FARMERS' ADVOCATE OFFICE

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ENERGY, UTILITIES AND POLICY SPECIALIST

Action Surface Rights

About Us

- The FAO was established in 1973 by the Minister of Agriculture as a resource for Albertan farmers and ranchers
- As a liaison between landowners, government and industry; the FAO ensures that the rights and interests of rural Albertans are
 - Recognized
 - Understood
 - Protected





Mission

...to create value for rural Albertans & our stakeholders by:

- empowering rural Albertans through awareness on key issues;
- providing objective, unbiased ideas and advice for resolving disputes;
- representing the rural Alberta perspective on matters of concern;
- and facilitating interaction on strategic matters among key stakeholders.

SURFACE RIGHTS, LAND AND ENERGY

 The FAO is a resource for farmers and ranchers who are affected by energy developments.

 We are able to provide information on legislation and policy, advise on rights, responsibilities, negotiations and dispute resolution.

Farmers'

Advocate

NEGOTIATIONS

Landowners have the right to stand their ground,
however we encourage them to seek *common ground*with their neighbor, the energy company.

Farmers'

Advocate

TRENDING ISSUES FOR ENERGY AND LAND

- Rental Reductions
 - Unilateral
 - Beginning or claiming to begin reclamation / Change of Use
 - State of the economy
- Surface Rights Board (SRB) Applications
 - Recovery of Unpaid Rentals: Section 36
 - Right to Review Compensation: Section 27
- Reclamation
- Electrification of Energy Sites
- Weed Control
- Lexin Resources
- Renewable Energy
 - Landowner Guide for Negotiation Renewable Energy Leases
 - Workshops

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.

The LIFE CYCLE of an **ENERGY DEVELOPMENT**

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 WP 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.

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).

Licence Application Submitted to the AER

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.

Are there outstanding stakeholder concerns?

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.

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

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.

Construction &

Operations

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.

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)

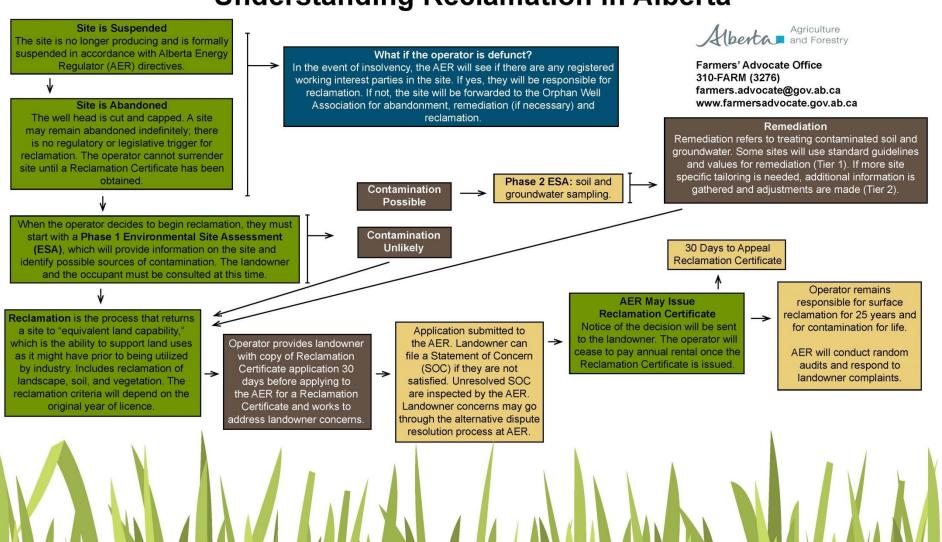
Well Water Replacement or Restoration Program (WWRRP)

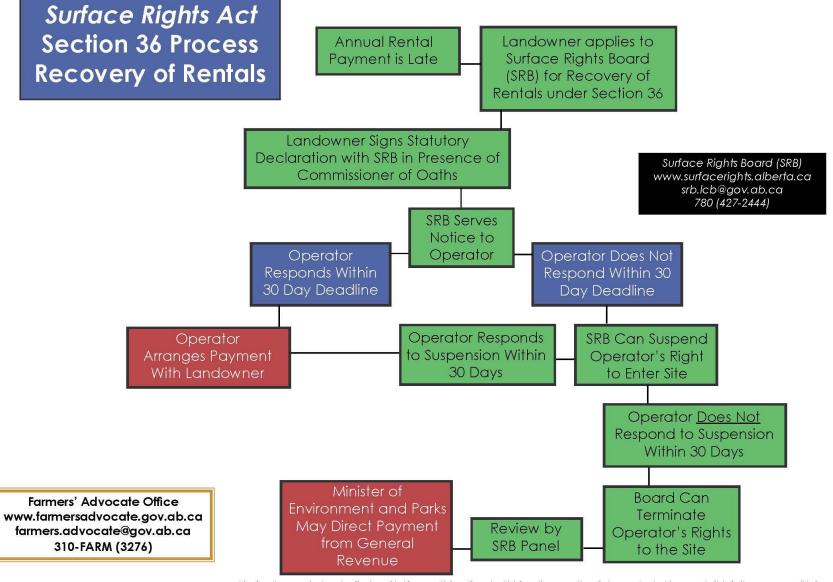
If a water well is damaged through industry's geophysical, construction, or operational activities (and negotiations with the company are unsuccessful), a landowner may apply to the WWRRP for reimbursement for the costs incurred for replacing or restoring their water well

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

Understanding Reclamation in Alberta





Advice from the Farmers' Advocate Office is provided for general information only. This information may not be relied upon as legal advice or as substitute for it. You are responsible for applying any general information provided to your particular situation, if appropriate, and deciding upon a course of action. The Farmers' Advocate Office and Alberta Agriculture and Forestry make no warranty, expressed or implied, and do not assume any legal liability or responsibility for the accuracy, completeness, or usefulness of any information provided to you. For all important business and personal matters, you should consider obtaining independent legal and office professional advice to properly assess and understand your options and obligations.

Surface Rights, Utilities & Energy... Who Should I Contact?

Alberta Energy

leasing of Crown minerals | royalties | legislative and policy management | freehold mineral taxation

www.energy.alberta.ca | 780-427-8050 Edmonton | 403-297-8955 Calgary

Alberta Energy Regulator

provincial regulator for oil, gas, and pipelines | landowner statements of concern | notification | suspension & abandonment | reclamation & remediation | compliance issues | incident reporting | water licences | permits for seismic/geophysical | liability management www.aer.ca | 1-855-297-8311 | inquiries@aer.ca

Alberta Labour

land agents licensing | land agents code of conduct & complaints http://work.alberta.ca/labour/land-agents-licensing.html | 780-415-4600

Alberta Utilities Commission

regulates terms and conditions for utilities and transmission development | stakeholder engagement for utilities developments | renewables | consumer complaints | legislative compliance

www.auc.ab.ca | 403-592-UTIL (8845) Calgary | 780-427-4901 Edmonton | info@auc.ab.ca

Farmers' Advocate Office

advisory and resource agency for landowners | information on legislation and policy | negotiating surface leases and right of way agreements | dispute resolution | understanding process | consultation and stakeholder engagement | Well Water Replacement or Restoration Program www.farmersadvocate.gov.ab.ca | 310-FARM (3276) farmers.advocate@gov.ab.ca

Freehold Owners' Association

advisory agency for mineral owners negotiating agreements www.fhoa.ca | 403-245-4438

Local County

weed issues | transportation and road use issues | dust concerns

National Energy Board

regulates interprovincial pipelines and transmission lines under federal jurisdiction www.neb-one.gc.ca | 1 (800) 899-1265 or (403) 292-5503

Orphan Well Association

abandonment & reclamation of upstream wells, pipelines, facilities and associated sites for which there is no legally responsible party www.orphanwell.ca | (403) 297-6416

Property Rights Advocate

property rights information | annual report to legislature with recommendations on property rights ombudsman-type role

propertyrights.alberta.ca | 403-388-1781 | propertyrights@gov.ab.ca

Surface Rights Board

rights of entry | disputes on compensation | anniversary rental reviews | off right-of-way damages | unpaid annual rentals

http://surfacerights.ab.ca | 780-427-2444 | srb.lcb@gov.ab.ca

Utilities Consumer Advocate

concerns about utility bills and rates | advice on natural gas and electricity | advocating for consumer interests

www.ucahelps.alberta.ca | 310-4UCA (4822) | UCAhelps@gov.ab.ca

Federation of Rural Electrification Associations

dispute resolution within rural electrification associations | rates | governance of an REA http://www.afrea.ab.ca/ | (780) 417-3396

Federation of Gas Co-ops

location of utilities map | dispute resolution within co-ops | rates | governance of a gas co-op http://www.fedgas.com/ | (780) 416-6543 | info@fedgas.com

STAY IN TOUCH

- Email distribution list
- Website <u>www.farmersadvocate.gov.ab.ca</u>
- Social media
 - Twitter fao_alberta
 - Facebook Farmers' Advocate of Alberta
- 310-FARM (3276)

Questions?

Farmers' Advocate Office 310-FARM (3276)