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Petroleum Plaza – North Tower 9945-108 Street Edmonton, Alberta Canada T5K 2G6

AMMONITE SHELL INFORMATION BULLETIN 2018 - 01

Subject: Ammonite Shell Agreement Small Areas

Renewal of Ammonite Shell Agreements

Information Letter 2004-18 sets Alberta's policy of issuing Ammonite Shell Agreements only on areas of Crown mineral rights. It also set a policy to remove land in existing agreements on Freehold rights: the first 5-year renewal included all the land; the second 5-year renewal will only be for the Crown-owned minerals in the agreement.

With pre-2004 agreements now up for their second renewal, the removal of Freehold rights will leave some agreements with only small slivers of Crown rights that occur between the Freehold rights and an adjacent watercourse (e.g. river). Small areas and slivers of land between a watercourse and Freehold rights may be an artifact of historical land title descriptions and new watercourse mapping. This bulletin outlines criteria to determine which areas are not suitable to be issued in an agreement.

Criteria for agreements along a watercourse

An ammonite shell agreement will not be renewed, or issued, if the area of Crown rights meets the following two criteria:

- 1. The area is situated between a watercourse and Freehold mineral rights.
- 2. The width of the area is less than 100 metres.

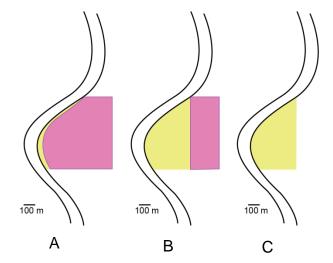
Rationale for criteria

- 1. The 100 metre width follows the 100 metre setback required from large permanent watercourses that is set in section 5 (conditions 1173-AS to 1175-AS) of *The Master Schedule of Standards and Conditions*.
- 2. Alberta Energy will not issue agreements on areas too small to be sustainable.

Consequences

Upon renewal of an Ammonite Shell Agreement, Alberta Energy will remove land on Freehold mineral rights and any Crown land that meets criteria set above.

Example



- **A.** The area of Crown minerals (yellow) is between a watercourse and Freehold mineral rights (pink) and is less than 100 metres wide. This land would not be issued in an agreement.
- **B.** The area of Crown minerals is between a watercourse and Freehold mineral rights and is greater than 100 metres wide. This Crown land would be issued in an agreement.
- **C.** The area of Crown minerals is not between a watercourse and Freehold mineral rights and is greater than 100 meters wide. This Crown land would be issued in an agreement.

For further information contact:

Micheal Moroskat
Director, Coal and Mineral Development
Oil Sands Operations
Resource Revenue and Operations

Phone: 780-638-4034

Email: micheal.moroskat@gov.ab.ca

Authorized by:

Gary Haynes
Executive Director
Oil Sands Operations

