

## What are Subsurface Reservoir Leases?

For the purpose of this guideline, a Subsurface Reservoir Lease (SRL) is issued for the purpose of storage within underground caverns in Crown-owned salt. SRLs are issued through Part 4.1 (sections 47.1 to 47.5) of the Metallic and Industrial Minerals Tenure Regulation.

## What are they used for?

SRLs are currently used to store a number of substances, including natural gas, petroleum liquids, and by-products from oils sands operations.

## What rights are granted?

- i. The right to remove salt in a subsurface reservoir zone to create a subsurface cavern.
- ii. The right to use a subsurface cavern for storage of a specified substance.

For salt caverns, the **subsurface reservoir zone** is the salt-bearing formation that a salt cavern is created in. Typically, this is the Prairie Evaporite formation or the Lotsberg formation, which are both within the Elk Point group; however, any salt formation may be a candidate for a subsurface cavern.

## Substances

Natural gas  
Crude oil  
Petroleum liquids  
Produced sands and oilfield waste

*These are the standard substances that storage rights are issued for. Requests to store different substances will be reviewed upon request.*

## Contact

Coal and Mineral Development  
North Petroleum Plaza  
9945 - 108 Street NW  
Edmonton, Alberta T5K 2G6

Phone: 780-427-7707  
Email: [CMD.Energy@gov.ab.ca](mailto:CMD.Energy@gov.ab.ca)  
Web: <http://www.energy.alberta.ca/Minerals>

## Application

Rights are requested through an application form.

### *Specify:*

Location (in ATS)

Zone

Substance to be stored

### *Payment:*

Application fee: \$625.00

First year's rent: \$12.50 per hectare  
(+GST, if applicable)

## Terms and conditions

Each SRL is issued with specific terms and conditions. To ensure SRLs are issued consistently between lessees, Alberta Energy has created standard set of terms and conditions. These terms and conditions can include a variety of items:

- Regarding the term expiry, renewal, and cancellation.
- Limiting the allowed activities that may be conducted under the lease, and the substances that may be stored.
- Setting the annual rental, and any other fees for its use (currently \$12.50 per hectare).

## Application

To apply for a Subsurface Reservoir Lease, submit an application form to the Coal and Mineral Development Branch of Alberta Energy. A complete application requires the land location, the subsurface reservoir zone, the substance to be stored, a \$625.00 application fee, and \$12.50 per hectare for the first year's rent. The maximum size of each application should be 256 hectares, or one section (and a minimum of 16 hectares).