

# Land Development

## Remediation Stakeholders in a Challenging Economy

Presented By:

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**NORTH SHORE**  
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# OUTLINE

- **Former oil and gas activities on traditionally agricultural land are now being re-evaluated as part of development opportunities.**
- **New stakeholders in the oil and gas reclamation game.**

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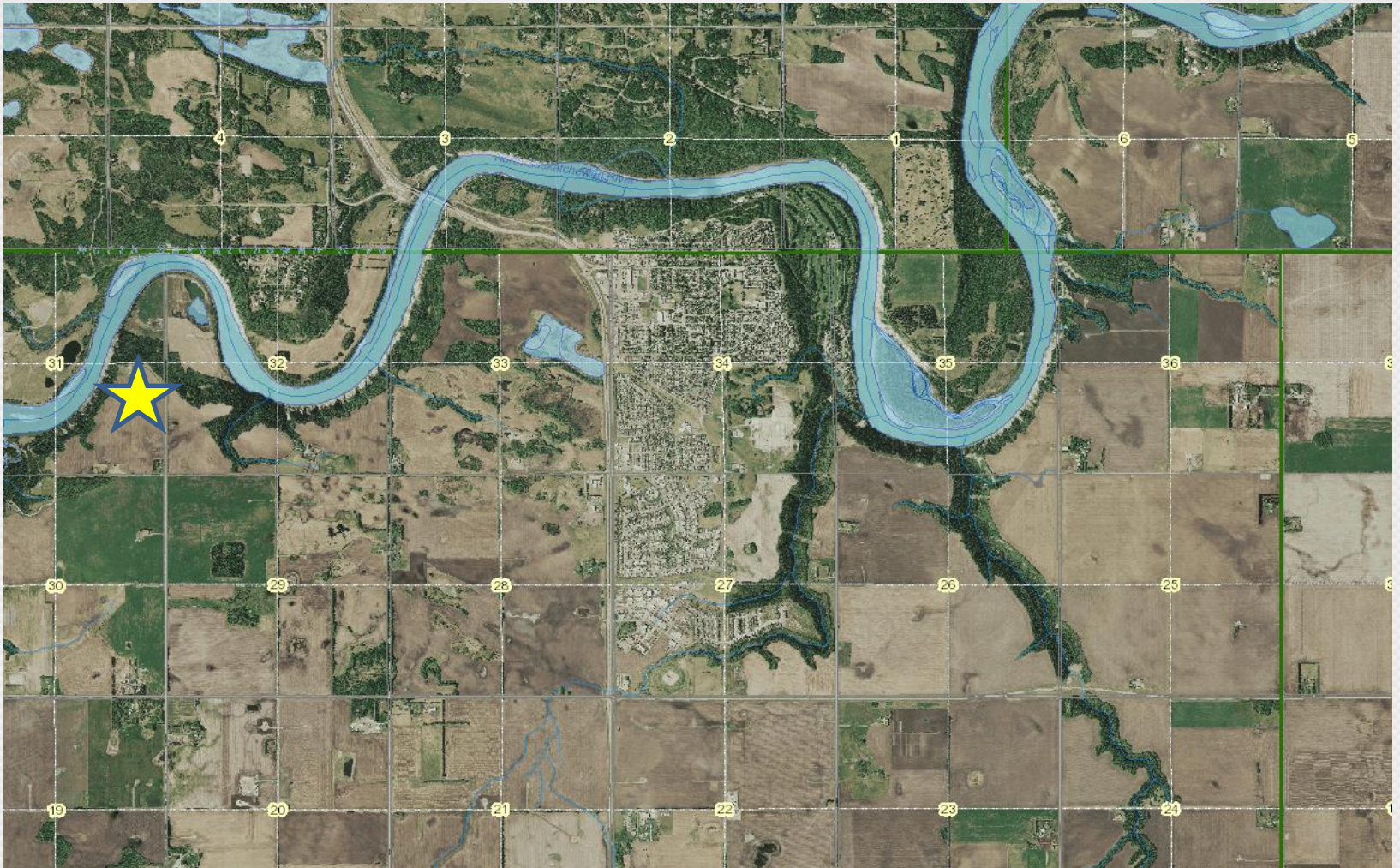
- **Look at an urban encroachment example in Alberta.**
- **Well Closure Language**
- **Liability Gap – Buyer Beware**
- **Examine four case studies in Alberta.**



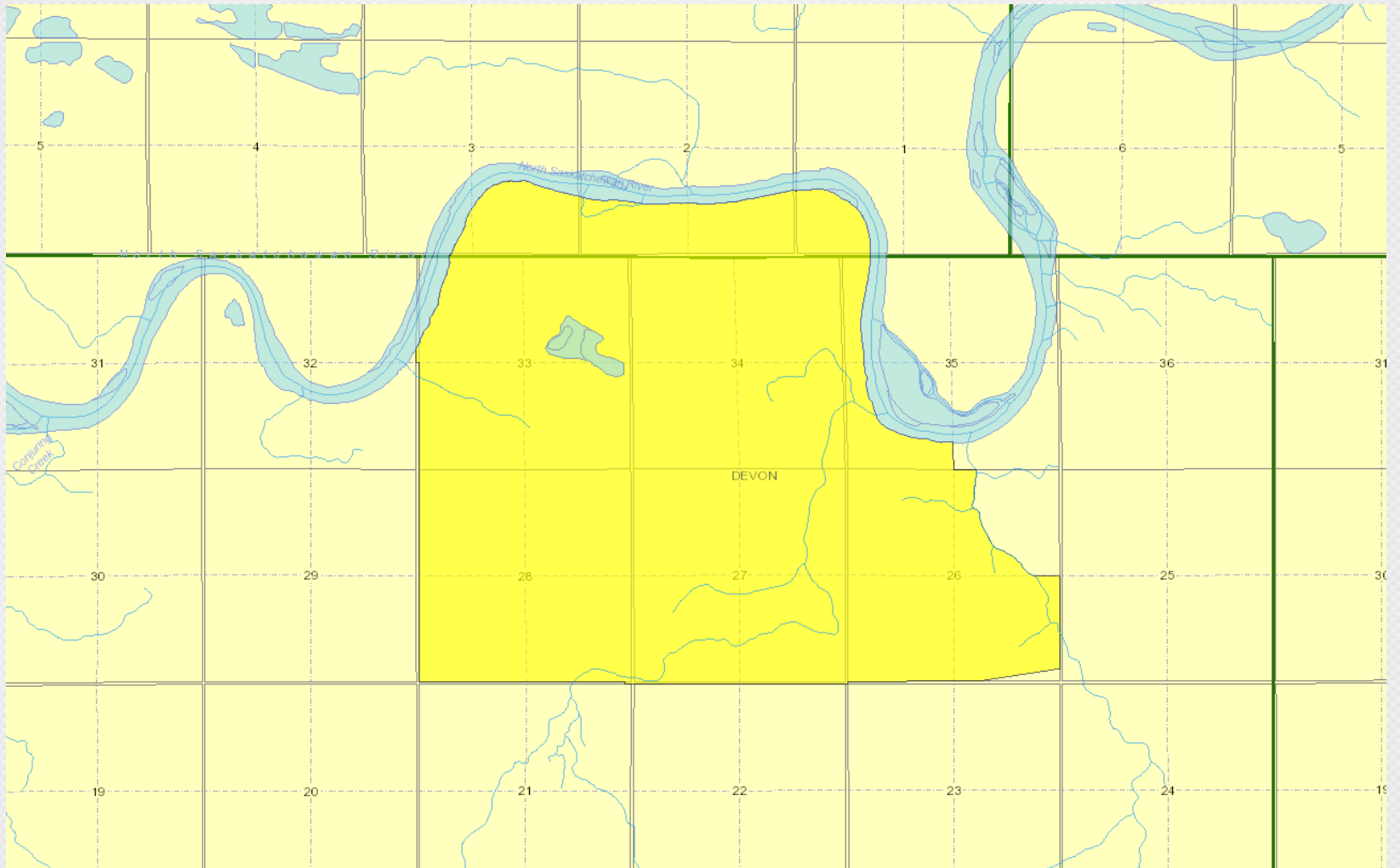
# NEW STAKEHOLDERS

- **Land Development Companies**
  - **Financial Institutions**
- **MD and County Representatives**
  - **Municipal Planners**
  - **Business Owners**
  - **Private Landowners**

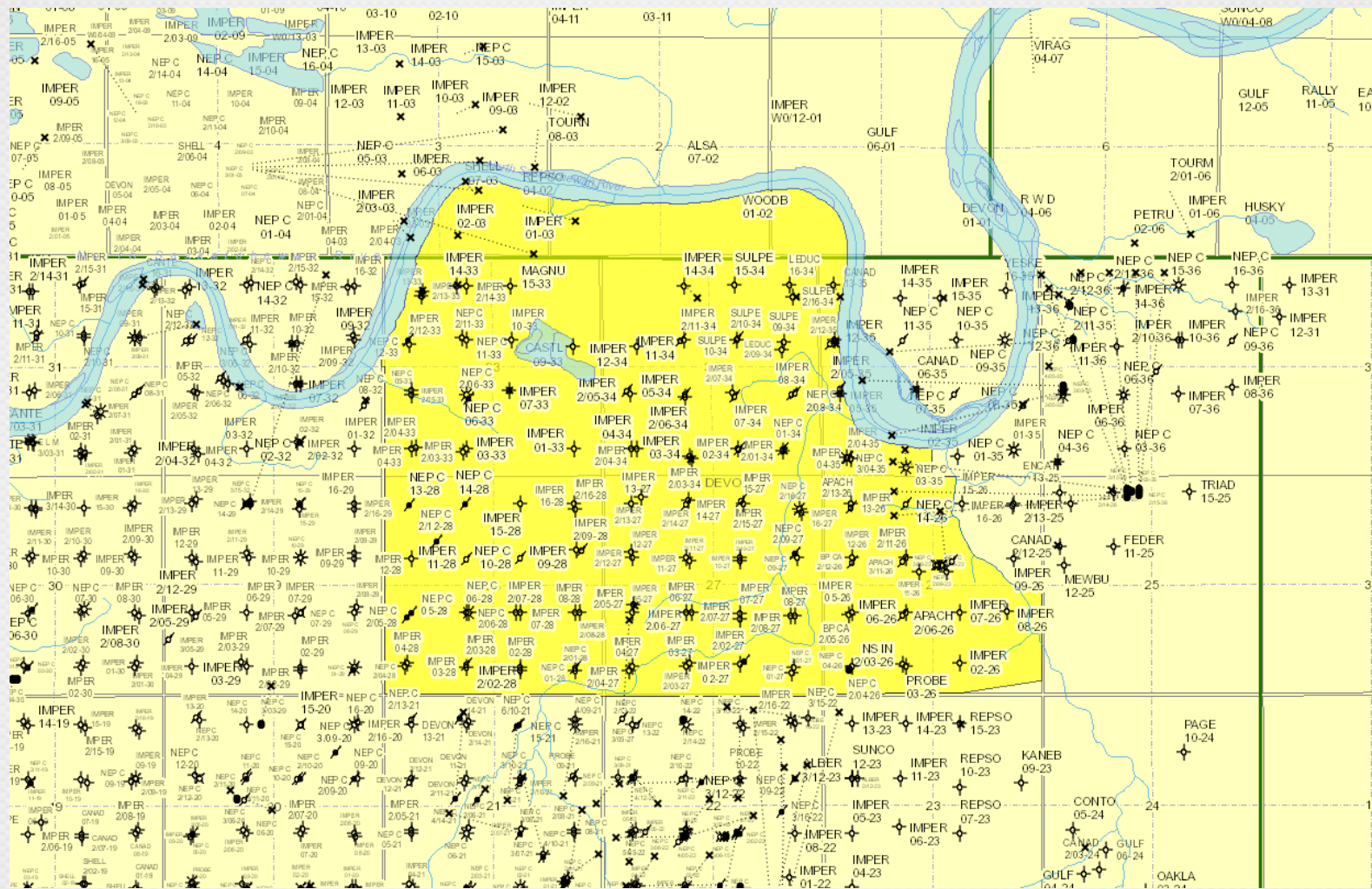
# Town of Devon



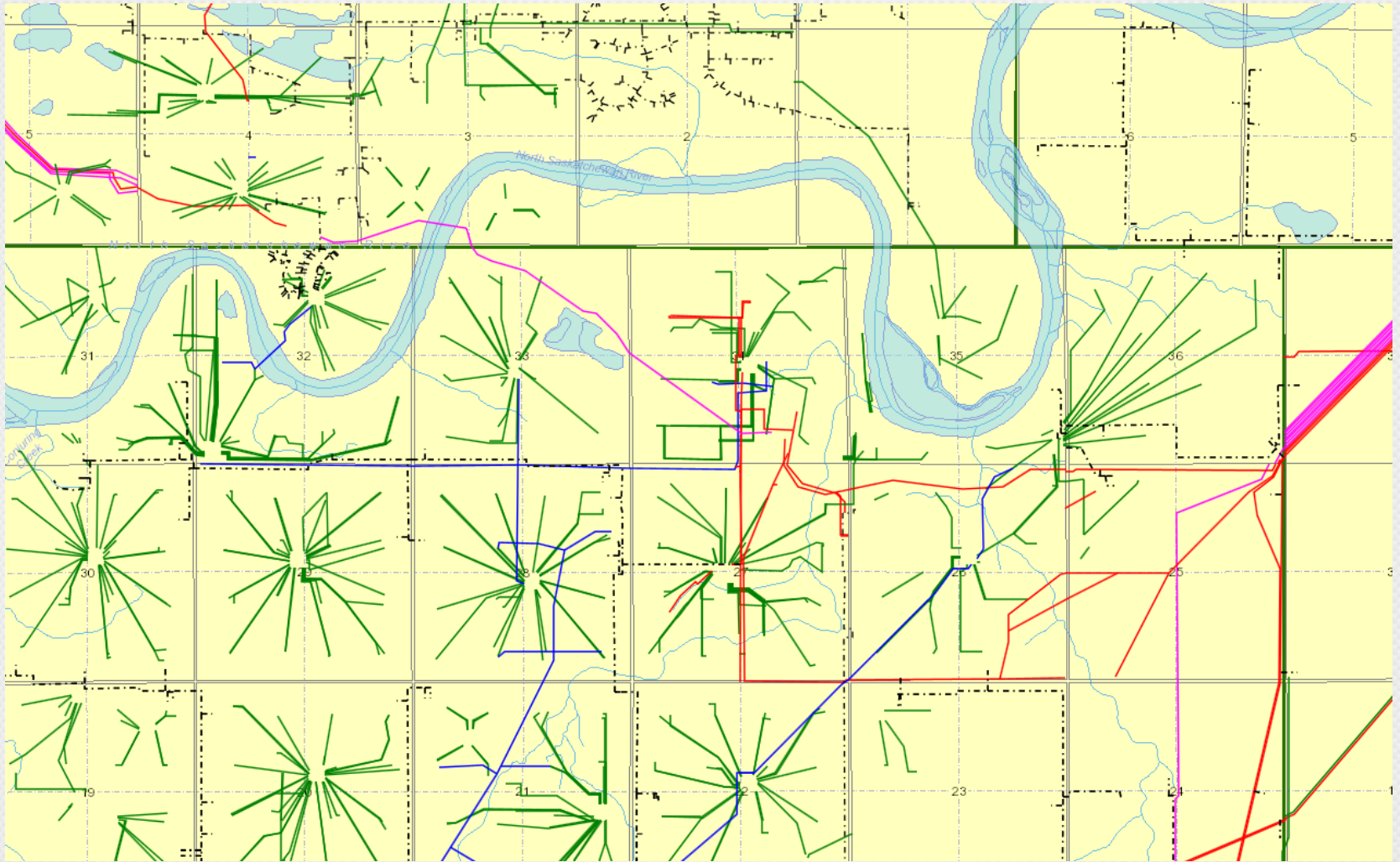
# Town of Devon



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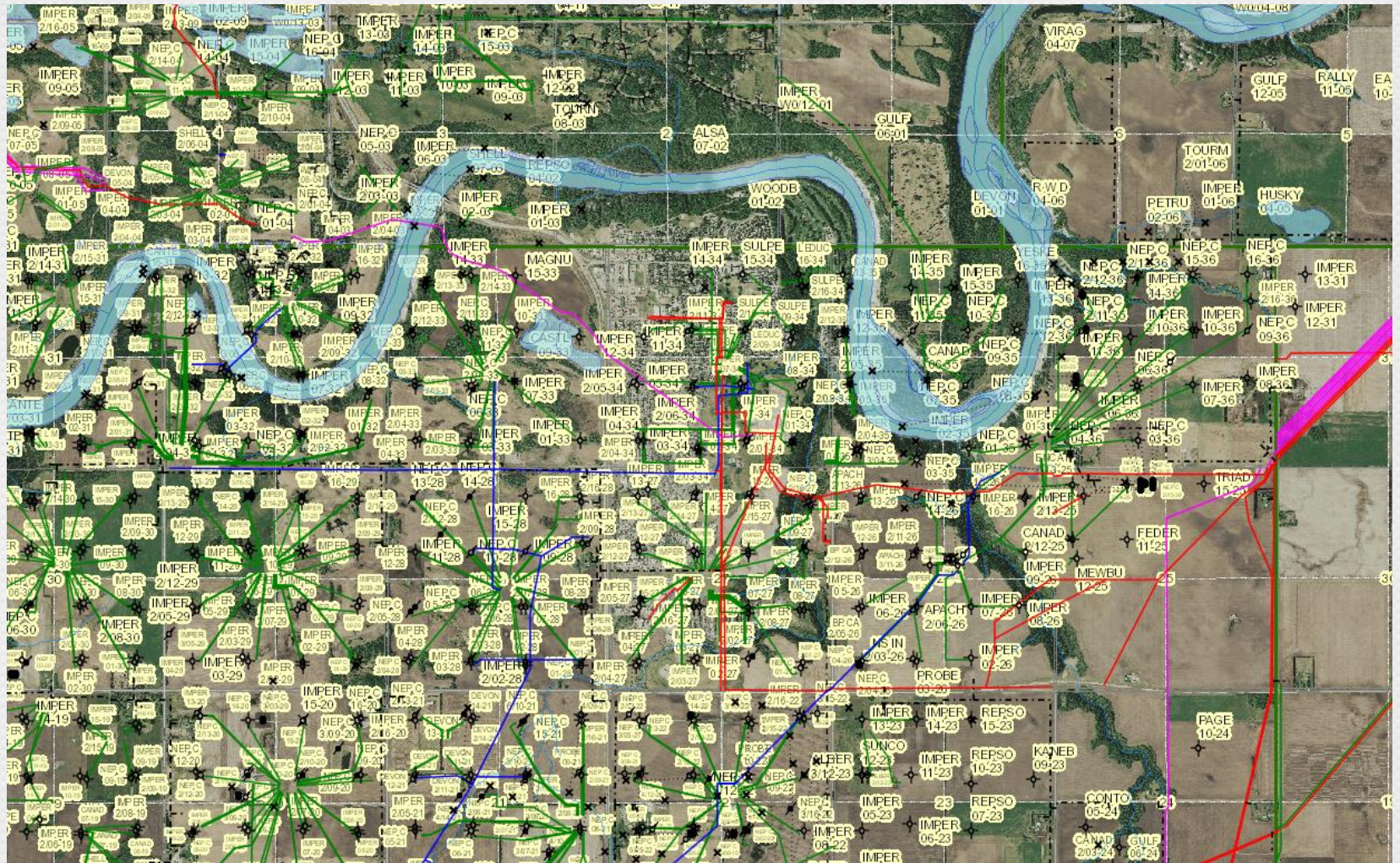


# Town of Devon





# Town of Devon



# “Former Wellsite Status”



# “Former Wellsite Status”

## Abandoned Well

Only means surface abandonment has been completed. Does not address whether the site has been assessed or not.

## Reclamation Certified

But when was the certificate issued?

**Pre-2001: Requirements focused on surface reclamation and not contamination\*\***

**Post-2001: Detailed requirements for assessing contamination implemented**

# Reclamation Exempt

Wells that were abandoned prior to reclamation legislation being enacted, known as Reclamation Exempt (Rec Exempt) wells.

These are wells that either:

- a) In the **White Area (private land)** and were abandoned prior to **June 1, 1963**, or
- b) In the **Green Area (Crown land)** and were abandoned prior to **August 15, 1978**.

**A total of 36,534 Rec Exempt Wells in Alberta**  
**Focused on surface reclamation and not contamination**

# **Operator Liability**

**Operators own a lifetime liability on contamination issues**

**Operators own a 25 year liability on reclamation issues**

**Orphan Well Association (OWA)**

**Well, pipeline or facility without any legally responsible or financially able party to deal with it's abandonment and reclamation**

# Liability Gap

**Reclamation Certified and Reclamation Exempt wells are not covered under OWA.**

**So if your site has a Defunct Operator with No Transfer of Liability**

- **There is no operator to assume liability**
  - **Does not fall under OWA**

# **Rec Certified / Rec Exempt Defunct Operator Liability Gap**

- **Liability falls under the current landowner**
- **Buyer Beware Situation**
- **Developers generally complete due diligence (PH1 ESA)**
- **For Agricultural Land Sales – Private Landowners may be unknowingly transferring liability**
- **Government Held Liability on Public Land**

# **Four Development Examples**

- 1) Residential**
- 2) Active Commercial Subdivision**
- 3) New Commercial Subdivision**
- 4) Lost in Translation**



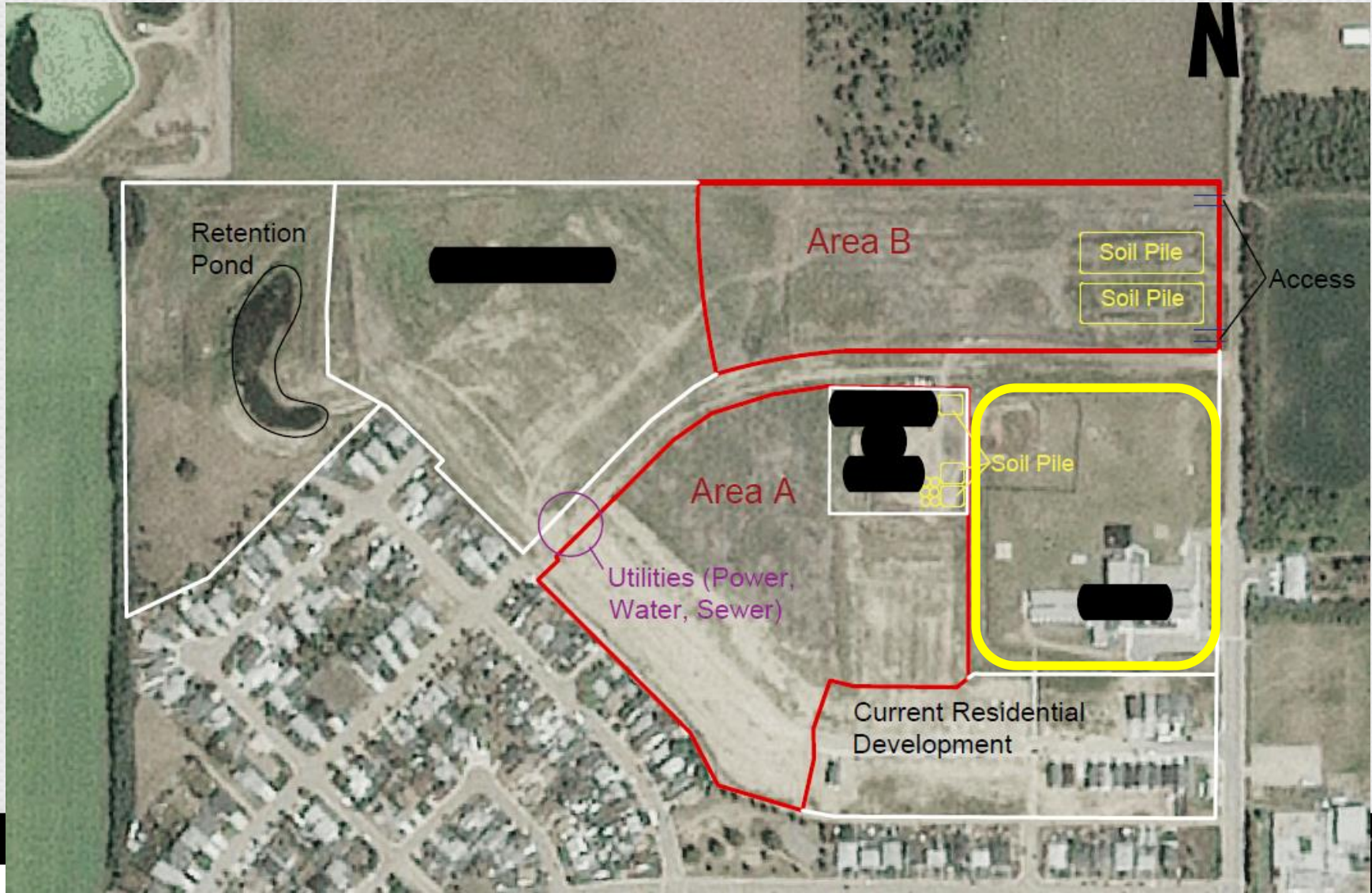
# Case Study #1

## Residential Development



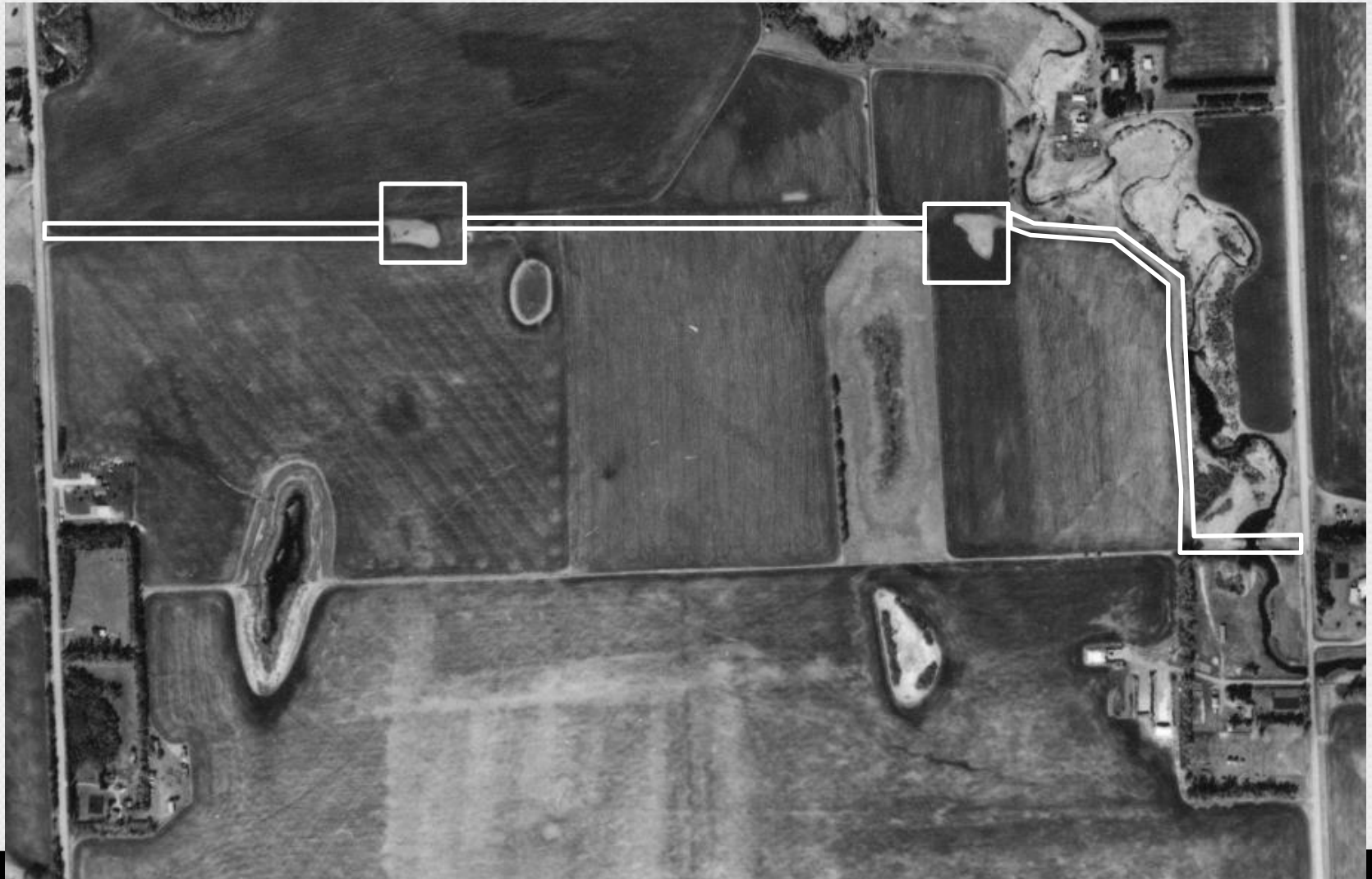
# Case Study #1

## Residential Development



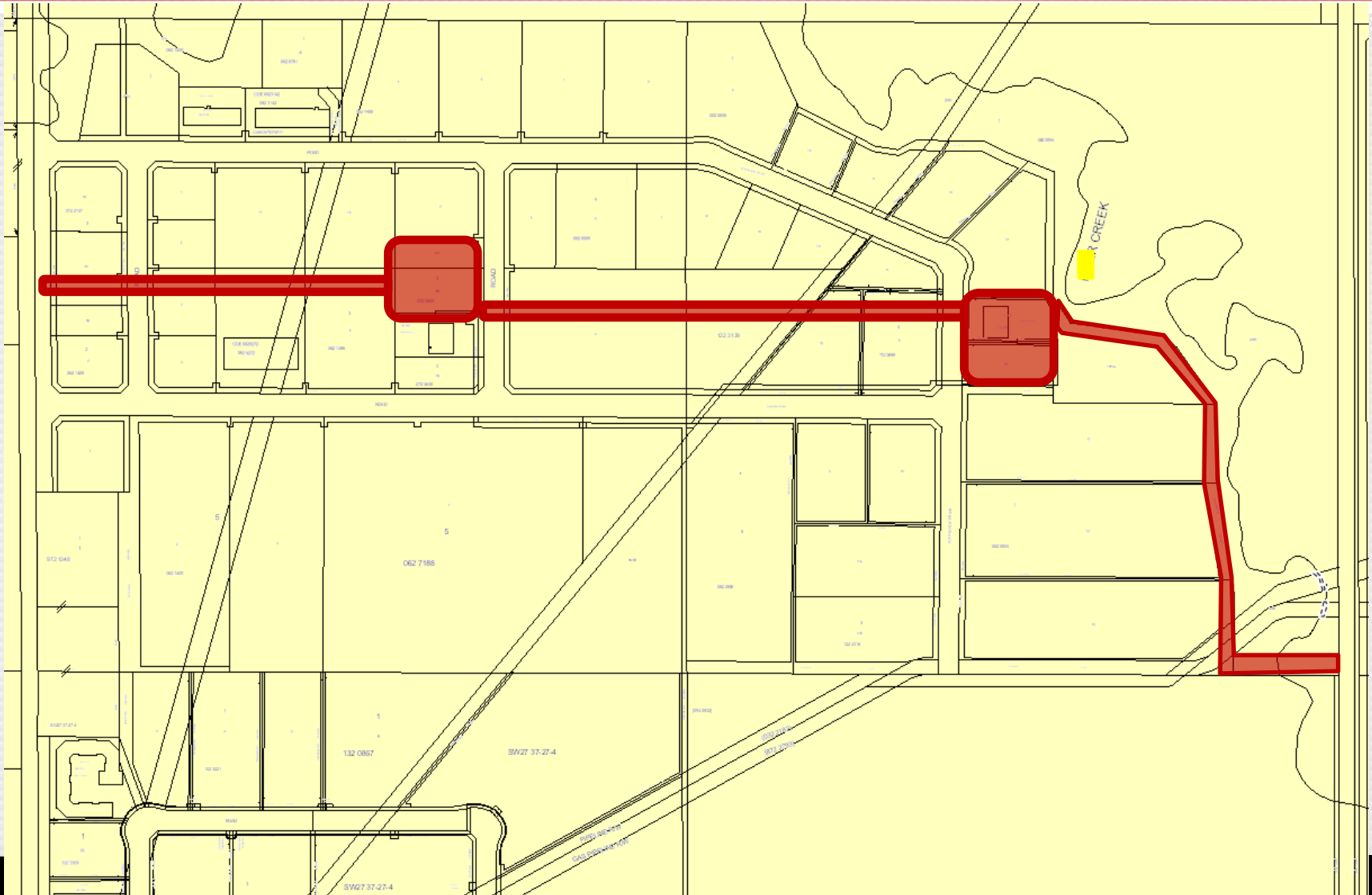
# Case Study #2

## Active Commercial Development



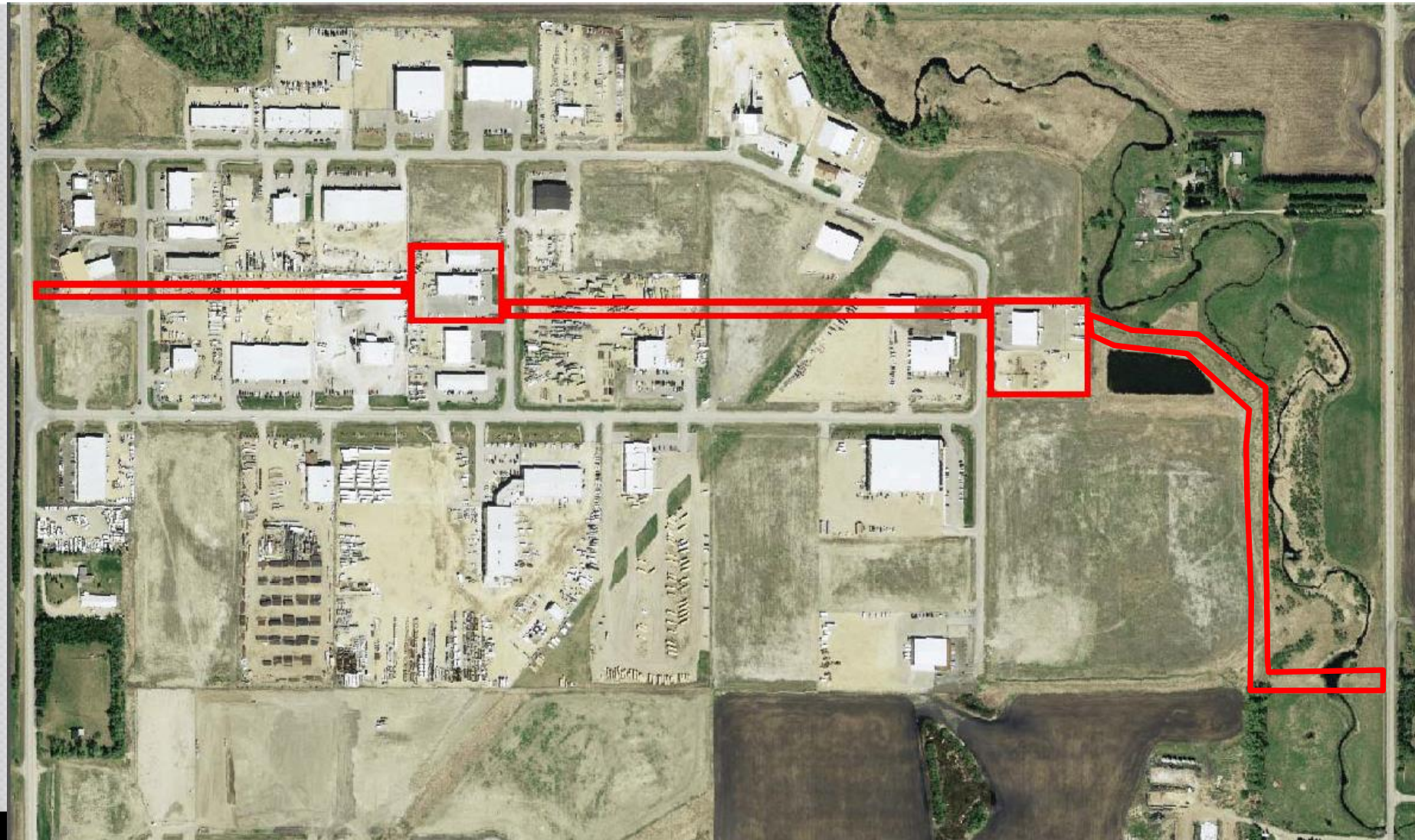
# Case Study #2

## Active Commercial Development



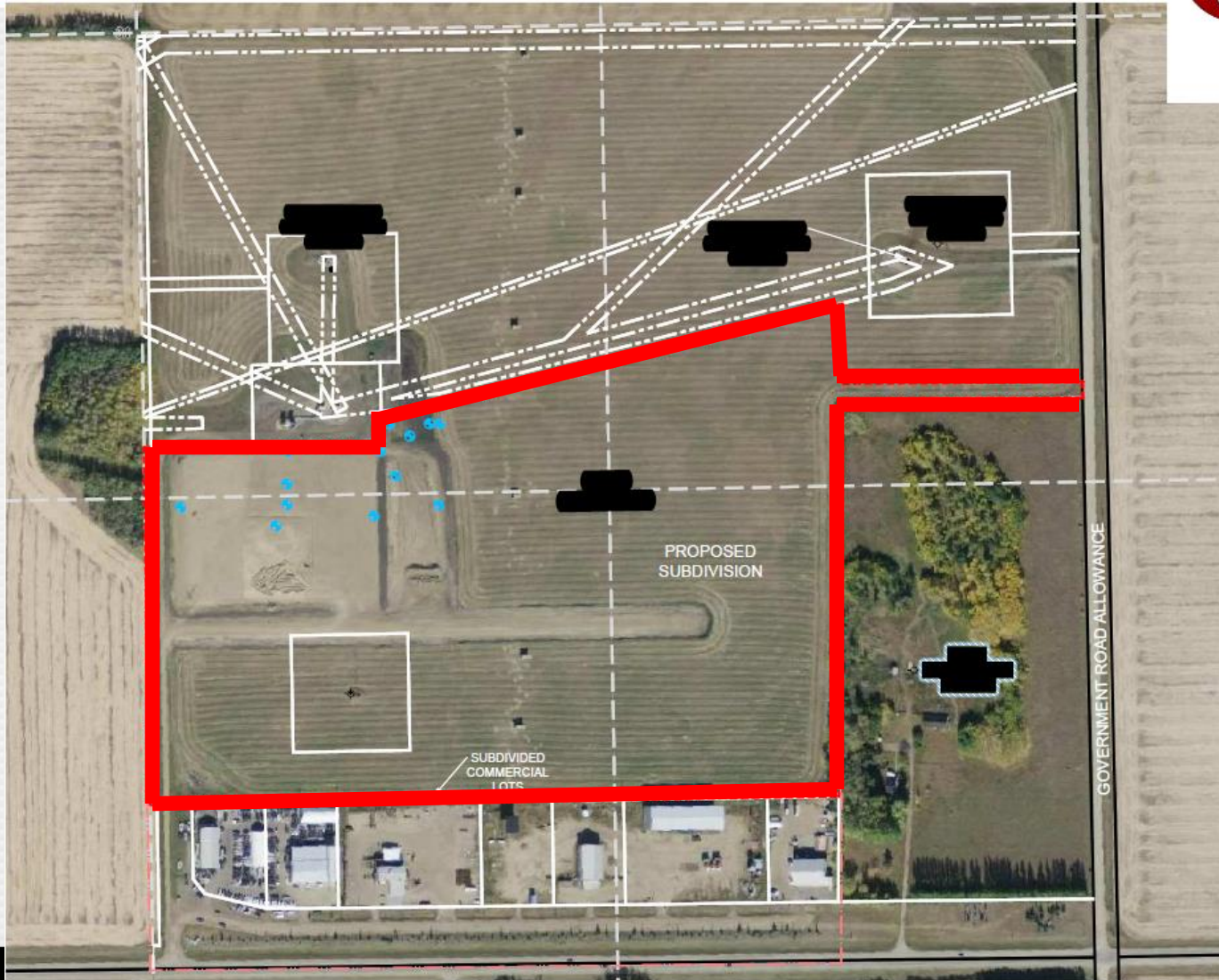
# Case Study #2

## Active Commercial Development



# Case Study #3

## New Commercial Subdivision



# Case Study #3

## New Commercial Subdivision



# Case Study #3

## New Commercial Subdivision





# Case Study #4

## Lost in Translation



# Case Study #4

## Lost in Translation



# Case Study #4

## Lost in Translation



Well Centre

# Case Study #4

## Lost in Translation



# Case Study #4

## Lost in Translation



# CONCLUSIONS

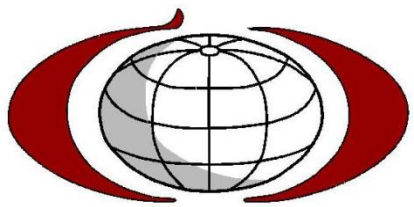
**Goal is to improve the quality of decisions made by these new stakeholders when evaluating environmental risk associated with their development.**

**Liability Gap – buyer beware, especially for agricultural land sales**

**Equivalent Land Use Capability?**

**- former wellsites are being omitted from development plans**

**Closure timelines amongst stakeholders will be challenging**



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# QUESTIONS??



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