

## Unpaid Annual Rentals on Oil and Gas Leases

### SECTION 36 – Surface Rights Act

#### What to Do When a Company Fails to Make Annual Surface Lease Payments

Under Section 36 of the *Surface Rights Act*, a landowner may apply to the Land and Property Rights Tribunal (LPRT) for a Recovery of Rentals when an operator fails to make its annual lease rental payments or offers a unilaterally reduced payment under a private surface agreement or Right of Entry order.

*(3) Where any money payable by an operator under a compensation order or surface lease has not been paid and the due date for its payment has passed, the person entitled to receive the money may submit to the Tribunal written evidence of the non-payment.*

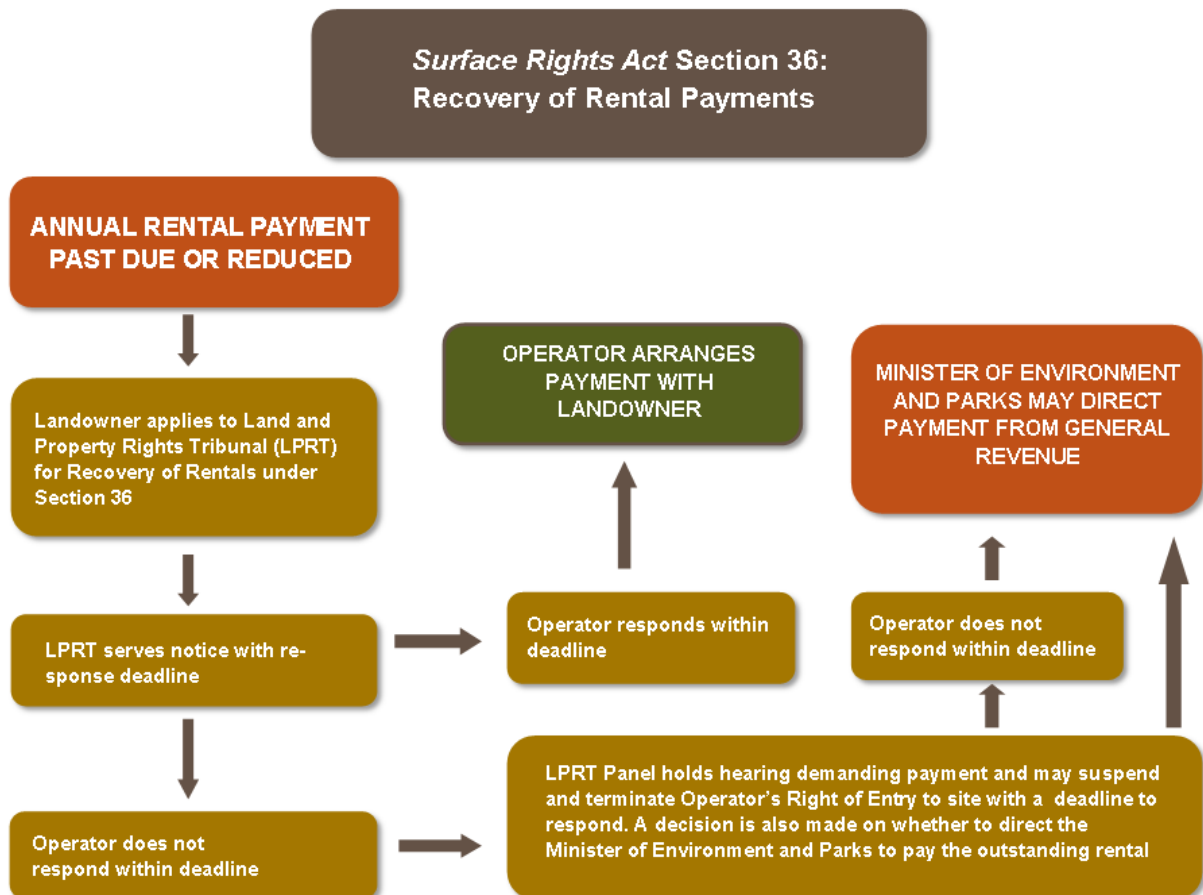
To apply for a Recovery of Rentals, the entitled person(s) must complete the appropriate form on the LPRT website and submit it with the required documents.

[Land and Property Rights Tribunal](#)

Toll free: 310-0000 (in Alberta)

Phone: 780-427-2444

#### LPRT Process – Section 36 *Surface Rights Act*



When an application is received under Section 36, the LPRT will provide written notice to the Operator with a deadline to respond. If the Operator does not respond to the LPRT before the deadline, the LPRT Panel (1-3 members) will hold a hearing to demand payment, and may suspend and terminate the Operator's right to enter the site. The LPRT Panel will also determine if the Minister of Environment and Parks is to issue payment to entitled person(s) from General Revenue. This action does not terminate the lease and the associated responsibilities for closure (abandonment and reclamation) still remains in force

Each year the annual rentals are not paid the entitled person(s) must repeat the application process. The entitled person(s) are entitled to receive full annual surface lease payments until a reclamation certificate has been issued.

The [Farmers' Advocate Office](#) (FAO) encourages entitled person(s) to apply to the LPRT as soon as possible after the Operator is in arrears or offers a unilaterally reduced payment. Contact our office for more information.

### **Recurring Section 36 Applications for Unpaid Rentals**

The LPRT has streamlined the approach to recurring applications for recovery of annual compensation under Section 36 of the *Surface Rights Act*. This streamlined process applies in situations where the government has previously made a payment under Section 36.

## **For more information contact the Farmers' Advocate Office**

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