

Oil and Gas Royalty Reporting Interest Statement (BC12)

Petroleum and Natural Gas Act

This information letter is to clarify the responsibility for submitting a *Reporting Interest Statement* (**BC12**). Whenever there is an addition or change to an ownership interest in a well or tract, a BC12 must be filed with the Mineral, Oil and Gas Revenue Branch, as outlined below.

- **Facility Operators** are now responsible for filing a BC12 for all situations. Previously, transfer of an ownership interest in a well that was connected to a facility required the purchaser of the interest to file the BC12.
- **The first sale** of oil, natural gas or natural gas by-products include the royalty share or tax share. This means that the recipient of the proceeds from the first sale is the producer. The producer is required to submit the royalty or tax share to the ministry.
- **The purchaser** of an interest in a well is considered to be the producer for the share of production when the facility operator begins to allocate the production to the purchaser. The seller of the interest must continue to pay the royalties until the allocation of volumes by the plant and facility operators are no longer made in the seller's name.
- When an **interest in a well is transferred**, there may be a delay between the effective date (when ownership is transferred) and the closing date (when the purchaser is able to sell the related production under their own sales arrangements). During this delay, if the seller sells the production, the seller must pay the royalty or tax share to the ministry. The seller cannot include the royalty or tax share in remittances of revenue to the purchaser.

Further Information

If you have any questions, please call us at 250 952-0192 in Victoria, or toll-free at 1 800 667-1182, or e-mail your questions to oilandgasroyaltyquestions@gov.bc.ca

You can also find information on our website at www.sbr.gov.bc.ca/business/Natural_Resources/Oil_and_gas_royalties/oil_and_gas_royalties.htm

The information in this letter is for your convenience and guidance and is not a replacement for the legislation. The *Petroleum and Natural Gas Act* and Regulations are on our website at

www.sbr.gov.bc.ca/business/Natural_Resources/Oil_and_gas_royalties/legislation.htm