Guide for Wells

Abandoned wellbores on leased rights, the impact that cancelling an agreement has on different types of wells, and approval for linking and re-entry authorizations.

Abandonment of Wells

The well licensee owns an abandoned well if it is drilled on land that remains in an active agreement. Once the agreement is cancelled or the portion of land the well was drilled on has been deleted, the well vests to the Crown pursuant to section 32 of the *Mines and Minerals Act* (the Act). There is no cost to acquire the use of a well that has vested.

When an agreement is cancelled or a portion of land is deleted from an agreement that contains a well, the lessee is advised that the well can no longer be used. Pursuant to <u>Information Bulletin 2021-02</u>, Alberta Energy and Minerals (the department) will advise the well licensee of their options. Abandonment is one option covered under <u>Directive 20</u>.

Another option is to link the well to an active agreement located on the same land the well was drilled on.

The well licensee must submit a Well Linking application listed under Crown Mineral Activity on the Electronic Transfer System (ETS). Once the application is reviewed, if approved, the department will link the well to the agreement listed in the application.

Water Disposal, Injection, Source, Observation Wells All operations in undisposed Crown Mineral rights must cease when an agreement is cancelled due to a rental or royalty default. This includes active disposal, injection, source and observation wells.

When expired, cancelled or surrendered rights contain an active disposal, injection, source, or observation well, Crown Mineral Activity (CMA) authorization is required. CMA applications must be submitted through the Electronic Transfer System (ETS) in accordance with the Regulator timelines described in the abandonment request to avoid potential trespass under section 54(1) of the Act.

Crown Mineral Activity Application

The following table determines which CMA application is required to submit through <u>ETS</u> based on the well status.

Well Status	Additional Requirements
Abandoned	Applicant must have all surface approvals (Mineral Surface Lease, Emergency Response Plans etc.) before applying for re-entry approval.
Well Status	Additional Requirements
Any well status with the exception of "Abandoned"	Applicant must be the well licensee. The department will not link the well to another active agreement until the Alberta Energy Regulator (AER) has transferred the well licence.



If you cannot meet the conditions set out in your approval letter, you must to advise the department prior to expiry, indicating the circumstances. As there is no extension section in the Act for these type of approvals you will need to re-apply through ETS and subsequent approval may be granted.

If two applications are received, both companies are contacted to determine who holds the surface lease. The approval is issued to the holder of the surface lease, since without that lease, the well cannot be accessed. If neither holds the surface lease, authorization is granted to the applicant who submitted their application first.

Crown authorizations are non-transferable.

Approval to Re-enter an Abandoned Well

If the well has not vested to the Crown, you need to contact the well licensee.

- In the absence of a well licensee or if well has been recertified, then you must contact the Regulator at <u>Directive56.help@aer.ca</u>.
- If the agreement has been cancelled or expired, or the portion of land that the well was drilled on has been deleted from the agreement, the well immediately vested in the Crown.
- Information Letter 1997-26 outlines the criteria required for applying to re-enter a Crown well. Applications must be submitted through <u>ETS</u>. You must tell us what you wish to use the well for and you must indemnify the Crown.

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 FTS

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 Accounts in ETS 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

