

Bill No. 88 of 1955

A BILL RELATING TO STATUTES AFFECTING  
BITUMINOUS SANDS OPERATIONS

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NOTE

This is a Bill to enact a Bituminous Sands Act.

The exploration of the bituminous sands resources has reached a point where some of the Statutes of more general application need modification in their application to meet the requirements of bituminous sands development operations.

Section 2 makes it clear that *The Oil and Gas Resources Conservation Act, 1950*, does not apply to such operations.

Section 3 makes it clear that the provisions of *The Pipe Line Act* will apply to pipe lines for the liquid products of bituminous sands. Provision is also made so that an oil pipe line that is a common carrier may be required to carry oil products of bituminous sands as well as oil differing therefrom chiefly in the manner in which it was recovered from the ground.

Section 4 adds provisions to *The Mines and Minerals Act* governing the disposition of bituminous sands rights the property of the Crown.

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. 88 of 1955

An Act relating to Statutes Affecting Bituminous Sands  
Operations

(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:

## Short Title

Short title      **1.** This Act may be cited as "*The Bituminous Sands Act*".

## PART I

### Conservation

*The Oil  
and Gas  
Resources  
Conservation  
Act, 1950,  
does not  
apply to  
bituminous  
sands*

**2.** (1) *The Oil and Gas Resources Conservation Act, 1950*, does not apply to any bituminous sands that are recovered by removing any overburden and excavating from the surface, or to any hydrocarbon or other product obtained in any way from bituminous sands so recovered, and without derogating from the generality of the foregoing, does not apply

- (a) to any operation for such recovery of bituminous sands, or of such hydrocarbons or other products,
- (b) to the disposal or transportation of such bituminous sands, hydrocarbons or other products, or
- (c) to any provision respecting such bituminous sands, hydrocarbons or other products in any contract or other arrangement irrespective of whether or not the provision affects oil or gas or the supply or market of oil or gas.

(2) Subsection (1) shall be read with and form part of *The Oil and Gas Resources Conservation Act, 1950*.

### Pipe Lines

*Interpreta-  
tion of The  
Pipe Line  
Act, 1952*

**3.** (1) Without derogating from the generality of clause (d) of section 2 of *The Pipe Line Act, 1952*, "oil" for the purposes of that Act includes liquid hydrocarbons that are obtained or produced from bituminous sands recovered by removing any overburden and excavating from the surface.

(2) Subsection (2) of section 23 of the said *The Pipe Line Act, 1952*, shall not be deemed to operate so as to preclude a permittee from owning or operating bituminous sands holdings or interests in the Province.

(3) A person who by an order pursuant to *The Pipe Line Act, 1952*, is permitted to operate a pipe line, and who has been declared by The Petroleum and Natural Gas Conservation Board to be a common carrier, if his pipe line may, in the opinion of the Board of Public Utility Commissioners, reasonably be used to transport an oil that has been obtained or produced from any bituminous sands and that has been processed to make it marketable, shall not discriminate between such oil and any other oil.

Discrimination prohibited

(4) Subsections (1), (2) and (3) shall be read with and form part of *The Pipe Line Act, 1952*.

## PART II

### Mines and Minerals

4. In this Part,

Interpretation  
"bituminous sands"

(a) "bituminous sands" means the bituminous sands that occur in the McMurray formation, being the stratigraphic formation lying between the Clearwater formation above and the Upper Devonian carbonate sediments below and containing hydrocarbons, and as further defined by the Petroleum and Natural Gas Conservation Board in any case where a question arises,

(b) "bituminous sands rights" means the right to mine, quarry, work, remove, treat and dispose of the bituminous sands and products thereof, but does not include the right to drill for petroleum or natural gas.

"bituminous sands rights"

5. The Lieutenant Governor in Council may make regulations governing disposition by lease, license or permit of bituminous sands rights.

Powers of Lieutenant Governor in Council

6. The Minister may

Powers of Minister

(a) prohibit the conduct of any operation to recover bituminous sands that would, in his opinion, preclude or render more difficult the recovery of other bituminous sands recoverable by practical and reasonable operations, or

(b) grant a deferment on such terms as he may prescribe of any obligation in a lease of bituminous sands rights to a lessee who has entered into an agreement satisfactory to the Minister with any other holder of bituminous sands rights to contribute to or assist in the performance of a similar obligation of such other holder.

7. Sections 4, 5 and 6 shall be read with and shall form a part of *The Mines and Minerals Act* as Part X of the said Act under the heading "BITUMINOUS SANDS".

Application of *The Mines and Minerals Act*

8. This Act comes into force on the day upon which it is assented to.

Coming into force

THIRD SESSION  
TWELFTH LEGISLATURE  
4 ELIZABETH II  
1955

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**BILL**

An Act relating to Statutes Affecting  
Bituminous Sands Operations

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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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