

Bulletin 2024-11

April 9, 2024

Conditional Adjustment of Reclamation Liability (CARL) Program and New Edition of *Directive 088* and *Manual 023*

We are announcing the implementation of the Conditional Adjustment of Reclamation Liability (CARL) Program (previously referred to as the Reclamation Liability Reduction Program in [Bulletin 2023-37](#)), to allow for conditional adjustments of the liability estimates used in the AER's liability management programs. Once closure and reclamation activities for a site have been completed, it may take several years before vegetation is fully established and the site becomes eligible for a reclamation certificate. The CARL program will allow licensees to request a temporary conditional adjustment of the liability estimate for a site once reclamation work has been completed but before a reclamation certificate is issued under the [Environmental Protection and Enhancement Act \(EPEA\)](#).

Improving closure liability estimates for Alberta's oil and gas infrastructure is a key component of the AER's liability management framework (see [Bulletin 2023-41](#)). Adjustment of the reclamation liability estimate value does not affect current annual surface lease rental payments owed to landowners and does not remove the requirement to obtain a reclamation certificate.

Starting from April 11, 2024, the CARL requests for wells and facilities licenced under [Directive 056: Energy Development Applications and Schedules](#), excluding those with an *EPEA* approval or sites with a site-specific liability assessment, will be accepted through OneStop when all required abandonment, remediation, and reclamation work has been completed in accordance with the AER's requirements, and the only thing left to do is to re-establish vegetative cover.

If the CARL request meets these conditions, the associated reclamation liability estimate of the licence will be adjusted to \$5000 for cultivated land or \$9000 for all other land types for a period of five years or until a reclamation certificate is obtained, whichever occurs first. Obtaining a reclamation certificate within that timeframe becomes a requirement. If it is not possible to meet the five-year timeframe, a request for a single extension of two years must be submitted before the end of the five-year timeframe, and a detailed site assessment must be provided. If the licensee fails to obtain a reclamation certificate within the required timeframe (five years or as extended by the AER), the AER will reinstate the reclamation liability estimate to its full amount prior to the adjustment, and the licence will be ineligible for any future CARL adjustment.

Licensees will need to provide the following information in their CARL request:

- company and site identifier information
- abandonment date
- earthwork reclamation date
- initial revegetation date
- reference to OneStop submission numbers associated with Phase 1 ESA, Phase 2 ESA, remediation (if applicable), and record of site condition
- a submission declaration

Details of the CARL program are now available in a new edition of [Directive 088: Licensee Life-Cycle Management](#) and [Manual 023: Licensee Life-Cycle Management](#) released today. General questions about the CARL program can be directed to RecRemQuestions@aer.ca.

We have also revised *Directive 088* to clarify the requirements for the accurate reporting and correcting of closure spends. Please refer to section 4, “Inventory Reduction Program,” for further details on the requirement changes.

The revised edition of *Directive 088* is available on our website at www.aer.ca > Regulating Development > Rules and Directives > [Directives](#). The revised edition of *Manual 023* is available on our website at www.aer.ca > Regulating Development > Rules and Directives > [Manuals](#).

If you have any questions, please contact our Customer Contact Centre at 403-297-8311 (toll-free 1-855-297-8311) or inquiries@aer.ca.