

July 31, 1997

Subject: Crown Minerals Registration 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.

Since May 1997 we have circulated the draft Petroleum and Natural Gas Tenure Regulation and Mines and Minerals Administration Regulation, which will replace the P & NG Agreements Regulation and the General Regulation respectively, and asked for your feedback on them.

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 regulations.

We have now drafted the Crown Minerals Registration Regulation, which will replace the Crown Land Registration 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. Eight draft forms are also attached; a further two are still in the design stage.

(over)

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

Paul Batke
Business Team 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 29, 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.

F David Coombs
Branch Head
Minerals Tenure Branch

PROPOSED AMENDMENTS TO THE MINES AND MINERALS ACT ARE IDENTIFIED UNDER THE TABLE.

[Branch to TABLE for Information Bulletin 97-08](#)

[Branch to SURVEY for Information Bulletin 97-08](#)

Crown Minerals Registration Regulation

Proposed provision	The provision presently reads ...	Reason for change
Definitions		
1 In this Regulation,	In this Regulation	
(a) "Act" means the Mines and Minerals Act;	"Act" means the Mines and Minerals Act; <i>Crown Land Registration Regulation sec 1(a)</i>	No change.
(b) "court order" means an order or judgment referred to in section 142(9)(b) or 143.1(1) of the Act;	"court order" means a certified copy of an order or judgment referred to in section 142(9)(b) or 143.1(1) of the Act; <i>Crown Land Registration Regulation sec 1(b)</i>	No substantive change.
(c) "document" means (i) a transfer other than a ministerial transfer, (ii) a statutory notice, or (iii) a statement of lien to which section 26.1 of the Builders' Lien Act applies, a notice of a change of address for service referred to in section 28 of that Act, a certificate of lis pendens under that Act, a discharge of a lien under that Act or a notice of withdrawal of a certificate of lis pendens under that Act;	New provision.	Simplifies the wording in sections 2 and 7.
(d) "ministerial transfer", in relation to an agreement, means (i) a transfer of the agreement or a specified undivided interest in the agreement made by the Minister pursuant to section 24(3) of the Act, or (ii) a transfer of the agreement, a part of the location of the agreement or a specified undivided interest in the agreement made by the Minister pursuant to a judgment	New provision.	Simplifies the wording in section 3 and in subclause 1(c)(i) by referring to a transfer initiated by the Minister in accordance with section 24(3) of the Mines and Minerals Act (as amended by the Mines and Minerals Amendment Act 1997), or pursuant to a court order (section 136.1 of the Act).

or order of a court;		
(e) "prescribed registration fee" means the fee prescribed in the Schedule to the Mines and Minerals Administration Regulation (Alta Reg XX/97);	"prescribed fee" means the fee prescribed in the General Regulation (Alta Reg 163/84); <i>Crown Land Registration Regulation sec 1(d)</i>	No substantive change.
(f) "prescribed form" means (i) in relation to a transfer, the Transfer Form prescribed in the Schedule to this Regulation, or (ii) in relation to a statutory notice, the form prescribed for that notice in the Schedule to this Regulation;	New provision.	Simplifies the wording in sections 5 and 6.
(g) "statutory notice" means (i) a security notice, (ii) a notice of change of address for service referred to in section 140(8) of the Act, or (iii) a notice referred to in section 141(1) of the Act.	(f) "statutory notice" means (i) a security notice, (ii) a notice of change of address for service referred to in section 140(8) of the Act, or (iii) a notice referred to in section 141(1) of the Act. <i>Crown Land Registration Regulation sec 1(f)</i>	No change.
Registration Generally		
Recording registration of a document		
2(1) For the purposes of this Regulation, a document shall be considered as submitted to the Minister for registration when it is received in the document registration office of the Department.	New provision.	Sections 5(1) and (4) of the Mines and Minerals Administration Regulation provide that a document being submitted for registration may be mailed to the Department or delivered to any office of the Department. This provision is an exception to that rule, requiring that a document is received for registration only when it is received in the registration office of the Department.
(2) When a document is submitted to the Minister for registration, the Minister shall assign a provisional registration number to the document and record on the document the provisional registration number and the date on which it is	If the Crown Land Registrar receives a document that can be registered with the Minister, he shall assign a registration number to that document and record that registration number and the date on which it is assigned on the document.	There is no substantive change to these provisions, but they have been updated to reflect the Department's current administrative process and the fact that there is no longer a Crown Land Registrar.

assigned.	<i>Crown Land Registration Regulation sec 1.2(1)</i>	
(3) The Minister shall keep a record of each document to which a provisional registration number has been assigned.	The Crown Land Registrar shall keep a record of each document to which a registration number has been assigned. <i>Crown Land Registration Regulation sec 1.2(2)</i>	
(4) If the registration of a document is refused by the Minister, the provisional registration number assigned to that document is automatically cancelled.	If the registration of a document is refused by the Crown Land Registrar, the registration number assigned to that document is cancelled. <i>Crown Land Registration Regulation sec 1.2(3)</i>)	
(5) If a document submitted to the Minister for registration is determined by the Minister as acceptable for registration, the Minister shall record the registration of the document and, on doing so, the provisional registration number becomes the registration number of the document.	If a document has been submitted for registration and there are no grounds for refusing registration, the Crown Land Registrar shall endorse on or attach to the Minister's copy of each agreement to which the document relates a memorandum of the registration of the document. <i>Crown Land Registration Regulation sec 1.2(4)</i>	
(6) If registration of a document is recorded in accordance with subsection (5), registration of the document is effective as of the date on which the provisional registration number was assigned to the document.	If a document is assigned a registration number and a memorandum of the registration is endorsed on or attached to the agreement, registration of the document is effective when the registration number is assigned to the document. <i>Crown Land Registration Regulation sec 1.2(5)</i>	
(7) Any record required or permitted to be made by the Minister under this Regulation may be made in any manner that the Minister may establish.	New provision.	The Department may determine the medium in which the records are kept.
Registration of ministerial transfers		
3 When a ministerial transfer is received in the document	New provision.	Section 24(3) of the Mines and Minerals Act (as amended by the

<p>registration office of the Department, (a) the Minister shall assign a registration number to the transfer and record on the transfer the registration number and the date on which it was assigned,</p> <p>(b) the Minister shall record the registration of the transfer, and</p> <p>(c) when the registration of the ministerial transfer is recorded, the registration is effective as of the date on which the registration number is assigned to the transfer.</p>		<p>Mines and Minerals Amendment Act 1997) authorizes the Minister to transfer the interest of a lessee who has become ineligible to another party, and section 136.1 provides for transfers pursuant to court orders. This section provides that such transfers will be subject to the same "priority of registration" rules as transfers initiated by lessees.</p>
---	--	---

Registration fees

<p>4 The Minister may refuse to register a document submitted for registration unless the prescribed registration fee is first paid.</p>	<p>(1) A person who submits a document for registration by the Minister under Part 8 of the Act or under the Builders' Lien Act shall pay the prescribed fee for its registration.</p> <p>(2) If a prescribed fee for registration is paid by a cheque otherwise than pursuant to an arrangement under 1.11 and the cheque is subsequently dishonoured, the Crown Land Registrar shall cancel the registration unless the fee is sooner paid by cash or a certified cheque or certified treasury branch order.</p> <p style="text-align: center;"><i>Crown Land Registration Regulation sec 1.1</i></p>	<p>This provision has been shortened and simplified.</p>
--	---	--

Transfers

Registration of transfers

<p>5(1) The Minister may refuse to register a transfer submitted for registration on any of the following grounds:</p>	<p>The Minister may in his discretion refuse to register a transfer submitted for registration if</p> <p style="text-align: center;"><i>Mines and Minerals Act sec 136(2)</i></p>	<p>No substantive change.</p>
<p>(a) the transfer is not in the prescribed form or is not completed in accordance with the prescribed form;</p>	<p>it is not executed by the transferor and the transferee in a manner and accompanied by proof of execution satisfactory to</p>	<p>Allows the Minister to reject a transfer where the form has not been properly completed.</p>

(b) the transfer is not executed in the manner required by the prescribed form;	the Minister, <i>Mines and Minerals Act sec 136(2)(a)</i>	
(c) the proof of execution of the transfer is not satisfactory to the Minister;	New provision.	Section 8 of the Mines and Minerals Administration Regulation provides that multiple lessees must each have a specified undivided interest in the agreement, unless they are individuals, in which case they may hold the agreement jointly without specifying their separate interests. This clause ensures compliance with that requirement when an interest in an agreement is transferred.
(d) the transfer would, if registered, result in the agreement being held by 2 or more lessees in a manner inconsistent with section 8 of the Mines and Minerals Administration Regulation, (Alta Reg XX/97);	an undivided interest conveyed is less than a 1% undivided interest in the agreement, <i>Mines and Minerals Act sec 136(2)(b)</i>	No substantive change (supports section 9(1) of the Mines and Minerals Administration Regulation).
(e) the transfer would, if registered, result in one or more lessees holding less than a 1% undivided interest in the agreement;	New provision.	Supports section 9(2) of the Mines and Minerals Administration Regulation.
(f) a specified undivided interest being conveyed by the transfer (i) is expressed otherwise than in decimal form, or (ii) is expressed in decimal form but to more than 7 decimal places;	New provision.	Allows the Minister to reject a transfer if one of the parties is in default of a payment of a debt owing to the Crown.
(g) the transferor or transferee is in default of payment of any debt owing to the Crown in right of Alberta. (2) A transfer shall not be registered if (a) a provision of the Act, the regulations or the agreement affected by the transfer requires the consent of the Minister to the transfer and the consent is refused or a decision respecting the consent has not yet been made, or (b) the Minister has actual notice of a judgment or order of a court that prohibits the transfer or the registration of the transfer.	New provision.	Gives reasons for non-discretionary rejection of a transfer (as opposed to the reasons described in the previous subsection, which are all discretionary).

Security Notices and Other Statutory Notices

Registration of statutory notices

6(1) The Minister may refuse to register a statutory notice submitted for registration on any of the following grounds:

(a) the statutory notice is not in the prescribed form for that notice, or is not completed in accordance with that prescribed form;

(b) the statutory notice is not executed in the manner required by the prescribed form for that notice;

(c) the proof of execution of the statutory notice is not satisfactory to the Minister;

(d) there is attached to the statutory notice the original or a copy of the security instrument, discharge, partial discharge, assignment, partial assignment, postponement or discharge of postponement to which the statutory notice relates.

(1) A security notice shall be in Form 1 in Schedule 1.

(2) A notice of a change of address for service referred to in section 140(8) of the Act

(a) shall describe the registered security notice or notice of assignment, as the case may be, by reference to its registration number and date, and

(b) may be in Form 2 in Schedule 1.

(3) A notice of discharge of a security interest shall be in Form 3 in Schedule 1.

(4) A notice of partial discharge of a security interest shall be in Form 4 in Schedule 1.

(5) A notice of an assignment of a security interest shall be in Form 5 in Schedule 1.

*Crown Land Registration
Regulation sec 2*

(4) If the person executing a statutory notice is a corporation, it is not necessary that the notice be executed under its corporate seal.

(5) A person who signs a statutory notice on behalf of the person giving the notice shall show on the notice the capacity in which he signs.

(6) A statutory notice shall not be registered if there is attached to it the original or a copy of the statutory instrument, discharge, partial discharge or assignment to which it relates.

*Crown Land Registration
Regulation sec 3*

These provisions are shortened and simplified.

<p>(2) A statutory notice shall not be registered if the Minister has actual notice of a judgment or order of a court that prohibits the registration of that statutory notice.</p>	<p>New provision.</p>	<p>Consistent with section 5(2)(b).</p>
<p>(3) A security notice to which section 143(9) of the Act applies shall not be registered unless it is accompanied by a certified copy of the order of the Court of Queen's Bench granting leave for the submission of the security notice for registration.</p>	<p>New provision.</p>	<p>Prohibits registration without the submission of a certified copy of the order evidencing the leave of the Court in accordance with section 143(9) of the Mines and Minerals Act.</p>
<p>Affidavits under section 143(8) of the Act</p>		
<p>7 If an affidavit provided to the Minister pursuant to section 143(8) of the Act is satisfactory to the Minister, the Minister may record and register the affidavit under section 2 as though it were a document.</p>	<p>When a statutory affidavit is submitted to the Minister, the Crown Land Registrar shall</p> <p>(a) enter the statutory affidavit in the record referred to in section 1.2(2), assign a registration number to that affidavit and record the registration number and the date on which it is assigned on the affidavit,</p> <p>(b) endorse on or attach to the Minister's copy of each agreement to which the affidavit relates a memorandum respecting the receipt of the affidavit, and</p> <p>(c) endorse on the affidavit a memorandum of its receipt.</p> <p style="text-align: center;"><i>Crown Land Registration Regulation sec 5(3)</i></p>	<p>This provision has been shortened and simplified.</p> <p>Affidavits are not registrable documents but provision is made, in the interests of administrative simplicity, to treat them in the same manner.</p>
<p>Continuations of registration</p>		
<p>8 Where the registration of a security notice is continued in respect of a lease by reason of section 140(10) of the Act or in respect of a new agreement or consolidated agreement by reason of section 140(10.1) of the Act, the Minister shall make a record of the existing registration of</p> <p>(a) the security notice,</p> <p>(b) any notice of partial</p>	<p>(1) If a transfer of part of the location of an agreement is registered under Part 8 of the Act and at the time of its registration a security notice was registered against the agreement and affected the part of the location so transferred, the new agreement issued as a result of the transfer shall be endorsed with</p> <p>(a) a memorandum of the registration of the security</p>	<p>These provisions have been shortened and simplified.</p>

<p>discharge relating to that security notice,</p> <p>(c) any notice of postponement relating to that security notice, and</p> <p>(d) the most recently registered notice of assignment, if any, relating to that security notice,</p> <p>with respect to that lease, new agreement or consolidated agreement, as the case may be.</p>	<p>notice,</p> <p>(b) a memorandum of the registration of any notice of partial discharge relating to that security notice, and</p> <p>(c) if a notice of assignment had been registered against the agreement, a memorandum of the registration of the most recently registered notice of assignment.</p> <p>(2) If an agreement is divided pursuant to the Act and at the time of the division a security notice was registered against the agreement, a new agreement issued as a result of the division shall be endorsed with</p> <p>(a) a memorandum of the registration of the security notice, unless the security interest does not extend to the location of the new agreement,</p> <p>(b) a memorandum of the registration of any notice of partial discharge relating to the security notice referred to in clause (a), and</p> <p>(c) if a notice of assignment relating to the security notice had been registered against the agreement so divided, a memorandum of the registration of the most recently registered notice of assignment.</p> <p>(3) If a security notice is registered against an agreement at the time the agreement is consolidated pursuant to the Act with one or more other agreements, the consolidated agreement shall be endorsed with</p> <p>(a) a memorandum of the registration of the security notice showing, if necessary, that the registration applies only to part of the location and describing the part,</p>	
--	---	--

	<p>(b) a memorandum of the registration of any notice of partial discharge relating to that security notice, and</p> <p>(c) if a notice of assignment had been registered against the agreement so consolidated, a memorandum of the registration of the most recently registered notice of assignment.</p> <p style="text-align: center;"><i>Crown Land Registration Regulation sec 4</i></p>	
--	--	--

Cancellation of registration of security notice

<p>9(1) The Minister shall cancel the registration of a security notice after the registration of a notice of discharge of security interest that relates to the security interest that is the subject of the security notice.</p> <p>(2) Cancellation of the registration of a security notice is effected</p> <p>(a) in the case of a court order directing the cancellation, when a certified copy of the court order is registered, or</p> <p>(b) in the case of a cancellation pursuant to section 143(8) of the Act, when the affidavit provided to the Minister under that subsection is registered in accordance with section 7.</p> <p>(3) Where the registration of a security notice is cancelled, the Minister shall record the cancellation on the security notice and delete the record of the registration.</p> <p>(4) Where any registration of a statutory notice was made in error and is cancelled pursuant to section 143.1(2) of the Act, the Minister shall record the cancellation on the statutory notice or the certified copy of the court order, as the case may be, and delete the record of the registration.</p>	<p>(1) The Crown Land Registrar shall stamp the word "CANCELLED" over the memorandum of registration of a security notice endorsed on an agreement and on the security notice itself in the following cases:</p> <p>(a) when a notice of discharge of security interest in Form 3 has been registered that relates to the security interest that is the subject of the security notice;</p> <p>(b) when a court order has been registered and the court order directs the Minister to cancel the registration of the security notice;</p> <p>(c) when a statutory affidavit is submitted to the Minister and subsection (3) has been complied with.</p> <p>(2) The Crown Land Registrar shall stamp the word "CANCELLED" over the memorandum of registration of a security notice endorsed on an agreement and any related statutory notice endorsed on that agreement</p> <p>(a) if a transfer of part of the location of the agreement is registered under Part 8 of the Act and the security interest that is the subject of the security notice affects only the part of the</p>	<p>These provisions have been updated, shortened and simplified.</p>
--	--	--

	<p>location so transferred, or</p> <p>(b) if the agreement is divided pursuant to the Act and the security interest that is the subject of the security notice affects only the locations of one or more of the new agreements issued as a result of the division.</p> <p>(4) Cancellation of the registration of a security notice is effected in relation to any agreement</p> <p>(a) in the case of a court order directing the cancellation, when the court order is registered, or</p> <p>(b) in the case of a cancellation pursuant to section 143(8) of the Act, when the Crown Land Registrar has complied with subsection (3)(b) with respect to that agreement.</p> <p>(5) If any registration is cancelled pursuant to section 143.1(2) of the Act, the Crown Land Registrar shall stamp the word "VOID" over the memorandum of registration endorsed on the agreement and on the statutory notice or court order, as the case may be.</p> <p style="text-align: right;"><i>Crown Land Registration Regulation sec 5</i></p>	
--	---	--

Maximum charge under section 142(7) of the Act

<p>10 If a person is served with a demand for information under section 142(3) of the Act, the maximum charge that may be made under section 142(7) of the Act shall be \$1 for the first page and 25 cents for each additional page of the security instrument concerned.</p>	<p>If a person is served with a demand under section 142(3) of the Act, the maximum charge that may be made under section 142(7) of the Act shall be \$1 for the first page and 25 cents for each additional page of the security instrument concerned.</p> <p style="text-align: right;"><i>Crown Land Registration Regulation sec 6</i></p>	<p>No substantive change.</p>
--	---	-------------------------------

COMMENCEMENT

Coming into force

11 This Regulation comes into

force on January 1, 1998.

SCHEDULE

Transfer Form	Transfer Form, Forms Regulation, <i>Form C</i>	See attached sample.
Security Notice	Security Notice, Crown Land Registration Regulation, Schedule 1, <i>Form 1</i> .	See attached sample.
Change of Address for Service for Secured Party	Notice of Change of Address for Service, Crown Land Registration Regulation Schedule 1, <i>Form 2</i>	See attached sample.
Discharge or Partial Discharge of Security Interest	Discharge of Security Interest, Crown Land Registration Regulation, Schedule 1, <i>Form 3</i> Notice of Partial Discharge of Security Interest, Crown Land Registration Regulation, Schedule 1, <i>Form 4</i>	See attached sample.
Assignment or Partial Assignment of Security Interest	Notice of Assignment of Security Interest, Crown Land Registration Regulation, Schedule 1, <i>Form 5</i>	See attached sample.
Postponement of Security Notice	New form.	These two forms still under construction.
Discharge or Partial Discharge of Postponement	New form.	

Forms - Form C, Forms 1-5

Survey on Crown Minerals Registration Regulation

Please take the time to fill out this questionnaire and fax it to Paul Batke at (403) 422-1123. If you have additional comments, please attach a separate sheet. Your identity will be kept confidential, but all comments will be summarized and shared with CAPP, SEPAC, CAPL, CAPLA and PJVA.

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
1. The provisions of the regulation are drafted clearly and are easy to understand for someone who is familiar with the business.	1	2	3	4	5
2. On the whole, this regulation balances the needs of industry and government.	1	2	3	4	5
3. The new rules governing the designation of a representative, whereby only one signature may be required and the address of the representative need not be supplied, will simplify the process.	1	2	3	4	5
4. I support the simplification of the security notice whereby the lands and zones no longer need to be specified.	1	2	3	4	5

The level at which I reviewed this document was:

	Cursory	Areas of special interest only	Somewhat thoroughly	Very thoroughly
--	---------	--------------------------------	---------------------	-----------------

Three things I liked the most:	Three things I disliked the most:
Name:	Position:
Company:	