

Bill No. 90 of 1951.

A BILL TO PERMIT THE TEMPORARY EXPORT OF  
GAS TO MONTANA FOR ESSENTIAL DEFENCE  
PRODUCTION.

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NOTE.

This Bill enacts a new Act to be known as "*The Gas Export Act*".

The purpose of the Act is to permit the temporary export of gas to Montana which is required for essential defence production.

Mr. Charles E. Wilson, the Director of Defence Mobilization for the United States, has requested that a limited supply of gas be exported for a period of five years to assist in meeting the requirements of Anaconda Copper Mining Company which is engaged in the production of copper, zinc, manganese and other minerals vital to defence. The Government of Canada has officially advised Alberta that the need for this gas is urgent in the interests of national defence. The Bill accordingly authorizes the export of a limited quantity of gas for a period of five years.

The Bill authorizes The Petroleum and Natural Gas Conservation Board, with the approval of the Lieutenant Governor in Council, to grant a permit for the removal from the Province of gas which is essential to enable the continued production by the Anaconda Copper Mining Company of copper, zinc, manganese and other minerals vital to defence. The Board may grant the permit without the necessity of a hearing.

The permit may authorize the McColl-Frontenac Oil Company Limited and the Union Oil Company of California to remove gas from the Province and deliver it to the Montana Power Company for use or consumption in the mining, smelting, reduction and refining operations of Anaconda. The gas is to be removed solely from such fields, pools or wells in the Pakowki Lake area as may be designated by the Board. A comparatively short pipe line will be required to connect the Pakowki Lake field with the Montana Power Company's natural gas system between Cutbank and Shelby and sufficient steel has been made available for this purpose.

The provisions of *The Oil and Gas Resources Conservation Act, 1950*, apply to the drilling for and production of the gas. The provisions of *The Gas Resources Preservation*

*Act*, except in so far as they are varied by this Act, are applicable to the permit granted under this Act and to the permit holder.

The Bill provides that the maximum quantity of gas that may be removed from the Province under the permit shall not exceed ten billion cubic feet per year and forty million cubic feet per day.

The gas is to be used exclusively to enable the Montana Power Company to meet the requirements of the Anaconda Copper Mining Company for defence production to the extent that it is unable to do so from its own reserves of gas. If The Petroleum and Natural Gas Conservation Board is of the opinion that the Montana Power Company is using the gas to enable it to extend its existing services or to supply customers not being served at the date of the granting of the permit or for any purpose other than that authorized by this Act, the quantities of the gas that may be exported under the permit may be reduced or the permit may be cancelled.

The permit terminates at the end of five years if it is not previously cancelled. At any time prior to the cancellation or termination of the permit the holder may apply to the Board under *The Gas Resources Preservation Act* for a permit to export gas and all the provisions of that Act shall apply to the application.

This Bill comes into force upon assent.

KENNETH A. MCKENZIE,  
*Legislative Counsel.*

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

# BILL

No. 90 of 1951.

An Act to Permit the Temporary Export of Gas to Montana  
for Essential Defence Production.

(Assented to \_\_\_\_\_, 1951.)

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

## Short Title.

1. This Act may be cited as "*The Gas Export Act*". Short title

## Interpretation.

2. In this Act, unless the context otherwise requires,—
- (a) "Board" means The Petroleum and Natural Gas Conservation Board constituted under the provisions of *The Oil and Gas Resources Conservation Act, 1950*; "Board"
  - (b) "gas" means all natural gas, both before and after it has been subjected to any treatment or process by absorption, purification, scrubbing or otherwise, and includes all other fluid hydrocarbons not defined as oil; "gas"
  - (c) "oil" means crude petroleum oil and all other hydrocarbons, regardless of gravity, which are or can be recovered from a pool in liquid form by ordinary production methods. "oil"
3. (1) Notwithstanding any provision of *The Gas Resources Preservation Act*, the Board, with the approval of the Lieutenant Governor in Council and subject to the provisions of this Act, may grant a permit for the removal from the Province of gas which is essential to enable the continued production by the Anaconda Copper Mining Company of copper, zinc, manganese and other minerals vital to defence. Permit to  
remove gas
- (2) The permit may be granted without any hearing by the Board.
4. The permit may authorize the McColl-Frontenac Oil Company Limited and the Union Oil Company of California to remove gas from the Province and to deliver it to the Montana Power Company for use or consumption in the Authority  
of permit

mining, smelting, reduction and refining operations of the Anaconda Copper Mining Company.

Removal  
of gas

**5.** The gas may be removed solely from such fields, pools or wells in the Pakowki Lake area as may be designated by the Board from time to time.

Application  
of *The Oil  
and Gas  
Resources  
Conservation  
Act, 1950,*  
and *The Gas  
Resources  
Preservation  
Act*

**6.** (1) All the provisions of *The Oil and Gas Resources Conservation Act, 1950*, and the regulations thereunder are applicable to the drilling for and production of the gas.

(2) All the provisions of *The Gas Resources Preservation Act* and the regulations thereunder, except in so far as they are varied by or are in conflict with the provisions of this Act, are applicable to the permit granted under this Act and to the holder thereof.

Quantity  
of gas  
removed

**7.** The maximum quantity of gas that may be removed from the Province under the permit shall not exceed,—

- (a) ten billion cubic feet in any year; and
- (b) forty million cubic feet in any day.

Use of gas  
removed

**8.** (1) The gas removed from the Province under the permit shall be used exclusively to enable the Montana Power Company to meet the requirements of the Anaconda Copper Mining Company for its smelter and reduction works at Anaconda, its smelter and reduction works at Great Falls and its mining operations at Butte, to the extent that the Montana Power Company is unable to do so from its own reserves of gas.

Board  
may,—

(2) If the Board is of the opinion that the Montana Power Company is using the gas so removed to enable it to extend its existing services or to supply customers not being served at the date of the granting of the permit, or to supply any requirements other than those mentioned in subsection (1), the Board, in its discretion, with the approval of the Lieutenant Governor in Council, may,—

reduce  
quantity of  
gas removed

- (a) reduce the annual and daily maximum quantities of gas that may be removed from the Province under the permit; or

cancel permit

- (b) cancel the permit.

Condition  
of permit

(3) It is a condition of the permit that the records of the Montana Power Company shall be made available for inspection by the Board or by any person authorized by the Board to the extent necessary to determine whether the gas removed from the Province is being used and consumed in accordance with this section.

Term of  
permit

**9.** (1) The permit granted under this Act, if not previously cancelled under section 8 or under the provisions of *The Gas Resources Preservation Act*, shall terminate five years after the date of coming into force of this Act.

(2) At any time prior to the cancellation or termination of the permit the holder of the permit may apply to the Board under *The Gas Resources Preservation Act* for permission to remove gas or cause gas to be removed from the Province for use or consumption elsewhere than within the Province and all the provisions of the said Act shall apply to the application.

Application  
to remove  
gas for use  
elsewhere  
than in  
Province

**10.** This Act shall come into force on the day upon which it is assented to.

Coming  
into force

No. 90.

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FOURTH SESSION  
ELEVENTH LEGISLATURE

15 GEORGE VI

1951

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**BILL**

An Act to Permit the Temporary  
Export of Gas to Montana for  
Essential Defence Production.

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Received and read the

First time .....

Second time .....

Third time .....

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HON. MR. TANNER.

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