

CROWN MINERAL ACTIVITY (CMA) AUTHORIZATION APPLICATIONS FOR ACTIVE DISPOSAL OPERATIONS OCCURRING ON EXPIRED, OR SOON TO EXPIRE, CROWN MINERAL AGREEMENTS

Crown authorization is required in situations where disposal activity is occurring under an expired, cancelled or surrendered petroleum or natural gas (PNG) or oil sands agreement. CMA applications are submitted using the Electronic Transfer System.

Overview

These CMA application requirements are specific to active and continued disposal activities, when rights are subject to an upcoming PNG or oil sands agreement expiry. CMA applications for these situations may be made up to 60 days in advance of agreement expiry.

This advance application period is meant to expedite the transition process between the expiry or cancellation of a Crown mineral agreement and granting Crown authorization in an effort to minimize operational disruptions.

Successful CMA applications for continued disposal will become effective the latter of the expiry or cancellation date of the Crown mineral agreement or the CMA application date.

Advance Application Conditions

- The CMA applicant must be the well licensee. If the well licensee is transferred or otherwise changes during the application and review process, the application will be rejected and the new well licensee will need to apply.
- Applicants may apply up to 60 days prior to the agreement expiry date.
- The application date is the earliest approval date possible for all applications received following agreement expiry or cancellation.
- An application for continued disposal purposes will be considered only if the information described below is provided in a satisfactory form. Incomplete CMA application submissions will be returned to the applicant as rejected, without further consideration. Should this occur, the applicant will need to re-apply.
- There is no technical data submission requirement beyond the business case and geological discussion.

Advance Application Requirements

- Submit one CMA application for each active disposal well quoting the specific Unique Well Identifier.
- Include a business case and geological discussion that addresses:
 - The active PNG/oil sands agreement number and expiry date.
 - Authorization documents from the PNG or Oil Sands Designated Representative.
 - For horizontal wells, identify the surface location and all undisposed Crown land located across the disposal interval (noting all impacted LSDs).
 - Describe the need for continued disposal as it relates to production.
 - Specify the origin of the disposal fluid.
 - Provide evidence of recent disposal activity.

.../2

- Provide estimated volumes to be disposed of and duration of disposal.
- Specify what, if any, excess disposal capacity exists in the surrounding area.
- Describe the relationship to any existing infrastructure, with particular emphasis on disposal operations.
- Confirm the intended formation is non-hydrocarbon bearing and describe how the planned activities will not adversely affect the recovery of any mineral as defined within the *Mines and Minerals Act* (MMA) section 1(1).

Information

Alberta Energy and Mineral's decision process includes a review of both the technical information and supporting business case. The issuance of Crown authorizations under section 54(5) of the MMA is discretionary and as such cannot be appealed under the MMA.

Crown authorizations do not convey an exclusive right to the formation, are not transferable and may be revoked at any time.

Any activity conducted without Crown authorization may be reviewed for trespass as a contravention of section 54(1) of the MMA.

Questions regarding application requirements can be directed to Energy.CrownAuthorizations@gov.ab.ca