

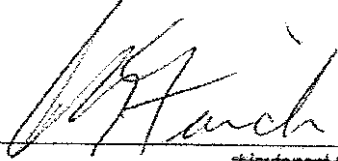
PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

890


, Approved and Ordered

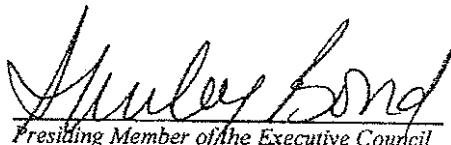
DEC - 5 2008


Lieutenant Governor
Administrative

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the ~~Lieutenant Governor~~ ^{Administrator}, by and with the advice and consent of the Executive Council, orders that the amendments to and substitutions of the terms of the disposition to Shell Canada Limited, approved by order in council 777/2004, of petroleum and natural gas rights withdrawn from disposition under section 71 of the *Petroleum and Natural Gas Act* by ministerial order M278/2004, set out in the attached schedule are approved.


Minister of Energy, Mines and Petroleum Resources


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section:- *Petroleum and Natural Gas Act*, R.S.B.C. 1996, c. 361, s.72
Other (specify):-

November 4, 2008

Resub/0/991/2008/14

SCHEDULE

Definitions

1 In this order:

“**agreement**” means the agreement dated July 26, 2004 under which petroleum and natural gas rights are disposed of to Shell in accordance with the terms and for the price approved by order in council 777/2004;

“**oil and gas activity**” has the same meaning as under the *Oil and Gas Activities Act*, S.B.C. 2008, c. 36;

“**period of inactivity**” means the period under section 2 (2) of this order;

“**related activity**” has the same meaning as under the *Oil and Gas Activities Act*, S.B.C. 2008, c. 36;

“**rental year**” means the period from July 26 of one year to July 25 of the next year;

“**Shell**” means Shell Canada Limited.

Amendments and substitutions

2 (1) The following are amendments to or substitutions of the terms of the disposition to Shell, as set out in the agreement:

- (a) the term, as set out in section 2 of the agreement, is extended by the period of inactivity;
- (b) for any rental year that includes any portion of the period of inactivity, no rent is payable under section 4 of the agreement;
- (c) Shell agrees that it will not make a lease selection under section 8 of the agreement for the period of inactivity;
- (d) Shell agrees that it will not undertake any oil or gas activity or related activity in the Area of Interest for the period of inactivity.

(2) The period of inactivity starts on the date the agreement is amended in accordance with this section and continues for a minimum of 2 years and, after that, until the earlier of the following occurs:

- (a) the minister is satisfied that
 - (i) first nations and other communities local to the Area of Interest have been provided with sufficient information respecting coalbed gas development, and
 - (ii) regional water quality data is available sufficient to determine the potential impacts of the coalbed gas development on regional water quality over time;
- (b) 4 years have elapsed from the date the agreement is amended in accordance with this section.

(3) Despite subsection (1) (d), Shell is not prohibited during the period of inactivity from carrying out any activity in the Area of Interest that Shell is required to carry out under

- (a) an enactment of British Columbia, or
- (b) an enactment, as defined in the *Interpretation Act* (Canada).