewal term will become effective on the latter of

- the anniversary date of the initial term of the Permit, or
- the last day of an extension to the initial term of the permit granted for drilling.

RENTALS

In accordance with section 29 of the OGDR and the Terms and Conditions of a Permit, rentals for the surface location of the Permit are due on the first day of the renewal term. Rentals are not in effect during the extension of an initial term.

RESPONSIBILITIES OF PERMITTEES

- Notify Oil and Gas Resources (OGR) of a plan to drill a qualifying well in the permit location with the date that drilling is planned to commence.
- Notify OGR when drilling of the qualifying well has commenced.
- Pay rentals annually on the 1st day of the renewal term.
- Apply for an Oil and Gas Lease if all or part of the Permit location is being converted to a Lease.
- Apply to surrender any part of the Permit location not being renewed or converted to a Lease.

FURTHER INFORMATION

The Oil and Gas Permit will contain many of the particulars for the topics discussed in these guidelines. Listed here, are documents that may prove useful can be found online at http://www.emr.gov.yk.ca/oilandgas/guidelines_forms.html:

- Standard Oil and Gas Permit.
- Standard Oil and Gas Lease.
- Oil and Gas Lease Application Form and Guidelines.
- Disposition Surrender Form and Guidelines.
- Grouping Permits Application Form and Guidelines.
- Designated Representative Guidelines and Form.
- Official Service Address Guidelines and Form.