

Guide for Geothermal Resource Lease Application

Preparing to Submit an application:

A geothermal resource lease (geothermal lease) provides the non-exclusive right to explore for, develop, and recover geothermal resources but does not include the right to explore for, win, work or recover any minerals.

Companies seeking to explore for and develop geothermal resources as a stand-alone operation first must obtain a geothermal lease.

Application via the Electronic Transfer System (ETS) must be made for any stand-alone operation that would occur below the base of groundwater protection.

In order to submit an application you must have a Department of Energy (DOE) Client ID and ETS account. For information on how to obtain a Client ID and ETS account, please refer to the information at this link:

<https://training.energy.gov.ab.ca/Pages/Accounts%20In%20ETS.aspx>

Geothermal leases can only be issued to those who meet the eligibility requirements outlined in the *Mines and Minerals Act*. Refer to the Crown Mineral Agreement Holder Eligibility Guide at this link.

<https://training.energy.gov.ab.ca/Guides/Crown%20%20Mineral%20Agreement%20Eligibility%20%20Guide.pdf>

Application Requirements:

Geothermal lease application requirements should include:

- an overview of the proposed project;
- the type of technology the proposed project will use;
- the legal land description of the Crown rights being requested;
- the target formation;

- identification of other agreements (e.g., mineral, geothermal or carbon capture and storage), subsurface activities, or Crown Mineral Activity Authorizations located near the location of the geothermal rights being applied for that may cause conflict of use. These agreements can be discovered by using the Land Searches feature available in ETS. This link provides information on this process:

https://training.energy.gov.ab.ca/Courses/ETS_Land_Searches.pdf

If conflicts exist, provide identification of the conflict with mitigation strategies to reduce conflict;

- who the registered lessee(s) will be and their percentage of ownership;
- who will be assigned the role of Designated Representative*, if there will be more than one lessee associated to the lease;
- the official Address for Service for receiving correspondence for business not conducted through ETS;
- the \$625.00, non-refundable, application fee. The first year's annual rent will be collected via EFT upon application approval.

* The Designated Representative is delegated the responsibility for all communication with Alberta Energy and is the person with whom Alberta Energy will correspond. It is important that lessees understand that they will be bound by the decisions and actions of the designated representative they appoint.

Lease Configuration:

The maximum size of a geothermal lease is nine sections, all which must be laterally or diagonally adjoining and not separated by more than one

section. Rights in the intervening section(s) must either be disposed or freehold.

Any set of Crown geothermal resource rights may be requested. This may include:

- surface to basement,
- surface to a specified zone,
- from a specified zone to basement, or
- for a specific zone(s).

Note – Closed loop projects must include all rights along the length of well. Open loop projects only include the zone from which the water is being sourced. While Crown rights are issued from the surface, only the geothermal resources below the base of ground water protection would be included in the geothermal lease.

Applications for a geothermal lease will be handled on a first-in, first-out priority. If multiple applications are received for the same rights and locations, or applications have overlapping rights requested, Alberta Energy will work with the proponents of the subsequent applications to amend (where possible) their application.

Agreement Documents:

Successful applicants will be able to retrieve their new geothermal agreement document in ETS. An email notification will be sent to the ETS site administrator when the document is available for retrieval.

Useful Links:

Accounts (ETS) Administration:

<https://training.energy.gov.ab.ca/Pages/Accounts%20n%20ETS.aspx>

Crown Mineral Agreement Holder Eligibility Guide.

<https://training.energy.gov.ab.ca/Guides/Crown%2020Mineral%20Agreement%20Eligibility%20%20Guide.pdf>

Land Searches

https://training.energy.gov.ab.ca/Courses/ETS_Land_Searches.pdf