

**FACT SHEET:  
Exploration for Oil and Gas**

This fact sheet is intended to answer common questions that landowners and leaseholders may have about exploration activities, such as seismic surveys, on private and public land.

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**What is exploration?**

Exploration is used to determine if there are minerals worth extracting beneath your land. Exploration activities include conducting seismic surveys, drilling test holes and other techniques that provide information about the subsurface. Exploration activities are governed by the *Exploration Regulation*, Alta. Reg. 214/98.

After exploration is completed, oil and gas development may begin. For more information on this topic, please see the Environmental Law Centre's fact sheet on Oil and Gas Development and Surface Rights.

## **Who is an operator?**

An operator is a person or company that has the right to conduct exploration and extract the oil, gas or other mineral from the land. An operator will often hire a seismic company to carry out exploration activities on its behalf.

## **As a landowner, does the operator need my permission to conduct exploration?**

Yes, the operator must obtain your permission to conduct exploration on private land. As a landowner, you have a right to refuse access for exploration activities such as seismic surveys. In such a case, the operator is not allowed to enter your land and has no right to appeal the decision. If the operator enters your land without your permission, they can be fined up to \$5,000 under the *Exploration Regulation* and may be liable in trespass.

The operator may be able to obtain the same information by doing seismic work from neighbouring properties or on road allowances owned by the municipality. If this occurs, you still may be entitled to receive notice of the exploration activities if they are conducted close to your property.

## **Am I entitled to notice if exploration occurs close to my land?**

Residents within 400 metres of a seismic line must be notified of planned seismic operations in the area. This notification must be made at least 48 hours before the activity begins. This requirement is set out under the *Geophysical Information Letter 001/01, Conducting Exploration Programs in Municipalities*.

## **As a grazing leaseholder, does the operator need my permission to conduct exploration?**

As a grazing leaseholder, you must consent to exploration but you have limited rights in refusing access for exploration activities. For leased public lands, the operator must first obtain consent from the Minister of Sustainable Resource Development (SRD). Once SRD's approval is given, the operator must obtain your consent before beginning exploration activities. If you refuse to consent, the operator can apply to the Surface Rights Board if the objection is related to access or compensation issues. The Surface Rights Board can grant a right-of-entry order for the operator to access your land and begin seismic operations.

If your objections relate to land use or operational issues, you can request a review by a Local Settlement Officer (LSO) who will issue a decision on the matter. If either party is dissatisfied with the LSO's decision, the party can request a review by the Review Committee. The decision of the Review Committee is binding and there is no right to further review or appeal.

## **What happens if I agree to allow access to my land?**

The operator will send a permit agent to negotiate a "permit form" to conduct exploration activities on your land. The standard permit form is called the *Permit to Conduct Geophysical Operations*. This form was developed by the Canadian Association of Geophysical Contractors with input from government and industry. You can view this permit form on the Canadian Association of Geophysical Contractor's website at <<http://www.cagc.ca/store/conduct.pdf>>.

You can negotiate with the operator to make changes to the permit form. Make sure that any changes are made in writing on the form.

## **What about compensation?**

There is no legislative requirement for an operator to pay compensation for exploration, but it is common for an operator to offer compensation. The amount

of compensation is a matter of negotiation. Make sure you indicate the amount of compensation to be paid by the operator on the permit form.

Under the *Exploration Regulation*, the operator is liable for any damage caused to your property. If you have a complaint about property damage, this should be reported to Sustainable Resource Development (SRD).

## **What are the setbacks for exploration?**

The setback requirements for exploration are listed in Schedule 2 of the *Exploration Regulation*. The setback distance varies depending whether explosive or non-explosive exploration is being used and the size of the charge. The minimum setback distance for non-explosive exploration is 50 metres. The minimum setback distance for explosive exploration (with the smallest charge) is 64 metres. The setback distances increase with the size the charge.

You should be aware that the operator must obtain your consent in certain circumstances. Consent of the landowner is required for any explosive exploration or test hole within 180 metres of a residence, barn, building with a concrete base, or water well. Consent of the owner is required for any non-explosive exploration within a 100 metres of a water well.

There is a maximum fine of \$2000 under the *Exploration Regulation* for failing to abide by the setback requirements or failing to obtain consent in accordance with Schedule 2.

## **Does the operator have to test my water well?**

There is no requirement for an operator to test your water well. However, if you have concerns that these activities may impact your water well, ask the operator to test your well before exploration begins. This will provide you with baseline data on the quality and flow rate of your well. It is important to have baseline data in case there is a problem later on with your water well. Ensure an accredited laboratory analyzes the water samples and that the results of those tests are provided to you.

## What are the requirements for plugging shot holes?

The operator may place explosives in the ground in shot holes in order to conduct seismic surveys. The *Exploration Regulation* requires an operator to detonate the explosive charge within 30 days and then permanently abandon the shot hole. The shot holes must be plugged in order to prevent the flow of surface water to an aquifer and to prevent the movement of water from one formation to another.

The *Exploration Regulation* does not specify how shot holes should be plugged. You can negotiate with the operator to plug the shot holes in specified manner. For example, the standard practice is to plug the top of the shot hole but you can ask to have the hole completely filled from bottom to top. This may better prevent the flow of surface water into the shot hole and into underground aquifers. Remember to include any special or additional requirements in writing on the permit form.

## The operator wants me to sign a release, what is this?

If the operator caused damage to your property, the operator may ask you to sign a release before they will pay you compensation. A release is not required under the *Exploration Regulation* but it may be the operator's policy or a condition of the *Permit to Conduct Geophysical Operations* to obtain a release.

There is a standard release form called the *Geophysical Operations Release*. This release form was developed by the Canadian Association of Geophysical Contractors with input from government and industry. You can view this release form on the Canadian Association of Geophysical Contractor's website at <<http://www.cagc.ca/store/release.pdf>>.

Before signing the release be sure to check all seismic lines and shot holes to ensure they have been properly plugged. Read the release carefully before signing it. Be sure the document only covers those damages that are evident at the date of signing. Once the release is signed, there can be no future claim for those damages specified in the release. If you have questions or concerns about

the release, do not sign it and seek assistance from a lawyer or other professional advisor.

## **What if I have a complaint about exploration?**

Any type of property damage or water well damage associated with exploration activities should be reported to Sustainable Resource Development (SRD) Land Use and Reclamation Section at (780) 427-3932. After receiving a complaint, SRD will conduct an investigation to determine how the issue can be resolved.

## **What is surveying?**

If oil and gas is found beneath your land, the next people who will want to access your land are surveyors. Surveying is used to determine the best place for oil and gas wells, and access roads.

## **As a landowner, do surveyors need my permission to access my land?**

Surveyors do not need your consent to enter private land. The *Surveys Act* and the *Surface Rights Act* allow surveyors to enter private land and conduct surveys. However, surveyors must attempt to give you reasonable notice before surveying your land. Surveyors can be held liable for any damage they cause to your property.

## **Where can I get more information?**

For general information about legal rights and processes related to exploration, please contact the Environmental Law Centre. Further resources are included below.

Environmental Law Centre Library Resources and Online Catalogue:

Alberta Agriculture, Food and Rural Development, Farmers' Advocate.  
*Seismic Operations and Farmers' Rights* (Edmonton: Alberta Agriculture,  
Food and Rural Development, 1995).

Griffiths, Mary, Chris Severson-Baker & Tom Marr-Laing. *When the Oilpatch Comes to Your Backyard: A Citizens' Guide*, 2<sup>nd</sup> ed. (Drayton Valley: The Pembina Institute, 2004).

## Online Articles:

Alberta Agriculture, Food and Rural Development, Farmers' Advocate. *Seismic Operations and Farmers' Rights*, online: Alberta Agriculture, Food and Rural Development  
<[http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/)>.

## Additional Online Resources:

Sustainable Resource Development (SRD), online:  
<[http://www.srd.gov.ab.ca/land/m\\_geo\\_inspector.html](http://www.srd.gov.ab.ca/land/m_geo_inspector.html)> – this website provides information about SRD's program for investigating exploration related complaints.

## **A word of caution about your use of this material**

The information provided in this fact sheet is current to July 31, 2006. While every effort has been made to ensure the accuracy and timeliness of the information, the information provided is of a general nature and is not a substitute for legal advice. The Environmental Law Centre encourages individuals to seek specific advice on matters of concern and not to rely solely on the information in this document.

## **The Environmental Law Centre**

The Environmental Law Centre (Alberta) Society is a registered charitable organization that was incorporated in 1982 to provide Albertans with an objective source of information on environmental and natural resources law. The Centre, which is staffed by four full-time lawyers, a librarian and a small support staff, provides services in environmental law education, assistance, research and

## **ENVIRONMENTAL LAW CENTRE**



law reform. The Centre maintains an extensive library and online catalogue of environmental law materials that is accessible by the public free of charge.

Funding for the Environmental Law Centre is provided by the Alberta Law Foundation and through the generous support of the public. The Centre also accepts private and government research contracts for work relevant to and consistent with the Centre's objectives.

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