

Bulletin 2026-15

March 31, 2026

2026/27 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 2026/27 fiscal year in the amount of \$154.56 million, an increase from the previous year's levy of \$144.45 million.

The 2026/27 OFL levy amount was endorsed 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 2026/27 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:

$$\text{Levy} = \frac{A}{B} \times 154,561,500$$

where

- *A* is the sum of the licensee's or approval holder's estimated liability on March 31, 2026, 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 31, 2026, 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

Invoices to licensees will be emailed on **April 1, 2026**, with payment due by **May 1, 2026**.

The invoices are sent by email to ensure secure delivery and create efficiencies in approval and payment processing. If you have not already signed up for electronic delivery, please forward your preferred corporate email address or addresses to OrphanLevy@aer.ca. A generic email address is preferred to avoid changes because of staff turnover.

In the event 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.

Failure to pay the full invoiced amount by May 1, 2026, 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.

Nonpayment of levies 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 on the [Insights on Liability Management](#) webpage on aer.ca.

Contact

If you have any questions about the 2026/27 orphan fund levy, please contact OrphanLevy@aer.ca.

Appeals

Section 76 of the *Oil and Gas Conservation Act* sets out the grounds for an appeal, and section 16.540 of the *Oil and Gas Conservation Rules* sets out the procedure for appeal. Any appeal must be made in writing and sent to OrphanLevy@aer.ca.

Payment of all invoices is required by **May 1, 2026**, regardless of whether an appeal has been filed. Following a decision on the appeal, adjustments will be applied as needed.