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MINERAL RIGHTS INFORMATION BULLETIN 2019-01

**SUBJECT: Process Clarification on Crown Mineral Activity Authorizations
(Crown authorization) for Disposal**

Disposal activities within a soon to be, or recently, expired, cancelled or surrendered petroleum and natural gas (PNG) or oil sands agreement

There may be situations where disposal operators would like to continue disposal activity in a soon to be, or recently, expired, cancelled or surrendered PNG or oil sands agreement. In these situations, Crown authorization for disposal is required to continue disposal operations. This includes disposal operations where there is an active Alberta Energy Regulator (AER) disposal scheme. If a disposal operation is suspended, the licensee is advised to contact Alberta Energy as this may also require Crown authorization.

Upon receiving notification from Alberta Energy of the PNG or oil sands agreement's expiry, cancellation, surrender or a well abandonment package from the AER, disposal well operators must apply for Crown authorization. It is recommended that disposal operators who are disposing on a third party's Crown mineral agreement, monitor the status of the PNG or oil sands agreement covering the locations where they are disposing and apply for a Crown authorization for disposal, as necessary. Activities conducted within Crown mineral rights must be authorized or covered by an agreement, otherwise the activity may be considered trespass under section 54(1) of the *Mines and Minerals Act* (the Act).

The CMA application requirements for ongoing disposal activity within an expired, surrendered or cancelled mineral agreement can be found at

<https://training.energy.gov.ab.ca/Guides/AuthorizationAppsforActiveDisposal.pdf>

Alberta Energy will accept Crown Mineral Activity authorization applications (CMA applications) up to 60 days in advance of the mineral agreement expiry; however, Crown authorization under section 54(5) of the Act cannot be granted until the rights become undisposed. If a Crown authorization is issued, the effective date will be the latter of the agreement expiry, cancellation or surrender date or the CMA application date.

Transitioning historical authorizations under section 32(4) of the Act to Crown authorizations

Some operators may be relying on section 32(4) of the Act to continue conducting disposal activities at the location of a previously expired, surrendered or cancelled mineral agreement. As those operations are being conducted in undisposed Crown rights, the appropriate approval authority is a Crown authorization under section 54(5) of the Act. Alberta Energy will issue a Crown authorization for all such wells currently active.

The transitioning process requires submitting a CMA application through the Electronic Transfer System (ETS), however, the application will not undergo a technical evaluation as the AER

previously determined the activity permissible. The only information required to support the issuance of a Crown authorization, aside from confirming disposal well details, is authorization documents or supporting evidence from the former PNG or oil sands Designated Representative that demonstrates consent for the disposal activity.

Applications for New Crown Authorizations for Disposal Activities

All CMA applications for Crown authorizations for disposal activities must continue to be made using the ETS. Alberta Energy has outlined a comprehensive set of information requirements for CMA applications for Crown authorizations for disposal activities. The requirements for CMA applications can be found at

<https://training.energy.gov.ab.ca/Guides/AuthorizationApplicationRequirements.pdf>

The requested information is necessary to facilitate the decision making process and ensure the disposal activity is desirable with respect to energy development.

Alberta Energy does not issue Crown authorizations for disposal within zones that are already subject to a PNG or oil sands agreement or within zones that are pending sale or disposition. Alberta Energy may issue Crown authorizations in other scenarios as it considers appropriate.

Questions related to the CMA application requirements, the transitioning process and the supporting information required can be directed to WellAdmin.Energy@gov.ab.ca.

Exclusion of the zone where there is a Crown Authorization for disposal from PNG or oil sands sales postings

Some holders of Crown authorizations for disposal activities have expressed concerns regarding long term certainty. In response, Alberta Energy has implemented the following process:

- All future PNG or oil sands posting requests will be reviewed by Alberta Energy to identify whether the requested rights overlap with any Crown authorizations for disposal.
- Where there is an existing Crown authorization for disposal, the authorized zone(s) will be excluded from the sale or disposition.
- The areal extent of the excluded zone(s) could be up to one section.
- The requestor will be contacted regarding the excluded zone(s) and can decide whether to proceed with an amended posting.
- Holders of Crown authorizations for disposal do not need to take any action.

Questions regarding this Information Bulletin may be directed to:

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