

Mineral rights:

There are two owners of property in Alberta; a surface rights owner and a mineral rights owner. The individual(s) who owns the surface rights would own the surface and substances such as sand and gravel but not the minerals. The company or individual who owns the mineral rights owns all mineral substances found on and under the property. There are often different surface and mineral owners on the same land. The mineral owner has the right to explore for and recover the minerals but at the same time must do this in a reasonable manner so as to not significantly affect use of the surface.

Freehold Mineral Rights:

The Alberta Crown owned rights cover approximately 81 percent of the land area of Alberta. The remaining 19% are freehold minerals rights owned by private individuals and companies or minerals owned by the federal government (National Parks, Indian Reserves).

Historical Overview of Mineral Rights Ownership:

The Hudson's Bay Company (HBC) initially controlled most of what is now Alberta. In 1870 the HBC surrendered this territory and was granted 1/20 of the "fertile belt" which translated to approximately 1 million hectares of land in Alberta. Successor in title to the HBC grant continue to own the mineral rights in these lands.

During settlement of the province, freehold mineral rights were primarily obtained by individuals in one of two ways. Under the Dominion Lands Act, a settler applied for a homestead and then acquired ownership by occupying the land and performing certain improvements for a period of three years. Upon validation of the homestead claim, the settler would gain title to the property. Initially the Dominion granted title to both surface and minerals but in 1887 Canada made the decision to reserve minerals in the name of the Crown in homesteads and other sales of land.

Settlers also acquired minerals by purchasing land from railway companies. In addition to receiving a main line grant of \$25 million for construction of the transcontinental railway, the CPR received a grant of 7.4 million hectares of land, 4 million hectares of which was in Alberta. Prior to 1902, the CPR sold the land to incoming settlers with no mineral reservation. After 1902 some or all minerals were reserved from sale depending on the location and by 1912, the CPR realizing the possible value of these resources reserved all mines and minerals from most sales of land.

Alberta acquired 53.7 million hectares of mineral rights from Canada in 1930 by virtue of the Natural Resources Transfer Act.