

Fall 2022 Engagement Session Q&A

Closure Nomination

February 2023

The AER held online engagement sessions on closure nomination with industry (September 22, 2022); Indigenous communities (October 18, 2022); and landowners, municipalities, and the general public (October 25, 2022). The following are responses to questions that were unanswered during the engagement sessions.

Q1. Is the site closure request considered an application?

A1. No. Public notice is not triggered, and no statement of concerns can be submitted, but nominations and their status will be made available through a dashboard.

Q2. Is there a limit to the number of sites that an eligible requester can nominate on an annual basis?

A2. No.

Q3. Do I have to speak with the company (licensee) before I nominate a site?

A3. No, but we encourage such communication.

Q4. If I nominate a site, does that mean that I will no longer receive surface lease payments?

A4. No. Surface lease payments must continue until the reclamation certificate is issued. The AER does not regulate surface agreements, however. Contact the [Land and Property Rights Tribunal](#) for more information or if you have questions.

Q5. Can industry nominate sites?

A5. Yes, if the requester meets the eligibility requirements outlined in section 3.016 of the [Oil and Gas Conservation Rules](#).

Q6. Is the licensee expected to communicate directly with site nominators (requesters) for their input when developing closure plans?

A6. We encourage communication with eligible requesters. Please consult the [Specified Enactment Direction 002: Application Submission Requirements and Guidance for Reclamation Certificates for Well Sites and Associated Facilities](#) for when licensees are to consult or communicate with eligible requester during closure activities.

Q7. If there are roads going to the site, will they also be closed? What if I want the road to stay so I can use it in the future?

A7. Licensees and eligible requesters can sign an “improvement left in place” agreement if you want the road or other improvements left in place. See [Specified Enactment Direction 002: Application Submission Requirements and Guidance for Reclamation Certificates for Well Sites and Associated Facilities](#) for more details.

Q8. How can a company get another company to remove pipeline risers that are not in use and are on the surface lease of the nominated site?

A8. Pipelines are not eligible for the closure nomination program under section 3.016 of the [Oil and Gas Conservation Rules](#).

The company with a pipeline riser on a nominated site can apply to the AER for an overlapping exemption. This excludes the portion of the lease containing the pipeline riser from closure activities. Closure activities can proceed for the remaining sections of the lease, and the company can apply for a reclamation certificate once the site has been reclaimed.

Q9. In the case if a mixed-use site with both active and inactive infrastructure, does the five-year threshold refer to the entire site or just the well/facility (e.g., a well meets the five-year criteria but an active riser continues to operate)?

A9. If a licence on a site meets the *OGCR* criteria, but the site cannot be closed because of other infrastructure that is required for another purpose, the closure plan option “proposal to defer the closure plan” is available. The licensee must provide supporting documentation for this option.

Q10. If a site is abandoned at the time of a request, will the well start at the spot marked #1 or #2 on slide 17 below? In other words, will it have 10 years or 7 years to get a rec cert?

Baseline Closure Milestones

Stage Gate	Estimated Length in Stage (Years)	
Abandonment Complete	1	
Phase 1 Environmental Site Assessment Complete (Passes move to Revegetation; Fail Follow yellow rows)	3	3
Phase 2 Environmental Site Assessment Complete (Required if Phase 1 fails)	n/a	+1
Remediation Complete or Remedial Action Plan submission	n/a	+2
Revegetation Complete	+2	+2
Reclamation Certificate Submission	+5	+5
Total time (From receipt of closure request to reclamation)	10	13

Security Classification: Public AER 17

A10.

The first closure activity allows three years for companies to abandon the site, remove surface equipment, and complete the Phase 1 environment site assessment (ESA). These three closure activities have been combined into one three-year timeline.

In the scenario where a site is nominated post-abandonment but pre-equipment removal and pre-phase 1 ESA, the licensee has ten years to submit a reclamation certificate application. Alternatively, if site is nominated with abandonment, equipment removal, and the Phase 1 ESA complete, the licensee has seven years to submit a reclamation certificate application.

Q11. If an eligible nominated site is abandoned or has other closure milestones accomplished, will the “baseline” timelines of 10 and 13 years be reduced/netted to account for such progress?

A11. If a site is already undergoing closure activity, its status at the time of nomination is considered when determining timelines. When choosing the baseline closure plan, timelines will start at whatever closure activity the site is currently at. For example, if the site is abandoned and there is no contamination, the licensee has two years to initiate revegetation and five years to submit a reclamation certificate application. If choosing the non-baseline option, the industry will propose timelines for the remaining closure activities for the AER to review and issue a decision to approve or not.

Q12. Are SRP sites being grandfathered into closure nomination or is there recertification to confirm continued interest in closing an eligible nominated site?

A12. Closure nomination is an extension of the Government of Alberta’s Site Rehabilitation Program (SRP). The AER was directed to incorporate SRP-nominated sites into closure nomination and worked with the Department of Energy to transition these sites.

The AER reviewed the sites nominated through SRP and identified those that were eligible for closure nomination. In August 2022, we notified requesters by email whether their site had been accepted into closure nomination or not in accordance with the eligibility criteria.

Sites that received SRP funding do not qualify for closure nomination. Later, if SRP-funded work is done but the site is not fully closed, a closure request for that site can be submitted through closure nomination.

Q13. If a site was nominated under the SRP, and closure work is partially completed under the SRP but did not meet the five-year inactive/abandoned threshold, would the site be allowed to be renominated under closure nomination?

A13. No. An eligible requester can submit a request for closure of a well or facility if closure was only partially completed with SRP once SRP funding is complete, but it must meet the closure nomination criteria to be eligible (i.e., the well or facility must have been in an inactive or abandoned state for five or more years).

Q14. Why were licensees not sent list of sites or notified of sites transitioned from SRP to closure nomination when requesters were notified.

A14. Because there was no action required by licensees. Given the volume of sites, we needed time to develop an implementation plan to guide licensees on how to address these sites specifically. More details, including a list of sites transferred from SRP, will be provided to licensees closer to full implementation of closure nomination in April 2023.

Q15. Will this program apply to oilfield waste management or other waste management facilities given that waste management facilities are not eligible for reclamation certification?

A15. Yes. Even though waste management facilities are not eligible for reclamation certificates, they must still be closed and reclaimed under [Directive 058: Oilfield Waste Management Requirements for the Upstream Petroleum Industry](#). The appropriate AER group would be notified of the nominated site, and applications to amend the approval to update facility status, closure plan requirements, and timelines under *Directive 058* would supersede those indicated under closure nomination.

Q16. Can you let us know whether there will be provisions and other timelines for Department of National Defense Lands (e.g., Army bases)?

A16. Some lands are owned by Alberta and leased to the Department of National Defense. For these areas, closure activities are regulated by the AER. This means that sites located within these areas can be nominated for closure as part of the closure nomination program, and the

reclamation certification application process applies. These requests can be submitted through the minister's request process. No special consideration has been made for timelines for these sites.

Q17. Can municipal administration submit a closure request or is it limited to counsellors? The slide only mentioned counsellors.

A17. The AER must be able to verify the requester. If municipal administration is added as a designate when a closure nomination form is submitted to the AER, they can continue to manage the nomination. If, during its review of the nomination, the licensee provides additional information to indicate that the eligible requester information is inaccurate, verification of the eligible requester may be required; in these cases, sign off by council of the municipality may be required.

Q18. Could employees of AEP apply on behalf of the Minister for Sites on public lands?

A18. The Government of Alberta, Department of Energy, and Department of Environment and Protected Areas are developing the minister request process for closure nomination. These departments will define whether a government employee can submit a closure request on behalf of the minister.

Q19. Sites that have old reclamation certificates that no longer meet current standards are being considered by Government of Alberta for how to proceed. Do you have any insight into when a decision would be made regarding these types of sites? Our recent discussions with the government suggested that closure nomination would apply to those sites in our community.

A19. If a site has a reclamation certificate or is reclamation exempt, the site is not eligible for closure nomination. If there are concerns with the state of the site after a reclamation certificate has been issued, a complaint can be filed by calling the AER's Energy and Environmental 24-hour Response Line at 1-800-222-6514. If a previously issued reclamation certificate is cancelled, the site would become eligible for the closure nomination program and would be required to meet all current reclamation standards.

Note, that Indian Oil and Gas Canada (IOGC) is reviewing wells on First Nation reserve lands to confirm the status of sites currently labeled as reclamation exempt. IOGC is working with provincial regulators to reclassify them to a more appropriate status such as abandoned, or reclamation certified if required. Please direct questions about these sites to irp-prp@sac-isc.gc.ca.