

July 17, 1997

Minerals Tenure Information Bulletin 97-7

Subject: Mines and Minerals Administration Regulation

The Minerals Tenure Branch, which operates within the Mineral Operations Division of the Alberta Department of Energy, is currently engaged in a review of the legislation that it administers and the associated business processes. The Branch is working closely with the Canadian Association of Petroleum Producers, the Small Explorers and Producers Association of Canada, the Canadian Association of Petroleum Landmen, the Canadian Association of Petroleum Land Administration, and the Petroleum Joint Venture Association.

In April 1997 the Mines and Minerals Amendment Act, 1997 was passed in the Alberta Legislature. The passing of this bill allowed us to proceed with the drafting of new regulations to replace the existing P & NG Agreements Regulation, the General Regulation, the Crown Land Registration Regulation and the Forms Regulation.

In May 1997 we circulated the draft Petroleum and Natural Gas Tenure Regulation, which will replace the P & NG Agreements Regulation, and asked for your input on it. We thank those of you who took the time to send us your comments. We have incorporated as much as possible of your feedback into the draft regulation.

We have now drafted the Mines and Minerals Administration Regulation, which will replace the General Regulation. The attached document shows each provision of the proposed regulation, the current location of that provision (if any), and the reasons for the changes.

Once again we invite you to submit your comments and suggestions to:

Paul Batke
Project Leader, P & NG Tenure Review Project
Mineral Operations Division
Alberta Department of Energy
9th Floor, North Petroleum Plaza
9945 - 108 Street Edmonton, AB T5K 2G6

E-mail: batkep@enr.gov.ab.ca
Fax: (403) 422-1123

All comments must reach us by Friday, August 22, 1997. We strongly encourage you to complete the one-page survey attached to this letter and fax it back to us, whether or not you also send more detailed comments by letter. The names of the contributors will be kept confidential, but the results of the survey and all additional comments will be shared with the committee.

A draft of the Crown Minerals Registration Regulation (replacing the Crown Land Registration Regulation) will be published and circulated shortly, and your input to that regulation will also be requested.

F. David Coombs
Branch Head
Minerals Tenure Branch

Attachments

Mines and Minerals Administration Regulation

| Proposed provision | The provision presently reads . .. | Reason for change |
|---|--|---|
| Definitions | | |
| 1 In this Regulation, (a) "Act" means the Mines and Minerals Act; | In this Regulation, "Act" means the Mines and Minerals Act. <i>General Regulation sec 1</i> | No change. |
| (b) "amount owing to the Crown" means a money amount owing to the Crown under the Act, the regulations or an agreement; | New provision. | Simplifies the wording in sections 21 and 22. |
| (c) "Board" means the Alberta Energy and Utilities Board; | "Board" means the Energy Resources Conservation Board; <i>Mines and Minerals Act sec 90(1)(a)</i> | Updates the reference to the Board, and simplifies wording wherever it is referred to. |
| (d) "designated representative", in relation to an agreement, means (i) the person who is designated as the representative of the lessee or lessees of the agreement, according to the notice of the designation given to the Minister pursuant to section 30.1 of the Act, or (ii) the lessee of the agreement, if the agreement is held by only one lessee who has not given the Minister a notice of a designation of a representative pursuant to section 30.1 of the Act or has given the Minister a notice of the revocation of a previous designation of a representative; | New provision. | This definition is collateral to section 30.1 of the Act (as amended by the Mines and Minerals Amendment Act, 1997), and provides that the expression "designated representative" includes a sole lessee who has not designated a representative. |
| (e) "due date" in relation to the payment of an amount owing to the Crown, means (i) the due date for the payment prescribed by the Act, the regulations or an agreement, unless the payment is made pursuant to a monthly invoice arrangement that provides for a different due date for the payment, (ii) the due date for the payment | In this section and section 8, "due date" means (a) in relation to the payment of a royalty on a mineral, the last day of the month following the month of production or the last day of the month in which the proceeds of sale of the mineral are received, whichever is later, and (b) in relation to the payment of a sum of money due and payable under an agreement other than a | Expanded to allow for a due date to be specified in an invoice. The distinction between royalties and other amounts has been eliminated. |

| | | |
|--|--|--|
| <p>specified in the monthly invoice arrangement, if the payment is made pursuant to a monthly invoice arrangement, or</p> <p>(iii) the due date for the payment specified in an invoice or in a notice sent by the Minister, if no due date for the payment is prescribed by the Act, the regulations or an agreement;</p> | <p>royalty on a mineral, the date specified in the agreement for the payment of that sum of money.</p> <p><i>General Regulation sec 7(1)</i></p> | |
| <p>(f) "official service address", in relation to any person, means that person's official service address shown in the current notice given by that person to the Minister pursuant to section 31 of the Act;</p> | <p>New provision.</p> | <p>This definition is collateral to section 31 of the Act, and provides that a person's official service address is the most current one supplied to the Department.</p> |
| <p>(g) "petroleum and natural gas lease" means a lease granting rights to petroleum or natural gas or both;</p> | <p>"lease" means a petroleum and natural gas lease, petroleum lease or natural gas lease issued under this Act or the former Act;</p> <p><i>Mines and Minerals Act sec 90(1)(e)</i></p> | <p>Simplifies the wording in section 20.</p> |
| <p>(h) "petroleum and natural gas licence" means a licence granting rights to petroleum or natural gas or both;</p> | <p>"licence" means a petroleum and natural gas licence issued by the Minister under</p> <p>(i) the Act, or</p> <p>(ii) the Petroleum and Natural Gas Licence Regulations (Alta Reg 169/76);</p> <p><i>Petroleum and Natural Gas Agreements Regulation sec 1(e)</i></p> | <p>Simplifies the wording in sections 12, 14 and 20.</p> |
| <p>(i) "prescribed", in relation to a fee or rental, means prescribed by this Regulation;</p> | <p>"prescribed fee" means the fee prescribed in the General Regulation (Alta Reg 163/84);</p> <p><i>Crown Land Registration Regulation sec 1(d)</i></p> | <p>No substantive change.</p> |
| <p>(j) "regulations" means this Regulation or any other regulations under the Act;</p> | <p>New provision.</p> | <p>Simplifies wording throughout the Regulation.</p> |
| <p>(k) "royalty amount" means an amount owing to the Crown</p> <p>(i) on account of a money royalty,</p> | <p>New provision.</p> | <p>Simplifies the wording in sections 22 and 23.</p> |

| | | |
|---|---|---|
| <p>(ii) in respect of the Crown's royalty share of a mineral when disposed of by an agent, or</p> <p>(iii) on account of royalty compensation;</p> | | |
| <p>(l) "spacing unit" means</p> <p>(i) in relation to a well drilled or being drilled,</p> <p>(A) the drilling spacing unit for the well prescribed by or pursuant to the Oil and Gas Conservation Regulations (Alta Reg 151/71), or</p> <p>(B) where the Board has issued an order suspending the operation of Part 4 of the Oil and Gas Conservation Regulations (Alta Reg 151/71) in respect of the area in which the well is drilled or being drilled, the area that was, immediately before the effective date of the order, the drilling spacing unit prescribed for the well by or pursuant to those Regulations,</p> <p>or</p> <p>(ii) the area that would be the drilling spacing unit prescribed for a well by or pursuant to the Oil and Gas Conservation Regulations (Alta Reg 151/71) if the well were drilled and in the absence of any order of the Board suspending the operation of Part 4 of those Regulations in respect of that area.</p> | <p>"spacing unit" means</p> <p>(i) repealed 1994 c22 s2,</p> <p>(ii) in relation to a well drilled or being drilled in Alberta, the drilling spacing unit for the well prescribed by or pursuant to the regulations under the Oil and Gas Conservation Act,</p> <p>(iii) the area in Alberta that would be the drilling spacing unit prescribed for a well by or pursuant to the regulations under the Oil and Gas Conservation Act if the well were drilled, or</p> <p>(iv) in relation to a well outside Alberta, the area allocated to the well for the purpose of drilling for or producing petroleum or natural gas;</p> <p style="text-align: right;"><i>Mines and Minerals Act sec 1(1)(u)</i></p> | <p>When a Miscellaneous Order (Holding) is issued by the Board, the lands within the order are no longer subject to Part 4 of the Oil and Gas Conservation Regulations, dealing with spacing. Section 27 of this Regulation makes it necessary for the Department to look behind an order to the pre-existing spacing, and this definition is expanded to provide for that.</p> |

DESIGNATED REPRESENTATIVES, NOTICES AND APPLICATIONS

Designation of representative

| | | |
|--|-----------------------|--|
| <p>2(1) Subject to subsections (2) and (3), the following documents given to the Minister pursuant to section 30.1 of the Act shall be in a form determined or approved by the Minister:</p> <p>(a) a notice of the designation of a representative,</p> <p>(b) a notice of the replacement of</p> | <p>New provision.</p> | <p>Forms for designating, replacing or revoking a representative will be standardized.</p> |
|--|-----------------------|--|

| | | |
|---|-----------------------|---|
| <p>the designation of a representative, and</p> <p>(c) a notice by the sole lessee of an agreement of the revocation of the lessee's designation of a representative.</p> | | |
| <p>(2) A statement respecting the designation of a representative in relation to an agreement included in</p> <p>(a) the application for the agreement made pursuant to section 16(a) of the Act,</p> <p>(b) the tender for the agreement, where the agreement is sold by way of a sale by public tender pursuant to section 16(b) of the Act,</p> <p>(c) the registered transfer of part of the location of an agreement that led to the issuance of the agreement, or</p> <p>(d) a registered transfer of the agreement from a sole lessee who at the time of registration had not designated a representative for the agreement, to another person who on registration of the transfer became the sole lessee of the agreement,</p> <p>constitutes a notice to the Minister of the designation of that representative in relation to that agreement pursuant to section 30.1 of the Act.</p> | <p>New provision.</p> | <p>The designation of a representative may be included in an application for an agreement, a bid letter or a transfer form, and does not have to be submitted separately.</p> |
| <p>(3) A statement respecting the replacement of the designation of a representative in relation to an agreement included in a registered transfer affecting that agreement constitutes a notice to the Minister of the replacement of the representative in relation to the agreement pursuant to section 30.1(4)(a) of the Act.</p> | <p>New provision.</p> | <p>The replacement of a designated representative may be included in a registered transfer, and does not have to be submitted separately.</p> |
| <p>(4) Not more than one person may be designated pursuant to section 30.1 of the Act as a representative in relation to the same agreement.</p> | <p>New provision.</p> | <p>An agreement may not have more than one designated representative.</p> |

| | | |
|---|--|--|
| <p>(5) A notice of the designation of a representative given to the Minister</p> <p>(a) in a form determined or approved pursuant to subsection (1)(a) or (b), or</p> <p>(b) in accordance with subsection (2) or (3),</p> <p>is, as against the Crown, binding on the lessees or the lessee, as the case may be, of the agreement to which the designation relates.</p> | <p>New provision.</p> | <p>The designation of a representative by one of the stated methods is binding on all the lessees of an agreement.</p> |
| <p>Official service address</p> | | |
| <p>3(1) A notice of a person's official service address given to the Minister under section 31(1) of the Act</p> <p>(a) shall be in the form determined or approved by the Minister, and</p> <p>(b) shall not show more than one official service address for that person.</p> | <p>New provision.</p> | <p>Provides for standard forms for filing an official service address, and that only one official service address may be filed for each person.</p> |
| <p>(2) A request to a person by the Minister pursuant to section 13(5)(d)(i) of the Mines and Minerals Amendment Act, 1997 may be made to that person in any manner provided for in section 4, as though it were a notice to that person.</p> | <p>New provision.</p> | <p>Section 13(5)(d)(i) of the Mines and Minerals Amendment Act 1997 provides that the Minister may request an initial representative or a sole lessee who has more than one address on record with the Department to select one of them as his official service address.</p> |
| <p>Giving of notices, etc by the Minister</p> | | |
| <p>4(1) Any notice that the Minister is required or authorized to give to any person under the Act, the regulations or an agreement may be given in any of the following ways:</p> <p>(a) by mail addressed to that person's official service address or, if that person has no official service address, to that person's last known address according to the records of the Department;</p> | <p>Any notice that may be given by the Minister pursuant to this Act or an agreement may be given by mail.</p> <p style="text-align: center;"><i>Mines and Minerals Act sec 51</i></p> | <p>Expands the provisions dealing with the serving of notices by the Minister, so that notices and other documents can be delivered, faxed or e-mailed as well as mailed.</p> |

| | | |
|--|-----------------------|--|
| <p>(b) by delivery of the notice to that person's official service address or, if that person has no official service address, to that person's last known address according to the records of the Department;</p> <p>(c) by fax or e-mail transmission to that person in accordance with an arrangement made between the Minister and that person pursuant to subsection (3).</p> | | |
| <p>(2) If a notice is given by the Minister by mail in accordance with subsection (1)(a),</p> <p>(a) section 22.1 of the Interpretation Act does not apply to the notice, and</p> <p>(b) the notice shall be considered as being given on the day on which it is delivered to the Canada Post Corporation.</p> | <p>New provision.</p> | <p>Overrides section 22.1 of the Interpretations Act by stating that a notice sent by mail shall be considered as being given on the day of mailing.</p> |
| <p>(3) The Minister may make an arrangement with a person under which that person agrees</p> <p>(a) that the Minister may give all or any specified class of notices to that person under the Act or the regulations or an agreement by</p> <p>(i) fax transmission to that person, to a fax number specified by that person, or</p> <p>(ii) e-mail transmission to that person, at an e-mail address specified by that person,</p> <p>and</p> <p>(b) that transmission of a notice to that person by fax or e-mail in accordance with clause (a) will constitute sufficient service of the notice on that person.</p> | <p>New provision.</p> | <p>A person or company may provide the Department with a fax number or e-mail address for the serving of notices and other documents.</p> |
| <p>(4) Subsections (1) and (2) also apply, with the necessary changes, to any letter, request, invoice, demand or other document that the Minister is required or authorized by the Act, the regulations or an agreement</p> | <p>New provision.</p> | <p>The previous two subsections can be applied to any document the Minister sends out.</p> |

| | | |
|---|----------------|--|
| to give, send or furnish to a designated representative or other person. | | |
| Giving of notices, etc to the Minister | | |
| <p>(1) Where a person is required or authorized by the Act, the regulations or an agreement to give a notice to the Minister, the notice may be given to the Minister in any of the following ways:</p> <p>(a) by physically delivering the notice in written form to an office of the Department,</p> <p>(b) by mail addressed to the Department,</p> <p>(c) by fax transmission to the Department, to a fax number specified by the Minister for notices of that kind, or</p> <p>(d) by e-mail transmission to the Department, at an e-mail address specified by the Minister for notices of that kind.</p> | New provision. | Corresponds to section 4(1), and allows for notices to be given to the Minister by delivery, by mail, by fax or by e-mail. |
| <p>(2) If a notice is given to the Minister by mail in accordance with subsection (1)(b),</p> <p>(a) section 22.1 of the Interpretation Act does not apply to the notice, and</p> <p>(b) the notice shall be considered as being given by mail to the Minister on the day on which it is received in an office of the Department.</p> | New provision. | Overrides section 22.1 of the Interpretation Act by stating that a notice sent by mail shall be considered to be given to the Minister on the day that it is received in the Department. |
| <p>(3) Where a provision of the Act, the regulations or an agreement authorizes a person to give a notice to the Minister within a prescribed period or before a prescribed deadline, a notice given by that person shall be considered as being given to the Minister only if it is received by the Department within that period or before that deadline.</p> | New provision. | Where a notice or a response must be provided to the Minister by a certain date, it must be received in the Department by that date in order to be valid. |
| (4) Subsections (1), (2) and (3) also apply, with the necessary | New provision. | This section applies to any application or document that may |

| | | |
|---|--|---|
| <p>changes, to any application or other document that a person is required or authorized by the Act, the regulations or an agreement to make or furnish to the Minister, except that a transfer, security notice or other document may not be submitted for registration under Part 8 of the Act by fax or e-mail transmission.</p> | | <p>be given to the Minister, except that a transfer, security notice or other document may not be submitted for registration by fax or by e-mail.</p> |
|---|--|---|

| | | |
|--|-----------------------|---|
| <p>5) If a provision of another regulation is in conflict with or inconsistent with this section, the provision of the other regulation prevails to the extent of the conflict or inconsistency.</p> | <p>New provision.</p> | <p>This section will not prevail over any other regulation under the Mines and Minerals Act that has a conflicting provision.</p> |
|--|-----------------------|---|

Applications to the Minister

| | | |
|---|-----------------------|--|
| <p>6 Where the Act, the regulations or an agreement authorize a lessee of an agreement to make an application to the Minister, then, unless otherwise expressly provided by the regulations, the application may be made only by</p> <p>(a) the person who is the designated representative in relation to the agreement, or</p> <p>(b) a person authorized by the designated representative to make the application.</p> | <p>New provision.</p> | <p>In any situation where a lessee is authorized or entitled to make an application to the Minister, the application may only be made by the designated representative for the lease, or by someone who has been authorized in writing by the designated representative. This formalizes a policy that the Department has followed for many years.</p> |
|---|-----------------------|--|

AGREEMENTS

Issuance of agreement

| | | |
|--|--|--|
| <p>7(1) For the purposes of the Act,</p> <p>(a) an agreement applied for under section 16(a) of the Act is issued when the Minister approves the application and the applicant accepts the conditions, if any, to which the Minister's approval is subject,</p> <p>(b) an agreement sold by way of public tender pursuant to section 16(b) of the Act is issued when the Minister publicly announces the name of the successful tenderer for the agreement and the tenderer has complied with the provisions in the sale notice respecting preconditions for the</p> | <p>For the purposes of the Act,</p> <p>(a) an agreement is issued on the date on which it is fully prepared in the Department for signing,</p> <p style="text-align: center;"><i>General Regulation sec 2(a)</i></p> | <p>The Department has removed the "date of issue" from lease and licence documents, as it was too easily confused with term commencement date. These sections specify alternate methods of determining the issue date of an agreement.</p> |
|--|--|--|

| | | |
|---|---|---|
| <p>issuance of the agreement, and</p> <p>(c) an agreement issued pursuant to section 16(c) of the Act is issued at the time provided for in the procedure determined by the Minister under that section.</p> <p>(2) For the purposes of section 20(5) of the Act, the prescribed date is the date on which the agreement is mailed to the lessee and, in the absence of proof to the contrary, the date of the letter accompanying the agreement is deemed to be the date on which the agreement is mailed to the lessee.</p> | | |
| <p>(3) Unless the Minister otherwise directs in a particular case, an agreement shall not be issued unless the prescribed issuance fee and the prescribed rental for the first year of the term of the agreement are received by the Minister.</p> | <p>A person making an offer for a licence at a sale by public tender shall submit with his offer</p> <p>(a) the fee prescribed in the General Regulation (Alta Reg 163/84), and</p> <p>(b) the rental for the first year of the term of the licence,</p> <p>which shall be returned or refunded if the licence is not issued to that person.</p> <p style="text-align: center;"><i>Petroleum and Natural Gas Agreements Regulation sec 4</i></p> <p>A person applying for a lease or making an offer at a sale by public tender for a lease shall submit with his application or offer</p> <p>(a) the fee prescribed in the General Regulation (Alta Reg 163/84), and</p> <p>(b) the rental for the first year of the term of the lease,</p> <p>which shall be returned or refunded if the lease is not issued to that person.</p> <p style="text-align: center;"><i>Petroleum and Natural Gas Agreements Regulation sec 14</i></p> | <p>This provisions retains the requirement that the fee and rent should be received before an agreement is issued, but is shortened and simplified.</p> |

| Agreements issued to 2 or more lessees | | |
|---|--|--|
| <p>8(1) Subject to subsection (2), an agreement shall not be issued to 2 or more lessees unless each of those lessees will be the holder of a specified undivided interest in the agreement.</p> <p>(2) An agreement may be issued to 2 or more lessees otherwise than as holders of specified undivided interests if each of them is an individual.</p> <p>(3) Subsection (1) does not preclude the issuance of an agreement under which 2 or more persons will be the lessees in respect of the same specified undivided interest in the agreement if each of those lessees is an individual.</p> | <p>New provision.</p> | <p>If an agreement is to be held by more than one person, the parties must normally specify the undivided interest that each holds in the agreement (eg: Company X 60%, Company Y 40%). However, if the holders are individuals, they will be permitted to hold an agreement, or an interest in an agreement, without specifying their separate undivided interests (eg: John and Mary Smith 10%).</p> |
| Specified undivided interests | | |
| <p>9) The Minister may refuse to issue an agreement if any of the lessees would hold less than a 1% undivided interest under the agreement.</p> | <p>The Minister may refuse to issue an agreement if any of the lessees would hold less than a 1% undivided interest under the agreement.</p> <p style="text-align: center;"><i>Mines and Minerals Act sec 25</i></p> | <p>No change.</p> |
| <p>(2) The Minister may refuse to issue an agreement under which any lessee is to hold a specified undivided interest in the agreement if</p> <p>(a) the interest is expressed as a fraction otherwise than in decimal form, or</p> <p>(b) the fraction exceeds 7 decimal places.</p> | <p>New provision.</p> | <p>These provisions support the Department's existing practice of requiring that undivided interests be expressed as decimals, to a maximum of seven places.</p> |
| Term of agreement | | |
| <p>10 Where an agreement is issued for a term of more than one year,</p> <p>(a) the first year of the term commences on the date shown in the agreement as its term commencement date and ends at the expiration of the first anniversary of that term</p> | <p>New provision.</p> | <p>Clarifies that the first year of the term of an agreement is actually one year plus one day - ie: it expires at midnight on the first anniversary of the term commencement date.</p> <p>Eg: Year 1 = July 2 1997 - July 2 1998 (12 months + 1 day); Year 2 = July 3 1998 to July 2 1999 (12</p> |

| | | |
|--|--|---|
| <p>commencement date, and</p> <p>(b) each subsequent year of the term is a 12-month period expiring on an anniversary of the term commencement date.</p> | | <p>months exactly).</p> |
| <p>Surrender of agreement</p> | | |
| <p>11(1) The lessee of an agreement may, in accordance with this section,</p> <p>(a) surrender the agreement, or</p> <p>(b) with the consent of the Minister, surrender the agreement as to part of its location.</p> <p>(2) A surrender referred to in subsection (1)</p> <p>(a) must be submitted to the Minister in a form determined or approved by the Minister,</p> <p>(b) is binding on the Crown and the lessee only if it is accepted by the Minister, as evidenced by the Minister's letter to the lessee confirming the acceptance.</p> | <p>Subject to the regulations, a lessee may</p> <p>(a) surrender an agreement;</p> <p>(c) with the consent of the Minister,</p> <p>(i) surrender any part of the location in an agreement;</p> <p style="text-align: center;"><i>Mines and Minerals Act sec 27</i></p> <p>(1) If a lessee wishes to surrender his agreement, he shall forward to the Department an executed memorandum of surrender of the agreement in a form satisfactory to the Minister.</p> <p>(2) If a lessee wishes to surrender a part of the location described in his agreement, he shall forward to the Department</p> <p>(a) his copy of the agreement for amendment,</p> <p>(b) an executed memorandum of partial surrender in a form satisfactory to the Minister, and</p> <p>(c) the prescribed fee.</p> <p style="text-align: center;"><i>General Regulation sec 3</i></p> | <p>Part of this provision has been transferred over from the Mines and Minerals Act, and part from the General Regulation. The lessee is no longer required to submit his copy of the agreement(s).</p> |
| <p>(3) Where a surrender referred to in subsection (1)</p> <p>(a) is received by the Minister after an anniversary of the term commencement date of the agreement, or</p> <p>(b) is received by the Minister on or before an anniversary of the term commencement date of the agreement but provides for an effective date occurring after that</p> | <p>New provision.</p> | <p>Confirms the Department's existing practice with respect to the payment of rentals on surrendered agreements: if the surrender is received or is effective after the anniversary of the term commencement date, the rental must be paid even though the surrender may take effect within a few days.</p> |

| | | |
|---|--|--|
| <p>anniversary date,</p> <p>the Minister shall not accept the surrender unless the Minister receives payment of the rental for the year of the term following that anniversary date calculated on the basis of the area of the location as it stood on that anniversary date.</p> | | |
|---|--|--|

Divisions and consolidations of agreements

| | | |
|---|---|---|
| <p>12) The Minister, on application by the lessee of an agreement, may</p> <p>(a) divide the lessee's agreement into 2 or more agreements, or</p> <p>(b) consolidate the lessee's agreement with one or more other agreements held by the lessee.</p> <p>(2) The Minister may not accept an application for the consolidation of 2 or more petroleum and natural gas licences during the initial term of any of them.</p> | <p>Subject to the regulations, a lessee may</p> <p>(c) with the consent of the Minister,</p> <p>(iii) divide an agreement into 2 or more agreements;</p> <p>(iv) consolidate 2 or more agreements into 1 agreement.</p> <p align="center"><i>Mines and Minerals Act sec 27</i></p> <p>(3) If a lessee wishes to divide his agreement, he shall forward to the Department</p> <p>(a) his copy of the agreement, and</p> <p>(b) the prescribed fee.</p> <p>(4) If a lessee wishes to consolidate 2 or more of his agreements, he shall forward to the Department</p> <p>(a) his copy of each of the agreements to be consolidated, and</p> <p>(b) the prescribed fee.</p> <p align="center"><i>General Regulation sec 3</i></p> | <p>Part of this provision has been transferred over from the Mines and Minerals Act, and part from the General Regulation. The lessee is no longer required to submit his copy of the agreement(s).</p> |
|---|---|---|

Amendment of agreement

| | | |
|---|--|-------------------------------|
| <p>13 If, pursuant to the Act or the regulations,</p> <p>(a) a description of the location in</p> | <p>If, pursuant to the Act or this Regulation,</p> <p>(a) a description of a location in a lease or licence has been</p> | <p>No substantive change.</p> |
|---|--|-------------------------------|

| | | |
|---|---|--|
| <p>an agreement is amended, or</p> <p>(b) an agreement is amended in respect of the rights granted under it,</p> <p>the Minister shall send a copy of the amendment to the lessee of the agreement.</p> | <p>amended, or</p> <p>(b) a lease or licence has been amended in respect of the rights granted under it,</p> <p>the Minister shall send a copy of the amendment to the lessee at his official address for service.</p> <p style="text-align: center;"><i>Petroleum and Natural Gas Agreements Regulation sec 26</i></p> | |
|---|---|--|

Cancellation of agreement

| | | |
|--|-----------------------|--|
| <p>14(1) Where the Minister cancels an agreement pursuant to section 44 of the Act, the Minister shall send a letter to the former lessee of the agreement confirming the cancellation of the agreement.</p> <p>(2) Where the Minister cancels a petroleum and natural gas licence or lease as to part of its location pursuant to section 20(4)(b) of the Petroleum and Natural Gas Tenure Regulation (Alta Reg XX/97), the Minister shall send a letter to the licensee or lessee, as the case may be, confirming the cancellation in part of the agreement.</p> | <p>New provision.</p> | <p>Imposes a duty on the Minister to send a letter of confirmation to the holder of an agreement that has been cancelled or amended.</p> |
|--|-----------------------|--|

Commencement of reinstatement application period

| | | |
|--|-----------------------|---|
| <p>15 For the purposes of section 8(1)(e)(i) of the Act, the effective date of the surrender or cancellation of an agreement is prescribed as the date of the letter from the Minister to the lessee confirming the Minister's acceptance of the surrender or confirming the cancellation, as the case may be.</p> | <p>New provision.</p> | <p>Establishes an effective date for the cancellation or amendment of an agreement.</p> |
|--|-----------------------|---|

Persons ineligible as lessees

| | | |
|--|-----------------------|--|
| <p>16(1) Where the lessee or one of the lessees of an agreement is a person ineligible to be a lessee by reason of section 24 of the Act, a notice given by the Minister to the ineligible person pursuant to section 24(4)(a) of the Act must also be given to</p> <p>(a) the designated representative</p> | <p>New provision.</p> | <p>These sections provide some administrative detail to support section 24 of the Act.</p> |
|--|-----------------------|--|

| | | |
|---|---|--|
| <p>in relation to the agreement, and</p> <p>(b) each of the other lessees of the agreement, if it is held by 2 or more lessees.</p> <p>(2) Where the ineligibility of a corporation under section 24 of the Act is the result of the dissolution of the corporation, a notice given by the Minister pursuant to section 24(4)(b) of the Act must be given to the corporation despite its dissolution at</p> <p>(a) its official service address if it had given a notice to the Minister containing that address, or</p> <p>(b) in any other case, its last known address according to the records of the Department.</p> | | |
| <p>3 Unless the Minister otherwise directs in a particular case, an individual under the age of 18 years is eligible to be the lessee or one of the lessees of a metallic and industrial minerals licence under the Metallic and Industrial Minerals Regulation) (Alta Reg 66/93).</p> | <p>New provision.</p> | <p>This provision is intended to be used to allow a minor to hold a placer mining permit in his or her own name, instead of through a parent.</p> |
| <p>FEES, RENTALS AND INTEREST</p> | | |
| <p>Prescribed fees</p> | | |
| <p>17 The fee payable to the Minister for any service described in the Schedule to this Regulation is the fee shown in the Schedule for that service.</p> | <p>A person shall pay to the Minister the fees in the Schedule in respect of the services in the Schedule.</p> <p style="text-align: center;"><i>General Regulation sec 11</i></p> | <p>No substantive change.</p> |
| <p>Fee accounts</p> | | |
| <p>18(1) The Minister may enter into an arrangement with a person under which prescribed fees payable by that person in respect of the class of services specified under the arrangement will be charged to that person's account on a continuing basis and on the conditions determined by the Minister.</p> <p>(2) If a prescribed fee is payable</p> | <p>(1) If he considers it appropriate to do so, the Crown Land Registrar may enter into an arrangement with a person under which prescribed fees payable by that person will be charged to that person on a continuing basis and on the conditions determined by the Crown Land Registrar.</p> <p>(2) If a prescribed fee is payable by a person during the period an</p> | <p>There is no substantive change to these provisions, but they have been moved into this Regulation from the Crown Land Registration Regulation in order to make them more widely applicable.</p> |

| | | |
|---|---|--|
| <p>by a person during the period an arrangement under subsection (1) is in effect and not suspended under subsection (3), the fee shall be charged to that person's account.</p> <p>(3) If the Minister sends an invoice in respect of the amounts charged to a person under an arrangement under this section and the total amount of the invoice is not paid on or before the date specified in the invoice, the Minister may suspend the arrangement with that person until all amounts owing under it are paid in full.</p> <p>(4) The Minister may terminate an arrangement with any person under this section on the giving of at least one week's notice to that person.</p> | <p>arrangement under subsection (1) is in effect and not suspended under subsection (3), the fee is deemed to have been paid.</p> <p>(3) If the Crown Land Registrar sends an invoice in respect of the amounts charged to a person under an arrangement under subsection (1) and the total amount of the invoice is not paid on or before the date specified in the invoice, the Registrar may suspend the arrangement with that person until all amounts owing under it are paid in full.</p> <p>(4) The Crown Land Registrar may terminate an arrangement under subsection (1) with any person on the giving of a least 7 days' notice in writing sent by registered mail to the person at his last address known to the Registrar.</p> <p style="text-align: right;"><i>Crown Land Registration Regulation sec 1.11</i></p> | |
|---|---|--|

Monthly invoice arrangements

| | | |
|---|-----------------------|---|
| <p>19(1) Subject to subsection (3), the Minister may enter into an arrangement with any person under which the payment to the Crown of any class of amounts owing to the Crown are to be made on the basis of monthly invoices.</p> <p>(2) Notwithstanding anything in an agreement, a monthly invoice arrangement may, in respect of any class of amounts owing to the Crown covered by the arrangement, provide for a due date for the payment of amounts of that class that differs from the due date otherwise provided for those payments by the regulations or the agreement.</p> <p>(3) If a monthly invoice relates to payments of any amounts owing to the Crown under one or more agreements, the arrangement shall be entered into with the designated representative in relation to those agreements or a</p> | <p>New provision.</p> | <p>Provides for a system whereby certain classes of payments - eg: rent - may be assembled and invoiced monthly by the Department. This will allow a lessee to pay all of the rentals due in a month in a single payment, instead of paying each rental separately on its due date.</p> |
|---|-----------------------|---|

| | | |
|--|--|--|
| <p>person authorized to do so by the designated representative.</p> | | |
| <p>Annual rentals</p> | | |
| <p>20(1) The lessee of an agreement is liable to the Crown for the payment of a rental for each year of the term of the agreement.</p> <p>(2) For the purposes of this section,</p> <p>(a) a year during which a petroleum and natural gas lease is continued after the expiration of its term is deemed to be a year of the term of the lease, and</p> <p>(b) a year during which a petroleum and natural gas licence is continued after the expiration of its intermediate term is deemed to be a year of the term of the licence.</p> <p>(3) Except in the case of an agreement referred to in section 54.1(5)(c) of the Act, rental for a year of the term of an agreement is payable at the rate of</p> <p>(a) \$3.50 per year for each hectare in the area of the location of the agreement, subject to a minimum of \$50,</p> | <p>(1) The annual rental for a petroleum and natural gas lease or a licence is \$2.50 per hectare payable yearly in advance.</p> <p>(2) The annual rental for a natural gas lease or a petroleum lease is 80 per hectare payable yearly in advance.</p> <p>(3) Notwithstanding subsections (1) and (2), the annual rental for a petroleum and natural gas lease or licence or for a natural gas lease or petroleum lease is \$3.50 per hectare payable yearly in advance, for each year of the lease or licence that commences after July 11, 1990 whether or not the term of the lease or licence commenced on, before or after July 11, 1990.</p> <p style="text-align: center;"><i>Petroleum and Natural Gas Agreements Regulation sec 3</i> The annual rental for a coal lease, quarriable mineral lease, salt lease or sodium sulphate lease is \$3.50 per hectare payable yearly in advance for each year of the lease that commences after July 11, 1990 whether or not the term of the lease commenced on, before or after July 11, 1990.</p> <p style="text-align: center;"><i>General Regulation sec 11.1(1)</i></p> | <p>The rental provisions for all types of agreement have been consolidated into a single section. A minimum rental of \$50 per year has been implemented for all agreements.</p> |
| <p>(b) in the case of a lease of coal rights in a road allowance, \$50 per year.</p> | <p>The annual rental for a lease of coal rights in a road allowance shall be \$50 payable yearly in advance.</p> <p style="text-align: center;"><i>General Regulation sec 11.1(2)</i></p> | <p>No substantive change.</p> |
| <p>(4) Subject to subsections (5) and (6), a rental for the second or any subsequent year of the term of an agreement</p> <p>(a) is due and payable on the last day of the preceding year of the term of the agreement, and</p> | <p>New provision.</p> | <p>Rental for a given year will normally be payable on the last day of the preceding year (ie: the anniversary of the term commencement date), and is calculated on the basis of the area contained in the agreement at that date.</p> |

| | | |
|--|---|---|
| <p>(b) shall be calculated on the basis of the area of the location of the agreement as it stood on that due date.</p> | | |
| <p>(5) Subsection (4)(a) does not apply if the payment of the rental for the year is to be made pursuant to a monthly invoice arrangement.</p> | <p>New provision.</p> | <p>The rental due date will be different if the rentals are paid by a monthly invoice arrangement.</p> |
| <p>(6) Notwithstanding anything in an agreement,</p> <p>(a) the rental for the first year of the intermediate term of a petroleum and natural gas licence, and</p> <p>(b) the rental for any year of the term of a petroleum and natural gas lease or licence that</p> <p>(i) occurs during its continuation pursuant to section 15, 16 or 17 of the Petroleum and Natural Gas Tenure Regulation (Alta Reg XX/97), and</p> <p>(ii) that is exempted by the Minister from the operation of subsection (4),</p> <p>is due and payable on the date shown as the due date for its payment in a notice given by the Minister to the lessee of the lease or licence, and shall be calculated on the basis of the area of the location as it stood at the beginning of that year.</p> | <p>New provision.</p> | <p>There is a basic requirement that rent be paid yearly in advance for every agreement. However, when an agreement reaches expiry and is about to be continued pursuant to section 15, 16 or 17 of the P & NG Tenure Regulation, the Minister will grant an exemption until the continuation process is complete and the area of the lease has been established. Once the continuation has been resolved the exemption will not longer apply, and the lessee will be expected to pay rent in the usual way for subsequent years.</p> <p>The exemption will also apply to licences as they reach the end of their initial term and are validated for the intermediate term.</p> |
| <p>Liability to the Crown for interest</p> | | |
| <p>21(1) If an amount owing to the Crown is not received by the Minister on or before the due date for its payment, interest is payable to the Crown by the person who owes that amount, computed in accordance with this section.</p> | <p>Interest is payable to the Crown on a royalty on a mineral or other sum of money payable under an agreement from the due date to the actual day of payment if</p> <p>(a) the royalty on the mineral is not paid on or before the due date, or</p> <p>(b) the sum of money other than a royalty on a mineral is not paid within one month or 30 days, whichever is the greater, following</p> | <p>The 30-day grace period for amounts other than royalties has been eliminated, and all amounts owing or invoiced are now payable by the due date.</p> |

| | | |
|---|---|---|
| | <p>the due date,</p> <p>and the interest is payable in addition to that royalty or other sum of money.</p> <p><i>General Regulation sec 7(2)</i></p> | |
| <p>(2) Interest payable under this section shall be computed as an amount equal to 3% of</p> <p>(a) the principal amount owing to the Crown, or</p> <p>(b) if partial payment of that principal amount is received on or before the due date for its payment, the portion of that principal amount remaining unpaid on that due date.</p> | <p>For the purposes of sections 7, 7.1 and 8, if interest is payable under either of those sections in respect of any day, the rate of interest in respect of that day is the yearly rate that is 1% greater than the rate of interest established by the Province of Alberta Treasury Branches as its prime lending rate on loans payable in Canadian dollars and in effect on the first day of the month in which that day occurs.</p> <p><i>General Regulation sec 9</i></p> | <p>The interest rate has been standardized for administrative simplicity, and will be calculated and levied once only, in the same way as interest is charged on overdue utility bills. This will eliminate the problem encountered in trying to calculate the correct amount of interest to the date of receipt.</p> |
| <p>(3) If an amount of interest that would otherwise be payable in the absence of this subsection is \$20 or less, no interest is payable.</p> | <p>New provision.</p> | <p>This provision is included for administrative simplicity.</p> |
| <p>(4) This section does not apply to interest on an amount owing to the Crown in cases where provisions respecting the imposition of that interest are contained in some other regulation.</p> | <p>New provision.</p> | <p>This provision does not override conflicting provisions in other regulations.</p> |
| <p>Crown liability for interest on overpayments</p> | | |
| <p>22(1) If a payment is made in respect of an amount owing to the Crown in excess of the actual amount owing on the due date for its payment and the excess payment is wholly or primarily attributable to an error made by the Department, the excess amount is an "overpayment" for the purposes of this section.</p> | <p>If a payment is made to the Crown in right of Alberta in respect of an amount referred to in section 7(1)(a) or (b) in excess of the amount owing to the Crown on its due date, the excess amount is an "overpayment" for the purposes of this section.</p> <p><i>General Regulation sec 8(1)</i></p> | <p>"Overpayment" is defined to mean an excess payment attributable entirely to a mistake made by the Department.</p> |
| <p>(2) If the Crown is liable to a person for an overpayment, interest is payable by the Crown to that person on the amount of the overpayment, computed in accordance with this section.</p> | <p>Interest is payable by the Crown on an overpayment to the person by whom the overpayment was made commencing on the day on which the overpayment was received or the due date, whichever is the later, and continuing until the date of the requisition by the Department to</p> | <p>No substantive change.</p> |

| | | |
|---|---|---|
| | <p>the Provincial Treasurer for the issuance of a cheque for the interest.</p> <p><i>General Regulation sec 8(2)</i></p> | |
| <p>(3) Interest payable under this section shall be</p> <p>(a) an amount equal to 3% of the principal amount of the overpayment, or</p> <p>(b) an amount computed in accordance with subsection (4),</p> <p>whichever amount is the greater.</p> | <p>For the purposes of sections 7, 7.1 and 8, if interest is payable under either of those sections in respect of any day, the rate of interest in respect of that day is the yearly rate that is 1% greater than the rate of interest established by the Province of Alberta Treasury Branches as its prime lending rate on loans payable in Canadian dollars and in effect on the first day of the month in which that day occurs.</p> <p><i>General Regulation sec 9</i></p> | <p>The interest rate has been standardized for administrative simplicity, and will be calculated and levied once only, in the same way as interest is charged on overdue utility bills. This will eliminate the problem encountered in calculating the correct amount of interest to the date of receipt.</p> |
| <p>(4) An amount of interest referred to in subsection (3)(b)</p> <p>(a) shall be computed from the later of</p> <p>(i) the due date for payment of the amount owing to the Crown to which the overpayment relates, and</p> <p>(ii) the date on which the Minister received the overpayment, continuing to the date of the requisition by the Department to the Provincial Treasurer for the issuance of a cheque for the overpayment and interest, and</p> <p>(b) shall be computed for each day in the period referred to in clause (a) at a rate of yearly interest prescribed by an order of the Minister and in effect during the period in which that day occurs.</p> | <p>New provision.</p> | <p>This provision has been included for administrative simplicity.</p> |
| <p>(5) If an amount of interest that would otherwise be payable in the absence of this subsection is \$20 or less, no interest is payable under this section.</p> | | |
| <p>(6) This section does not apply to the payment of interest on overpayments in cases where provisions respecting the payment</p> | <p>New provision.</p> | <p>This provision does not override conflicting provisions in other regulations.</p> |

| | | |
|---|---|--|
| of that interest are contained in some other regulation. | | |
| Application of payments | | |
| <p>23(1) Subject to subsections (2) and (3), unless the Minister directs otherwise, if money is paid to the Crown in respect of an agreement, the money shall be applied in the following order:</p> <p>(a) first, goods and services tax payable under the Excise Tax Act (Canada) in respect of amounts owing to the Crown under the agreement;</p> <p>(b) 2nd, on fees owing by that person under the agreement;</p> <p>(b) 3rd, on penalties owing by that person under the agreement;</p> <p>(c) 4th, on interest owing by that person under the agreement;</p> <p>(d) 5th, on rentals owing by that person under the agreement;</p> <p>(e) 6th, on royalty amounts owing under the agreement.</p> <p>(2) If the Minister sends to any person an invoice for one or more amounts owing to the Crown, money paid to the Crown on account of that invoice shall be applied in the following order:</p> <p>(a) first, goods and services tax under the Excise Tax Act (Canada) charged in the invoice;</p> <p>(b) 2nd, interest owing in accordance with the invoice on the principal amount of the invoice;</p> <p>(c) 3rd, any unpaid balance of a previous invoice that is carried forward in the current invoice;</p> <p>(d) 4th, subject to clause (c), the principal amount of the invoice.</p> | <p>(1) Unless the Minister directs otherwise, if a person pays money to the Crown in right of Alberta in respect of an agreement, the money shall be applied</p> <p>(a) first, on any penalties charged under this Act,</p> <p>(b) 2nd, on any interest charged under this Act,</p> <p>(c) 3rd, on rentals in arrears, and</p> <p>(d) 4th, on money owing on account of a money royalty or in respect of the disposition of the Crown's royalty share of a mineral by an agent.</p> <p>(2) If a person pays money on account of 2 or more agreements and does not specify the amount of the payment to be applied to each agreement, the Minister may apply the payment to any 1 or more of the agreements.</p> <p style="text-align: center;"><i>Mines and Minerals Act sec 40</i></p> | <p>These provisions have been updated, but remain substantially the same as when they were located in the Act.</p> |
| 3) Subsections (1) and (2) do not | New provision. | |

| | | |
|---|---|--|
| <p>apply to payments of any class of amounts owing to the Crown if another regulation provides for some other order of application of those payments.</p> | | |
| GENERAL | | |
| Return of deposit or security | | |
| <p>24 Where</p> <p>(a) a deposit or security is furnished by the lessee of an agreement to the Government pursuant to the Act or the regulations,</p> <p>(b) the Minister subsequently registers a transfer of the agreement or of a specified undivided interest in the agreement, and</p> <p>(c) the Minister becomes obligated to return or refund all or part of the deposit or security,</p> <p>then, subject to section 45(4) of the Act, the deposit or security or the part of the deposit or security, as the case may be, shall be returned or refunded to the person who originally furnished the deposit or security unless that person directs the Minister to return or refund it to some other person.</p> | <p>If a deposit or security is deposited with or furnished to the Minister or the Provincial Treasurer under this Act, on the registration of the transfer of the agreement or of a specified undivided interest in the agreement, the transferee becomes entitled to the transferor's right to the deposit or security.</p> <p style="text-align: center;"><i>Mines and Minerals Act sec 137</i></p> | <p>A deposit or security will now be refunded or returned to the party who furnished it, regardless of any intervening transfers, unless that party directs the Department to refund it to someone else. The provision is made subject to section 45(4) of the Act (as amended by the Mines and Minerals Amendment Act 1997), to ensure that deposits or securities are not returned to parties who are indebted to the Crown.</p> |
| Retention of records | | |
| <p>25 A person who is a lessee or a former lessee of an agreement shall keep all records that come into that person's possession or the possession of any of that person's agents and that are or were used for the purpose of preparing any return or report required to be given to or filed with the Minister by that person in relation to the agreement pursuant to the Act, the regulations or the agreement.</p> | <p>A lessee or a former lessee shall keep all records that come into his possession or the possession of any of his agents and that are or were used for the purpose of preparing any return or report required to be submitted or filed by him under section 4.</p> <p style="text-align: center;"><i>General Regulation sec 5</i></p> | <p>No substantive change. These provisions support section 46 of the Mines and Minerals Act.</p> |
| Disclosure of information | | |
| <p>26(1) The Minister may make available any records, returns or</p> | <p>The Minister may make available any records, returns or other</p> | <p>No substantive change.</p> |

| | | |
|--|--|--|
| <p>other information received pursuant to the Act, the regulations or an agreement</p> <p>(a) to any person for the purpose of enforcing a law of Canada or a province, or</p> <p>(b) to a person employed in or acting on behalf of the Department for the purpose of administering any enactment under the administration of the Minister or evaluating, formulating or administering a policy or program of the Department.</p> | <p>information received pursuant to the Act or the regulations under the Act</p> <p>(a) to any person for the purpose of enforcing a law of Canada or a province, or</p> <p>(b) to a person employed in or acting on behalf of the Department for the purpose of administering any enactment under the administration of the Minister or evaluating, formulating or administering a policy or program of the Department.</p> <p><i>General Regulation sec 6(1)</i></p> | |
| <p>(2) The Minister may classify types of information received pursuant to the Act, the regulations or agreements as non-confidential and may systematically authorize the release to the public of information classified as non-confidential.</p> | <p>The Minister may classify types of information received pursuant to the Act or the regulations under the Act as non-confidential and may systematically release to the public information classified as non-confidential.</p> <p><i>General Regulation sec 6(2)</i></p> | <p>No substantive change.</p> |
| <p>(3) The Minister may authorize the release to the public of information in aggregate statistical form if the individual names of persons are not revealed or made identifiable.</p> | <p>The Minister may release to the public information in aggregate statistical form if the individual names of persons are not revealed or made identifiable.</p> <p><i>General Regulation sec 6(2.1)</i></p> | <p>No substantive change.</p> |
| <p>4) A person employed or engaged in the administration of the Act may communicate, disclose or make available records, returns or other information received in respect of an agreement pursuant to the Act, the regulations or the agreement to</p> <p>(a) the person from whom the record, return or other information was obtained; or</p> <p>(b) a person who has the consent in writing of the person from whom the record, return or other information was obtained.</p> | <p>A person employed or engaged in the administration of the Act may communicate, disclose or make available records, returns or other information received pursuant to the Act or the regulations under the Act in respect of an agreement to</p> <p>(a) the lessee of the agreement;</p> <p>(b) the former lessee, if the information or records relate to a period during which he was the lessee of the agreement;</p> <p>(c) the person from whom the record, return or other information was obtained;</p> <p>(d) a person who has the consent</p> | <p>This amendment reflects the confidentiality of technical information that is submitted to the Department in support of lease continuation and other applications.</p> |

| | | |
|---|--|---|
| | <p>in writing of the person from whom the record, return or other information was obtained.</p> <p><i>General Regulation sec 6(3)</i></p> | |
| <p>Exceptions to section 33(1)(a) of the Act</p> | | |
| <p>27(1) Section 33(1)(a) of the Act does not apply to a well or to the installations and equipment, including casing, incidental to the well if</p> <p>(a) all or part of the spacing unit for the well continues under another agreement,</p> <p>(b) the Board notifies the Minister that, on the basis of evidence and representations presented to it by one or more interested parties,</p> <p>(i) the well should not be abandoned because it is or will be used for some useful purpose, or</p> <p>(ii) the well has evaluated a mineral, the rights to which are granted by another agreement, by reason of having penetrated a zone underlying the location of that other agreement, where the surrendered or cancelled agreement and that other agreement had a common surface area,</p> <p>(c) the agreement pursuant to which the well was drilled expires but is renewed, or</p> <p>(d) the agreement to which the well is drilled is cancelled or expires and, as a consequence of the exercise of a right of lease selection conferred by the agreement, the well is in the location of a lease so selected.</p> | <p>(3) Subsection (1)(a) does not apply to a well when the spacing unit for the well or part of the spacing unit for the well continues under another agreement.</p> <p>(4) Subsection (1) does not apply if</p> <p>(a) the agreement expires but is renewed, or</p> <p>(b) the agreement is terminated by reason of the exercise by the lessee of a right to apply for a lease that contains in its location the same well, mine or quarry.</p> <p><i>Mines and Minerals Act sec 33</i></p> | <p>These provisions have been expanded to provide more flexibility in the treatment of wells drilled on agreements that are no longer active.</p> |
| <p>(2) Section 33(1)(a) of the Act does not apply to any installations or equipment including casing incidental to a well that at the time of the expiration, surrender or cancellation of the agreement is being used in the operation of another well not affected by the</p> | <p>New provision.</p> | <p>Equipment that is still in use in exclude from the vesting provisions of the previous subsection.</p> |

| | | |
|---|--|---|
| expiration, surrender or cancellation. | | |
| Deemed areas | | |
| 28 For the purposes of an agreement, a section, quarter-section and legal subdivision of land are deemed to contain 256 hectares, 64 hectares and 16 hectares respectively, unless the Minister directs otherwise in a particular case. | For the purposes of an agreement, a section, quarter-section and legal subdivision of land are deemed to contain 256 hectares, 64 hectares and 16 hectares respectively. <i>Mines and Minerals Act sec 22</i> | This provision has been expanded to allow the Minister to vary the standard sizes if necessary. |
| Mineral title transfers and notifications | | |
| 29 For the purposes of the Act, (a) a transfer of title referred to in section 12 of the Act is issued when it is signed by the Minister, and (b) a notification referred to in section 13 of the Act is issued when it is signed by the Minister and delivered to the appropriate Land Titles Office for registration. | For the purposes of the Act, (b) a transfer under the Land Titles Act of title to a mineral is issued on the date on which it is signed by the Minister, and (c) a notification is issued when it is signed by the Minister and delivered to the appropriate land titles office for registration. <i>General Regulation sec 2</i> | No substantive change. |
| TRANSITIONAL, REPEAL AND COMMENCEMENT | | |
| Transitional | | |
| 30 Section 16(4) applies to an agreement if an anniversary of its term commencement date occurs in January, 1998 or any subsequent month. | | |
| Repeal | | |
| 31 The General Regulation (Alta Reg 163/84) is repealed. | | |
| Coming into force | | |
| 32 This Regulation comes into force on January 1, 1998. | | |
| Proposed provision | The provision presently reads . .. | Reason for change |
| SCHEDULE | | |
| Prescribed Fees | | |

Fees related to agreements

| | | | | | |
|---|---|-------|----------------|-------|--|
| 1 | <p>(1) Fee for processing a request to have an agreement sold at a sale by public tender</p> <p>(2) The fee under this item is payable on demand only but is not payable if the agreement is sold at the sale</p> | \$500 | New provision. | \$450 | <p>This provisions supports the Department's existing practice of charging a fee to the person or company who posted a parcel that remains unsold after the sale. No fee will be charged for posting requests when the parcel is sold.</p> |
|---|---|-------|----------------|-------|--|

| | | | | | |
|---|--|-------|--|-------|---|
| 2 | Application for an agreement, other than an application referred to in item 3 | \$500 | <p>Application for an agreement, other than a placer mining permit, a permit to conduct surface collection of ammonite shell or a lease of natural gas rights that will contain a provision restricting the use of the natural gas recovered under the lease to the lessee's domestic use.</p> <p style="text-align: center;"><i>General Regulation Tariff of Fees sec 1</i></p> | \$450 | <p>The provision for domestic/farm gas leases has been eliminated, since the Department no longer issues that type of agreement. "Placer mining permit" is not mentioned by name in the Metallic and Industrial Minerals Regulation, and is included as a metallic and industrial minerals licence. The fee has been raised from \$450 to \$500 to reflect rising administrative costs.</p> |
| 3 | Application for a metallic and industrial minerals licence or a permit to conduct surface collection of ammonite shell | \$50 | <p>Application for a placer mining permit or a permit to conduct surface collection of ammonite shell.</p> <p style="text-align: center;"><i>General Regulation Tariff of Fees sec 1.1</i></p> | \$50 | No substantive change. |

| | | | | | |
|---|---|---------|----------------|--|--|
| 4 | Issuance of a new agreement resulting from a division of an agreement or the registration of a transfer of part of the location of an agreement | \$500 | New provision. | | The issuance fee will now be charged for a new agreement issued as a result of a partial transfer or a division. |
| 5 | Late application fee referred to in section 11(3)(a)(ii) or 14(5)(b)(iii) or (6)(b)(ii) of the Petroleum and Natural Gas Tenure Regulation (Alta Reg XX/97) | \$5,000 | New provision. | | See section 14(5) of the Petroleum and Natural Gas Tenure Regulation, and the notes on that section in the chart that accompanied Information Bulletin 97-2. |

| | | | | | |
|--------------------------|--|--|--|--|---|
| 6 | Acceptance fee referred to in section 17(5)(e)(ii) of the Petroleum and Natural Gas Tenure Regulation (Alta Reg XX/97) | \$25 per hectare, subject to a \$1,600 minimum | <p>A notice under this section ...</p> <p>(d) shall state that the application of the lessee must be accompanied by ...</p> <p>(ii) security in a form approved by the Minister of a value equal to \$25 for each hectare in the part of the location to which the application relates;</p> <p><i>Mines and Minerals Act sec 97(3)</i></p> | | This reflects the change from a refundable security deposit submitted under section 97 of the Mines and Minerals Act as it currently stands, to a non-refundable fee submitted pursuant to section 17 of the Petroleum and Natural Gas Tenure Regulation. |
| 7 | Reinstatement of an agreement pursuant to section 8(1)(e) of the Act | \$5,000 | New provision. | | See Item 5. |
| Registration Fees | | | | | |

| | | | | | |
|---|--|------|--|------|---|
| 8 | (1) Registration of a security notice, a notice of the assignment of all or part of the security interest that is the subject of a registered security notice or a notice of the postponement of a registered security interest, for each agreement against which the notice is registered | \$50 | Registration of a security notice, builder's lien or certificate of lis pendens or of a discharge of any of them, for each agreement in respect of which the document is registered or discharged. | \$30 | The fee for the registration of a security notice, an assignment, a postponement, a builder's lien or a certificate of lis pendens has been raised from \$30 to \$50, and the fee to discharge any of those documents has been eliminated. The Department hopes that this will encourage the discharge of documents that are no longer valid. |
| | (2) Registration of a notice referred to in section 141(1)(a) or (d) of the Act | nil | <i>General Regulation Tariff of Fees sec 3</i> | \$30 | |
| | 3) Registration of a transfer | nil | | nil | |
| 9 | (1) Registration under the Builders' Lien Act of a builder's lien or certificate of lis pendens, for each agreement against which the document is registered | \$50 | | | |

| | | | | | |
|--|---|------|--|---|--|
| | (2) Registration of a discharge of a registered builder's lien or certificate of lis pendens | nil | | \$30 | |
| Fees for searches and information | | | | | |
| 10 | (1) Verbal or written search of an agreement or other non-confidential document | \$8 | Verbal or written search of an agreement | \$6 | The fee has been raised from \$6 to \$8 to reflect increased administrative costs. |
| | (2) Surcharge for each agreement or document searched, where the search is requested and provided on a rush basis | \$10 | New provision. | | When a search is requested for completion on an urgent or rush basis, it displaces other requests that may have been received earlier. This surcharge is intended to discourage rush requests for routine searches, to ensure that the system does not become overloaded with urgent requests. |
| 11 | Ad hoc report from the Land Status Automated System | \$30 | Ad hoc reports from the Land Status Automated System | the greater of 125% of the cost of the report or \$25 | This fee has been standardized for administrative simplicity. |

| | | | | | |
|----|---|-----------------------------|---|--|--|
| 12 | Surcharge for an electronic disc containing a search referred to in item 10(1) or a report referred to in item 11 | \$20 | New provision. | | Copying a search or a report on to a diskette is a manual process, and takes about two hours of an operator's time. This fee will cover the cost of that task. |
| 13 | Verbal or written search of a mineral township register, for each township researched | \$20 | Verbal or written search of a mineral township register, for each township researched | \$10 for the first hour and \$40 for each subsequent hour or portion thereof | This fee has been standardized for administrative simplicity. |
| 14 | Historical search of agreements | \$40 per hour, \$40 minimum | New provision | \$10 for the first hour and \$40 for each subsequent hour or portion thereof | This fee has been standardized for administrative simplicity. |
| 15 | Electronic data respecting agreements and other non-confidential documents and derived from the Land Status Automated System: | | New provision. | | These fees have been raised to reflect increased administrative costs. |
| | (a) test tape | \$500 | | \$500 | |

| | | | | | |
|---------------------------|--|-----------------|---|---------|---|
| | (b) complete tape containing data as of month-end | \$1,250 | | \$1,000 | |
| | (c) supplementary updated tape, available every 2 weeks | \$500 | | \$250 | |
| | (d) providing access to daily electronic files | \$650 per month | | n/a | |
| Miscellaneous fees | | | | | |
| 16 | Certified copy of a document | \$10 | Certified copy of document, other than for the lessee's copy of his own agreement | \$8 | This fee has been raised from \$8 to \$10 to reflect increased administrative costs. |
| 17 | Provision of a copy of a Department Information Letter or Information Bulletin to a person to whom a copy had been previously provided without charge. | \$2 | New provision. | \$1 | This provision supports the Department's current practice of charging a nominal handling fee for copies of Information Letters. |