August 24, 2012

INFORMATION LETTER 2012-30

Subject: Lower Athabasca Regional Plan: Surface and Subsurface Commitments related to Crown mineral development in Conservation Areas and Provincial Recreation Areas

INTRODUCTION
This Information Letter describes the Government of Alberta’s policy for surface and subsurface commitments related to development of Crown mineral rights in lands designated as Conservation Areas and Provincial Recreation Areas by the Lower Athabasca Regional Plan (“LARP”) [Order in Council 268/2012]. Please see Schedule F “LARP Land Uses” of the LARP.

Conservation Areas means the lands designated as Conservation Areas and labelled “1” through “6” on the “LARP Digital Map” in Schedule G of the LARP.

Provincial Recreation Areas means the lands designated as Provincial Recreation Areas and labelled "A" through "I" on the “LARP Digital Map” in Schedule G of the LARP.

Unless otherwise directed in this Information Letter or other communications of the Government of Alberta’s policy, Information Letter 2003-25, Honouring Existing Mineral Commitments in Legislated Provincial Protected Areas (“Information Letter 2003-25”), will continue to apply to any tenure, disposition, right, agreement or approval in parks and protected areas established in the Lower Athabasca Region before August 22, 2012.

BACKGROUND
To strike a balance between economic development and conservation, the LARP designates six new Conservation Areas that add about 1.5 million hectares to the conservation network of this region. With these additional areas, conservation lands encompass about 2.1 million hectares, or approximately 22 per cent of the land base in this region.

To address the growing demand for recreational opportunities in the region and to provide a secure land base to support tourism development, the LARP also identifies nine new Provincial Recreation Areas.

Some of these Conservation Areas and Provincial Recreation Areas contain petroleum and natural gas, oil sands, and/or metallic and industrial minerals commitments.
LARP POLICY DIRECTION
All decisions related to existing and new oil sands, metallic and industrial minerals, coal, and petroleum and natural gas agreements, issued under the Mines and Minerals Act, within or partially within new Conservation Areas and new Provincial Recreation Areas are made by the Minister of Energy in consideration of the Government of Alberta’s policy direction provided by the LARP.

Conservation Areas Designated under the LARP
One of the key features of the LARP is the establishment of Conservation Areas – clearly defined geographical areas dedicated and managed to achieve long-term conservation of biological diversity and ecosystem processes. These areas are managed to retain their natural character and influence, and are used for measuring ecological performance in relation to areas where human development is occurring. The Conservation Areas will be managed to minimize or prevent new land disturbance. This means that the land disturbance associated with exploration, development and extraction of in situ and mineable oil sands, metallic and industrial minerals and coal are not considered compatible with the management intent of Conservation Areas.

To comply with this management intent, existing oil sands and metallic and industrial minerals agreements, or portions thereof, located within Conservation Areas designated under the LARP will be cancelled in accordance with section 8 (1) (c) of the Mines and Minerals Act. This includes the subsequent cancellation of all related surface dispositions, needed to win, work and recover the oil sands and metallic and industrial minerals defined in the existing agreements issued under the Mines and Minerals Act. All undisposed oil sands, metallic and industrial minerals, and coal rights in Conservation Areas designated under the LARP are withdrawn from disposition.

Cancellation does not remove the operators’ reclamation obligations under section 137 of the Environmental Protection and Enhancement Act. Compensation for certain costs associated with abandonment or reclamation work will be paid in accordance with section 7 of the Mineral Rights Compensation Regulation.

Existing petroleum and natural gas commitments within Conservation Areas designated by the LARP will be honoured in accordance with Information Letter 2003-25. Surface access is not allowed for any new petroleum and natural gas agreement issued in a Conservation Area.

Provincial Recreation Areas Designated under the LARP
Provincial Recreation Areas designated under the LARP will help provide diverse outdoor recreation opportunities that contribute to healthy lifestyles. These areas will be managed to minimize industrial land disturbance and ensure quality recreational experiences.

To comply with this management intent, existing metallic and industrial mineral agreements, or portions thereof, located within Provincial Recreation Areas designated under the LARP will be cancelled in accordance with section 8 (1) (c) of the Mines and Minerals Act. This includes the subsequent cancellation of all related surface dispositions needed to win, work and recover the metallic and industrial minerals defined in the existing agreements issued under the Mines and Minerals Act. All
undisposed metallic and industrial minerals rights are withdrawn from disposition in Provincial Recreation Areas designated under the LARP.

Existing oil sands agreements, or portions thereof, located within a Provincial Recreation Area designated under the LARP will indicate that surface activities needed to win, work and recover the mineral resource will be prohibited. Surface access is not allowed for any new oil sands agreement issued in a Provincial Recreation Area.

Existing petroleum and natural gas commitments within Provincial Recreation Areas designated under the LARP will be honoured in accordance with Information Letter 2003-25. Surface access is not allowed for any new petroleum and natural gas agreement issued in a Provincial Recreation Area.

**COMPENSATION**

Compensation in respect of cancellation of all or portions of Crown mineral rights agreements will be determined according to the *Mineral Rights Compensation Regulation*. Alberta Energy will contact designated representatives of affected Crown mineral rights agreements regarding compensation.

Compensation for cancellation of all or portions of associated surface dispositions will be determined according to section 82 of the *Public Lands Act*. Alberta Environment and Sustainable Resource Development will contact holders of affected surface dispositions regarding compensation.

For further information please contact:

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