

Indebtedness Guide

This guide has been created to outline the responsibilities and the various options available to Alberta's Petroleum and Natural Gas (PNG) Industry as it pertains to any outstanding rental or royalty owing to the Alberta Crown.

Annual rental must be paid in full each year to keep an agreement in good standing.

Rental Default

- The deemed due date for annual rental for a PNG agreement is the 15th of the expiry term month, or the first business day thereafter.
- If the rent due is not paid in full by the deemed due date, interest will be applied to the account and an overdue invoice will be mailed through Canada Post to the designated representative and confidential rental payor, if applicable.
- Payments, as outlined in section 23(1) of the *Mines and Minerals Administration Regulation (MMAR)*, are applied to fees, rentals and interest owing before being applied to rent. If there is an outstanding rental amount, the agreement is considered to be in default and may be cancelled.

Royalty Defaults

- Alberta Energy is responsible for the assessment, levy and collection of royalties for oil, natural gas and by-products.
- If royalties for natural gas or by-products are not paid, - a Royalty default notice is issued.
- If the royalty remains outstanding the mineral agreement will be cancelled. An agreement

cancellation letter is sent through the Electronic Transfer System (ETS) to the designated representative, all registered participants of the Petroleum and Natural Gas (PNG) agreement, the Gas Royalty client and the well operator(s).

Debt Collection

- All debts owed to the Crown for rent, royalty, interest and/or other charges remain owing after an agreement is cancelled. Pursuant to section 20(2.1) of the *MMAR*, all lessees are jointly liable for the outstanding debt.
- Alberta Energy will accept payment from any party wishing to pay the debt owing on a PNG agreement to bring it into good standing.
- If a company is in debt to the Crown, Alberta Energy may use one or more remedies to collect monies owed in accordance with Section 46 of the *Mines and Minerals Act*. Remedies that may be used include:
 - Cancelling the agreement
 - Refusing to issue new PNG agreements, or
 - Refusing to process and register an agreement transfer



General Information

Goods and Services Tax (GST)

- Alberta Energy is obligated under the Excise Tax Act to charge GST on all agreements.
- If we do not have your GST number registered, please provide it to Alberta Energy, Crown Land Data at 780-427-1395 or through email at CrownLandDataSupport@gov.ab.ca

Submitting a payment

- Alberta Energy is currently unable to accept payments electronically for a missed payment. Late payments can be made in person at one of the following locations:

Calgary office – AMEC Place
#300 801 – 6th Ave SW
Telephone: 403-297-8955

Or

Edmonton Office – North Petroleum Plaza
Main Reception 2nd Floor, 9945 – 108 Street.
Telephone: 780-427-8050

- Cheques should be made payable to the Government of Alberta.