

# Bulletin 2025-13

March 31, 2025

## 2025/26 Orphan Fund Levy

In accordance with Part 11 of the [Oil and Gas Conservation Act](#), the Alberta Energy Regulator (AER) is prescribing an orphan fund levy (OFL) for the 2025/26 fiscal year in the amount of \$144.45 million, an increase from the previous year's levy of \$135.00 million.

The 2025/26 OFL levy amount was approved by the Government of Alberta (GoA) as part of the overall budget and will support the Orphan Well Association's (OWA) operating budget for the 2025/26 fiscal year. The increase provides additional funding to help the OWA address the growing number of orphaned oil and gas sites across the province. The AER allocates the OFL among licensees and approval holders, as outlined in appendix 1 of [Directive 011: Estimated Liability](#).

The calculation for the levy is outlined in Part 16.5 of the [Oil and Gas Conservation Rules](#).

### Levy Formula

Each licensee or approval holder will be invoiced for its proportionate share of the orphan fund levy in accordance with the following formula:

$$\text{Levy} = \frac{A}{B} \times 144,450,000$$

where

- *A* is the sum of the licensee's or approval holder's estimated liability on March 27, 2025, as determined by the regulator in accordance with *Directive 011* for each type of licence and approval in appendix 1 of *Directive 011* that is included in the calculation of the orphan fund levy, and
- *B* is the sum of the industry's estimated liability on March 27, 2025, as determined by the regulator in accordance with *Directive 011* for each type of license and approval in appendix 1 of *Directive 011* that is included in the calculation of the orphan fund levy.

A licensee or approval holder may review its licences and estimated liability included in the orphan fund levy calculation through the OneStop Liability Assessment Report.

## Notification and Payment

An OFL invoice will be sent to the attention of each licensee's or approval holder's chief financial officer by email to the address the AER has on file.

In the event that the AER does not have an email address on file, or an emailed invoice has been returned as "undeliverable," the AER will send a hard copy of the invoice to the corporate mailing address provided under [Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals](#).

Licensees and approval holders are reminded that it is their responsibility to ensure that *Directive 067* records are kept up to date. To update corporate email or mailing addresses, contact [Directive067@aer.ca](mailto:Directive067@aer.ca).

OFL invoices will be emailed on April 1, 2025. It is the licensee's or approval holder's responsibility to ensure that the invoice is directed to the appropriate person. If the licensee or approval holder does not receive their OFL invoice on April 1, 2025, they must contact [OrphanLevy@aer.ca](mailto:OrphanLevy@aer.ca) to request a copy.

All OFL invoices must be paid in full by the licensee or approval holder and received by the AER by **May 1, 2025**. Payment must be made payable to the "Alberta Energy Regulator" in Canadian currency using an acceptable financial instrument, such as a cheque, money order, bank draft, or EFT. We cannot accept cash at this time.

Failure to pay the full invoiced amount by May 1, 2025, will result in a penalty of 20 percent of the original invoiced amount being assessed to the licensee or approval holder pursuant to section 74(2) of the [Oil and Gas Conservation Act](#). Additional compliance measures may also be applied in accordance with the AER's compliance assurance program, such as the issuance of a corporate-wide closure order.

Furthermore, the information regarding nonpayment of debt is a parameter used in a licensee capability assessment, which involves determining a company's ability to meet its regulatory and liability obligations throughout the life cycle of its energy projects. It is also considered an "unreasonable risk" under section 4.5 of *Directive 067* and is used when evaluating licensee eligibility or certain application decisions. Licensees that are noncompliant with their orphan fund levy will be identified in the annual Liability Management Performance Report.

## Appeal

Section 76 of the *Oil and Gas Conservation Act* sets out the grounds for an appeal. The written appeal may be either emailed to the attention of Finance at [OrphanLevy@aer.ca](mailto:OrphanLevy@aer.ca) or mailed to the following address:

Attention: Finance  
Alberta Energy Regulator  
Suite 1000, 250 – 5th Street  
Calgary, Alberta T2P 0R4

**Even if an appeal is filed, payment in full of the original invoiced amount is required by May 1, 2025**, to avoid an automatic notice of noncompliance and 20 percent penalty. The AER will refund any overpayment resulting from a successful appeal within 30 days of the result of the appeal.

For questions about this bulletin, contact [OrphanLevy@aer.ca](mailto:OrphanLevy@aer.ca).