



MEETING DATE: FEBRUARY 25, 2025

REQUEST FOR DECISION - TO COUNCIL

SUBJECT

MINERAL LEASE ON NW-7-50-1W4M – MOTION REQUIRED

RECOMMENDATION

THAT the County of Vermilion River approve the Petroleum and Natural Gas Lease form, enter into Agreement with Capital Land Services Ltd., and that Administration first obtain approval from the Minister of Municipal Affairs to enter into a lease for freehold mines and minerals upon or under NW-7-50-1W4M held by the Municipal District of Wellington NO. 481, also known as the County of Vermilion River.

DETAILS

Background: The County of Vermilion River (the “County”) acquired a mineral right under the tax recovery process in the 1920s which was then held under the M.D. of Wellington No. 481 until such time when it was amalgamated under what is now known as the County of Vermilion River.

In 2011, the County of Vermilion River entered into a lease agreement with Scott Land and Leasing Ltd. for the mineral access in which Scott Land was working with Petro Capita, who is now defunct. Another company, Revitalize Energy Inc. (“Revitalize”) acquired the rights under receivership at the same time in 2020, a request to put a top lease onto the mineral title was submitted by Capital Land Services Ltd. (“Capital Land”) to the County.

Revitalize had challenged the lease to Capital Land and the County’s ability to lease to another company. At the end of this challenge by Revitalize, the company has gone into receivership and has agreed to release the minerals back to the County of Vermilion River free and clear. This allows the County to enter into an agreement with whom they choose.

As part of the agreement process, the County will be required to submit a request to the Minister to allow clear of the County to have freehold rights to the mineral. This will allow for a smoother registration of the agreement with Land Titles.



The County currently holds thirty-two (32) mineral rights throughout the County with eight (8) activated for extraction for gas and oil mineral.

Discussion: The outcome has been that Revitalize has released the County's mineral and allowed the County to enter into agreement with Capital Land. The attached agreement has been reviewed with Legal and a draft has been provided to Capital Land for review, comments have not been provided back from Capital Land at the time of this submission.

Though these are Freehold Minerals, the Province requires that they verify ownership as per the *Municipal Government Act*.

Relevant Policy/Legislation Practices:

Municipal Government Act

Land Titles Act

Desired Outcome (s): THAT the County of Vermilion River approve the Petroleum and Natural Gas form, enter into agreement with Capital Land Services Ltd. and that Administration first obtain approval from the Minister of Municipal Affairs to enter into a lease for freehold mines and minerals upon or under NW-7-50-1W4M held by the Municipal District of Wellington No. 481, also known as the County of Vermilion River.

Response Options: THAT the County of Vermilion River approve the Petroleum and Natural Gas form, enter into agreement with Capital Land Services Ltd. and that Administration first obtain approval from the Minister of Municipal Affairs to enter into a lease for freehold mines and minerals upon or under NW-7-50-1W4M held by the Municipal District of Wellington No. 481, also known as the County of Vermilion River.

IMPLICATIONS OF RECOMMENDATION

Organizational: Request to the Minister for acceptance of the Agreement and completion of Agreement with Capital Land

Financial: Legal Costs, Revenue from Royalty

Communication Required: Council and Administration

Implementation: N/A



Council Goal: #3 & #5

ATTACHMENTS

1. Petroleum and Natural Gas Lease
2. Freehold Mineral Ownership Fact Sheet

PREPARED BY: Director of Planning & Community Services

DATE: February 19, 2025