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February 13, 2018

COAL INFORMATION BULLETIN 2018 - 01

Subject: Online Application for Coal Tenure

This Information Bulletin announces the development of new online applications for coal leases through Alberta Energy's Electronic Transfer System (ETS). Once live, applications for coal leases will be accepted online via ETS.

The go live date is expected to be March 16, 2018.

Once live, Alberta Energy requests that all applications for coal rights to be submitted online. Online applications will allow clients to apply for rights when it is convenient for them and will no longer need to mail or deliver hard copy application forms to an Alberta Energy office.

Webinar

Alberta Energy will hold a webinar on February 28, 2018 to present more detailed information about the transition to online application for coal leases and ETS requirements.

Please watch the Alberta Energy website at www.energy.alberta.ca/coal for more information regarding the time and link to the webinar.

Alberta Energy will also send an email with the time and link. To be added to an email list please email CMD.Energy@gov.ab.ca with the subject line "ETS-LAMAS Webinar".

Transition

In order to make the change as easy as possible, there will be a transition period where Alberta Energy will accept both online and paper applications.

If possible, we request that companies apply online through ETS when the system is live. Early use allows Alberta Energy to ensure the system is working properly. Although applications will be made online, we will maintain the current manual process for public sales of coal rights. Paper applications will be considered delivered based on the time stamp when they arrive at Alberta Energy. Online applications will be accepted as soon as they are submitted through ETS.

All applications for coal rights will be required to be made online after September 30, 2018.

Setting up an ETS Account

In order to do business on ETS you must set up an ETS account. It may take up to 15 days to set up a new account.

Each company must appoint a person to be the Site Administrator for their account that is responsible for setting up the account and keeping it up to date. The Site Administrator can assign individual roles for other people to have access and do business.

If your company already has an ETS account for other business with Alberta Energy, you will need to update the account to include the new functionality.

Applications for new accounts can be submitted starting March 2, 2018. Users will be issued an account and access to existing functions in ETS. For applications received by March 12, 2018, the new online functions will be automatically added once they go live. For applications received after March 12, 2018, the new accounts will be set up after the new functions go live.

Coal clients should request access for

- Crown agreement documents retrieval for designated representative,
- Crown transfers,
- Direct purchases (applications) – ammonite shell, coal, and metallic and industrial minerals, and
- Royalty reporting – bituminous, subbituminous, quarriable, placer, salt.

To set up an ETS account, please contact Alberta Energy Client Registry:

Client Registry, Client Services
Alberta Energy
North Petroleum Plaza
9945-108 Street NW
Edmonton, Alberta T5K 2G6

Email: ClientRegistry@gov.ab.ca
Phone: 780-422-1395

Public Offering of Coal Rights

Information Letter 95-26 sets out the process of issuing coal rights in Coal Category 4 through public sale. While applications will be submitted online, the bidding process will remain manual through mail or in-person delivery to an Alberta Energy office.

Alberta Energy will continue to issue coal leases directly within coal mine permit areas within Coal Category 4 as is set out in Information Letter 1980-07.

Application Fees and Rental

Application fees for all online applications will be payable by credit card (MasterCard or VISA) and are due at the time of application. The payment process will be initiated when submitting an application.

The first year rental cannot be paid by credit card. The rental must be paid prior to granting of an agreement. Once an application is processed and ready to be issued (6-8 weeks from application), Alberta Energy will contact the applicant through ETS with the exact rental amount. Payment of the first year rental will be due five business days after notification.



Please see the “Method of Payment” section, below, for options to pay the first year rental.

<u>Agreement</u>	<u>Fees and rent due</u>
Coal Lease	Application fee: \$625 First year rent: \$3.50/ha +GST (if applicable)
Coal Road Allowance Lease	Application fee: \$625 First year rent: \$50 +GST (if applicable)

Method of Payment

Payment of first year rental is due before a coal lease is issued. All payments must be made payable to the “Government of Alberta”.

There are two methods for initial rent at application and annual rental payments:

1. Mail or deliver a cheque to Alberta Energy

Coal and Mineral Development
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2. Electronic Funds Transfer (EFT)

Royalty payment may be made through EFT directly to the Government of Alberta.

For more information on payment options and to set up a payment method, please contact Alberta Energy Financial Services Branch:

Financial Services
Alberta Energy
North Petroleum Plaza
9945-108 Street NW
Edmonton, Alberta T5K 2G6

Email: CARS.HelpDesk@gov.ab.ca
Phone: 780-427-7705
780-638-4067
780-422-5198

Payment Allocation Requirements

To enable accurate allocation of payments to accounts, payment allocation information must accompany each payment. If proper allocation information is not included, the payment(s) may be returned or applied to activity(s) determined by Alberta Energy. There may be interest implications when payments are returned or transferred to the correct account due to missing or inaccurate payment allocation details. More details regarding payment allocation requirements will be provided once system development is complete. You can also contact CMD.Energy@gov.ab.ca for more information.

Transfer of Mineral Rights

Clients that are registered for ETS will also have the ability to transfer mineral rights online.



What is the Electronic Transfer System?

The Electronic Transfer System, or ETS, is a secure web application that receives and validates requests from authorized users for a number of different services provided by the system. Originally created in 1998 to transfer information between industry and the department of Energy, ETS has grown to be a critical interface for petroleum and natural gas and oil sands business in Alberta: including online posting and bidding for tenure rights, transfer of agreements, and payment of royalties.

In addition to receiving applications for coal leases online, Alberta Energy is also developing the functionality for coal and metallic and industrial mineral royalty payments, and tenure applications for metallic and industrial minerals. The addition of this new functionality is the first step to allow the metallic and industrial mineral and coal sectors to do online business with Alberta Energy.

For further information contact:

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