

Crown Mineral Agreement Holder Eligibility Guide

This guide outlines eligibility requirements to hold and maintain ownership of a Crown Mineral Agreement as outlined in section 23 of the *Mines and Minerals Act* (the Act)

Eligibility:

Only individuals 18 years or older, or companies with an active status in the Alberta Corporate Registry that are registered under the Companies Act and Business Corporations Act and Alberta Energy are eligible to hold a crown mineral agreement.

Corporate Status:

The status of a legal entity or business name on Alberta's corporate registry system indicates the standing of that organization and whether or not it currently has a legal existence. The status also determines which transactions, if any, may be processed for that organization.

Every two weeks, Service Alberta issues the *Registrar's Periodical* (the Gazette) which lists any changes in the corporate status of registered companies. Pertinent corporate status definitions include the following.

Active

The status assigned to a legal entity or business name that is valid and subsisting within the Province of Alberta.

Start

An active status assigned when the dissolution or strike-off process has begun because a legal entity or limited liability partnership has failed to file an

annual return or a report that was due more than one year ago.

Struck

A non-active status assigned to a legal entity or a limited liability partnership for a variety of reasons. For Alberta entities, it means the organization no longer has a legal existence. For extra-provincial entities, it means the organization is no longer registered in Alberta.

Dissolved

A non-active status assigned to an Alberta legal entity or business name for a variety of reasons. This status means the organization no longer has a legal existence. Liquidation information is the only update that can be made to a dissolved corporation's record with Alberta Corporate Registry Computer System (CORES).

Continued Out

A non-active status assigned to an Alberta legal entity once it has continued to a new jurisdiction and is no longer an Alberta legal entity.

Companies' Creditors Arrangement Act (CCAA)

A status that indicates that a company has obtained an order and a stay of proceedings from a Superior Court (Court of Queen's Bench in Alberta) under the Companies' Creditors Arrangement Act.



Bankrupt

An insolvent party in proceedings under the Bankruptcy and Insolvency Act.

Receivership

The legal entity is under the control of a receiver.

Receiver-Manager

A person appointed to carry on the business of a corporation in order to protect the claims of those on behalf of whom the receiver was appointed.

Trustee

A person given control or powers of administration of property in trust with a legal obligation to administer it solely for the purposes specified.

What happens if my company does not maintain its corporate status as an active company?

As indicated above, only active Alberta Registered Companies are eligible to hold crown mineral agreements with Alberta Energy.

Alberta Energy reviews the *Registrar's Periodical* and updates its corporate records when the status changes of any company doing business with Alberta Energy. If a company is no longer considered eligible to conduct new business with Alberta Energy its permissions under the Electronic Transfer System (ETS) are revised.

Changes in the status to a company causing it to become ineligible will prompt Alberta Energy to serve a 30-day notice in accordance with section 23 of the Act. This notice will request the company to:

- Revive their company through Alberta Corporate Registries; or
- Submit transfer request documents to have their interest in the agreement transferred to another Alberta-registered company. Documents to request a transfer must be submitted in duplicate, legally signed before a commissioner for oaths or a notary public, and be dated prior to the date of strike off, dissolution, or continuing out of the company. Any documents not complying with these requirements cannot be registered and will be returned to the company.

All section 23 notices are mailed to the company in accordance with section 4(1) of the Mines and Minerals Administration Regulation through Canada Post. As per section 4(3) of the Mines and Minerals

Administration Regulation, the notice is deemed to have been given on the day the notice was sent to the companies last known address.

What happens if a Company does not respond to the notice served?

Once the 30-day period prescribed in the notice has lapsed and Alberta Energy has not been contacted by the company, the following actions will be taken:

- If the company owned 100% of the agreement, Alberta Energy will cancel the agreement. Any active wells attached to the agreement will be referred to the Alberta Energy Regulator (AER) to serve well abandonment notices.
- If there are multiple owners to a mineral agreement, Alberta Energy will pro-rate the company's share to the other holders, according to their respective share, via a Ministerial Transfer completed under section 23(3) of the Act. There is no charge for this transfer.

General Information:

- The cancellation of an agreement does not relieve a company of any debt owed to the Crown. In the case of multiple owners to a mineral agreement; all parties to the agreement are liable for any unpaid rentals or royalty owing for the agreement at the time that the struck, dissolved, or continued out company's interest is transferred via a Ministerial Transfer.
- In the event that an agreement is held by one lessee, the lessee may appoint another Alberta Registered Company as its Designated Representative (Des Rep) in accordance with section 29(2)(a) of the Mines and Mineral Act.
- In the event that the Des Rep becomes struck, dissolved, or continued out, the lessees may submit a Notice of Designation, Replacement or Revocation of Representative form manually to Alberta Energy to have the Des Rep removed and replaced.
- If a law firm registered a company they may have used their address as the address of record. In this case notifications may not be sent to the Des Rep. Agreements should be monitored to ensure annual returns are submitted as required by Alberta Corporate Registry to maintain a company's active status.



- When a company is in bankruptcy, receivership, or creditor protection, and its corporate registry status becomes 'struck' or 'dissolved', Alberta Energy will serve the appropriate section 23 notices under the Act. Alberta Energy requires consent of the Receiver-Manager or the Court to cancel wholly-owned agreements or transfer agreement shares to other lessees via a Ministerial Transfer.
- Alberta Energy created a wide range of training modules to assist companies in the maintenance of their Crown Mineral Agreements. They can be accessed at:
<https://training.energy.gov.ab.ca/Pages/Transfers.aspx>
- Alberta Energy also provides a help desk at 780-644-2300 Option # 5 or at transfers.energy@gov.ab.ca for any questions that you may have.
- Alberta Energy is obligated under the Excise Tax Act to charge GST. If you do not have a GST number then the applicable taxes will be charged.
- If we do not have your registered GST number, please provide it to Alberta Energy, Crown Land Data at 780-644-2300 Option #4 or through e-mail at CrownLandDataSupport@gov.ab.ca

Submitting a payment:

- Any required payments should be made electronically through auto-debit.
- For information on how to become an auto-debit client with Alberta Energy, please contact our Corporate Accounting Reporting System staff at 780-427-7705 or at CARS.HelpDesk@gov.ab.ca
- Payments can also be made in person at one of the following locations:
 - Calgary office – AMEC Place, #300 801 – 6th Ave SW
Telephone: 403-297-8955
 - Or
 - Edmonton Office – North Petroleum Plaza
Main Reception, 2nd Floor, 9945 – 108 Street.
Telephone: 780-427-8050
- Cheques must be made payable to the Government of Alberta.