March 26, 2021

# Frequently Asked Questions (FAQ) April 10, 2021 Changes to IRIS

#### Q1: What is changing when applying for tenure acquisition or well licences?

**A:** The Ministry of Energy and Resources (the Ministry) is automating the "land check" process in IRIS for posting requests, non-advertised disposition applications for helium, negotiated leases, leases of space and for well licence processes.

#### Q2: What type of information review is being automated?

**A:** Processes in the automated "land check" includes determining whether the minerals are provincial Crown, freehold and/or federal Crown and, in the case of tenure requests, identifying if any pre-existing conditions exist which could impact the issuance of a disposition, for example Treaty Land Entitlement selections, Crown mineral reserves, existing dispositions, and/or environmental issues, etc. By automating these processes, IRIS will provide some information to the applicant, at the time of application, that can assist in making business decisions.

In addition, automating changes to the well licencing process allows for wells that cross unit boundaries to be licenced.

#### Q3: Will I be affected?

**A:** Current application processes will continue to exist with new automated functionalities added. Some of the new functionalities for industry include:

- land locations that do not contain any provincial Crown minerals cannot be submitted. IRIS will
  display an error message if freehold lands are within the lands selected.
- 2. tenure applicants will need to "expand" land locations (i.e. from a section into LSDs) in an attempt to identify and eliminate freehold or federal Crown minerals;
- 3. real time feedback on ownership and restriction information provide the applicant with opportunities to evaluate the situation prior to submitting the request;
- 4. well licence applications that cross unit boundaries will be allowed with additional disclosure and attachments required; and
- 5. new well licence applications where the completion lands include provincial Crown minerals not subject to a lease will not allow for submission, excluding disposal well completion types.
- 6. IRIS will calculate mineral ownership for well completions that are currently missing mineral ownership. The mineral ownership will then be reflected in the Royalty Tax Attributes associated with the well and will be recognized in the Royalty and Tax Billing.



#### Q4: Why is the ministry making these changes?

**A:** The automation changes will improve the efficiency of the application process. Many applications will require less ministry attention, which may increase the processing speed of those applications that do require ministry review.

#### Q5: What else is new:

- 1. The Ad-hoc Land Check Review on the Infrastructure Tab provides ownership and restriction information without needing to submit an application. See Q11.
- 2. Information Services Corporation (ISC) parcel Picture hectares are used in place of deemed hectare amounts.

#### Q6: When will this change take effect?

**A:** These new features will be implemented on April 10<sup>th</sup>, 2021. The Close Date for Posting Requests for Public Offering 402 is April 13, 2021. Any posting requests initiated after April 10, 2021 will use the new automated processes. Public Offering 403 and later will be entirely completed using the new automated processes.

## Q7: I submitted an application before the change was implemented; do I have to do anything about that?

A: No. Existing applications will be processed as received and do not have to be resubmitted.

#### Q8: Ownership types are identified in the tenure application process. What do they mean?

**A:** Below is a description of the Mineral Ownership types:

Mineral Ownership Type	
Single Ownership	The requested land has one type of mineral ownership (Crown, Freehold, or Federal Crown). There can be one or more mineral parcels involved in defining the ownership. IRIS can normally complete ownership reviews involving single ownership.
Split Ownership	The requested land has two or more types of mineral ownership (Crown, Freehold or Federal Crown) resulting in split ownership, e.g. 80% Crown/20% Freehold ownership split. There can be one or more mineral parcels involved in defining the ownership but all must have the same ownership type. IRIS can normally complete ownership reviews involving single ownership.
Complex Ownership	The requested land has multiple types of mineral ownership (Crown, Freehold or Federal Crown) and can involve irregular shaped parcels and differing ownership shares. IRIS may or may not be able to complete an automated ownership review on complex ownership.
Incomplete ownership	Missing or incomplete mineral ownership information will require manual review upon submission.



#### Q9: What has changed with the tenure application process?

**A:** The tenure application process still uses the following buttons but processing behind them may have changed. Below is an explanation of what they mean.

<b>Button Name</b>	Explanation
Validate	<ul> <li>Checks for completeness of application requirements and looks for existence of Crown mineral rights.</li> <li>Lands may have to be removed before being able to proceed.</li> </ul>
	<b>Example:</b> "NW 34-17-22 W2 has no provincial Crown mineral ownership and cannot be submitted. Please remove this land parcel."
Submit	In addition to moving the application towards completion, it also returns information on existing conditions specific to each parcel of land.      Example: "Crown Reserve Precluding Minerals. The land selection overlaps with Crown Reserve: CR-963"
Previous	<ul> <li>Allows applicant to go back in the process in order to modify land parcel selections based on information returned through the "Submit" land check. The mineral ownership information is added for the specific product type.</li> <li>Example: "Helium – 100 Provincial Crown. Okay to proceed."</li> </ul>
Confirm	Completes the application process.

#### TIP:

Depending on the number of land parcels included in the application, "Validate" and "Submit" may take time to complete. Please be patient while the system is running the authentications in the background.

#### Q10: What new messages can I expect in the Tenure application process?

**A:** Below is a table of messages you may see during the tenure application process when the <u>Validate</u> button is utilized:

Scenario	Pre-submission System Message	Action to be taken by applicant
Land parcels selected as township.	Land Selection is at Township level - please expand land selection.	Land selection cannot be submitted at the township level. The expand option must be used to select
Example: 34-17 W2		individual sections as land parcels.



Scenario	Pre-submission System Message	Action to be taken by applicant
Mineral ownership for land parcels cannot be determined.  Example: Due to non-existence of ownership data	IRIS cannot determine mineral ownership; land selection will be reviewed upon submission. Client may be required to obtain mineral ownership data from ISC.	This message allows you to continue the submission process but identifies that it will not automatically be approved and will require Ministry to investigate.
Land parcel contains 100% Freehold mineral ownership	Land parcel has no provincial Crown mineral ownership and cannot be submitted. Please remove this land parcel.	This message identifies the land parcel that cannot be included in a request and must be removed before the application can be completed.
Land parcel contains 100% Crown mineral ownership.	The Land Parcel Message will be blank.	The absence of a message confirms that the mineral rights are held by the provincial Crown. Other conditions may exist, such as a Treaty Land Entitlement or Crown Reserve, which may require further internal review. Some of the known conditions will be identified as a 'Land Review Item'. (see next table)
Overlapping conditions are being identified as 'Land Review Checks', in addition to the Land Parcel Message.	Land Review Checks detected – see below.	Some, but not all conditions will be identified during the submission of an application. Those that can be identified will be available to the applicant by expanding the information displayed on the screen.
Land parcel contains a mix of Freehold and Crown mineral ownership on a single parcel.  Example: Crown owns 50% and Freehold own 50% of the mineral rights.	Less than 100% provincial Crown ownership; non- provincial percentages will not be included.	This message will identify that part of the land parcels in the application does not contain provincially owned minerals and will be excluded from the disposition applied for.
Land parcel contains a mix of Freehold and Crown mineral ownership on multiple parcels.	Land parcel has complex mineral ownership. Please expand land parcel to remove the non-Crown mineral ownership portions.	The non-provincial owned land was found in the land selection provided. Using the Expand and removal options, the parcels containing the non-provincial Crown land will have



Scenario	Pre-submission System Message	Action to be taken by applicant
Example: Section includes one quarter of Freehold rights and three quarter sections of Crown rights.		to be removed before the application can be submitted. In the case of the Example, the quarter section containing the Freehold minerals will have to be removed.
Land parcel contains a mix of Freehold and Crown mineral ownership on multiple parcels for an area less than one legal subdivision in size.	Land selection will be reviewed upon submission.	This message allows the applicant to continue with the submission process but identifies that an internal review will determine which rights can be included in the disposition.
Example: LSD 16 contains a water portion owned by the Crown and a land portion held by Freehold.		

**B:** Below is a table of some of the mineral ownership information being returned and messages containing land review checks you may see during the tenure application process when the **Submit** button is utilized (screen views for some of these are provided at the bottom of the table):

Scenario	Mineral Ownership/ Message	
Mineral Parcel Lock	Mineral Parcel Locks will be reviewed upon submission.	
Indian Reserve (Surface Only)	The land selection overlaps with the Surface Only First	
	Nations Reserve: 71	
Split Ownership	Helium: 50.00000 Provincial Crown, 50.00000 Freehold	
	Less than 100% Provincial Crown ownership; Non-	
	provincial percentages will not be included.	
Unknown Ownership	IRIS cannot determine mineral ownership; land selection	
	will be reviewed upon submission. Client may be	
	required to obtain mineral ownership data from ISC.	

and Se	election			
Detail	Land	DLS Land Type	Mineral Ownership	Message
¥	35-017-04W2	SEC	IRIS cannot determine mineral ownership; land selection will be reviewed upon submission. Client may be required to obtain mineral ownership data from ISC.	Land Review check detected - see below
	Land Review		Message	
Indian R	Reserve	The land	selection overlaps with the Surface Only First Nations Reserve: 71	
Crown Reserve Precluding Minerals : The land selection overlaps with Crown Reserve: CR-997				
Þ	30-049-12W2	SEC	Helium: 100.00000 Provincial Crown Okay to proceed.	Land Review check detected - serbelow
Þ	NE-26-003- 26W2	QSEC	Helium: 100.00000 Provincial Crown Okay to proceed.	
Þ	NE-07-017- 13W3	QSEC	Helium: 50.00000 Provincial Crown, 50.00000 Freehold Less than 100% Provincial Crown ownership; Non-provincial percentages will not be included.	Land Review check detected - se below
Þ	SW-27-017- 15W3	QSEC	IRIS cannot determine mineral ownership; land selection will be reviewed upon submission. Client may be required to obtain mineral ownership data from ISC. Mineral Parcel Locks will be reviewed upon submission.	Land Review check detected - se below



### Q11:What new messages can I expect in the well licence application process?

**A:** Below is a table of some of the information messages you may see during the well licence application process:

Scenario	System Message	Action to be taken by Applicant
Undisposed provincial Crown minerals are included in the drainage unit/area on the well completion information screen.	The DU/DA lands associated with one of the specified completions contains undisposed crown minerals. Therefore, this application cannot be submitted Please contact the ER Service Desk for more information.	The application cannot proceed until the undisposed provincial Crown minerals are removed from the drainage unit/area locations. If you believe you have an active disposition, make sure the land location is correct and contact the ER Service Desk.
The Add button was not clicked after the land location was entered on the well completion information screen.	Mineral Ownership calculation is missing required values. Please ensure at least one piece of land is specified.	After specifying the land location, click the +Add button.
Land has been added to the drainage unit/area and, when the Add button is clicked, a message is received that the land description is invalid.	There are errors on the land input format	Add a "W" before the meridian number.
The drainage unit/area land and stratigraphic unit identified on the well completion information screen are contained with a unit agreement but the unit was not specified.	The Drainage Unit/Area and Target Stratigraphic Units are fully contained within the unit(s) SK UN U6052, however, no unit has been specified. Please review the drainage unit or specify the Unit Information as SK UN U6052."	Enter the unit code identified by IRIS. If you do not believe the requested land is in a unit, double check that the land location has been entered correctly and contact the ER Service Desk.
The unit information on the well completion information screen specifies that the well is in a unit but IRIS cannot detect the unit.	<ul> <li>At least one of the pool's selected strats must overlap unit's selected strats for the completion to be in the unit</li> <li>The target pool is not in the unit.</li> <li>The Drainage Unit/Area and Target</li> <li>Stratigraphic Units are not fully contained within the specified unit SK UN 70001.</li> <li>No active Unit exists for the specified drainage unit/area and target stratigraphic units. Please review the drainage unit or remove the Unit Information</li> </ul>	Verify that the unit product and stratigraphic units match the well completion information.

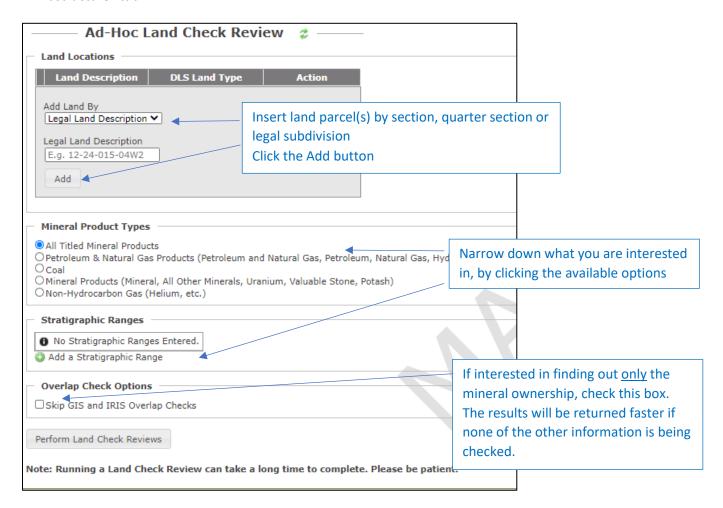


Scenario	System Message	Action to be taken by Applicant
IRIS has detected that the well completion crosses a unit boundary but the question "Does this well completion cross a unit boundary?" was answered No.	At least one Drainage Unit/Area and Target Stratigraphic Units are contained within a unit. Please review the drainage unit and specify if it crosses a unit boundary or specify if the drainage unit is fully contained within a unit.	If the drainage unit/area land locations cross a unit boundary, change the answer to Yes. If not, verify that the land locations and target pool have been correctly identified.
IRIS has NOT detected that the well completion crosses a unit boundary but the question "Does this well completion cross a unit boundary?" was answered Yes.	Unit boundary crossing indicator was specified but no unit boundary crossings were found.	If the drainage unit/area land locations do not cross a unit boundary, change the answer to No. If they do, verify that the land locations and target pool have been correctly identified.
Disclosure question D25 was answered Yes however, as the well crosses a unit boundary, the answer must be No.	A completion associated to this well has identified a unit boundary crossing, D25 must be answered 'No'	Amend the answer to disclosure question D25 to No.
When a well crosses a unit boundary, the disclosure question does not include the required agreements are in place.	A completion associated to this well has identified a unit boundary crossing, 'The Productive portion crosses a unit boundary, and required agreement are in place.' must be selected, with the optional choice of declaring 'Set back distances are not met, and the required consents have been obtained from the offsetting parties'	The well licence application cannot be submitted without the required agreement. Either indicate the agreement is in place or obtain the agreement before submitting the application.



#### Q12: What is the Ad-Hoc Land Check Review?

**A:** The Ad-Hoc Land Check Review is a newly added land search screen, which assists in the identification of available land parcels and mineral rights. It can be accessed through the "Infrastructure" tab:



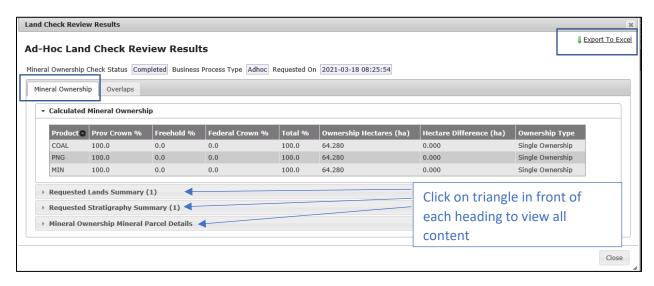
Example: Land Check results for NW 14-10-24 W3:

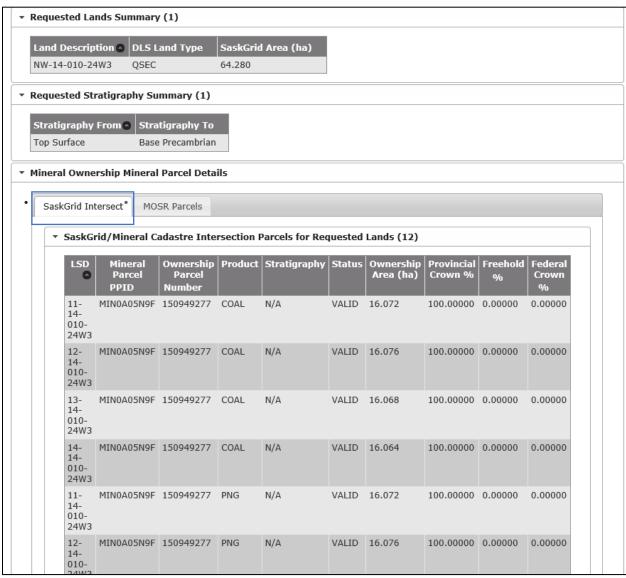
Please note additional options marked with a blue rectangle.

#### TIP:

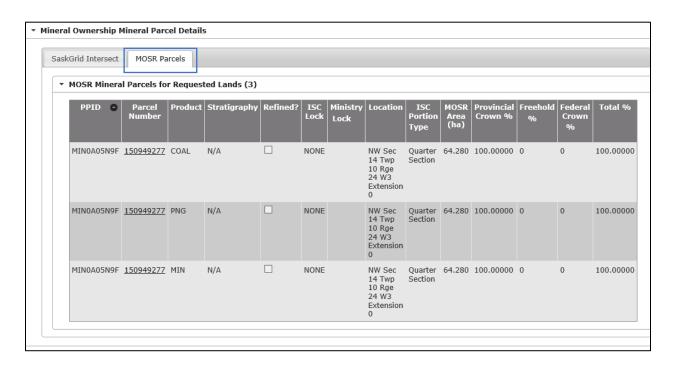
The Ad-Hoc Land Check results produces a number of screens and a number of columns. All columns can be sorted by clicking into the column heading. A small triangle within a black circle changes the sort, however, it is not always visible. Whether visible or not, sorting is still available.











The Overlaps tab indicates some but not all existing encumbrances, as well as existing dispositions:

