

# factsheet



## *Oil & Gas Well Sites: A Guide for Property Owners*

*BC Assessment*

This Fact Sheet is intended to provide the landowner or occupant with information on the assessment process of well sites leased by the property owner to oil and gas companies.

### **How is a well site on private land assessed?**

Well site land is valued on the principle of raw land plus development costs. Components that make up this value include:

- Raw land
- The cost of clearing and grubbing
- The cost of grading and shaping

Most locations are surveyed with plans registered in the Land Title and Survey Authority. By current standards, a typical well site is 3.558 acres in size not including access roads or pipeline rights of way. In cases where a survey plan is tied to a specific well site, the surveyed size of the well site is used in the land calculation.

### **How do BC Assessment and the Oil and Gas Commission work together?**

- Oil and Gas Commission (OGC) works under the mandate to provide a single-window agency to streamline the regulatory processes and expand stakeholder consultation.
- The OGC is responsible for regulating oil and gas activities in British Columbia, including exploration, development, reclamation and pipeline transportation.
- BC Assessment determines the market value and correct classification of nearly 1.7 million properties in British Columbia, including approximately 16,500 oil and gas properties. This valuation is then used by local governments to calculate annual property taxes.
- Data for BC Assessment's valuation of petroleum properties comes from a variety of sources, including on-site inspections and the Oil and Gas Commission registry.

### **Who is responsible for paying taxes on the well and associated structures?**

The company which has been tenured to drill and produce oil and gas on your land is responsible for paying the taxes on the well site. You, the owner, are responsible for paying property taxes on the remaining land and buildings.

### **How can the well on my land be taken off the assessment roll?**

Wells can be removed from the assessment roll only when they have been officially abandoned in compliance with standards established by the Oil and Gas Commission and the surface land tenure has been officially terminated.

### **Abandoned Wells**

- Wells that are officially abandoned are deleted from the assessment roll.
- Any request to remove an abandoned well from the assessment roll must:
  - Be in writing to BC Assessment (Peace River office)
  - Include documentation to support the abandonment
- An Oil and Gas Commission Abandonment Completion/Workover Report – OGC Form 24 must be provided in order to have an abandoned well removed from the assessment roll.
- Where a well has been physically abandoned but the surface lease tenure of the property remains in place, the land will remain assessable to the lease holder until such time that the surface lease tenure is cancelled and the Assessor is notified.
- When no support documentation is provided, no remedial action is taken by the Assessor.

### **Who is responsible for reclaiming and restoring the well site on my land?**

In accordance with your surface lease agreement with the tenured oil company, the oil company is responsible for returning your land to original or better-than-original condition.

For more information on the negotiation of surface lease agreements, contact the Oil and Gas Commission.

### **Reclamation and Restoration of Site**

Under legislation administered by the OGC, when a well site is no longer required, the tenured petroleum company which operates the well site must reclaim the site in order for a Certificate of Restoration to be issued. Before the Certificate of Restoration (COR) is issued on land within the Agricultural Land Reserve, a post site assessment must be approved by the provincial Agricultural Land Commission. This assessment determines if the soil, topography and vegetation are restored to their original, or better-than-original, condition. As part of the application for a COR, a Landowner Release form, signed by the landowner, must be submitted. Site inspection by OGC staff may be conducted prior to the issuance of a COR.

For assessment information pertaining to petroleum industry production, processing and pipeline facilities, please contact:

**BC Assessment  
Peace River Area Office**  
1112-103 Avenue  
Dawson Creek, BC V1G 2G7

Telephone: 250 782-8515  
Fax: 250 782-9647  
peaceriver@bcassessment.ca

[www.bcassessment.ca](http://www.bcassessment.ca)

For technical information concerning well sites, please contact:

**Oil & Gas Commission**  
200-10003 110 Avenue  
Fort St. John, BC V1J 6M7  
Telephone: 250 261-5700  
Fax: 250 261-5728

[www.ogc.gov.bc.ca](http://www.ogc.gov.bc.ca)