

May 9, 1997

Subject: Petroleum and Natural Gas Tenure Regulation

Over the past year and a half we have circulated several sets of proposals through industry, dealing with proposed changes to the land tenure system in Alberta. Each set of proposals has also been discussed with a committee of industry representatives from the Canadian Association of Petroleum Producers (CAPP), the Small Explorers and Producers Association of Canada (SEPAC), the Canadian Association of Petroleum Landmen (CAPL) and the Canadian Association of Petroleum Land Administration (CAPLA). The Petroleum Joint Ventures Association (PJVA) has also joined in our discussions with respect to proposed regulations dealing with units.

We thank those of you who took the time to send us your comments on the proposals. We amended them to address your concerns and to reflect our discussions with the committee, and issued the final documents with previous Information Bulletins.

Changes that could be made by policy were implemented on May 7, 1996, and announced in Information Letter 96-14. Following that, we drafted changes to the *Mines and Minerals Act*, and circulated them on August 30, 1996 with Information Bulletin 96-4. The *Mines and Minerals Amendment Act, 1997* is being presented to the Legislature during the Spring session. This bill will remove much of the administrative detail from the Act so that it can be transferred into regulations.

Other changes have been introduced in Information Letters 96-27 (Introduction of New and Amended Forms) and 97-11 (Changes to Continuation Business Rules).

The next step is to draft new regulations, and we have started with the *Petroleum and Natural Gas Tenure Regulation*, which will replace the *P & NG Agreements Regulation*. The attached document shows each provision of the proposed regulation, the current location of that provision (if any), and the reasons for the changes.

Once again we invite you to submit your comments and suggestions to:

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All comments must reach us by **Friday, June 6, 1997**. We strongly encourage you to complete the one-page survey attached to this letter and fax it back to us, whether or not you also send more detailed comments by letter. The names of the contributors will be kept confidential, but the results of the survey and all additional comments will be shared with the committee.

Drafts of the Petroleum and Natural Gas Administration Regulation (replacing the General Regulation) and the Crown Minerals Registration Regulation (replacing the Crown Lands Registration Regulation) will be published and circulated in the next few months, and your input to those drafts will also be requested.

*F David Coombs
Branch Head
Minerals Tenure Branch*

See SURVEY

Survey on Petroleum and Natural Gas Tenure Regulation

Please take the time to fill out this questionnaire and fax it to Paul Batke at (403) 422-1123. If you have additional comments, please attach a separate sheet. Your identity will be kept confidential, but all comments will be summarized and shared with CAPP, SEPAC, CAPL, CAPLA and PJVA.

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
1. I am satisfied with the opportunities that have been provided for industry input into the proposed changes.	1	2	3	4	5
2. The three-column chart presentation was helpful in understanding the reasons for the changes.	1	2	3	4	5
3. The provisions of the regulation are drafted clearly and are easy to understand for someone who is familiar with the business.	1	2	3	4	5
4. On the whole, this regulation balances the needs of industry and government.	1	2	3	4	5
5. On the whole, this regulation will clarify and simplify the administrative processes associated with land tenure functions.	1	2	3	4	5
6. The measurement of time in months instead of days will be easier to calculate and work with.	1	2	3	4	5
7. The concept of retaining licences as a permanent tenure vehicle is logical and reasonable.	1	2	3	4	5

8. The level at which I reviewed this document was:

Cursory	Areas of special interest only	Somewhat thoroughly	Very thorough
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Three things I liked the most:	Three things I disliked the most:
_____	_____
_____	_____
_____	_____

Name:	Position:	
Company:		