



Agribusiness & Real Estate Webinar Series

Course 5 - Easements in Agricultural Properties
 Nicola Millions-Hollamby - Olds College
 Jeff Larson - Lawyer at McLeod Law

Presented by:

 **AREA**  **OLDS COLLEGE** 1913

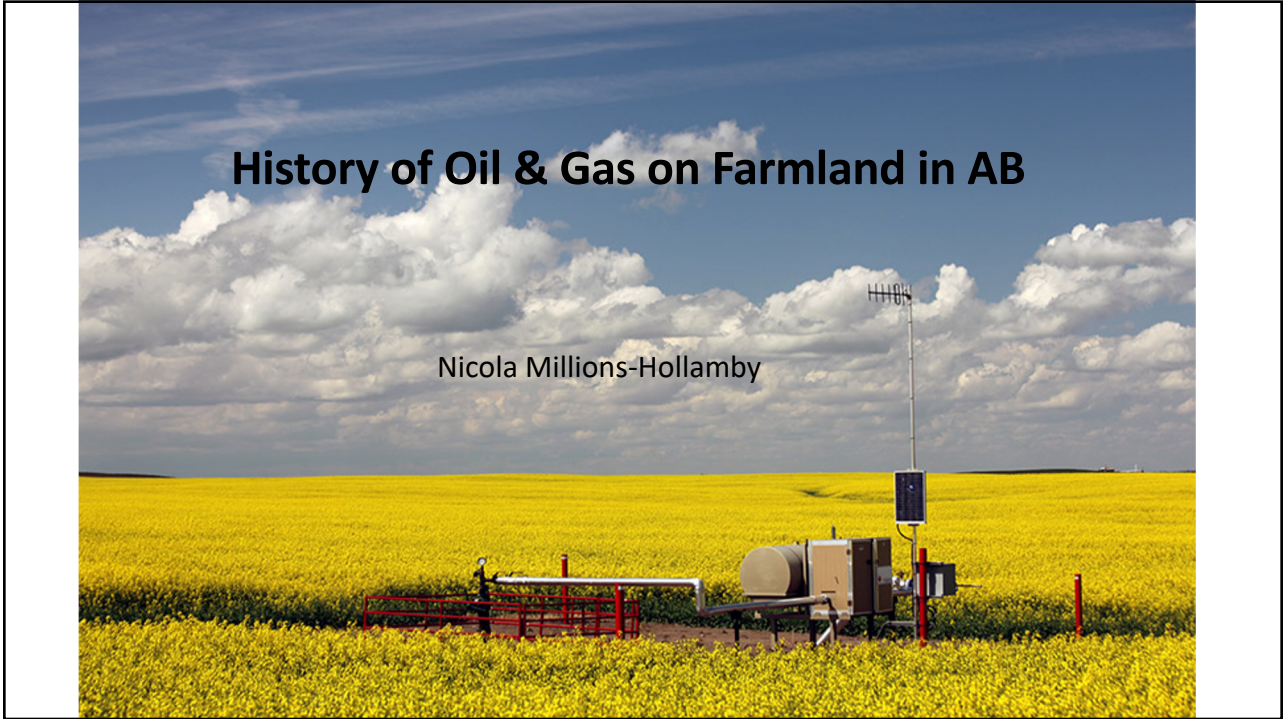
The graphic features a blue sky with white clouds, a red barn with a window, a pig, a duck, a sheep, and a cow in a green field.

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Time	Topic	Written Material
0 - 5 minutes	Introduction	
5 - 20 minutes	Dealing with Oil Wells and Oil Companies	-History of oil wells on farmland in Alberta -Current status of oil wells on farm land in Alberta
20 - 40 minutes	What is included and excluded in the sale of land	-Land rights -Fixtures -Mineral Rights -Crops -Water -Other
40 - 45 minutes	Easements and Leases	-Common easements -Common leases
45 - 60 minutes	Question and Answer period	None

AGENDA

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Indigenous People pushed aside

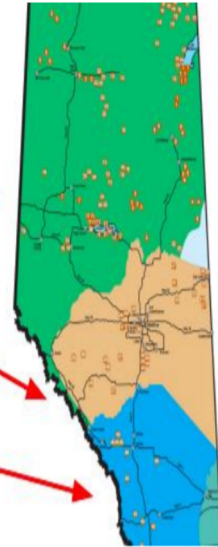


Numbered Treaties in Alberta

Treaty 8 was signed in 1899.

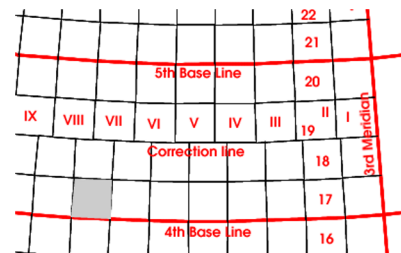
Treaty 6 was signed in 1876.

Treaty 7 was signed in 1877.



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Dividing up the land



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Gas Development



GAS DISCOVERY

First gas well in AB was drilled near Alderson. In 1883, the CPR drilled the well using a cable-tool-water drilling rig, they were looking for water for their locomotives but hit natural gas instead at 325 metres. The next year they drilled again and hit gas again and by the early 1890s they had drilled a few more wells.

It wasn't long before Medicine Hat was able to produce gas for homes and factories and this was the beginning of the natural gas industry in what would become Alberta.

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Gas and Pipelines



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Oil Development

1880-1946 Waterton & Turner Valley
Oil Production-Large oil field found
under the gas

1947-1970s: Leduc Field (February 13,
1947 Imperial Oil's Leduc No.
1)...Alberta's economy was hugely
impacted after this time...oil and gas
became the primary industry in AB
surpassing farming.



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Natural Resources Transfer Act

1930: The Canadian federal government transfers control of natural gas and other natural resources to the provincial Government of Alberta through the *Natural Resources Transfer Act*.



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Turner Valley flare in the background



CONSTANT REMINDER Looking south from Calgary hilltops, Turner Valley flares lit up the night sky as the fledgling fossil fuel industry burned off natural gas that cloaked its prime targets: gasoline-like petroleum liquids at first, then oil. As a landmark of the 1910s, '20s and '30s, the glow stood out as a sign of colossal waste, ignited civic campaigns for conservation, and inspired creation of the ERCB. (Source: Glenbow Archives nd-8-457)

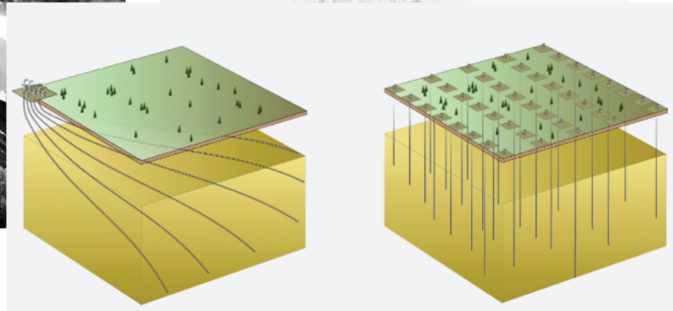
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1940, 50, 60, 70s in AB = Oil Boom



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1980s till today...



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Modelling the changes on the land

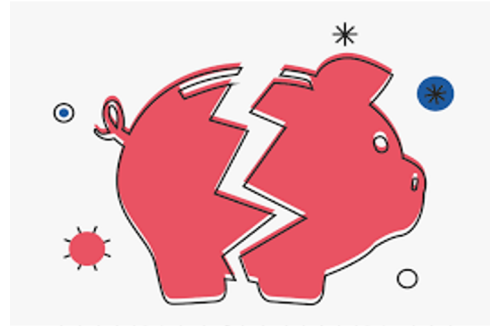
The energy of land use: Dr. Brad Stelfox at TEDxCalgary

- Expansion of agricultural land use and energy land use in AB (start at 4:11-end at 5:43)
- Water & soils (start at 7:10 end at 8:40)

<https://www.youtube.com/watch?v=upjwsf2FnG0>

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What we see today...



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ORPHAN WELL:

responsible company/ies have gone bankrupt and therefore there is no one left on the licence to pay for the clean up.

These wells may be inactive OR abandoned.

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Orphans

As of May 1, 2021 according to the Orphan Well Association:

- 2,689 Orphan **Sites** for Decommissioning (sites will start reclamation process after decommissioning has been fully completed) most are wells with a few hundred facilities
- 3,183 Orphan **Pipelines** for Decommissioning
- 4,943 Orphan Sites **for Reclamation** (decommissioning has been fully completed)

[Orphan inventory-MAP](#)



**Orphan Well
Association**


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Reclamation




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Purchasing agricultural land with oil and gas on it



[Systems & Tools](#)
[Forms](#)
[Careers](#)
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PROTECTING WHAT MATTERS
REGULATING DEVELOPMENT
PROVIDING INFORMATION




Compliance Dashboard

Home
Incidents
Investigations
Noncompliance & Enforcement

These tabs will tell you about releases throughout the province, spills that are under further investigation, the companies that are noncompliant and the enforcement actions

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LAND TITLE CERTIFICATE

<p>S LINC 0017 174 731</p>	<p>SHORT LEGAL 5;3;42;25;SE</p>	<p>TITLE NUMBER 972 061 006</p>
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LEGAL DESCRIPTION

THE SOUTH EAST QUARTER OF SECTION TWENTY FIVE (25)
TOWNSHIP FORTY TWO (42)
RANGE THREE (3)
WEST OF THE FIFTH MERIDIAN
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS
EXCEPTING THEREOUT:
A) THE EASTERLY 330 FEET IN PERPENDICULAR WIDTH THROUGHOUT OF SAID QUARTER, CONTAINING 8.09 HECTARES (20 ACRES) MORE OR LESS
B) 0.368 HECTARES (0.91 ACRES MORE OR LESS AS SHOWN ON ROAD PLAN 7041MC
EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT TO WORK THE SAME

ESTATE: FEE SIMPLE

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Minerals



The *Mines and Minerals Act ,RSA 2000* defines minerals as:

“minerals” means all naturally occurring minerals, and without restricting the generality of the foregoing, includes (i) gold, silver, uranium, platinum, pitchblende, radium, precious stones, copper, iron, tin, zinc, asbestos, salts, sulphur, petroleum, oil, asphalt, bituminous sands, oil sands, natural gas, coal, anhydrite, barite, bauxite, bentonite, diatomite, dolomite, epsomite, granite, gypsum, limestone, marble, mica, mirabilite, potash, quartz rock, rock phosphate, sandstone, serpentine, shale, slate, talc, thenardite, trona, volcanic ash, sand, gravel, clay, marl and peat. (grey minerals can’t be extracted via surface operations and must require mining at depths to be considered “minerals”)

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Surface Materials



According to the *Mines and Minerals Act, RSA 2000*:

- **sand and gravel** belong to the owner of the surface of land under section 58 of the *Law of Property Act*,
- **clay and marl** belong to the owner of the surface of land under section 57 of the *Law of Property Act*,
- **peat** on the surface of land and peat obtained by stripping off the overburden, excavating from the surface, or otherwise recovered by surface operations is belongs to the owner of the surface of land

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Surface Rights Act

- Any pipeline or wellsite or padsite in the province.
- Compensation
- Land values
- Occupants or renters
- Annual Rental for surface leases renewed every 5 years
- ROEs (Right of Entry Orders)

Land Agent Licensing Act

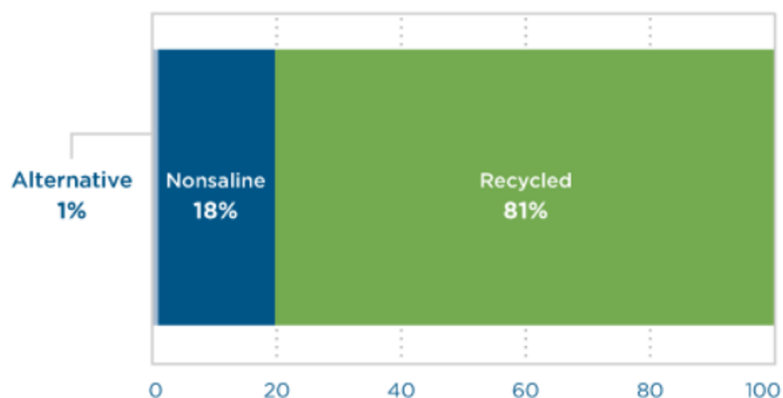
- Negotiations must be conducted by a licensed land agent in Alberta
- Alberta is the only province that requires licensing of land agents
- Presentation of license
- 48 hours to consider an offer
- Copy of agreement left with landowner

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Water

80% of Alberta's water **supply** in Alberta is found in the northern part of the province and 80% of the **demand** is in the southern part of the province...where most of the agricultural lands are found.

2019 Water Use Sources (per cent by type)



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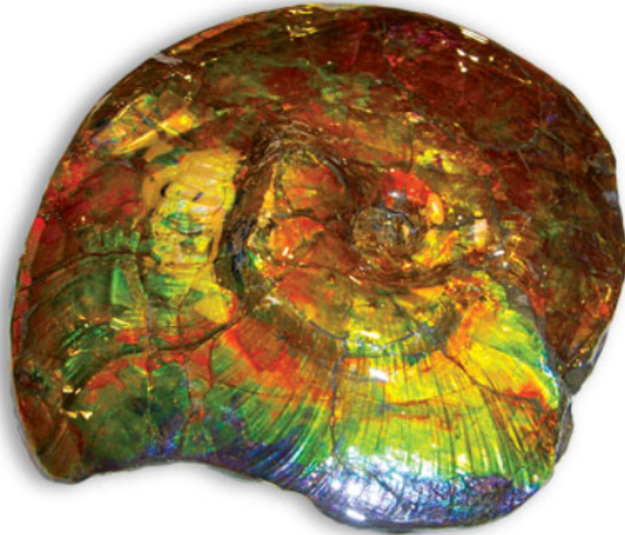
Historical Resources

Ammonite fossils

Ammolite is the gem cut from the shell of the ammonite fossil

No color pattern is the same

Sacred Buffalo Stone or Iniskim (Blackfoot)



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Wildlife

Endangered in Alberta:

- Swift fox (*Vulpes velox*)
- Bison (*Bison bison athabasca*)¹.
- Sage grouse (*Centrocercus urophasianus*)
Has a protection order (SARA)
- Piping plover (*Charadrius melodus*)
- Ord's kangaroo rat (*Dipodomys ordii*)
- Whooping crane (*Grus americana*)
- Mountain plover (*Charadrius montanus*)
- Short-horned lizard (*Phrynosoma douglassi*)



Wildlife recovery plans

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**Lots to consider when having oil and gas developments
on agricultural lands!**



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**McLEOD
LAW** LLP

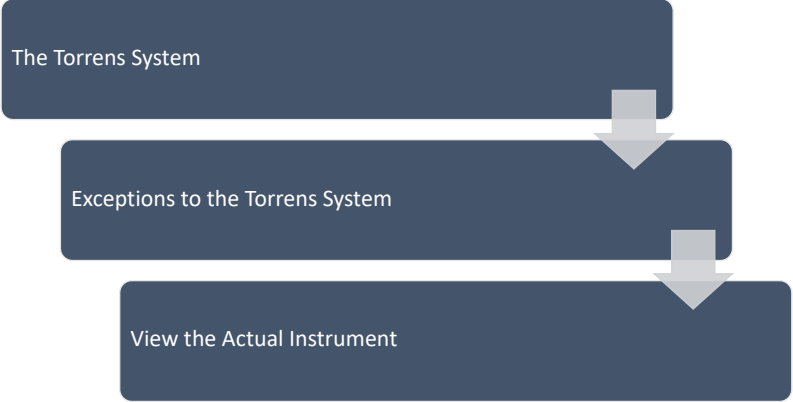
Agribusiness & Real Estate

Jeff Larson

A close-up photograph of a smartwatch with a black leather strap. The watch face is black with white digital text. The display shows the time 15:28, an altitude of 1025 m, and a temperature of +4°C. It also indicates 'TIME', 'ALTI & BARO', and 'COMPASS' features. The watch has several buttons around the bezel, labeled 'START STOP', 'VIEW', 'MODE', and 'LIGHT'.

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Look To The Title



The Torrens System

Exceptions to the Torrens System

View the Actual Instrument

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Leases

“

A contract by which one owning property grants to another the right to possess, use and enjoy it for specific period of time in exchange for periodic payment of a stipulated price, referred to as rent.”

- Black's Law Dictionary

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Easements

“

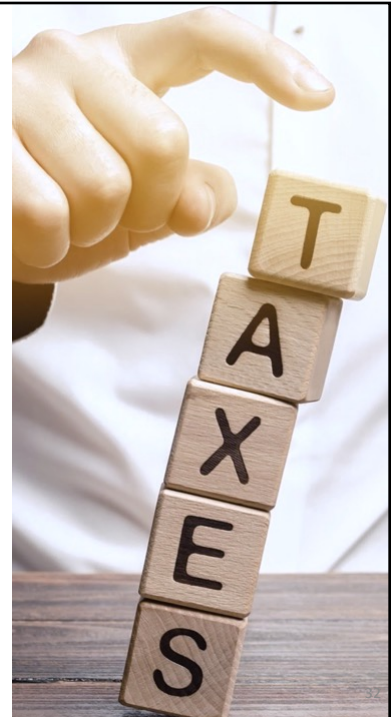
A right of use over the property of another.
Traditionally limited to the most important uses
being the rights of way and rights concerning
flowing waters.”

- Black's Law Dictionary

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GST

- Consult an accountant!
- Assume GST is applicable and then look for the exceptions to this assumption



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Question & Answer

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Agribusiness & Real Estate Webinar Series: Upcoming Courses

Open Q&A Session – June 23, 2021 – from 10AM -11AM

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