

Bulletin 2022-12

April 20, 2022

Request for Information regarding Cryptocurrency Mining Operations Associated with AER-Regulated Activities

We are aware of cryptocurrency mining operations running alongside AER-regulated activities, and we are looking to better understand the situation and work with regulated parties to manage potential risks and ensure compliance and overall safety of AER-regulated operations. We ask that all regulated parties provide information related to current or future cryptocurrency mining operations associated with their sites. Licensees have until **May 20, 2022**, to submit the requested information by using the following form:

<https://www.aer.ca/regulating-development/rules-and-directives/aer-forms/cryptocurrency-mining-information-request>

If you have any questions, contact our Customer Contact Centre by phone at 403-297-8311 (1-855-297-8311 toll free) or by email at [inquiries@aer.ca](mailto:inquiries@ aer.ca).

AER Jurisdiction

The AER regulates energy resource activities in Alberta. Our mandate is to ensure the safe, efficient, orderly, and environmentally responsible development of energy resources in Alberta, which include oil, oil sands, natural gas, and coal resources. It is the responsibility of the regulated party to ensure that their activities comply with all AER requirements at all times. The AER may request information from the regulated party to ensure compliance, public safety, and protection of the environment.

Responsibilities of AER-Regulated Parties

Site Safety

AER-regulated parties must adhere to the spacing requirements set out in [Directive 056: Energy Development Applications and Schedules](#), including the location of any flame type equipment, exhausts, or sources of ignitable vapours relative to third-party activities on site. Should an incident occur with third-party operation equipment or infrastructure that affects or has the potential to affect AER-regulated oil and gas activities, the AER-regulated parties must notify the AER in accordance with the requirements in [Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry](#).

Public Land Dispositions

Dispositions to conduct AER-regulated activities on public land are specific to those activities. Additional activities require their own dispositions, even if being carried out near to or at the same location as an AER-regulated activity. Refer to [*Public Lands Administration Regulation Approvals and Authorizations Administrative Procedures*](#) for more information.

Produced Gas Consumption

Cryptocurrency mining operations that consume gas produced by AER-regulated activities are considered consumers, even if the third-party operation is owned or operated by the same entity that produced the gas. The AER regulates delivery point measurement and reporting of produced gas by AER-regulated parties. When gas produced by AER-regulated activities is delivered to consumers, the AER-regulated party must ensure that it is measured and reported as sales gas in accordance with [*Directive 017: Measurement Requirements for Oil and Gas Operations*](#) and [*Directive 007: Volumetric and Infrastructure Requirements*](#) and that royalties are paid on the gas volumes delivered to third-party operations.

For questions about gas royalties and calculations, please contact Alberta Energy at vcr@gov.ab.ca.