

## Guidelines: Application For Oil and Gas Lease

January 21, 2010

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### Contact Information



Hand delivery,  
mail & courier

Oil and Gas Rights and Royalties  
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Oil and Gas Resources  
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### DISCLAIMER

If there is any conflict or inconsistency between these guidelines or the application form and any provision of Yukon's *Oil and Gas Act* (YOGA) or its regulations, YOGA and its regulations prevail.

### AUTHORITY

Pursuant to YOGA and the *Oil and Gas Disposition Regulations* (OGDR), these guidelines are provided to assist with the application for the conversion of a Yukon Oil and Gas Permit to a Yukon Oil and Gas Lease. Prospective lessees are advised to make themselves aware of legislation and other documents that will affect oil and gas activities. More information is available in the document entitled **Additional Information Regarding the Regulation of Oil and Gas Activity and the Issuance of Oil and Gas Rights in Yukon**, available online at [www.emr.gov.yk.ca/oilandgas/guidelines\\_forms.html](http://www.emr.gov.yk.ca/oilandgas/guidelines_forms.html).

### ABOUT OIL AND GAS LEASES

An oil and gas lease grants exclusive rights to recover oil and gas in the location of the lease. The first term of an oil and gas lease is 10 years, and may be renewed at the option of the lessee for further terms of five years each. Leases and renewals are issued only for the spacing areas with proven productive zones. The minimum area of the location of a lease is one spacing area unless the Minister directs otherwise. Lease locations extend down to the base of the deepest productive zone in each spacing area.

## **WHO CAN APPLY?**

Pursuant to section 37 of YOGA, a permittee may apply for an oil and gas lease. If the permittee does not apply for a lease before the end of the permit term, the Minister shall issue the lease. If the permit is held by one corporation, the application for the lease may be made by the permittee or its designated representative. If the permit is held by two or more corporations, the application for the lease must be made by their designated representative.

## **ELIGIBILITY TO HOLD A LEASE**

No person is eligible to be the holder or one of the holders of an oil and gas lease unless that person is a corporation that is incorporated, continued, or registered under the *Business Corporations Act* (Yukon) or the *Bank Act* (Canada), licensed under the *Insurance Act* (Yukon) or, in any other case, is approved by the Minister as a corporation that may hold an oil and gas lease.

## **APPLICATION FEE AND RENTAL**

There is an application fee of \$500 when submitting an **Application for Oil and Gas Lease**. Upon applying for a lease, the application fee and rental for the upcoming year must be submitted. Yearly rentals are payable at the rate of \$5.00 per hectare. Rentals are due on the renewal date of the lease and shall be calculated to the nearest 0.1 of a hectare.

## **TIMING OF APPLICATION**

An application for an oil and gas lease may be submitted at any time during the term of an oil and gas permit. Applicants should allow at least 60 days for the processing of an application. If application is not made prior to the end of term of an oil and gas permit, the Minister shall determine the location of the lease and issue it.

## **PRIOR TO APPLYING FOR A LEASE**

Applicants should ensure the following information has been compiled prior to applying for an oil and gas lease:


- A description of the portion of the permit location the permittee is applying to convert to a lease location.
- The size of the location in hectares to the nearest 0.1 ha.
- A list of the proposed lessees and their respective specified undivided interests in the proposed lease. A specified undivided interest should not be less than 1%, and be expressed in decimal form with no more than seven decimal places.
- A list of the spacing areas or partial spacing areas to be included in the lease.
- Identification of the productive zones within each spacing area or partial spacing area of the proposed lease location.
- Reservoir and geological data, based on drilling results, to support the application.
- The name of the designated representative if there is more than one lessee, or if a sole lessee wishes to appoint one, and the official service address.

**MODES OF DELIVERY**

The **Application for Oil and Gas Lease** along with the application fee, rental, and supporting documentation may be delivered to Oil and Gas Resources via hand delivery, mail, or courier.

**LIST OF FORMS**

In order to be processed, the **Application for Oil and Gas Lease** should include an **Oil and Gas Transmittal Letter**. Interactive versions of both forms are available online at <http://www.gov.yk.ca/forms/o.html>. Online forms contain interactive fields. Information is entered by pointing and clicking to locate the insertion point, and typing the information. Use the tab key or the mouse to move to the next entry field. Note: If you wish to save or e-mail the form, you require a copy of *Adobe® Acrobat® Standard*, or *Adobe® Acrobat® Professional* installed on your computer. If you are using *Adobe® Reader®*, you will be able to print the completed form; however, you will not be able to save your entries.



**APPLICATION FOR OIL AND GAS LEASE**

Page 1 of 2

Branch File #: \_\_\_\_\_

Record # _____	Signature of Division Head _____
Date received: Y / M / D	Date: Y / M / D
Time received: _____	

DO NOT WRITE ABOVE THIS LINE FOR DEPARTMENT USE ONLY

**A. Permit Number:** \_\_\_\_\_

**B. Location.** Enter a description of the location of the proposed lease.

Grid Area(s):			
Section(s):			
Number of Sections:			
Total hectares to the nearest 0.1 ha: _____			

**C. Productive Zones.** Attach a list showing the spacing areas in the permit location containing one or more productive zones and identifying the productive zone or zones in each spacing area. **List attached:**

**D. Reservoir and geological data.** Attach data based on drilling results to support the application. **Data attached:**

**E.**  Application Fee of \$500 is enclosed.

**F.**  Rental is enclosed.

**G. Designated Representative.**

Company / Person \_\_\_\_\_

Official Service Address \_\_\_\_\_

City / Town \_\_\_\_\_ Territory / Province \_\_\_\_\_ Postal Code \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Contact Name \_\_\_\_\_ Title \_\_\_\_\_

YQ(6605Q)F2 10/2009 This application is submitted pursuant to Yukon's Oil and Gas Act and the Oil and Gas Disposition Regulations.

**ON FOR OIL AND GAS LEASE**

Page 2 of 2

DEPARTMENT USE ONLY

By signing this application the applicant(s) confirm that the following interest owners are the same. Copy this page if \_\_\_\_\_

% Interest Client I.D. \_\_\_\_\_

Capacity \_\_\_\_\_

Postal Code \_\_\_\_\_

E-mail \_\_\_\_\_

% Interest Client I.D. \_\_\_\_\_

Capacity \_\_\_\_\_

Postal Code \_\_\_\_\_

E-mail \_\_\_\_\_

Territory / Province \_\_\_\_\_ Postal Code \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**I. Date of application.** Y / M / D

**J. Disclaimer.** If there is any conflict or inconsistency between this application or the document entitled *Guidelines: Application For Oil and Gas Lease* and a provision of the *Oil and Gas Act* or any regulations under it, the latter provision prevails.

This application is submitted pursuant to Yukon's Oil and Gas Act and the Oil and Gas Disposition Regulations.

## INSTRUCTIONS FOR COMPLETING THE *APPLICATION FOR OIL AND GAS LEASE*

**Above the Line page 1 of 2**

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

<b>Yukon</b> Energy, Mines and Resources		<b>APPLICATION FOR OIL AND GAS LEASE</b> <small>Page 1 of 2</small>
Branch File #: _____		
Record # _____	Signature of Division Head _____	
Date received: _____ <small>Y / M / D</small>	Date: _____ <small>Y / M / D</small>	
Time received: _____		
DO NOT WRITE ABOVE THIS LINE. FOR DEPARTMENT USE ONLY.		

**A. Permit Number**

Identify the oil and gas permit to which this proposed conversion applies.

A. Permit Number: _____
-------------------------

**B. Location**

Provide a legal description of the location of the proposed lease using the Yukon land description system described in the *Oil and Gas Disposition Regulations*, sections 2, 3, and 4. Oil and Gas Resources also requests a digital geo-referenced file with associated metadata indicating the proposed lease location. Indicate the size of the lease location in hectares, to the nearest 0.1 ha.

<b>B. Location.</b> Enter a description of the location of the proposed lease.				
Grid Area(s):				
Section(s):				
Number of Sections:				
Total hectares to the nearest 0.1 ha:				

## MINIMUM CRITERIA FOR GEO-REFERENCED FILES

If a geo-referenced file with associated metadata is submitted, Oil and Gas Resources requests that the file be in accordance with the following criteria:

### **Datum**

**Preferred:** NAD83 CRSC; **Acceptable:** NAD83 and WGS84; **Unacceptable:** NAD27 is no longer used by Oil and Gas Resources.

### **Projections**

**Preferred:** Yukon Albers; **Acceptable:** Unprojected (Lat, Long) and UTM.

### **Acceptable File Types**

ESRI Personal Geographic Database (PGD) with Metadata Record; ESRI Shape with Projection and Metadata Record; ESRI Coverage with Metadata Record; AutoCAD DWG/DXF, with Metadata Record; MicroStation DGN, with Metadata Record.

### **Metadata**

A minimum acceptable metadata record will contain: the file name; names of the lessees; a contact name and number; data abstract; datum; projection; accuracy; date.

**Comments** should be included as required.

## **C. Productive Zones**

Identify the spacing areas for the proposed lease, and the productive zones within them.

**C. Productive Zones.** Attach a list showing the spacing areas in the permit location containing one or more productive zones and identifying the productive zone or zones in each spacing area. **List attached:**

## **D. Reservoir and geological data**

Applicants must provide geological data to support the application.

**D. Reservoir and geological data.** Attach data based on drilling results to support the application. **Data attached:**

## **E. Application Fee**

An application fee of \$500 payable to the Government of Yukon must be submitted with the application.

**E.**  Application Fee of \$500 is enclosed.

## **F. Rental**

Upon submission of the application, rental for the first year is payable to the Government of Yukon at the rate of \$5.00 per hectare, calculated to the nearest 0.1 ha.

**F.**  Rental is enclosed.

**G. Designated Representative**

Subject to YOGA and the OGDR, when the lease is to be held by two or more holders, one of those co-holders or some other person must be designated as the holders' representative in section G. An official service address must also be indicated for the designated representative.

<b>G. Designated Representative</b>		
_____		
Company / Person		
_____		
Official Service Address		
_____		
City / Town	Territory / Province	Postal Code
_____		
Phone	Fax	E-mail
_____		
Contact Name		Title

**Company / Person**

Indicate the company or individual designated as the representative.

**Official Service Address**

The official service address is used to communicate with the designated representative or sole lessee.

**Contact Name**


Indicate a contact person.

**Title**

Indicate the capacity in which the contact person is acting for the designated representative.

**Above the Line page 2 of 2**

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

	<b>APPLICATION FOR OIL AND GAS LEASE</b>	
	<i>Page 2 of 2</i>	
Branch File #: _____		
Record #: _____		
DO NOT WRITE ABOVE THIS LINE. FOR DEPARTMENT USE ONLY		

**H. Lessee(s)**

Page 2 of the application form provides space to name two lessees. If there are to be more than two lessees, page 2 of the application may be photocopied to provide for the additional lessees.

**H. Lessee(s).** Indicate the lessee(s) who should be named in the lease. *By signing this application the applicant(s) confirm that the identity and percentage interests of the proposed lessees and the actual working interest owners are the same.* Copy this page if there are more than two proposed lessees.

Legal Name of Lessee	%	Client I.D.
Printed Name	Capacity	
Signature		
Address		
Territory / Province		Postal Code
Phone	Fax	E-mail

**Legal Name of Lessee**

The application must be accompanied by documentation evidencing the lessee's eligibility to hold a lease and showing its legally registered corporate name.

**Interest %**

Indicate the specified undivided interest this lessee will own in the proposed lease.

**Client I.D.**

The client identification number is the corporate access number assigned by Yukon Corporate Affairs and recorded in the Yukon Corporate Affairs Registration System (CARS) database.

**Printed Name**

Type, or print legibly, the name of the person who is signing for the lessee.

**Capacity**

Indicate the capacity of the signatory.

**Address**

Indicate the main mailing address of the lessee.

**I. Date of application**

Indicate the date the application will be submitted to Oil and Gas Resources.

<p>I. Date of application. _____</p> <p style="text-align: center;">Y          M          D</p>
<p><b>J. Disclaimer.</b> If there is any conflict or inconsistency between this application or the document entitled <i>Guidelines: Application For Oil and Gas Lease</i> and a provision of the <i>Oil and Gas Act</i> or any regulations under it, the latter provision prevails.</p>