

May 1, 1996

Subject: Petroleum and Natural Gas Tenure Review

This Bulletin is a follow-up to Information Bulletin 96-1, which introduced proposals for redesigning the business rules for rights management. There are two attachments to this Bulletin:

Proposal for Redesigning Business Rules for Rights Management in Alberta

We thank those of you who took the time to send us your comments on the Rights Management Proposal. We have now amended it to address your concerns and to reflect our discussions with CAPP, CAPL, CAPLA and SEPAC. The sections dealing with P & NG Licences have been removed from this document and are addressed in the Proposal for Redesigning Agreement Types in Alberta (see below).

This document will be used as the basis for drafting changes to the Mines and Minerals Act and the P & NG Agreements Regulation. Those proposed changes will be circulated for your review and input.

Proposal for Redesigning Agreement Types in Alberta

When Department staff met with representatives of the industry associations last September, we raised the issue of whether P & NG Licences should be eliminated or retained. The industry representatives responded that they would prefer to retain licences, and the Department agreed to do so.

However, as a result of examining the complexities of licence administration over the past two months, we are re-introducing the concept of eliminating licences. We believe that the issue was not adequately explored when it was first raised, and that it deserves a more detailed examination.

In addition, a new issue recently came to light concerning surface access restrictions. Leases that are issued out of licences are considered "new agreements", and require that any new surface access restrictions be applied to them. A single continuous agreement, on the other hand, would retain the surface access conditions that were in place when the agreement was issued.

We invite you to submit your comments and suggestions on this Proposal to:

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All comments should be received by Friday, May 31, 1996. The names of the contributors will be kept confidential, but all comments will be shared with the industry associations. If you require further explanation or information, please call Julie Miles at 422-9374, Paul Batke at 422-9389 or me at 422-9430.

F David Coombs
Branch Head
Minerals Tenure Branch

Attachments (2)