Province of Alberta

MINES AND MINERALS ACT

Revised Statutes of Alberta 2000
Chapter M-17

Current as of June 13, 2016

Office Consolidation

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Note

All persons making use of this consolidation are reminded that it has no legislative sanction, that amendments have been embodied for convenience of reference only. The official Statutes and Regulations should be consulted for all purposes of interpreting and applying the law.

Amendments Not in Force

This consolidation incorporates only those amendments in force on the consolidation date shown on the cover. It does not include the following amendments:

RSA 2000 c24 (supp) s5 amends s1.

2002 c4 s3(4) amends s108, s3(7) amends s112, s3(8) adds ss112.1 and 112.2.

2009 c20 s5 (repealed by 2014 c8 s6 (effective November 30, 2015) amends s38

Regulations

The following is a list of the regulations made under the *Mines and Minerals Act* that are filed as Alberta Regulations under the Regulations Act

	Alta. Reg.	*Amendments*
Mines and Minerals Act		
Ammonite Shell	152/2004	*305/2009*
Bitumen Valuation Methodology (Ministerial)	232/2008	*341/2009*
Carbon Sequestration Tenure	68/2011	*89/2013, 56/2016*
Coal Royalty	295/92	*20/93, 356/93, 262/97, 10/2000, 251/2001, 27/2002, 203/2003, 89/2013, 56/2015, 169/2015, 197/2015*

Crown Minerals Registration .....264/97 ..... *251/2001, 329/2002, 354/2003, 108/2004, 156/2004, 82/2014 85/2016*
Deep Oil Exploratory Well .....225/2008 ..... *41/2009, 135/2009, 89/2013, 159/2013, 156/2014*
Drilling Royalty Credit.....245/2009 ..... *89/2013*
Enhanced Oil Recovery Royalty 156/2014
Enhanced Recovery of Oil
Royalty Reduction.....348/93 ..... *251/2001, 121/2003, 222/2008, 156/2014*
Exploration.....284/2006 ..... *35/2007, 68/2008, 187/2011, 170/2012*
Incremental Ethane Extraction .....150/2007 ..... *43/2011*
Innovative Energy Technologies.....250/2004 ..... *254/2007, 222/2008, 223/2008, 22/2011, 170/2012, 89/2013*
Metallic and Industrial Minerals
Exploration.....213/98 ..... *206/2001, 251/2001, 27/2002, 63/2003, 227/2003, 35/2007, 68/2008, 189/2009, 104/2011, 31/2012, 170/2012, 62/2013, 206/2013, 198/2014, 183/2015*
Metallic and Industrial Minerals
Royalty.....350/93 ..... *262/97, 140/98, 183/99, 221/2004, 56/2015*
Metallic and Industrial Minerals Tenure .....145/2005 ..... *187/2011, 170/2012, 45/2014, 174/2014*
Mineral Rights Compensation.....317/2003 ..... *254/2007, 162/2010, 208/2012, 89/2013, 55/2015*
Mines and Minerals Administration.....262/97 ..... *251/2001, 27/2002, 130/2002, 329/2002, 354/2003, 154/2004, 221/2004, 199/2005, 61/2006, 254/2007, 54/2011, 68/2011, 170/2012, 89/2013, 45/2014, 80/2014, 174/2014, 202/2014, 169/2015*
Mines and Minerals Dispute
Resolution 170/2015
Natural Gas Deep Drilling.....224/2008 ..... *42/2009, 135/2009, 198/2010, 89/2013*

Natural Gas Deep Drilling, 2010.....198/2010 ..... *89/2013*
Natural Gas Royalty, 2009.....221/2008 ..... *134/2009, 288/2009, 197/2010, 32/2011, 33/2011, 89/2013, 118/2014, 140/2014, 169/2015, 170/2015, 198/2015*
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New Well Royalty Reduction .....204/2009 ..... *304/2009, 32/2011, 89/2013*
Oil Sands Allowed Costs (Ministerial).....231/2008 ..... *340/2009, 19/2012, 104/2013, 40/2014, 45/2014*
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Oil Sands Royalty, 2009.....223/2008 ..... *220/2009, 335/2009, 11/2012, 31/2012, 88/2013, 89/2013, 169/2015,170/2015*
Oil Sands Tenure, 2010.....196/2010 ..... *89/2013, 168/2015*
Petrochemicals Diversification
Program Royalty Credit 54/2016
Petroleum and Natural
Gas Tenure .....263/97 ..... *11/2000, 251/2001, 220/2002, 329/2002, 130/2004, 155/2004,* 254/2007, 221/2008, 222/2008, 89/2013, *224/2013, 45/2014*
Petroleum Marketing.....174/2006 ..... *254/2007, 168/2010, 89/2013, 140/2014, 197/2014*
Petroleum Royalty, 2009.....222/2008 ..... *135/2009, 199/2010, 32/2011, 89/2013, 140/2014, 156/2014, 170/2015*

Petroleum Royalty, 2009.....222/2008 ..... *135/2009, 199/2010, 32/2011, 89/2013, 140/2014, 156/2014, 170/2015*

MINES AND MINERALS ACT

Chapter M-17

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HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Interpretation

1(1) In this Act,

(a) "agreement" means an instrument issued pursuant to this Act or the former Act that grants rights in respect of a mineral or subsurface reservoir, but does not include a notification, a transfer referred to in section 12, a unit agreement or a contract under section 9(a);

(a.1) "captured carbon dioxide" means a fluid substance consisting mainly of carbon dioxide captured from an emissions source;

(b) "certificate of record" means a certificate of record within the meaning of the regulations;

(c) "certificate of title" means a certificate granted pursuant to the *Land Titles Act*;

(d) "crude bitumen" means a naturally occurring viscous mixture, mainly of hydrocarbons heavier than pentane, that may contain sulphur compounds and that, in its naturally occurring viscous state, will not flow to a well;

(e) "Department" means the Department administered by the Minister;

(f) "disposition" means a grant, a transfer referred to in section 12 or an agreement;

(g) "estate in a mineral" means an estate in fee simple in a mineral or an estate for a life or lives in being in a mineral;

(h) "fluid mineral substance" means a fluid substance consisting of a mineral or of a product obtained from a mineral by processing or otherwise;

(i) "former Act" means any predecessor of this Act;

(j) "grant" means letters patent under the Great Seal of Canada or a notification issued pursuant to *The Provincial Lands Act*, RSA 1942 c62, the former Act or this Act;

(k) "issue", with reference to a disposition, means to issue the disposition in accordance with the regulations;

(l) "lessee" means, except in section 82.1, the holder according to the records of the Department of an agreement;

(m) "location" means, except in section 82.1, the tract described in an agreement;

(n) "mine" means any opening or excavation in, or working of, the surface or subsurface for the purpose of working, recovering, opening up or proving any mineral or mineral-bearing substance, and includes works and machinery at or below the surface belonging to or used in connection with the mine;

(o) "mineral claim" means the tract described in a certificate of record;

(p) "minerals" means all naturally occurring minerals, and without restricting the generality of the foregoing, includes

(i) gold, silver, uranium, platinum, pitchblende, radium, precious stones, copper, iron, tin, zinc, asbestos, salts, sulphur, petroleum, oil, asphalt, bituminous sands, oil sands, natural gas, coal, anhydrite, barite, bauxite, bentonite, diatomite, dolomite, epsomite, granite, gypsum, limestone, marble, mica, mirabilite, potash, quartz rock, rock phosphate, sandstone, serpentine, shale, slate, talc, thenardite, trona, volcanic ash, sand, gravel, clay and marl, but

(ii) does not include

(A) sand and gravel that belong to the owner of the surface of land under section 58 of the *Law of Property Act*,

(B) clay and marl that belong to the owner of the surface of land under section 57 of the *Law of Property Act*, or

(C) peat on the surface of land and peat obtained by stripping off the overburden, excavating from the surface, or otherwise recovered by surface operations;

(q) "Minister" means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act;

(r) "notification" means a notification in the prescribed form;

(s) "oil sands" means

(i) sands and other rock materials containing crude bitumen,

(ii) the crude bitumen contained in those sands and other rock materials, and

(iii) any other mineral substances, other than natural gas, in association with that crude bitumen or the sands and other rock materials referred to in subclauses (i) and (ii),

and includes a hydrocarbon substance declared to be oil sands under section 7(2) of the *Oil Sands Conservation Act*;

(t) "owner" when used in connection with a mineral claim means the holder according to the records of the Department of a certificate of record;

(u) "quarry" means a pit or excavation in the ground for the purpose of removing, opening up or proving any mineral other than coal or oil sands, and includes works and machinery belonging to or used in connection with the quarry;

(v) "record" means a record as defined in the *Financial Administration Act*;

(w) "registered" means

(i) registered under Division 1 of Part 6, in relation to a transfer, or

(ii) registered under Division 2 of Part 6, in relation to a security notice or any other document registrable under that Division;

(x) "Registrar" means the Registrar within the meaning of the *Land Titles Act*;

(y) "royalty compensation" means money payable to the Crown in right of Alberta as compensation pursuant to regulations made under section 36(2)(i);

(y.1) "sequestration" means permanent disposal;

(z) "storage rights" means the right to inject fluid mineral substances into a subsurface reservoir for the purpose of storage;

(aa) "subsurface cavern" means a subsurface space created as a result of operations for the recovery of a mineral;

(bb) "subsurface reservoir" means the pore space within an underground formation or a subsurface cavern;

(cc) "transfer", in relation to an agreement, means

(i) a transfer of the agreement, a part of the location of the agreement or a specified undivided interest in the agreement made by the lessee of the agreement or the interest, as the case may be,

(ii) a transfer of the agreement or a specified undivided interest in the agreement made by the Minister pursuant to section 23(3), or

(iii) a transfer of the agreement, a part of the location of the agreement or a specified undivided interest in the agreement made by the Minister pursuant to a judgment or order of a court;

(dd) "Transfer Agreement" means the agreement in the Schedule to *The Alberta Natural Resources Act*, SA 1930 c21, and all amendments to that agreement;

(ee) "unit agreement" means an agreement entered into by the Minister under section 102(1);

(ff) "unit operation order" means an order under the *Turner Valley Unit Operations Act*;

(gg) "well" means a well within the meaning of the *Oil and Gas Conservation Act*.

(2) If any mineral or any product obtained from a mineral is injected into a subsurface reservoir and a question arises between the Minister and the lessee under an agreement, or any person claiming under the lessee, as to the purpose for which the mineral or mineral product was injected, then, for the purposes of this Act, the question is to be decided by the Minister.

(3) A reference in this Act to a township, section, half section, quarter section and legal subdivision means a township, section, half section, quarter section and legal subdivision, respectively, within the meaning of the *Surveys Act*.

(4) For the purposes of this Act, a reference to a township, section, half section, quarter section or legal subdivision is, in respect of land in unsurveyed territory, deemed to refer to what would be a township, section, half section, quarter section or legal subdivision if the land were surveyed in accordance with the *Surveys Act*.

(5) The references in sections 8(1)(a), 9(a)(i), 36(2)(j) and (3.1), 50(4) and (5) and 52(1) to a product obtained from a mineral, and in section 36(2)(a) and (b) to a product obtained from a royalty share include

(a) any product obtained from a mineral or the royalty share of a mineral by processing, reprocessing or otherwise, and

(b) any product obtained directly or indirectly, and in whole or in part, in exchange for a mineral, a royalty share of a mineral or a product referred to in clause (a).

RSA 2000 cM-17 s1;2003 c28 s2;2006 c21 s26; 2008 c36 s2;2010 c14 s2

Application of Act

Application of Act

2 This Act applies

(a) to all mines and minerals, pore space and related natural resources vested in or belonging to the Crown in right of Alberta, and

(b) where the context so permits or requires, to all wells, mines, quarries and minerals in Alberta.

RSA 2000 cM-17 s2;2010 c14 s2

Agreements subject to Act

3 This Act applies to an agreement made, entered into or renewed under the former Act notwithstanding anything in the agreement.

RSA 1980 cM-15 s4;1983 c36 s5

Grants

4 If regulations under section 5(1)(m) authorize the payment of grants relating to exploratory drilling, development drilling, geophysical exploration or well servicing, the grants shall be paid from the General Revenue Fund where there is no supply vote for the purpose.

RSA 2000 cM-17 s4;2013 cF-14.5 s27

Part 1
Administration

General Powers of the Lieutenant Governor in Council

Regulations

5(1) The Lieutenant Governor in Council may make regulations

(a) respecting

(i) exploration for minerals,

(ii) working and development of minerals,

(iii) development and operation of mines and any other matters incidental to mining,

(iv) exploration for, and use of, subsurface reservoirs, and

(v) development and operation of injection wells and facilities and any other matters incidental to the use of subsurface reservoirs;

(b) respecting applications for agreements;

(c) respecting the issuing of dispositions;

(d) respecting the terms and conditions of agreements;

(e) prescribing annual rentals for agreements;

(f) respecting the rights and obligations of lessees;

(g) respecting deposits or forms of security to the Government furnished or to be furnished under this Act and providing for

(i) the form and amounts of the deposits or other security, or the fixing of those amounts by the Minister,

(ii) the circumstances under which the deposits or security become payable or forfeited,

(iii) the purposes for which the deposits or security so paid or forfeited may be expended by the Government,

(iv) the circumstances under which, and the persons to whom, the deposits or security may be refunded or returned, and

(v) any other matter relating to the deposits or other security;

(g.1) respecting the type and amount of insurance that must be carried by the lessee of an agreement under Part 9;

(h) providing for any matter relating to the duration and extension of the terms of agreements, renewals of agreements, the size, shape and boundaries of the locations of agreements, the amendment of agreements by the Minister and the grouping, surrender, cancellation or expiry of agreements;

(i) respecting the keeping of records for any purpose under this Act and the persons required to keep them;

(j) respecting information to be furnished to the Minister, the persons required to furnish that information, the form in which that information must be furnished and the time within which that information must be furnished;

(k) prescribing the kinds of information required to be furnished pursuant to any other Act under the Minister's administration that are deemed to be required to be furnished pursuant to this Act;

(l) respecting the confidentiality of, and the communication of and access to, reports, returns, estimates, declarations, plans, maps, surveys, records and other information obtained under this Act;

(l.1) respecting investigations and inspections under section 52, including, without limitation, the powers and duties of a person conducting an investigation or inspection and the responsibilities of lessees and other persons in respect of investigations and inspections;

(l.2) respecting the measurement, calculation or estimation of the quantity, quality or composition of minerals, of products obtained by processing minerals or by reprocessing such products, or of captured carbon dioxide, including, without limitation, regulations

(i) requiring or authorizing measurement, calculation or estimation,

(ii) respecting the purposes for which measurements obtained or calculations or estimates made pursuant to

regulations made under this clause are to be used, notwithstanding the provisions of any other enactment,

(iii) respecting the persons required to undertake measurement, calculation or estimation and the responsibilities of those persons in respect of measurement, calculation or estimation,

(iv) governing the kinds and specifications of tools, equipment and materials that may be used for measurement, and the standards and other requirements respecting the installation, operation and maintenance of those tools, equipment and materials,

(v) governing the methods to be used for measurement, calculation or estimation and the standard conditions to which those measurements, calculations or estimates are to be converted, and

(vi) governing methods and procedures for conducting sampling, analyses, tests, verification and monitoring in relation to measurement, calculation or estimation;

(m) respecting the payment of money or the granting of other incentives relating to the exploration for or recovery or processing of a mineral and the termination of such payments or other incentives before

(i) any dates specified in the regulations up to which, or

(ii) the expiry of any time periods specified in the regulations during which,

such payments or incentives are to be provided;

(n) respecting the application of money paid to the Crown in right of Alberta, in respect of an agreement or otherwise, under this Act;

(o) respecting the circumstances in which and the conditions on which credits may be established and applied against any liability to the Crown in right of Alberta under an agreement or under this or any other Act under the administration of the Minister, and respecting the payment to persons whose credits exceed their liability to the Crown of amounts not exceeding the excess credits;

(p) respecting the cancellation of all or part of an agreement by the Minister at the request of the lessee of the agreement where all or part of the location is within the boundaries of

patented land as defined in the *Metis Settlements Act* and respecting the determination and payment of compensation for the cancellation;

(q) respecting the imposition of pecuniary penalties payable to the Crown, the circumstances in which the penalties may be imposed, the person liable to pay the penalties and the time by which the penalties must be paid;

(r) respecting transfers or surrenders of agreements or of parts of the locations of agreements, and divisions or consolidations of agreements;

(s) respecting the review or reconsideration of decisions of the Minister under this Act, the regulations or an agreement;

(t) respecting the determination of the circumstances under which persons may be regarded as not dealing with each other at arm's length for any purpose under this Act or as being associated with each other for any purpose under this Act;

(u) respecting the liability of lessees and others for the payment of interest on amounts owing to the Crown in right of Alberta under this Act and on the value of arrears of royalty deliverable to the Crown in kind under this Act, the rates of interest payable and the computation of interest payable;

(v) respecting the liability of the Crown in right of Alberta for the payment of interest on overpayments under this Act, the rates of interest payable and the computation of interest payable, and defining "overpayment" for the purposes of the regulations under this clause;

(w) establishing a tariff of fees

(i) pertaining to applications, agreements and renewals or reinstatements of agreements,

(i.1) pertaining to objections under section 39,

(ii) for the filing of any documents that may be filed with the Minister under the *Builders' Lien Act*,

(iii) for copies of maps, plans, field notes, documents, papers or other records of the Department, and

(iv) for any other service provided by the Department;

(w.1) governing the development, use and retention of documents and information in electronic form by

(i) the Department, and

(ii) persons dealing with the Department

in carrying out the business processes of the Department, including, without limitation, regulations

(iii) requiring that documents or types or classes of documents be in an approved electronic format and respecting the manner in which that format is determined or approved,

(iv) governing the methods and means of transmission of approved electronic documents or classes of approved electronic documents, including the establishment of rules, procedures and guidelines for their transmission,

(v) governing the means by which the identity and authority of persons who create, submit or send approved electronic documents are verified, and

(vi) respecting electronic signatures on approved electronic documents and the legal effect of such signatures;

(w.2) providing that a provision in a regulation made under any of clause (w.1)(iii) to (vi) supersedes and applies in place of another enactment of Alberta in respect of the same subject-matter;

(w.3) governing the legal effect and enforceability of approved electronic documents, certified copies of approved electronic documents and endorsements made on approved electronic documents, including

(i) giving an approved electronic document the same effect as if it were in writing and signed, and

(ii) exempting an approved electronic document from any requirement at law that a document must be in writing or signed;

(w.4) authorizing the Minister to refuse to accept documents that are not approved electronic documents or do not meet the requirements of or created under the regulations under clauses (w.1) to (w.3) in respect of the documents;

(w.5) authorizing the Minister to establish rules respecting the acknowledgment of receipt of approved electronic documents;

(w.6) authorizing the Minister to exempt a document or type or class of document from any requirement of or created under a regulation under clauses (w.1) to (w.5), subject to any terms and conditions the Minister considers appropriate;

(w.7) generally governing the applicability of regulations under clauses (w.1) to (w.6) to the business processes administered by divisions, branches, units or parts of the Department;

(x) prescribing anything required to be prescribed under this Act;

(y) respecting any matter related to a provision of this Act where the provision

(i) is expressed to be subject to the regulations or to exceptions provided for by the regulations, or

(ii) contemplates the making of regulations for purposes related to that provision.

(2) A deposit or security required to be furnished pursuant to regulations under subsection (1)(g) shall be held by the Minister in accordance with the regulations and shall not be paid into the General Revenue Fund.

(3) The Lieutenant Governor in Council may make any regulations and orders that may be necessary to carry out the provisions of this Act according to their intent, to carry out the Transfer Agreement, or to meet cases that may arise and for which no provision is made by this Act.

RSA 2000 cM-17 s5;2003 c28 s3;2003 c18 s7;
2008 c36 s3;2009 c20 s5;2010 c14 s2;2014 c8 s6

Publication of orders

6 Orders made by the Lieutenant Governor in Council pursuant to this Act, other than orders prescribing regulations within the meaning of the *Regulations Act*, shall be published in The Alberta Gazette.

1983 c36 s6

Terms or conditions

7 An order, decision or determination of the Lieutenant Governor in Council under this Act may be made subject to any terms or conditions that the Lieutenant Governor in Council considers warranted.

1983 c36 s6

General Powers of the Minister

Ministerial powers

8(1) The Minister may

(a) exchange any Crown mineral or a product obtained from a Crown mineral for another mineral or another product obtained from a mineral;

(b) acquire by expropriation any estate or interest in minerals, if the Minister is of the opinion that any or any further exploration for or development of those minerals is not in the public interest;

(c) accept the surrender of, cancel or refuse to renew an agreement as to all or part of a location when the Minister is of the opinion that any or any further exploration for or development of the mineral to which the agreement relates within that location or part of it is not in the public interest, subject to the payment of compensation determined in accordance with the regulations for the lessee's interest under the agreement;

(d) order the remission of all or part of any rental, fee or other sum payable under this Act or a disposition;

(e) reinstate an agreement, a part of the location of an agreement or a zone in the location of an agreement that has been surrendered or cancelled, if

(i) an application for reinstatement is received in the Department within 60 days after the prescribed effective date of the surrender or cancellation,

(ii) the Minister has not already issued another agreement in respect of the location, the part of the location or the zone in the location, as the case may be, in respect of which the application is made, and

(iii) the Minister considers that the circumstances warrant the reinstatement;

(f) if the Minister considers that the circumstances warrant it, agree with a lessee to grant an agreement to the lessee in substitution for an agreement held by the lessee;

(g) if any provision of this Act, the regulations or an agreement requires or permits the doing of any act within a fixed period or at a fixed time, extend that period or fix another time by or at which that act is to be done, whether the period within which or the time by or at which the act ought to be done has or has not expired or arrived, as the case may be;

(h) if the Minister is satisfied that it is in the public interest to do so, agree from time to time with the lessee to extend the term of the lessee's agreement for an additional period or periods, whether or not the term has expired when the extension is agreed to;

(i) determine the form of any document to be used in connection with the administration of this Act, or adopt a variation of any form so determined that the Minister considers applicable to any special case;

(j) delegate, in writing, to any person any of the Minister's powers or duties under this Act or an agreement.

(2) Within 60 days of the completion of an exchange under subsection (1)(a), the Minister shall publish in The Alberta Gazette a notice stating the particulars of the exchange and the reason for the exchange.

(3) An order, authorization, direction, determination or other decision made by the Minister under this Act may be made subject to any terms or conditions that the Minister considers warranted.

(4) For the purpose of applying subsection (1)(h) to a lease granting rights to petroleum or natural gas, or both, the expression "term" in that clause includes the period during which the lease is continued under Part 4.

RSA 2000 cM-17 s8;2008 c36 s4

Ministerial powers

9 Notwithstanding anything in this Act or any regulation or agreement, the Minister, on behalf of the Crown in right of Alberta and with the authorization of the Lieutenant Governor in Council, may

(a) enter into a contract with any person or the government of Canada or of a province or territory respecting

(i) the recovery of a mineral and the processing, sale or other disposition of the mineral or of a product obtained from the mineral;

(ii) the development of mines or quarries for the recovery of minerals;

(iii) the storage or sequestration of substances in subsurface reservoirs;

(iv) the royalty reserved to the Crown in right of Alberta on the minerals recovered;

(v) the provision for a consideration payable to the Crown in right of Alberta instead of royalty on the minerals recovered;

(vi) any matter that the Minister considers to be necessarily incidental to, in relation to or in connection with any of the matters referred to in subclauses (i) to (v);

(b) issue an agreement

(i) containing a provision that is a variation of a provision of this Act or the regulations that would otherwise apply to the agreement, or

(ii) making inapplicable a provision of this Act or the regulations that would otherwise apply to the agreement;

(c) issue an agreement containing a provision providing for the waiver by the lessee of a benefit under this Act or any other Act under the administration of the Minister.

RSA 2000 cM-17 s9;2008 c36 s5;2010 c14 s2

Title to Minerals

Gold and silver

10 It is hereby declared that no grant from the Crown, whether relating to land, minerals in land or otherwise, has operated or will operate as a conveyance of gold and silver unless gold and silver are expressly named and conveyed in the grant.

1983 c36 s6

Coalbed methane

10.1(1) Coalbed methane is hereby declared to be and at all times to have been natural gas.

(2) Subsection (1) does not affect any conveyance, agreement, agreement for sale, lease, joint venture or any other contract that

specifically grants, leases, excludes, excepts or reserves rights in land in respect of coalbed methane and that was entered into before the coming into force of this section by

(a) the owner of the title to natural gas in the land, or any person holding natural gas rights through that owner, and

(b) the owner of the title to coal in the land, or any person holding coal rights through that owner.

(3) The owner of the title to natural gas in any land, and any person holding natural gas rights through that owner, has no right of action and shall not commence or maintain proceedings against the Crown, the owner of the title to the surface of the land or the coal in the land, or any person holding coal rights through the owner of the title to the coal for damages or compensation because of extraction, production or removal of coalbed methane from the land if that extraction, production or removal occurred before the coming into force of this section.

(4) It is deemed for all purposes, including for the purposes of the *Expropriation Act*, that no expropriation occurs as a result of the enactment of this section.

(5) No person has a right of action and no person shall commence or maintain proceedings

(a) to claim damages or compensation of any kind, including, without limitation, damages or compensation for injurious affection, from the Crown, or

(b) to obtain a declaration that the damages or compensation referred to in clause (a) are payable by the Crown,

as a result of the enactment of this section.

2010 c20 s2

Authorized disposition

11(1) No disposition may be made of an estate in a mineral owned by the Crown in right of Alberta unless the disposition is specifically authorized by this or another Act.

(2) Subsection (1) does not preclude

(a) the Lieutenant Governor in Council from transferring the administration and control of minerals to the Crown in right of Canada, or

(b) the Minister from executing and delivering a transfer under the *Land Titles Act* in favour of the Crown in right of

Canada of an estate in minerals of which the Crown in right of Alberta is the registered owner.

1983 c36 s6;1985 c39 s3

Transfer

12(1) When a person is entitled to receive from the Crown in right of Alberta a title for an estate in a mineral for which a certificate of title is registered under the *Land Titles Act*, a transfer shall be issued by the Minister.

(2) Before the issue of the transfer, the registration fee payable under the *Land Titles Act* shall be paid to the Minister.

(3) The Minister shall forward the fee paid and the transfer to the Registrar for registration of the transfer under the *Land Titles Act*.

1983 c36 s6

Notification

13(1) When a person is entitled to receive from the Crown in right of Alberta a title for an estate in a mineral for which no certificate of title is registered under the *Land Titles Act*, a notification shall be issued by the Minister accordingly in favour of that person.

(2) Before the issue of the notification, the fee payable under the *Land Titles Act* shall be paid to the Minister.

(3) The Minister shall forward the fee paid and the notification to the Registrar for registration of the notification under the *Land Titles Act*.

(4) When a notification issues to or in the name of a person who is dead, the notification is not void for that reason but the title to the minerals granted or intended to be granted forms part of the estate of the deceased person on registration of the notification.

(5) When a notification or other grant has issued to or in the name of an incorrect person or contains any clerical error, misnomer or incorrect or defective description of the minerals intended to be granted, or when any of the conditions of the notification or grant have been omitted, the Minister, if there is no adverse claim, may direct the defective notification or grant to be cancelled and a correct notification or grant to be issued in its stead.

(6) The correct notification or grant referred to in subsection (5) shall relate back to the date of the notification or grant cancelled and has the same force and effect as if issued at the date of the cancelled notification or grant.

(7) If a certificate of title has not been issued under the *Land Titles Act* for any minerals vested in or belonging to the Crown in right of

Alberta, the Minister may issue a notification respecting those minerals in favour of Her Majesty in right of Alberta as represented by the Minister.

(8) When a notification is issued under subsection (7), it shall be forwarded to the Registrar who shall, without fee, forthwith issue a certificate of title.

1983 c36 s6

Minerals underlying roads

14(1) When, by letters patent,

(a) the surface of land and any mineral in the land were granted, and

(b) an area or strip of land was excepted or reserved for a road, roadway or trail,

the letters patent are deemed for all purposes to have conveyed that mineral underlying the road, roadway or trail.

(2) Subsection (1) does not apply to any mineral granted

(a) by other letters patent before October 1, 1930, or

(b) by notification pursuant to an Ordinance of the North-West Territories or an Act of the Legislature before May 1, 1951,

whether before or after the letters patent referred to in subsection (1).

(3) When, under subsection (1), doubt arises as to whether an exception or reservation of an area or strip of land was for a road, roadway or trail, the Minister shall rule on the matter and the Minister's ruling when delivered in writing to the Registrar is final.

1983 c36 s6

Return of expropriated minerals

15(1) If land that included any minerals was transferred to or expropriated by the Crown and the land was used or intended to be used for a road diversion or roadway or for the purposes of obtaining gravel or any other road material, the Minister, on application to the Minister for the acquisition of the minerals or any of them, may approve the application on payment of any sum that the Minister may determine.

(2) When an application is approved pursuant to subsection (1), the applicant is entitled to receive a title for an estate in fee simple in the minerals in respect of which the application was made.

1983 c36 s6

Pore Space

Pore space

15.1(1) It is hereby declared that

(a) no grant from the Crown of any land in Alberta, or mines or minerals in any land in Alberta, has operated or will operate as a conveyance of the title to the pore space contained in, occupied by or formerly occupied by minerals or water below the surface of that land,

(b) the pore space below the surface of all land in Alberta is vested in and is the property of the Crown in right of Alberta and remains the property of the Crown in right of Alberta whether or not

(i) this Act, or an agreement issued under this Act, grants rights in respect of the subsurface reservoir or in respect of minerals occupying the subsurface reservoir, or

(ii) minerals or water is produced, recovered or extracted from the subsurface reservoir,

and

(c) the exception of pore space under this section is deemed to be an exception contained in the original grant from the Crown for the purposes of section 61(1) of the *Land Titles Act*.

(2) Subsection (1) does not operate to affect the title to land that, on the date on which this section comes into force, belongs to the Crown in right of Canada.

(3) The Minister may enter into agreements with respect to the use of pore space.

(4) It is deemed for all purposes, including for the purposes of the *Expropriation Act*, that no expropriation occurs as a result of the enactment of this section.

(5) No person has a right of action and no person shall commence or maintain proceedings

(a) to claim damages or compensation of any kind, including, without limitation, damages or compensation for injurious affection, from the Crown, or

(b) to obtain a declaration that the damages or compensation referred to in clause (a) is payable by the Crown,

as a result of the enactment of this section.

2010 c14 s2

Agreements

Issue of agreements

16 Subject to this Act and the regulations and any express provision in any applicable ALSA regional plan limiting mineral development within a geographic area, the Minister may issue an agreement in respect of a mineral or subsurface reservoir

(a) on application, if the Minister considers the issuance of the agreement warranted in the circumstances,

(b) by way of sale by public tender conducted in a manner determined by the Minister, or

(c) pursuant to any other procedure determined by the Minister.

RSA 2000 cM-17 s16;2009 cA-26.8 s82; 2010 c14 s2

Restrictions on disposition

17(1) The Minister may, in respect of any specified area and in any manner that the Minister considers warranted,

(a) restrict the issuance of agreements granting rights to minerals or pore space;

(b) withdraw any or all minerals or pore space from disposition.

(2) During the period that a mineral or pore space is withdrawn from disposition pursuant to subsection (1)(b), no person has the right to acquire an agreement granting rights to that mineral or pore space in all or any part of the area specified.

RSA 2000 cM-17 s17;2010 c14 s2

Refusal to grant and cancellation of agreement

18(1) The Minister may

(a) refuse to issue or may withhold the issuance of an agreement, or

(b) cancel an agreement issued in error and refund money paid in connection with that agreement.

(2) Without restricting the generality of subsection (1)(a), the Minister may refuse to issue an agreement to a person who is indebted to the Crown in right of Alberta, the Alberta Energy Regulator or the Alberta Utilities Commission.

RSA 2000 cM-17 s18; 2007 cA-37.2 s82(16);2012 cR-17.3 s94

Form of agreement

19(1) An agreement shall be in the form determined by the Minister.

(2) The Minister may in the case of any particular agreement vary the form determined for that class of agreement under subsection (1).

(3) The form of an agreement may confer or impose rights and obligations on the Minister or the lessee in addition to those provided for under this Act.

1983 c36 s6

Agreements

20(1) An agreement shall be issued in the manner and in the medium provided for in the regulations.

(2) An agreement issued in accordance with subsection (1) is binding on the Crown in right of Alberta and the lessee.

(2.1) Where 2 or more persons are recorded with the Department as lessees of an agreement,

(a) those lessees in relation to the Crown are jointly responsible for the obligations and liabilities that arise under that agreement, notwithstanding that the agreement was issued before, on or after the coming into force of this subsection, and

(b) a judgment in favour of the Crown against one or more of those lessees or a release by the Crown in favour of one or more of those lessees does not preclude the Crown from obtaining judgment against the other lessees in the same or a separate proceeding.

(3) The date of commencement of the term of an agreement shall, subject to the regulations, be the date specified by the Minister.

(4) When an agreement that is required to be executed by the holder is issued, the person in whose favour it is made

(a) subject to subsection (5), is deemed to be the holder of it as against the Crown and all other persons as of the term commencement date, and

(b) is bound by the agreement as if it were fully executed.

(5) When an agreement that is required to be executed by the holder is issued and the holder does not execute the agreement and return it to the Minister within 90 days from the prescribed date,

(a) the Minister may cancel the agreement in the records of the Department, and

(b) the holder is deemed to have been the holder of the agreement only as to any liability incurred under it by the holder.

RSA 2000 cM-17 s20;2003 c18 s8

Duplication in grant

21 If an agreement purports to grant rights in respect of a mineral and those rights are included in any disposition issued previously, the agreement is void insofar as it interferes with the previous disposition.

1983 c36 s6

Interpretation of agreement

22(1) Wherever the singular or masculine or neuter is used in an agreement, it shall be construed as meaning the plural or feminine or a corporation where the context or the parties to the agreement so require.

(2) A reference in an agreement to an enactment shall be construed as a reference to

(a) that enactment, as amended from time to time, and

(b) any replacement of all or part of that enactment, as amended from time to time.

(3) In subsection (2), "enactment" means an Act, regulation, order, directive, bylaw or other subordinate legislation.

1983 c36 s6

Ineligible persons

23(1) Subject to the regulations, an individual under the age of 18 years is ineligible to be the lessee or one of the lessees of an agreement.

(2) A corporation is ineligible to be the lessee or one of the lessees of an agreement unless the corporation is

(a) registered under the *Companies Act*,

(b) registered, incorporated or continued under the *Business Corporations Act*,

(c) incorporated or continued under the *Bank Act* (Canada),

(d) a railway company incorporated under an Act of Canada,

(e) a loan corporation or trust corporation,

(f) an insurer licensed under the *Insurance Act*, or

(g) in any other case, approved by the Minister as a corporation that may hold an agreement.

(3) If the lessee or one of the lessees of an agreement is a person who is ineligible under subsection (1) or (2), the Minister may, subject to subsections (4) and (5),

(a) where the ineligible person is the sole lessee of the agreement or one of the lessees otherwise than as the holder of a specified undivided interest in the agreement,

(i) cancel the agreement, or

(ii) transfer the agreement to an eligible person who, in the opinion of the Minister, is entitled to it;

(b) where the ineligible person is the holder of a specified undivided interest in the agreement, transfer the interest to an eligible person who, in the opinion of the Minister, is entitled to it or, in the absence of such a person,

(i) to the holder of the other specified undivided interest if that holder is then an eligible lessee, or

(ii) proportionately to those eligible persons who are the holders of the other specified undivided interests in the agreement,

as the case may be.

(4) The Minister may not exercise any of the powers under subsection (3) unless

(a) the Minister gives a notice in accordance with subsection (5) to the ineligible person and to any persons or class of persons specified in the regulations,

(b) if the ineligibility is the result of the dissolution of a corporation, the Minister gives a notice in accordance with subsection (5) and the regulations, and

(c) the notice has not been complied with before the deadline specified in the notice.

(5) A notice referred to in subsection (4)

(a) must be given in a prescribed manner,

(b) must describe the powers that may be exercised by the Minister under subsection (3) if the notice is not complied with, and

(c) must state that the Minister may exercise those powers unless, before the deadline specified in the notice, either

(i) the agreement or the specified undivided interest in the agreement, as the case may be, is transferred to an eligible person and the transfer is registered under Division 1 of Part 6, or

(ii) there is provided to the Minister proof satisfactory to the Minister that the person concerned has ceased to be ineligible under subsection (1) or (2), as the case may be.

(6) No agreement shall be issued to or otherwise acquired by an unincorporated syndicate or association or other unincorporated group of persons in the name of the syndicate, association or group.

RSA 2000 cM-17 s23;RSA 2000 cI-3 s863

Misdescription of zone

24 If, in the opinion of the Minister, an agreement contains a misdescription of a zone, the Minister may

(a) with the consent of the lessee, amend the agreement to correct the description without the payment of compensation to the lessee, or

(b) if the lessee does not consent as provided in clause (a),

(i) cancel the agreement as to all or part of its location, or

(ii) amend the agreement to remove a misdescribed zone from the whole or part of its location,

subject to the payment of compensation in accordance with the regulations.

RSA 2000 cM-17 s24;2003 c18 s9

Replacement of mineral agreements

25(1) Subject to the regulations, where, as a consequence of the enactment of regulations under section 5(1) after June 25, 1991, called in this section the "new regulations", any mineral comes under the administration of the new regulations, the Minister may, without compensation, cancel an agreement granting rights to that mineral and shall issue a replacement agreement to the same lessee in conformity with the new regulations.

(2) This section does not apply to agreements granting rights to coal, petroleum, natural gas or oil sands.

1991 c20 s4;1997 c17 s12

Surveys

26(1) If for any reason the Minister considers it necessary or advisable to have a survey or re-survey made of any location to determine the exact position of the location or in order to settle any dispute that may arise respecting it, the Minister may direct that the survey or re-survey be made by an Alberta land surveyor.

(2) The Minister may require the lessee of the location to be surveyed to pay, in advance, all or part of the costs of the survey or re-survey.

(3) If the lessee fails to make the payment in advance when required to do so by the Minister, the Minister may cancel the lease.

(4) The surveyor shall file with the Department plans, notes and any other information that may be required to determine the exact position of the location and the Department shall forward a copy of the information to the lessee.

1983 c36 s6

Amendment of land description

27(1) As soon as any area of land that includes a location, or any part of a location, becomes surveyed, the Minister after consultation with the lessee may amend the description by describing the area as surveyed land.

(2) The decision of the Minister as to the surveyed land to be included in the lease is final.

1983 c36 s6

Size of location

28(1) In determining the size of a location, all measurements must be taken horizontally, irrespective of the inequalities of the surface of the ground, and the boundaries beneath the surface must be the vertical planes in which the surface boundaries lie.

(2) In calculating distances, the widths of road allowances are not to be considered unless expressly included in the agreement.

1983 c36 s6

Representative of lessee

29(1) Where an agreement is held by 2 or more lessees, those lessees shall, in accordance with the regulations,

(a) designate one of their number or any other person as their representative for the purposes of this Act in relation to that agreement, and

(b) give a notice of the designation to the Minister.

(2) Where an agreement is held by only one lessee, the lessee

(a) may, in accordance with the regulations, designate another person as the lessee's representative for the purposes of this Act in relation to that agreement, and

(b) on doing so shall give a notice of the designation to the Minister.

(3) The lessee or lessees of an agreement are bound by the acts and omissions of their designated representative with respect to all matters arising under the agreement, or under this Act in relation to the agreement, while the designation is in effect.

(4) A designation of a representative under this section in relation to an agreement remains in effect until

(a) it is replaced in accordance with the regulations by another designation under this section and a notice of the replacement designation is given to the Minister, or

(b) in the case of a designation under subsection (2), it is revoked in accordance with the regulations without being replaced and a notice of the revocation is given to the Minister.

1997 c17 s13

Official service address

30(1) If a person

(a) is designated as a representative in relation to an agreement pursuant to section 29, or

(b) is the sole lessee of one or more agreements and has not designated a representative in relation to any of those agreements pursuant to section 29,

that person shall, in accordance with the regulations, give to the Minister a notice containing that person's official service address for the purposes of this Act.

(2) The address shown in a notice given by a person under this section continues to be that person's official service address for the

purposes of this Act until it is replaced by another notice given under subsection (1).

(3) The address shown in a notice given by a person under this section does not cease to be that person's official service address for the purposes of this Act merely because that person subsequently ceases to be within either of the classes of persons described in subsection (1)(a) or (b).

1983 c36 s6;1997 c17 s13

Giving of notices

31(1) Except as otherwise provided by the regulations, any notice or other document that the Minister is required or authorized to give or furnish to a lessee pursuant to this Act or the lessee's agreement may be given or furnished

(a) to the person who is designated under section 29 as the representative of the lessee or lessees in relation to that agreement according to the records of the Department at the time the notice or other document is given or furnished, or

(b) to the person who is the lessee of the agreement, if that person is the sole lessee of the agreement and, according to the records of the Department at the time the notice or other document is given or furnished, the lessee either

(i) has not given a notice under section 29(2) of the designation of a representative in relation to that agreement, or

(ii) has revoked the lessee's last designation made pursuant to section 29(2) in relation to that agreement.

(2) Any notice or other document that is required or authorized to be given or furnished to the Minister or any other person pursuant to this Act or an agreement may be given or furnished in any manner provided for in the regulations.

1997 c17 s13

Forfeiture of well, mine or quarry

32(1) Except as otherwise provided in the regulations, when an agreement expires or is surrendered or cancelled, the ownership of

(a) any well in the location and the installations and equipment, including casing, incidental to the well, and

(b) any mine or quarry in the location,

vests in the Crown in right of Alberta free and clear of all interests, charges and liens.

(2) Subsection (1) applies whether or not

(a) the well or its installations, equipment or casing or the mine or quarry, as the case may be, was the property of the former lessee, and

(b) any notice has been given or sent to any person owning or having an interest, charge or lien on the well or its installations, equipment or casing or in the mine or quarry, as the case may be, immediately before the vesting.

(3) Subsection (1) does not apply if

(a) the agreement expires but is renewed, or

(b) the agreement is terminated by reason of the exercise by the lessee of a right to apply for a lease that contains in its location the same well, mine or quarry.

(4) The Minister may give a written authorization to a former lessee of an agreement to which subsection (1) applies or to any other person to enter on the location of the former agreement for the purpose of

(a) removing any installations, equipment or casing incidental to the well,

(b) removing any installations or equipment incidental to the mine or quarry, or

(c) doing any act specified in the authorization in relation to the well, mine or quarry.

(5) If a well, mine or quarry becomes the property of the Crown under this section, the Minister has the same rights and duties that the former lessee had in respect of any right of entry order or surface lease relating to the land on which the well, mine or quarry is located.

(6) Notwithstanding subsection (5), the Minister is not subject to any penalty, debt or other obligation incurred by the former lessee under the right of entry order or surface lease.

(7) In subsections (5) and (6),

(a) "right of entry order" means a right of entry order as defined in the *Surface Rights Act* and a right of entry order under Part 4 of the *Metis Settlements Act*;

(b) "surface lease" means a lease or other instrument under which the surface of land is held for any purpose for which a right of entry order may be made under the *Surface Rights Act* or Part 4 of the *Metis Settlements Act*, and that provides for the payment of compensation.

1983 c36 s6;1990 cM-14.3 s276;1997 c17 s15

Royalty and Other Revenues

Royalty on mineral

33 A royalty determined under this Act is reserved to the Crown in right of Alberta on any mineral recovered pursuant to an agreement.

1983 c36 s6

Royalty to be prescribed

34(1) The royalty reserved to the Crown in right of Alberta on a mineral recovered pursuant to an agreement shall be the royalty prescribed from time to time by the Lieutenant Governor in Council.

(2) If a royalty has been reserved to the Crown in right of Canada in any letters patent that convey a mineral, there is reserved to the Crown in right of Alberta

(a) the royalty prescribed from time to time by the Lieutenant Governor in Council in accordance with the Transfer Agreement, or

(b) if no royalty is prescribed under clause (a), the royalty at the rate in effect immediately before the coming into force of the Transfer Agreement.

(3) Except as otherwise provided by the regulations,

(a) the royalty reserved to the Crown in right of Alberta shall be deliverable in kind,

(b) the quantity of the royalty reserved to the Crown in right of Alberta shall be calculated at the place where the mineral is first measured after it is recovered, and

(c) the royalty reserved to the Crown in right of Alberta shall be delivered to the Crown at the place at which the quantity of the royalty is calculated.

1983 c36 s6

Crown as owner

35(1) The Crown in right of Alberta is the owner of its royalty share of the mineral at all times until that royalty share is disposed

of by or on behalf of the Crown or until the Crown's title to that royalty share is transferred to a lessee or other person pursuant to the regulations, notwithstanding that its share is commingled with and indistinguishable from the lessee's share prior to or at the time of the disposal or transfer of title.

(2) If, at the place where the Crown's royalty share of a mineral is to be delivered to the Crown in right of Alberta, the Crown's royalty share of the mineral is commingled with the lessee's share of the mineral so that the Crown's royalty share cannot be identified, the Crown in right of Alberta is entitled to the quantity of the mineral of equivalent quality that is equal to the Crown's royalty share.

(3) If under the regulations or a contract or agreement under section 9 the quantity of the royalty on a mineral is calculated on the basis of all or any of the products obtained by processing that mineral or by reprocessing the products obtained by processing that mineral, unless otherwise provided a reference to the mineral in any provision in this Act or the regulations respecting the royalty on the mineral shall be read as a reference to the product obtained by the processing or reprocessing, as the case may be.

RSA 2000 cM-17 s35;2008 c36 s6

Regulations

36(1) The Lieutenant Governor in Council may make regulations

(a) prescribing the royalty on a mineral;

(b) prescribing that the quantity of the royalty on a mineral be calculated at a place other than the place where the mineral is first measured after it is recovered;

(c) prescribing that the royalty on a mineral be delivered to the Crown in right of Alberta at a place other than that at which its quantity is calculated;

(d) authorizing the Minister to determine any component or value in the calculation of the royalty on a mineral;

(e) respecting the circumstances under which the quantity of the royalty on a mineral shall be calculated on all or any of the products obtained by processing the mineral or by reprocessing any of those products instead of on the mineral;

(f) respecting the waiver or variation of all or part of the royalty on a mineral and the termination of any such waiver or variation before any date, or before the passing of any time

period, specified in the regulations by which the waiver or variation is to expire.

(2) The Lieutenant Governor in Council may make regulations

(a) respecting the Crown's royalty share of a mineral, including, without limitation, the delivery of the royalty share in kind and the undertaking of any action in relation to the royalty share so delivered for any purpose leading directly or indirectly to and including the disposal of the royalty share or of any product obtained from the royalty share;

(b) respecting the circumstances under which the lessee, the Alberta Petroleum Marketing Commission or any other person may be required to act, or requiring the lessee, the Alberta Petroleum Marketing Commission or any other person to act, as agent of the Crown in right of Alberta for any purpose leading directly or indirectly to and including the disposal of the Crown's royalty share or of any product obtained from the royalty share;

(c) respecting the conditions of any agency relationship created pursuant to clause (b) and the powers, rights and duties of the Minister and of the lessee, the Alberta Petroleum Marketing Commission or any other person under the agency relationship;

(c.1) respecting goods and services that may be required by the Minister or the Alberta Petroleum Marketing Commission to be provided to the Crown or the Alberta Petroleum Marketing Commission for any purpose in relation to the Crown's royalty share of a mineral, the persons required to provide those goods and services, and the consideration to be paid by the Crown or the Alberta Petroleum Marketing Commission for those goods and services;

(c.2) respecting the determination by the Minister or the Alberta Petroleum Marketing Commission of the consideration referred to in clause (c.1) or the determination by the Alberta Utilities Commission of charges instead of consideration;

(c.3) respecting the rights, powers, liabilities and obligations of the Minister, the Alberta Petroleum Marketing Commission and others in relation to the provision of goods and services referred to in clause (c.1) and the payment of consideration, or charges instead of consideration, for those goods and services;

(d) respecting the determination of the amount of money payable to the Crown in respect of the Crown's royalty share of a mineral when disposed of by a person required by the regulations to be an agent of the Crown for that purpose, notwithstanding the consideration actually received for the Crown's royalty share when it is disposed of by the agent, and respecting the liability of that agent for the payment of that amount;

(e) respecting the determination of the value of a mineral or of the Crown's royalty share of a mineral for any purpose under the regulations;

(f) respecting the costs and allowances for which the Crown may consent to be liable in relation to the Crown's royalty share of a mineral;

(g) respecting the respective rights, powers, liabilities and obligations of the Minister, the lessee and others in the event that the quantity of a mineral delivered to the Crown under the lessee's agreement in a month is less than or greater than the quantity of the Crown's royalty share of the mineral actually payable in respect of that month;

(h) respecting the transfer of title to the Crown's royalty share of a mineral to the lessee or any other person after the recovery of the mineral;

(i) respecting the determination and payment to the Crown of compensation in respect of the Crown's royalty share of a mineral, where the Crown's title to that share is transferred pursuant to regulations under clause (h);

(j) respecting the delivery of a mineral or of a product obtained from a mineral in exchange for, or on account of, or in lieu of, the Crown's royalty share of a mineral or of a product obtained from a mineral.

(3) Without limiting the powers of the Lieutenant Governor in Council under subsection (2)(g), regulations may be made under that clause

(a) respecting the powers of the Minister, in the event of a deficiency in deliveries of the quantity of the Crown's royalty share of a mineral under an agreement in a month, to require that the default under the agreement resulting from the deficient delivery be remedied in a subsequent month by either

(i) the delivery in kind to the Crown of the deficient quantity in that subsequent month, or

(ii) the payment to the Crown in that subsequent month of an amount of money determined in accordance with the regulations as the value to the Crown of the deficient quantity,

whichever the Minister directs;

(b) respecting the powers of the Minister, in the event of deliveries of a mineral to the Crown in excess of the quantity of the Crown's royalty share of the mineral in a month, to act as the agent of the owner of the excess quantity for the sale and delivery of the excess quantity to a purchaser in accordance with the regulations.

(3.1) Without limiting the powers of the Lieutenant Governor in Council under subsection (2)(j), regulations may be made under that clause

(a) authorizing or requiring, or providing for the authorizing or requiring, of deliveries referred to in subsection (2)(j);

(b) respecting the persons authorized or required to participate in a delivery referred to in subsection (2)(j);

(c) respecting the terms governing deliveries referred to in subsection (2)(j);

(d) respecting the rights, powers, duties, functions, liabilities and obligations of the Minister, the Alberta Petroleum Marketing Commission, a lessee or any other person in relation to deliveries referred to in subsection (2)(j), including, without limitation, in relation to excess or deficient deliveries of a mineral, a product obtained from a mineral, the Crown's royalty share of a mineral or the Crown's royalty share of a product obtained from a mineral, for the purposes of such deliveries;

(e) respecting estimation by the Minister or the Alberta Petroleum Marketing Commission of the Crown's royalty share of a mineral or of a product obtained from a mineral for the purposes of deliveries referred to in subsection (2)(j);

(f) respecting the acquisition by the Minister or the Alberta Petroleum Marketing Commission of anything required for the purposes of, or in connection with, deliveries referred to in subsection (2)(j);

(g) respecting the specifications applicable to any mineral or product obtained from a mineral to be provided to the Crown in deliveries referred to in subsection (2)(j);

(h) respecting the determination or prescribing of adjustments and prices and the application of adjustments and prices for any purpose in relation to deliveries referred to in subsection (2)(j);

(i) respecting the establishment and operation of a market for the purposes of deliveries referred to in subsection (2)(j).

(4) The Lieutenant Governor in Council may make regulations

(a) prescribing a money royalty on a mineral instead of a royalty in kind;

(b) authorizing the Minister to determine any component or value in the calculation of a money royalty on a mineral;

(c) authorizing the Minister to determine the costs and allowances that may be deducted in computing a money royalty on a mineral.

(5) Regulations made under this section may relate to

(a) a specified mineral or class of minerals, or

(b) a specified agreement or class of agreements.

(5.1) The Minister may make regulations

(a) respecting the determination of any component or value in the calculation of the royalty on a mineral;

(b) respecting the determination of any component or value in the calculation of

(i) a money royalty,

(ii) amounts owing to the Crown in respect of the Crown's royalty share of a mineral when the Crown's royalty share is disposed of by an agent, or

(iii) royalty compensation.

(5.2) The Lieutenant Governor in Council may make regulations

(a) prescribing an amount, item or matter for the purpose of section 38(1)(b);

(b) respecting the examination of a record under section 38;

(c) respecting, for the purpose of section 38(3), the amending of a record and the submission of additional documents or information;

(d) respecting the determination of the calendar years for the purpose of section 38;

(e) respecting the period for making an amendment, conducting an examination and making a calculation of costs, charges, expenses, interest and penalties for the purpose of section 38(10);

(f) respecting persons who are authorized to make an objection under section 39;

(g) respecting the making, reviewing and resolving of an objection under section 39;

(h) respecting the application of amendments made by section 6(4), (5) and (6) of the *Statutes Amendment Act, 2014*.

(6) If regulations are made under this section respecting the calculation of royalty on a mineral recovered pursuant to an agreement subject to a unit agreement or unit operation order, the regulations operate notwithstanding anything in the unit agreement or unit operation order.

(7) Repealed 2008 c36 s7.

(8) A regulation made under this section, or an order made pursuant to a regulation made under this section, may be made effective with reference to a period occurring before it is made.

(9) No compensation is payable for goods or services provided pursuant to regulations under subsection (2)(c.1) other than the consideration, or charges instead of consideration, determined under the regulations.

RSA 2000 cM-17 s36;2008 c36 s7;2014 c8 s6

Artificial or undue reduction in royalty

37 If, in the opinion of the Minister, the result of one or more acts, agreements, arrangements, transactions or operations is to artificially or unduly reduce

(a) the Crown's royalty share in respect of a mineral,

(b) the amount owing on account of a money royalty,

(c) the amount owing in respect of the disposal of the Crown's royalty share by an agent, or

(d) the amount owing on account of royalty compensation,

the royalty share or the amount owing shall be calculated as if the act, agreement, arrangement, transaction or operation had not taken place.

1983 c36 s6;1992 c20 s3;1994 c22 s7

Examinations, amendments and calculations

38(1) In this section and section 39,

(a) "calculation" includes a recalculation or additional calculation, as applicable;

(b) "prescribed matter" means an amount, item or matter prescribed by the regulations;

(c) "record" means a record, submission, filing or other reporting, whether in written or electronic form;

(d) "reporting person" means a person responsible under the regulations for providing a record in relation to a prescribed matter.

(2) The Minister may, in accordance with this section and the regulations, examine any record submitted by a reporting person or any other person authorized by the reporting person in respect of a calculation of a prescribed matter.

(3) In accordance with this section and the regulations, the reporting person, or any other person authorized by the reporting person,

(a) may amend any submitted record referred to in subsection (2), and

(b) shall submit any additional documents or information required by and satisfactory to the Minister in support of any amendment made under clause (a).

(4) An amendment made under subsection (3) must be made no later than 3 years after the end of the calendar year determined under the regulations.

(5) The Minister may, in examining a record, conduct an audit of the submitted records or conduct any other form of examination determined by the Minister.

(6) An examination referred to in subsection (5) must be completed no later than 5 years after the end of the calendar year determined under the regulations.

(7) If, after the completion of an examination under subsection (5), the Minister determines that a calculation in respect of a prescribed matter is required, the Minister shall provide a notice of the Minister's determination to the reporting person whose record is the subject of the examination.

(8) A calculation referred to in subsection (7), including any related interest and penalties, must be made no later than 5 years and 6 months after the end of the calendar year determined under the regulations.

(9) Notwithstanding subsections (3) to (8), the Minister may at any time conduct an examination under this section and make a calculation under subsection (7) if a reporting person or any other person authorized by the reporting person has made any misrepresentation that is attributable to neglect, carelessness or wilful default or has committed a fraud in providing any record or other information under this Act or the regulations.

(10) Notwithstanding anything in this section, the period for making an amendment, conducting an examination and making a calculation of costs, charges, expenses, interest and penalties relating to reclamation in respect of a mine or mining operations is to be determined under the regulations.

RSA 2000 cM-17 s38;2003 c18 s10;2008 c36 s8;
2010 c14 s2;2014 c8 s6

Objections

39(1) In this section, "authorized person" means a person who

(a) is provided a notice under section 38(7), or

(b) is authorized by the regulations to make an objection.

(2) An authorized person may, in accordance with the regulations, object

(a) to a determination made by the Minister referred to in a notice provided under section 38(7), and

(b) to a calculation referred to in section 38(7), but only as to the mathematical correctness of the calculation.

(3) On receipt of an objection under subsection (2), the Minister shall, in accordance with the regulations, review the objection.

(4) After a review of an objection, the Minister may make any calculation in respect of any prescribed matter referred to in the objection, including any related interest and penalties, and shall provide a notice of the calculation to the authorized person.

(5) The Minister, in reviewing an objection under subsection (3) or making a calculation under subsection (4), may only consider

(a) in respect of an objection referred to in subsection (2)(a), information previously provided in respect of

(i) an amendment made under section 38(3) completed for the same period to which the objection relates,

(ii) an examination under section 38 completed for the same period to which the objection relates, or

(iii) a record completed in accordance with the regulations for the same period to which the objection relates,

and

(b) in respect of an objection referred to in subsection (2)(b) or a calculation made under subsection (4), information in respect of the mathematical correctness of a calculation, and of any interest or penalty levied with respect to the calculation.

RSA 2000 cM-17 s39;2003 c18 s10;2008 c36 s9;
2014 c8 s9

Limitation of actions

39.1(1) In this section,

(a) "calculation period" means, in respect of a prescribed matter referred to in section 38(2), the applicable period of time under section 38, including any extensions of that period permitted by this Act, to calculate, recalculate or make additional calculations in respect of that prescribed matter;

(b) "claim" means claim as defined in section 1(a) of the *Limitations Act*;

(c) "remedial order" means remedial order as defined in section 1(i) of the *Limitations Act*.

(2) The *Limitations Act* does not apply to a claim

(a) in respect of a prescribed matter referred to in section 38(2) or in respect of an overpayment of a prescribed matter;

(b) in respect of an amount payable to the Crown under section 55 or in respect of an overpayment of that amount;

(c) by the Crown to establish or confirm the Crown's ownership of any mines or minerals;

(d) by the Crown for an accounting in relation to any benefit derived by someone other than the Crown from any mines or minerals the Crown's ownership of which is established or confirmed in relation to a claim under clause (c).

(3) No proceedings may be commenced by the Crown or any other person for a remedial order in respect of a claim for an amount or an overpayment of an amount referred to in subsection (2)(a) more than 3 years after the end of the calculation period for that amount.

(4) Subsection (3) does not apply in respect of a claim by the Crown for an amount or an overpayment of an amount referred to in subsection (2)(a) where the calculation period for the amount arises under section 38(9).

(5) No proceedings may be commenced by the Crown or any other person for a remedial order in respect of a claim for an amount or an overpayment of an amount referred to in subsection (2)(b) more than 2 years after the date on which the direction to pay was issued under section 55 in respect of the amount.

2003 c18 s10;2009 c20 s5;2014 c8 s6

Annual rental

40 Where the annual rental provided for in an agreement differs from the annual rental prescribed for the agreement by the regulations, the annual rental prescribed by the regulations prevails.

1990 c28 s4

Application of payment

41 Where a person owes more than one amount under this Act, in respect of agreements or otherwise, and payment is made in respect of any of those amounts, the Minister may, subject to the regulations, determine the order in which, and the extent to which, the payment will be applied among those amounts, whether or not the person specifies how the payment is to be applied.

RSA 2000 cM-17 s41;2003 c18 s11

Failure to pay interest

42 The Minister has the same remedies and powers in relation to the failure to pay interest owing to the Crown in right of Alberta under this Act that the Minister has in relation to the failure to pay the principal amount on which the interest is computed.

1983 c36 s6

Notice to pay Crown

43(1) In this section, "debtor" means a person indebted to the Crown in right of Alberta for any amount owing under this Act or any other enactment under the administration of the Minister.

(2) If the Minister has knowledge or suspects that a person is or is about to become indebted or liable to make any payment to a debtor, the Minister may, by a notice, require that person to pay the money otherwise payable to the debtor to the Minister on account of the debtor's liability referred to in subsection (1).

(3) If a notice is given to a person pursuant to subsection (2), the requirement to pay is applicable to all future payments by that person to the debtor until the debtor's liability referred to in subsection (1) is fully satisfied.

(4) The receipt by the Minister of money paid as required under subsection (2) or (3) is a good and sufficient discharge of the liability to the debtor to the extent of the payment.

(5) A person who discharges any liability to the debtor without complying with a notice given to the person pursuant to subsection (2) is liable to pay to the Minister an amount equal to the liability discharged or the amount the person was required to pay to the Minister, whichever is the lesser.

(6) If a person carries on business under a name or style other than the person's own name, a notice to that person under subsection (2)

(a) may be addressed to the name or style under which the person carries on business, and

(b) is validly given if it is left with an adult person employed at the place of business of the addressee.

(7) If 2 or more persons carry on business as a partnership, a notice to those persons under subsection (2)

(a) may be addressed to the partnership name, and

(b) is validly given if it is given to one of the partners or left with an adult person employed at the place of business of the partnership.

1983 c36 s6;1992 c20 s5;1994 c22 s11;1997 c17 s17

General

Implied reservations to Crown

44 There is implied in every disposition any and all reservations that are required to be made on the disposal of any mineral rights owned by the Crown in right of Alberta.

1983 c36 s6

Cancellation of agreement

45(1) The Minister may cancel an agreement

(a) there is a breach of any condition contained in the agreement and the breach by its nature is not capable of being remedied,

(b) the lessee has not complied with a notice given under this Act with respect to the agreement or with a notice given under the agreement, or

(c) subject to subsection (2), the lessee has not complied with

(i) this Act or the regulations in relation to the agreement,

(ii) a covenant under the agreement, or

(iii) a condition contained in the agreement, where the default in complying with the condition is by its nature capable of being remedied.

(2) The Minister may not cancel an agreement pursuant to subsection (1)(c) unless

(a) the Minister has given a notice to the lessee stating the nature of the default and that the Minister will cancel the agreement if the default is not remedied before the expiration of the 30-day period following the date on the notice, and

(b) the default is not remedied within the 30-day period.

(3) The right of the Minister to cancel an agreement pursuant to the terms of the agreement is in addition to any power of the Minister to cancel the agreement under this Act.

(4) This section does not preclude the making of regulations conferring on the Minister the power to cancel an agreement as to part of its location or as to any zone or subsurface area underlying all or part of its location.

RSA 2000 cM-17 s45;2016 c18 s12

Remedy of Crown

46(1) The existence or exercise of any remedy that the Crown in right of Alberta has under this Act or an agreement does not affect any other remedy that the Crown has at law in respect of a mineral or mineral right or a subsurface reservoir that is the property of the Crown in right of Alberta.

(2) Notwithstanding the provisions of an agreement, a demand for or acceptance of rental or royalty deliverable or payable under the agreement or of an amount owing on account of a money royalty or royalty compensation or in respect of the disposal of the Crown's royalty share of a mineral by an agent is not deemed a waiver of the right of the Minister

(a) to enforce compliance with a regulation or a term or condition of the agreement, or

(b) to cancel the agreement for breach of a regulation or a term or condition of the agreement.

(3) Notwithstanding anything in this Act or an agreement, a waiver on behalf of the Crown in right of Alberta of a breach of a term or condition of the agreement

(a) shall be made by the Minister in writing, and

(b) does not limit or affect the rights of the Crown in respect of any other breach.

(4) Where any amount is owing by any person to the Crown in right of Alberta or a Provincial agency as defined in the *Financial Administration Act*, whether under this Act or otherwise, the Minister may recover that amount by way of set-off against any amount owing to that person by the Crown in right of Alberta in respect of an agreement or pursuant to this Act or any other enactment under the administration of the Minister.

RSA 2000 cM-17 s46;2003 c18 s12;2010 c14 s2

Deposits

46.1(1) Any money paid by a person to the Crown in right of Alberta under this or any other enactment under the administration of the Minister as a deposit or to increase a deposit

(a) is to be paid into the General Revenue Fund, and

(b) is to be refunded to that person when that person is no longer required to maintain the deposit.

(2) Notwithstanding subsection (1)(b), any amount to be refunded to a person under subsection (1) is subject to any rights of the Crown in right of Alberta to set off against the refundable amounts any amount owing by that person to the Crown in right of Alberta.

2003 c18 s13

Records

47(1) A person required to do so by the regulations shall keep records in accordance with the regulations.

(2) The records shall be kept

(a) at the person's place of business in Alberta,

(b) if the person has no place of business in Alberta, at a place in Alberta prescribed by the regulations, or

(c) subject to any terms and conditions the Minister may impose, at a place in Alberta or elsewhere approved in writing by the Minister.

(3) The records must be kept until the expiration of the period referred to in the regulations.

(4) Repealed 2014 c8 s6.

(5) The Minister may at any reasonable time enter any place where a business is carried on by a person required to keep records under this Act, if the Minister does so for the purpose of auditing or examining records that are required to be kept under this Act.

(6) A person having possession of any records referred to in subsection (5) shall, for the purposes of an audit or examination under that subsection,

(a) provide access to that place by the Minister or any persons conducting the audit or examination on the Minister's behalf,

(b) give all reasonable assistance to the Minister and those persons,

(c) provide or make available information and records required by the Minister or any of those persons, including information in the possession of agents or employees of that person and located elsewhere, and answer questions relating to those records, and

(d) provide a copy of any information or records required by the Minister or those persons.

RSA 2000 cM-17 s47;2014 c8 s6

Return of information

48(1) The Minister may, by notice in writing, require any person to submit to the Minister, within the time stated in the notice,

(a) a written return showing in detail any information required by the notice if it relates to or is incidental to

(i) any operations that are or were conducted on the location of an agreement,

(ii) the minerals recovered from the location or any products obtained by processing those minerals or by reprocessing the products obtained by processing those minerals, or the disposal of those minerals or products, or

(iii) the costs of recovering any minerals from the location or of obtaining any products by processing those minerals or by reprocessing the products obtained by processing those minerals,

or

(b) a return containing or pertaining to any records if the records relate to anything mentioned in clause (a)(i), (ii) or (iii) and are sufficiently described in the notice to enable them to be identified.

(2) The Minister may waive compliance with a notice given under this section to the extent that the notice relates to records that are no longer required to be retained under section 47 and have been destroyed.

(3) The person to whom a notice is given under subsection (1) shall comply with the notice but may comply with a notice under subsection (1)(b) by permitting any person designated by the Minister to audit the records to which the notice relates and, on the request of that person, to take them away for further examination or copying.

(4) Any record taken away under subsection (3) shall be returned to the person from whose custody it was taken within 21 days after it was taken or within any longer period that the Court of Queen's Bench directs for cause or if agreed to by a person who is entitled to its return.

(5) An application to the Court of Queen's Bench under subsection (4) shall be made on notice to the lessee or former lessee of the agreement concerned and, if the person from whom the record was taken was not the lessee or former lessee of the agreement, to that person.

(6) A document purporting to be certified by an employee of the Department responsible for its custody to be a copy of a record made pursuant to subsection (3) is admissible in evidence in any judicial proceeding and is, in the absence of evidence to the contrary, proof of the contents of the record without proof of the employee's signature or appointment or of the employee's responsibility for custody of the document.

1983 c36 s6

Application to Court of Queen's Bench

49(1) The Minister may apply ex parte to the Court of Queen's Bench for an order that the Minister or a person authorized by the Minister may, for any purpose related to the administration of this Act,

(a) enter at all reasonable times into any place where a business of a person required to keep records under this Act specified in the application or of an agent or employee of that person is carried on,

(b) examine or seize and take away a record that is part of the records of that person required to be kept under this Act,

(c) examine or seize and take away a record that, in the opinion of the Minister or person authorized by the Minister, will assist the Minister or authorized person in determining the accuracy of the records that are required to be kept under this Act, and

(d) require a person at the place of business to give the Minister or person authorized by the Minister all reasonable assistance in carrying out the Minister's or authorized person's powers under clauses (b) and (c),

and the Court, on being satisfied that an order is necessary for the proper administration of this Act, may make any order it considers appropriate.

(2) The Minister or any person authorized by the Minister may make copies of records seized under subsection (1) and may, instead of returning the original of a record, provide the person from whom it was seized or the person's agent or employee with a copy of the record.

1983 c36 s6

Confidential information

50(1) Except as provided under the regulations, no person shall communicate or allow to be communicated any record, return or information obtained under this Act to a person not legally entitled to that information or allow any person not legally entitled to that record, return or information to have access to any record, return or information obtained under this Act.

(1.1) For the purposes of subsection (1), a person is not legally entitled to a record, return or other information simply because the person has a right of access to it under the *Freedom of Information and Protection of Privacy Act*.

(2) A person who knowingly receives records or information obtained under this Act holds the records or information subject to the same restrictions under subsection (1) that apply to the person from whom the records or information were received.

(3) With respect to any record, return or information obtained under this Act that would reveal geological work or geophysical work, subsection (1) prevails despite the *Freedom of Information and Protection of Privacy Act* for a period of 15 years following the end of the year in which the record, return or information was obtained.

(4) With respect to information that

(a) was obtained on a royalty return,

(b) appears on a royalty account, invoice or statement,

(c) was obtained for the purposes of determining or verifying royalty liability or collecting or forecasting royalty,

(d) was obtained for the purposes of determining, prescribing or verifying an amount, factor or other component that is used to calculate royalty, or

(e) was obtained for the purposes of, or in connection with, the collecting, managing, processing, reprocessing, transporting, storing or disposing of the Crown's royalty share of a mineral, or of a product obtained from a mineral, taken in kind,

subsection (1) prevails despite the *Freedom of Information and Protection of Privacy Act* for a period of 5 years following the end of the year to which the information relates.

(5) In this section,

(a) "geological work" means reporting on, advising on, evaluating, interpreting, geological surveying, sampling or examining lithological, palaeontological, petrophysical or geochemical information related to any activity

(i) that is aimed at the discovery or development of minerals or water, or

(ii) that is aimed at the investigation of geological conditions,

and that requires the application of the principles of the geological sciences;

(b) "geophysical work" means geophysical reporting on, advising on, acquiring, processing, evaluating or interpreting geophysical data or geophysical surveying that relates to any activity

(i) that is aimed at the discovery or development of minerals or water, or

(ii) that is aimed at the subsurface investigation of the earth,

and that requires the application of the principles of the geophysical sciences;

(c) "royalty" means royalty reserved to the Crown in right of Alberta on a mineral or a product obtained from a mineral, and includes royalty proceeds as defined in the regulations;

(d) "royalty return" means a report or other record obtained under this Act or under an agreement authorized by an order in council under section 9 of this Act that is used to determine or verify royalty liability or to collect or forecast royalty.

RSA 2000 cM-17 s50;2002 c12 s3;
2008 c36 s10;2014 c8 s6

Evidence

51 Notwithstanding any other Act or law, no Minister of the Crown and no person who is or was employed or engaged in the administration or enforcement of this Act shall be required, other than in proceedings relating to the administration or enforcement of

this Act, to give evidence relating to any record, report, return, estimate, declaration, plan, map, survey or other information that is obtained under this Act or to produce anything containing that record, report, return, estimate, declaration, plan, map, survey or other information.

1983 c36 s6

Investigation and inspection

52(1) The Minister or a person designated by the Minister for the purpose may, from time to time or on a periodic basis, conduct an investigation or inspection in relation to any of the following:

(a) any well, battery, mine, quarry, installation, equipment or other facility used or formerly used for or in connection with the recovery of a mineral pursuant to an agreement, or any plant or other facility used or formerly used for the processing of a mineral recovered pursuant to an agreement or of any product obtained from that mineral;

(b) any well, installation, equipment or other facility used or formerly used for or in connection with the injection of a substance into a subsurface reservoir for the purpose of storage or sequestration;

(c) a mineral recovered pursuant to an agreement or any product obtained from such a mineral;

(d) the Crown's royalty share of a mineral or of any product obtained from a mineral.

(2) An investigation or inspection under this section may, without limitation, be conducted whether or not any mineral or product referred to in subsection (1) is or was commingled with any mineral recovered other than pursuant to an agreement or with any product obtained from such a mineral.

(3) A person conducting an investigation or inspection may enter into and have access to the site of the well, battery, mine, quarry, installation, equipment, plant or other facility to which the investigation or inspection relates, and the lessee or other person in charge of it, and any person performing any operation or function in relation to it, shall

(a) render whatever assistance is requested by the person conducting the investigation or inspection,

(b) supply any information and samples requested by the person conducting the investigation or inspection, and

(c) provide access to any reports, plans, logs, data, designs, process control and engineering documents or other records requested by the person conducting the investigation or inspection,

if it is, in the opinion of the person conducting the investigation or inspection, relevant to the investigation or inspection.

RSA 2000 cM-17 s52;2008 c36 s11;2010 c14 s2

Bidding at sales

53 No person shall, before or at the time of a sale by public tender of the right to an agreement, by intimidation, combination, unfair management or otherwise, hinder or prevent, or attempt to hinder or prevent, any other person from bidding on or making an offer for the agreement.

1983 c36 s6

Prohibition

54(1) No person shall

(a) win, work or recover a mineral, or

(b) inject any substance into a subsurface reservoir

that is the property of the Crown in right of Alberta unless the person is authorized to do so under this Act or by an agreement.

(2) The Minister, if the Minister has grounds to believe that a person has contravened subsection (1)(a), may order that the mineral and any installations and equipment used in connection with winning, working or recovering the mineral are forfeited to the Crown in right of Alberta free and clear of all interests, charges and liens.

(2.1) The Minister may, if the Minister has grounds to believe that a person has contravened subsection (1)(b), order that any installations and equipment used in connection with injecting a substance into a subsurface reservoir are forfeited to the Crown in right of Alberta free and clear of all interests, charges and liens.

(3) An order made under subsection (2) or (2.1) may direct a person to seize, remove and sell any mineral, installations and equipment so forfeited in the manner and subject to the terms and conditions in the order.

(4) The Minister may order any mineral and any installations and equipment seized pursuant to this section to be returned to the person in whose possession they were at the time of seizure.

(5) The Minister may authorize in writing the conducting of operations in respect of a mineral or subsurface reservoir that is the property of the Crown in right of Alberta and that is not the subject of an agreement issued under this Act where the Minister is of the opinion that the operations are desirable in respect of the exploration for or the development, processing or recovery of minerals or the sequestration of captured carbon dioxide.

RSA 2000 cM-17 s54;2010 c14 s2

Compensation for unauthorized taking

55(1) Where the Minister has grounds to believe that a person has contravened section 54(1), the Minister may do one or more of the following:

(a) in writing impose a penalty on that person and direct that person to pay the penalty to the Minister within the time specified in the direction in an amount determined under the regulations;

(a.1) in writing direct that person to pay to the Minister within the time specified in the direction compensation in an amount determined under the regulations;

(b) in writing require that person to forfeit to the Crown in right of Alberta any information or data obtained as a result of the contravention;

(c) disqualify that person from bidding on an agreement if the Minister is of the opinion that information or data obtained as a result of the contravention may give that person an advantage over others in bidding for the agreement;

(d) cancel any agreement to which that person is a party where the Minister is of the opinion that information or data obtained as a result of the contravention may have given that person an advantage over others in acquiring the agreement.

(2) The Minister must refund the money paid to acquire an agreement that is cancelled under subsection (1)(d).

(3) Any compensation payable or penalty imposed pursuant to a direction under subsection (1) is recoverable by the Minister in an action in debt.

(4) Section 43 applies to any compensation or penalty owing under this section in the same way as if it were liability in respect of royalty on a mineral.

RSA 2000 cM-17 s55;2003 c18 s14;2005 c28 s5

Injection wells

56(1) Subject to section 57, a person has, as against the Crown in right of Alberta,

(a) the right to use a well or drill a well for the injection of any substance into an underground formation, if the person is required by or has the approval of the Alberta Energy Regulator to do so, and

(b) the right to remove and withdraw any machinery, tool, plant, building, erection and fixture used in or in connection with the operation of that well, if the removal or withdrawal is approved by the Regulator.

(2) A person who exercises a right referred to in subsection (1)(a)

(a) shall indemnify the Crown in right of Alberta for loss or damage suffered by the Crown in respect of any claims or demands made by reason of anything done by that person or any other person on that person's behalf in the exercise or purported exercise of that right, and

(b) shall abandon the well when so directed or authorized by the Alberta Energy Regulator, in accordance with the directions of the Regulator.

RSA 2000 cM-17 s56;2005 c28 s8;2007 cA-37.2 s82(16); 2012 cR-17.3 s94

Ownership of storage rights, etc.

57(1) Subject to subsection (2),

(a) where a person owns the title to petroleum and natural gas in any land, that person is the owner of the storage rights with respect to every underground formation within that land, and

(b) where one person owns the title to petroleum in any land and another person owns the title to natural gas in the same land, those persons are co-owners of the storage rights with respect to every underground formation within that land.

(2) Where a person owns the title to a mineral in any land and operations for the recovery of the mineral result or have resulted in the creation of a subsurface cavern in that land, that person is the owner of the storage rights with respect to that subsurface cavern to the extent that it lies within that land.

(3) A person who has storage rights in respect of a subsurface cavern within any land has the right to recover any fluid mineral

substance stored in that cavern, to the exclusion of any other person having the right to recover a mineral from the same land.

(4) In subsections (1) to (3), "person" includes the Crown in right of Alberta.

(5) Where the Crown in right of Alberta owns storage rights in respect of a subsurface reservoir pursuant to subsection (1) or (2), no person has, as against the Crown, any storage rights in respect of that reservoir except under

(a) a unit agreement to which the Crown is a party,

(b) a contract entered into under section 9(a), or

(c) an agreement issued

(i) with the authorization of the Lieutenant Governor in Council, or

(ii) under the regulations,

that expressly conveys storage rights in respect of that reservoir.

RSA 2000 cM-17 s57;2010 c14 s2;2014 c8 s6

Right to work through the pore space and other minerals

58(1) Any person who has the right to any mineral or the right to work it may work through the pore space and any other mineral in the same tract to the extent necessary to obtain the person's mineral, without permission from or compensation to any other person for the right to work through the pore space or the other mineral, subject, however, to this Act and the provisions of any other Act affecting the exercise of that right.

(2) Any person who has storage rights in respect of a subsurface reservoir may work through the pore space and any mineral in the same tract to which the storage rights relate to the extent necessary to exercise those storage rights, without permission from or compensation to any other person for the right to work through the pore space or that mineral, subject, however, to this Act and the provisions of any other Act affecting the exercise of that right.

(3) A person who has entered into an agreement with the Minister under Part 9 may work through the pore space and any mineral in the same tract to which the agreement relates to the extent necessary to exercise the rights granted in that agreement, without permission from or compensation to any other person for the right to work through the pore space or that mineral, subject, however, to this Act and the provisions of any other Act affecting the exercise of that right.

RSA 2000 cM-17 s58;2010 c14 s2

Right to work through the pore space and minerals outside tract

59(1) Any person who has the right to any mineral or the right to work it in a tract and who has obtained a licence under the *Oil and Gas Conservation Act* to drill a well for the recovery of the mineral may, if the orifice of the well is located outside the tract, work through the pore space and all minerals outside the tract to the extent necessary to obtain the person's mineral for the recovery of which the licence was granted, without permission from or compensation to any other person for the right to work through the pore space or the minerals outside the tract, subject, however, to this Act and the provisions of any other Act affecting the exercise of that right.

(2) A person who has storage rights in respect of a subsurface reservoir and who has obtained a licence under the *Oil and Gas Conservation Act* to drill a well completed or to be completed in that reservoir may, if the orifice of the well is located outside the tract to which the storage rights extend, work through the pore space and all minerals outside the tract to the extent necessary to drill, complete and operate the well, without permission from or compensation to any other person for the right to work through the pore space or the minerals outside the tract, subject, however, to this Act and the provisions of any other Act affecting the exercise of that right.

RSA 2000 cM-17 s59;2010 c14 s2

Right to enter to remedy defaults

60(1) If the Minister has reason to believe that operations on any location are being conducted in such a manner as to expose others to the risk of damage or loss, the Minister may authorize any person to enter the mine, quarry, works, plant, buildings and structures on the location and to remain for any period or periods that the Minister considers necessary, for the purpose of enforcing compliance with any safety provisions required to eliminate the risk of damage or loss and remedying existing defaults.

(2) The Minister may charge and collect from the lessee the expenses incurred in connection with the supervision authorized by the Minister under subsection (1).

1983 c36 s6

Safety measures

61(1) The Minister may order any mining or quarrying in Alberta to be carried on so as not to interfere with or endanger the safety of any person or property.

(2) The Minister may order any person either to fill up or to guard any mine or quarry or any part of a mine or quarry in any manner that the Minister considers proper.

1983 c36 s6

Mineral accretions

62(1) If

(a) a mineral in, on or under a parcel of land is or was the subject of a certificate of title under the *Land Titles Act* issued to a person other than the Crown in right of Alberta,

(b) the certificate of title described the parcel by reference to a natural boundary, and

(c) the area of the parcel, as described in the certificate of title, increased by reason of a natural accretion to the land constituting the parcel,

the area of the accretion is a "mineral accretion" for the purposes of this section.

(2) Where a mineral accretion is or has been the subject of an agreement, no claim or action may be made or brought after January 1, 1991 against the Crown in right of Alberta or the lessee of the agreement to recover

(a) any royalty or money paid or payable to the Crown in right of Alberta under the agreement in relation to the mineral accretion,

(b) any mineral recovered by the lessee of the agreement from the mineral accretion or the consideration paid or payable in respect of the sale or other disposition of a mineral so recovered,

(c) any damages arising out of the Minister's purported exercise of the power to issue the agreement in respect of the mineral accretion, or

(d) any damages arising out of the purported exercise by the lessee of rights under the agreement in relation to the mineral accretion,

except in respect of royalty or amounts paid or payable, minerals recovered or damages arising, as the case may be, after the first day of the month in which the certificate of title referred to in subsection (1) is amended pursuant to the *Land Titles Act* to reflect the mineral accretion in the description of the parcel.

(3) In this section, a reference to the lessee of an agreement includes

(a) a former lessee of the agreement, and

(b) any person claiming through the lessee or a former lessee of the agreement an interest in

(i) the agreement,

(ii) a mineral recovered pursuant to the agreement or a product obtained by processing a mineral so recovered or by reprocessing such a product, or

(iii) any consideration paid or payable in respect of the sale or other disposition of a mineral recovered pursuant to the agreement or of a product obtained by processing a mineral so recovered or by reprocessing such a product.

1991 c20 s6

Offences

63(1) A person who contravenes

(a) section 47, 48(3), 50, 52(3), 53, 54, 79, 107 or 117, or

(b) a regulation made under section 5(1)(j) or (l.2)

is guilty of an offence and is liable to a fine of not more than $100 000.

(1.1) A person who is guilty of an offence under the regulations is liable to a fine of not more than $100 000.

(2) Every person who, under this Act, files or submits any report, return, estimate, declaration, plan, map, survey, record or other information or makes any statement or answers any question, whether in connection with an agreement or otherwise, knowing that the report, return, estimate, declaration, plan, map, survey, record, other information, statement or answer is false or

misleading or misrepresents or fails to disclose a material fact, is guilty of an offence and liable

(a) to a fine of not more than an amount of money equal to the value of the Crown's royalty share of a mineral or the amount of money, as the case may be, of which the Crown in right of Alberta was deprived by reason of the commission of the offence, or

(b) to a fine of not more than $100 000,

whichever is the greater.

(3) In any prosecution for an offence under this Act, it is sufficient proof of the offence to establish that it was committed by an employee or agent of the accused, whether or not the employee or agent is identified or has been prosecuted for the offence, unless the accused establishes that the offence was committed without the accused's knowledge or consent and that the accused took all reasonable measures to prevent its commission.

(4) If a corporation is guilty of an offence under this Act, an officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and guilty of the offence and liable to the punishment provided for the offence, whether or not the corporation has been prosecuted or convicted.

(5) A prosecution for an offence under section 54(1) may be commenced within 60 months from the date on which the subject-matter of the prosecution arose, and not afterwards.

RSA 2000 cM-17 s63;2002 c4 s3;2008 c36 s12;
2010 c14 s2

Vicarious responsibility

63.1 For the purposes of this Act, an act or thing done or omitted to be done by a director, officer, official, employee or agent of a corporation in the course of that person's employment or in the exercise of that person's powers or the performance of that person's duties is deemed also to be an act or thing done or omitted to be done by the corporation.

2002 c4 s3

Part 2
Coal

Leases

Coal rights

64 Except as provided in section 72, this Part applies to coal rights that are the property of the Crown in right of Alberta.

1983 c36 s7

Fee and rental

65(1) The rental fee for the first year and the prescribed fee shall accompany an offer or application for a coal lease.

(2) The fee and rental shall be refunded if the application or offer is refused or the granting of a lease is refused.

RSA 1980 cM-15 s63;1990 c28 s7

Area of location

66(1) The area of the location of a coal lease shall consist of sections, quarter sections or legal subdivisions or, in the discretion of the Minister, may comprise any part of a legal subdivision, but the parcels in the location shall adjoin or corner.

(2) In unsurveyed territory the area of a location may include what would be road allowances if the land were surveyed under the *Surveys Act*.

(3) If the boundaries of a tract applied for in unsurveyed territory may be difficult to determine on the ground because of terrain or distance from a survey monument, the Minister before granting the lease may require that the location be defined on the ground in accordance with instructions given by the Minister.

RSA 1980 cM-15 s64

Rights granted by lease

67(1) A coal lease grants the right to the coal that is the property of the Crown in the location in accordance with the terms and conditions of the lease but, subject to subsection (2), does not grant any rights to any natural gas, including coalbed methane.

(2) The Minister, on the recommendation of the Alberta Energy Regulator that it is necessary to do so for safety or conservation reasons, may authorize the lessee of a coal lease to recover natural gas, including coalbed methane, contained in a coal seam in the location of the coal lease.

RSA 2000 cM-17 s67;2003 c18 s15;2005 c28 s8;
2007 cA-37.2 s82(16);2012 cR-17.3 s94

Term of coal lease

68(1) Subject to subsection (2), the term of a coal lease shall be 15 years.

(2) The term of a coal lease granted prior to July 1, 1976 shall be 21 years.

(3) A coal lease, whether granted before, on or after July 1, 1976, is renewable for further terms of 15 years each subject to this Act and the regulations and, in the case of any particular renewal, to any terms and conditions prescribed by order of the Minister.

RSA 1980 cM-15 s66

Coal supply for local residents

69(1) The lessee of a coal lease who operates a coal mine shall, unless otherwise directed by the Minister, make available for sale at the lessee's mine to Alberta residents the coal they require for their own domestic household needs at a price per tonne not exceeding the average price per tonne for the last month during which the lessee sold similar coal otherwise than for domestic household needs.

(2) This section does not apply to a lessee with respect to a mine where all the coal obtained from that mine is sold for domestic household needs only.

RSA 2000 cM-17 s69;2003 c18 s16

Regulations

70 The Lieutenant Governor in Council may make regulations authorizing the Minister to give notice to the lessee of a coal lease requiring work to be done by the lessee including, without limitation, work with respect to one or more of the following:

(a) exploratory programs for coal in the location;

(b) the development of a coal mine site or coal mine in the location;

(c) the commencement or resumption of coal mining operations in the location;

(d) the mining from the location of a specified amount of coal within a specified period,

and prescribing the circumstances under which the Minister may or may not give a notice.

RSA 1980 cM-15 s68

Royalty

Royalty on federal patents

71 When the payment of a royalty has been reserved to the Crown in right of Canada in any patent or agreement for sale that conveys coal or the right to mine, win or work coal, the royalty to be computed, levied and collected and paid to the Crown in right of Alberta on the coal mined shall be

(a) $0.077 per tonne, or

(b) any other royalty that may be prescribed from time to time by the Lieutenant Governor in Council in accordance with the Transfer Agreement.

RSA 1980 cM-15 s70

General Coal Barrier

General coal barrier

72(1) Notwithstanding the terms and provisions of any certificate of title, conveyance, agreement for sale, lease, licence, permit or other contract under which the person has, before, on or after June 1, 1962, acquired coal or the right to mine, win or work coal, no person shall, without the consent of the Minister,

(a) mine coal, or

(b) make or cause or permit to be made any opening,

within 10 metres of a boundary line of the tract or parcel of land described in the certificate of title, conveyance, agreement for sale, lease, licence, permit or other contract.

(2) In this section, "boundary line" means the vertical plane or line in which the surface boundary of the tract or parcel lies.

RSA 1980 cM-15 s71;1983 c36 s10

Part 3
Minerals in Road Allowances

Coal Mining Leases

Coal leases in road allowances

73 Except as hereinafter provided, Part 2 relating to the leasing of coal rights applies as far as is practicable to leases of coal rights in road allowances.

RSA 1980 cM-15 s82

Coal rights lease

74(1) The term of a lease of coal rights in a road allowance on or after July 1, 1978 shall not exceed 15 years.

(2) A lease of coal rights in a road allowance, whether granted before, on or after July 1, 1978, is renewable for further terms of 15 years each, subject to this Act, and, in the case of a particular renewal, to any terms or conditions required by the Minister.

RSA 1980 cM-15 s83;1983 c36 s14;1990 c28 s7

Coal Conservation Act requirements

75(1) A lease of coal rights in a road allowance must not be issued unless the applicant satisfies the Minister that the applicant has obtained a licence under the *Coal Conservation Act* authorizing the applicant to conduct mining operations in the proposed location.

(2) When a lessee ceases to hold the licence referred to in subsection (1) or the licence is amended with respect to the area on which the mining operations may be conducted, the Minister may cancel or amend the lease as the circumstances warrant.

RSA 1980 cM-15 s84;1983 c36 s15

Reports

76(1) When coal rights in a road allowance are held under lease and adjoin the location of a coal lease to which Part 2 applies, a report required by the regulations in respect of the amounts of coal obtained during any month from the road allowance and dispositions and sales during any month of coal obtained from the road allowance may be included in the report for the same month for that adjoining location.

(2) When coal rights in a road allowance are held under lease but do not adjoin the location of a coal lease to which Part 2 applies,

(a) the lessee shall, at least every 12 months, have a mine surveyor survey the workings of the mine insofar as they relate to the area included in the road allowance, and

(b) within 30 days after each survey, the lessee or the lessee's agent authorized in writing shall supply to the Department, on forms prescribed by the Minister, a report accounting for the full quantity of coal mined during that period.

RSA 1980 cM-15 s86;1983 c36 s17

Other Leases

Other road allowance leases

77 No lease may be granted for the right to any mineral in a road allowance, other than coal, petroleum, natural gas, oil sands or any

minerals defined under the regulations as metallic and industrial minerals, unless with the approval of the Lieutenant Governor in Council.

RSA 2000 cM-17 s77;2003 c18 s17

General

Damage by operations

78(1) If in conducting operations the road allowance is damaged in any way, the lessee shall immediately remedy the damage and is responsible for the damage and any other loss arising from it.

(2) If the lessee fails to remedy the damage immediately, the Minister may have any repairs made that the Minister considers necessary and the costs of the repairs constitute a debt payable by the lessee to the Crown in right of Alberta on demand by the Minister.

RSA 1980 cM-15 s88

Orders of Minister of Infrastructure

79(1) Without compensation of any nature whatsoever a lessee shall, at all times during the term of a lease of mineral rights in a road allowance and any renewal of it, perform, observe and comply with the orders or directions of the Minister of Infrastructure or a person that Minister appoints and, without restricting the generality of the foregoing, those orders or directions may require the construction and maintenance of a temporary road and any reconstruction and surfacing of the road allowance that Minister considers necessary.

(2) Without compensation of any nature whatsoever the lessee shall, at all times during the term of a lease of a road allowance and any renewal of it, perform, observe and comply with the orders and directions of the Minister of Infrastructure affecting underground operations and, without restricting the generality of the foregoing, those orders or directions may require any measures that that Minister considers necessary to prevent any subsidence.

RSA 1980 cM-15 s89;1983 c36 s18;1986 c15 s9

Part 4
Petroleum and Natural Gas

Interpretation

80(1) In this Part,

(a) "lease" means a lease granting rights to petroleum or natural gas, or both, and issued under this Act or the former Act;

(b) "licence" means a licence granting rights to petroleum or natural gas, or both, issued under this Act

(i) before January 1, 1998, if its term expires on or after January 1, 1998, or

(ii) on or after January 1, 1998;

(c) "term" means,

(i) in relation to a lease, the period of years stated in the lease as its term, or

(ii) in relation to a licence, the period of years prescribed by the regulations as its term for the purposes of sections 82 and 83.

(2) Subject to the regulations, in this Part and in an agreement granting rights to petroleum or natural gas, or both,

(a) "natural gas" means the production from any well that, in the opinion of the Minister, initially produces gas either alone or with oil at a gas-oil ratio of 1800:1 or higher, but does not include any production that may be recovered from any well that, in the opinion of the Minister, initially produces gas with oil at a lower gas-oil ratio;

(b) "petroleum" means the production from any well that, in the opinion of the Minister, initially produces oil either alone or with gas at a gas-oil ratio of less than 1800:1, but does not include any production that may be recovered from any well that, in the opinion of the Minister, initially produces oil with gas at a higher gas-oil ratio.

(3) Subsection (2) does not apply for any purpose related to royalties.

1997 c17 s22

Petroleum and Natural Gas Leases

Lease tenure

81(1) The term of a lease issued under this Act after July 1, 1976 shall be 5 years.

(2) Subsection (1) does not apply to a lease having a term of 10 or 21 years and issued after July 1, 1976

(a) as a result of a division of a lease or the registration of a transfer of part of the location of a lease, or

(b) pursuant to a reservation or permit of petroleum and natural gas rights issued before July 1, 1976.

1997 c17 s22

Continuation of lease or licence

82(1) When the term of a lease or licence expires, the lease or licence continues beyond its term only to the extent that it is approved for continuation by the Minister under the regulations.

(2) Where a lease or licence is approved for continuation pursuant to subsection (1), the Minister may, subject to the regulations and after the giving of notice to the holder of the lease or licence in accordance with the regulations,

(a) cancel the lease or licence if the whole of its location has ceased to qualify for continuation under the lease or licence in accordance with the regulations, or

(b) cancel the lease or licence as to

(i) any part of its location, or

(ii) any zone or any subsurface area underlying all or part of its location,

that has ceased to qualify for continuation under the lease or licence in accordance with the regulations.

1997 c17 s22

Shallow non-productive rights reversion

82.1(1) In this section,

(a) "determination date" means a date on which the Minister makes a decision as to the shallowest productive zone in the location of a lease or licence or in an individual spacing unit comprising a portion of the location of a lease or licence which, for the purposes of this section, may be any one of the following:

(i) the date of a notice given under subsection (3),

(ii) the date of a response given under subsection (8),

(iii) the date of an offer made under subsection (10), or

(iv) the date of a final decision under subsection (12);

(b) "lease" means a lease as defined in the *Petroleum and Natural Gas Tenure Regulation* (AR 263/97) that

(i) is issued before January 1, 2009, and

(ii) has been approved for continuation by the Minister after the expiration of its term pursuant to section 15(1) of the *Petroleum and Natural Gas Tenure Regulation* (AR 263/97);

(c) "lessee" means the holder of a lease or licence or the holder's designated representative as indicated in the Department's records;

(d) "licence" means a licence as defined in the *Petroleum and Natural Gas Tenure Regulation* (AR 263/97) that

(i) is issued before January 1, 2009, and

(ii) has been approved for continuation by the Minister after the expiration of its intermediate term pursuant to section 15(1) of the *Petroleum and Natural Gas Tenure Regulation* (AR 263/97);

(e) "location" has the same meaning as in the *Petroleum and Natural Gas Tenure Regulation* (AR 263/97);

(f) "notice expiry date" means the date that coincides with the end of

(i) the 3-year period from the date of a notice given to a lessee under subsection (3), or

(ii) an extension of that period allowed under subsection (6);

(g) "shallow non-productive rights" means those petroleum and natural gas rights granted by the lease or licence that are stratigraphically above a shallowest productive zone;

(h) "shallowest productive zone" means the zone that the Minister determines, from among the following zones, to be the stratigraphically shallowest zone in the location of a lease or licence, or in an individual spacing unit comprising a portion of the location of a lease or licence, as at the determination date:

(i) the shallowest zone from which, in the opinion of the Minister, a well is capable of producing petroleum or natural gas in paying quantity;

(ii) the shallowest zone that is subject to a unit agreement;

(iii) the shallowest zone that is subject to a gas storage agreement as defined in the *Petroleum and Natural Gas Tenure Regulation* (AR 263/97);

(iv) the shallowest offset zone from which a freehold well as defined in the *Petroleum and Natural Gas Tenure Regulation* (AR 263/97) is producing petroleum or natural gas, if

(A) the holder of a lease or licence, the location or part of the location of which is within a spacing unit adjoining the freehold well, has notified the Minister in writing before the notice expiry date that the lessee elects to pay offset compensation, in accordance with the *Petroleum and Natural Gas Tenure Regulation* (AR 263/97), in respect of the location or the part of the location within the adjoining spacing unit, and

(B) offset compensation is being paid in respect of the location or the part of the location within the adjoining spacing unit;

(v) the shallowest zone considered by the Minister to be capable of producing petroleum or natural gas in paying quantity;

(i) "spacing unit" has the same meaning as in the *Petroleum and Natural Gas Tenure Regulation* (AR 263/97);

(j) "zone" means a stratum or series of strata considered by the Minister to be a zone for the purposes of this section.

(2) The Minister may determine

(a) the shallowest productive zone in respect of the location of a lease or licence;

(b) the shallowest productive zone in respect of each individual spacing unit comprising a portion of the location of a lease or licence;

(c) the extent of the location of a lease or licence that no longer qualifies for continuation under the regulations.

(3) Where a determination is made pursuant to subsection (2), the Minister shall give a written notice to the lessee, which

(a) must state the shallowest productive zone in respect of the location of the lease or licence, or in respect of each

individual spacing unit comprising a portion of the location of the lease or licence,

(b) may specify or indicate the extent of the location of the lease or licence that no longer qualifies for continuation under the regulations,

(c) must state that

(i) the shallow non-productive rights, and

(ii) the petroleum and natural gas rights in the whole or a portion of the location, if specified or indicated pursuant to clause (b),

will revert to the Crown at the end of a 3-year period from the date of the notice,

(d) must state that the lessee may respond to the Minister's notice by way of an application, and

(e) must be given in accordance with section 31(1).

(4) The lessee may request an extension of the 3-year period referred to in subsection (3).

(5) A request under subsection (4) must be in the form prescribed by the Minister and must be received by the Minister on or before the notice expiry date.

(6) The Minister may extend the 3-year period referred to in subsection (3) if the lessee satisfies the Minister that the extension is warranted in the circumstances.

(7) An application under subsection (3)(d) must be in the form prescribed by the Minister and must be received by the Minister on or before the notice expiry date.

(8) If an application is made by the lessee in accordance with subsection (7) and the Minister agrees with its contents, the Minister

(a) shall respond in writing to the lessee and advise that the Minister agrees with the contents of the application,

(b) shall as part of the response to the lessee confirm the shallowest productive zone in respect of the location of the lease or licence, or in respect of each individual spacing unit comprising a portion of the location of the lease or licence, and

(c) may confirm as part of the response to the lessee the extent of the location of the lease or licence that no longer qualifies for continuation under the regulations.

(9) When the Minister gives a response to the lessee under subsection (8),

(a) the shallow non-productive rights shall be severed from the location of the lease or licence and revert to the Crown effective as of the notice expiry date, and

(b) the petroleum and natural gas rights in the whole or a portion of the location of the lease or licence that is confirmed in the Minister's response as no longer qualifying for continuation under the regulations revert to the Crown as of the notice expiry date.

(10) If an application is made by the lessee in accordance with subsection (7) and the Minister disagrees in whole or in part with its contents, the Minister shall make an offer to the lessee.

(11) An offer under subsection (10)

(a) must contain, in respect of the location of the lease or licence, or in respect of each individual spacing unit comprising a portion of the location of the lease or licence, a description of the shallowest productive zone,

(b) may specify or indicate the whole or any portion of the location of a lease or licence that no longer qualifies for continuation under the regulations and in which the petroleum and natural gas rights revert to the Crown as of the notice expiry date,

(c) must state that the lessee has until the end of one month from the date of the offer or until the notice expiry date, whichever occurs later, in which to respond to the offer,

(d) must be in the form prescribed by the Minister, and

(e) must be given in accordance with section 31(1).

(12) After the expiry of the period specified in subsection (11)(c), the Minister

(a) may consider any response to the offer made by the lessee that is received by the Minister by the end of that period,

(b) shall make a final decision as to the shallowest productive zone in respect of the location of the lease or licence, or in

respect of each individual spacing unit comprising a portion of the location of the lease or licence,

(c) shall make a final decision as to the extent of the location of the lease or licence that no longer qualifies for continuation under the regulations, if the whole or any portion of the location of the lease or licence no longer so qualifies, and

(d) shall advise the lessee in writing of the decision made pursuant to clause (b) and, if applicable, the decision made pursuant to clause (c).

(13) When the Minister makes a final decision pursuant to subsection (12)(b) and, if applicable, subsection (12)(c),

(a) the shallow non-productive rights shall be severed from the location of the lease or licence and revert to the Crown effective as of the notice expiry date, and

(b) the petroleum and natural gas rights in the whole or any portion of the location of the lease or licence in respect of which the Minister has made a final decision under subsection (12)(c) revert to the Crown as of the notice expiry date.

(14) If no application is received by the Minister in accordance with subsection (7),

(a) the shallow non-productive rights referred to in the notice shall be severed from the location of the lease or licence and revert to the Crown effective as of the notice expiry date, and

(b) the petroleum and natural gas rights, to the extent of the location of the lease or licence that is specified or indicated under subsection (3)(b) as no longer qualifying for continuation under the regulations, revert to the Crown as of the notice expiry date.

2008 c36 s13

Regulations respecting petroleum and natural gas agreements

83(1) The Lieutenant Governor in Council may make regulations

(a) respecting applications for approval of the continuation of leases or licences beyond their terms, the Minister's powers and duties in relation to those applications and the Minister's powers and duties where an application is not made within the prescribed time;

(b) respecting the circumstances in which and the extent to which

(i) the location of a lease or licence,

(ii) any part of the location of a lease or licence, or

(iii) any zone or any subsurface area underlying the location or part of the location of a lease or licence,

may be approved or refused for continuation beyond the term of the lease or licence;

(c) respecting the fees payable in connection with the granting of approvals for the continuation of leases or licences;

(d) respecting the circumstances in which and the conditions on which the Minister may exercise the powers of cancellation under section 82(2) and respecting the notices required to be given under that subsection;

(e) respecting the obligations of lessees and the powers of the Minister in cases where petroleum or natural gas is being produced from a freehold well in a spacing unit adjoining a spacing unit containing the location or part of the location of a lease or licence;

(f) defining "freehold well" and "spacing unit" for the purposes of regulations under clause (e).

(2) Regulations made under this section respecting the continuation of leases or licences shall not provide for the reversion to the Crown of rights to petroleum or natural gas in any subsurface area of any portion of the location of a lease or licence unless the reversion is referable

(a) to the portion of that subsurface area lying stratigraphically above the top of the shallowest of the zones to which the approval for continuation extends in that portion of the location, and

(b) to the portion of that subsurface area lying stratigraphically below the base of the deepest of the zones to which the approval for continuation extends in that portion of the location.

RSA 2000 cM-17 s83;2003 c18 s18;2008 c36 s14

Royalty

Void provisions

84 Any provision contained in a lease of petroleum and natural gas rights, natural gas rights or petroleum rights granted by the Minister before December 14, 1973 and stating

(a) that the maximum royalty on the petroleum during the first term of the lease shall not exceed 1/6 of the gross recovery from the land described in the lease,

(b) that the maximum royalty payable on the petroleum and natural gas during the initial 10-year term of the lease shall not exceed 1/6 of the production obtained from the location,

(c) that the maximum royalty payable on natural gas during the first term of the lease shall not exceed 1/6 of the production obtained from the location, or

(d) that the maximum royalty on petroleum during the first term of the lease shall not exceed 1/6 of the production obtained from the location,

is void, and any provision to a like effect contained in such a lease is void.

RSA 1980 cM-15 s113;1983 c36 s25

Regulations Respecting Production

Regulations

85(1) The Lieutenant Governor in Council may, if the Lieutenant Governor in Council considers it in the public interest to do so, make regulations fixing the maximum amount of petroleum that may be produced under Crown agreements during any month specified in the regulations.

(2) For the purpose of ensuring that the maximum amount fixed pursuant to subsection (1) for any month is not exceeded, the Minister may make regulations

(a) respecting the maximum amount of petroleum that may be produced during that month under Crown agreements from the pools specified in the regulations;

(b) in relation to any pool, respecting the maximum amount of petroleum that may be produced during that month under Crown agreements from any drilling spacing unit, block or project specified in the regulations.

(3) If there is an inconsistency between

(a) a regulation made under subsection (1) or (2), and

(b) an order of the Alberta Energy Regulator made under the *Oil and Gas Conservation Act*,

insofar as it is inconsistent, the regulation under subsection (1) or (2), as the case may be, prevails.

(4) In this section,

(a) "Crown agreement" means an agreement granting petroleum and natural gas rights or petroleum rights;

(b) "block", "drilling spacing unit" and "project" mean a block, drilling spacing unit and project, respectively, as defined in the *Oil and Gas Conservation Act*;

(c) "pool" means a pool designated by the Alberta Energy Regulator under the *Oil and Gas Conservation Act*.

RSA 2000 cM-17 s85;2007 cA-37.2 s82(16);2012 cR-17.3 s94

The Alberta Petroleum Marketing Commission

Marketing of Crown's share

86(1) Every agreement to which this section applies is subject to the condition that the Crown's royalty share of a mineral to which this section applies recovered pursuant to the agreement must be delivered to the Alberta Petroleum Marketing Commission.

(2) This section applies only to those agreements and minerals to which it is made applicable by the regulations under subsection (3).

(3) The Lieutenant Governor in Council may make regulations specifying the agreements and minerals to which this section applies.

(4) The Minister may, with respect to any agreement to which this section applies and in any special case when the Minister considers it warranted by circumstances to do so, waive compliance with subsection (1) for any period of time and on any conditions the Minister may prescribe.

RSA 2000 cM-17 s86;2008 c36 s15

Part 5
Oil Sands

McMurray formation

87(1) A lease of bituminous sands rights granted before July 1, 1978 is deemed for all purposes to be a lease of oil sands rights with respect to the McMurray formation.

(2) For the purposes of this Act, the McMurray formation is deemed to be and to have always been a zone designated by the Alberta Energy Regulator.

(3) If any question arises under a disposition or in the administration of this Act or the regulations as to whether

(a) any stratigraphic formation is or is not the McMurray formation, or

(b) any mineral occurring in a stratigraphic formation is or is not oil sands,

the question must be referred to the Minister whose decision on the question is final.

(4) The Minister may, on the application of the lessee of a bituminous sands lease, accept the surrender of the bituminous sands lease and grant to the lessee in substitution for it a lease of oil sands rights with respect to the McMurray formation and having the same location.

(5) Repealed 2007 cA-37.2 s82(16).

RSA 2000 cM-17 s87;2005 c28 s8; 2007 cA-37.2 s82(16); 2012 cR-17.3 s94

Solution gas

87.1(1) In this section, "solution gas" means a gas that is dissolved in crude bitumen under initial reservoir conditions and includes any of that gas that evolves as a result of changes in pressure or temperature, or both, due to human disturbance.

(2) An agreement granting rights in respect of oil sands that is issued on or after January 1, 2000, grants the right to solution gas.

(3) Nothing in this section is to be construed so as to affect in any manner any agreements issued before January 1, 2000 with respect to any rights granted in respect of oil sands.

2003 c18 s19;2005 c28 s5

Operations to recover bituminous or oil sands

88 The Minister may grant, on any terms the Minister may prescribe, a deferment of any obligation to conduct operations under a lease of oil sands rights to a lessee who has entered into an agreement satisfactory to the Minister with the holder of other oil sands rights to contribute to or assist in the performance of similar operations of that other holder.

RSA 1980 cM-15 s124;1997 c17 s25

Void provisions

89 Any provision contained in

(a) a lease of oil sands rights granted before August 31, 1956 and providing that the royalty on each of the products derived from oil sands shall not exceed 1/10 of the products, or

(b) a lease of oil sands rights granted after August 31, 1956 and providing that the royalty on each of the products derived from oil sands shall not exceed 1/6 of the products,

is void, and any provision to a like effect contained in such a lease is void.

RSA 1980 cM-15 s125;1983 c36 s31

90 Repealed 2008 c36 s16.

Part 6
Registration of Transfers and Security Notices

Division 1
Transfers

Registration of transfer

91(1) A transfer with respect to an agreement that the lessee is not prohibited from transferring or agreeing to transfer by any provision of this Act or any regulation or by the terms of the agreement, may be registered by the Minister if the regulations respecting registration of the transfer are complied with and if the transfer conveys

(a) the whole of the agreement,

(b) a specified undivided interest in the agreement, or

(c) a part of the location contained in the agreement.

(2) A transfer made by the Minister pursuant to section 23(3) or a judgment or order of a court

(a) shall be registered by the Minister, and

(b) is as effective as if it were a valid transfer registered under subsection (1).

(3) The Minister may cancel any registration made under this Division if the registration was made in error.

(4) On the registration of a transfer, the transferee becomes the lessee with respect to the agreement, the undivided interest in the agreement or the part of the location so transferred.

(5) A transfer registered under this Part is valid against and prior to any unregistered transfer.

(6) Insofar as a transfer affects the Crown, the transfer is deemed to take effect from the time of its registration.

RSA 1980 cM-15 s136;1994 c22 s21;1997 c17 s28

Obligations to run with agreement, etc.

91.1(1) Where a transfer is registered under section 91 with respect to the whole of an agreement, a specified undivided interest in an agreement or a part of the location contained in an agreement,

(a) any obligation or liability arising under the agreement that existed before the transfer was registered continues, on and after the registration of the transfer, to run with the agreement, interest or part of the location transferred, and

(b) the transferee and the transferor and any other person recorded with the Department as a lessee of the agreement prior to the transfer are jointly responsible for any obligation or liability referred to in clause (a).

(2) With respect to any obligation or liability referred to in subsection (1),

(a) any judgment in favour of the Crown in respect of that obligation or liability against one or more of the persons referred to in subsection (1)(b), or

(b) any release by the Crown in respect of that obligation or liability in favour of one or more of the persons referred to in subsection (1)(b)

does not preclude the Crown from obtaining judgment against any of the other persons referred to in subsection (1)(b) in the same or a separate proceeding.

2003 c18 s20

Judgment or order directing transfer

92(1) If in a proceeding before a court a claim is made for an order or judgment relating to the ownership of an agreement, any interest in an agreement or part of the location of an agreement, the claimant shall give written notice of the claim to the Minister at least 14 days before the date on which the claim is heard by the court.

(2) A notice referred to in subsection (1) shall be accompanied with copies of all documents filed with the court before the notice is given.

(3) The Minister is entitled to be heard, notwithstanding that the Crown is not a party to the proceeding.

(4) If the Minister appears in a proceeding referred to under subsection (1), the Minister is deemed to be a party to the proceeding for the purposes of an appeal from the adjudication in respect of the proceeding and has the same rights with respect to an appeal as any other party to the proceeding.

(5) The Minister is not bound by any order or judgment of the court in a proceeding referred to in subsection (1) unless

(a) the order or judgment directs the Minister to make a transfer that conveys the whole of the agreement, a specified undivided interest in the agreement or part of the location of the agreement to the person named in the order or judgment, and

(b) the transfer would, if made by the lessee concerned, be registrable under section 91.

1983 c36 s36;1997 c17 s29

Regulations

93 The Lieutenant Governor in Council may make regulations

(a) respecting the registration of transfers;

(b) prescribing the fees payable to the Minister for

(i) registration of a transfer, and

(ii) any other service provided by the Department under this Division.

1981 c55 s6

Division 2
Security Notices

Interpretation

94(1) In this Division,

(a) "collateral" means

(i) the interest of the lessee or of any of the lessees in an agreement, or

(ii) an interest in an agreement derived directly or indirectly from the lessee or any of the lessees of the agreement or from a former lessee or any of the former lessees of the agreement;

(b) "operator's lien" means an interest in or charge on collateral if

(i) the interest or charge arises under a contract to which an owner of the collateral is a party,

(ii) the contract provides for the conduct by a person, called in this clause the "operator", other than that owner, of exploration, mining, drilling, development, production, processing or abandonment operations in respect of the mineral to which rights are granted by the agreement concerned,

(iii) the contract requires that owner to make payments to the operator to cover all or part of the advances made by the operator in respect of the cost of those operations, and

(iv) the interest or charge secures the payments referred to in subclause (iii);

(c) "secured party" means a person who has a security interest;

(d) "security instrument" means a contract or instrument that creates a security interest;

(e) "security interest" means an interest in or charge on collateral if the interest or charge secures

(i) the payment of an indebtedness arising from an existing or future loan or advance,

(ii) bonds or debentures of a corporation, or

(iii) the performance of the obligations of a guarantor under a guarantee given in respect of all or any part of the indebtedness referred to in subclause (i) or all or any part of amounts owing on bonds or debentures referred to in subclause (ii),

but does not include an operator's lien;

(f) "security notice" means a security notice in the form determined by the Minister.

(2) For the purposes of this Division,

(a) the registration of a notice of financial transaction under this Part during the period commencing October 1, 1980 and ending immediately before December 16, 1981, and

(b) the registration of an instrument giving a security under section 82 of the *Bank Act* (Canada), SC 1953-54 and RSC 1970, as that section was in force between April 6, 1955 and October 1, 1980, a copy of such an instrument, or a caution, caveat or memorial in respect of the rights of a bank under that section, if it was registered under this Part before October 1, 1980,

continue under this Division as the registration of a security notice in respect of the same security interest.

(3) On the registration of a notice of assignment pursuant to section 96, a reference in this Division to the secured party under a registered security notice shall, with respect to the security notice to which the assignment relates, be read as a reference to the assignee named in the notice of assignment.

1981 c55 s7;1997 c17 s31

Registration of security notice

95(1) A security notice in respect of a security interest may be submitted to the Minister for registration.

(2) The Minister shall register a security notice submitted to the Minister for registration unless

(a) the regulations are not complied with, or

(b) it shows on its face that it relates to a security interest acquired by a person other than a bank prior to December 16, 1981.

(3) If a security interest was acquired before December 16, 1981 by a person other than a bank, the registration of a security notice is void to the extent that it relates to that security interest.

(4) A security interest in respect of which a security notice is registered has priority

(a) over any other security interest acquired before the registration of that security notice unless a security notice in respect of that other security interest is registered before the registration of the first-mentioned security notice,

(b) over any transfer acquired before the registration of that security notice unless that transfer is registered before the registration of that security notice,

(c) over any builder's lien acquired before the registration of that security notice unless that builder's lien is registered before the registration of that security notice, and

(d) over any interest, right or charge acquired after the registration of that security notice.

(5) Notwithstanding subsection (4), if a security interest is acquired by a person other than a bank and a security notice is registered in respect of that security interest, the priority of that security interest is, in relation to a builder's lien, subject to the *Builders' Lien Act*.

(6) If a security interest was acquired before December 16, 1981 otherwise than pursuant to section 426 of the *Bank Act* (Canada) or section 177 of the *Bank Act* (Canada), RSC 1985 cB-1, as that section was in force prior to June 1, 1992, and after December 1, 1980 or section 82 of the *Bank Act* (Canada), RSC 1970 cB-1, as that section was in force prior to December 1, 1980,

(a) subsection (4) does not apply to that security interest, and

(b) any priority of the secured party in relation to that security interest

(i) is not affected by the secured party's inability to obtain a valid registration of a security notice relating to that security interest, and

(ii) must be determined as if this Division had not been enacted.

(7) A security notice shall provide for an address for service for the secured party named in it for the purposes of this Division.

(8) The secured party under a registered security notice may submit to the Minister for registration a notice of any change of the secured party's address for service under the security notice.

(9) If a security notice is registered against an agreement, the registration

(a) does not restrict or in any manner affect any right or power of the Crown or the Minister under this Act or the regulations or the agreement, and

(b) does not derogate from the proprietary rights of the Crown in the minerals in respect of which rights are granted by the agreement.

(10) If a security notice is registered against an agreement and the Minister, as a consequence of the exercise by the lessee of a right of lease selection conferred on the lessee, issues one or more leases for all or part of the location of the agreement, the registration of the security notice shall be continued in respect of the lease or leases as though the security notice referred to them and as though they had been issued prior to the registration of the security notice.

(11) If a security notice is registered against an agreement and

(a) a transfer of part of the location of the agreement is registered and a new agreement is issued for the part of the location so transferred,

(b) the agreement is divided into 2 or more agreements and one or more new agreements are issued to effect the division, or

(c) the agreement and one or more other agreements are consolidated into one agreement,

the registration of the security notice shall be continued in respect of each of the new agreements or the consolidated agreement, as the case may be, as though the security notice referred to it and as though the issuance of the agreement or the consolidation had occurred prior to the registration of the security notice.

(12) When an agreement is reinstated pursuant to section 8(1)(e), the agreement is subject to all the security notices registered against the agreement when it was surrendered or cancelled, as though the agreement had not been surrendered or cancelled.

(13) When the term of an agreement is extended pursuant to section 8(1)(h) after the expiration of the term, the agreement is subject to all security notices registered against the agreement

immediately before the expiration of the term so extended as though the term had not expired.

1981 c55 s7;1990 c28 s8;1992 c21 s28;1997 c17 s32

Discharges

96(1) There may be submitted to the Minister for registration

(a) a notice of the discharge or partial discharge of the security interest that is the subject of a registered security notice,

(b) a notice of the assignment of all or part of the security interest that is the subject of a registered security notice,

(c) a notice of the postponement of a registered security notice, or

(d) a notice of the discharge or partial discharge of a postponement that is the subject of a registered notice of postponement.

(2) The Minister shall register a notice submitted for registration under subsection (1) unless the regulations are not complied with.

(3) A notice of assignment shall provide for an address for service for the assignee named in it for the purposes of this Division.

1981 c55 s7;1997 c17 s33

Demand for information

97(1) A person may serve a demand under this section if the person is

(a) the lessee or one of the lessees of an agreement against which a security notice is registered,

(b) the person named in a security notice as the person who gave the security instrument,

(c) the secured party under another security notice registered against the same agreement,

(d) a person who has obtained the permission of the Court of Queen's Bench to do so, or

(e) a person who is a member of a class of persons designated by the regulations for the purposes of this clause.

(2) A person within any of the classes enumerated in subsection (1) may serve on the secured party under a registered security notice a written demand requiring the secured party

(a) to inform that person, within 15 days after being served with the demand, of the place where the security instrument that is the subject of the security notice, or a copy of that instrument, is located and available for examination and of the normal business hours during which the examination may be made, and

(b) to make the security instrument or a copy of it available for examination at that place during normal business hours by that person or a person authorized by that person within a reasonable time after the demand is served.

(3) Whether or not a demand under subsection (2) is served or complied with in relation to the same security instrument, a person within any of the classes enumerated in subsection (1) may serve on the secured party under a security notice a written demand requiring the secured party to mail or deliver to that person a true copy of the security instrument that is the subject of the security notice.

(4) A reference in this section to a security instrument includes amendments to the security instrument.

(5) A demand referred to in subsection (2) or (3) is sufficiently served if it is sent by registered mail or delivered to the secured party's address for service according to the records of the Department.

(6) A demand referred to in subsection (3)

(a) shall contain an address for the person serving the demand to which the copy of the security instrument is to be mailed or delivered, and

(b) shall be complied with by sending the copy by registered mail to, or delivering the copy to, the address referred to in clause (a) within 15 days after the day on which the demand is served.

(7) A person served with a demand under subsection (3) may refuse to mail or deliver the copy of the security instrument unless the person serving the demand first pays to the person served a charge for making the copy that is reasonable in the circumstances but not in excess of the maximum charge prescribed by the regulations.

(8) If a secured party on whom a demand is served under this section fails without reasonable excuse to comply with the demand, the person who served the demand may apply to the Court of

Queen's Bench for an order requiring the secured party to comply with the demand within the time and in the manner prescribed in the order.

(9) If a secured party fails to comply with an order of the Court under subsection (8), the Court may, on the application of the person who obtained the order,

(a) make any further order the Court considers necessary to ensure compliance with the order made under subsection (8), or

(b) make a further order directing the Minister to cancel the registration of the security notice of the secured party in its entirety or in relation to the agreement or agreements specified in the order.

(10) Notwithstanding anything in this section, a person served with a demand under subsection (2) or (3) is excused from complying with the demand if

(a) the person has, at the time the demand is served on the person, assigned the person's security interest and the person is not one of the assignees, and

(b) the person informs the person serving the demand, within 15 days after being so served, of the name and address of the assignee.

(11) If a person served with a demand complies with subsection (10), the person who served the demand may serve another demand under subsection (2) or (3) on the assignee at the address furnished pursuant to subsection (10) as though the assignee had registered a notice of assignment and as though the address so furnished were the assignee's address for service under a registered notice of assignment.

RSA 2000 cM-17 s97;2014 c13 s34

Notice to take proceedings

98(1) In this section,

(a) "notice to take proceedings" means a notice served under subsection (2)(a);

(b) "show-cause notice" means an application under subsection (2)(b).

(2) A person within any of the classes enumerated in subsection (3) may

(a) serve on the secured party under a registered security notice a notice directing that person to commence an application in the Court of Queen's Bench, returnable within 60 days after the date on which the notice is served, for an order substantiating the security interest that is the subject of the registered security notice either

(i) in its entirety, or

(ii) in relation to any specified agreement or agreements to which it applies,

or

(b) apply to the Court of Queen's Bench requiring the secured party under a registered security notice to show cause why

(i) the registration of the security notice should not be cancelled, or

(ii) the registration of the security notice against any specified agreement or agreements should not be cancelled.

(3) A person may serve a notice to take proceedings or apply under subsection (2)(b) if the person is

(a) the lessee or one of the lessees of an agreement against which the security notice is registered,

(b) the person named in a registered security notice as the person who gave the security instrument,

(c) the secured party under another security notice registered against the same agreement that is the subject of the notice to take proceedings or the show-cause notice,

(d) a person who has obtained the permission of the Court of Queen's Bench to do so, or

(e) a person who is a member of a class of persons designated by the regulations for the purposes of this clause.

(4) If proceedings are commenced as a result of a notice to take proceedings, the person serving the notice to take proceedings is to be the only respondent in the proceedings unless the Court, after the proceedings are commenced, orders that one or more other persons are to be added as respondents.

(5) The Court may, on ex parte application by a person who proposes to serve a notice to take proceedings, by order shorten the 60-day period referred to in subsection (2)(a) and, if the order is made,

(a) subsection (2)(a) is, in relation to that notice, deemed to refer to the shorter period, and

(b) a certified copy of the order shall be served with that notice.

(6) The Court, on the application of a person served with a notice to take proceedings, may extend the period for commencing the application to the Court under subsection (2)(a), whether or not that period has been shortened pursuant to subsection (5).

(7) For the purposes of this section,

(a) a show-cause notice may be served in any manner in which an originating notice in the Court of Queen's Bench may be served, and

(b) a notice to take proceedings or a show-cause notice is sufficiently served if it is sent by registered mail to the secured party under the registered security notice at the address that is, at the time of mailing, that person's address for service in relation to the security notice according to the records of the Department.

(8) If the Minister is provided with a statutory declaration satisfactory to the Minister showing

(a) that a notice to take proceedings was served in accordance with this section on the secured party under a registered security notice, and

(b) that no application was commenced in accordance with the notice to take proceedings or that an application so commenced was dismissed or discontinued,

the Minister shall cancel the registration of the security notice in its entirety or in relation to the agreement or agreements specified in the notice to take proceedings, as the case may be.

(9) If the registration of a security notice is cancelled in its entirety or in relation to any specified agreement or agreements pursuant to subsection (8), no person may submit for registration another security notice relating to

(a) the same security interest or purported security interest that was the subject of the security notice whose registration was cancelled in its entirety, or

(b) the same security interest or purported security interest in relation to the specified agreement or agreements,

as the case may be, except with the permission of the Court of Queen's Bench.

RSA 2000 cM-17 s98;2009 c53 s116;2014 c13 s34; 2016 c18 s12

Court order to Minister

99(1) The Minister shall

(a) cancel the registration of a security notice in its entirety or in relation to any specified agreement or agreements against which it is registered if there is submitted to the Minister for registration a certified copy of an order or judgment of the Court of Queen's Bench directing the Minister to do so whether as a consequence of proceedings under section 97 or 98 or otherwise, or

(b) register a certified copy of an order or judgment of the Court of Queen's Bench submitted to the Minister for registration that directs the Minister to do any act in relation to the registration of a security notice or a notice referred to in section 95(8) or 96.

(2) The Minister may cancel any registration made under this Division if the registration was made in error.

1981 c55 s7;1997 c17 s36

Regulations

100 The Lieutenant Governor in Council may make regulations

(a) respecting the registration of security notices, notices referred to in sections 95(8) and 96 and certified copies of orders or judgments referred to in sections 97(9)(b) and 99(1);

(b) respecting the cancellation of registrations;

(c) prescribing the fees payable to the Minister for

(i) registration of a security notice, a notice referred to in section 95(8) or 96 or a certified copy of an order or judgment referred to in section 97(9)(b) or 99(1),

(ii) the cancellation pursuant to section 98(8) of the registration of a security notice in its entirety or in relation to any specified agreement or agreements, and

(iii) any other service provided by the Department under this Division;

(d) designating classes of persons for the purposes of section 97(1)(e) or 98(3)(e) or both;

(e) prescribing a maximum charge for the purposes of section 97(7).

1981 c55 s7;1997 c17 s37

Part 7
Unit Operation of Minerals

Definition

101 In this Part, "tract" means

(a) the whole or part of a location, or

(b) a parcel or part of a parcel containing any minerals owned by a person other than the Crown in right of Alberta.

RSA 1980 cM-15 s145;1983 c36 s38;1994 c22 s22

Unit agreement

102(1) The Minister may on behalf of the Crown enter into an agreement providing for the combining of interests in a mineral occurring in a subsurface reservoir underlying one or more tracts to facilitate the co-ordinated management of operations for any one or more of the following:

(a) the recovery of the mineral from the subsurface reservoir;

(b) the use of the subsurface reservoir for the purposes of storage of fluid mineral substances and the combining of interests in the storage rights in respect of that subsurface reservoir;

(c) the recovery of fluid mineral substances injected into or stored in the subsurface reservoir.

(2) The Minister shall cause to be published in The Alberta Gazette a notice respecting the Minister's execution of a unit agreement within 60 days after the date the Minister becomes aware that the unitization provided for in the unit agreement has become effective in respect of minerals of the Crown.

(3) Notwithstanding this Act or an agreement but subject to section 36(6), a unit agreement may provide

(a) for the appointment of a person as the unit operator,

(b) for participation in the development of the mineral,

(c) for compensation for interests adversely affected,

(d) that any provision or condition of an agreement, whether statutory or otherwise, will be nullified, changed or varied to the extent necessary to give effect to the unit agreement,

(e) that so long as operations are conducted in accordance with the unit agreement the operational requirements with respect to each location insofar as they relate to the location or part of the location within the unit operation will be deemed to have been met,

(f) that the product allocated by the unit agreement to a tract will be deemed to have been produced from the tract,

(g) that production or extraction of a mineral or a stored substance in accordance with the unit agreement will be deemed to be production in commercial quantity from any tract covered by the agreement when that production is necessary to entitle the lessee of an agreement to an extension or renewal of the lessee's agreement, and

(h) for any other matters the Minister considers necessary or advisable.

RSA 2000 cM-17 s102;2003 c18 s21

Royalty contract re unit operation

103 Notwithstanding this Act or an agreement, the Lieutenant Governor in Council may authorize the Minister to enter into a contract respecting the royalty on the mineral produced under a unit agreement or unit operation order in respect of any tract that is subject to a royalty to the Crown in right of Alberta.

RSA 1980 cM-15 s147;1983 c36 s40;1997 c17 s39

Minerals subject to terms of agreement

104(1) When a unit agreement is entered into by the Minister, the minerals that are the property of the Crown and affected by the agreement, and any interest in the minerals, are subject to the terms and conditions of the agreement so long as the Crown is a party to the unit agreement.

(2) Where a unit agreement provides for the use of the subsurface reservoir for the purpose of storage of fluid mineral substances,

storage rights that are the property of the Crown and affected by the unit agreement are subject to the terms and conditions of the unit agreement so long as the Crown is a party to the unit agreement.

RSA 1980 cM-15 s149;1994 c22 s24

Regulations

105(1) The Lieutenant Governor in Council may make regulations

(a) respecting the withdrawal by the Crown as a party to a unit agreement where no unit operations have been conducted under the unit agreement for a prescribed period;

(b) respecting the powers and duties of the Minister with respect to a withdrawal referred to in clause (a) and the procedures to be followed by the Minister before a withdrawal can be effected;

(c) defining "unit operations" for the purposes of the regulations.

1994 c22 s25

Part 8
Exploration

Definitions

106 In this Part,

(a) "approved exploration program" means a program of exploration under a preliminary plan for the program approved under the regulations;

(b) "exploration" means,

(i) in relation to petroleum and natural gas or subsurface reservoirs,

(A) any operations on or over land or water to determine geologic conditions underlying the surface of land or water, and

(B) any operations that are preparatory to or otherwise connected with the operations described in paragraph (A) that, in the opinion of the Minister, have the potential to cause surface disturbance,

and

(ii) in relation to minerals other than petroleum and natural gas,

(A) any investigation, work or act to determine the presence of a mineral that, in the opinion of the Minister, results in a disturbance of the surface of land, and

(B) any operations that are preparatory to or otherwise connected with the operations described in paragraph (A) that, in the opinion of the Minister, have the potential to cause surface disturbance,

but does not include operations exempted from this Part by the Minister under section 109(2);

(c) "exploration approval" means an approval under the regulations of a preliminary plan for a program of exploration;

(d) "exploration equipment" means any equipment used or employed in exploration, but does not include any type of equipment exempted from this Part by the Minister;

(e) "exploration licence" or "licence" means a licence to conduct exploration issued pursuant to the regulations;

(f) "exploration permit" or "permit" means a permit to operate exploration equipment issued pursuant to the regulations;

(g) "licensee" means the holder of an exploration licence;

(h) "permittee" means the holder of an exploration permit;

(i) "private land" means land that is owned by a person other than

(i) the Crown, or

(ii) an agent of the Crown;

(j) "unique identification number" means

(i) in relation to exploration equipment owned or leased by a licensee or a permittee, the licence number of that licensee or the permit number of that permittee, as the case may be,

(ii) in relation to exploration equipment under contract to a permittee or otherwise being operated under the authority of a permittee's permit, the permit number of that permittee, or

(iii) an identification number assigned to the owner of exploration equipment in accordance with the regulations.

RSA 2000 cM-17 s106;2003 c28 s4;2010 c14 s2

Prohibitions

107(1) No person shall conduct exploration in Alberta unless

(a) that person is the holder of a subsisting exploration licence that is not under suspension or is a person who is authorized by the holder to conduct exploration on the holder's behalf,

(b) the exploration is conducted under the licence referred to in clause (a), and

(c) subject to section 109(3), the exploration is conducted in accordance with an approved exploration program.

(2) No person shall operate exploration equipment in Alberta unless

(a) that person is the holder of a subsisting exploration permit that is not under suspension or is a person who is authorized by the holder to operate exploration equipment under the holder's permit,

(b) the exploration equipment is operated under the permit referred to in clause (a), and

(c) a unique identification number is displayed on the exploration equipment in accordance with the regulations.

RSA 2000 cM-17 s107;2003 c28 s5

Regulations

108 The Lieutenant Governor in Council may make regulations

(a) respecting the circumstances and conditions under which, the methods by which, the manner in which and the areas of Alberta in which exploration may be conducted;

(b) respecting the circumstances and conditions under which, the methods by which, the manner in which and the areas of Alberta in which exploration equipment may be operated;

(b.1) respecting the research, testing, authorization or approval for use in the conduct of exploration or of approved exploration programs of products described, referred to or defined in the regulations;

(c) respecting applications for and the issuing of exploration approvals, exploration licences and exploration permits;

(d) prescribing the fees payable in respect of applications for, or for the issuing of, exploration approvals, exploration licences or exploration permits;

(d.1) governing the assignment and use of unique identification numbers in respect of exploration equipment for the purposes of section 107(2)(c);

(e) respecting the furnishing of deposits, bonds or other forms of security to the Government by applicants for exploration approvals, exploration licences or exploration permits or by licensees or permittees, and providing for

(i) the amounts of the deposits, bonds or other security, or the fixing of those amounts by the Minister,

(ii) the circumstances under which the deposits, bonds or security become payable or forfeited,

(iii) the purposes for which the deposits, bond proceeds or security so paid or forfeited may be expended by the Government,

(iv) the circumstances under which the deposits, bonds, bond proceeds or security may be returned or refunded, or

(v) any other matter relating to the deposits, bonds or other security;

(f) establishing systems and procedures for the submission, referral, evaluation and review of applications for exploration approvals;

(g) respecting the filing of reports, plans, maps, surveys and other documents and materials associated with the conduct of exploration with a person authorized by the Minister to receive them;

(g.1) respecting the submission for examination of rock samples, drill cuttings, core samples, logs or the data obtained as a result of the conduct of exploration to a person authorized by the Minister to receive them;

(h) prescribing the nature of the content of the reports, plans or maps and the condition of samples, cuttings, logs or other data referred to in clauses (g) and (g.1);

(i) authorizing the Minister to examine rock samples, drill cuttings and core samples at a drill site and to select and take all or any part of those rock samples, drill cuttings or core samples for storage or further evaluation at a place designated by the Minister;

(j) respecting the retention, confidentiality, release, disposition and publication of

(i) information contained in applications, approvals, authorizations, reports, plans, maps, surveys and other documents and materials associated with the conduct of exploration, and

(ii) rock samples, drill cuttings, core samples and logs or the data obtained as a result of the conduct of exploration;

(k) respecting remedial measures to be taken in relation to property damaged or destroyed in the course of exploration;

(k.1) respecting the powers and duties of a person conducting an investigation or inspection under section 108.3 and the responsibilities of licensees, permittees and other persons in respect of such investigations and inspections;

(l) repealed 2003 c28 s6;

(m) prescribing, for the purposes of section 112, maximum penalties in respect of the contravention of this Part or the regulations or a failure of compliance with a condition of an exploration approval, licence or permit;

(n) authorizing a permittee to enter on a public highway or road for the purpose of operating exploration equipment, if the highway or road is located in an incorporated municipality or special area and is closed pursuant to any Act, whether or not it is also leased, and prescribing the conditions on which the entry may be made.

RSA 2000 cM-17 s108;2003 c28 s6

Adoption of codes

108.1(1) The Minister may prescribe rules, directives, codes, standards and guidelines in respect of the conduct of exploration and matters related to the conduct of exploration.

(2) A regulation under section 108 may adopt or incorporate in whole or part or with modifications

(a) a rule, directive, code, standard or guideline prescribed by the Minister under subsection (1), or

(b) a rule, code, standard or guideline in respect of the conduct of exploration or matters related to the conduct of exploration that is published by the Government of Alberta or another jurisdiction, a board or agency of such a government or a person or association.

(3) Where a rule, directive, code, standard or guideline is adopted or incorporated under subsection (2), the Minister shall ensure that a copy of the rule, directive, code, standard or guideline is made available to a person on request.

2003 c28 s7

Minister's directions

108.2(1) The Minister may by notice in writing give directions to a licensee or permittee in respect of exploration operations or the operation of exploration equipment in order to effect the purposes of this Part.

(2) A person who receives a direction under subsection (1) shall comply with it.

2003 c28 s7

Investigations and inspection

108.3(1) The Minister or a person designated by the Minister for the purpose may conduct an investigation or inspection in relation to a program of exploration on any land in Alberta, including private land.

(2) A person conducting an investigation or inspection may enter and have access to any land on which exploration is being or has been conducted, and the licensee or permittee, any person performing any operation or function under the authority of a licence or permit and the person in possession or occupation of the land shall

(a) give whatever assistance is requested by the person conducting the investigation or inspection, and

(b) supply any information that is requested by the person conducting the investigation or inspection and is relevant to the investigation or inspection.

(3) A person who contravenes subsection (2) is guilty of an offence and liable to a fine of not more than $100 000.

2003 c28 s7

Stop order

108.4(1) Where the Minister determines that a licensee or permittee or any person performing any operation or function under the authority of a licence or permit

(a) contravenes this Part or the regulations, or

(b) fails to comply with any conditions of an exploration approval, licence or permit,

the Minister may by an order in writing given to the licensee, permittee or person order the licensee, permittee or person to cease operations under the licence or permit for the length of time and subject to the terms and conditions referred to in the order.

(2) A licensee, permittee or other person to whom an order under subsection (1) is given shall comply with it.

2003 c28 s7

Powers of Minister

109(1) The Minister may refuse to grant an exploration approval or to issue an exploration licence or exploration permit

(a) where the applicant is indebted to the Crown, or

(b) where the Minister considers that for any other reason it would be appropriate to refuse to grant the exploration approval or issue the exploration licence or exploration permit.

(1.1) The Minister may make an exploration approval, exploration licence or exploration permit subject to any conditions the Minister prescribes.

(2) The Minister may exempt from this Part any kind of operations and any equipment used or employed in exploration.

(3) The Minister may exempt a person who proposes to conduct exploration from the requirement of section 107(1)(c).

(4) The Minister may make an exemption under subsection (2) or (3) subject to any terms and conditions that the Minister considers necessary in order to ensure that the purposes of this Part are met.

(5) A person to whom an exemption is granted under subsection (2) or (3) shall ensure that all applicable terms and conditions to which the exemption is subject are complied with.

RSA 2000 cM-17 s109;2002 c4 s3;2003 c28 s8

Cancellation of licence or permit

110(1) The Minister may cancel an exploration licence or an exploration permit if the licensee or permittee, as the case may be, or any person performing any operation or function under the authority of a licence or permit,

(a) contravenes this Part or the regulations, or

(b) fails to comply with any condition of an exploration approval, licence or permit.

(1.1), (1.2) Repealed 2002 c4 s3.

(2) The Minister may cancel a licence or permit

(a) if the licence or permit was issued in error, or

(b) if the licensee or permittee, as the case may be, requests the cancellation.

(2.1) The Minister may cancel or suspend a licence or permit if the licensee or permittee is indebted to the Crown.

(2.2) Where the Minister suspends a licence or permit under subsection (2.1), the Minister may exercise the same powers that the Minister has under subsections (3) and (4).

(3) If a permittee or any person authorized by a permittee to operate exploration equipment contravenes this Part or a regulation under this Part, or fails to comply with a condition of an exploration approval, the Minister may, with or without conditions and either indefinitely or for a specified period, suspend the permittee's permit

(a) generally with respect to all programs of exploration being conducted under the authority of the permit or with respect to one or more specified programs, or

(b) with respect to all or specified exploration equipment being operated under the authority of the permit.

(4) If a licensee or any person performing an operation or function under the authority of the licensee's licence contravenes this Part or a regulation under this Part or fails to comply with a condition of an exploration approval, the Minister may, with or without conditions and either indefinitely or for a specified period, suspend the licensee's licence generally with respect to all programs of exploration being conducted under the authority of the licence or with respect to one or more specified programs.

(5) The Minister may, with or without conditions and either indefinitely or for a specified period, suspend a licence if no exploration has been conducted under the licence for a period of 2 years or more.

(6) The Minister may reinstate a licence or permit that was cancelled or suspended under this section, subject to any conditions the Minister considers appropriate.

RSA 2000 cM-17 s110;2002 c4 s3;2003 c28 s9

Effect of withdrawal

111(1) When a licensee

(a) withdraws from Alberta and discontinues carrying on business in Alberta, or

(b) being a corporation

(i) is struck off the register of companies under the *Companies Act* or is wound up or dissolved, or

(ii) has its registration cancelled or is dissolved or liquidated and dissolved under the *Business Corporations Act*,

all reports, plans, maps, surveys, logs and other data filed with or surrendered to the Department pursuant to the regulations become the property of the Crown in right of Alberta and may be made available to the public by the Minister after the expiration of one year of the termination or cancellation of the licence.

(2) The right of the Minister to refuse to disclose a report, plan, map, survey, log or other data referred to in subsection (1) until the expiration of the one-year period referred to in that subsection prevails despite the *Freedom of Information and Protection of Privacy Act*.

RSA 2000 cM-17 s111;2002 c12 s3

Protection from prosecution

111.1 A person who pays an administrative penalty under section 112 in respect of a contravention may not be charged under this Act with an offence in respect of that contravention.

2003 c28 s10

Penalties

112(1) If a person

(a) contravenes this Part or the regulations, or

(b) fails to comply with any condition of an exploration approval, licence or permit,

the Minister may order that person to pay to the Crown a penalty not exceeding the maximum penalty prescribed by the regulations in relation to that contravention or failure to comply.

(2) When the contravention or failure to comply is of a continuing nature, the penalty ordered to be paid under subsection (1) may, subject to the regulations, be a penalty payable for each day on which the contravention or failure to comply occurs.

(3) When the Minister orders a person to pay a penalty under subsection (1), the Minister shall serve on that person personally or by registered mail a notice demanding payment of the amount of the penalty and stating the grounds on which the penalty was ordered.

(4) A person who has been served with a notice pursuant to subsection (3) shall pay to the Minister the amount of the penalty within 30 days from the date of the service of the notice on the person.

(5) If a person fails to pay a penalty in accordance with subsection (4), the Minister may recover the penalty by an action in debt and in the action the court shall

(a) determine whether the person is liable to a penalty under subsection (1),

(b) if it is determined that the person is liable to a penalty, confirm or vary the amount of the penalty ordered by the Minister, and

(c) give judgment for the amount of the penalty so confirmed or varied.

RSA 1980 cM-15 s156

Transitional

113(1) A licence issued under this Part before August 1, 1978 is deemed to be an exploration licence.

(2) A permit to operate geophysical equipment issued under the regulations before August 1, 1978 is deemed to be an exploration permit.

RSA 1980 cM-15 s157

Part 9
Sequestration of Captured Carbon Dioxide

Definitions

114 In this Part,

(a) repealed 2012 cR-17.3 s94;

(b) "facility" means any building, structure, installation, equipment or appurtenance over which the Regulator has jurisdiction and that is connected to or associated with the injection or sequestration of captured carbon dioxide pursuant to an agreement under this Part;

(c) "Fund" means the Post-closure Stewardship Fund established under section 122;

(d) "orphan facility" means a well, facility, facility site or well site designated by the Regulator under section 123 as an orphan well, facility, facility site or well site for the purposes of this Part;

(e) "Regulator" means the Alberta Energy Regulator.

2010 c14 s2;2012 cR-17.3 s94

Rights to drill evaluation wells

115(1) Notwithstanding section 57, the Minister may enter into an agreement with a person that grants that person the right to evaluate the geological or geophysical properties of a subsurface reservoir in a location to determine its suitability for use for the sequestration of captured carbon dioxide.

(2) The lessee of an agreement referred to in subsection (1) shall obtain a well licence and approval of the Regulator under the *Oil and Gas Conservation Act* prior to drilling or using a well for the purposes of this section.

(3) A lessee of an agreement under this section shall in accordance with the regulations

(a) submit a monitoring, measurement and verification plan for approval;

(b) comply with the monitoring, measurement and verification plan that has been approved;

(c) provide reports with respect to the lessee's compliance with the monitoring, measurement and verification plan;

(d) fulfil the work requirements with respect to the location of the agreement.

2010 c14 s2;2012 cR-17.3 s94

Rights to inject captured carbon dioxide for sequestration

116(1) Notwithstanding section 57, the Minister may enter into an agreement with a person that grants that person the right to inject

captured carbon dioxide into a subsurface reservoir for sequestration.

(2) The lessee of an agreement referred to in subsection (1) shall obtain a well licence and approval of the Regulator under the *Oil and Gas Conservation Act* prior to drilling or using a well for the purposes of this section.

(3) A lessee of an agreement under this section shall in accordance with the regulations

(a) submit a monitoring, measurement and verification plan for approval;

(b) comply with a monitoring, measurement and verification plan that has been approved;

(c) provide reports with respect to the lessee's compliance with the monitoring, measurement and verification plan;

(d) fulfil the work requirements with respect to the location of the agreement;

(e) submit a closure plan for approval;

(f) comply with a closure plan that has been approved;

(g) pay fees into the Fund.

2010 c14 s2;2012 cR-17.3 s94

Prohibition

117 No person may inject captured carbon dioxide into a subsurface reservoir pursuant to an agreement under this Part unless the injection is conducted in accordance with that agreement, the regulations and the *Oil and Gas Conservation Act*.

2010 c14 s2

Restriction on transfer of agreement

118(1) A lessee may not transfer an agreement under this Part without the consent in writing of the Minister.

(2) The Minister may in the Minister's discretion refuse to consent to a transfer of an agreement under this Part.

2010 c14 s2

Duties on cessation of injection

119 The lessee of an agreement under this Part shall monitor all wells and facilities and perform all closure activities in accordance with the regulations.

2010 c14 s2

Closure certificate

120(1) A lessee of an agreement under section 116 may apply to the Minister for a closure certificate in accordance with the regulations.

(2) The Minister may refuse to accept an application for a closure certificate if, in the Minister's opinion, the application is not complete and accurate.

(3) The Minister may issue a closure certificate to a lessee in respect of the lessee's wells and facilities within the location of the agreement if the Minister is satisfied that

(a) the lessee has complied with section 119,

(b) the lessee has abandoned all wells and facilities in accordance with the requirements under the *Oil and Gas Conservation Act* and the regulations under this Part,

(c) the lessee has complied with the reclamation requirements under the *Environmental Protection and Enhancement Act*,

(d) the closure period specified in the regulations has passed,

(e) the conditions specified in the regulations have been met, and

(f) the captured carbon dioxide is behaving in a stable and predictable manner, with no significant risk of future leakage.

(4) On issuing a closure certificate to a lessee the Minister shall notify the Regulator and any other person as required by the regulations.

2010 c14 s2;2013 cR-17.3 s94

Assumption of liability

121(1) On the Minister issuing a closure certificate to a lessee in respect of an agreement under this Part, the Crown

(a) becomes the owner of the captured carbon dioxide injected pursuant to the agreement,

(b) assumes all obligations of the lessee

(i) as owner and licensee under the *Oil and Gas Conservation Act* of the wells and facilities covered by that agreement,

(ii) as the person responsible for the injected captured carbon dioxide under the *Environmental Protection and Enhancement Act*,

(iii) as the operator under Part 6 of the *Environmental Protection and Enhancement Act* in respect of the land within the location of the agreement used by the lessee in relation to the injection of captured carbon dioxide, and

(iv) under the *Surface Rights Act*,

and

(c) releases the lessee from any obligations under section 56(2)(a) with respect to the wells within the location of the agreement used by the lessee in relation to the injection of captured carbon dioxide.

(2) The Crown shall indemnify a lessee referred to in subsection (1) against liability for damages in an action in tort brought by another party if

(a) the liability is attributable to an act done or omitted to be done by the lessee in the lessee's exercise of rights under the agreement in relation to the injection of captured carbon dioxide, and

(b) any other conditions specified in the regulations are met.

(3) If prior to the issuing of a closure certificate to a lessee of an agreement under this Part the lessee ceases to exist, the Crown may in accordance with the regulations assume ownership of the captured carbon dioxide injected pursuant to that agreement.

(4) On issuing a closure certificate to a lessee the Minister shall notify the Regulator and any other person as required by the regulations.

2010 c14 s2;2012 cR-17.3 s94

Post-closure Stewardship Fund

122(1) The Post-closure Stewardship Fund is established.

(2) The Fund may be used

(a) for the purposes of monitoring the behaviour of captured carbon dioxide that has been injected pursuant to an agreement under this Part;

(b) for the purposes of fulfilling any obligations that are assumed by the Crown pursuant to section 121(1)(b);

(c) for the purposes of paying for suspension costs, abandonment costs and related reclamation or remediation costs in respect of orphan facilities where the work is carried out

(i) by the Regulator,

(ii) by a person authorized by the Regulator, or

(iii) by a Director or a person authorized by a Director in accordance with the *Environmental Protection and Enhancement Act*;

(d) for the purposes of paying for costs incurred in pursuing reimbursement for the costs referred to in clause (c) from the lessee responsible for paying them;

(e) for any other purpose prescribed in the regulations.

(3) Fees must be paid by a lessee into the Fund in accordance with the regulations.

(4) The Fund is to be held and administered by the Minister in accordance with this Act and the regulations.

(5) The Minister may be a participant under section 40 of the *Financial Administration Act* with respect to the Fund.

(6) The Minister may make payments out of the Fund for the purposes of the Fund.

(7) Income earned by the Fund accrues to and becomes part of the Fund.

(8) The Minister must maintain a separate accounting record of the Fund.

2010 c14 s2;2012 cR-17.3 s94

Orphan facilities

123(1) The Regulator may

(a) designate wells and facilities, facility sites and well sites used by a lessee under this Part for the injection of captured carbon dioxide as orphan wells, facilities, facility sites or well sites for the purposes of this Part;

(b) deem to be a defaulting working interest participant a lessee of an agreement under this Part who

(i) has an obligation under the *Oil and Gas Conservation Act* to contribute toward suspension costs, abandonment costs or related reclamation costs,

(ii) has not contributed to those costs as required by the *Oil and Gas Conservation Act*, and

(iii) in the opinion of the Regulator, does not exist, cannot be located or does not have the financial means to contribute to those costs as required by this Act.

(2) Where the Minister makes a payment from the Fund to a person in respect of a defaulting working interest participant's share of suspension, abandonment or reclamation costs,

(a) the defaulting working interest participant is not released from any liability under this Act in respect of those costs, and

(b) if the person who receives the payment later recovers all or a part of the costs from the defaulting working interest participant, the person shall forthwith pay to the Minister an amount equal to the amount recovered, less the reasonable costs of recovery as determined by the Minister.

(3) A debt to the Minister to the account of the Fund is recoverable by the Minister in an action in debt.

2010 c14 s2;2012 cR-17.3 s94

Regulations

124 The Lieutenant Governor in Council may make regulations

(a) respecting requirements for applicants for agreements under this Part to conduct risk assessments before being granted an agreement;

(b) respecting closure plans and monitoring, measurement and verification plans, including regulations respecting

(i) the form and contents of plans,

(ii) the submission and approval of plans,

(iii) the amendment of plans, and

(iv) the reporting requirements contained in a plan;

(c) respecting the minimum annual work requirements that must be undertaken by a lessee;

(d) respecting the injection of captured carbon dioxide;

(e) respecting remedial actions that a lessee shall undertake, including regulations respecting

(i) the circumstances under which a remedial action plan must be prepared and submitted,

(ii) the form and contents of a plan,

(iii) the submission and approval of a plan,

(iv) the amendment of a plan, and

(v) the reporting requirements contained in a plan;

(f) respecting the monitoring of wells and facilities that must be conducted before and after a closure certificate is issued;

(g) respecting the closure activities that a lessee shall undertake;

(h) respecting applications for closure certificates, including regulations respecting the form and contents of applications and the closure period that must have passed before a lessee is eligible to apply;

(i) specifying conditions for the purposes of sections 120(3)(e) and 121(2)(b);

(j) respecting the assumption of ownership of injected captured carbon dioxide for the purposes of section 121(3);

(k) respecting notices for the purposes of sections 120(4) and 121(4);

(l) respecting the Fund, including regulations

(i) respecting the administration of the Fund;

(ii) limiting, regulating and controlling the exercise of the Minister's discretion with respect to the Fund;

(iii) respecting the establishment of fees and payment of fees into the Fund;

(iv) prescribing purposes for which the Fund may be used;

(v) prescribing limits on the value of the Fund to be held and administered by the Minister;

(m) prescribing provisions of the regulations under this Part as provisions the contravention of which is an offence.

2010 c14 s2

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