

Alberta Oil Sands Tenure Guidelines

Appendix

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Appendix A Forms and Reporting

Oil Sands forms and reporting are accessible on the Department website on the Oil Sands home page, left menu [Forms and Reporting](#), topic Forms (Tenure).

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Appendix B Information Letters and Bulletins

Both the Department of Energy (DOE) and the Energy Resources Conservation Board (ERCB) periodically issue Information Letters and Bulletins to advise industry clients about changes in legislation, policy, and business rules. All DOE Information Letters are accessible on the Oil Sands home page below the left menu under the Related Links *Information Letters* and at the libraries in Edmonton and Calgary. Oil Sands specific Information letters and bulletins are located under Oil Sands home page, left menu Legislation, Guidelines & Policies. They are also emailed to the Department's list of subscribers.

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Appendix C e-Subscription

e-Subscriptions is a means by which clients may add their email address to separate email distribution lists for Oil Sands Public Offering Notices and Results, Information Letters, and Oil Sands Information Bulletins. The electronic subscriptions lists are maintained through an automated system and you can subscribe or unsubscribe to each one directly from the Oil Sands home page, left menu On-line Services, topic e-Subscriptions.



Appendix D Glossary

agreement holder	In this document, the holder of an oil sands permit or lease.
bitumen	A thick, sticky form of crude oil, which is so heavy and viscous that it will not flow unless it is heated or diluted with lighter hydrocarbons. At room temperature, bitumen looks much like cold molasses.
bonus	The amount paid for Crown mineral rights. The Crown receives a bonus regardless of whether the rights are sold directly or through a public offering.
continued lease	An oil sands lease, which is granted for an indefinite term once the holder of a primary lease (or equivalent), has met the required minimum level of evaluation. Continued leases are classified as producing or non-producing. Non-producing continued leases are subject to escalating rent.
Crown rights	Surface rights or mineral rights, which are owned by the government. In this document, “the Crown” refers to the Government of Alberta, unless otherwise specified.
crude bitumen	Defined in the Mines and Minerals Act as “a naturally occurring viscous mixture, mainly of hydrocarbons heavier than pentane, that may contain sulphur compounds and that, in its naturally occurring viscous state, will not flow to a well.”
designated representative	In relation to an Oil Sands Agreement, means (i) the person who is designated as the representative of the lessee(s) of the agreement, according to the notice of the designation given to the Minister, or (ii) the lessee of the agreement, if the agreement is held by only one lessee who has not given the Minister a notice of a designation of a representative or has given the Minister a notice of the revocation of a previous designation of a representative.

direct purchase	The purchase of Crown-owned oil sands rights by private sale rather than through the public offering process.
disposition	A grant, a transfer, or an agreement.
escalating rent	A payment due from developers who wish to retain their oil sands rights to non-producing continued leases. Rent for such leases is charged on an escalating basis according to a schedule determined by the Department.
evaluation	The process of gathering descriptive technical data—including geological, geophysical, engineering and production information—about the oil sands zone or zones included in oil sands agreements. Evaluation data provides valuable information about the nature and characteristics of the oil sands resource.
fractional Crown rights	Crown rights held when the Crown holds less than 50% of the rights to the smallest applicable spacing unit, as established by the ERCB.
freehold rights	Mineral rights that are not owned by the federal or provincial governments.
in situ	“In place” production methods which use steam, solvent and oxygen injection to recover deeply buried bitumen deposits.
land sale	See public offering.
lease	An oil sands agreement issued in the form of a lease that grants rights in respect of oil sands. Two types of leases exist under the Oil Sands Tenure Regulation: primary and continued.
lease continuation	The process of continuing the term of a lease to a company or individual who holds a primary lease (or equivalent).
lease selection	The process of converting an oil sands permit to a primary lease(s).
lessee	The holder of a lease according to the records of the Department. In this document, the term lessee refers only to holders of oil sands leases.

minimum level of evaluation (MLE)	See evaluation. Applications for lease selection or lease continuation must be supported by technical data that meets a minimum level of evaluation (MLE), as outlined in section 3 of the Oil Sands Tenure Regulation.
minimum level of production (MLP)	A Department-defined benchmark which establishes the minimum level of production that must be met for an oil sands lease to be classified as producing. The required minimum level of production per term year is 2,400 m ³ of bitumen per section, on average, over the lease term.
non-producing	A lease classification which indicates that a lease has not met the required minimum level of production. Non-producing continued leases are subject to escalating rent.
oil sands	Defined in the Mines and Minerals Act as “(i) sands and other rock materials containing crude bitumen, (ii) the crude bitumen contained in those sands and other rock materials, and (iii) any other mineral substance associated with the above-mentioned crude bitumen, sands or rock materials and includes a hydrocarbon substance declared to be oil sands under section 7(2) of the Oil Sands Conservation Act.”
oil sands agreement	A permit or lease.
oil sands well	A well which is drilled to penetrate an oil sands deposit for the purpose of evaluating the deposit or bringing it into production.
permit	An oil sands agreement which is granted for a five-year term.
permittee	The holder of a permit according to the records of the Department. In this document, the term permittee refers only to holders of oil sands permits.
primary lease	An oil sands lease which is granted for a 15-year term or a 21-year term under the previous regulations.
producing	A lease classification which indicates that a continued lease has met the required minimum level of production, and is therefore not subject to escalating rent.

public offering	A public auction, where oil sands rights are awarded to the highest bidder. Public offerings are also called sales or land sales.
royalty	A share of production or equivalent revenue.
sale	See public offering.
spacing unit	Spacing units, which are established by the ERCB, specify the spacing of wells drilled into individual reservoirs for the purpose of producing oil, gas, or oil sands products. This regulates production rates and ensures efficient drainage of the resource. The standard spacing unit for oil and oil sands is one well per quarter section.
tenure	The term tenure describes the system through which Crown-owned mineral rights—including oil sands rights—are leased and administered.
term year	The term year for an oil sands agreement is defined by the anniversary date of the agreement. For example, in the case of a lease signed on October 18, 2002, the anniversary date is October 18 of each subsequent year, and each term year spans from October 18 to October 18 of the following year.
undisposed	A term that refers to Crown-owned mineral rights which have not been assigned. Undisposed rights can be acquired through oil sands agreements.

Appendix E Abbreviations

AFE	authorization for expenditure form
API	American Petroleum Institute
CMDRC	Crown Mineral Disposition Review Committee
CONRAD	Canadian Oil Sands Network for Research and Development
DOE	Department of Energy
DRRZD	Deeper Rights Reversion Zone Designation
EFT	Electronic Funds Transfer
EROC	Escalating Rent Offset Costs form
ETS	Electronic Transfer System
ERCB	Energy Resource Conservation Board
GST	Goods and Services Tax
ha	hectare
IL	Information Letter
IOSTC	Industry Oil Sands Tenure Advisory Committee
km	kilometre
MLE	minimum level of evaluation
MLP	minimum level of production
P&NG	petroleum and natural gas
PON	Public Offering Notice
RAE	Registration of Allocated Expenditures form
ZD	zone designation

Appendix F Contact Information

Mailing Address:

Mailing Address (Edmonton)

Oil Sands Operations
Alberta Department of Energy
North Petroleum Plaza
9945-108 St
Edmonton, Alberta Canada
T5K 2G6

Mailing Address (Calgary)

Oil Sands Operations
Alberta Department of Energy
300, 801 - 6th Avenue SW
Calgary, Alberta Canada
T2P 3W2

Receptionist: 9945-108 St. / 7th Floor NPP

Couriers: 9915-108 St. / Main Floor SPP

Website: www.energy.gov.ab.ca

To locate important oil sands tenure information and links, internet users need to navigate to the Oil Sands Home page through the Department of Energy website.

Using the left menu, choose Our Business, Oil Sands and then choose your topic.



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Appendix G Electronic System and Services

Information about systems and services are available on Oil Sands home page, left menu On-line Services.

Electronic Transfer System (ETS):



The Electronic Transfer System (ETS) is a secure web application that provides access to a number of the information products available from the Department of Energy. The ETS application receives and validates requests from authorized users for the different services provided by the system. ETS passes the requests on to other systems and after processing the request, the response is delivered to the client via a notification system. This response stays in ETS for a designated period of time based on the type of information. In order for users to conduct business electronically with the Department, the user needs to apply for an account using the ETS Account Set Up/Change Form and request access to the different services they require. The Department creates an administrative account for the company and gives them access to the different forms.

The following list includes, but is not limited to, appropriate Oil Sands Tenure related forms for on-line submission and retrieval of resulting documents:

- Posting Requests
- Bidding on Public Offering Oil Sands – Ability to submit bids on the Public Offering for Oil Sands

If you are going to be a Designated Representative sign up for Oil Sands Agreement Documents.

Please make sure, if you are not currently set up to do Electronic Funds Transfer with the Department the additional form is filled in.

- Oil Sands Agreement Documents
- Monthly Surface and Mineral Rental Statements- Include this form with your Monthly Statement Process Agreement
- Land Searches
- Transfer Ownership and/ or Designated Representative

Posting Requests:

Posting enables clients to request Oil Sands rights for publication in a specific sale through an electronic disposition request. Clients are able to query Oil Sands rights availability and submit posting requests for a Public Offering using ETS. Acquisition of Oil Sands rights by direct purchase will be accommodated. In order to access Postings, the user needs an authorized ETS account with access to the Posting Request service (form).

Bidding:

Bidding enables clients to acquire Oil Sands rights through an electronic bidding process. Clients are able to select the parcels being offered for a sale, and if interested in acquiring the rights submit bid requests for a Public Offering using ETS. In order to submit Bids, the user needs an authorized ETS account with access to the Bidding on Public Offering PNG & Oil Sands service (form).

Crown Oil Sands Agreement Documents:

The documents related to Oil Sands Agreement(s) acquired from a Public Sale or Direct Purchase are issued electronically. In order to receive the documents agreement holder needs an authorized ETS account with access to the Crown PNG and Oil Sands Agreement Documents service (form).

Transfer Ownership:

The Transfer program facilitates the electronic transfer of registered interests in Crown Oil Sands agreements within the province of Alberta. Electronic transfers encompass all transactions, documents, and data exchanges associated with the Crown registration of the transfer of the owner's interest in the oil sands rights to another party, and Designated Representative changes. This program does not include partial land transfers or any type of encumbrances. In order to access Transfer Ownership, the user needs an authorized ETS account with access to the Transfer Ownership service (form).