



Province of Alberta

GEOHERMAL RESOURCE DEVELOPMENT ACT

Statutes of Alberta, 2020
Chapter G-5.5

Assented to December 9, 2020

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Bill 36

GEOHERMAL RESOURCE DEVELOPMENT ACT

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(Assented to December 9, 2020)

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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) “base of groundwater protection” means the base of groundwater protection as defined in the *Water Wells and Ground Source Heat Exchange System Directive* published by Alberta Environment and Parks, as amended or replaced from time to time;
- (b) “energy resource enactment” means an energy resource enactment as defined in the *Responsible Energy Development Act*;
- (c) “facility” means
 - (i) any building, structure, installation, equipment or appurtenance that is connected to or associated with the development, recovery or conversion of a geothermal resource or fluids associated with the development of geothermal resources, or
 - (ii) all or part of a facility as defined in the *Oil and Gas Conservation Act* that is designated under subsection (3)(a) as a facility for the purposes of this Act,

but does not include
 - (iii) a well as defined in this Act or the *Oil and Gas Conservation Act*,
 - (iv) a pipeline as defined in the *Pipeline Act*, or
 - (v) anything prescribed by the regulations as not being a facility;
- (d) “geothermal resource” means the natural heat from the earth that is below the base of groundwater protection;
- (e) “licensee” means the holder of a licence under this Act according to the records of the Regulator and includes a

receiver, receiver-manager, trustee or liquidator of property of a licensee and, for greater certainty, includes a person who is a licensee for the purposes of this Act under subsection (3);

- (f) “Minister” means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act;
- (g) “Regulator” means the Alberta Energy Regulator;
- (h) “well” means
 - (i) an orifice in the ground completed or being drilled to a depth below the base of groundwater protection for the purpose of the exploration for or development of geothermal resources, or
 - (ii) a well as defined in the *Oil and Gas Conservation Act* that is designated under subsection (3)(b) as a well for the purposes of this Act,but does not include anything prescribed by the regulations as not being a well;
- (i) “working interest participant” means a person who owns a beneficial or legal undivided interest in a well or facility under agreements that pertain to the ownership of that well or facility.

(2) A decision of the Regulator is final as to whether a definition in subsection (1) is applicable in a particular case.

(3) The Regulator may

- (a) designate all or part of a facility as defined in the *Oil and Gas Conservation Act* as a facility for the purposes of this Act, and
- (b) designate a well as defined in the *Oil and Gas Conservation Act* as a well for the purposes of this Act

and the holder of a licence under the *Oil and Gas Conservation Act* for such a well or facility is a licensee for the purposes of this Act.

Application of Act

2 This Act applies to the development of geothermal resources in Alberta, whether the development commenced before or after the coming into force of this Act.

Purposes of Act

3(1) The purposes of this Act are

- (a) to provide for the economic, orderly, efficient and responsible development in the public interest of geothermal resources in Alberta;
- (b) to secure the observance of safe and efficient practices in the public interest in the development of geothermal resources in Alberta;
- (c) to provide for the responsible management of wells, facilities, well sites and facility sites throughout their life cycles;
- (d) to manage the development of geothermal resources as between licensees and in relation to the development and conservation of other energy resources in Alberta;
- (e) to control pollution and to ensure the protection of the environment and public safety in the development of geothermal resources in Alberta;
- (f) to provide for the timely and useful collection, appraisal and dissemination of information regarding geothermal resources in Alberta.

Jurisdiction of Regulator

4 Except as otherwise provided in this or any other Act, the Regulator has exclusive jurisdiction to examine, inquire into, hear and determine all matters or questions arising under this Act.

Orders of Regulator

5 The Regulator, with the approval of the Lieutenant Governor in Council, may make any just and reasonable orders or directions that the Regulator considers to be necessary to effect the purposes of this Act and that are not otherwise specifically authorized by this Act.

Overriding provisions

6(1) A provision of

- (a) this Act,
- (b) the regulations and rules made pursuant to this Act, or
- (c) a declaration, order or approval of the Regulator pursuant to this Act in any matter over which the Regulator has jurisdiction,

overrides any term or condition of any contract or other arrangement that conflicts with the provision of this Act, the regulations, the rules, the declaration, the order or the approval.

(2) No term or condition of a contract or other arrangement that conflicts with a provision referred to in subsection (1) is enforceable or gives rise to any cause of action by any party against any other party to the contract or arrangement.

Prohibitions and obligation

7(1) Subject to the rules, no person shall commence or continue to drill any well or to construct or operate any well or facility unless

- (a) the Regulator has granted a licence for the well or facility under section 9 or, where the well or facility is licensed under the *Oil and Gas Conservation Act*, has designated the well or facility under section 1(3),
- (b) the licence remains in effect, and
- (c) the person is the licensee.

(2) No person shall apply for or hold a licence under this Act unless the person

- (a) meets the eligibility requirements for a licensee as set out in the rules, and
- (b) is entitled or authorized to develop the geothermal resource.

(3) A licence granted pursuant to this Act does not relieve the necessity of obtaining any order, permit, licence, consent or authorization required under any other Act.

(4) Every licensee and working interest participant shall comply with the regulations and rules.

Prohibition on reworking wells and facilities

8(1) When the records of the Regulator indicate that a well or facility is suspended or abandoned, no person other than

- (a) the licensee, or
- (b) a person acting under a direction or with the consent of the Regulator

shall undertake operations with respect to that well or facility until that person applies for and obtains a licence.

(2) The provisions of this Act, the regulations and the rules regarding an application for and holding a licence apply to an application under subsection (1) unless the Regulator otherwise directs.

(3) On the granting of a licence under subsection (1), the holder of the former licence for the well or facility is relieved from all obligations under this Act with respect to the well or facility except as to outstanding debts to the Regulator or to the account of the orphan fund continued under the *Oil and Gas Conservation Act* in respect of suspension or abandonment costs.

Licences

9(1) The Regulator may, on application,

- (a) grant a licence on any terms and conditions the Regulator considers appropriate, or
- (b) refuse to grant a licence.

(2) The Regulator may, on application or on its own motion, after notifying the licensee of the Regulator's intention to do so, amend a licence or refuse to amend a licence.

(3) A licence may not be transferred without the consent in writing of the Regulator.

(4) The Regulator may consent to the transfer of a licence subject to any conditions, restrictions and stipulations that the Regulator may prescribe, or the Regulator may refuse to consent to the transfer of the licence.

(5) The Regulator may direct that a licence be transferred to a person who agrees to accept it and who, in the opinion of the Regulator, has the right and is eligible to receive it, and the direction of the Regulator has the same effect as a transfer consented to under this section.

(6) A transfer of a licence has no effect until the Regulator has consented to, or directed, a transfer of the licence under this section.

Cancellation and suspension

10(1) Where it appears to the Regulator or its authorized representative that a person has failed to comply with the provisions of this Act, the regulations, the rules, a declaration, order or approval of the Regulator or the terms and conditions of the licence, or that a method or practice employed or any

equipment or installation used by a person is improper, hazardous, inadequate or defective, the Regulator may

- (a) cancel or suspend the licence, or
- (b) make any order the Regulator considers suitable in the circumstances including, without limiting the generality of the foregoing,
 - (i) shutting down and closing all or part of the well or facility,
 - (ii) directing the licensee to take remedial action, and
 - (iii) imposing terms and conditions on the licensee or the licence.

(2) Except as otherwise authorized by the Regulator, where any well or facility is shut down and closed under subsection (1)(b)(i), no person may

- (a) enter on, or carry on any operations at, or
- (b) remove any equipment, installation or material situated on

the well site or facility site until the order shutting down or closing the well or facility has been rescinded.

(3) Where a licence is cancelled or suspended pursuant to subsection (1)(a),

- (a) all rights conveyed by the licence are similarly cancelled or suspended, and
- (b) notwithstanding the cancellation or suspension of the licence, the liability of the licensee to complete or abandon the well or facility and reclaim the well site or facility site and suspend operations as the Regulator directs continues after the cancellation or suspension.

Inquiry

11 The Regulator, if required to do so by the Lieutenant Governor in Council shall or, on the Regulator's own motion, may inquire into, examine and investigate any matter related to a purpose of this Act referred to in section 3.

Inspection and investigation

12(1) At any reasonable time, a person authorized by the Regulator, when acting in the performance of any duties or when exercising any powers under this Act,

- (a) shall have access to any well, facility, well site or facility site,
- (b) may make inspections, investigations or tests and take samples at any well, facility, well site or facility site, and
- (c) may examine all books, records and documents pertaining to operations of a licensee.

(2) A person authorized by the Regulator to exercise any powers referred to in subsection (1) shall, when exercising them, produce on demand the person's certificate of authority from the Regulator.

(3) A person authorized by the Regulator may, if the authorized person considers that the circumstances so warrant, take possession of any book, record or document referred to in subsection (1)(c) for a period that the authorized person considers reasonable and proper and shall issue a receipt for the book, record or document so taken.

(4) Every licensee, agent or other person at a well site or facility site shall provide to a person authorized by the Regulator any reasonable assistance that the authorized person requires for the proper exercise of any of the powers conferred on the authorized person under subsection (1).

(5) A person is guilty of an offence who

- (a) prevents any person authorized by the Regulator from exercising the powers referred to in subsection (1),
- (b) hinders or obstructs or fails to assist any person authorized by the Regulator in the exercise of the powers referred to in subsection (1), or
- (c) fails to permit any person authorized by the Regulator to exercise the powers referred to in subsection (1).

Reasonable care, measures to prevent impairment or damage

13(1) A licensee shall provide reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site.

(2) If, in the opinion of the Regulator, a licensee has failed or is unable to provide reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site, the working interest participants in the well, facility, well site or facility site shall provide reasonable care and measures

to prevent impairment or damage in respect of the well, facility, well site or facility site.

(3) If reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site are not being provided in a manner satisfactory to the Regulator, the Regulator may order the licensee or a working interest participant to provide reasonable care and measures to prevent impairment or damage in respect of the well, facility, well site or facility site and may impose any terms or conditions that the Regulator determines are necessary in the order.

(4) The provision of reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site must be carried out in accordance with the rules and any terms or conditions imposed by the Regulator.

Suspension and abandonment

14(1) Subject to subsection (2), a licensee shall suspend or abandon a well or facility when directed by the Regulator or required by the regulations or rules.

(2) Notwithstanding subsection (1),

- (a) if the Regulator so directs, a well or facility must be suspended or abandoned by a working interest participant other than the licensee, and
- (b) with the consent of the Regulator, a well or facility may be suspended by a working interest participant other than the licensee.

(3) The Regulator may order that a well or facility be suspended or abandoned where the Regulator considers that it is necessary to do so in order to protect the public or the environment.

(4) A suspension or abandonment must be carried out in accordance with the regulations or rules.

Suspension, abandonment by Regulator

15 If, in the opinion of the Regulator, a well or facility is not suspended or abandoned in accordance with a direction of the Regulator or the regulations or rules, the Regulator may

- (a) authorize any person to suspend or abandon the well or facility, or
- (b) suspend or abandon the well or facility on the Regulator's own motion.

Continuing liability

16 Abandonment of a well or facility does not relieve the licensee or working interest participant from responsibility for the control or further abandonment of the well or facility or from the responsibility for the costs of doing that work.

Costs

17(1) Subject to subsection (3), the suspension costs, abandonment costs, remediation costs and reclamation costs for a well and well site or facility and facility site must be paid by each working interest participant in accordance with their proportionate share in the well or facility.

(2) Subject to subsection (3), the costs paid by a person who is subject to an order under section 13(3) in providing reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site must be paid by each working interest participant in accordance with their proportionate share in the well or facility.

(3) The Regulator may determine the costs referred to in subsection (1) or (2)

- (a) on the application of the person who provided the reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site, or conducted the suspension, abandonment, remediation or reclamation, in the case of a well or facility that was operated, suspended, abandoned, remediated or reclaimed by a licensee, working interest participant or agent, or
- (b) on the Regulator's own motion, in the case of a well or facility suspended, abandoned, remediated or reclaimed by a person authorized by the Regulator,

and the Regulator shall allocate those costs to each working interest participant in accordance with their proportionate share in the well or facility and shall prescribe a time for payment.

(4) A working interest participant that fails to pay its share of costs as determined under subsection (3) within the time prescribed by the Regulator under subsection (3) must pay, unless the Regulator directs otherwise, a penalty equal to 25% of the working interest participant's share of the costs.

(5) Where a well, facility, well site or facility site is suspended, abandoned, remediated or reclaimed by a licensee, working interest participant or agent, the costs as determined under subsection (3), together with any penalty prescribed by the Regulator under

subsection (4), constitute a debt payable to the licensee, working interest participant or agent who carried out the suspension, abandonment, remediation or reclamation.

(6) Where a well, facility, well site or facility site is suspended, abandoned, remediated or reclaimed by the Regulator or by a person authorized by the Regulator, the costs as determined under subsection (3), together with any penalty prescribed by the Regulator under subsection (4), constitute a debt payable to the Regulator.

(7) A certified copy of the order of the Regulator determining the costs and penalty under this section and the allocation of those costs to each working interest participant in the well or facility may be filed in the office of the clerk of the Court of Queen's Bench and, on being filed and on payment of any fees prescribed by law, the order may be entered as a judgment of the Court and may be enforced according to the ordinary procedure for enforcement of judgments of the Court.

Extended obligation

18 Where a provision of this Act or the regulations or rules or an order of the Regulator imposes a responsibility, obligation or liability on a licensee or working interest participant in respect of the reasonable care and measures to prevent impairment or damage or the operation, suspension, abandonment, remediation or reclamation in respect of a well, facility, well site or facility site or in respect of any matter arising out of the reasonable care and measures to prevent impairment or damage or the operation, suspension, abandonment, remediation or reclamation in respect of a well, facility, well site or facility site, the responsibility, obligation or liability extends also to associated equipment and non-licensed facilities that are located on the site or used in connection with the reasonable care and measures to prevent impairment or damage or the operation, suspension, abandonment, remediation or reclamation in respect of the well, facility, well site or facility site, unless such equipment or facilities are exempted from the application of the provision by the regulations or rules.

Entry on land

19(1) A person ordered, directed or authorized to provide reasonable care and measures to prevent impairment or damage in respect of wells, facilities, well sites and facility sites, or to carry out suspension, abandonment, remediation or reclamation, is entitled to have access to and may enter on the land used in connection with the wells, facilities, well sites and facility sites and any structures on the land for the purposes of providing the reasonable care and measures to prevent impairment or damage or

carrying out the suspension, abandonment, remediation or reclamation.

(2) A person shall, before entering on any land under subsection (1), give prior written notice of the person's intention to enter to the owner and to the occupant, unless it is impractical under the circumstances to do so.

(3) If a person who attempts to enter on any land under subsection (1) is prevented from entering, that person may apply to the Court of Queen's Bench for an order permitting the person to enter on the land for the purposes specified in the order, and an order so made may be enforced by the sheriff.

(4) A person who enters on any land under subsection (1) shall compensate the land owner or occupant for direct expenses and for any damage to the land owner's or occupant's land, crop or livestock arising directly from that entry.

Appointment of agent

20(1) In this section, "resident" means resident as defined in the rules.

(2) Subject to the rules, each licensee shall register its address with the Regulator and, in the case of a licensee that is resident outside Alberta, shall

- (a) appoint an agent within Alberta to carry out the licensee's duties and other responsibilities under this Act,
- (b) notify the Regulator in writing of the appointment, and
- (c) register with the Regulator the address in Alberta of the agent, which address shall also be the address for service of the licensee in Alberta.

(3) A person is not eligible to be appointed or remain as an agent under subsection (2) unless the person meets the requirements under the rules.

(4) The appointment of an agent under this section is ineffective unless the Regulator approves the appointment, and the Regulator may approve or refuse to approve the appointment.

(5) The approval of an appointment by the Regulator does not relieve the licensee of any duty or responsibility to comply with this Act, the regulations or rules or an order of the Regulator, however, if an agent has been appointed and the licensee fails or is

unable to comply with a duty or responsibility, the agent is responsible to comply with the duty or responsibility.

(6) The licensee and any agent shall register any change of address with the Regulator within 15 days after the change.

(7) An agent may not be changed or discharged without the consent, in writing, of the Regulator, which consent may, at the Regulator's discretion, be refused.

Remedial action

21(1) If, in the opinion of the Regulator, the control, completion or operation of a well or the operation of any facility is not in accordance with the Act, the regulations, the rules or an order or direction of the Regulator, any person authorized by the Regulator is entitled to have access to and may enter on the site or any structures on the site and do whatever the Regulator considers necessary because of the failure to comply with the Act, regulations, rules, order or direction.

(2) If a substance has escaped or appears to have escaped from a well, facility or pipeline, from an underground formation or from an unidentified source, and it appears to the Regulator that the escaped substance may not otherwise be prevented, controlled, contained and cleaned up forthwith, the Regulator or its authorized representative may

- (a) direct the licensee of a well, facility or pipeline from which the escaped substance appears to have escaped
 - (i) to take steps the Regulator or its authorized representative considers necessary to control, contain and clean up the escaped substance and to prevent further escapes, and
 - (ii) to do anything else the Regulator or its authorized representative considers necessary to ensure the safety of the public and the environment,

or

- (b) enter on the area where the escaped substance has escaped and conduct any operations the Regulator or its authorized representative considers necessary for the purposes set out in clause (a).

(3) The Regulator may

- (a) determine the costs of or incidental to work carried out under subsection (1) or (2), and
- (b) allocate those costs among any or all of the licensee and the working interest participants as the Regulator considers appropriate.

(4) Costs allocated under subsection (3) constitute a debt payable to the Regulator, and a certified copy of the order of the Regulator allocating those costs may be filed in the office of the clerk of the Court of Queen's Bench and, on being filed and on payment of any fees prescribed by law, the order may be entered as a judgment of the Court and may be enforced according to the ordinary procedure for enforcement of judgments of the Court.

Sale of equipment, etc.

22(1) When the work of control, completion, operation, suspension or abandonment of a well or facility is conducted by the Regulator or a person authorized by the Regulator, the Regulator may sell or dispose of in a manner it sees fit any drilling, producing or operating equipment, installation or material found on the site or taken from the well or facility, but the Regulator shall not sell any equipment, installation or material that the Regulator knows is owned by someone other than the licensee or a working interest participant.

(2) A person to whom any equipment, installation or material is sold pursuant to subsection (1) receives good title to the equipment, installation or material, free of any claim whatsoever.

(3) When the Regulator receives money on the sale or disposal of any equipment, installation or material under subsection (1), the Regulator shall

- (a) apply the money
 - (i) first, to the payment of any unpaid costs and penalty determined by the Regulator, and
 - (ii) 2nd, if any money remains after complying with subclause (i), to the payment of any other outstanding debt owing to the Regulator by the licensee or a working interest participant,

and

- (b) if any money remains after complying with clause (a), forward the remainder to the Minister for payment out to persons who file a claim with the Minister within 6 months

after the date of the sale and establish their entitlement to the money.

Enforcement of lien, garnishment

23(1) In this section,

- (a) “debtor” means a person who is indebted to the Regulator for any costs, levy, fee, penalty, deposit or other form of security or other amount;
- (b) “payor” means
 - (i) a purchaser, operator or other person who owes money to or holds or receives money on behalf of a debtor as a result of a sale of the debtor’s proportionate share of any revenue resulting from the development and recovery of geothermal resources from a well or facility, and
 - (ii) a person who holds or receives revenue owing to the debtor resulting
 - (A) from the use of a well or facility by another person, or
 - (B) from the provision of services by the debtor.

(2) The Regulator has a lien in respect of a debtor’s debt on the debtor’s interest in any wells, facilities and pipelines, land or interests in land, equipment or substances associated with the development of geothermal resources, including geothermal resources and revenue derived therefrom, and when it arises, the lien has priority over all other liens, charges, rights of set-off, mortgages and other security interests.

(3) The Regulator’s lien arises when the debtor fails to satisfy the debt when due, and expires on full satisfaction of the debt.

(4) The Regulator may enforce its lien by serving on the debtor and the payor a notice of garnishment in the form established by the Regulator.

(5) On receipt of a notice of garnishment, the payor shall forward to the Regulator for payment on account of the debt owing to the Regulator all money and revenue referred to in subsection (1)(b) that is then owing or later becomes owing to the debtor.

(6) The obligation to make payments under subsection (5) continues until the Regulator advises the payor that the debt has been paid in full.

(7) Any payment to the Regulator on the account of the debtor under this section is deemed to be a payment to the debtor and releases the payor from liability in debt to the debtor to the extent of the payment.

(8) A payor who fails to comply with a notice of garnishment is guilty of an offence.

(9) A payor who fails to comply with a notice of garnishment or makes payment to a debtor in contravention of the notice of garnishment is indebted to the Regulator for an amount equal to the amount the payor is required to pay pursuant to the notice of garnishment or the amount of the payment made to the debtor, whichever is less.

Enforcement of orders

24(1) For the purposes of the enforcement of any order made by it, the Regulator may

- (a) take any steps and employ any persons the Regulator considers necessary,
- (b) forcibly or otherwise enter on, seize and take control of a well or facility, together with the whole or part of the movable and immovable property in, on or about the well or facility or used in connection with or pertaining to the well or facility, together with records of ownership and operation pertaining to the well or facility,
- (c) discontinue all production or take over the management and control of a well or facility,
- (d) in the case of a well, plug the well at any depth and take any steps the Regulator considers necessary to prevent the flow or escape of oil, gas, crude bitumen, water or any other substance from any stratum that the well enters, and
- (e) in the case of a facility, take any steps the Regulator considers necessary to prevent the flow or escape of oil, gas, crude bitumen, water or any other substance from the facility.

(2) On the Regulator's taking control of a well or facility and for so long as the control continues, every officer and employee of the licensee of the well or facility, or of any contractor or operator working on the well or facility, shall obey the orders and directions concerning the well or facility given by the Regulator or by any person that the Regulator places in charge or control of the well or facility.

(3) On the Regulator's taking control of a well or facility, the Regulator may take, deal with and dispose of the geothermal resources, water or any other substance produced or recovered at the well or handled at the facility as if it were the property of the Regulator.

(4) The costs and expenses of and incidental to proceedings taken by the Regulator under this section are at the discretion of the Regulator and the Regulator may direct by whom and to what extent they are to be paid.

(5) Where the Regulator sells products converted or recovered from the geothermal resources or sells water or any other substance under subsection (3), the Regulator shall apply the proceeds as follows:

- (a) first, to payment of
 - (i) all costs and expenses of and incidental to the steps taken by the Regulator under this section, including the costs and expenses arising out of the management, operation and control of the well or facility by the Regulator, and
 - (ii) all costs and expenses of carrying out investigations and conservation measures that the Regulator considers necessary in connection with the well or facility,
- (b) 2nd, if any money remains after complying with clause (a), to payment of any outstanding debt owing to the Regulator from the licensee, and
- (c) 3rd, if any money remains after complying with clauses (a) and (b), by forwarding the remainder to the Minister for payment out to persons who file a claim with the Minister within 6 months after the date of the sale and establish their entitlement to the money.

(6) Section 21(4) applies with respect to the recovery from a licensee or other person of costs and expenses that are the subject of a direction under subsection (4) of this section.

Actions re principals

25(1) Where a licensee or working interest participant

- (a) contravenes or fails to comply with an order of the Regulator, or

- (b) has an outstanding debt to the Regulator in respect of suspension, abandonment, remediation or reclamation costs,

and where the Regulator considers it in the public interest to do so, the Regulator may make a declaration setting out the nature of the contravention, failure to comply or debt and naming one or more directors, officers, agents or other persons who, in the Regulator's opinion, were directly or indirectly in control of the licensee or working interest participant at the time of the contravention, failure to comply or failure to pay.

(2) The Regulator may not make a declaration under subsection (1) unless it first gives written notice of its intention to do so to the affected directors, officers, agents or other persons and gives them at least 10 days to show cause as to why the declaration should not be made.

(3) Where the Regulator makes a declaration under subsection (1), the Regulator may, subject to any terms and conditions the Regulator considers appropriate,

- (a) suspend any operations of a licensee under this Act, a licensee or approval holder under the *Oil and Gas Conservation Act* or a licensee under the *Pipeline Act*,
- (b) refuse to consider an application for an identification code or licence from an applicant under this Act, the *Oil and Gas Conservation Act* or the *Pipeline Act*,
- (c) refuse to consider an application to transfer a licence under this Act, a licence or approval under the *Oil and Gas Conservation Act* or a licence under the *Pipeline Act*,
- (d) require the submission of deposits or other forms of security for the purposes of abandonment, remediation and reclamation in an amount determined by the Regulator prior to granting any licence or transfer to an applicant, transferor or transferee under this Act, or
- (e) require the submission of deposits or other forms of security for the purposes of abandonment, remediation and reclamation in an amount determined by the Regulator for any wells or facilities of any licensee,

where the person named in the declaration is the licensee, applicant, transferor or transferee referred to in clauses (a) to (e) or is a director, officer, agent or other person who, in the Regulator's opinion, is directly or indirectly in control of the licensee, applicant, transferor or transferee referred to in clauses (a) to (e).

(4) This section applies in respect of a contravention, failure to comply or debt whether the contravention, failure to comply or debt arose before or after the coming into force of this section.

Rules

26(1) The Regulator may make rules

- (a) respecting licences and licensing relating to wells and facilities, including the transfer of such licences;
- (b) prescribing the manner in which an application under this Act or the rules is to be submitted and the information that is to be included in or to accompany such an application;
- (c) prescribing requirements or prohibitions on any matter related to
 - (i) the drilling, completion, injection, recovery, circulation and operation of and the production from wells,
 - (ii) the storage of anything produced from wells,
 - (iii) the management of waste produced from wells, and
 - (iv) equipment and materials that may be used in connection with anything referred to in subclauses (i) to (iii);
- (d) prescribing requirements or prohibitions on any matter related to
 - (i) the construction, operation, circulation and production from facilities,
 - (ii) the storage of anything produced from facilities,
 - (iii) the management of waste produced from facilities, and
 - (iv) the equipment and materials that may be used in connection with anything referred to in subclauses (i) to (iii);
- (e) respecting monitoring and compliance in relation to wells, facilities, well sites and facility sites;
- (f) requiring notice to the Regulator, or other persons, and approval before certain activities or operations are undertaken;
- (g) governing multi-zone wells, prohibiting completion of a well as a multi-zone well without the permission of the

- Regulator, and prohibiting the use of a well for the production from or injection to more than one zone without the approval of the Regulator;
- (h) respecting shut-down, suspension, abandonment and other closure activities including
 - (i) the circumstances under which a well or facility must be suspended or abandoned,
 - (ii) the timing of such suspension or abandonment, and
 - (iii) the manner in which such suspension or abandonment is to be carried out;
 - (i) respecting reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site;
 - (j) respecting costs of providing reasonable care and measures to prevent impairment or damage, suspension costs, abandonment costs, remediation costs and reclamation costs in respect of wells, facilities, well sites and facility sites;
 - (k) respecting the undertaking or compelling by the Regulator of remedial action under this Act;
 - (l) requiring and prescribing any tests and methodology, samples, analyses, surveys and logs, and any other data, and the submission test results, samples, analyses, surveys, logs and other data to the Regulator;
 - (m) respecting methods to be used for measurements related to the production or recovery of geothermal resources and the measurement of any associated substances produced, and the standard conditions to which those measurements are to be converted;
 - (n) respecting the service of and the making of payments under a notice of garnishment under section 23;
 - (o) respecting records, reports and information to be kept, stored or submitted to the Regulator by a licensee or other person;
 - (p) respecting records, reports and information to be submitted to or kept, stored or acquired by the Regulator under this Act and their treatment by the Regulator as confidential, including respecting when and to whom the records, reports and information may be made available;

- (q) respecting deposits or other forms of security required to guarantee the proper and safe suspension, abandonment and reclamation of wells, facilities, well sites and facility sites, and respecting the carrying out of any other activities necessary to ensure the protection of the public and the environment, including the amount and form of those deposits and security and how they may be used, retained, forfeited and returned;
- (r) respecting the service of notices;
- (s) respecting the registered address of a licensee and the agent of the licensee;
- (t) respecting the appointment of an agent of a licensee under section 20 and defining “resident” for the purpose of that section;
- (u) respecting the exemption of licensees or classes of licensees from the application of some or all of the requirements in section 20, subject to any terms and conditions provided for in the rules, including the substitution of any other requirements;
- (v) respecting the exemption from or modification of the application of some or all of the requirements of licences, facilities and wells;
- (w) defining classes of licences, facilities and wells and prescribing requirements that apply to each class;
- (x) respecting the eligibility to apply for, and hold, a licence;
- (y) establishing a schedule of fees
 - (i) pertaining to any application or any proceeding under this Act or the rules,
 - (ii) for any map, report, document or other record of the Regulator, and
 - (iii) for any other service provided by the Regulator;
- (z) generally to conserve and manage geothermal resources in relation to other energy resources and energy resource activities;
- (aa) respecting the location of wells and facilities, including regulating, restricting or prohibiting the drilling of a well or

the construction or operation of a well or facility for the purposes of achieving spacing, buffers and setbacks;

- (bb) respecting compliance with and enforcement of regional plans as defined in the *Alberta Land Stewardship Act*;
- (cc) subject to the regulations, respecting the funding, treatment, designation and requirements applicable for the purposes of addressing the suspension, abandonment, remediation and reclamation of orphan wells, facilities, well sites and facility sites.

(2) If rules made pursuant to subsection (1) authorize the Regulator to approve any operation, the Regulator may prescribe conditions under which it grants approval in any case.

(3) If rules under subsection (1)(a) have prescribed the information to be included in or to accompany an application pursuant to a given provision of this Act or the rules, the Regulator is not precluded from considering or acting on an application pursuant to that provision that does not contain that information or from requiring additional information.

(4) Rules made pursuant to subsection (1)(p) respecting confidentiality of records, reports and information submitted to or acquired by the Regulator under this Act prevail despite the *Freedom of Information and Protection of Privacy Act*.

Regulations

27 The Lieutenant Governor in Council may make regulations

- (a) prescribing things as not being facilities for the purposes of section 1(1)(c);
- (b) prescribing things as not being wells for the purposes of section 1(1)(h);
- (c) respecting provisions of other energy resource enactments applicable to the development of geothermal resources, with necessary modifications;
- (d) respecting any matters that are necessary for or ancillary or incidental to the carrying out of a power, duty or function by the Regulator under this Act;
- (e) respecting surface access and consents required for the development of geothermal resources;
- (f) respecting the funding, treatment, designation and requirements applicable for the purposes of addressing the

suspension, abandonment, remediation and reclamation of orphan wells, facilities, well sites and facility sites;

- (g) defining for the purposes of this Act any term or expression that is used in this Act but not defined in this Act;
- (h) respecting any other matter or thing the Lieutenant Governor in Council considers necessary to carry out the purposes of this Act.

Offences and penalties

28(1) A person is guilty of an offence who

- (a) whether as a principal or otherwise, contravenes or fails to comply with a provision of any of the following:
 - (i) this Act,
 - (ii) the regulations,
 - (iii) the rules,
 - (iv) an order or direction of the Regulator under this Act, the regulations or the rules, or
 - (v) the terms or conditions of a licence or imposed by the Regulator in relation to anything else under this Act,
- (b) either alone or in conjunction or participation with any other person, induces or causes a licensee or other person to contravene or to fail to comply with a provision referred to in clause (a), or
- (c) instructs, orders, directs, induces or causes an officer, agent or employee of a licensee or other person to contravene or to fail to comply with a provision referred to in clause (a).

(2) A prosecution for an offence under this Act may not be commenced more than 2 years after

- (a) the date on which the offence was committed, or
- (b) the date on which evidence of the offence first came to the attention of the Regulator,

whichever is later.

(3) A person who is guilty of an offence under this Act is liable

- (a) in the case of a corporation, to a fine of not more than \$500 000, and
 - (b) in the case of an individual, to a fine of not more than \$50 000.
- (4) No person shall be convicted of an offence under this Act if that person establishes on a balance of probabilities that the person took all reasonable steps to prevent its commission.
- (5) A person who is guilty of an offence under this Act is liable on conviction for each day or part of a day on which the offence occurs or continues.

Forms

29 The Regulator may establish any forms required by or under this Act.

Consequential Amendments

Amends RSA 2000 cE-12

30(1) The *Environmental Protection and Enhancement Act* is amended by this section.

(2) Section 1(aaaa) is amended by adding “a well as defined in the *Geothermal Resource Development Act* or” after “means”.

(3) Section 2 of the Schedule of Activities is amended by striking out “or” at the end of clause (jj), by adding “or” at the end of clause (kk) and by adding the following after clause (kk):

- (ll) the recovery, transfer, injection or storage of natural heat from the earth for the purpose of heating.

Amends RSA 2000 cM-17

31(1) The *Mines and Minerals Act* is amended by this section.

(2) Section 1 is amended

(a) in subsection (1)

- (i) in clause (a) by striking out “mineral or subsurface reservoir” and substituting “mineral, subsurface reservoir, or geothermal resource”;

(ii) by adding the following after clause (a):

- (a.01) “base of groundwater protection” means the base of groundwater protection as defined in the *Water Wells*

and Ground Source Heat Exchange System Directive
published by Alberta Environment and Parks, as
amended or replaced from time to time;

(iii) by adding the following after clause (i):

- (i.1) “geothermal resource” means the natural heat from the earth that is below the base of groundwater protection;

(b) in subsection (2)

- (i) **by striking out** “any mineral or any product obtained from a mineral is injected into” **and substituting** “any mineral, any product obtained from a mineral or any substance is injected into or removed from”;
- (ii) **by striking out** “mineral or mineral product was injected” **and substituting** “mineral, mineral product or substance was injected or removed”.

(3) Section 2(b) is amended by striking out “quarries and minerals” **and substituting** “quarries, minerals and geothermal resources”.

(4) Section 5(1) is amended

(a) in clause (a) by adding the following after subclause (iii):

- (iii.1) any matter related to the exploration for or the development, recovery or management of geothermal resources associated with minerals or subsurface reservoirs that are property of the Crown in right of Alberta,

(b) by adding the following after clause (w.7):

- (w.8) respecting the amounts payable to the Crown in relation to the exploration for or the development or recovery of geothermal resources associated with minerals or subsurface reservoirs that are property of the Crown in right of Alberta;

(5) Section 9(a) is amended

(a) by adding the following after subclause (v):

- (v.1) the exploration for or the development and recovery of, and any amounts payable on the exploration for or the development and recovery of, geothermal resources

associated with minerals or subsurface reservoirs owned by the Crown in right of Alberta;

- (b) **in subclause (vi) by striking out** “subclauses (i) to (v)” **and substituting** “subclauses (i) to (v.1)”.

(6) The following is added after section 10.1:

Geothermal resources

10.2 The owner of the mineral title in any land in Alberta has the right to explore for, develop, recover and manage the geothermal resources associated with those minerals and with any subsurface reservoirs under the land.

- (7) Section 16 is amended by striking out** “mineral or subsurface reservoir” **and substituting** “mineral, subsurface reservoir or geothermal resource”.

(8) Section 17 is amended

(a) in subsection (1)

- (i) **in clause (a) by striking out** “minerals or pore space” **and substituting** “minerals, pore space or geothermal resources”;

(ii) **by adding the following after clause (b):**

- (c) withdraw any or all rights to explore for, develop and recover geothermal resources from disposition.

(b) by adding the following after subsection (2):

(3) During the period that a right to explore for, develop and recover geothermal resources is withdrawn from disposition pursuant to subsection (1)(c), no person has the right to acquire an agreement granting rights to explore for, develop and recover geothermal resources in all or any part of the area specified.

(9) Section 20 is amended by adding the following after subsection (5):

(6) Subject to the regulations, an agreement granting rights to win, work and recover a mineral is deemed to include the right to explore for, develop and recover geothermal resources in the course of recovering the mineral under the agreement.

(10) The following is added after section 33:

Amounts payable re geothermal resources

33.1 Amounts determined under this Act for the exploration for and the development and recovery of geothermal resources associated with minerals or subsurface reservoirs that are property of the Crown in right of Alberta are payable to the Crown in right of Alberta.

(11) Section 36(1) is amended by adding the following after clause (k):

- (l) respecting the amounts payable to the Crown in right of Alberta for the exploration for and the development and recovery of geothermal resources associated with minerals and subsurface reservoirs that are property of the Crown in right of Alberta, including the determination of the amounts and the administration of payments.

(12) Section 46 is amended by adding the following after subsection (1):

(1.1) 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 the right granted under an agreement to explore for, develop and recover geothermal resources.

(13) Section 54 is amended**(a) in subsection (1) by striking out “or” at the end of clause (a), adding “or” at the end of clause (b) and adding the following after clause (b):**

- (c) recover geothermal resources associated with a mineral or subsurface reservoir

(b) by adding the following after subsection (2.1):

(2.2) The Minister, if the Minister has grounds to believe that a person has contravened subsection (1)(c), may order that the mineral and any installations and equipment used in connection with the exploration for and development and recovery of geothermal resources are forfeited to the Crown in right of Alberta free and clear of all interests, charges and liens.

(c) in subsection (3) by striking out “(2) or (2.1)” and substituting “(2), (2.1) or (2.2)”;**(d) in subsection (5) by striking out “minerals or the sequestration of captured carbon dioxide” and substituting “minerals, the sequestration of captured carbon dioxide or**

the exploration for or development or recovery of geothermal resources”.

(14) Section 58 is amended by adding the following after subsection (3):

(4) Any person who has the right to explore for, develop or recover a geothermal resource may work through the pore space and any mineral in the same tract to the extent necessary to exercise those rights of exploration, development and recovery, without permissions from or compensation to any other person for the right to work through the pore space or that mineral, subject, however, to this Act, the regulations, an agreement under this Act and the provisions of any other enactment affecting the exercise of that right.

(15) Section 59 is amended by adding the following after subsection (2):

(3) Any person who has the right to explore for or recover a geothermal resource and who has obtained a licence under the *Geothermal Resource Development Act* or the *Oil and Gas Conservation Act* to drill a well for the exploration for or development or recovery of the geothermal resource 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 geothermal resource 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, the regulations, and the provisions of any other enactment affecting the exercise of that right.

(16) Section 106(b)(i) is amended by striking out “natural gas or subsurface reservoirs” **and substituting** “natural gas, subsurface reservoirs or geothermal resources”.

Amends RSA 2000 cO-6

32(1) The *Oil and Gas Conservation Act* is amended by this section.

(2) Section 1(1) is amended

(a) in clause (w)

(i) by adding “and a facility as defined in the *Geothermal Resource Development Act* that is designated under section 3(3)(a) as a facility for the purposes of this Act” **after** “any combination of any of them”;

- (ii) **by striking out** “*Oil Sands Conservation Act* or a mine site or coal processing plant as defined in the *Coal Conservation Act*” **and substituting** “*Oil Sands Conservation Act*, a mine site or coal processing plant as defined in the *Coal Conservation Act* or, subject to the regulations, a facility as defined in the *Geothermal Resource Development Act*”;
- (b) **in clause (cc) by adding** “and, for greater certainty, includes a person who is a licensee for the purposes of this Act under section 3(3)” **after** “property of a licensee”;
- (c) **by repealing clause (nn)(ii) and substituting the following:**
- (ii) does not include any pipe or any system or arrangement of pipes that
- (A) constitutes a distribution system for the distribution within a community of gas to ultimate consumers,
- (B) is used in connection with the development of geothermal resources, or
- (C) is used in the distribution of heat resulting from the development of geothermal resources;
- (d) **by repealing clause (eee) and substituting the following:**
- (eee) “well” means
- (i) an orifice in the ground completed or being drilled
- (A) for the production of oil or gas,
- (B) for injection to an underground formation,
- (C) as an evaluation well or test hole, or
- (D) to or at a depth of more than 150 metres, for any purpose,
- or
- (ii) a well as defined in the *Geothermal Resource Development Act* that is designated under subsection 3(3)(b) as a well for the purposes of this Act,
- but does not include
- (iii) an orifice in the ground completed or being drilled to discover or evaluate a solid inorganic mineral and that

does not or will not penetrate a stratum capable of containing a pool or oil sands deposit, or

- (iv) subject to subclause (v) and the regulations, a well as defined in the *Geothermal Resource Development Act*;

(3) Section 3 is amended by renumbering it as section 3(1) and adding the following after subsection (1):

(2) To the extent provided by the regulations, this Act applies to a well or facility as defined in the *Geothermal Resource Development Act*.

(3) The Regulator may

- (a) designate all or part of a facility as defined in the *Geothermal Resource Development Act* as a facility for the purposes of this Act, and
- (b) designate a well as defined in the *Geothermal Resource Development Act* as a well for the purposes of this Act

and the holder of a licence under the *Geothermal Resource Development Act* for such a well or facility is a licensee for the purposes of this Act.

(4) Section 106(3) is amended

- (a) in clause (a) by adding “the *Geothermal Resource Development Act* or” after “a licensee under”;
- (b) in clause (b) by striking out “this Act” and substituting “this Act, the *Geothermal Resource Development Act*”;
- (c) in clause (c) by adding “the *Geothermal Resource Development Act* or” after “a licence under”.

(5) Section 110.1 is amended by adding the following after clause (b):

- (c) qualifying the exclusion of facilities as defined in the *Geothermal Resource Development Act* from the definition of facility in section 1(1)(w);
- (d) qualifying the exclusion of wells as defined in the *Geothermal Resource Development Act* from the definition of well in section 1(1)(eee);

- (e) respecting the application of this Act to a well or facility as defined in the *Geothermal Resource Development Act*.

Amends RSA 2000 cP-15

33(1) The *Pipeline Act* is amended by this section.

(2) Section 1(1)(t) is amended

- (a) in subclause (i) by striking out “or” at the end of paragraph (A), adding “or” at the end of paragraph (B) and adding the following after paragraph (B):

- (C) a facility licensed under the *Geothermal Resource Development Act*,

- (b) by striking out “or” at the end of subclause (ii), adding “or” at the end of subclause (iii) and adding the following after subclause (iii):

- (iv) a pipe used in the distribution of heat resulting from the development of geothermal resources;

(3) Section 51(3) is amended

- (a) in clause (a) by striking out “this Act” and substituting “this Act, the *Geothermal Resource Development Act*”;

- (b) in clause (b) by striking out “this Act” and substituting “this Act, the *Geothermal Resource Development Act*”;

- (c) in clause (c) by striking out “this Act” and substituting “this Act, the *Geothermal Resource Development Act*”.

Amends SA 2012 cR-17.3

34(1) The *Responsible Energy Development Act* is amended by this section.

(2) Section 1(1)(j) is amended by adding the following after subclause (ii):

- (ii.1) the *Geothermal Resource Development Act*,

(3) Section 29(1)(f) is repealed and the following is substituted:

- (f) “well” means a well as defined in the *Geothermal Resource Development Act* or the *Oil and Gas Conservation Act*.

Coming into force

35 This Act comes into force on Proclamation.

