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MINERAL RIGHTS INFORMATION BULLETIN 2022-01

SUBJECT: Process to Request the Replacement of a Nonresponsive Designated Representative

This Information Bulletin is supplemental to Information Letter 2021-44 dated December 20, 2021. Alberta Energy (the department) has developed a process that provides lessees of a Crown mineral agreement (Petroleum and Natural Gas, Oil Sands, and Metallic and Industrial Minerals, Coal and Ammonite Shell agreements) the flexibility to change a Designated Representative (representative) when that representative is a lessee to the agreement(s) and is not responding to the other lessees. The *Mines and Minerals Act* (the Act) sets rules for the designation, revocation and replacement of a representative. The Act was amended to include section 29(5) and became effective on December 8, 2021. The amendment was implemented to help alleviate the burden on companies when trying to replace a nonresponsive representative.

The following information outlines the steps required to submit a request to the department to replace a representative. This process should only be initiated when attempts to replace the representative through the regular replacement process in the Electronic Transfer System (ETS) have been unsuccessful. Please refer to the [ETS Transfers Guide](#) for instructions on the regular replacement process. The agreements, lessees, and replacement representative must all be in good standing as part of the eligibility requirements; this includes payment of any outstanding debts owed to the department. Agreements where the current representative is in bankruptcy or in receivership will be subject to an additional level of review and the current representative may not be replaced in some cases.

Notifying the Current Representative

To request a replacement of a representative in accordance with the Act, the lessees must first provide a written notice to the current representative. In order for the notice to be considered satisfactory by the department, it must address the following:

- The notice must be delivered to the current representative's official service address, as registered in the department's records.
- The notice must be delivered by registered mail, which provides proof of mailing and/or delivery through a mailing receipt, signature of the person accepting the delivery and date it was signed.
- The notice must outline how the current representative has not been responding to the other lessees of the agreement(s).
- The notice must clearly state the lessees' intention to replace the current representative with a new representative. The notice also must advise the current representative that if no response is received within the required 60 days, then the current representative (as a lessee) would be bound by the acts and omissions of the new representative.

- The notice must specifically identify the agreement(s) for which the current representative would be replaced by a new representative.
- The notice must provide instruction to the current representative that its response to the notifying party must also be sent to Alberta Energy, using the address provided in this information bulletin.

Submitting a Request

Once the 60 days has passed, and if no response has been received from the current representative, the lessees (with the exception of the nonresponsive representative) may send a letter to the department requesting the current representative be replaced.

The letter should provide an overview of the request and include at least two attachments. The first attachment is a statutory declaration that the current representative is nonresponsive. Alberta Energy has created a [statutory declaration template](#) which includes the necessary statements and the evidentiary support which would enable the department to replace the current representative. The evidence required to support the statutory declaration includes a copy of the notice sent to the current representative, a registered mail receipt, or if applicable, a return to sender notification. The second attachment must be an original copy of a letter that identifies the new representative and be signed by the new representative and all lessees (with the exception of the current representative).

At this time, a request to replace a nonresponsive representative cannot be submitted through ETS and must be mailed. All originally signed statutory declaration forms, relevant attachments, letters identifying a replacement representative, and responses to the notice of replacement must be directed to the attention of the Executive Director, PNG Tenure Operations Branch, at either of the following addresses:

- Mail or courier to Edmonton office:
Alberta Energy
Petroleum Plaza – North Tower
9945 - 108 Street NW
Edmonton, AB T5K 2G6

OR

- Drop off to Calgary office:
Alberta Energy
AMEC Place
300, 801 – 6 Avenue SW
Calgary, AB T2P 3W2

Questions regarding this process can be directed to: Transfers.Energy@gov.ab.ca

Contact: Dennis Stenerson,
Acting Director, Crown Agreement Management

Approved by: Steve Tkalcic
Executive Director, PNG Tenure Operations