

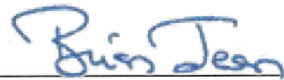
GOVERNMENT OF ALBERTA  
DEPARTMENT OF ENERGY AND MINERALS  
*RESPONSIBLE ENERGY DEVELOPMENT ACT*  
S.A. 2012, c. R.17.3

MINISTERIAL ORDER 096/2024

I, BRIAN JEAN, Minister of Energy and Minerals, pursuant to section 67 of the *Responsible Energy Development Act*, make the Municipal Tax Requirements for Approving Licences Direction, in the attached Appendix.

This Order rescinds and replaces Ministerial Order 043/2023.

DATED at Edmonton, in the Province of Alberta, this 26 day of August, 2024.



Honourable Brian Jean  
Minister of Energy and Minerals

**APPENDIX**  
**LICENCES AND UNPAID MUNICIPAL TAXES**

**PURPOSE**

The Minister of Energy and Minerals is authorized by section 67 of the *Responsible Energy Development Act*, S.A. 2012, c. R-17.3 ("REDA") to give directions to the Alberta Energy Regulator (the "AER") for the purpose of:

- a. Providing priorities and guidelines for the AER to follow in the carrying out of its powers, duties and functions; and
- b. Ensuring the work of the AER is consistent with the program, policies and work of the Government of Alberta in respect of energy resource and mineral resource development, public land management, environmental management and water management.

Acquiring and holding a licence or approval for energy development in Alberta is a privilege and not a right.

Albertans expect assurance that companies that obtain licences are able to meet their obligations for the entire life cycle of the development, including during operation and up to and including the end-of-life of the projects.

Albertans expect that these obligations should not be avoided by transferring licences to companies to the effect that risk is transferred onto members of the public, including municipalities and taxpayers.

There is an unreasonable risk to members of the public, including municipalities and taxpayers, in the AER granting an application for, or a transfer of, a licence where the applicant, transferor, or transferee has unpaid municipal taxes owing.

**DIRECTION TO THE AER**

- 1) When considering an application for approval of a well licence to permit the drilling of a new well, or the transfer of a well licence, under applicable energy resource enactments as defined in the REDA, the AER must consider whether the applicant for the licence ("applicant"), the proposed transferor of a licence ("transferor"), or the proposed transferee of a licence ("transferee") has outstanding municipal tax arrears exceeding the threshold amount established by the AER in consultation with the Assistant Deputy Minister responsible for energy resources policy at the Ministry of Energy and Minerals and the Assistant Deputy Minister responsible for property tax policy at the Ministry of Municipal Affairs (the "threshold").
- 2) The AER shall require evidence and take reasonable steps to confirm that an applicant, transferor, or a transferee has no municipal tax arrears in excess of the threshold or has adopted a payment plan acceptable to the municipality or municipalities that are owed those municipal tax arrears in excess of the threshold.
- 3) If the transferor or transferee has municipal tax arrears in excess of the threshold, the AER shall require evidence that the payment of those municipal tax arrears in excess of the threshold be a condition of the transferor and transferee's agreement for sale of the licence.

- 4) The evidence and reasonable steps referred to in paragraphs 2 and 3 of this direction shall include:
- a. reviewing a list compiled by the Ministry of Municipal Affairs of licensees known to have municipal tax arrears in excess of the threshold in the fiscal year preceeding the application, and confirming the applicant, transferor, or transferee is not listed,
  - b. if the applicant or transferee is listed, the applicant, transferor, or transferee must provide satisfactory evidence to the AER that those municipal tax arrears in excess of the threshold have been paid or an alternative repayment arrangement with the municipality or municipalities to which the municipal tax arrears in excess of the threshold are owed has been made,
  - c. if the transferor is listed, obtain evidence satisfactory to the AER that payment of those municipal tax arrears in excess of the threshold is a condition of the agreement for purchase and sale of the licences that are the subject of the transfer,
  - d. conducting routine compliance audits under the usual AER standard operating procedures and applying regulatory enforcement tools available to the AER if the applicant, transferor, or transferee provides false or misleading information about a payment or payment arrangement.
- 5) This direction does not apply to an application for approval of the transfer of a well licence if the transferee has no municipal tax arrears in excess of the threshold and:
- a. The well licence pertains to a well which is designated by the AER to be an orphan well under section 70(2) of the *Oil and Gas Conservation Act*, R.S.A. 2000, c. O-6, as amended ("OGCA"),
  - b. The transferor is a working interest participant which is deemed by the AER to be a defaulting working interest participant under section 70(2) of the OGCA, or
  - c. The well licence, or the well to which it pertains, is the property of a debtor subject to a proceeding in which a receiver, receiver-manager, trustee, liquidator, or monitor has been appointed, including, without limiting the foregoing, a proceeding in which the Court of King's Bench of Alberta has appointed a receiver, receiver-manager, trustee, or liquidator on an application by the AER under section 106.1 of the OGCA.

The AER shall implement this direction within a reasonable time and shall have all necessary operating procedures and business systems in place no later than September 15, 2024.