

Bill No. 81 of 1947.

A BILL TO CONFIRM ORDER IN COUNCIL NO. 1704-46
DATED THE 24TH DAY OF SEPTEMBER, 1946,
AUTHORIZING THE EXECUTION OF A CERTAIN
AGREEMENT BETWEEN THE GOVERNMENT OF
THE PROVINCE OF ALBERTA AND OIL SANDS
LIMITED AND BITUMOUNT HOLDING COMPANY
LIMITED.

NOTE.

This Bill validates an Order in Council dated the 24th day of September, 1946, together with the agreement attached thereto dated the 16th day of September, 1946. The agreement provides for a further advance of one hundred thousand dollars for the purpose of constructing a pilot plant for extracting oil from oil sands in accordance with an agreement previously made. The preambles in the Order in Council set out the history of the previous transactions.

W. S. GRAY,
Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 81 of 1947.

An Act to Confirm Order in Council No. 1704-46, Dated the 24th Day of September, 1946, Authorizing the Execution of a Certain Agreement Between the Government of the Province of Alberta and Oil Sands Limited and Bitumount Holding Company Limited.

(Assented to _____, 1947.)

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. A certain Order in Council dated the 24th day of September, 1946, and intituled O.C. 1704-46, and the agreement referred to therein which is set out as the Schedule to this Act, is hereby ratified, validated and confirmed and shall have the same force and effect as if the same had been enacted by this Act.

2. This Act shall come into force on the day upon which it is assented to, and upon so coming into force shall be deemed to have been in force at all times since the 24th day of September, 1946.

SCHEDULE.

O.C. 1704-46

Approved and Ordered,

(Sgd.) J. C. BOWEN,
Lieutenant Governor.

Edmonton, September 24th, 1946.

The Executive Council has had under consideration the report of the Honourable the Minister of Public Works, dated September 9th, 1946, stating that:

Whereas the Government entered into two agreements with Oil Sands Limited, dated December 4th, 1944, and one agreement with Bitumount Holding Company Limited, dated December 4th, 1944, which agreements were ratified and confirmed by an Act of the Legislature, being chapter 11 of the Statutes of Alberta, 1945; and

Whereas one of the agreements with Oil Sands Limited provided *inter alia* for the construction by the Company of a plant at Bitumount and for an advance by the Government of two hundred and fifty thousand dollars (\$250,000.00) for that purpose, as set out in the said agreement, which said agreement is the first agreement referred to in the Schedule to the aforesaid Act; and

Whereas the other agreement with Oil Sands Limited provided *inter alia* for the sale to the Company of the plant as set out in the said agreement, which said agreement is the second agreement referred to in the Schedule to the aforesaid Act; and

Whereas the agreement with Bitumount Holding Company Limited provided *inter alia* for the conveyance and surrender to the Government of the interest of the Holding Company in certain lands included in Bituminous Sands Lease Number 3, and referred to in the third agreement set out in the Schedule to the aforesaid Act; and

Whereas by an agreement dated the 28th day of January, 1946, between the Government and the Company and the Holding Company, which agreement was ratified and confirmed by Act of the Legislature of the Province, being chapter 12 of the Statutes of Alberta, 1946, and is referred to as the "amending agreement", the Government agreed to advance the further sum of one hundred and fifty thousand dollars (\$150,000.00), making a total of four hundred thousand dollars (\$400,000.00) to be advanced, and the terms and conditions of the aforesaid agreements were changed; and

Whereas it now appears that the cost of constructing the plant will amount to approximately five hundred thousand dollars (\$500,000.00), being one hundred thousand dollars (\$100,000.00) more than the amount already agreed to be advanced by the Government; and

Whereas the Government has agreed to advance the further sum of one hundred thousand dollars (\$100,000.00), making a total to be advanced of five hundred thousand dollars (\$500,000.00); and

Whereas no statutory authority exists to enable the Government to enter into the said agreements; and

Whereas it is deemed expedient to provide by Order in Council the necessary authority to enter into the said agreements subject to the same being validated at the next session of the Legislature;

Therefore, upon the recommendation of the Honourable the Minister of Public Works, the Executive Council advises that:

1. The Honourable the Minister of Public Works, be, and he is hereby authorized on behalf of the Government of the

Province of Alberta to enter into the agreement with Oil Sands Limited and Bitumount Holding Company Limited, which is attached hereto;

2. The Honourable the the Provincial Treasurer, be, and he is hereby authorized to pay to the Alberta Marketing Board, out of the Post-War Reconstruction Fund, standing in his name, the sum of one hundred thousand dollars (\$100,000.00), to be disbursed in constructing the plant for extracting, dehydrating and refining oil from oil sands on the terms and conditions contained in the agreements in that behalf.

(Sgd.) ERNEST C. MANNING,
Chairman.

AGREEMENT

THIS AGREEMENT made in duplicate this 16th day of September, A.D. 1946,

Between:

The Government of the Province of Alberta, represented herein by the Honourable W. A. Fallow, Minister of Public Works (hereinafter called the "Government")

Of the First Part

and

Oil Sands Limited, a company incorporated under the laws of Alberta (hereinafter called the "Company")

and

Bitumount Holding Company Limited (hereinafter called the "Holding Company")

Of the Second Part.

Whereas the Government entered into two Agreements with the Company dated December 4th, 1944, and one Agreement with the Holding Company dated December 4th, 1944, which Agreements were ratified and confirmed by Act of the Legislature of the Province, being chapter 11 of the Statutes of Alberta, 1945;

And whereas one of the said Agreements with the Company provided *inter alia* for the construction by the Company of a plant at Bitumount and for an advance by the Government of two hundred and fifty thousand dollars (\$250,000.00) for that purpose, all as set out in the said Agreement which said Agreement is the first Agreement set out in the Schedule to the Act and is hereinafter referred to as the "Construction Agreement";

And whereas the other Agreement with the Company provided *inter alia* for the sale to the Company of the plant as set out in the said Agreement, which said Agreement is the second Agreement set out in the Schedule to the said Act and is hereinafter referred to as the "Sale Agreement";

And whereas the Agreement with the Holding Company provided *inter alia* for the conveyance and surrender to the Government of the interest of the Holding Company in certain lands included in Bituminous Sands Lease Number 3, and is hereinafter referred to as the "Holding Agreement";

And whereas by an Agreement dated the 28th day of January, 1946, between the Government and the Company and the Holding Company, which Agreement was ratified and confirmed by Act of the Legislature of the Province, being chapter 12 of the Statutes of Alberta, 1946, and is hereinafter referred to as the "Amending Agreement", the Government agreed to advance the further sum of one hundred and fifty thousand dollars (\$150,000.00), making a total of four hundred thousand dollars (\$400,000.00) to be advanced, and the terms and conditions of the aforesaid Agreements were changed;

And whereas it now appears that the cost of constructing the plant will amount to approximately five hundred thousand dollars (\$500,000.00) being one hundred thousand dollars (\$100,000.00) more than the amount already agreed to be advanced by the Government;

And whereas the Government has agreed to advance the further sum of one hundred thousand dollars (\$100,000.00) making a total to be advanced of five hundred thousand dollars (\$500,000.00) upon the terms and conditions hereinafter set out.

Now this agreement witnesseth that in consideration of the premises, the moneys to be advanced by the Government and such other consideration as may hereinafter appear, it is agreed by the parties hereto as follows:

1. That in addition to the sum of four hundred thousand dollars (\$400,000.00) agreed to be advanced under the Construction Agreement, as amended by the Amending Agreement, the Government will advance the further sum of one hundred thousand dollars (\$100,000.00) making a total sum of five hundred thousand dollars (\$500,000.00) to be advanced by the Government under the Construction Agreement, as amended by the Amending Agreement.
2. The Government and the Company agree that the Construction Agreement, as amended by the Amending Agreement, shall be changed in the following manner:

By striking out the words and figures "four hundred thousand dollars (\$400,000.00)" wherever they occur and substituting therefor the words and figures "five hundred thousand dollars (\$500,000.00).

3. The Government and the Company agree that the Construction Agreement, as amended by the Amending Agreement, and with the changes made by this Agreement shall be read and construed and be binding upon the parties thereto in the same manner and to the same extent as if the Construction Agreement, as amended by the Amending Agreement, and with the changes made by this Agreement had been the Agreement originally entered into by the Government and the Company.

4. The Government and the Company agree that the Sale Agreement, as amended by the Amending Agreement, shall be changed in the following manner:

By striking out the following, being the sale price and terms of payment fixed by the Amending Agreement:

"at and for the price or sum of four hundred thousand dollars (\$400,000.00) of lawful money of Canada, payable in the manner and on the times hereinafter mentioned, that is to say: The sum of forty thousand dollars (\$40,000.00) one year from the date on which the Board certifies in writing that the construction of the said plant has been completed and the balance by payments of forty thousand dollars (\$40,000.00) each on the same day of the year (the anniversary date of the said certificate) in each of the nine (9) years next following the year in which the first payment is made",

and substituting therefor:

"at and for the price or sum of five hundred thousand dollars (\$500,000.00) of lawful money of Canada, payable in the manner and on the times hereinafter mentioned, that is to say: The sum of fifty thousand dollars (\$50,000.00) one year from the date on which the Board certifies in writing that the construction of the the said plant has been completed and the balance by payments of fifty thousand dollars (\$50,000.00) each on the same day of the year (the anniversary date of the said certificate) in each of the nine (9) years next following the year in which the first payment is made".

5. The Government and the Company agree that the Sale Agreement, as amended by the Amending Agreement, and with the changes made by this Agreement shall be read and construed and be binding upon the parties thereto in the same manner and to the same extent as if the Sale Agreement, as amended by the Amending Agreement, and with the changes made by this Agreement had been the Agreement originally entered into by the Government and the Company.

6. The Government and the Holding Company agree that in so far as the Holding Agreement is affected by or relates to the Construction Agreement or the Sale Agreement it shall be effected by and relate to the Construction and Sale Agreements, as amended by the Amending Agreement, and with the changes made by this Agreement in the same

manner and to the same extent as if the Construction and Sale Agreements, as amended by the Amending Agreement, and with the changes made by this Agreement had been the Agreements originally entered into by the Government and the Holding Company.

In Witness Whereof the Honourable W. A. Fallow, Minister of Public Works, has hereunto set his hand on behalf of the Province of Alberta, and this Agreement has been executed under the corporate seal of Oil Sands Limited as attested by the hands of its proper officers thereunto duly authorized and under the corporate seal of Bitumount Holding Company Limited as attested by the hands of its proper officers thereunto duly authorized, the day and year first above written.

SIGNED on behalf of the Government of Alberta, by the Honourable W. A. Fallow, Minister of Public Works, in the presence of

(Sgd.) W. A. FALLOW

(Sgd.) H. J. WILSON

SIGNED and Sealed on behalf of Oil Sands Limited by

OIL SANDS LIMITED

(Sgd.) L. R. CHAMPION

[SEAL]

(Sgd.) J. E. SYDIE

the proper officers of the Company duly authorized in that behalf

SIGNED and Sealed on behalf of Bitumount Holding Company Limited by

BITUMOUNT HOLDING COMPANY LIMITED

(Sgd.) L. R. CHAMPION

(Sgd.)

RUBY L. CHAMPION

[SEAL]

the proper officers of the Company duly authorized in that behalf

FOURTH SESSION
TENTH LEGISLATURE

11 GEORGE VI

1947

BILL

**An Act to Confirm Order in Council
No. 1704-46 Dated the 24th Day of
September, 1946, Authorizing the
Execution of a Certain Agreement
Between the Government of the
Province of Alberta and Oil Sands
Limited and Bitumount Holding
Company Limited.**

Received and read the

First time

Second time

Third time

HON. MR. FALLOW.

EDMONTON:
A. Shnitka, King's Printer
1947