



ALBERTA SURFACE RIGHTS FEDERATION

March 26, 2025

Attention: Alberta Landowners

RE: David Yager's Mature Asset Strategy

Landowners continue to be confronted with numerous issues stemming from oil and gas activities that negatively impact our lands, livelihoods, and well-being. These issues include unilateral rent reductions, unpaid rent, unscrupulous tactics of energy companies, unacceptable cost awards at the LPRT, inadequate weed control, license transfers to companies without adequate capital to meet clean-up obligations, AER's failure to enforce its regulations, unreasonable delays on contamination clean-up, a reclamation certification process lacking credibility, among others. Last summer the Premier of Alberta appointed Mr. David Yager to review these, and broader issues related to oil and gas development in Alberta with a focus on economically impaired assets.

Recently, a draft of the resulting Mature Asset Strategy report by Mr. Yager has garnered significant media attention. By invitation, a select group of members from landowner surface rights associations participated in some of the six isolated Working Groups. Although we were aware that this initiative might have a predetermined outcome, it was imperative for us to engage in this process to advocate for the preservation of landowners' rights and protections. Landowners understand that they cannot restrict resource development on their property and must therefore rely on the institutions and regulations that govern development for protection. We have long held serious concerns regarding the credibility of some of these institutions and the apparent external influence exerted by the

energy industry. Our participation in this review was to ensure that our relative position did not deteriorate further.

During our participation, we emphasized the importance of repairing the relationship between landowners and the energy industry, as this is crucial for the ongoing development of both renewable and non-renewable energy resources in this province. Unfortunately, aspects of this report do not meet this expectation and may, in fact, exacerbate the deterioration of relations. Additionally, there are other adverse effects on stakeholders who were not included in these workshops, particularly Albertans, who are both taxpayers and the ultimate owners of public lands. This situation is clearly unacceptable and has been highlighted in recent media coverage.

The concerns raised in the media are valid and we have many additional concerns as well. Broadly speaking, for landowners the few positive recommendations in this report are dwarfed by the negative impact of recommendations to loosen regulations on industry and reduce their liabilities which can only be at the expense of landowners and taxpayers. Based on Mr. Yager's comments at the Wheatland & Area Surface Rights Society AGM on March 4, 2025 that the final report requires only minor changes we are reserving our detailed comments on Mr. Yager's Mature Asset Strategy until the final report is released but we are deeply troubled by its direction.

Currently, we do wish to highlight our concerns regarding the process. There are significant issues related to how the process was managed, which seem to align with a narrative that Mr. Yager and his associates may be seeking to promote. The Mature Asset Strategy review involved limited stakeholder engagement, isolated working groups, undisclosed stakeholder recommendations, lack of group discussion on these recommendations, and the use of anecdotal evidence and folksy stories to raise doubts regarding various regulations and requirements. Additionally, the resulting report includes major recommendations without detailed supporting specifications thus rendering said recommendations opaque at best.

I highlight these process deficiencies to indicate that using this report as a basis for immediate policy changes on many of its recommendations would be inappropriate. More

broadly, any portrayal of this report as having undergone thorough vetting and professional stakeholder engagement would misrepresent the actual process.

In light of our concerns about this report and other recent developments we are highlighting one of our key recommendations that we supplied to Mr. Yager but was ignored. We recommended the establishment of a one-time levy to be applied to all new licenses issued by the AER (or relevant agency) to fund landowner rights protection via education, representation, and advocacy. This levy will apply to each new license issued including pipelines, oil and gas development, power distribution, solar, wind, geothermal, etc. The proposed levy program will be similar to the various check-off or levy programs used to fund many agricultural producer groups in Alberta. This initiative aims to balance the influence of the energy industry on politicians, bureaucrats, and government agencies. Landowners would be playing a multifaceted counterbalancing role as land stewards, taxpayers (municipal and provincial) and a client of the relevant agencies' (AER, AUC, LPRT, OWA) services. The anticipated benefit for the energy industry is a sustainable and productive relationship with its key stakeholders.

Overall, the draft report does not address the issues that need resolution for landowners in a net positive manner and therefore is a great disappointment. Based on our experience in this process, we will be taking a more aggressive approach to ensuring that current rules and regulations are enforced and will at the same time directly collaborate with constructive stakeholders to advance other issues towards resolution. We look forward to engaging with stakeholders who are committed to maintaining professional and respectful relationships between landowners, taxpayers, and the energy industry. This approach will enable the Province of Alberta to continue to capitalize on its energy resources if that is the economic objective of Albertans.

Regards,

William Heidecker

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President, Alberta Surface Rights Federation

Cc: The Honourable Danielle Smith, Premier of Alberta
Mr. David Yager, Special Advisor to the Premier
The Honourable Brian Jean, Minister of Energy and Minerals
The Honourable RJ Sigurdson, Minister of Agriculture and Irrigation
The Honourable Ric McIver, Minister of Municipal Affairs
The Honourable Rebecca Schultz, Minister of Environment and Protected Areas
Kara Westerlund, President, Rural Municipalities Association
Lisa Baiton, CEO, Canadian Association of Petroleum Producers