

Bulletin 2025-04

February 7, 2025

Directive Updates Related to Liability Management Framework

Today, we released new editions of *Directive 001: Requirements for Site-Specific Liability Assessments*, *Directive 011: Estimated Liability*, *Directive 068: Security Deposits*, and *Directive 088: Licensee Life-Cycle Management*. Changes to directives, the *Oil and Gas Conservation Rules (OGCR)*, and the *Pipeline Rules* were required to meet the [Liability Management Framework](#) policy direction to replace the liability management rating (LMR) and licensee liability rating (LLR) programs. These directives and associated requirements are now in effect.

These updates resulted in the AER rescinding *Directive 006: Licensee Liability Rating (LLR) Program*, *Directive 024: Large Facility Liability Management Program (LFP)*, and *Directive 075: Oilfield Waste Liability (OWL) Program* and related language and content (e.g., deemed assets and deemed liabilities). The LMR is no longer calculated or used by the AER for any purpose and will not be available to licensees.

A summary of the feedback we received during public comment, and our responses, are available on the *Directive 001*, *Directive 011*, *Directive 068*, and *Directive 088* webpages.

- *Directive 011* has been renamed and revised to include content regarding estimated liability, including assignment of liability at time of licensing and estimation methods.
- Licensees will be able to review which wells are being assessed for groundwater protection through the OneStop Liability Assessment Report. Licensees will be able to provide missing cementing information to the AER, but this process is still being finalized. A subsequent bulletin will be released in early March which will outline how to submit the missing cementing information to the AER.
- Site-specific liability assessments (SSLAs) are required before submitting a new application if required based on licence type. SSLAs are also required if site conditions warrant it.
- All SSLAs must now adhere to *Directive 001* standards. (10-well-equivalent gas plants that expire in 2025 will receive an automatic one-year extension to assist in this transition.)
- Eligibility for orphaning and inclusion in orphan fund levy is outlined in section 9 and appendix 1 of *Directive 011*.

The *Directive 011* estimated liability costs for well abandonments were already updated in June 2024, and no further changes to costs were made (see [Bulletin 2024-16](#)).

Directive 001 only contains requirements for completing and submitting SSLAs. SSLAs are scalable to site conditions. If a licence requires an SSLA, the licensee will continue to submit through DDS where possible. Any other cost estimates and all liability declaration forms can be emailed to SSLA@aer.ca until a new intake system for all SSLAs becomes available.

Directive 088 sets out requirements for liability management programs throughout the life cycle of a licensee:

- There is now consistency for transfer applications as oilfield waste management facility approvals now follow the transfer application requirements and can be part of a larger transfer application.
- Security collection and the Conditional Adjustment of Reclamation Liability Program have been moved to *Directive 068* and *Directive 011*, respectively, for better alignment of content.

Directive 068 includes security requirements enabled by the *OGCR*:

- The requirement for oilfield landfills to provide full security based on an SSLA was moved from the *OGCR* to *Directive 068*. All other oilfield waste management facilities will be assessed holistically throughout their life cycles to determine if security is required.
- Requirements were added to clarify how security held under LMR and its programs will be transitioned to the LMF.
- No changes have been made to the forms of security accepted by the AER (cash and letter of credit).

We are still determining how information will be made available in accordance with these directives. Further information will be provided as it becomes available. We will also advise when new forms for submission of information are available (e.g. for submitting site-specific liability assessments).

Consequential amendments have been made to remove references to the rescinded directives and the LMR and LLR programs throughout other directives and manuals, including *Directive 013*, *Directive 040*, *Directive 056*, *Directive 058*, *Directive 089*, *Directive 090*, *Manual 001*, *Manual 012*, *Manual 021*, *Manual 023*, and *Manual 024*.

The revised editions of *Directive 001*, *Directive 011*, *Directive 068*, and *Directive 088*, updated forms, and consequential amendments are available on our website. The updated *Oil and Gas Conservation Rules* and *Pipeline Rules* are available on the Kings Printer.

inquiries 1-855-297-8311
24-hour
emergency 1-800-222-6514

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