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MINERAL RIGHTS INFORMATION BULLETIN 2021-01

SUBJECT: Crown Mineral Activity Authorization (CMA) – Well Licence Transfers

Alberta Energy (the 'department') is now accepting applications for Crown Mineral Activity Authorization (CMA) where active operations are underway at the same time an application is made to the Alberta Energy Regulator (AER) to transfer a well licence. Although the department cannot provide a final CMA authorization until after the well licence is transferred, the CMA applicant should be in a better position to assess the likelihood of receiving an approval and to plan for continuous operation of the well.

Wells with a pre-existing CMA will receive priority reviews if those wells' licences are in the process of being transferred to a new operator. The department expects that the ongoing operations will align with the original operations or its supporting business case. Although CMA applications may be accepted prior to a well licence transfer being approved, the potential CMA authorization would not have an effective date that is earlier than the well transfer date. A CMA effective date that is equal to the licence transfer date ensures a seamless transition between CMA approvals. CMA applications submitted following a well licence transfer will not be retroactive.

The department anticipates that the priority review of the CMA application would be completed, in most situations, within the same timelines as, or slightly ahead of, that for the well licence transfer. The department will not issue any CMA authorizations until after the well licence is transferred but, when possible, the department intends to advise an applicant of the outcome of the department's review prior to the well licence being transferred. The department's decision to issue a CMA is separate from the decision of the AER to issue or transfer a well licence.

A comprehensive description of the priority process for wells whose licences are being transferred to new operators is available on the department's website at <https://training.energy.gov.ab.ca/Guides/ApplicationRequirementsforWellLicenceTransfer.pdf>

Well licences being transferred, and which do not have a pre-existing CMA authorization, will not be eligible for the priority review. Similarly, wells that have not been completed or are not under active operation during the 12 months prior to the well licence transfer will not be eligible.

The department reminds all well operators that CMA authorizations are specific to both the well event and well licensee and cannot be transferred. If you are conducting activities under a CMA authorization that was not issued to you, contact the department to determine how to best move forward in order to mitigate instances of potential trespass.

Conducting well operations/activities in undisposed Crown mineral rights without a CMA authorization issued to the well operator is considered trespass, regardless of whether the well previously had a CMA authorization.

These, and any other inquiries, related to CMAs should be directed to WellAdmin.Energy@gov.ab.ca.

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