

A Farmer's Guide to Well Site Issues in Alberta



Developed by the Alberta Wheat and Barley Commissions, this document is intended to provide information to Alberta farmers, regarding steps and procedures to address well site issues on their land. Three central issues of concern have been identified by farmers:

1. **Unpaid or arbitrary reductions of lease payment** – This issue includes all types of well sites except orphan wells.
2. **The orphaning of well sites** – Well sites are designated ‘orphaned’ when there is no legal or financially responsible owner that can be held accountable for clean-up. With support from the Alberta Energy Regulatory (AER), the Orphan Well Association (OWA) takes over to decommission these wells.
3. **The reclamation of non-orphaned well sites** - All other wells that are not orphaned are considered one of three other classifications and have other steps toward becoming reclaimed. The two additional classifications of problematic well sites include:
 - **Abandoned** – A well that has been permanently plugged and decommissioned and no longer producing oil or gas. Abandoned wells are still legally and financially tied to a company but have not yet been reclaimed.
 - **Suspended/Inactive** – A well that hasn’t been in production for six to 12 months, is still legally tied to a company but production has been suspended. The well is not decommissioned as it holds potential for future production.

Below are the steps and procedures to guide farmers to the right agency to deal with their individual well site issues. For more information on all issues related to well sites on farmers land and landowner’s rights and obligations, please reach out the Farmers Advocate Office at 403-310-FARM or farmers.advocate@gov.ab.ca. The Farmers Advocate Office helps empower Alberta landowners by providing information and advice on legislation and policy, along with landowner rights and responsibilities.

1. **How to acquire unpaid lease payments** – There are several steps to obtaining payment for unpaid lease payments. Below outlines the process for filing a claim for unpaid lease payments:
 - a. Once a lease payment is past due or reduced, a landowner must apply through the [Surface Rights Board \(SRB\)](#) for the recovery of funds.
 - b. The SRB will serve a notice to the company to make the payment. If the company does not respond, the landowner must sign a statutory declaration with SRB stating that the payment was not made.
 - c. Following the declaration, the SRB will hold a hearing demanding for payment again. If there is no response, the SRB can suspend the ability of the company to access the well site. Moreover, the SRB will decide if the payment should be issued from the General Revenue.



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- d. If the SRB decides the payment will be issued from the General Revenue, then payment is made to the landowner.

The Alberta Wheat and Barley Commissions are aware of the current backlog in the SRB dealing with complaints. Changes proposed through Bill 22 to the SRB, and efforts by the provincial government seek to reduce the backlog of complaints handled by the SRB. Proposed changes include increasing the scope of the SRB process complaints unilaterally, without having to go to higher courts and streamlining the process for landowners to recover unpaid surface lease rental payments.

2. **Orphan wells on agricultural land** – Orphan wells are well sites that are on private property but do not have a legal owner. Orphan wells in Alberta are handled by the AER and OWA. The process to becoming an orphan well begins when an oil and gas company is deemed insolvent. The AER is then alerted once the title of a well no longer has a legal owner. That well site is then added to the inventory of orphan wells. Once in the inventory, the OWA conducts a risk assessment prioritizing the inventory to ensure public safety and environmental protection. OWA also looks for opportunities to bundle projects regionally to maximize efficiencies. Farmers can check OWA's [orphan inventory list](#) to see if a well site on their land is orphaned.

Recently, there has been funding announcements from the federal and provincial governments earmarking funds for orphan wells. The federal government announced \$1 billion to the Alberta government to aid in the reduction of orphan wells in the province. The Government of Alberta also pledged \$500 million in loans to the OWA to further reduce the number of orphan wells in Alberta. Funds will go towards the clean-up, reclamation and the backlog of landowner payments connected to orphan wells in Alberta.

3. **How to inquire about site reclamation** – For all well sites that are not orphaned – including inactive, suspended, and abandoned – the process for reclamation is through nomination. A landowner may nominate the well sites on their property for reclamation through the Alberta Government's Site Rehabilitation Program. For a landowner to nominate their well site for clean-up they must send an email to energy.srpsitenomination@gov.ab.ca detailing:
 - a. All names of landowners on the land title.
 - b. The legal land description of the well site (facility site or pipeline) and preferably the legal subdivision. The quarter section is acceptable if the legal subdivision is unclear.
 - c. If there are multiple quarter sections, include the full legal land description of all affected quarter sections.
 - d. Landowner(s) phone number.
 - e. Landowner(s) mailing address.
 - f. Any additional information relevant to the site nomination.
 - g. A photo of the licensee information sign at the access point or gate of the oil and gas site.

It is important to note that once a nomination for site reclamation is accepted, the landowner will no longer receive annual compensation from either oil and gas companies or the government. For more information on the Site Rehabilitation Program, visit <https://www.alberta.ca/landowner-and-indigenous-community-site-nomination.aspx>.



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For more information on well-site issues on agriculture land, see the resources below:

- [Farmers Advocate Office](#)
- [Surface Rights Board](#)
- [Orphan Wells Association](#)
- [Alberta Government's Site Rehabilitation Program](#)

For more information contact:

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