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Newly announced cleanup requirements for new oil and gas wells fail to address Alberta's $80 billion cleanup backlog

The government's proposed $50,000 security requirement for new oil and gas wells does nothing to address the nearly 300,000 aging and inactive wells that are already scattered across Alberta, leaving taxpayers on the hook.

EDMONTON, AB – The Alberta government's newly announced Resource Asset Closure Assurance and Stewardship Fund does little to address the issue of oil and gas cleanup liabilities and the associated risk of Alberta taxpayers having to foot the bill for tens of billions in unpaid cleanup costs.

"The Alberta government is talking about minimizing the cleanup risks of wells that haven't even been drilled yet, while leaving the cleanup costs for nearly 300,000 existing wells unaddressed. That's not a cleanup plan. It's a master class in political avoidance to protect the interests of negligent multibillion dollar oil and gas companies," said Mark Dorin from the Coalition for Responsible Energy (C4RE).

The announcement today comes on the heels of a 9-page letter sent to Premier Danielle Smith from the Alberta Surface Rights Federation, the largest landowner advocacy organization in the province. The federation is urging landowners to actively resist further oil and gas development until landowners' concerns regarding cleanup and unpaid leases have been addressed.

Even setting aside the enormous problem of existing wells, the government's newly announced fund falls dramatically short of what's required. While the up to $50,000 financial assurance requirement for new wells would ensure that some degree of upfront security is collected from operators, the amount is nowhere near enough.

In 2019, the Alberta Energy Regulator estimated the average cost of cleaning up an inactive well at $219,000. Adjusted for inflation, that figure is closer to $271,000 today. A maximum $50,000 security deposit would cover less than 20 per cent of the estimated cost of cleanup and reclamation— less than is currently required of renewable energy projects in the province.

"While this is a step in the right direction, if the provincial government is serious about protecting Albertans from having to foot industry's multibillion dollar cleanup bill, it should use the tools already at its disposal and hold the Alberta Energy Regulator accountable for failing to ensure that industry properly funds Alberta's Orphan Well Fund," said Bill Heidecker, President of the Alberta Surface Rights Federation.

The orphan levy, which is set annually by the AER, is collected from Alberta's oil and gas industry and is intended to cover the costs of cleaning up wells after companies have

declared bankruptcy. However, the AER has consistently set the levy far below the rate required to adequately cover the costs of cleanup— ultimately leaving taxpayers, not industry, on the hook for cleanup. But amidst record-breaking profits, the oil and gas industry has more than enough money to pay for its own cleanup obligations.

Take for example CNRL, which made $10.8 billion in profits in 2025 alone and owns more than 70 thousand wells across Alberta. CNRL has more than enough money to clean up every single orphan well site in the province and still walk away with more than $9 billion in profits, and that's just one company.

"Today's announcement by province amounts to nothing more than putting a bandaid on a gaping wound. Rather than introducing false solutions to Alberta's cleanup crisis, the government should ensure that multibillion dollar companies clean up their own mess. At a time when the oil and gas industry is swimming in record profits, there's absolutely no excuse for billions in unfunded cleanup costs to be downloaded onto the public purse. Albertans clean up after themselves. Why shouldn't industry have to do the same?" said Phillip Meintzer of C4RE.

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