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MINERAL RIGHTS INFORMATION BULLETIN 2023-01

SUBJECT: Small-Scale and Remote (SSR) Carbon Sequestration Tenure

This Information Bulletin outlines the business requirements and best practices for applying for small-scale and remote (SSR) carbon sequestration tenure. The process outlined below is to be followed until the Electronic Transfer System (ETS) is enhanced to support application submissions.

Application for SSR Carbon Sequestration Tenure

Alberta Energy and Minerals is now accepting applications for SSR carbon sequestration tenure. SSR carbon sequestration applications are intended for the following situations:

- carbon emissions too far from a hub, or when hub infrastructure may be delayed, or when a hub is not ready to accept the volume of carbon dioxide from an emitter;
- carbon sequestration would be less than 200,000 tonnes of carbon dioxide annually;
- waste gas disposal, such as sour gas or acid gas, which may arise or is arising from oil and gas facilities and needs to be disposed; or
- carbon emissions arising from facilities testing carbon capture approaches.

As part of the application process, applicants will be required to identify and address overlapping interests and activities in the Location (i.e., lands and sequestration formation) that has been requested. Ultimately, the potential approval of an application would result in the granting of two agreements:

- a pore space agreement that grants the right to sequester carbon dioxide into a subsurface reservoir (pore space) within the Location; and
- a pore space unit agreement that addresses the varying interests and activities within the Location, including Crown interests.

Please visit [Alberta Online Learning \(gov.ab.ca\)](http://Alberta Online Learning (gov.ab.ca)) for detailed application guidelines and requirements.

Agreements would be issued only to those who meet the eligibility requirements outlined in Section 23 of the *Mines and Minerals Act*.

Applications must be submitted via PDF email attachments to carboncapture.energy@gov.ab.ca. Applicants will be notified of the department's decision, or any requests for supplementary information, via email.

Rent and Issuance Fees

If an application is approved, the applicant must pay the prescribed agreement issuance fee of \$625 and the rent for the first year of the term of the agreement. Both amounts must be paid before the pore space agreement would be issued. The rental rate is \$3.50 per hectare and is subject to a \$50 minimum.

Annual rent must be paid every year thereafter and would be due on the last day of the preceding year of the term of the pore space agreement. No issuance fee or annual rent applies to the pore space unit agreement; however, a pore space unit agreement would be issued only after a pore space agreement is issued.

Notes

Please note that prior to commencing sequestration activities all regulatory approvals must be obtained from the Alberta Energy Regulator (AER). Issuance of a pore space agreement and/or a pore space unit agreement by Alberta Energy and Minerals does not constitute, nor guarantee, an approval from the AER .

Questions can be directed to carboncapture.energy@gov.ab.ca.

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