

May 1, 2006

MINERAL RIGHTS INFORMATION BULLETIN 2006-02

SUBJECT: REVISED CONTINUATION APPLICATION FORM AND GUIDE

The Continuation Application form is used by companies applying to continue Crown petroleum and natural gas agreements after the end of the five year primary (leases) or intermediate (licence) term, under the Petroleum and Natural Gas Tenure Regulation.

Alberta Energy initiated a review of this form in the fall of 2005, in consultation with the Standards Committee, Canadian Association of Petroleum Land Administrators (CAPLA.) This was a routine review to ensure the form continues to meet the current needs of industry and the department. No regulatory changes were associated with changes to the form.

The revised form, along with an updated Continuation Application Guide, is now available on the Department of Energy website at <http://www.energy.gov.ab.ca/> under Our Business → Tenure → Forms and Reporting.

Key changes to the form, made in consultation with the CAPLA Standards Committee, include the following:

- **Rental information and payment are no longer required with the application.** The department has been discouraging rental payment at the time of application. The department provides a notice of rental owing once the agreement is continued.
- **An “Amended Application” checkbox has been added** to confirm whether a subsequent application amends or fully replaces a previous application.
- **The Applicant File Number has been moved from the general administrative section to the agreement section.** This optional information is provided by some companies for their own internal tracking. In the new location, multiple applicant file numbers can be linked directly to the respective agreement numbers. If provided, the applicant file number is

referenced on resulting department correspondence such as offer letters and continuation letters.

- **A new “Extensions” section now includes extension under Section (8)(1)(h) of the Mines and Minerals Act.** Extensions under Sections 16(8) and 18(6) of the Regulation are also found in this new section. (8)(1)(h) extensions are issued at the discretion of the Minister, when there are extenuating circumstances and no option for continuation or extension under the Regulation. An application including an 8(1)(h) extension request must be accompanied by supporting documentation.
- **The Technical Data section** now includes all approvals for use of data, such as previously used data or data submitted by another party. Technical data is still required with your application, but completing the data checklist on the form is now optional. It is provided for the applicant to use as an internal tracking tool. The department still recommends that relevant wells not entered under “Part 6 -- Qualifying Wells” be included in the Technical Data section, as these wells may support a more favourable continuation. Data requirements for continuation application are found in the Technical Guidelines for Continuation, on the department’s website (go to Our Business → Tenure → Legislation, Guidelines and Policies → Guides.)

A better form leads to better applications, and improves the efficiency for both industry and the department. The quality and relevance of the data submitted, however, is still the key to continuation success. Please refer to the updated Continuation Application Guide for more information on how to complete this form and ensure that you have included the most essential and useful data to support the continuation requested.

For more information, please contact:

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