



EVALUATING ALBERTA'S SYSTEMIC HANDLING OF PRIVATE MINERAL RIGHTS

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Evaluating Alberta's Systemic Handling of Private Mineral Rights

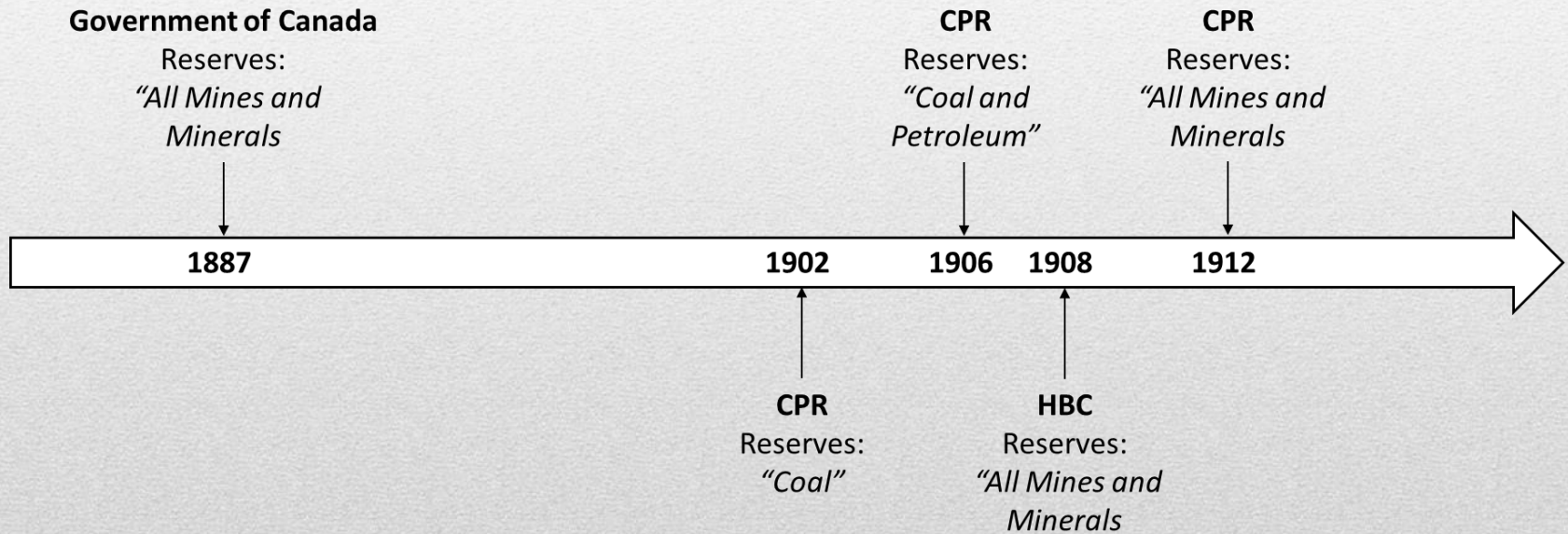
Mineral Ownership: Alberta

- 10% → Privately Owned
- 6% → Successors of HBC & CPR
- 4% → Individual and Family Corporation

Freehold Minerals

- Freehold . . . ownership of real property
 - The Land
 - Immovable Property = buildings, trees, resources
- Minerals
 - *Mines and Minerals Act* (2000) as all natural occurring minerals but not including sand, gravel, clay, marl, and peat.
 - Primarily Oil & Gas in this discussion

History



Taxation

- **Provincial**

- Well production for the F.H Minerals is reported monthly
- There is a \$1600 exemption on the taxation
 - No Production = No Tax

- **Federal**

- Under *Income Tax Act (1985)*
 - Freehold Mineral Rights = Canadian Resource Property
- Money made from a CRP is taxed as income of the owner

Management of Title

- Security
 - Alberta: Torrens' Land Titles System
- Access to Information
 - Land Titles System: Spin2
- Conveyancing
 - Handled by Land Titles Office

Evaluation

Primary Objective of System
*Effective and Efficient Management
of Freehold Mineral Rights*



Evaluation Criteria



*Efficient and
Equitable
Taxation*



*Security of
Title*



*Efficient
Access to
Information*



*Efficient
Conveyancing
of Title*

Recommendations

1. The tax revenue should directly benefit the freehold mineral owners.
2. The Government and freehold mineral owners should work together to raise awareness of freehold mineral rights.

Recommendations

3. The freehold minerals should be changed from Canadian Resource Property to Capital Property.
4. The Province and the Association of Freehold Mineral owners should create a interactive map.

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