

Indebtedness Guide

This guide has been created to outline the responsibilities and the various options available to Alberta's Petroleum and Natural Gas (PNG) and Geothermal Industries as it pertains to any outstanding rental or royalty owing to the Alberta Crown.

Annual rental must be paid in full each year to keep an agreement in good standing.

Rental Default

- The deemed due date for annual rental for PNG agreements and Geothermal Leases is the 15th of the expiry term month, or the first business day thereafter.
- If the rent due is not paid in full by the deemed due date, interest will be applied to the account and an overdue invoice will be mailed through Canada Post to the designated representative and confidential rental payor, if applicable.
- Payments, as outlined in section 23(1) of the *Mines and Minerals Administration Regulation (MMAR)*, are applied to fees, rentals and interest owing before being applied to rent. If there is an outstanding rental amount, the agreement is in default and may be cancelled.

PNG Royalty Defaults

- Alberta Energy and Minerals is responsible for the assessment, levy and collection of royalties for oil, natural gas and by-products.
- If royalties for natural gas or by-products are not paid, a Royalty default notice may be issued. For more information, please refer to [Gas Royalty Operations Information Bulletin April 2023](#).

- If the royalty remains outstanding the mineral agreement may result in the agreement cancellation.
- An agreement cancellation letter is sent through the Electronic Transfer System (ETS) to the designated representative, all registered participants of the Petroleum and Natural Gas (PNG) agreement, the Gas Royalty client and the well operator(s).

Please note: Royalties for Geothermal Leases are not being calculated at this time

Debt Collection

- All debts owed to the Crown for rent, royalty, interest and/or other charges remain owing after an agreement is cancelled. Pursuant to section 20(2.1) of the *MMAR*, all lessees are jointly liable for the outstanding debt.
- Alberta Energy and Minerals will accept payment from any party wishing to pay the debt owing on a PNG agreement or Geothermal lease to bring it into good standing.
- If a company is in debt to the Crown, Alberta Energy and Minerals may use one or more remedies to collect monies owed in accordance with Section 46 of the *Mines and Minerals Act*. Remedies that may be used include:



- Cancelling the PNG mineral agreement or Geothermal lease
- Removal of the following permissions within the Electronic Transfer System as applicable:
 - Ability to post mineral rights or bid and obtain new PNG agreements through the Mineral Land Sale.
 - Remove ability to obtain new Geothermal leases.
 - Removal of a company's ability to transfer an agreement.
 - Removal of a Company's ability to obtain a Crown Mineral Authorization.
 - Removal of a company's ability to obtain searches.
 - Removal of a company's ability to participate in the Site Rehabilitation Program.

Please note: Unpaid debts, may be referred to the Treasury Board and Finance the Crown Debt Collections unit which will result in a court filed action against your company.

General Information

Goods and Services Tax (GST)

- If we do not have your GST number registered, please provide it to Alberta Energy and Minerals, Crown Land Data at 780-780-644-2300 option 4 or through email at CrownLandDataSupport@gov.ab.ca.
- Otherwise, Alberta Energy and Minerals is obligated under the Excise Tax Act to assess and collect GST.

Submitting a payment

Payments can be made by Cheque, Credit Card or Electronic Funds Transfer (EFT).

If you are making payment by cheque, make it payable to the Government of Alberta.

If you are planning to mail the cheque, send to:
 Alberta Energy and Minerals
 9945 108 St NW
 Edmonton AB T5K 2G6

Or the cheque can be dropped off at the Calgary office:
 AMEC Place #300 801 – 6th Ave SW
 Telephone: 403-297-8955

Please ensure that payment instructions are included along with your payment to ensure correct allocation.

Payments by credit card, must be directed to: AEP.AgriPymt.mailbox@gov.ab.ca and please include the following information:

- **Leaseholder name/Company name –**
- **Activity ID/disposition number – (if there are multiple agreements, please itemize and provide specific allocation instructions for each agreement to assist the department in allocation of payment.)**
- **Amount of Payment – i.e., \$000,000.00**
- **Provide E-mail address of the person the payment request is to be directed to.**

Payment can also be made by EFT. Please contact CARS.HelpDesk@gov.ab.ca for EFT assistance.

Notification Emails for Clients

ETS sends default notification emails to the ETS submission contact as a courtesy to notify your company that documents are available for review and/or action. Ensure contact information is current so all notification emails are sent to the appropriate person. The email includes information on where to locate the ETS Request (e.g., Work in Progress, Authorization or Request Status). Note: Email notifications should not be relied on. Best practise is for clients to monitor ETS on a regular basis. Users can check for default notices that have been sent by going into Request Status.

