

360 CLOSURE COMMUNICATION

360 Closure Communication 24-01: AER releases Conditional Adjustment of Reclamation Liability (CARL) Program

Tuesday, April 16th, 2024

On April 9th, 2024, the AER released Bulletin 2024-11 – Conditional Adjustment of Reclamation Liability (CARL) Program (previously referred to as the Reclamation Liability Reduction Program) and New Edition of Directive 088 and Manual 023.

Background & Implications

Last week the AER released the Conditional Adjustment of Reclamation Liability (CARL) Program through Bulletin 2024-11. This gives licensees the ability to remove reclamation liability once the site is in vegetation management. The adjustments made by the CARL program will reduce the inactive liability associated with reclamation liability resulting in a reduction in annual closure spend. Previously, only abandonments were able to get an immediate liability reduction, this will provide industry more incentive to move reclamation site forward.

Starting from April 11, 2024, the CARL requests for wells and facilities licenced under Directive 056: Energy Development Applications and Schedules, excluding those with an *EPEA* approval or sites with a site-specific liability assessment, will be accepted through OneStop when all required abandonment, remediation, and reclamation work has been completed in accordance with the AER's requirements, and the only thing left to do is to re-establish vegetative cover.

If the CARL request qualifies, the associated reclamation liability estimate will be adjusted for up to five years or until a reclamation certificate is obtained, whichever happens first. Obtaining the certificate within this period is mandatory. If the deadline can't be met, a one-time extension of two years can be requested before the initial five-year period ends, accompanied by a detailed site assessment (DSA).

Resources

The following regulations and resources referenced above are available for review:

- AER Bulletin 2024-11 - [HERE](#)
- AER Directive 088 - [HERE](#)
- AER Manual 023 – [HERE](#)
- AER Directive 056 - [HERE](#)