Tenure

In Alberta, the Crown owns 81% of the province's mineral rights. The remaining 19% are 'freehold' mineral rights owned by the federal government on behalf of First Nations or in National Parks, and by individuals and companies.

Petroleum and natural gas (P & NG) rights owned by the Province of Alberta can be acquired through a competitive bid auction held about every two weeks.
On a yearly basis, the province holds an average of 24 land auctions and issues an average of 3,773 petroleum and natural gas agreements as per the last three calendar years. As of December 31, 2014, Alberta Energy has administered 88,827 P&NG agreements.

Companies obtaining the right to explore for and develop Crown resources are subject to several expectations attached to the licences and leases issued:

- Annual rent of $3.50 per hectare must be paid for each hectare covered by the agreement
- Tenure holders must meet all regulatory requirements
- Lands in a P&NG licence are earned by the drilling of a well
- A lease is proven productive at the end of its five-year term by drilling, producing, mapping, being part of a unit agreement or by paying offset compensation
- If a lease is proven productive, it will continue indefinitely beyond the end of the term
- The tenure ends when an agreement holder can no longer prove his agreement is capable of producing oil or gas in paying quantities or is lost through rental or royalty payment default or by voluntary surrender

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