# PNG Continuation Application Guide

Use this guide to help you complete applications for continuation of petroleum and natural gas (PNG) agreements and intermediate term licences in the Electronic Transfer System (ETS) under PNG Continuation. This guide **does not** apply to validation of initial term PNG licences.

#### **General Information**

Use the Continuation Application in ETS to apply for continuation under Sections 15, 16, and 17 of the *Petroleum and Natural Gas (PNG) Tenure Regulation* (The Regulation) and to submit the applicable data with your application.

This application is also used to apply for extensions of the term of leases and intermediate term licences under Sections 16(6), 18(6) and 26 of the Regulation or under Section 8(1)(h) and 82.1(6) of the *Mines and Minerals Act* (The *Act*).

You may also use this application to apply to extend the time to complete a specific action under Section 8(1)(g) of the *Act*.

Section numbers in the application and this guide refer to the Regulation, unless otherwise specified.

#### Resources

Classification: Public

See the <u>Tenure</u> section on <u>Alberta.ca</u> for guides, regulations and other information.

If you have questions regarding the Regulation or legislation, please phone 780-427-7425 and ask for PNG Continuation.

If you have questions regarding the ETS-PNG Continuation on-line process, please phone the PNG Continuation Helpdesk at 780-644-2300, extension 2 or email

PNGContinuations.Energy@gov.ab.ca.

For additional information regarding the application process, refer to Alberta Online Learning.

## Continuation Application Information

An application for continuation, with supporting data, must be submitted to Alberta Energy and Minerals (the department) through ETS on or before the expiry date of any agreements included in the application.

**Note**: If you are submitting confidential data under separate cover to support an application, the data must be emailed to:

EM.DatasubmissionPNGContinuation@gov.ab.ca

Do not mail, fax, or drop off your application. Paper and USB flash drives are not accepted.

Always complete the application Admin, and Agreement tabs in addition to the applicable Other Data, Section 15, Section 16 and/or Section 17 tabs.

## Ensure you are authorized to submit the application and/or data.

Your company must be the designated representative or obtain authorization from the designated representative for each agreement applied for prior to submission. Only one application per agreement expiry is required; however, an application may include multiple agreements.

When applying for continuation, you can add multiple agreements under the Agreement Tab. All lands associated to the agreement(s) and agreement expiry will be available for selecting in the application tabs.

You may use one application for multiple agreements **provided that:** 

There is only one application for each agreement expiry,

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- You are authorized to apply for all applicable agreements,
- The agreement expiry dates are within the last year of expiry, and
- The agreements are located near each other and are covered by the same technical data.

**Note:** Once you submit the application, all agreements within the single application are assigned their own ETS Request number for easy tracking during the continuation process.

- All agreements will share an Application Reference number. Each ETS Request or agreement in the original submission that shares the Application Reference ID are reviewed or processed together.
- Agreements from one application are reviewed together. However, our response to the application may be different e.g. One agreement may be finalized, and the remaining agreements may be sent a continuation offer. Also, as the applicant, you may wish to withdraw an agreement but not withdraw all the agreements within the application.
- Once your application has been submitted to the department, it is recommended that you go into each ETS Request or agreement and take a copy of the Continuation Document as this document has the submission date for your records.

**Note:** The success of your application may be affected if all relevant data is not submitted.

Rental payment is not required at the time of application. The department provides notification of rental owing after the continuation decision is finalized.

#### Status of the Application

Once your application is received, your continuation application will have a status of "Continuation Pending = Yes" on the Agreement Detail Report. This status will remain until the continuation decision is finalized.

Lands and/or rights not applied for and are considered non-productive will revert to the Crown after the agreement expires.

Do not assume continuation is granted until you receive confirmation from the department.



### Continuation of a Lease or Intermediate Term Licence

If the department approves the continuation application, a final letter of continuation and an Amended Appendix, (if applicable) are sent electronically through ETS-PNG Continuation to the designated representative and to the applicant.

Leases and intermediate term licences are subject to severance of shallow and deeper rights at the end their term. Lands and/or rights that are not continued are deleted and revert to the Crown.

## Offer and Request for Review (Appeal)

If the application does not support the continuation requested, the applicant will receive a continuation offer electronically through ETS-PNG Continuation. The ETS Request status will be at Offer. You can then respond to the department's continuation offer.

The department will finalize the agreement based on the offer issued, unless:

- The applicant submits additional data prior to the agreement expiry or
- Submits a request for review before the Offer Expiry date.

Only the company who submitted the application can request a review of the continuation offer.

A Request for Review can only be made on zones and land originally applied for. Refer to <u>Amendment to an Application</u> included in this guide if the land, zone or well was not initially applied for and the agreement has now expired.

Following a request for review, the department will finalize the agreement.

### **Application Tabs in ETS**

#### Administrative Information Tab

Company Name: Select the name of the company applying for continuation.

Application Reference # (Optional): If adding an agreement to an existing application you must select the Application Reference number. Refer to Adding an Agreement to an Existing Application included in this guide. This should only be done if your agreement is sharing data or using the same qualifying well.

**Comment**: You can add a comment for your reference. This is optional and will not be seen by the department.

**Contact Information**: Enter applicant contact information.

**Technical Contacts**: Provide the name, title, phone number and email address for at least one technical contact. This is not required but strongly suggested.

Technical Data: Check off the applicable data boxes in the Section 15, and/or Section 17 tabs. In the Admin tab, attach and upload all electronic data documents, including a geological discussion.

**Note**: We will not accept submission of paper data or USBs through mail, courier or drop off at an Alberta Energy and Minerals office.

 You do not need to include a copy of the application.

Save your request. ETS will assign an ETS Request number for the application. You can proceed with completing the other application tabs. **Note**, your application has NOT been submitted at this stage.

#### **Agreement Information Tab**

Agreement Number: Click the Add Agreement button, a Search Agreements screen will display. Enter the PNG Agreement number(s) (e.g., 0494091399) and select Search. All agreements found will display. You must check each agreement you wish to add to the application. The Expiry Date will auto populate based on your selection.

**Expiry Date**: Add the agreement expiry date.

Applicant File Number (Optional): If it is useful for your company, enter the company's file number (or file name) on this line (Example: M123045).

This file number (or name) will be referenced in the department's correspondence to the applicant.

Advance Ruling: Check box if you would like a predetermination as to the type of continuation that may be granted before expiry, based on evidence provided with your application.

- The application must be received at least two months and up to one year before expiry to be eligible for an advance ruling. (e.g., May 15 deadline for a July 15 expiry).
- If you are seeking an advance ruling outside
  of the time criteria listed above, within two
  years before agreement expiry, email a
  written request outlining the reasons for your
  request. If the department concurs with your
  request, an email will be sent granting
  approval to apply for an advance ruling.
  Include this approval when uploading your
  application documents.
- You cannot amend your application prior to agreement expiry. If you wish to change your application, you must withdraw the first application and submit a new complete application and data before expiry.
- If there is no change to your application and, it will be finalized as outlined in the Offer after the agreement expires.
- Applying for entire agreement OR portion of agreement: All corresponding lands based on the agreement number and expiry date will display.
- If applying for a portion of an agreement, select the Customize button. Lands can be broken down or reset. You must check off all lands you are applying for.
- Customize and/or Breakdown of Land:
   Once an agreement and expiry date is selected/added to the Agreement Tab in ETS, all associated lands will display in the screen.
- You may wish to apply for all expiring lands or for a portion. If only applying for a portion, the land must be customized by selecting the customize button. The Customize Land Selection box will display allowing the applicant to select and/or breakdown the land.

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**Note:** If you need to breakdown lands when applying for continuation (e.g., for a Section 17), the lands must be broken down in the Agreement Tab first. All lands and how they are broken down in the Agreement Tab will be displayed the same in the Land Selection screens within the same request.

#### **Examples:**

- Agreement 'A' has sections 4 and 5 but only section 5 is being applied for. In the Agreement Tab customize the lands by selecting only section 5.
- Agreement 'B' has sections 6, 7, and 8 but only sections 7 and 8 are being applied for. Applicant is applying for a Section 15 and a Section 17 continuation for 8N only. In the Agreement Tab, customize the lands by selecting section 7 and break down section 8 to quarter sections and select all 4 quarters. Applicant will complete the Section 15 tab and Section 17 tab. In the Section 17 tab, when lands are selected, section 8 is broken down you can now select 8NW, NE (8N).

#### **Extension Tab**

Requesting an extension: An extension may be applied for if additional time is required beyond the expiry date of an agreement to continue operations.

- Select the agreement and type of extension being applied for and click the Add button. The Expiry Date and all corresponding land applied in the Agreement tab will be displayed. Indicate the date you wish the agreement to be extended until.
- Click on Browse to select the extension document(s) and data (if applicable) you want to attach to your application. Once selected you must then click on the Add Document button to
- upload/attach your extension information and data.
- An extension may be applied for under either Sections 16(6), 18(6) or 26 of the Regulation or under Section 8(1)(h) or Section 82.1(6) of the Act.
- You may also apply to extend the time to complete a specific action under Section 8(1)(g) of the Act.

 The circumstances for extensions are generally considered at the time of expiry; therefore, it is recommended to apply for a Section 8(1)(h) extension closer to the agreement expiry.

Section 16(6) Extension Request: An agreement that is continuing under Section 16 may be eligible for an extension if more time is required to evaluate

the rights, put the well on production, or if there are non-economic extenuating circumstances.

Section 18(6) or Section 82.1(6) Extension Request: An agreement that is subject to a Section 18 notice or a Section 82.1 notice may be eligible for an extension if some operations have already been conducted during the notice period and more time is required, or if there are non-economic extenuating circumstances.

Section 26 Extension Request: An agreement may be eligible for an extension if there are mechanical or other difficulties encountered when drilling a well.

Section 8(1)(h) Extension Request: An agreement that is not eligible for continuation under the PNG Tenure Regulation, may be eligible for an extension if more time is required due to non-economic extenuating circumstances, beyond the company's control. An extension under this section provides Ministerial discretion to extend the term of an agreement. Supporting information, including a timeline, must be submitted that corroborates the circumstances that prevented you from meeting the obligations under a continuation or validation. Data may be submitted depending on the circumstances described.

- There is no guarantee that an application under this section will result in an extension being granted.
- This type of extension is considered for licences expiring from an initial or intermediate term, leases expiring from a primary term, and both licences and leases expiring from a Section 17 continuation.
- When a Section 8(1)(h) extension is granted, the agreement status remains the same as it was under the former expiry date (e.g., an agreement that was under a Section 17 continuation at the time the extension was granted, remains under a Section 17 continuation throughout the extended period).

Section 8(1)(g): An agreement may be eligible under a Section 8(1)(g) to extend the time to complete a specific action. It must be applied for with another section under the PNG Tenure Regulation.

To qualify for an extension under one of the above sections in the Act or in the Regulation, the company must demonstrate the following:

- Circumstances were unforeseeable, non-economic and beyond the company's control (i.e. not related to business decisions such as a late farmin)
- The company or operator has demonstrated a diligent effort, where feasible, to address the circumstances.

Extension Documents are required for an extension request. Attach a detailed explanation of the circumstances and efforts to mitigate them. Provide a chronology of events and your plan for completing work if the extension is granted. Where available, attach supporting documentation (e.g. a letter or email from a drilling company that has run into drilling problems; correspondence from the AER regarding a well licence application; letters of objection from surface owners or stakeholders, and additional related correspondence.)

**Note:** If you are submitting additional data after your application has been submitted, this information must be emailed to:

EM.DatasubmissionPNGContinuation@gov.ab.ca

Please reference the PNG Agreement Number on all data and correspondence.

The department may request additional information upon reviewing your application.

#### Other Data Tab

#### **Data for Section 15 and Section 17 Continuations**

**Data Referral and Authorization**: Use this part of the application to reference previously submitted data and data being submitted by another company to support your application.

**New data**: Authorization is required if incoming data is being submitted separately (via email), by another company in support of your application.

Data previously submitted within the past 12 months: Complete this section and include the necessary authorizations if you require the department to use data previously submitted by your company or another company. Provide the application submission date and the PNG Agreement Number for which the data was originally submitted under.

If your application is for multiple agreements and another company is submitting data on your behalf for only one of those agreements, indicate which agreement the data is to be used for.

Ensure you request and receive concurrence for all required authorizations to allow the department to use the received data to support your application.

**Refer to the Authorization Guide,** see the <u>Tenure</u> section on Alberta.ca for guides, regulations and other information, or visit the Authorization training module under <u>PNG Continuation</u> in online learning for ETS screen captures.

Note: Confidential Data submitted separately to support an application must be emailed to: EM.DatasubmissionPNGContinuation@gov.ab.ca

- Must include a geological discussion; and if applicable, a copy of the authorization
- Must be received by the department within 5 business days of the application submission date.
- Include a cover letter in your email to ensure the data is attached to the correct agreement application. Helpful information includes PNG Agreement Number, ETS Request Number, Company Name, and Application Submission Date. Or you may use the sample data covering form, See the <u>Tenure</u> section on Alberta.ca

#### Section 15 Tab

Technical Data for Section 15 Continuations Productive Wells and Pools

**Zones**: Complete a separate Production Zones Row for each zone you are submitting data for.

 To navigate, either use the scroll bar or click inside the Select Zone box and enter the first letter of the zone you are searching for. This will take you to the first zone starting with that letter. From here you may need to use the scrollbar.

- 2. Click the Select Zone button. Choose a zone and click Select.
- Identify all productive or potentially zones when submitting supporting technical data for Section 15(1)(a) and (1)(e) applications. A geological discussion must be checked off and submitted with your other date.
- ALL productive zones must be listed.
   Failure to identify all zones in your application may affect the success of your application.
- 5. If an agreement in your application is zone-specific (e.g. a natural gas agreement; an agreement with rights "excepting" petroleum and natural gas in one or more zones), include a correlation between the wells in the agreement and the well quoted in the Zone Designation.
- Type of Continuation Requested:
   Identify which sub-section of the
   Regulation you are applying under (more information below).
- Data provided for zone: Completing this checklist and upload the data with your application. A geological discussion is mandatory. Provide as much relevant data and analysis available.
- 8. **Agreement and Expiry Date**: You can apply for All Agreements or Select Agreements for the zone you are applying for.
- Wells other than Qualifying Wells
  (Optional): You may identify relevant wells,
  in addition to those identified as
  qualifying wells (if any) under the
  Section 16 tab or under the Section 17
  tab. This information can be helpful for
  the department's review of your data, as
  sometimes the other wells may be
  identified as qualifying wells.

## SECTION 15(1)(a) - SPACING UNIT FOR A PRODUCING OR PRODUCTIVE WELL

A spacing unit may be continued under Section 15(1)(a) if:

 It contains a physically producing well (i.e. flowing or pumping) or  The data submitted demonstrates that a well within that spacing unit is capable of producing petroleum or natural gas in paying quantity.

#### SECTION 15(1)(e) - PRODUCTIVE SPACING UNIT

A spacing unit will be considered for continuation under Section 15(1)(e) if you submit technical data demonstrating that the lands underlain by a pool are capable of producing petroleum and/or natural gas in paying quantity.

**Note**: If applied lands are not proven productive under Section 15(1)(a), they may be considered for a Section 17 continuation, if eligible.

## SECTIONS 15(1)(B), (C) AND (D) - UNITS, GAS STORAGE AND OFFSET COMPENSATION FOR CONTINUATION

A spacing unit subject to a Unit Agreement, a Production Allocation Unit Agreement, an obligation to pay Offset Compensation or a Gas Storage Unit Agreement is eligible for continuation pursuant to Section 15(1)(b), (c) or (d). If any of these circumstances apply, identify the zone affected along with the name, number or land description.

Section, Agreement Number, Expiry Date: Select the type of continuation and agreement to apply for and click on the Add button. The section, agreement and expiry date will auto-populate into the grid.

Zone: Select the zone you wish to apply for by clicking on the button provided. A Select Zone box with display. Highlight the zone and click on the Select box. The zone will then auto-populate into the grid.

Unit (Name/Number), Offset Number or Land Description: You can free type text in space provided. You will receive an error message if this field is left blank.

#### Section 16 Tab

A qualifying well for a Section 16 continuation must be rig released less than 3 months before expiry OR drilling at expiry

The 16-character well id format for referencing a well is as follows (e.g.100/01-01-001-01W4/00).

If you are the applicant but not the well licensee, authorization from the well licensee to use the well as a qualifying well must be provided through ETS prior to application submission.

**Refer to the Authorization Guide** see the <u>Tenure</u> section on Alberta.ca for guides, regulations and other information, or visit the Authorization training module under <u>PNG Continuation</u> in online learning for ETS screen captures.

#### **Qualifying Well-Location or Unique ID**

Provide the well location or unique well ID for the qualifying well. Use a separate row for each well. To add another well click on the Add Well Row button.

Under Section 16(1)(a) of the PNG Tenure Regulation, "Qualifying well" means a well that is either drilling at expiry or has a rig release date within the last three months of the term of the agreement or the continuation period. The qualifying well must evaluate the rights contained in the lands being selected to continue. A qualifying well can only be used once for a Section 16 continuation. Therefore, all lands or agreements using the same qualifying well must be included in the same application.

**Land**: For each qualifying well, you can select up to 9 sections. You may select:

- Any sections on the agreement in which the qualifying well was drilled,
- On multiple agreements, providing the selected sections touch or corner the section containing the qualifying well, or
- · A combination of the above.

**Note**: A horizontal (Hz) well is considered one qualifying well and it may increase the qualifying area in which to select up to 9 sections.

If applying with more than two qualifying wells, lands continued under Section 16 may have different expiry dates depending on the rig release date of each qualifying well used. Sections can be removed from the previously continued lands in subsequent applications if applying for a section 15 but additional sections cannot be added.

If you wish to identify other wells (which are not included as qualifying wells) for which you are submitting data, include them in the Section 15 tab.

When applying for continuation under Section 16, a qualifying well can only be used once; therefore, all agreements using the qualifying well must be included on one application. A validation in ETS will identify if the well has been used in a previous application.

If it has been used, an error message will display, and the application must be corrected prior to submission. To select a different qualifying well, it must be identified on the application or the new agreement(s) and can be attached to a previously submitted application. Refer to <a href="Adding an Agreement to an Existing Application">Agreement to an Existing Application</a>.

#### Section 17 Tab

Technical Data for a Section 17 Continuation Productive and Potentially productive wells and pools

#### Well ID other than a qualifying well:

- A spacing unit that contains a productive or potentially productive well may be continued pursuant to Section 17.
- An eligible Section 17 well must be drilled during the term of the lease being applied for OR work must be conducted on a well during the term of the lease being applied for.
- Enter the 16-character well id format for referencing a well (e.g. 00/13-01-001W4/00).
- To enter an additional well id, click the Add Well Row button.

#### Zones:

- Identify all producing, productive or potentially productive zones when submitting supporting technical data for a Section 17 application. To add zones to the application, click on the Select Zones button and check the corresponding box. One or more zones can be selected.
- ALL producing, productive or potentially productive zones must be listed. Failure to identify zones in your application may affect the success of your application.
- If an agreement in your application is zone specific (e.g. a natural gas agreement; an agreement with rights "excepting" petroleum and natural gas in one or more zones), include a correlation between the wells in the agreement and the well quoted in the Zone Designation.

Selection of Land: For each eligible well, you have the option to select up to 9 sections based on a producing, productive or potentially productive well providing the selected sections touch or corner the section containing the '17' well.

**Note**: A horizontal (Hz) well may increase the eligible area for selecting up to 9 sections.

 To make your land selection, click on the Select Sections button. All lands that were applied for in the Agreement Node will display.

Data provided for zone: Complete the checklist for the data uploaded with your application submission. A geological discussion must be submitted. Provide all pertinent and available information and analysis and attach on the Admin Tab to be uploaded with application submission.

If you apply for continuation under Section 17, you are not required to submit the acceptance fee outlined in the Petroleum and Natural Gas Tenure Regulation. If successful, you will be advised of the amount payable when you receive a response to your application. This amount will be reflected on your next monthly statement.

#### Verify/Submit an Application

- To verify your application, select the Verify button at the bottom of the ETS screen. This will verify your application entries against the department's information. This is not a submission of your application.
- To submit an application, select the Submit button at the bottom of the ETS screen.
   Your application will be <u>verified again</u> and if there are no deficiencies it will be submitted to the department.

For any deficiencies in your application, an error or warning message will be displayed at the top left corner of the application. An email notification is also sent. Any errors must be corrected before you are able to submit your application. Although warnings do not prevent your application from being submitted, they are designed to identify areas where you may wish to incorporate additional information on your application.

If the applicant and designated representative are different, authorization is required prior to the application submission.

The ETS Request status will change to Processing (Submitted) once the application has been successfully received by the department.

**Refer to the Authorization Guide**, go to the <u>Tenure</u> section on Alberta.ca for guides, regulations and other information, or visit the Authorization training module under <u>PNG Continuation</u> in online learning for ETS screen captures.

## Adding an Agreement to an Existing Application

An agreement can be added to an existing and previously submitted application by using the Application Reference Number in the Admin Tab in ETS. This is also referred to as the Application Number on your Continuation Document PDF. This should only be done if your agreement is sharing data or using the same qualifying well.

#### Amendment to an Application

You can amend a previous submitted application only if the agreement has expired. To do this click on the **Amend** button in ETS. Once your ETS Request has a status of Amendment in Progress, the department's review of your application stops and does not resume until an amendment is submitted.

Zones, land and wells can be added to amend a request, and it will be considered a late application. Existing entries cannot be removed. The request will not continue until the amendment is submitted.

You may attach and upload technical data including a Geological Discussion. Enter the applicable information in the Extension, Other Data, Section 15 and/or Section 16 tabs. You cannot enter an amendment in the Section 17 tab. Once the amendment is completed, click Submit to resubmit the application through ETS. Status will show **Processing (Amended).** 

**Note**: Amendments may be subject to a late application penalty for any land and/or zones not originally applied for at agreement expiry.

#### Client Withdrawn

If something is missed in the original agreement application, and it is <u>prior to expiry</u>, you must withdraw the application and resubmit. To do this, click the **Withdraw** button. Once completed the ETS status will show **Client Withdrawn**.

#### Note:

 Withdrawing an application will remove the application and any offers from the department's records.

 When submitting a new application for the agreement, you must apply for <u>all lands</u> and/or zones that you want reviewed and include the uploaded data.

#### Amend vs. Withdraw

If you have successfully submitted an ETS Request and a change or update is required, there are two options available depending on the expiry date of the agreement.

- If the change is required PRIOR to the agreement expiry date, the applicant must withdraw their ETS Request and submit a new ETS Request. You may "Copy the original ETS Request and add or remove information as needed.
- 2. If the change is required **AFTER** the agreement expiry date, the applicant must amend the submission. An amendment may include adding lands, zones or wells to your request. The ETS system will not allow information to be removed as the department reviews the amendments and or additions together with the original submission.

Amendments or additions to the application after agreement expiry are reviewed under Section 14.2 of the Regulation and may be subject to a late application penalty.

**Note**: A response to your application will start over when any new or amended requests are submitted (e.g. if an ETS Request is submitted on May 1, 2025, and an Amendment is received on May 26, 2025, our response time will be determined from the May 26, 2025, submission date.)

#### **Notes on Technical Data**

**ALL DATA IS HELD CONFIDENTIAL.** Your data is not made available to any other party, unless authorized to do so by the party who provided the data. No information submitted for a continuation is used for any other application, even if it relates directly to another agreement.

If you wish your data to be used in support of another company's application, you must authorize the department to do so through the Authorization process on ETS.

Please obtain authorization from another company to use their data that was submitted previously (within the past 12 months), or that is being emailed under separate cover to the

department by the other company.

You may refer to previous data submitted by your company within the past 12 months to support a current application. (Other Data Tab in ETS)

You may present data in person to Alberta Energy & Minerals at the Edmonton office by contacting the PNG Continuation area to book a meeting. Your application and data must be submitted through ETS prior to expiry. Please have the following information ready:

- Preferred date, time and length of meeting (if possible, have an alternate date available)
- PNG agreement number(s)
- Zone(s) being addressed; Type of application (e.g. Section 15, Section 16 or 17)
- Who will be attending and their professional designations
- Type of data being presented (geological, engineering, geophysical)
- If applicable, audio-visual equipment requirements.

All relevant data must be included with your application.

**Note:** Data submitted to the Alberta Energy Regulator (AER) is not available to the department, except for well information, production data and test data that is non-confidential. Data that has been released from confidential status for less than three months, and data that has recently been submitted to the AER (e.g. recent test or production data), may not be available.

Following the department's initial review of your application, you may be advised of any deficiencies.

Failure to respond in a prompt manner may affect the result of your application.

ALL producing, productive and potentially productive zones must be listed. (Section 15, Section 16 and Section 17 Tabs in ETS).

Electronic Data submitted such as well logs and cross-sections should include a large enough interval to correlate the zones (e.g. completed interval plus regional markers above and below).

"Zone" is defined in the Regulation as a stratum or series of strata considered by the Minister to be a zone for the purposes of this Regulation.

In many cases zones may be geological formations, but in some instances, they are larger and include more than one formation (e.g. the Mannville zone includes numerous formations). If you are mapping several formations in the same zone (e.g. Glauconitic, Basal Quartz, Ostracod), list the data supplied for each formation in a separate Production Row in your application.

Supporting data may include all types listed in different sections of this guide, as well as:

- Maps including paleogeography, facies development and trend maps
- Core or sample descriptions
- Geological or technical references
- Engineering data including oil and gas analysis and pressure data
- Reserves information including material balance and volumetric calculations
- Test data such as spinner surveys or RFTs
- Surveys for horizontal or deviated wells with vertical and horizontal projections of the well's trajectory

#### Once the Application is submitted

#### **Continuation Response Times**

ETS Requests and applications are electronically displayed with a submission date. This date allows us to determine if the application is received on time or if it is subject to a late application penalty. If an applicant indicates on their submission that authorized technical data from a different company is being submitted by email, we allow 5 business days before processing the application. As there are established response times, if the supporting data is not received by email within 5 business days, the application is reviewed without it.

**Note:** Continuation response times start once a completed application is received. Therefore, response times could begin as early as the application submission date (if no further data is being submitted).

#### Pending vs. Processing for Offers in ETS

Requests have many statuses to guide applicants through the review process so they know where their request is at.

Once a request has a status of **Offer** you may review the **Offer Options** and decide if you are going to Accept, Decline, submit a Request for Review (after agreement expiry), submit additional

Data (before agreement expiry) or customize your response. Every Offer has an **Offer Expiry Date** 

displayed near the top of the screen.

After you have selected and saved for each Offer Option you have two choices:

You may click the Submit button only. This
will change the status of your request to Offer
Response Pending. This status indicates that
you have made your decision for the Offer
Response, but you have not submitted it to
department.

When the status is at Offer Response Pending, you can make changes, resave and submit again. Changes can be made up until the Offer Expiry Date, but you must remember to submit again once your decision has been made.

**Note**: Once the Offer Expiry Date has passed with no response, ETS will automatically send a no offer response to the department. Once the response is received, the status will change to Processing (Offer Response Submitted).

2. You may check off the box at the bottom of the Offer screen authorizing Alberta Energy & Minerals to finalize the agreement prior to the Offer Expiry Date AND click the Submit button. This will change the status of your request to Processing (Offer Response Submitted). After the offer expiry you cannot make any changes to your response. If you are submitting additional data or submitting a request for review, you may want to check this box (finalize agreement prior to the offer expiry date) so your response is actioned once the data is received.

**Note**: By checking off the box to surpass the Offer Expiry Date, it will not flag your agreement as a rush. It simply means that your agreement will be placed into the offer response work list sooner, rather than waiting for the offer response expiry date. The department timeline to process a response is one month from the Offer Response received date. This timeline is subject to change.

## **Early Response Checkbox for Offers AFTER** agreement expiry:

- If the Early Response checkbox is checked, you <u>cannot</u> make any changes to your offer response. Your response is final and cannot be revoked.
- If you are submitting additional data or a request for review, check off that related box, upload your data. The department will review your response once the data is received.

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Classification: Public

#### PRIOR to agreement expiry:

- If you wish to <u>change your Offer Response</u> <u>decision only</u>, contact the department to have the Offer returned to you. The Offer will be returned and the ETS status will switch to an Offer response status.
- If you wish to add a Section of Act, lands, zones and/or wells, you must withdraw your application and submit a new complete application with data. By doing this, it will delete the previous application and applicable continuation responses.

### Notification Emails for PNG Continuation Clients'

ETS sends PNG Continuation notification emails to the ETS application contact as a courtesy to notify your company that documents are available for review and/or action. Ensure your contact information is current, so all notification emails are sent to the appropriate person. The email includes information on where to locate the ETS Request (e.g., Work in Progress, Authorization or Request Status). The ETS Notification for ETS PNG Continuation Client's Guide provides an explanation of these emails, including the reason for the email and who receives each email.

**Note:** Email notifications should not be relied on to track PNG Continuation Applications in ETS. Best practice is for clients to monitor their requests on a regular basis. Users can search the status of a request any time in the Work in Progress screen by ETS Request number, agreement number or the application ID. Requests can also be searched and sorted by the status of the request to find time sensitive business, i.e.., request status of Offer.

#### **Response Times**

Classification: Public

Once your application has been successfully submitted, please allow:

- 2-4 months for processing Section 15 and Section 17 applications.
- 1-2 months for processing Advance Rulings, Extensions and Section 16 applications.

**Note:** At the discretion of the department, response times may be extended.

#### No Application for Continuation

In those instances where no application for continuation is received, and the department's review confirms eligibility under the Regulation, we will initiate the process by generating an application through our internal system. The system generated application will include an offer or final letter. The assigned request number and the name of the designated representative will be populated on the affected PNG agreement. Cancelled agreements may also be on the monthly Agreement Cancellation Report.

An email will be sent from ETS informing your company's site administrator that an application has been created, and action is required.

Once you have reviewed the offer letter (if applicable), there is an option to accept or decline the offer by completing the offer response and submitting it. Otherwise, you can decline the offer by not providing a response before the Offer Expiry Date.

**Note**: A Request for Review is not available as an offer response option in this situation. Contact information must be provided in the Administration Tab to submit a response.

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