

Closure Nomination: Draft *Directive 088* & Engagement Survey

What We Heard – And Our Response



We would like to thank all those who provided comments. We reviewed each one and consolidated comments covering similar issues. What follows is a summary of the issues raised and our responses.

Comments on grammar, punctuation, and cross-referencing have not been summarized, but changes were made where needed.

A list of the respondents is provided at the end of this document. This document also summarizes responses to questions raised in an online engagement survey that participants responded to following engagement with members of the general public, Indigenous communities, and industry in September and October 2022. Surveys consisted of approximately ten audience-targeted questions and ran for three to five days after each engagement session. Comments received through the surveys were anonymous and so are not included in the list of respondents.

Stakeholder Feedback – Issue	AER Response
1. Eligibility & Nomination	
What benefit is there to nominating a well or facility?	The benefit of nominating a well or facility is that if it meets the criteria, it will move to closure. When a well or facility is nominated and meets the criteria defined by the <i>Oil & Gas Conservation Rules (OGCR)</i> , industry is required to prepare a closure plan for the well or facility. The timelines or closure activities associated with that closure plan are transparent to the requester and monitored by the AER for compliance.
Will there be a limit to the number or portion of sites that can be nominated by an eligible requester?	There is no limit to the number of wells and facilities that an eligible requester can submit nor to the number of closure plans that a licensee will be required to prepare.
Recommended that pipelines should be listed as well.	The criteria for closure nomination are defined by the <i>OGCR</i> . Pipelines were excluded when the policy was developed.
Recommended that a nomination criterion be developed to allow the AER to evaluate the merits of the request. Requesters must have a meaningful reason to nominate a site, and the criteria will ensure consistency in the closure nomination.	The nomination criteria were collaboratively developed with the Government of Alberta. They are laid out in section 3.016 of the <i>OGCR</i> .

Stakeholder Feedback – Issue	AER Response
<p>Provide clarity around the eligibility criteria related to “>5 years inactive OR abandoned.” Confirm if these stages sum when it comes to eligibility.</p>	<p>When a well or facility is nominated, the AER will calculate the inactive well (defined in <i>Directive 013</i>) or inactive facility (defined in <i>Directive 088</i>) date and use that date to determine if it meets the five-year eligibility criteria. This is applicable to all wells and facilities that are not reclaimed. Becoming abandoned after a period of being in an inactive state does not change the calculation of when the well or facility meets the five-year eligibility criteria (e.g., if a site were inactive for three years and then abandoned for two, it would be eligible for nomination).</p>
<p>Eligible requesters exclude working interest participants (WIPs). WIPs have a high vested interest in successful closure. A WIP can suffer greatly when a licensee refuses to manage closure obligations, both in terms of annual carrying costs and potentially carrying the full burden of reclamation if that licensee becomes insolvent prior to completing closure.</p> <p>Smaller WIPs may be seeking to conduct an orderly wind-down of all business operations but are unable to do so because of the inaction of the licensee. Current agreements that govern relationships between WIPs and licensees, are often powerless to provide WIPs a mechanism to force closure.</p> <p>Recommended that closure nomination enable licensees/working interest partners to request closure.</p>	<p>Eligible requesters are defined in section 3.106 of the <i>OGCR</i>.</p> <p>It may be possible for WIPs to use the minister’s request to nominate closure of a well or facility that is on public lands. The requirements for a minister’s request have not been defined by the Government of Alberta at this time.</p> <p>The AER’s alternative dispute resolution (ADR) process can also be used to mediate a conversation between a WIP and licensee if needed.</p>
<p>How will eligibility be determined and what is the process when the landowner is not the surface lease owner or when multiple parties have joint ownership on title?</p> <p>If a private landowner is an eligible requester, what are the rights of the legally entitled leaseholder?</p>	<p>On private land, the eligible requester is the title holder for the land that the well or facility is on. Manual review by the AER may be required to verify eligibility of the requester if the closure request is identified by the licensee as having a discrepancy with the licensee’s records. Unusual circumstances will be given additional consideration when verifying eligibility.</p> <p>The AER only maintains a record of private surface agreement when they are registered with the AER through the private surface agreements registry, aer.ca > Protecting What Matters > Giving Albertans a Voice > Private Surface Agreements Registry.</p> <p>The AER’s alternative dispute resolution (ADR) process can be used to mediate a conversation if needed.</p>

Stakeholder Feedback – Issue	AER Response
<p>Can I delegate my authority as an eligible requester or assign a designate?</p> <p>What is the rationale for only giving this ability to municipal councillors? Will you allow for municipal administration to submit request forms on behalf of councillors?</p>	<p>The authority of an eligible requester cannot be delegated; however, a designate can be included on the closure nomination form to support communication related to the closure nomination.</p> <p>If further verification is required from the eligible requester following licensee notification of a closure nomination, it must be signed off by the eligible requester.</p>
<p>Does my closure request on First Nation reserve land get submitted to the AER or IOGC?</p>	<p>Requests for closure should be submitted to the AER regardless of the location of the well or facility. If a closure request meets the criteria for closure nomination and it is regulated by Indian Oil and Gas Canada (IOGC), IOGC will be notified. The publicly available closure nomination dashboard and closure nomination page in OneStop will show the licence and site status of all closure requests, even those regulated by IOGC.</p>
<p>Recommended that the AER provide an example of under what conditions closure nomination would execute a request by the minister or holder of certain <i>Public Lands Act</i> dispositions.</p>	<p>Section 3.016 of the <i>OGCR</i> gives ministers the authority to request closure of a well or facility. The Government of Alberta is still developing the details of this process. A possible example might be a well on public lands in the traditional land for a First Nation but not within the reserve. The First Nation could then request closure via the minister.</p> <p>Holders of overlapping dispositions issued under Part 3 of the Public Lands Administration Regulation can request closure of a well or facility that meets the criteria for closure nomination. A possible example includes a timber harvest company with a disposition that overlaps with a well; the timber harvest company may request closure of the well.</p>
<p>2. Licensee Response Timelines</p>	
<p>Recommended that sites that were nominated for Site Rehabilitation Program (SRP) shouldn't be used in closure nomination.</p> <p>It was unclear that SRP-nominated sites may be transferred to closure nomination, and there are significant concerns regarding the impact that the influx of sites with regulated timelines under the closure nomination may have on closure efficiency.</p>	<p>Closure nomination is an extension to the SRP. The AER was directed by the Government of Alberta to incorporate SRP-nominated sites into closure nomination.</p> <p>SRP gave First Nations, Métis settlements, and landowners an opportunity to identify sites requiring closure activity. Closure nomination extends that opportunity to a larger audience, including disposition holders and municipalities.</p> <p>We understand that the transition of SRP sites into closure nomination is a concern for industry, and consideration is being given to these concerns as part of implementation planning.</p>

Stakeholder Feedback – Issue	AER Response
<p>Recommended that a transition approach for eligible SRP sites to closure nomination should consider the capacity of licensees, the absence of SRP grants, and preserve area-based efficiencies under the Inventory Reduction Program to the greatest extent possible.</p>	<p>Consideration is being given to several factors, including capability of licensees, impacts of SRP, and the desire to preserve area-based efficiencies when defining industry expectations for the sites transitioned from SRP.</p> <p>Requirements for licensees responding to SRP-transitioned sites will be further described as part of the implementation of closure nomination.</p>
<p>The entire site should be inactive for 5 years to qualify for closure nomination.</p> <p>An active facility or pipeline riser on a well site would delay calling it 5 years inactive until the facility or pipeline has been inactive for 5 years</p> <p>Can an active well site that ties into a pipeline defer the closure plan?</p>	<p>If a well or facility on a site meets the <i>OGCR</i> criteria but the site cannot be closed because of other infrastructure that is required for another purpose, the “defer closure plan” option is available. The licensee must provide supporting documentation.</p>
<p>Recommended that the AER extends the proposed 30 calendar day limit to 45 calendar days if a licensee needs to submit evidence that either a site nominated for closure or the requester does not meet the eligibility criteria.</p>	<p>A licensee will have 30 days from the time it is notified of a closure request. Official notifications will be sent by the AER monthly; however, licensees can see a nomination in OneStop 24 hours after it has been submitted to the AER, potentially giving them additional time to address the request, depending on which day of the month the request is received.</p>
<p>Timelines for processing closure requests are not sufficient for large volumes of sites.</p>	<p>If a large volume of wells and facilities are nominated in the same month, the licensee should proactively discuss with the AER concerns about meeting the requirements for closure nomination.</p> <p>Requirements for licensees responding to SRP-transitioned sites will be further outlined as part of implementation of closure nomination.</p>

Stakeholder Feedback – Issue	AER Response
<p>Recommended that there be more annual deadlines/structure to the closure nomination. Closure nomination is very administration heavy with daily nominations and ongoing milestones and reporting.</p> <p>Recommended that the process be on a yearly cycle (e.g., March 31) rather than the proposed daily one. It is important that nominated sites enter licensee planning and budget cycles in an orderly manner to help ensure efficiency and compliance assurance. This will streamline the operationalization of the closure nomination for both the licensee and the AER, and is in line with <i>Directive 013</i>, which started as daily then changed to yearly for operational efficiency.</p> <p>Recommend a 6-month window to give industry time to prepare a closure plan and incorporate spend into mandatory closure spend.</p>	<p>We have adjusted the implementation process for licensee notifications and set them on a monthly cycle rather than daily. Licensees will be provided notification on the first business day of each month summarizing the licences that have been verified for closure nomination in the previous month.</p> <p>We believe there is enough flexibility in the closure plan requirements (timelines and process) for licensees to incorporate these wells and facilities into their budget cycle.</p> <p>The licensee notification from the AER will “start the clock,” and licensees will have 30 days from then to provide additional information if they have evidence that the well, facility, or requester are ineligible. The licensee will have 90 days from the notification to select the closure plan option and provide alternate timelines for the non-baseline option.</p> <p>Completion of work and reporting has been adjusted to an annual cycle. Once a closure plan option has been selected, approved closure timelines will be calculated. Licensees will be given until the end of the calendar year of the year calculated to complete the work. Reporting on closure activity will occur in alignment with other closure activity reporting.</p> <p>The nomination will still be posted to the nomination dashboard. The status will reflect whether the licensee has been notified by the AER.</p>
<p>Who is reviewing these submissions and what are the timelines for AER response? Recommended that if the licensee does not receive a response within 30 days, it is assumed approved, and the licensee can continue work.</p> <p>Recommended that a grace period be provided when a licensee is waiting for response from the AER.</p>	<p>AER approval will not be assumed if a licensee has not received a response within 30 days. An approval will only be issued automatically if the licensee has selected the baseline closure plan option.</p> <p>The review process for non-baseline and proposal to defer the closure plan is dependent on the rationale for selecting each of these closure plan options and the information provided by the licensee to support its rationale. In some cases, additional information may be required from the licensee. Referrals to various AER departments may also be required.</p> <p>We will not set a timeline for AER decision making.</p>

Stakeholder Feedback – Issue	AER Response
<p>Recommended that sites that are lower risk not be prioritized over another site that has sensitive receptors.</p> <p>Recommended that the AER establish a mechanism that allows operators to prioritize higher risk sites ahead of a nominated site. This is necessary so that licensees are not forced to pick working on a nominated site over a higher risk site because of a timeline. The AER should provide a framework so that this conflict does not influence decisions that licensees make when stewarding towards a budget.</p>	<p>The wells and facilities entering closure nomination have already been in an inactive or abandoned state for five or more years.</p> <p>It is the responsibility of the licensee to prioritize sites for closure activity. A closure request received through closure nomination is one prioritization factor that should be considered in addition to other site-specific conditions.</p> <p>Closure nomination provides flexibility through its three closure plan options while at the same time being transparent that closure activity has been triggered even if risks are determined to be low.</p>
<p>3. Closure Plans & Closure Activity Timelines</p>	
<p>Why is it still a 10 year, or longer, process?</p>	<p>There are many factors that affect how long it takes a site with inactive and existing infrastructure to progress through the closure cycle to reclamation certification. These factors may include access to equipment and other resources to complete the work, scale of contamination or remediation needs, seasonal or weather restrictions, vegetation type and growing conditions, and monitoring to show that reclamation has been successful.</p> <p>The timelines defined for the proposed baseline closure plan option align with the demonstrated pace of closure activities for a less-complex site and consider the required time for licensees to successfully meet the obligations associated with each closure activity. Complicating factors like those listed above may result in extended timelines, or a licensee may complete closure activities ahead of baseline timelines as site-specific conditions and closure planning allows.</p>
<p>The timelines are not feasible if large volumes of wells are nominated on one site (First Nations reserve).</p>	<p>Having a large volume of wells and facilities in closure nomination may be a scenario that supports non-baseline closure plans for some wells or facilities.</p>
<p>Companies are already putting a significant amount of time and resources into closure spending, and closure nomination is at odds with taking an area-based closure approach.</p> <p>Can sites be deferred to be executed with a larger program?</p>	<p>Closure activity of nominated wells and facilities can occur in conjunction with larger programs or an area-based closure approach. The flexibility of closure nomination continues to support these efforts with the option of the non-baseline closure plan. Closure nomination makes the progression of closure activities more visible for requesters.</p>

Stakeholder Feedback – Issue	AER Response
<p>The default starting point should be the “baseline closure plan” that would not need an application. Licensees who are not able to achieve the baseline plan can apply to the AER for a variance. This will streamline the administration of the closure nomination while ensuring sites are closed in a timely manner.</p> <p>Can industry assume that table 1 timelines will be used for baseline closure plan? By acknowledging a nominated site, it would automatically be assigned the generic baseline closure plan.</p>	<p>Automatically applying the baseline closure plan timelines is an option that we have considered.</p> <p>If a licensee agrees that the baseline timelines can be met, selecting the baseline option through a web-based form confirms that the licensee has reviewed the closure nomination and functions as a reminder of the closure activity required for the well or facility. The licensee is only required to select this option and submit its response; the dates for completion of closure activity will automatically be generated.</p> <p>If it is known at the time a request for closure is received by the AER that the closure activities for a well or facility cannot meet the baseline timelines, the licensee’s selection of a closure plan option provides an opportunity for licensees to communicate with the AER and requesters early in the closure process.</p> <p>If licensees find that the volume of wells and facilities entering the closure nomination lead to a high administrative burden, the AER may revisit the process.</p>
<p>Recommended that there be allowance within the non-baseline closure plan to incorporate greater flexibility for licensees receiving sites from the SRP.</p>	<p>Flexibility will be given when a company has a large volume of wells and facilities nominated. In most cases this flexibility comes through the non-baseline closure plan option. This flexibility will be scenario specific and consider the capability of the licensee.</p> <p>Requirements for licensees responding to SRP-transitioned sites will be further outlined as part of implementation of the closure nomination.</p>
<p>Recommended that a non-baseline closure plan incorporate a process for engagement with requesters, particularly in the context of sites transitioned from the SRP. Such engagement would allow licensees to develop a closure plan that considers site-specific circumstances that may yield improved outcomes for the requester, particularly for Indigenous communities.</p>	<p>Licensees are encouraged to engage with requesters and any other stakeholder throughout the energy development life cycle, including when the licensee is developing closure plans for wells and facilities or proposing to change plans. During the stages of closure there are many opportunities for engagement.</p> <p>The SRP program is not a new program, and it is likely that this engagement has already started to occur. Requirements for licensees responding to SRP-transitioned sites will be further outlined as part of implementation of the closure nomination.</p> <p>The alternative dispute resolution (ADR) process is available to requesters and licensees if common ground cannot be found.</p>

Stakeholder Feedback – Issue	AER Response
<p>It is recommended that the AER establish a mechanism to pause a nominated site should the licensee see a benefit in the future. There should be a mandate to protect natural resources for every Albertan, and history has shown that some inactive wells become economical under a change in regime and improvements in technology.</p>	<p>If a change in well or facility circumstance results in a need to modify the closure activity timelines, a licensee can request a change to the approved closure plan. The licensee must include the new information that led to the change, adequate information to demonstrate the new circumstance, and how it impacts the licensee’s ability to meet the approved closure plan. We will review the request and issue a decision on whether to approve the change or not.</p>
<p>Recommend building in a mechanism to amend the timelines in a baseline and non-baseline closure plan if unforeseeable circumstances arise. For example, a landowner and licensee do not agree on terms related to workspace or lease agreements, which could impact timelines associated with either type of closure plan.</p>	<p>If a change in well or facility circumstance results in a need to modify the closure activity timelines, a licensee can request a change to the approved closure plan. The licensee needs to include the new information that led to the change, adequate information to demonstrate the new circumstance, and how it impacts the licensee’s ability to meet the approved closure plan. We will review the request and issue a decision on whether to approve the change or not.</p>
<p>Will there be a non-baseline option for IOGC sites?</p>	<p>The non-baseline option is provided through AER-regulated legislation and will apply up until abandonment on a First Nation reserve.</p> <p>It is up to IOGC to decide what flexibility it is providing for its processes and the timelines that IOGC regulates.</p>
<p>Recommended a single closure stage gate (i.e., submission of an application for a reclamation or remediation certificate) to maximize flexibility and efficiency within the proposed timelines.</p>	<p>One of the goals of the closure nomination program is to make more transparent the closure process and progression through the closure activities towards reclamation certification for those requesting a well or facility be closed. A single closure stage gate goes against this goal.</p>
<p>Why is abandonment and Phase 1 environmental site assessment grouped together?</p> <p>Recommended having a separate stage gate for sites that enter closure nomination in an abandoned status that still requires a Phase 1 ESA with a one-year requirement for that closure activity.</p> <p>In practice under closure nomination, a nominated “abandoned” site will have three years for a Phase 1 ESA to be completed. This timing does not seem consistent with the other timelines proposed and does not expedite the timelines for closure.</p>	<p>The first closure activity allows three years for companies to abandon the well or facility, remove surface equipment, and complete the Phase 1 environmental site assessment. These three closure activities have been combined into one three-year timeline instead of having separate one-year timelines for each activity. It is common for all these activities to occur in close timing or concurrently with other wells.</p> <p>By providing a single deadline to complete all these initial closure activities, it allows for some flexibility in closure planning to enable efficiencies through the entire closure process and provides an opportunity to incorporate nominated wells and facilities with other closure activities.</p>

Stakeholder Feedback – Issue	AER Response
<p>Recommended a two-year timeline to complete a Phase 2 ESA. Factors such as logistical issues, annual budget constraints, landowner issues, etc. may lead to some Phase 2 ESA projects requiring longer than one year to complete within the need to move to a non-baseline closure plan option.</p> <p>Clarification is required for instances where a supplemental Phase 2 ESA is required based on the initial Phase 2 ESA results and if this supplemental work is required to be completed within the mandated timeframe.</p> <p>Will any further additional time be allocated if Phase 2 is required (outside of the one year outlined in table 1)?</p>	<p>One year is sufficient to complete a Phase 2 ESA. If needed, a licensee can create more flexibility by completing its closure activities up to a Phase 1 ESA in less than three years.</p> <p>If a supplemental Phase 2 ESA is required based on the initial Phase 2 results, the licensee may want to consider whether a non-baseline closure plan is required.</p>
<p>Recommended longer timelines for closure activities to account for vegetation growth variables such as weather.</p> <p>Given that weather is a major contributor to the overall growth of a site, the revegetation closure activity has an extremely tight timeline to complete revegetation and vegetation monitoring.</p>	<p>To be compliant with the revegetation closure activity, the site must have been recontoured, soils placed, and the first seed application or planting cycle completed. Vegetation monitoring and time to address revegetation challenges would be part of the following five-year period.</p> <p>Sites with more complex revegetation requirements (e.g., native grasslands, forested) may require the non-baseline closure option and supporting documents with a proposed timeline for these closure activities.</p> <p>Timelines are not being extended to account for weather conditions. The baseline closure plan timelines attempt to balance the needs of both industry and requesters. Further definition of the endpoints for each closure activity clarifies expectations of these timelines.</p>
<p>Recommend the end point should be vegetation management not reclamation certificate application. The deadline should be based on things industry can control to avoid potentially large numbers of non-baseline applications due to weather issues.</p> <p>For example, vegetation growth can be challenging in drier parts of the province, which can be significantly impacted by weather conditions.</p>	<p>Closure activity for closure nomination is considered complete when a reclamation certificate has been applied for or a submission to obtain a letter of closure has been received. No other end point will be considered for closure nomination.</p>

Stakeholder Feedback – Issue	AER Response
<p>Sites should satisfy their obligations under closure nomination when a reclamation certificate or notice of surrender is submitted to the appropriate regulator. Nominated sites will be in multiple jurisdictions, including administered by IOGC.</p> <p>It is recommended that closure nomination obligations be considered complete upon submission of a reclamation certification application or notice of surrender to the appropriate regulator.</p>	<p>Closure nomination requirements are met when a reclamation certificate or letter of closure has been applied for if the well or facility is not on First Nation reserve land. This is the last closure activity in table 1 of <i>Directive 088</i>.</p> <p>AER data will reflect progress on closure activity for nominated wells and facilities on First Nation reserve land; however, there are no AER timelines for completing closure activity for these locations post-abandonment.</p>
<p>What are the timelines if the site is already in closure?</p>	<p>If a well or facility is already undergoing closure activity, its status at the time of nomination is considered when determining timelines. If choosing the baseline closure plan, timelines will start at whatever closure activity the well or facility is currently at. For example, if there is no contamination and the site is being recontoured, it will have two years to complete revegetation and five years for a reclamation certificate or letter of closure. If choosing the non-baseline option, the licensee may propose timelines for the remaining closure activities for the AER to review.</p>
<p>Recommended that if the licensee completes closure activity prior to completion deadline, they can carry over to other plans for efficiency – licensee can buy themselves time.</p>	<p>Time may not be carried over between closure plans. But <i>within</i> a plan, time saved at earlier stages can be used to start later stages; however, the deadline for each activity will not change</p>
<p>What happens if a milestone/stage gate is finished early? Are these timelines cumulative where if an activity is completed sooner, the licensee can utilize more time on a later activity.</p> <p>Recommended that AER allow for licensee to allocate additional time to other activities as needed.</p>	<p>If a closure activity is completed ahead of schedule, the licensee does not lose the time remaining. Upon approval of the closure plan, the maximum time to complete each closure activity will equate to a date that is site specific. Those dates remain consistent until a new closure plan is approved by the AER. Licensees are still required to meet other requirements (e.g., <i>Remediation Regulation</i>) regardless of the dates that will be used to monitor for compliance with closure nomination.</p>

Stakeholder Feedback – Issue	AER Response
<p>Recommended to consider the importance of aligning the pace of work with the Indigenous community’s capacity to undertake closure activities and the desire to generate sustainable employment opportunities.</p>	<p>We agree that the pace of work should align with the pace of work possible by service providers, especially those that generate sustainable employment opportunities for Indigenous communities.</p> <p>The closure timelines outlined are conservative timelines based on data available to the AER for the time it has historically taken to complete the required closure activities. All response forms and closure plans are site specific, even though the timelines for the baseline case are generalized.</p> <p>If the service provider requires more time to complete the work, a case may be made for a non-baseline closure plan if the requester supports the proposed timelines.</p>
<p>Recommended the AER broaden the consideration for deferring a closure plan beyond “rare instances.” Due to other regulatory requirements and closure activity pressures, companies may have legitimate reasons for recommending deferring a closure plan.</p> <p>It is recommended that the AER consider developing a clear set of criteria that would permit deferring the development of a closure plan.</p> <p>Recommended that the AER consider evidence a licensee can demonstrate that resource recovery potential still exists which should factor into the decision regarding site closure.</p>	<p>The wells and facilities entering closure nomination have already been in an inactive or abandoned state for five or more years. Data currently available to the AER has shown that wells and facilities that have been in an inactive or abandoned state for five or more years are very unlikely to be reactivated except in rare cases.</p> <p>We will consider these rare cases with the option to provide rationale and supporting information for a proposal to defer the closure plan.</p>
<p>4. Reporting & Compliance</p>	
<p>What assurances do we have that the oil & gas industry will reclaim the well?</p>	<p>Licensees are required to prepare a closure plan for closure nomination wells and facilities. They are also required to report on progress of closure activity.</p>

Stakeholder Feedback – Issue	AER Response
<p>How you will ensure that the licensee will be held to its obligation to pay and that it will not end up being funded by taxpayer money.</p>	<p>Closure nomination enables eligible requesters to identify wells or facilities they feel should be prioritized. All the programs that are part of the <i>Liability Management Framework</i> are working together to reduce the risk of liability exposure to Albertans; however, regardless of closure nomination and the liability management framework, licensees have obligations to close and reclaim the site.</p> <p>Our <i>Integrated Compliance Assurance Framework</i> will support these programs and ensure audit, verification, and compliance processes are in place, keeping industry accountable. Industry must comply with AER requirements, and our compliance programs, including education, prevention, and enforcement, will be used to ensure compliance. See Manual 013: Compliance and Enforcement Program for more details.</p>
<p>Will we have to report to IOGC and AER for reclamation.</p>	<p>We require reporting on closure activity as part of closure spend regardless of location of the well or facility; this includes closure activity on First Nation reserve land. Reporting completion of closure activity for closure nomination is integrated with closure activity reporting.</p> <p>If IOGC has reporting requirements for specific closure activities, it is possible that a licensee can be reporting to both the AER and IOGC.</p>
<p>Provide clarity on when the AER has authority to direct timing to a licensee.</p>	<p>Section 3.015 of the <i>OGCR</i> gives us the authority to direct the timing and priority for performing work with respect to the closure of the licensee’s wells and facilities. As an example, this authority may be used as a compliance tool or when there is disagreement due to different perspectives of appropriate timing for closure activities.</p>
<p>Recommended that reporting be integrated with existing Inventory Reduction Program to avoid duplicative reporting.</p>	<p>Reporting has been integrated with the requirements for closure activity reporting for the closure spend. In most cases licensees can report through that reporting mechanism.</p>
<p>5. Technology Solutions: Forms & Dashboards</p>	
<p>Recommended that notification of licensees occur outside of OneStop.</p>	<p>Licensees will be notified by email and nominations will be posted in OneStop. It is up to the licensee to keep its contact information up to date.</p>
<p>Will the IOGC system communicate with the AER OneStop so that the status of the IOGC sites will be visible in OneStop?</p>	<p>IOGC systems are not integrated with AER OneStop. Visibility of status of a site is dependent on the licensee reporting it into AER systems.</p> <p>Interactions between AER and IOGC processes are manually implemented.</p>

Stakeholder Feedback – Issue	AER Response
<p>As part of the engagement survey, all participants were asked what additional information users want to see on the dashboards.</p>	<p>The nomination dashboard and OneStop will include location, licence number, licence status, and company names. They will also include the recommended closure plan details including planned closure year, current closure activity status, and upcoming closure activity deadline.</p> <p>The closure nomination form used for intake of nominations does not currently contain an open text field for the requester to provide an explanation for its request for closure. Licensees are encouraged to engage with requesters to understand the rationale for requesting closure of a well or facility.</p> <p>OneStop will provide additional information to help licensees make closure plan decisions such as whether the site is reclamation certified or if a reclamation certificate application is in progress.</p>
<p>Recommended that there be a way to validate results based on licensee records.</p>	<p>When a closure request is received, the AER will verify the well or facility based on the data available through AER records. Once a licensee has been notified of a closure nomination, it will have an opportunity to provide additional information to support an argument that the well or facility may not meet the eligibility criteria for closure nomination.</p>
<p>Recommend that the AER develop a common scalable template for closure plans that includes typical criteria with flexibility to add site-specific consideration including agreements with requester.</p>	<p>Licensees are required to prepare a closure plan for wells and facilities when a closure request is made through closure nomination. Every company’s closure planning process differs, and we will not define the content of a licensee’s closure plan beyond what has already been said in <i>Directive 088</i> and <i>Manual 023</i>.</p> <p>As part of a licensee’s interaction with the AER for closure nomination, it will be required to propose timelines or other site-specific closure activity deadlines resulting from closure planning when the non-baseline closure plan option is selected. This will be provided in a form with data controls.</p>
<p>Recommended that closure nomination allow bulk annual reporting vs submitting individual reports for each site.</p> <p>Uploading cost and stage gate data as one into OneStop.</p>	<p>All forms within closure nomination are licence specific.</p> <p>Completion of closure activity can be reported through established mechanism for closure spend like the bulk upload. Licensees may elect to report their closure activity either on an ongoing basis or as each closure activity is completed. More detail on reporting can be found in <i>Manual 023</i>.</p>
<p>Will the AER or IOGC provide enforcement if deadlines are not met?</p>	<p>We will enforce compliance as per our requirements and considering the <i>Integrated Compliance Assurance Framework</i> for those activities within AER jurisdiction.</p>

Stakeholder Feedback – Issue	AER Response
<p>Where on the AER website will the Closure Nomination forms and dashboards be found?</p> <p>Recommended that more education be provided on use of the forms and dashboards.</p>	<p>Closure nomination will have a dedicated page on our website. Further direction on how to locate closure nomination information and on how to get additional assistance will be provided at the time of implementation in Spring 2023.</p> <p>Further education and communication will also be provided for form, dashboards, and OneStop at the time of implementation.</p>
6. Miscellaneous	
<p>Will landowners even want to participate in closure nomination if it means losing lease payments?</p>	<p>Participation will be left to the discretion of an eligible requester.</p>
<p>Closure nomination should be delayed for a year.</p>	<p>Timelines for implementing closure nomination were set by the Government of Alberta as part of the delivery of the <i>Liability Management Framework</i> policy published in July 2020.</p>
<p>Recommended that the AER remove two regulations for every new regulation or process that is brought in.</p>	<p>The implementation of closure nomination by the AER was directed by the Government of Alberta as part of the delivery of the <i>Liability Management Framework</i> policy published in July 2020. It is a new component, and requirements will be counted as new requirements.</p>
<p>It is possible that if a licensee has many closure nominations, mineral expiries, and orders that their annual spend based on regulatory requirements could exceed their mandated closure spend.</p> <p>Recommended that closure spending driven by closure nomination must not exceed the licensee mandatory closure spend target.</p>	<p>The intent of closure nomination is to give other stakeholders an opportunity to identify wells and facilities for consideration in prioritizing closure activity and to create more visibility of closure activity occurring on sites of stakeholder interest.</p> <p>Closure spending that occurs as a result of a closure nomination is intended to work with closure quotas to reduce oil and gas liability in Alberta.</p>
<p>How will closure nomination work with other programs, such as the federally funded Site Rehabilitation Program (SRP)?</p>	<p>Closure nomination is considered an extension of the SRP; however, there are some differences. The SRP was implemented by the Department of Energy and has a defined end date.</p> <p>Closure nomination is being implemented by the AER and is integrated with other liability management programs. Closure nomination considers SRP sites that did not receive funding. If closure activity is not complete when SRP funding runs out on funded sites, these sites can be submitted to closure nomination after SRP concludes.</p> <p>For questions specific to the SRP, contact energy.srp@gov.ab.ca.</p>

Stakeholder Feedback – Issue	AER Response
<p>How will closure nomination benefit municipalities? Will municipalities need to know if the site they are nominating has been part of another process?</p>	<p>If a municipality has an oil and gas well or facility on land owned by the municipality that has been in an inactive or abandoned state for five or more years and the municipality wants to see closure progress for the well or facility, they can request closure.</p> <p>The municipality does not need to know if the well or facility that they are requesting closure for has been part of another process. Our verification process will flag the licence if it is part of another process such as active insolvency proceeding or orphaned.</p>
<p>How does the closure nomination relate to the orphan well fund?</p>	<p>Although an orphaned site can be nominated for closure nomination, closure progress on these sites is prioritized by the Orphan Well Association. No closure plan will be required for these sites at this time.</p>
<p>Can licensees receive AER fee and tax relief for nominated sites? Perhaps as an incentive to complete the closure work in addition to mandatory spend?</p>	<p>No. It is possible that incentives be considered in future revisions.</p>

Stakeholders Who Submitted Feedback (in alphabetical order)

Astute Environmental and Regulatory Inc

Barnwell of Canada, Limited

Canadian Natural Resources Limited

Canadian Associate of Petroleum Producers

Farmers' & Property Rights Advocate Offices

Explorers and Producers Association of Canada (EPAC)

Obsidian Energy Ltd.

Vesta Energy Ltd.

360 Energy Liability Management