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MINERAL RIGHTS INFORMATION BULLETIN 2021-02

SUBJECT: Change in Administration of Declaration Document upon Agreement Expiry

Alberta Energy (the department) and the Alberta Energy Regulator (AER) have agreed that effective July 1, 2021 the department will assume administration of the options available to well licensees upon mineral agreement expiry or Crown Mineral Activity (CMA) authorization cancellation. The department has always been the authority with respect to the tenure options and carried out the administrative components. This change is simply to streamline the process by removing the AER as intermediary; thereby, enabling the department to work directly with industry on the tenure options and allow the AER to focus on well abandonment.

The change in administration is expected to be seamless as the department will mirror the original process administered by the AER. The only notable change is that well licensees will receive a letter and Declaration Document from the department rather than the AER.

The options available on the Declaration Document remain the same, and include:

- re-instating the lease, posting the mineral rights,
- linking the well to an active agreement,
- converting the wellbore to use for observation, water source, disposal or injection, and
- abandonment.

Well licensees must email their completed Declaration Document within 30 days to Energy.LeaseExpiries@gov.ab.ca. Well licensees must submit the respective tenure application using the Electronic Transfer System (ETS) and that application must include the same option identified on the respective Declaration Document. Applicants must record the ETS request number adjacent to the selected option (linking application, posting or CMA application). If a completed Declaration Document is not received within 30 days, then the AER will be notified to begin the abandonment process.

Once the Declaration Document option is concluded or if abandonment was selected on the Declaration Document, the AER will begin their internal processes requiring licensees to abandon the wells. There are no changes to the AER's well abandonment process.

Questions regarding this change can be directed to Energy.LeaseExpiries@gov.ab.ca.

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