

# The LIFE CYCLE of an ENERGY DEVELOPMENT

## Geophysical Exploration

A company may conduct seismic exploration to determine if valuable mineral deposits are located beneath the surface of the land. Not all projects will start with geophysical exploration, as existing data can be bought and sold between companies. If seismic occurs, the landowner will be approached by a permit agent to negotiate the location and compensation. A landowner has the right to refuse entry. No Right of Entry process exists. Damages will be negotiated after the program completes.

## Stakeholder Engagement

The company will make efforts to build relationships and rapport in a community. It is not mandatory for a company to engage with synergy groups or hold open houses, but these activities can help shape the project and prevent future issues.

## Consultation and Notification

Landowner consultation and notification must occur before an application for a licence is filed with the Alberta Energy Regulator (AER). There are minimum standards for notification and consultation based on proximity and type of development, but companies are urged to do additional engagement as they deem appropriate. A landowner will be provided 14 calendar days to review a notification package and should contact the company if they have any questions. Landowners who are being notified should engage with the company at this time, as silence implies consent. For consultation participants, the company will be seeking a Confirmation of Non-Objection.

## Licence Application Submitted to the AER

Are there outstanding stakeholder concerns?

No

Yes

## Pre-Application Concern

A directly and adversely impacted individual may submit a pre-application concern to the AER before the company has submitted its licence application.

## Statement of Concern (SOC)

Both notification and consultation participants may submit an SOC to the AER for unresolved issues (not including compensation issues).

## Routine Authorization Approval

If the company has obtained Confirmations of Non-Objection from affected landowners, the project is technically sound, and the company is in good standing with the AER, the application may proceed as a routine application.

## Non-Routine Authorization Approval

A licence application may become non-routine if there are outstanding stakeholder concerns. Applications for sour gas wells/facilities are automatically marked as non-routine. If a company has been noted as "global refer" due to compliance issues, all new applications will be considered non-routine. A hearing may be held for a non-routine application.

## Orphan Well Association (OWA)

If a site is identified as an "orphan" for which no party is legally responsible, it will be abandoned, reclaimed, and remediated by the OWA. The OWA is funded through industry levies. Before a site is identified as an "orphan," the AER will check to see if there are any Working Interest Participants (WIP) on the licence. A WIP may become responsible for reclamation and remediation proportionate to their share in the licence.

## Reclamation & Remediation

Reclamation refers to returning a site the "equivalent land capability" that it was before industry activity. A company has an obligation to reclaim, but there is no regulatory or legislative timeline for when this must begin. A landowner will be engaged in the Environmental Assessments and will be provided 30 days to review the application for a Reclamation Certificate. Landowners may submit an SOC or engage in the AER's alternative dispute resolution process.

Where soil or groundwater contamination exists, a company will be obligated to remediate as part of the reclamation process.

## Liability Management Program

All licensees have a rating based on the Liability Management Rating (LMR) program, which assesses a licensee's deemed assets in comparison with its deemed liabilities. If a licensee's LMR drops below a certain threshold, it will be required to post a bond with the AER.

## Construction & Operations

Landowner issues that arise during the construction or operations stages (such as noise, odours, or traffic) should be brought to the company or the AER. Any operational or emergency concerns can be brought to the AER's 24 hour emergency line at 1-800-222-6514.

## Non-Payment of Rentals

If a company fails to pay its annual rentals, the landowner should file a section 36 application for the Recovery of Rentals with the Surface Rights Board (SRB).

## Well Water Replacement or Restoration Program (WWRRP)

If a water well is damaged through industry's geophysical, construction, or operational activities (and negotiations with the company are unsuccessful), a landowner may apply to the WWRRP for reimbursement for the costs incurred for replacing or restoring their water well.

If the licence is approved, construction can begin unless landowner consent has not been obtained.

## Right of Entry Order

If landowner consent has not been acquired, access to the surface of the land can be obtained by a company through the Right of Entry process at the Surface Rights Board (SRB) under section 12 of the *Surface Rights Act*.

## Compensation Review

If agreement on compensation cannot be achieved on the 5 year anniversary, a compensation review under section 27 of the *Surface Rights Act* can be initiated with the SRB.