Crown Mineral Activity (CMA) Authorizations

For authorization to conduct activities in rights that are <u>not</u> subject to a Crown agreement.

Rights subject to a PNG or Oil Sands agreement

Upon expiry or cancelation of the Crown mineral agreement, the affected mineral rights revert to the Crown.

For continued use of these rights for non-production related activities, authorization is required from Alberta Energy and Minerals (the department).

Rights that are <u>not</u> subject to a Crown agreement

Crown authorizations are required to conduct activities, including but not limited to:

- Disposal
- Injection
- Water Sourcing
- Observation

Information Bulletin <u>2019-01</u>, Process Clarification on Crown Mineral Activity Authorizations (Crown authorization) for Disposal, clarifies the process and application requirements for the following situations:

- Disposal activities within a soon to be, or recently, expired, cancelled or surrendered PNG or Oil Sands agreement
- Transitioning historical authorizations under section 32(4) of the <u>Mines and Minerals Act</u> to Crown authorizations
- Applications for New Crown Authorizations for Disposal Activities

Applicants must detail the planned activities, need for the operations (impacts/timelines/barriers), and

address why the desired operations cannot otherwise be performed within your own agreement.

The CMA requirements for ongoing disposal activity within an expired, surrender or cancelled mineral agreement can be found at: <u>https://training.energy.gov.ab.ca/Guides/Authorizatio</u> <u>nAppsforActiveDisposal.pdf</u>

The CMA requirements for New Disposal Operations Requests can be found at:

https://training.energy.gov.ab.ca/Guides/Authorizatio nApplicationRequirements.pdf

Overhole

A company can drill a maximum of 15 metres below the base of their leased mineral rights, in accordance with the Alberta Energy Regulator (AER) <u>Directive 56</u>. This overhole allowance is only to set logging tools so that information can be obtained down to the base of the leased zones. Production cannot occur from the overhole portion of the wellbore.

If authorization for additional overhole is required, CMA applications for the additional overhole depth must include evidence that supports the need for the additional depth. This may include an AER Board Order and geological data with substantive (noneconomic) reasons.

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Coring

Information Letter <u>2012-06</u>, Authorization for Coring Undisposed Crown Mineral Rights, automatically authorizes coring of the same 15 metre overhole, which aligns with AER <u>Directive 56</u>.

Information Letter <u>2021-06</u>, Supplemental Information regarding Coring Undisposed Crown Mineral Rights, clarifies the intent and limits of the automatic coring. It requires operators to inform the Crown each time they perform caprock integrity coring by submitting a <u>Declaration Letter</u> for each Unique Well Identifier within 30 days of rig release.

Road Allowances

PNG agreements do not include the rights to any road allowance that lie adjacent to the sections of land contained within the agreement.

By policy only, road allowances within unit agreements (unit) are treated as part of the unit. The negotiated tract factors for the unitized area allow for the allocation of production and costs. As road allowances are included in the unit boundary, activities conducted within the unitized zone of the road allowance do not require Crown authorization.

Information letter <u>2015-41</u>, Accessing Crown Mineral Rights within a Statutory Road Allowance, details where Crown authorization is automatically granted within an undisposed Crown road allowance.

Approval Not Required

Crown authorization is not required when drilling a water source or observation/monitoring well that is less than 150m in depth and the well is not intended to encounter or produce hydrocarbons.

CMA Applications / Well Licensee

CMA applications must be submitted by the well licensee, through our Electronic Transfer System (ETS). The ETS training modules and CMA application requirements are available through the following "Useful Links" section of this guide.

The well licensee is required to obtain Crown authorization for the specific activities that will be conducted in unleased rights prior to applying for a well licence through the AER.

Notes:

Water Source CMAs do not grant authorization to use the heat from the water being extracted.

Crown authorizations are non-transferable.

Issuance of a Crown authorization in no way influences AER decisions regarding disposal or injection scheme approvals nor does it predetermine the outcome of any such application to the AER. As indemnification is required for all proposed activities, an indemnification declaration is part of the CMA application form. Please refer to the related AER legislation and directives for the details of any related AER requirements.

Useful Links: Crown Mineral Activity Applications/Authorizations Available through ETS

Online Learning Course – Crown Mineral Activity and Wells

This online learning course is available to assit you in making this application through ETS.

ETS Apply for Access

In order to do an e-submission Crown Mineral Activity applications, you will need to have an ETS account.

For reference, please view the *ETS Account* Setup and Preferences module under <u>Accounts in</u> <u>ETS</u> in the Online Learning portal.

To access ETS, you will need to apply for an account setup so that you can do business electronically with the department. Please contact

Crown Land Data at (780) 644-2300 or email crownlanddatasupport@gov.ab.ca

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