



Freedom To Create. Spirit To Achieve.

INTRODUCTION

Government
of Alberta ■

Agenda

- Today's session includes information on a variety of topics
- At the end of this morning you should know:
 - How to access and utilize on-line training modules
 - What has changed for undisposed Crown rights
 - The rules and policies for Section 8(1)(h) extension requests and advance ruling requests
 - What stage the Tenure business process review is at
 - How shallow rights reversion will affect you

Tenure Industry Advisory Committee

- First contact for Tenure branch with industry
- Members are chosen by involved associations
- Members are drawn from:
 - Canadian Association of Petroleum Landmen
 - Canadian Association of Petroleum Land Administration
 - Canadian Association of Petroleum Producers
 - Small Explorers and Producers Association of Canada
 - Energy Resources Conservation Board
 - Alberta Energy (Tenure, Geology, Oil Sands, Policy, etc)
- Contact your representatives to raise questions or find out what is currently happening

Tenure – Who Are We?

Tenure now consists of:

- Tenure Operations
 - **Lori Enns**, Director
 - Donna Crawford, Manager, Continuations
 - Angela St. Jean, Manager, Continuations
- Business Analysis
 - **Brenda Ponde**, Director
 - Grace Matias, Manager, Wells, Undisposed Crown Rights, Offsets
 - Claudia Cooper, Manager, Units and Trespass
 - Brenda Curle, Manager, Freehold Mineral Tax

Tenure – Who Are We?

- Unconventional Tenure, Sales and Registrations
 - **Retha Purkis**, Director
 - Chris Rudland, Manager, Sales and Registrations

- Crown Land Data Support
 - **Agnes Kilmarnock**, Acting Manager

Regulatory Enhancement Project

Current Regulatory System

- In Alberta's current regulatory system, responsibilities and authorities are distributed among several government entities:
 - **Alberta Environment** – develops policies regarding air and water resources and the reclamation and remediation of oil and gas facilities and acts as a regulator in these areas.
 - **Alberta Sustainable Resource Development (SRD)** – develops policies regarding forest resources, biodiversity, land-use and management of public lands, and regulates these same areas.
 - **Alberta Energy** - develops policies regarding energy resources and is responsible for managing Crown mineral rights and royalties.
 - **Energy Resources Conservation Board (ERCB)** – responsible for regulatory delivery around oil and gas development activities.

Regulatory Enhancement Project (REP)

- A comprehensive review of the entire regulatory system
- By a team of government representatives from Alberta Energy (sponsor and participant), Alberta Environment, Alberta Sustainable Resource Development, the Energy Resources Conservation Board and Alberta Justice and Attorney General.
- Final report came out December 2010 with six recommendations

Recommendation 1

- Establish a Policy Management Office to ensure integration of natural resource policies and provide interface between policy development and policy assurance.
- Reports directly to Sustainable Resource and Environmental Management (SREM) Deputy Ministers
- Key roles:
 - Policy integration
 - Stewardship and Oversight
 - Stakeholder Engagement
 - Monitoring and Reporting (including arm's-length reviews of system)
 - Interface for Federal and Interprovincial Policy Issues

Recommendation 2

- Establish a single regulatory body with unified responsibility for policy assurance (regulatory delivery) of upstream oil and gas development activities.
 - Less complexity and more transparency
 - Clear and consistent policy guidance
 - A single point of contact
 - Strengthened accountability

Recommendations 3 and 4

- Provide clear public engagement processes that enable parties to engage effectively at the policy development and assurance stages.
- Ensure a systemic and common risk assessment and management approach is used across the entire Policy Development and Policy Assurance System.
 - Have developed an Integrated Risk Management Framework based on the internationally recognized ISO 31000 Risk Management Standard.

Recommendations 5 and 6

- Adopt a Performance-Measurement Framework and a public reporting function to measure and communicate the effectiveness of the system and identify opportunities for continuous improvement.
- Ensure an effective mechanism to address landowner concerns is developed.
 - Recommends a Board (Surface Rights Board or another body) be given jurisdiction to examine and resolve landowner-company agreement disputes through mediation or arbitration.

Going Forward

- The recommendations made in this report will bring about a Policy Development and Policy Assurance System that is more efficient, effective, adaptable, predictable, fair and transparent.
- There are teams from SRD, Environment, Energy, and the ERCB working to implement the recommendations of this report
- More information can be found at:
<http://www.energy.alberta.ca/Initiatives/RegulatoryEnhancement.asp>

Continuation Tidbits
Section 8(1)(h) Examples
Term Extensions

Section 8(1)(h) of the *Mines and Minerals Act*

“Ministerial Powers

8(1) The Minister may

- (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”



Things to Remember

- Extends the term – if one part of the agreement qualifies for a section 8(1)(h) the entire agreement is extended
- Only used if the agreement doesn't qualify under a section of the regulation [i.e. Sections 15, 16, 16(8), 17, 18(6)]
 - Provide the data you have
- Request the time you need and tell us why
 - may be changed
- Economic reasons or business decisions are not valid

Things to Remember

- Reasons for request must be provided
 - What prevented you from doing the work
- Same application rules apply as regular continuation
 - Designated Representative or authorized applicant
 - Application on or before expiry
 - No late application ability
- There is no guarantee of receiving this extension

Reasons We Have Been Given

- Too cold to build an ice bridge
- Dead lizard
- Rig turned left instead of right so well was drilled in wrong location
- Rig went off of road
- Illness in family or of self
- Rig crew needed four days off
- Crew crashed on way to site
- Out of country when lease expired
- Spring breakup (March or January)
- Late freeze-up
- Movie being filmed on land

8(1)(h) Example 1

Lease One

- Expired February 2011
- Application received for extension based on a number of reasons:
 - Acquired six months before expiry with plans to drill well
 - Secured survey plans
 - Rainy conditions caused delay
 - Crown surface lease was delayed due to internal SRD issues
 - Confirmed by SRD

Decision:

- Short term extension granted to match time lost due to delay in issuance of Crown surface lease

8(1)(h) Example 2

Lease Two

- Expired February 2011
- Application received for extension based on a number of reasons:
 - Acquired six months before expiry with plans to drill well
 - Secured survey plans
 - Rainy conditions caused delay
 - Crown surface lease was delayed due to internal issues
 - Not confirmed by SRD

Decision:

- Denied as SRD said Crown surface lease was issued within the normal time frames

8(1)(h) Example 3

Intermediate Licence Three

- Licence granted Section 17 continuation until January 2011
- New lessee nine months before expiry
- Five months later lessee decides to drill
- Application received for extension based on a number of reasons:
 - Final survey completed in October 2010
 - Surface lease December 2010
 - No time to prepare site and spud well before expiry

Decision:

- Denied as they started too late in the five-year term to get the well spud before expiry

8(1)(h) Example 4

Lease Four

- Expiry of primary term lease in March 2011
- Application for extension received in September 2010
- Asked for one-year extension

Decision:

- Denied due to lack of evidence and time remaining to prove lease. We expect a company to continue to work diligently towards proving the lease productive.

8(1)(h) Example 5

Lease Five

- Expiry of primary term lease in March 2011
- Application for extension received in September 2010
- Asked for one-year extension
- Worked 4 years to get surface access and now at Board hearing stage

Decision:

- Granted as board hearing will take one year to September 2011, then time needed to drill well.

8(1)(h) Example 6

Initial Term Licences Six, Six-A, Six-B, Six-C

- Expires April 15, 2011 in Plains area
- Applied for 6-month extension March 13, 2010 with various reasons:
 - Want to drill validating well on Licence Six
 - Expect validating well to earn lands in Licence Six-A, Six-B and Six-C
 - Negotiating for surface access on Licence 6 for past two years
 - Board just advised hearing required

Decision:

- Granted as worked diligently to spud well through full term of licence. Well will be a validating well so Licences 6A, 6B and 6C must also be extended.

8(1)(h) Example 7

Lease Seven

- Expiry date April 1, 2011 with application for Section 15 on agreement
- Response granted Section 17 for three of the four sections in agreement
 - Request for review received accepting Section 17 for the three sections and asking for an extension on remaining one section for following reason:
 - Need to spud well to prove mapping
 - Caribou range so limited access

Decision:

- Full agreement granted extension through next winter drilling season.

8(1)(h) Example 8

Initial Term Licence Eight

- Expiry November 1, 2010
- Tried to evaluate with grouped licences but validating well did not enter the rights in this licence
- Requested extension for the following reasons:
 - Want to drill validating well
 - Postponed drilling the deeper well due to worldwide economic crisis

Decision:

- Denied as reason is business decision

8(1)(h) Example 8

Intermediate Licence Nine

- Section 18 notice of non-productivity expires August 20, 2011
- Application submitted for one-year Section 8(1)(h) extension for the following reasons:
 - Winter drilling area only
 - Need to spud well on agreement to prove rights
 - Requested one year

Decision:

- Denied as Section 8(1)(h); Granted as to Section 18(6) but for 8 months only.

8(1)(h) Example 10

Lease Ten

- Expiry September 1, 2010
- Application on expiry for Section 15 continuation to base Belly River
- Response sent November 10, 2010 advising not-productive
- Request for review received December 10, 2010 (same rights)
 - New data submitted
- Response sent January 12, 2011 offering Section 17 to Viking
- Section 17 accepted February 1, 2011
- Final letter sent March 3, 2011

8(1)(h) Example 10 (continued)

Lease Ten

- Company diligently worked to get a well spud
- Application received July 15, 2011 for an extension
 - Have worked to get well spud
 - Didn't know until 4 months after expiry that they were receiving a Section 17 and final went to them six months after expiry
 - Spent time since negotiating access (evidence provided)
 - Have surface lease built
 - Have rig available

Decision:

- Granted for two months to get well spud due to effectively having only 5 months of the section 17 year

Helpful Hints

- Work diligently through the term of your agreement.
- Get it in writing.
- Contact the managers of Continuation or the senior supervisors prior to applying for assistance.
- If you farm-in late in the life of the agreement do so at your own risk.
 - We look at how long agreement existed, not who owned it
- Have your technical people read the technical guidelines found at:
http://www.energy.alberta.ca/Tenure/pdfs/Technical_Guidelines_for_Continuation.pdf

Licence Validation Application Form

Part 2		Licence Information	
PNG Licence Number:	<input type="text"/>	Expiry Date:	<input type="text"/> <input type="text"/> <input type="text"/> YYYY MMM DD
<input type="checkbox"/> Applicant is Designated Representative	OR	<input type="checkbox"/> Authorization is attached	
<input type="checkbox"/> Well Drilled Over Expiry		If the well drilled over expiry, initial term expires 1 month after the rig release date	
<input type="checkbox"/> Applying to Validate Entire Licence		<input type="checkbox"/> Re-Entry Well	
<input type="checkbox"/> Applying to Validate Portion:	M <input type="text"/> Rg <input type="text"/> Twp <input type="text"/> : Sections <input type="text"/>		
	M <input type="text"/> Rg <input type="text"/> Twp <input type="text"/> : Sections <input type="text"/>		
<input type="checkbox"/> Requesting an extension under Section 8(1)(h) of the Mines and Minerals Act , until:	<input type="text"/> <input type="text"/> <input type="text"/>		
Attach explanation and supporting documentation.			YYYY MMM DD
Part 3		Authorization to Use Well(s) for Validation	
With reference to wells listed in Part 5 (A or B) of the application:			
—			

Continuation Application Form

agreement (indicate land M-RR-TTT:SS and any portions)				
Part 3	Extensions			
<input type="checkbox"/> Requesting an extension under <i>Section 16(8)</i> until: <i>(must be under Section 16 continuation at expiry)</i>	■ ■ ■	(YYYY-MMM-DD)	<input type="checkbox"/> Explanation attached	
<input type="checkbox"/> Requesting an extension under <i>Section 18(6)</i> until: <i>(must presently be under Section 18 notice)</i>	■ ■ ■	(YYYY-MMM-DD)	<input type="checkbox"/> Explanation attached	
<input type="checkbox"/> Requesting an extension under <i>Section 8(1)(h)</i> of the <i>Mines and Minerals Act</i> until:	■ ■ ■	(YYYY-MMM-DD)	<input type="checkbox"/> Explanation attached	
Part 4	Signature and Contact Information			

Advance Ruling Examples

Advance Rulings

- Used when an applicant requires a continuation decision in advance of expiry to determine if further operations are necessary
 - Lands are important to your company and you can't afford to lose any rights
- The **latest** an advance ruling application can be submitted is two months prior to expiry
 - Anything less would not give you time to do work
- Follows the same technical requirements for any continuation request except advanced ruling must be requested

Continuation Application Form

under our Business / Tenure / Tenure / Administration.

Part 1		Administrative Information	
Applicant Company	<input type="text"/>	Department Use Only: Date of Receipt: Fax Received:	
Address	<input type="text"/>		
	<input type="text"/>		
	<input type="text"/>		
If faxing the application:			
<input type="checkbox"/> No data to follow (It is not necessary to mail the signed original application form) OR			
<input type="checkbox"/> Data being sent by courier or mail (Please reference PNG Crown Agreement Number)			
<input type="checkbox"/> Amendment to previous application	Previous Application Date: <input type="text"/> <input type="text"/> <input type="text"/> (e.g. 2007-MAR-23)	Parts of Form Amended: <input type="text"/>	
<input type="checkbox"/> Advance Ruling requested (must be received at least two months before expiry)			
<input type="checkbox"/> Geological Discussion attached (see <i>Technical Guidelines</i>)			
<input type="checkbox"/> Return seismic lines			
Rental payment is not required with this application			
Part 2		PNG Crown Agreement Information	

Helpful Hints

- Submit far enough in advance that if you get a poor result you can go out and DO work to improve your chances
- Do your best effort with the first advance ruling request
 - Submit all data with the first request – don't hold some back
- Re-submitting application with the same re-worked data doesn't work
- You can make more than one advance ruling as long as it is prior to the deadline but be **very** careful how you do it
 - Each application in advance of expiry negates the previous application

Advance Ruling Example 1

Lease One

- Lease expires June 2, 2011
- Advance ruling application received December 15, 2010 for Section 15 continuation to base of Nordegg based on new well
- Response sent January 15, 2011 offering Section 17 to base Nordegg
- Applicant accepted Section 17 offer and paid acceptance fee and rent

- On June 2, 2011 or after: Department reviews agreement and as nothing has changed since January offer letter continues the agreement as advised

Advance Ruling Example 2

Lease Two

- Lease expires June 2, 2011
- Advance ruling application received December 15, 2010 for Section 15 continuation to base of Nordegg based on new well
- Response sent January 15, 2011 offering Section 17 to base Nordegg
- Applicant re-applied on March 1, 2011 for Section 15 to base Nordegg submitting production data from the well
- Response sent April 1, 2011 offering Section 15 continuation to base Nordegg
- June 2, 2011 or after: Department reviews agreement and as nothing has changed since April offer letter continues the agreement as advised

Advance Ruling Example 3

Lease Three

- Comprised of sections 1, 2, 3, 9
- Expires April 1, 2011
- Advance ruling application received April 4, 2010 for Section 15 continuation to base Mannville, with productive Viking zone
- Response sent May 3, 2010 advising section 3 and 9 are eligible to continue Section 15 to base Viking; remainder not productive
- New advance ruling application received August 1, 2010 for Section 15 continuation to base Mannville for all sections
 - New data submitted includes mapping, well completion reports, well logs

Advance Ruling Example 3

Lease Three (continued)

- Response sent August 31, 2010 advising section 1, 2, 3 and 9 are eligible to continue Section 17 to base Mannville
- New advance ruling application received January 22, 2011 for all sections to continue Section 15 to base Mannville
 - New production data for wells received
- Response sent February 22, 2011 advising all sections eligible to continue Section 15 to base Mannville

- April 1, 2011 or after: Department reviews agreement and as nothing has changed since February offer letter continues the agreement as advised

Advance Ruling Example 4

Lease Four

- Comprised of sections 1, 2, 3, 9 and expiring April 1, 2011
- Advance ruling application received April 4, 2010 for Section 15 continuation to base Mannville with productive Viking zone
- Response sent May 3, 2010 advising only sections 3 and 9 are eligible to continue Section 15 to base Viking based on mapping
- New advance ruling application amending first application received August 1, 2010 for Section 15 continuation to base Viking all sections
 - New data submitted includes mapping, well completion reports, well logs

Advance Ruling Example 4

Lease Four (continued)

- Response sent August 31, 2010 advising sections 1, 2, are eligible to continue Section 17 to base Viking and sections 3 and 9 are eligible to continue Section 15 to base Viking
- Authorization Form from designated representative
- New advance ruling application from Applicant received February 1, 2011 for all sections to continue Section 15 to base Mannville

Advance Ruling Example 4

Lease Four (continued)

- Response sent March 1, 2011 advising sections 1, 2, 3 are eligible to continue Section 17 to base Mannville
- April 1, 2011 or after: Department reviews agreement and as nothing has changed since February offer letter continues the agreement as advised
 - What was continued?

What was Continued?

- Sections 1, 2, 3 to base Mannville for one year under Section 17
- Why?
 - New advance ruling application from Applicant received January 22, 2011 for all sections to continue Section 15 to base Mannville
- Problem
 - Authorized applicant was only interested in what they wanted and did not amend the previous application
 - Their February 1 application negated all previous applications (rule is one application per agreement)
 - It was as if Viking mapping had never been submitted

Continuation Application Form

under our business / tenure / tenure administration.

Part 1 Administrative Information

Applicant Company

Address

Department Use Only:

Date of Receipt:

Fax Received:

If faxing the application:

- No data to follow (It is not necessary to mail the signed original application form) OR
- Data being sent by courier or mail (Please reference PNG Crown Agreement Number)
- Amendment to previous application Previous Application Date: (e.g. 2007-MAR-23) Parts of Form Amended:
- Advance Ruling requested (must be received at least two months before expiry)
- Geological Discussion attached (see *Technical Guidelines*)
- Return seismic lines

Rental payment is not required with this application

Part 2 PNG Crown Agreement Information

Authorization Form

Part 3

Authorization For the Crown to Use Data

With respect to the above Crown agreement(s), authorization is provided to the department to use our data in support of an application or response submitted by the following Company:

on Date (YYYY MMM DD)¹: _____

for the following purpose(s):

- a. Application for Continuation² b. Application to Validate an Initial Term Licence² c. Trespass Review d. Response to Offset Notice Number(s) :

Data to be used: All OR Only part of the data. Please specify:

¹ Previously submitted data must have been received by the department within the past year.

² The company applying for continuation or validation must also authorize the department to use the data by completing Part 7 of the Continuation Application or Part 6 of the Validation Application

The End



Freedom To Create. Spirit To Achieve.

SHALLOW RIGHTS REVERSION NOTICES

Government
of Alberta ■

Shallow Rights Reversion Notices

- Only agreements that existed prior to January 1, 2009, will be impacted when a Shallow Rights Reversion (SRR) notice has been served
- Categories of existing agreements subject to shallow rights reversion notices
 1. Agreements that have already been indefinitely continued
 2. Agreements that were issued prior to January 1, 2009, and have not yet expired
- The *Mines and Minerals Act* has been amended to include SRR under Section 82

Shallow Rights Reversion Notices

- Shallow rights reversion notices are being served on agreements continuing indefinitely under Section 15 of the *Petroleum and Natural Gas Tenure Regulation*
- The serving of shallow rights reversion notices began in April 2011
- PNG Agreements with the following term commencement dates will be served notices first:
 - In 2011: 500 agreements with the term commencement dates from 1953 to 1958
 - In 2012 : 1000 agreements with the term commencement dates from 1958 to 1962
- The notice will expire 3 years from the date it was issued

Shallow Rights Reversion Notices

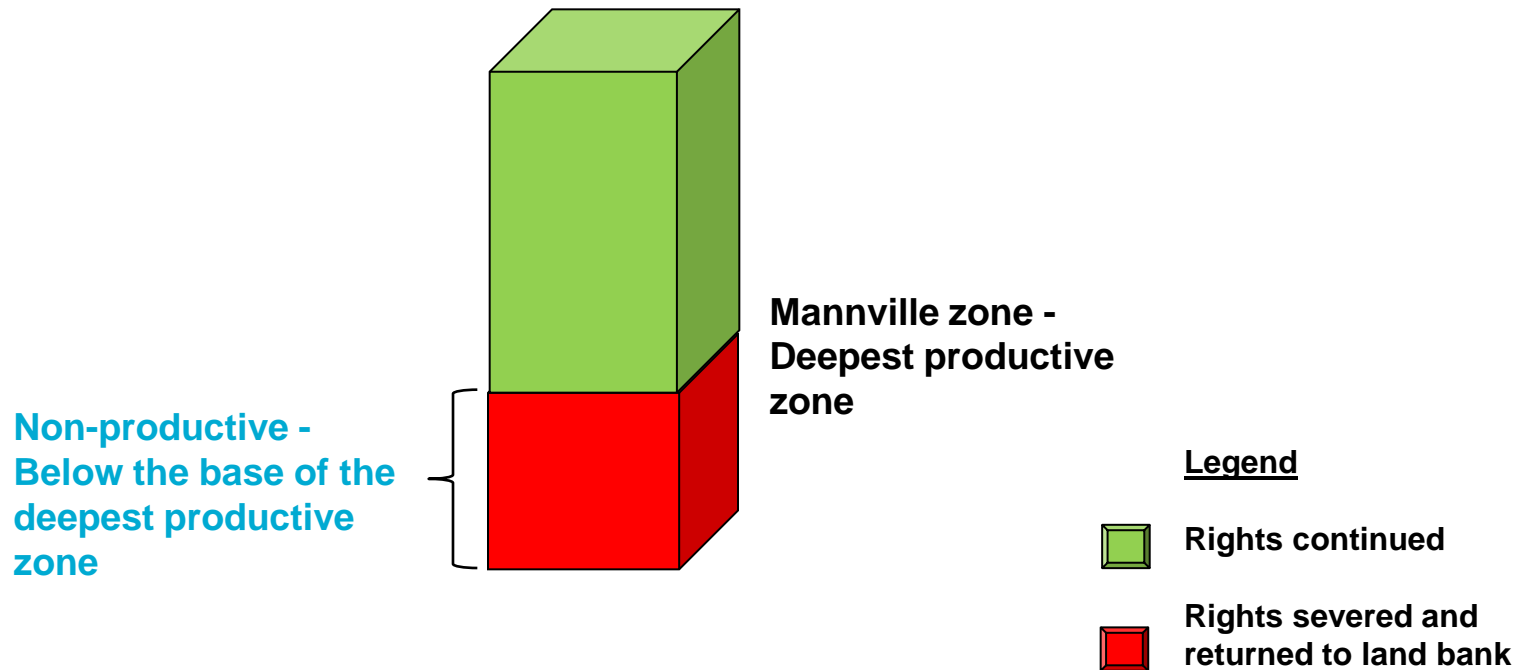
- Notices will generally not be served on agreements in the following areas:
 - Areas where surface access is not permitted
 - Areas reserved or withdrawn from disposition
 - Parks and protected areas
 - Military bases
 - Various special condition areas as determined by the department
- PNG Licences are not subject to SRR in their initial term
- PNG agreements subject to a unit agreements will be reviewed at a later date

Shallow Rights Reversion Notices

- PNG agreements will be reviewed for the shallowest and deepest productive zones based on public records
- The notice will indicate the following non-productive rights
 - Shallowest
 - Deepest
 - Shallowest and deepest
 - Entire agreement is deemed non-productive
- In some cases, the notice will be zone-specific
- You will receive a notice stating that the agreement has been reviewed and remains productive

Shallow Rights Reversion Notices

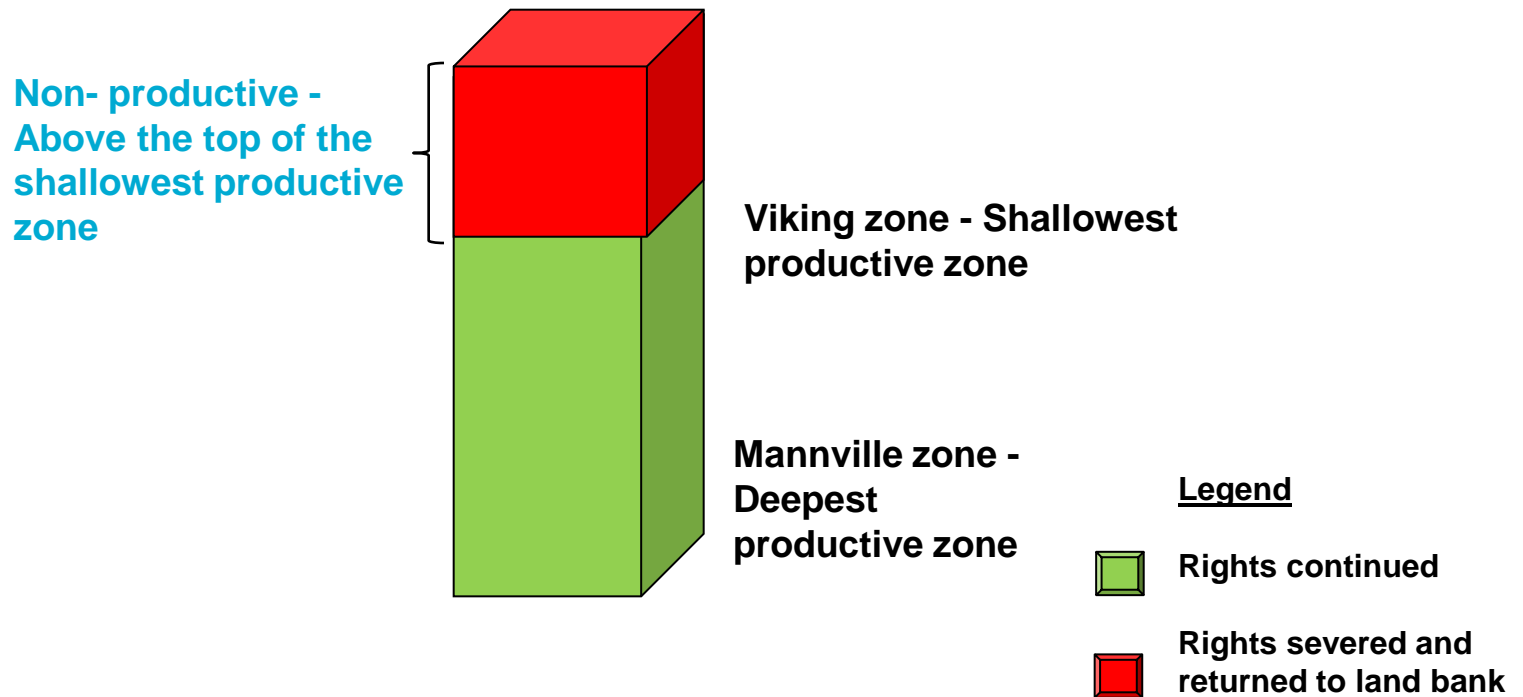
- Deeper rights severance only
 - This agreement will continue to the base of the Mannville zone



Shallow Rights Reversion Notices

No change to deeper rights and a shallow zone is productive

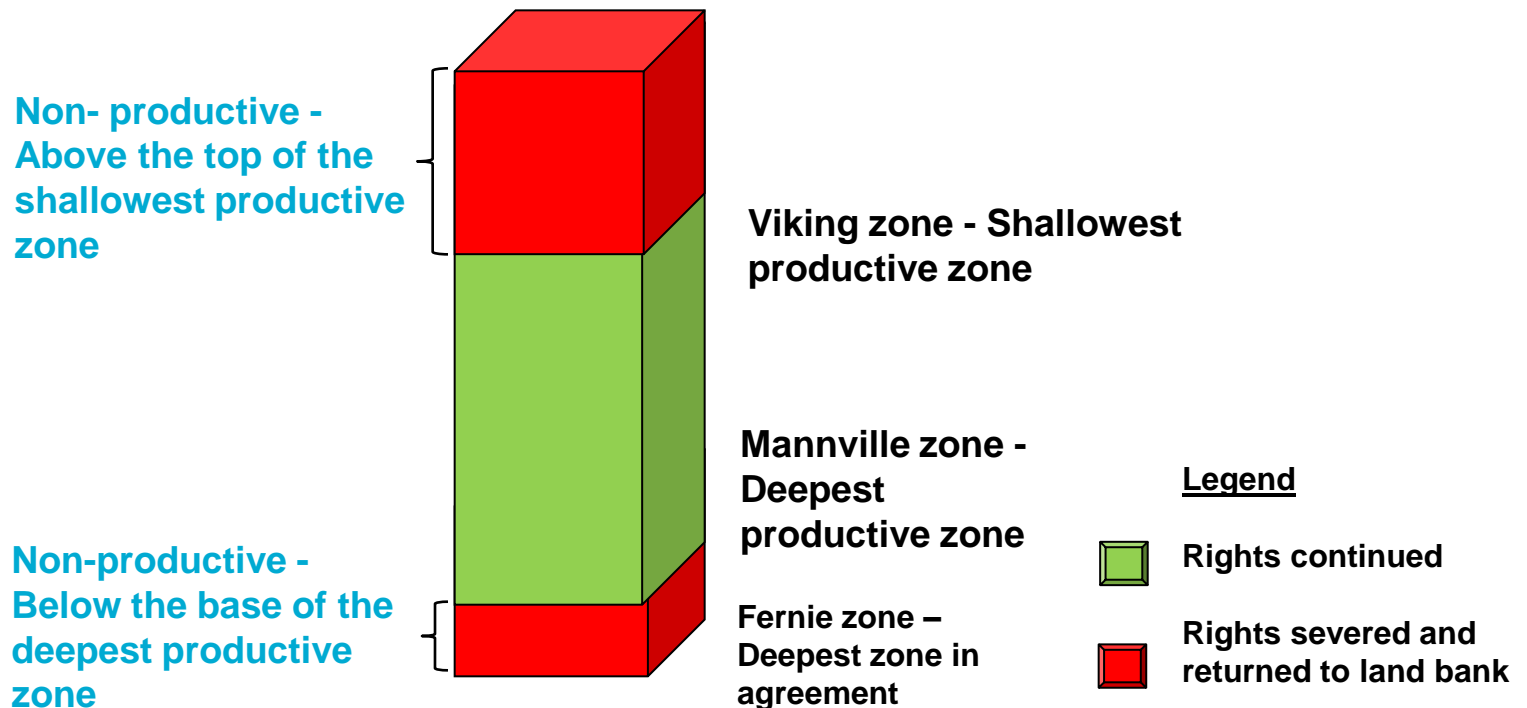
- The agreement will continue PNG below the top of the Viking zone to the base of the Mannville zone



Shallow Rights Reversion Notices

Shallow and deep rights severance

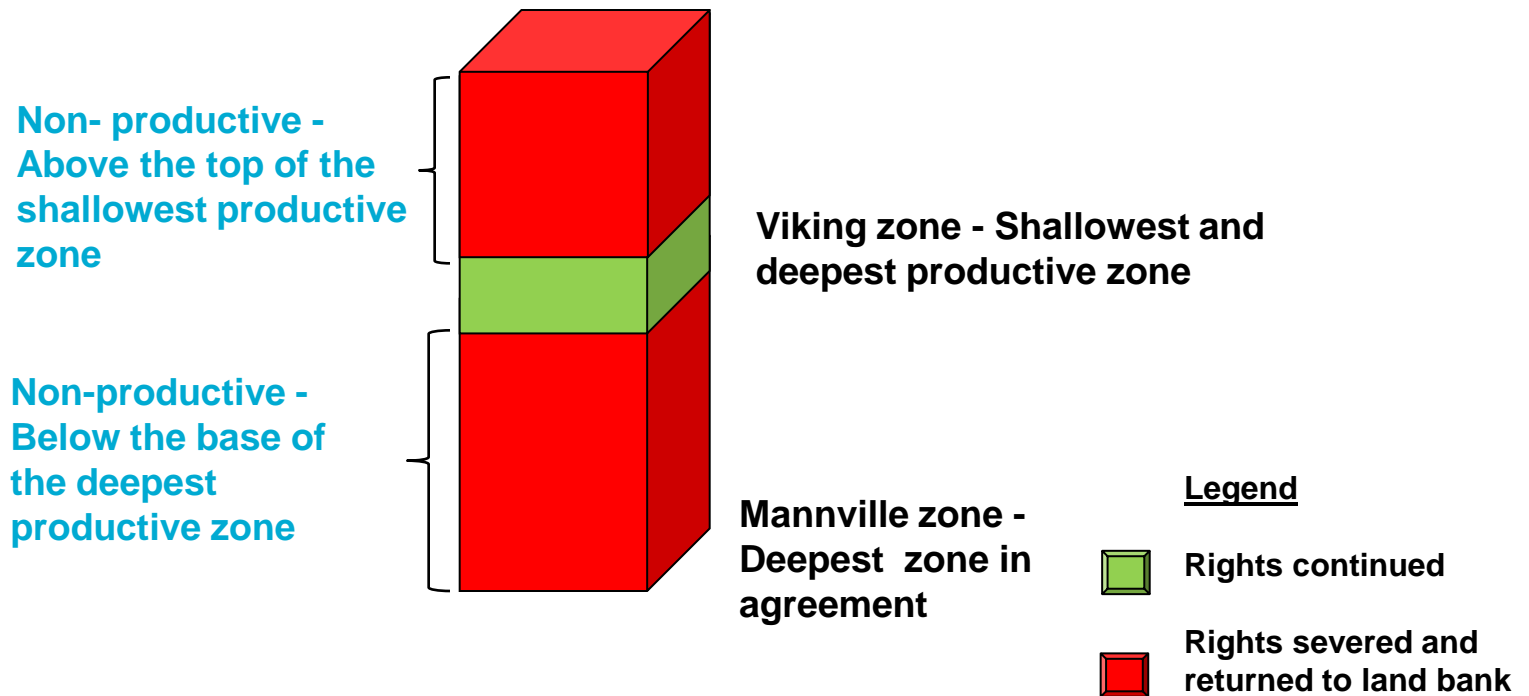
- The agreement will continue PNG below the top of the Viking zone to the base of the Mannville zone



Shallow Rights Reversion Notices

Shallow and deep rights severance (zone specific)

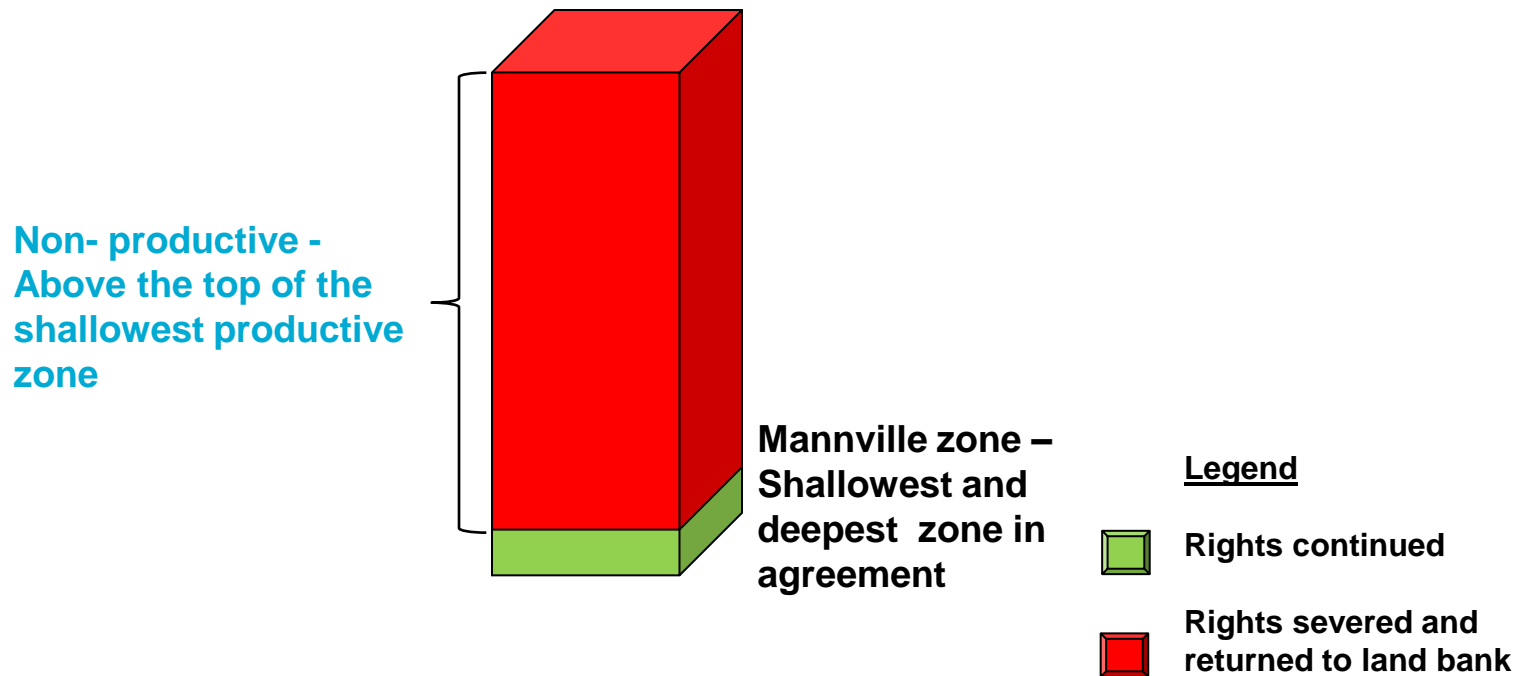
- The agreement will continue PNG in the Viking zone



Shallow Rights Reversion Notices

Deeper rights still productive and no shallow zone (zone specific)

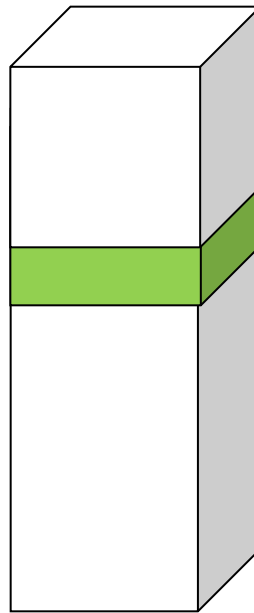
- The agreement will continue PNG in the Mannville zone



Shallow Rights Reversion Notices

Single substance and zone specific

- This agreement has natural gas in the Viking zone and is productive
- You will receive notification of the review and since it is productive, no action is required



Viking zone - Shallowest and deepest productive zone

Legend



Rights continued

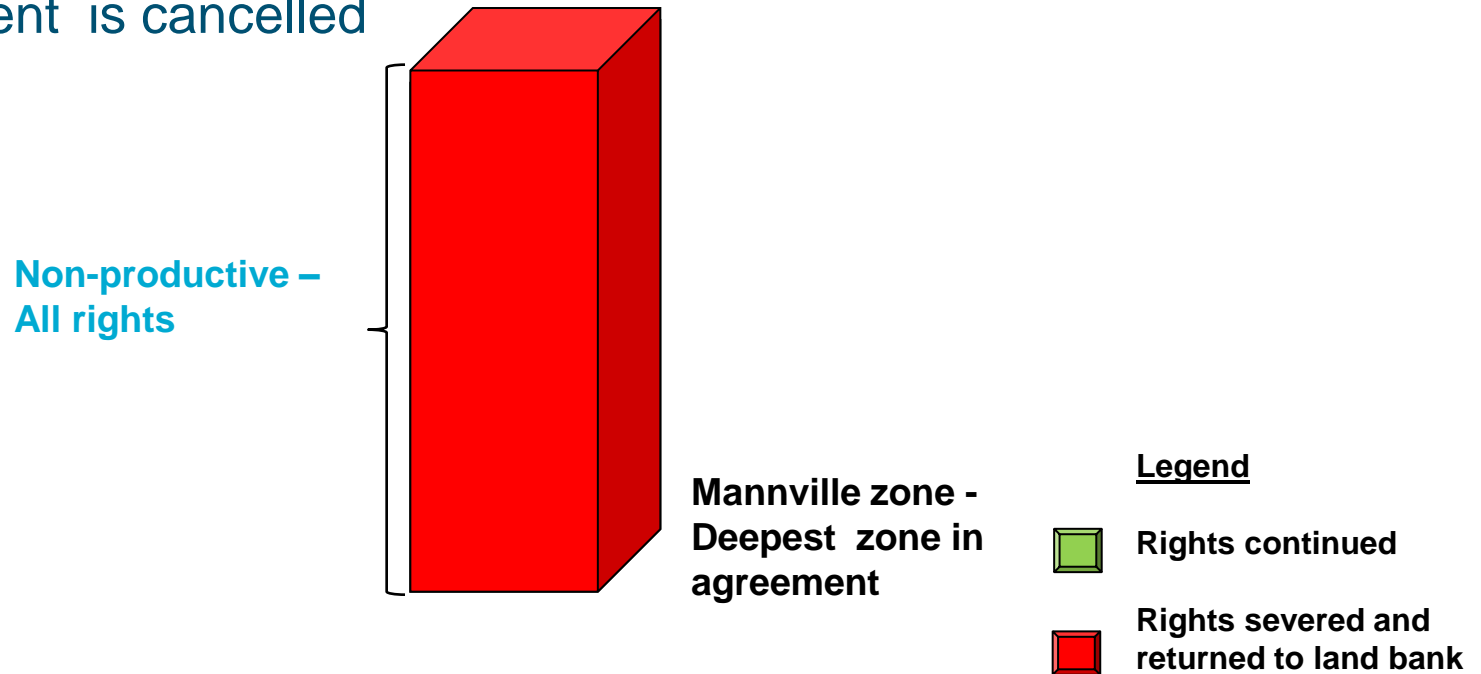


Rights severed and returned to land bank

Shallow Rights Reversion Notices

All rights are non-productive

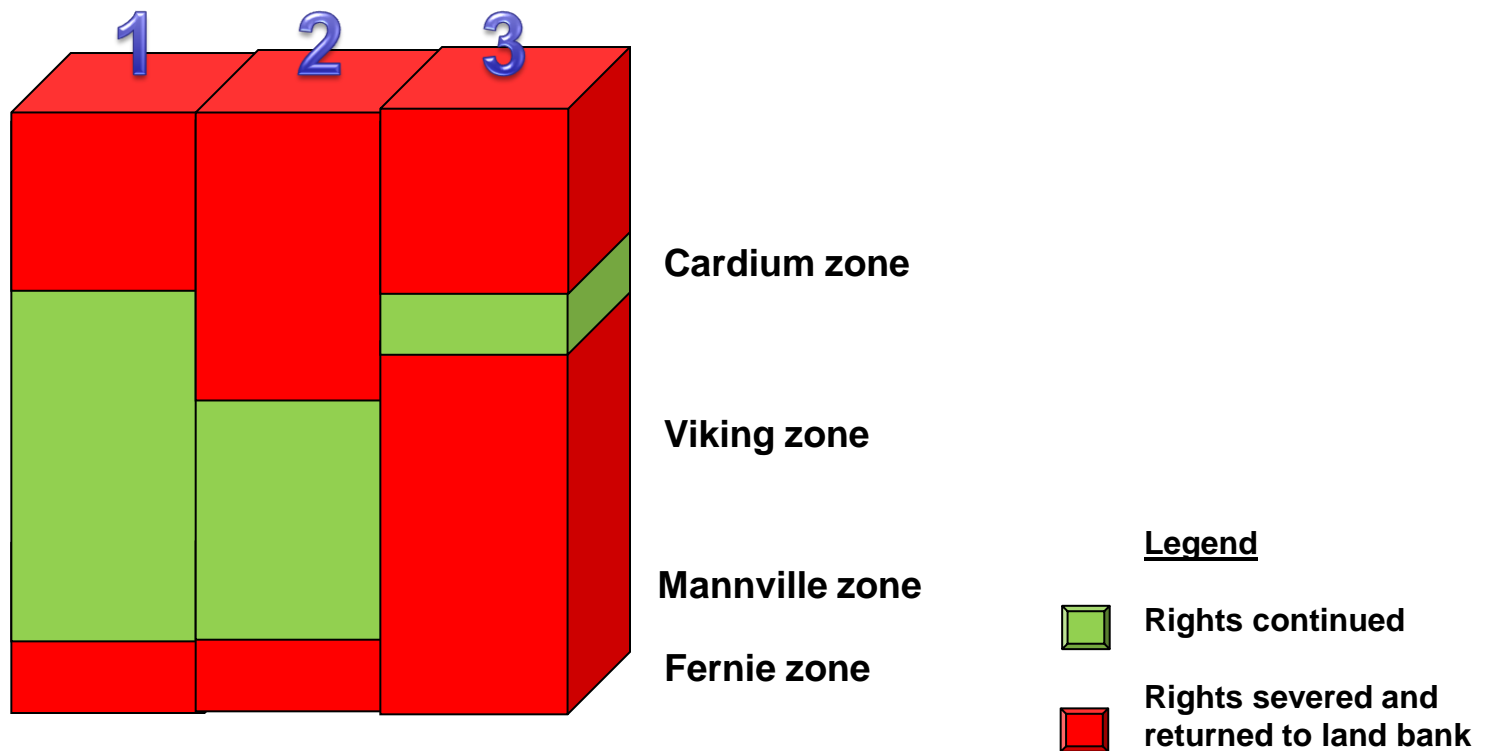
- No productive zones in the agreement
- A notice is served on all PNG rights in the agreement
- If no zone is proven productive at the expiry of the notice, the entire agreement is cancelled



Shallow Rights Reversion Notices

Multiple scenarios in one agreement

- A SRR review may result in multiple tracts in an agreement



Shallow Rights Reversion Notices

Multiple scenarios in one agreement

- This is what the Amended Appendix will look like

TRACT ONE

M-R-T: 1

PETROLEUM AND NATURAL GAS FROM THE TOP OF THE CARDIUM ZONE
TO THE BASE OF THE MANNVILLE GRP

TRACT TWO

M-R-T: 2

PETROLEUM AND NATURAL GAS FROM THE TOP OF THE VIKING ZONE
TO THE BASE OF THE MANNVILLE ZONE

TRACT THREE

M-R-T: 3

PETROLEUM AND NATURAL GAS IN THE CARDIUM ZONE

Shallow Rights Reversion Notices

Contact Information

- Angela St. Jean, Manager Continuations 780-422-9435
- Donna Crawford, Manager Continuations 780-427-8933



Freedom To Create. Spirit To Achieve.

WEB TRAINING ALBERTA ENERGY WEBSITE

Government
of Alberta ■

Online Training

- Electronic Transfer System – provides secure access to do business electronically with Alberta Energy
- Online Learning – courses are available on the Alberta Energy website
- www.energy.alberta.ca
- Energy Home > choose **ETS-Electronic Transfer System** from the menu **Related Links**

Need Training?

- Assignments
- Bidding
- Client Accounts
- Freehold Mineral Tax
- Postings
- Transfers



Refresher for existing employees

- New courses are added for new business functions
- Courses are updated when new releases for existing business functions are implemented





ETS Online Training

[Electronic Transfer System](#) (password is required)

LOGIN

Support: Report login problems to Client Registry at 780-422-1395

Report other problems or questions to IT Service Desk at 1-877-415-2009

  **Apply for Access**

To receive access to the Electronic Transfer System, an ETS Account Set Up/Change Form must be submitted to the department. [Please see instructions on filling out the form.](#)

[Listings of Manuals](#)

Listings of Manuals outlining how to use the different [services](#) offered by ETS.




[Online Learning](#) **NEW**

Online Learning provides courses for some systems accessed through ETS.

- Assignments
- Bidding
- Client Accounts
- Correspondence
- Freehold Mineral Tax
- OASIS
- Postings
- Transfers

First Time Users

Logon	
User ID:	<input type="text"/>
Password:	<input type="password"/>
Select Language:	English <input type="button" value="v"/>
	<input type="button" value="Log On"/> <input type="button" value="Reset"/>
Self Registration (For First Time Users) 	
Click here for Help on completing the Self-Registration form.	
Support: Report logon problems to the IT Service Desk at 1 (877) 415-2009	

Self Registration

- Do not use your ETS User ID or password
- User ID and password are case sensitive
- Passwords do not expire
- Call Client Registry at 780-422-1395 for password reset – refer to “Online Learning”

Self Registration

User ID	<input type="text" value="Winston.Purkis"/>
User Key	<input type="text" value="Winston.Purkis"/>
Password	<input type="password" value="GoRiders"/>
Confirm Password	<input type="password" value=""/>
First Name	<input type="text" value="Winston"/>
Last Name	<input type="text" value="Purkis"/>
Email Address	<input type="text" value="jspurkis@shsw.ca"/>
Language	<input type="text" value="English (woof woof)"/>
Rich Content	<input checked="" type="checkbox"/>
	<input type="button" value="Close"/> <input type="button" value="Register"/>

Knowledge Resources

Government of Alberta ■
Energy
Return to Fo

Main Menu
[Message Center](#)
Knowledge Resources
[Search](#)
[Profile](#)
[Help / FAQs](#)

New Resources

Resources that have been made available are displayed below. Please select an action from the available **Course /** the link.

Category: Course Actions:

Resource Title	Description	Category
ETS 01. - Training System Overview	ETS 01. - Common training module that provides an overview of the Energy Online Training Portal and course structure for external users.	ETS - ACCOUNTS SETUP AND PREFERENCES
ETS 02. - ETS Account Setup and Preferences	ETS 02. - Common training module that provides information about setting up an ETS Account and Preferences in order to avail of online services (e.g. Correspondence, FMT, Transfers, OASIS, Assignments for SRD) via the Electronic Transfer System (ETS).	ETS - ACCOUNTS SETUP AND PREFERENCES
Assignments 01. - Training System Overview	Assignments 01. - Common training module that provides an overview of the Energy Online Training Portal and course/module structure for external users.	ETS - SRD ASSIGNMENTS
Assignments 02. - ETS Account Setup and Preferences	Assignments 02. - Common training module that provides information about setting up an ETS Account and Preferences in order to avail of online services (e.g. Assignments) via the Electronic Transfer System (ETS).	ETS - SRD ASSIGNMENTS

How to bid

[Bidding 01. - Training System Overview](#)

Bidding 01. - Common training module that provides an overview of the Energy Online Training Portal and course/module structure for external users.

ETS - BIDDING

[Bidding 02. - ETS Account Setup and Preferences](#)

Bidding 02. - Common training module that provides information about setting up an ETS Account and Preferences in order to avail of online services (e.g. Bidding) via the Electronic Transfer System (ETS).

ETS - BIDDING

[Bidding 03. - Bidding Overview](#)

Bidding 03. - Module provides an overview of the bidding functionality in ETS.

ETS - BIDDING

[Bidding 04. - Initiate Bid Request](#)



Bidding 04. - Module provides information on how to create and submit a bid request. Creating bid requests can be done by using the Bid Request screen or, by using a map interface screen to select your parcels.

ETS - BIDDING

[Bidding 05. - Change Bid Request](#)

Bidding 05. - Module provides information on how to review, edit or withdraw and track bid request(s).

ETS - BIDDING

[Bidding 06. - Retrieve Agreement Documents](#)

Bidding 06. - Module shows the successful bidder on how to retrieve the agreement documents.

ETS - BIDDING

Initiate Bid Request Module

Government of Alberta ■
Energy

Bidding
Online Learning

Initiate Bid Request - Request Detail Tab

Note: Use your mouse to hover on the red boxes in the image to display more information below.


The **Request Detail** screen allows you to add or change information on the bid request.

Tip: You cannot save a request before choosing Parcels.

You can choose to calculate your bid by **BONUS** or **PRICE PER HECTARE**. This field is **MANDATORY**.

Information Pages

Government of Alberta ■
Energy

 **Bidding**
Online Learning

Initiate Bid Request - Submit Request [Show Me - Bid by Bonus](#)

If you do not have a submitter role, the user selected as the Submitter for this request must log onto the system and submit the request.

Clicking on the SUBMIT button will display a confirmation message. Upon acceptance, the system validates the request and if no errors are encountered, the request will be submitted to the Department. The status of your request will change to "Submitted" and the SUBMIT button changes to WITHDRAW AND EDIT.

Tip: Once submitted only the Contact Name, Contact Phone, or Created By fields can be changed and saved without withdrawing the request.

Menu Index Print Search Bookmarks Notes 15 / 17 Exit

Show Me Video

The screenshot displays the 'Bid Request' web application. On the left is a navigation menu with the following items: ETS Home, Contacts, Request Status, Bid Request (expanded), Query by Map, PNG or Oil Sands (expanded), Public Offering, Tie Bid, Work in Progress, Account, Encryption, and Help Documentation. Below the menu are logos for SysTrust and Alberta. The main content area features a blue header 'Bid Request' and links for 'Current Department Time' and 'Bidding Rules'. There are three tabs: 'Request Detail' (selected), 'Parcel', and 'Roles'. The 'Request Detail' tab contains a form with the following fields: Comment (text input: 'PNG Bid by Bonus'), Sale Date (date picker: '2009/06/24', format: 'YYYY/MM/DD'), Status (text: 'Work in Progress'), Calculate Bid By (dropdown: 'Bonus'), Created By (text input: 'EA0508_BIDDING'), Client Name (Bid Payor) (dropdown menu with a red asterisk), Contact (text input), and Contact Phone (text input). A tooltip points to the Client Name dropdown with the text: 'Select the company responsible for paying the successful Bid(s)'. Below the form is a blue link: 'Surface Access Restrictions should be checked before making a bid.' and two buttons: 'Save' and 'Close'. At the bottom, there are links for 'Feedback' and 'Help', and a copyright notice: 'Copyright © 1999 Government of Alberta'. A video player control bar is visible at the bottom right of the screenshot.

Bidding – Contact Information for Tie Bids

- The timeline is short
- The department must be able to contact the bidder
- Include an alternate phone number where you can be reached between noon and 2:00 pm
- You risk losing the bid if the department cannot contact you
- Results are published at approximately 3:30 pm

Bid Request

[Current Department Time](#) [Bidding Rules](#)

Request Detail | Parcel | Roles

Comment:

Sale Date: YYYY/MM/DD

Status:

Calculate Bid By: *

Created By:

Client Name (Bid Payor): *

Contact:

Contact Phone (Optional): (999) 999-9999

[Surface Access Restrictions should be checked before making a bid.](#)

Contact Information

- Sales Help Desk: 780-644-2577
 - assistance with posting requests and bid requests
- Client Registry: 780-422-1395
 - logon problems
 - ETS site administrator password reset
 - Online Learning password reset
- IT Service Desk 1-877-415-2009

Question Period





Freedom To Create. Spirit To Achieve.

USE OF UNDISPOSED CROWN RIGHTS

Government
of Alberta ■

What are 'undisposed' Crown rights?

- PNG or oil sands mineral rights that have not been leased for exploration and development
- Undisposed (open Crown) rights are available to be posted and purchased at the land sale
- Until these rights are leased under a PNG or oil sands agreement they remain the property of the Crown so access to conduct operations in these minerals requires Crown approval (tenure)

Road Allowances

- Are undisposed Crown rights
 - both surveyed and un-surveyed road allowances
- Some exceptions
 - road allowances within unit agreements
 - specific oil sands leases
 - when a road diagonally intersects a section of land, it's areal extent is considered part of the spacing unit and is included in the agreement

Road Allowances

- Each section of land is deemed to be 256 hectares and measures one square mile with:
 - a road allowance every mile from east to west, and
 - a road allowance every two miles from south to north
- Most road allowances are 66 feet wide (approx. 20 metres)
- Road allowances for new surveys are 99 feet wide (approx. 30 metres) as directed by the *Survey's Act*

Alberta Township Grid						
31	32	33	34	35	36	
30	29	28	27	26	25	
19	20	21	22	23	24	
18	17	16	15	14	13	
7	8	9	10	11	12	
6	5	4	3	2	1	

Sections 1 to 36 comprise a Township.

Each section contains 640 acres and measures 1 square mile with a road allowance every mile from east to west and a road allowance every 2 miles from south to north.

Information Letter (IL) 2011-09

- Issued and effective March 7, 2011
 - outlines the procedure for accessing Crown mineral rights within a road allowance
 - expands the criteria for automatic authorization under the IL
- <http://inform.energy.gov.ab.ca/Documents/Published/IL-2011-09.pdf>
- Indemnification to the Crown
 - for any loss, costs, claims or damages suffered by the Crown
 - in respect of any claims made against a company in the process of accessing rights within a road allowance

Information Letter 2011-09 (continued)

1) No Application Required – Authorization Granted under IL

- *to drill a well in, through, terminate, test, log, core, inject or produce* from a road allowance that is between two Crown disposed or two freehold sections
- provided the adjoining agreements contain the corresponding mineral rights for the well being drilled etc.
- still require control or consent of both sections adjacent to road allowance



Information Letter 2011-09 (continued)

2) Application Required for Crown Authorization

- to drill a well between a Crown and Freehold spacing unit. A Production Allocation Unit Agreement (PAUA) must be in place prior to placing the well on production
- PAUA is used to allocate production from wells drilled across boundaries of differing mineral ownership consisting of more than one drilling spacing unit

Information Letter 2011-09 (continued)

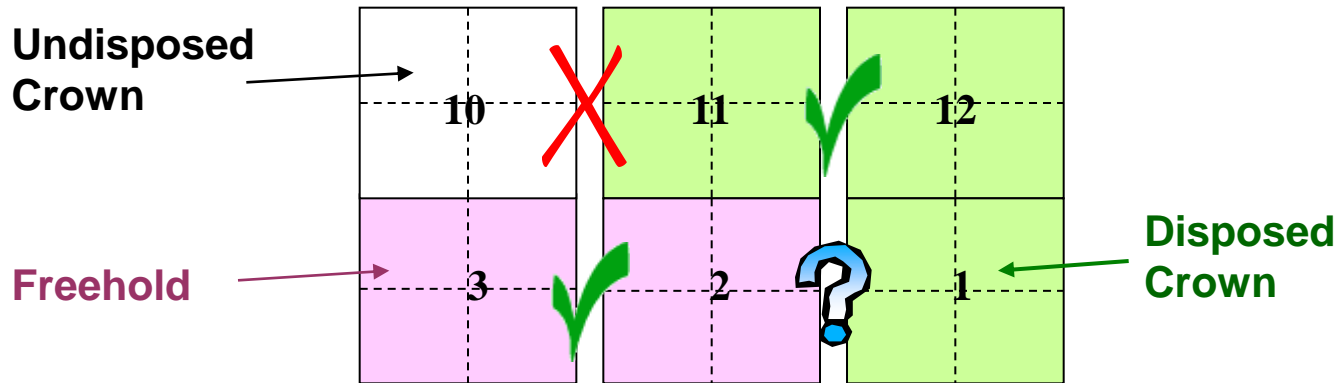
3) No Authorization Required

- to access minerals within road allowances under an active Unit Agreement, Production Allocation Unit Agreement or Gas Storage Unit Agreement
- consideration for the road allowance is negotiated within these agreements

4) No Authorization Granted

- when one of the adjoining sections is undisposed Crown

Information Letter 2011-09



IL grants permission to drill into, through, terminate, test, log, core, inject, produce a road allowance between two disposed Crown sections (11-12) or two Freehold sections (2-3)



Application is required to drill into, through, terminate, test, log, core, inject, produce through a road allowance between a Crown (1) and Freehold (2) section. A Production Allocation Unit Agreement will be required before commencing production.

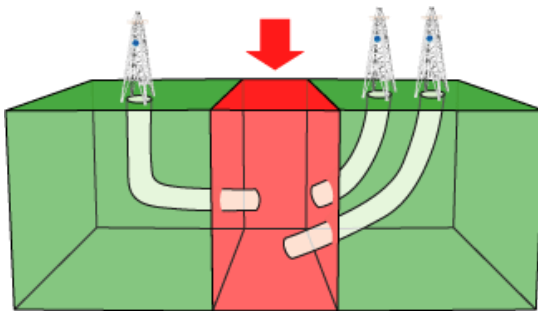


Permission will not be granted between undisposed (10) and disposed (11) Crown sections

Information Letter 2011-09

Road Allowance

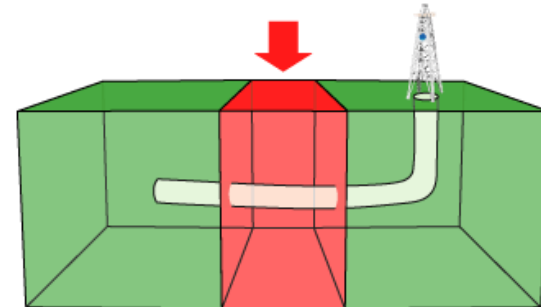
Disposed
Crown



Disposed
Crown

Road Allowance

Disposed
Crown



- Drill into, through, terminate, test, log, core, inject, produce from the road allowance and terminated in disposed Crown (containing same mineral rights on either side of the road allowance)
- If mineral rights on either side of the road allowance are subsequently cancelled, cease production and inform the Crown immediately. Cannot resume production until rights are reacquired



Application Form (Road Allowances)

- If your situation requires you to apply for access to Crown minerals within a road allowance download the form entitled “***Request for Authorization to access Crown Mineral Rights within a Statutory Road Allowance***”.
- www.energy.gov.ab.ca/Tenure/608.asp

Government of Alberta

Energy

REQUEST FOR AUTHORIZATION TO ACCESS CROWN MINERAL RIGHTS WITHIN A STATUTORY ROAD ALLOWANCE

With reference to Section 54 of the *Mines and Minerals Act*, an approval must first be granted by Department of Energy to access Crown mineral rights in the Road Allowance and prior to obtaining any approvals from Energy Resources Conservation Board.

PLEASE REFER TO INFORMATION LETTER 2011-09 PRIOR TO COMPLETING THIS FORM

<http://www.energy.gov.ab.ca/Tenure/609.asp>

Part 1		Administrative Information	
Applicant Name	<input type="text"/>	Department Use Only:	
		AMI Client ID	<input type="text"/>
Applicant Address	<input type="text"/> <input type="text"/>	WRD#:	
Applicant File Number	<input type="text"/>		
If faxing this form:			
<input type="checkbox"/> With no data to follow (do not mail a follow-up copy of the form) OR			
<input type="checkbox"/> Data being sent by courier or mail (Please reference Crown Agreement Number)			

Part 2		Well Detail	
Unique Well ID:	<input type="text"/> / <input type="text"/> - <input type="text"/> - <input type="text"/> - <input type="text"/> W / <input type="text"/>	Proposed Spud Date (if applicable)	<input type="text"/> - <input type="text"/> - <input type="text"/>
Surface Location:	<input type="text"/> - <input type="text"/> - <input type="text"/> - <input type="text"/> W <input type="text"/> M		(YYYY-MMM-DD)
(If different than Bottom Hole Location)			
Purpose: Produce <input type="checkbox"/> Test <input type="checkbox"/> Terminate <input type="checkbox"/>			
Well Type: (Include Surface and Directional well survey(s) indicating well co-ordinates)		Substance:	Formation Name: <input type="text"/>
<input type="checkbox"/> Vertical	<input type="checkbox"/> Horizontal	<input type="checkbox"/> Oil	(in which operations to be conducted)
<input type="checkbox"/> Directional	<input type="checkbox"/> Commingled	<input type="checkbox"/> Gas	

Supporting Technical Data

- What type of data or information is required to support an application to work in undisposed Crown mineral rights?
 - Complete geological/technical discussion
 - State the reason you need to work in undisposed Crown rights
 - *what information are you looking for and how you plan to obtain it (coring, testing, etc)*
 - Be specific as to the type of testing you want to conduct
 - If your work is in an existing well (disposal/source applications), include well logs with tops marked for the well being used
 - Logs for wells in the area surrounding the application with formation tops marked

Supporting Technical Data (continued)

- Geological and/or geophysical mapping for the zone(s) applied for, which illustrate the formation is wet and/or non-hydrocarbon bearing
 - Cross section(s) through the zone(s) of interest
 - Any available test or production data in the zone of interest
 - For road allowance applications only, submit a map showing the road allowance and the exact location of well bore path
- Data is not cross-referenced from prior applications unless you authorize it

Timelines for Road Allowance Approvals

- The department will respond within two weeks
 - Provided the required survey data is received
- Operations must commence (well spud) within one year from approval letter date
- If you encounter problems in meeting these timelines, you can re-apply for authorization. Please indicate the reason you were unable to meet the requirements.

Road Allowance Approvals

- Once an application is approved a sequential file number will be assigned
 - WRD 11049999 (Well Road Allowance, year, month, 4 digit #)
- An ETS search can be obtained by land or WRD # which will provide the following information:
 - unique well identifier
 - area
 - zone
 - term date
 - designated representative

Reasons Applications are Denied

- Approval would be automatically granted under Information Letter 2011-09
- North or South section boundary (occurring every 2nd mile) is not a Crown road allowance
- Lack of supporting data (survey plan not included)

Road Allowance Authorization

- See FAQs (Well Administration) for illustrated scenarios: www.energy.gov.ab.ca/Tenure/pdfs/Road_Allowance_Illustrations-IL_2011-09.pdf
- If mineral rights in the agreement on either side of the road allowance are subsequently cancelled, cease production and inform the Crown immediately
- If prior Crown approval is required, and activity takes place without authorization, the \$50,000 trespass penalty will be charged

Self-Declaring Road Allowance Trespass

- Cease all activity immediately!
- Submit a self-declaration letter to
 - Alberta Energy (Tenure Branch, Trespass)
 - Energy Resources Conservation Board (Audit Applications)
- Outline the circumstances behind the trespass and include technical data



Authorization Codes for other Undisposed Approvals

- Alberta Energy also grants various other approvals to conduct operations in undisposed Crown rights
- Since these approvals do not have a corresponding mineral agreement, sequential approval numbers are assigned to record the type of approval, year and month e.g. WDI 11049999
 - WDI (disposal /injection well)
 - WOB (observation well)
 - WWS (water source well)
 - WAG (acid gas well)
 - WRE (re-entry well)
 - WRD (road allowance well)
 - WRR (re-entry, repair and re-abandon)

Authorization Timelines for Undisposed Approvals

APPROVAL TYPE	OPERATIONS MUST COMMENCE WITHIN
Disposal Injection Observation Water Source Acid Gas	6 months
Re-entry of vested well	2 months
Road Allowance Re-entry, Repair & Re-abandon	1 year

Application Form (other approval types)

- To apply for access to undisposed Crown minerals for the various approval types, download the form entitled ***“Request for Authorization to Conduct Operations in Undisposed Crown Mineral Rights”***
- www.energy.gov.ab.ca/Tenure/608.asp
- Once you receive Crown authorization you can apply to the ERCB for your well licence

Contact List

Well Administration & Undisposed Rights

Issues, legislation, policies	Grace Matias, <i>Manager</i>	422-9395
Complex well issues	Lisa James, <i>Acting Sr. Well Data Analyst</i> Vicki Stone, <i>Acting Sr. Well Data Analyst</i>	644-7181
Well licence problems and undisposed Crown land applications	Lynn Muth, <i>Sr. Well Administrator</i> Sarika Kapoor <i>Acting Sr. Administrator</i>	427-9080 422-9391
Re-entry, links and general well queries	Jocelyn Paley, <i>Well Administrator</i> Debbie Seutter, <i>Well Administrator</i>	422-9151 422-9150

TENURE BUSINESS PROCESS REVIEW (BPR)

Overview and Process Opportunities

Tenure's Business Process Review (BPR) - Overview

- Tenure Branch - reviewing various business processes in this project, primarily continuations;
- Our intent: To continue to fulfill department's mandate of managing petroleum and natural gas for the benefit of Albertans;
- **Objectives:**
 - Develop efficiencies in petroleum and natural gas (PNG) tenure processes;
 - Decrease administrative complexity for industry and the department;
 - Review the continued relevance of some agreements or sections of the PNG Tenure Regulation; and
 - Increase continuations automation.
- The project is split into three phases.

Project Phases and Timelines

- Phase 1 – Discovery; Phase 2 – Review; Phase 3 – Implementation;
- Approximate Timelines are as follows:
 - Phase 1 - completed in May 2010;
 - Phase 2 - Fall 2010 to end June 2011; and
 - Phase 3 - Spring 2011 to end December 2011.
- Phase 2 and 3 timelines could change:
 - Some items may be deleted or added; and
 - Phase 2 timing may change - allow for more in-depth analysis with industry.

Phase 1 – Discovery Phase (November 2009- May 2010)

- In November 2009, Tenure Branch held scoping meeting with Tenure Industry Advisory Committee (TIAC);
- Nov. '09 – May '10 - TIAC subcommittee and internal working group:
 - Completed “As-Is” modelling of current Energy and industry business processes - break down into key processes and sub-processes;
 - Documented potential efficiencies; and
 - Identified opportunities for changing these processes.
- Industry’s greatest concern was for continuations business processes.

Phase 1 – Discovery Phase (cont'd)

- The following generalized tenure processes were identified:
 - All lease continuations processes (including review of commingling continuation rules in Development Entity 2 – now reflected in Information Letter 2010-49);
 - Initial term licences – validity of licences as a tenure tool, validation and grouping of initial term licences; and
 - Automation (E-continuations).
- Opportunities can be broken into three categories:
 - Regulatory/Legislative changes;
 - Changes to business processes; and
 - Automation.

Out of Scope

- The following processes are out of scope:
 - Freehold mineral tax - recently been reviewed;
 - PNG sales - fully reviewed when they were moved to a web-based process;
 - Trespass;
 - Oil sands;
 - Coal and other minerals; and
 - ERCB policies and legislation.

Phase 2 – Review Phase

(November 2010 – June 2011)

- Complete review of the “In-scope” process and regulation changes identified during Phase 1;
- Phase 2 involves industry members:
 - Recruited from PNG industry associations - CAPL, CAPP, CAPLA, SEPAC and a mix of large and small companies; and
 - ERCB.
- Review current regulations and policy > determine relevance or need updating or replacing; and
- Update processes to improve effectiveness, simplify and reduce administration.

Topics Discussed

- Review need for PNG licences;
 - Licences continue to have value from industry’s perspective; prefer to retain them. Discussed instead to:
 - Simplify grouping process for “banking” sections of land earned;
 - Clarify/simplify licence validation rules (e.g., what is “significant new information”?)
- Simplify Section 16 and 17 continuations; and
- Quicker turnaround time to receive results of Section 16 continuation application (could include regulatory changes).

Topics Discussed (continued)

- Ability to finalize continuation before expiry of 30 day notice;
- No longer allow late applications when only a gas test is submitted as evidence for continuation.
- Streamline communication processes to request clarification on technical data or continuation offers; and
- Organize your data package based on the type of continuation application.

Upcoming Topics

- Financial incentive to drill in 1st year of PNG agreement;
- Continue full agreement for Section 16;
- Set a fixed time frame for receiving applications electronically to anticipate future workload;
- Review process of addressing the wells; and
- Review Section 15 (could include regulatory changes).

Upcoming Topics (continued)

- E-Continuations processes, including for example:
 - Online submission of continuation application and technical data;
 - Automated review of applications;
 - Industry “tracking system” to view status of continuation application;
 - Electronic correspondence; and
 - Electronic payments.
- Electronic forms to link a well to another agreement.
- E-submission of disposal/injection application.

Phase 2 – Next Steps

- By June, complete discussion of all topics:
 - Completion date may be sooner, or later, depending on progress on complex topics; and
 - Complex issues have warranted in-depth discussions with BPR members (e.g., licences, Section 16 continuations).
- Afterwards, broader consultation with industry associations needed to gauge their support for changes discussed during Phase 2 BPR meetings;
- Two consultation options are being considered:
 - A survey sent to member associations to fan out to their members (e.g., Survey Monkey);
 - A “round table” meeting of industry invitees not previously at Phase 2.

Phase 3 – Implementation Phase

- Tabulate and consider industry survey feedback from Phase 2;
- Change regulations and policies to reflect Energy's final decisions;
- Update old or create new, streamlined processes; and
- Work with IT to convert processes to electronic delivery, where viable (E-continuations).

Contacts

Brenda Allbright, Tenure Branch Head	780-422-9393
Lori Enns, Director PNG Tenure Operations	780-427-3607

Question Period

