

Honourable Minister Margaret McCuaig-Boyd  
Alberta Energy  
324 Legislature Building  
10800 97 Avenue  
Edmonton, Alberta  
T5K 2B6

Honourable Minister Shannon Phillips  
Alberta Environment and Parks  
208 Legislature Building  
10800 97 Avenue  
Edmonton, Alberta  
T5K 2B6

February 5, 2018

Dear Ministers McCuaig-Boyd and Phillips,

On January 23, our organizations had the opportunity to meet with Alberta Energy staff to review proposed changes to oilsands lease continuation rules as part of the *Oil Sands Tenure Regulation, 2010*. Currently, Alberta Energy is investigating changes based on a likely oilsands lease expiry peak over the next decade for areas covering thousands of kilometres of land. We appreciate the chance to have input on this important issue.

We believe Alberta would benefit from maximizing the opportunities for reversion to the Crown. This would be accomplished through existing oilsands leases that have not met tenure rules. As you are aware, the extensive coverage of the oilsands area by mineral leases has made it extremely difficult for the provincial government to accommodate other land uses and priorities. We believe reverting oilsands leases that have not met Alberta's continuance rules is highly advantageous from a resource management perspective. Additionally, this process would provide the Government of Alberta with more control over the stewardship of the land and resources in the oilsands.

Specifically, the reversion of large numbers of oilsands leases to the Crown would provide significant opportunities for the provincial administration to meet federal requirements outlined to protect woodland caribou while also supporting viable oilsands projects without the need for costly compensation.

To accomplish this, we recommend the minimum level of evaluation (MLE) condition for the continuation of existing primary leases be strictly applied. Transitional rules should not be created. Therefore leases where MLE has not been demonstrated should revert to the Crown,

pursuant to section 13 of the *Oil Sands Tenure Regulation, 2010*. Unnecessarily granting further rights to oilsands companies who have not met their agreement terms at a time when Alberta is struggling to find lands to contribute to the 65 per cent undisturbed habitat goal required under federal law, will make caribou range planning even more challenging. We believe the benefit of lease reversion far exceeds the risk to caribou of further MLE given the lease reversion is already taking place under the existing rules.

We are supportive of making changes to the *Oil Sands Tenure Regulation, 2010* for new or continued leases only. Based on the information provided by Alberta Energy, we support shorter, fixed-term leases that can be continued solely on the basis of production with no MLE requirement. We would support the consideration of different fixed terms for primary production, in situ thermal production and surface mineable areas, recognizing the different average times to production for each type of lease. We believe a fixed-term lease which continues only on production would reduce the acquisition of leases purely for speculation. Simultaneously, it would ensure those who bid on leases remain committed to timely exploration and production from the lease area. This would also eliminate unnecessary activities to establish MLE simply to continue leases which may or may not be productive.

Diligently enforcing lease reversion rules as outlined in *Oil Sands Tenure Regulation 2010* provides an excellent opportunity for Alberta to achieve its commitments to protect caribou while also facilitating ongoing production of viable oilsands projects – all of which is in the public interest. We would be happy to discuss this issue with you in more detail and present maps outlining the conservation opportunity oilsands lease reversion can provide to the Crown.

Yours sincerely,

Simon Dyer, Alberta Director  
Pembina Institute



Jason Unger, Executive Director  
Environmental Law Centre



Kecia Kerr, Executive Director  
Canadian Parks & Wilderness Society



Barry Robinson, Barrister & Solicitor  
Ecojustice



Carolyn Campbell, Conservation Specialist  
Alberta Wilderness Association



Cc:

Matt Williamson, Chief of Staff, Alberta Energy

Brent Dancey, Chief of Staff, Alberta Environment and Parks

Coleen Volk, Deputy Minister, Alberta Energy

Andre Corbould, Deputy Minister, Alberta Environment and Parks

Wade Clark, Executive Director, Alberta Energy

**PEMBINA**  
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Environmental  
Law Centre

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**Alberta Wilderness Association**

 **CPAWS**  
CANADIAN PARKS AND WILDERNESS SOCIETY  
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