

Bill No. 75 of 1955

A BILL TO AMEND THE OIL AND GAS RESOURCES  
CONSERVATION ACT, 1950

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NOTE

This Bill amends *The Oil and Gas Resources Conservation Act, 1950*, being chapter 46 of the Statutes of Alberta, 1950.

By amendment to section 2 the definitions of "field", "oil", "owner", "pool" and "spacing unit" are amended.

Section 15 empowers The Petroleum and Natural Gas Conservation Board to employ persons for its staff. An additional provision is added to enable the Board to appoint examiners for such duties as the conduct of hearings.

Section 19 is amended for clarification.

Section 20 requires the applicant for a well license to be entitled, or to be acting for a person who is entitled, to the producing rights for the oil or gas for which the well is to be drilled. A new subsection (3) would enable the Minister to cancel or suspend a license if the licensee cannot show that he is entitled to such rights.

By section 30, clause (d) the Board, with the approval of the Lieutenant Governor in Council, is empowered to make regulations requiring the approval of the Board to the suspension or resumption of drilling operations at a well. An amendment would make this clause apply also to producing operations.

Some changes are made to section 34 which also deals with powers that may be exercised by the Board with the approval of the Lieutenant Governor in Council. The power in clause (a) to designate pools and fields is amended in accordance with the amended definitions. The power in clause (c) to control and regulate the production of oil and gas is increased to include also the production of water. Also in clause (h) to the purposes for which the production of gas from a pool may be limited is added the efficient utilization of the gas reserves of the Province.

Provisions in section 38 dealing with the power of the Board to prescribe methods for the measurement of oil and gas are broadened to cover also the measurement of water. Subsection (2) of this section is also amended for clarification.

Section 52 deals with the report required of an owner of oil and gas property regarding his holdings for the purposes of assessment and taxation. Subsection (1) is amended so that the rental payable by the person reporting need not be reported. A new subsection is added so that where several persons are interested in the one property those who wish may appoint an agent to report for them.

The provisions of section 55 dealing with the sending of assessment notices is amended by deleting the words "by mail".

Section 56 is amended so that a person whose property is assessed under the Act shall have thirty instead of twenty days in which to appeal.

Section 59 which also deals with assessment and taxation is amended in two respects. The time at which the levy is made is changed from not later than the thirtieth of June to not later than the thirty-first of July. The provision for a minimum tax is amended to apply to the minimum tax on the properties of one owner in one area rather than the minimum tax against one oil and gas property.

Section 70 which deals with the registration of a place for service in the Province and with service has been rewritten extensively for clarification.

Section 84 by reference to *The Public Inquiries Act* grants powers that may be exercised in the conduct of an inquiry or investigation. An amendment is made to refer to a person appointed by the Board to conduct a hearing.

This Bill comes into force upon assent.

J. W. RYAN,  
*Acting Legislative Counsel.*

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

# BILL

No. 75 of 1955

An Act to amend The Oil and Gas Resources Conservation Act, 1950

(Assented to \_\_\_\_\_, 1955)

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

1. *The Oil and Gas Resources Conservation Act, 1950*, being chapter 46 of the Statutes of Alberta, 1950, is hereby amended.

2. Section 2 is amended

Section 2  
amended

(a) by striking out clause (c) and by substituting the following:

“(c) ‘field’ means

“field”

“(i) the general surface area or areas underlaid or appearing to be underlaid by one or more pools; or

“(ii) the subsurface regions vertically beneath such surface area or areas containing or appearing to contain one or more pools

and a field may be designated through the description of the surface area thereof;”

(b) as to clause (g) by adding immediately after the word “form” the words “through a well”,

(c) as to clause (h) by adding immediately after the words “is entitled to” the words “produce and”,

(d) by striking out clause (j) and by substituting the following:

“(j) ‘pool’ means a natural underground reservoir containing or appearing to contain an accumulation of oil or gas separated or appearing to be separated from any other such accumulation, and a pool may be designated through the description of the surface area thereof and the geological formation, member or zone containing or appearing to contain the accumulation;”

“pool”

(e) by striking out clause (m) and by substituting the following:

“(m) ‘spacing unit’ means

“spacing  
unit”

“(i) the area allocated to a well for the purpose of drilling for or producing oil or gas, or

“(ii) the subsurface regions vertically beneath such area,

and a spacing unit may be limited in application to a well drilling to or producing from a specified pool, geological formation, member or zone, and may be designated through the description of the surface area thereof;”.

Section 15  
amended

**3.** Section 15 is amended by adding immediately after clause (c) the following new clause:

“(d) appoint examiners for the purpose of conducting hearings, inquiries and other investigations and reporting thereon to the Board; provided that any interested party, registered as such, at any hearing, inquiry or investigation shall at any time be entitled to an adjournment upon filing with the examiner or examiners an application to the Board, to have the hearing, inquiry or investigation conducted by the Board, and if the Board after considering the application, is satisfied that the hearing, inquiry or investigation should be conducted by the Board, the Board shall proceed to conduct the same and the proceedings before the examiner or examiners shall be of no effect, otherwise the examiner or examiners shall proceed with the hearing, inquiry or investigation on such date as the Board may designate.”.

Section 19  
amended

**4.** Section 19, subsection (2) is amended by striking out the word “operator” and by substituting the words “applicant or his agent”.

Section 20  
amended

**5.** Section 20 is amended by adding immediately after subsection (2) the following new subsection:

Minister  
may cancel  
or suspend  
license

“(3) If at any time on thirty days’ notice by the Minister a licensee fails to prove to the satisfaction of the Minister that he is entitled to drill for and produce oil or gas from a well, the Minister, at his discretion, may cancel or suspend the license upon such terms and conditions as he may specify.”.

Section 30  
amended

**6.** Section 30, clause (d) is amended

(a) by striking out subclause (i) and by substituting the following:

“(i) the suspension of normal drilling or normal producing operations, or”,

(b) by adding at the end of subclause (iv) the word “or”,

(c) by adding immediately after subclause (iv) the following new subclause:

“(v) the resumption of producing operations after a previous suspension,”.

Section 34  
amended

**7.** Section 34, subsection (1) is amended

(a) by striking out clause (a) and by substituting the following:

- “(a) designate pools and fields within the Province,”
- (b) as to clause (c) by striking out the words “and gas” and by substituting the words “, gas and water”,
- (c) as to subclause (iv) of clause (h)
  - (i) by striking out the word “both”,
  - (ii) by striking out the words “and the efficient use of gas for the production of oil” and by substituting the words “, to the efficient use of gas for the production of oil and to the efficient utilization of the gas reserves of the Province”.

**8. Section 38 is amended**

Section 38  
amended

- (a) as to subsection (1) by striking out the words “and gas” and by substituting the words “, gas and water”,
- (b) as to subsection (2) by striking out the words “, corrected for deviation” and by substituting the words “and corrected for deviation therefrom”,
- (c) as to subsection (3) by striking out the words “or gas” and by substituting the words “, gas or water”.

**9. Section 52 is amended**

Section 52  
amended

- (a) as to subsection (1), clause (c) by striking out the words “rentals and”,
- (b) by renumbering subsections (2), (3) and (4) as (3), (4) and (5),
- (c) by adding immediately after subsection (1) the following new subsection:

“(2) Where the ownership rights of an oil or gas property liable to assessment and taxation are vested in more than one person, any one or more of such persons may apply to the Board to have one of them act as his agent, and upon approval of the application and the agent consenting in writing thereto, the agent shall be deemed to be the owner of the oil and gas property for the purposes of this Part.”.

**10. Section 55, subsection (3) is amended by striking out the words “by mail”.**

Section 55  
amended

**11. Section 56 is amended by striking out the words “twenty days” and by substituting the words “thirty days”.**

Section 56  
amended

**12. Section 59 is amended**

Section 59  
amended

- (a) as to subsection (2) by striking out the words “thirtieth day of June” and by substituting the words “thirty-first day of July”,
- (b) as to subsection (4) by striking out the words “any oil and gas property on the assessment roll is less

than three dollars, then the amount of tax payable by the person liable in respect of such oil and gas property” and by substituting the words “the oil and gas property or properties of an owner in a separate area not exempted from assessment and taxation under section 51 is less than three dollars, then the amount of tax payable by the owner in respect of such properties”.

Section 70  
amended

**13.** Section 70 is amended

- (a) by striking out subsections (1), (2) and (3) and by substituting the following:

Owner,  
licensee or  
permittee  
shall register  
address, etc.

“**70.** (1) Each person who is the owner of a well or who is a licensee or permittee for a well shall register with the Board his address, and

“(a) if resident outside the Province

“(i) shall register with the Board an address for service in the Province,

“(ii) shall appoint an agent within the Province to carry out his duties and other responsibilities under this Act,

“(iii) shall notify the Board in writing of such appointment, and

“(iv) shall register with the Board the address in the Province of his agent,

or

“(b) if resident in the Province

“(i) may carry out his duties and other responsibilities under this Act through an agent, and

“(ii) if he carries out his duties and responsibilities through an agent, shall notify the Board in writing of the appointment of the agent and register with the Board the address in the Province of the agent.

Effect of  
appointment  
of agent

“(2) The appointment of an agent in accordance with subsection (1) and the registration of his appointment and address with the Board shall not relieve the owner, licensee or permittee of any duty or responsibility under this Act.

“(3) If any of the addresses required or the name of the agent appointed in accordance with subsection (1) is changed, the owner, licensee or permittee shall within fifteen days thereof register the change with the Board.”,

- (b) as to subsection (4) by adding immediately after the words “at his registered address” the words “in the Province or his registered address”,

- (c) as to subsection (5)

(i) by striking out the words “If there be no registered address for service or registered address of agent as aforesaid” and by substitut-

- ing the words “In the event of non-compliance by an owner, a licensee or a permittee with the provisions of subsections (1) and (3)”,
- (ii) by adding immediately after the words “exclusive of” the word “Saturdays,”.

**14.** Section 84 is amended by adding immediately after the words “by the Board” the words “to conduct a hearing <sup>Section 84</sup> or”. <sub>amended</sub>

**15.** This Act comes into force on the day upon which <sup>Coming</sup> it is assented to. <sub>into force</sub>

THIRD SESSION  
TWELFTH LEGISLATURE  
4 ELIZABETH II  
1955

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**BILL**

An Act to amend The Oil and Gas  
Resources Conservation Act, 1950

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Received and read the

First time.....

Second time.....

Third time.....

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HON. MR. MANNING

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