



Province of Alberta

OIL AND GAS CONSERVATION ACT

**ORPHAN FUND DELEGATED
ADMINISTRATION REGULATION**

Alberta Regulation 45/2001

With amendments up to and including Alberta Regulation 105/2017

Office Consolidation

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Note

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(Consolidated up to 105/2017)

ALBERTA REGULATION 45/2001

Oil and Gas Conservation Act

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Definitions

1 In this Regulation,

- (a) “Act” means the *Oil and Gas Conservation Act*;
- (b) “Association” means the Alberta Oil and Gas Orphan Abandonment and Reclamation Association;
- (c) repealed AR 89/2013 s21;
- (d) “facility” has the same meaning as set out in section 68(d) of the Act;
- (e) “facility site” has the same meaning as set out in section 68(e) of the Act;
- (f) “Minister” means the Minister of Energy;
- (g) “orphan fund” means the orphan fund continued under section 69(1) of the Act;
- (g.1) “Regulator” means the Alberta Energy Regulator;

- (h) “well site” has the same meaning as set out in section 68(h) of the Act.

AR 45/2001 s1;251/2001;254/2007;89/2013

Establishment of delegated authority

2 The Alberta Oil and Gas Orphan Abandonment and Reclamation Association incorporated under the *Societies Act* is hereby designated as a delegated authority for the purposes of Part 11 of the Act.

AR 45/2001 s2;251/2001

Delegation

3(1) The following powers, duties and functions of the Regulator are delegated to the Association:

- (a) all of the powers, duties and functions of the Regulator for the purpose of administering the payment of money for the purposes set out in section 70(1) of the Act;
- (b) the powers, duties and functions of the Regulator under sections 28(b), 102 and 104(1)(b) and (2)(b) of the Act, subject to the following terms and conditions:
 - (i) the Association shall only act under section 28(b) in accordance with the overriding direction and authorization of the Regulator;
 - (ii) the powers, duties and functions of the Regulator in section 102(1) may be exercised and carried out by the Association only in relation to suspension and abandonment operations in respect of orphan wells, facilities, facility sites and well sites;
 - (iii) where the Association receives money on a sale or disposal under section 102(1), it shall apply the money to the payment of the suspension and abandonment costs it has incurred, and shall pay any amount remaining to the Regulator to be dealt with under section 102(3);
 - (iv) the powers, duties and functions of the Regulator in section 104(1)(b) may be exercised and carried out only in relation to suspension and abandonment operations in respect of orphan wells, facilities, facility sites and well sites;
 - (v) where the Association receives money on the disposition of an escaped substance under section 104(2)(b), it shall, after applying the proceeds to pay

its costs and expenses, pay any amount remaining to the Regulator.

(2) In exercising and carrying out the powers, duties and functions delegated to it under subsection (1), the Association shall act in accordance with

- (a) the Act and regulations and any other applicable law,
- (b) applicable requirements, guidelines, directions and orders of the Regulator, and
- (c) generally accepted engineering and operating practices.

AR 45/2001 s3;251/2001;35/2007;89/2013

Agreements

4(1) The Association may enter into agreements with the Regulator, the Crown in right of Alberta, the Crown in right of Canada or any person for any reason related to exercising and carrying out its delegated powers, duties and functions.

(2) For greater certainty, the agreements referred to in subsection (1) may include loan or other borrowing agreements entered into for the purposes of carrying out the Association's delegated powers, duties and functions.

AR 45/2001 s4;89/2013;105/2017

Powers and duties re funds

5(1) The Association may

- (a) collect money paid pursuant to agreements referred to in section 4;
- (b) charge fees for services provided by the Association in exercising and carrying out its delegated powers, duties and functions;
- (c) receive gifts, donations, grants and bequests made to the Association.

(2) Investment income earned on money and gifts collected by the Association accrues to and forms part of the funds of the Association.

(3) The Association may only use the funds collected by or paid to the Association under this Regulation to exercise and carry out its delegated powers, duties and functions.

(4) Salaries, fees, costs and liabilities incurred in the administration of the Association and the exercising and carrying

out of its delegated powers, duties and functions under this Regulation are to be paid out of the funds collected by or paid to the Association under this Regulation.

Business plan and reporting

6(1) The Association shall

- (a) not less than 90 days before the start of each fiscal year, commencing with the 2002-03 fiscal year, provide to the Regulator a business plan that
 - (i) indicates the Association's goals, strategies and performance measures, and
 - (ii) contains a budget for each of the upcoming 3 fiscal years,
- (b) not more than 6 months after the end of each fiscal year, commencing with the 2001-02 fiscal year, provide to the Regulator an annual report summarizing the activities of the Association and containing the audited financial statements of the Association for the fiscal year, and
- (c) provide records and information, audits, reviews or reports prepared for or by the Association to the Regulator on request.

(2) Repealed AR 67/2006 s2.

(3) The remuneration and benefits that were paid or provided to the following persons during the fiscal year must be reported in the financial statements or as a note or schedule to the financial statements:

- (a) all members of the board of directors of the Association;
- (b) all management personnel of the Association who report directly to one or more of the members of the board of directors.

(4) The remuneration and benefits must be reported

- (a) on an individual basis by name in the case of persons referred to in subsection (3)(a), and
- (b) on an aggregate basis in the case of the persons referred to in subsection (3)(b).

(5) The Regulator is authorized to disclose personal information reported under this section, and this section constitutes an

authorization for the purposes of section 40(1)(f) of the *Freedom of Information and Protection of Privacy Act*.

AR 45/2001 s6;238/2001;251/2001;67/2006;89/2013

Transfer of funds to Association

7(1) As soon as possible after the coming into force of this Regulation, the Regulator shall, on application by the Association, pay to the Association the net assets held by the Regulator to the account of the orphan fund.

(2) On application by the Association, the Regulator shall make ongoing payments from the orphan fund to the Association to enable it to exercise and carry out its delegated powers, duties and functions under this Regulation.

(3) The amounts and frequency of the ongoing payments must be based on the Association's needs as set out in its most recent business plan, and the Regulator shall at the end of each fiscal year pay to the Association the net assets then in the orphan fund.

(4) An application under this section must be in a form acceptable to and contain the information required by the Regulator.

(5) The Regulator may, with respect to payments from the orphan fund under this section,

- (a) enter into agreements with the Association, and
- (b) make the payments subject to any terms and conditions the Regulator considers appropriate including, without limitation, terms and conditions under which all or part of the money must be repaid to the Regulator.

AR 45/2001 s7;89/2013

By-laws

8 The Association may make by-laws generally respecting the exercising and carrying out of its delegated powers, duties and functions under this Regulation.

Limitation of liability

9(1) No action or proceeding may be brought against

- (a) the Association,
- (b) the Association's employees, agents, directors or officers, or
- (c) a member of a committee

in respect of any act or thing done or purported to be done when they are carrying out the delegated powers, duties and functions of the Association.

(2) The Association and its directors, officers, employees and agents are not liable for any damage caused by any information, advice or recommendation given or made to the Regulator.

AR 45/2001 s9;238/2001;89/2013

10 Repealed AR 67/2006 s2.

Expiry

11 For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires on April 1, 2021.

AR 45/2001 s11;67/2006;23/2016;105/2017



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