

Oil and Gas Land Rights Sales Set Fiscal Record

By [250 News](#)

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Prince George, B.C.- The fiscal year of 08/09 has turned out to be a multi record breaker when it comes to oil and gas land rights sales.

There were \$15 billion in bonus bids yesterday to close the fiscal year with an all-time high of \$2.4 billion, more than double last year's record-setting pace, says Energy, Mines and Petroleum Resources Minister Blair Leckstrom.

"The records shattered by the 2008-09 oil and gas land rights sales underscore the unprecedented growth of the B.C. energy sector," says Leckstrom. "Investors recognize the oil and gas resource potential in B.C. evidenced by records like an incredible \$33,649 per-hectare bid for a drilling licence. Projects such as the \$187-million Sierra Yoyo Desan road upgrade and our royalty program incentives make B.C. a very attractive place to invest in oil and gas."

The \$2.4-billion 2008-09 fiscal year total trumped the previous record-breaking year by \$1.2 billion, and broke every tracked record for oil and gas land rights sales in B.C. This is in addition to the record-setting 2008 calendar year total of \$2.66 billion.

Two significant northeastern geological areas accounted for an amazing 80 per cent of the 2008-09 sales; the Horn River Basin, renowned for shale gas, and the Montney Shale Formation, known for its petroleum and natural gas plays contributed over \$1.9 billion worth of sales.

The March 25 sale offered 33 parcels in northeast B.C. covering 13,594 hectares, and sold 27 parcels covering 12,054 hectares. The average price per hectare was \$1,246.

The first sale for the 2009-10 fiscal is scheduled for April 22, 2009 and will offer 24 parcels covering 29,009 hectares.

In addition to the fiscal year total breaking records, there were other significant milestones set by the 08/09 year:

Highest monthly land rights sale

New Record/Highlight: \$610 million - July 2008

Old Record:

\$441 million - May 2008

\$417.98 million - September 2003

Highest average price for an individual parcel (drilling licence)

New Record/Highlight: \$33,649/hectare - July 2008

Old Record: \$25,384/hectare - May 2008

Highest average price for a lease parcel

New Record/Highlight: \$24,690/hectare - July 2008

Old Record: \$22,305/hectare (lease) - August 1980

Price/hectare overall average price for fiscal year

New Record/Highlight: \$3,710.09/hectare

Old Record: \$1,863.56/ha 2007-08

Highest overall average price for an individual sale

New Record/Highlight: \$9,537.70/hectare - May 2008

Old Record: \$2,915.35/ha - Dec. 2007

Highest tender bonus paid for an individual parcel in a fiscal

New Record/Highlight: \$156 million - July 2008

Old Record: \$102 million Dec. 2007

Eight of the top 20 all-time highest land rights sales occurred in 2008-09 fiscal year.

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Ph 250-612-1709

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