

No. 7

2nd Session, 13th Legislature, Alberta
4 Elizabeth II, 1956

BILL 7

A Bill to amend The Oil and Gas Resources Conservation
Act, 1950

HON. MR. MANNING

EDMONTON, ALBERTA
Printed by A. SHNITKA, Printer to the Queen's Most Excellent Majesty
1956

Explanatory Note

This Act is in the course of revision and consolidation and is therefore amended in two Parts to permit the amendments of this session to be fitted in the revision.

2. Amending definitions to clarify meaning in technical sense.
The definitions affected are presently defined as follows:

“(c) “field” means

“(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;”,

“(d) “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;”,

“(g) “oil” means crude petroleum oil and all other hydrocarbons, regardless of gravity, which are or can be recovered from a pool in liquid form through a well by ordinary production methods;”,

“(i) “pipe line” means any pipe line or any system or arrangement of pipes wholly within the Province whereby oil or gas is conveyed from any well-head or other place at which it is produced, to any other place, or from any place where it is stored, processed or treated, to any other place, and includes all property of any kind used for the purpose of, or in connection with, or incidental to, the operation of a pipe line in the gathering, transporting, handling and delivery of oil or gas, and without restricting the generality of the foregoing, includes tanks, surface reservoirs, pumps, racks, storage and loading facilities, compressors, compressor stations, pressure measuring and controlling equipment and fixtures, flow controlling and measuring equipment and fixtures, metering equipment and fixtures, and heating, cooling and dehydrating equipment and fixtures, but does not include any pipe or any system or arrangement of pipes which constitutes a distribution system for the distribution of gas to ultimate consumers;”,

“(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;”,

The term “license” is being defined to clarify its meaning and make its usage uniform in the Act.

BILL

No. 7 of 1956

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

(Assented to , 1956)

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

PART I

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

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

“(c) ‘field’ means

“(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;”,

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

“(d) ‘gas’ means all natural gas both before and after it has been subjected to any processing, and includes all other fluid hydrocarbons not defined as oil;”,

(c) by adding immediately after clause (e) the following:

“(ee) ‘license’ means a license granted pursuant to this Act, and includes a license or permit for drilling a well and granted pursuant to any regulation made under *The Oil and Gas Wells Act*;”,

(d) as to clause (g) by striking out the word “petroleum”,

(e) as to clause (i) by adding immediately after the words “whereby oil or gas” the words “or water incidental to the production of oil or gas”,

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

3. New section permitting description in the ordinary manner in lieu of a more cumbersome form of description.

4. Subsections (3) and (4) enable the Lieutenant Governor in Council to appoint members and a chairman, respectively, to fill any such vacancies on the Board. Subsection (2) provides that an appointee is to hold office for five years and thereafter at pleasure. Subsection (5) permits the removal of members from office upon the address of the Legislative Assembly. This new subsection makes it clear that these provisions apply to an appointment to fill a vacancy.

5. Clause (b) reads at present as follows:

"(b) in the case of death, illness or absence from the Province of a member of the Board or of his inability to act from any cause, appoint some person to act for the time being in his stead and the person so appointed during the period for which he is appointed shall have all the powers and perform all the duties of a member of the Board."

The amendment will enable a slate of acting members to be prepared and used without the necessity of an order in council each time an acting member is required.

6. This amendment allows written notices of matters before the Board and given by the Board to be signed by the solicitor. Such notices may now only be signed by a member or the secretary of the Board.

7. Permits the use of photographs of original records as evidence and the destruction of the original documents when photographed and certified as provided herein.

“(j) ‘pool’ means a natural underground reservoir containing or appearing to contain an accumulation of oil or gas or both separated or appearing to be separated from any other such accumulation;”.

3. The following new section is added immediately after section 2:

“**2a.** In this Act and in any regulations or orders made pursuant thereto, land may be described as if it were surveyed into sections in accordance with *The Alberta Surveys Act* whether or not the land is so surveyed, and reference by number to a legal subdivision, section or township in land that is not so surveyed shall be deemed to refer to that which would be the so numbered legal subdivision, section or township if the land were so surveyed.”.

4. Section 6 is amended by adding immediately after subsection (5) the following new subsection:

“(6) When an appointment is made pursuant to subsection (3) or (4), the provisions of subsections (2) and (5) apply thereto.”.

5. Section 9 is amended by striking out clause (b) and by substituting the following:

“(b) appoint as acting members of the Board one or more persons to act at the call of the chairman in the case of death, illness or absence from duty of a member of the Board, or in the case of a member's inability to act for any cause, and an acting member has, during any period that he is called upon to act as a member of the Board, all the powers of and may perform all the duties of a member of the Board.”.

6. Section 12, subsection (4), clause (a) is amended by adding immediately after the word “secretary” the words “or solicitor”.

7. The following new sections are added immediately after section 14:

“**14a.** (1) When, upon the written authority of the Board, photographs have been taken of any papers, books, files, plans or documents on record with the Board or of any minutes, accounts or records of the Board that relate to transactions that have been concluded more than two years previously, if the films of the photographs have been duly certified under the signature of a member of the Board or an employee duly authorized for the purpose by the Board,

8. Permitting the employment of a solicitor; and removes in clause (b) any suggestion that the Board may not retain technical experts in addition to professional engineers, accountants and legal assistance when required by the Board.

9. Self-explanatory.

10. Subsections (1) and (6) of section 26 presently read:

"26. (1) A license granted pursuant to this Part shall not be assigned without the consent in writing of the Minister, made on the recommendation of the Board.

"(6) An application for the consent of the Minister to the assignment of a license shall be accompanied by a fee of twenty-five dollars payable to the Board."

11. Clause (a) of section 27 refers to "a license granted pursuant to this Part", as also does section 26, subsection (1) and section 29, subsection (1). In all three cases the newly defined term "license" would apply and these words become unnecessary.

the papers, books, files, plans, minutes, accounts, records or other documents may be destroyed forthwith under the direction and supervision of the member or employee of the Board.

“(2) A print from any such photographic film and a certificate under the signature of a member of the Board or an employee duly authorized for the purpose by the Board, certifying that the print is a print from the film and that the film was duly certified as a film of an original document in compliance with subsection (1), is admissible in evidence in all proceedings in which the original document of which the print is a photograph would be evidence.

“(3) Nothing in this section precludes the destruction from time to time in accordance with the instructions of the Board of any routine reports, returns or copies of routine communications that are deemed no longer of service, without the making of any photograph or other copy of such reports, returns or communications.

“14b. A copy of any record, document, plan, book, paper, minute or account belonging to or deposited with the Board and attested under the signature of a member of the Board or an employee duly authorized for the purpose by the Board, is admissible in evidence in all proceedings in which the original record, document, plan, book, paper, minute or account would be evidence.”.

8. Section 15 is amended

- (a) as to clause (a) by adding immediately after the word “secretary” the words “, a solicitor”,
- (b) as to clause (b) by striking out the word “other” and by substituting the words “such technical and”.

9. Section 24 is amended by adding immediately after subsection (8) the following:

“(9) Where an application is made for a license to drill a well for gas to be used solely on a farm or ranch or for other domestic uses of the applicant, the Minister may, upon the recommendation of the Board, dispense with the deposit or any part thereof upon such terms and conditions as he may prescribe.”.

10. Section 26 is amended

- (a) as to subsection (1) by striking out the words “granted pursuant to this Part”,
- (b) as to subsection (6) by striking out the word “twenty-five” and by substituting the word “five”.

*** 11. Section 27, clause (a) is amended by striking out the words “granted pursuant to this Part”.**

12. See note to clause 11.

13. Section 30 authorized the making of regulations and clause (r) now reads:

“(r) as to the time and method of shooting wells or chemical treatment of wells, and as to the notices to be given of intention to shoot or chemically treat any well;”.

14. Section 34 permits the Board to do certain things, among them:

1. Clause (a) which reads:

“(a) designate pools and fields within the Province”.

(The amendment empowers the Board to designate pools and fields and instructs how it is to be done); and

2. Clause (h), subclauses (iii) and (v) which read:

“(h) restrict the amount of oil or gas or both which may be produced in the Province

“(iii) by prorating the production of oil allocated to each pool among the producers from the pool, for the purpose of giving each producer the opportunity of producing or receiving his just and equitable share of oil in the pool; and

“(v) by prorating the production of gas allocated to each pool among the producers from the pool, for the purpose of giving each producer the opportunity of producing or receiving his just and equitable share of gas in the pool.”

15. Permitting the Board to close an area to travel when, for example, a wild well comes into existence.

12. Section 29, subsection (1) is amended by striking out the words “granted pursuant to this Part”.

13. Section 30 is amended by striking out clause (r) and by substituting the following:

“(r) as to the operations for the conditioning or reconditioning of wells by mechanical, chemical or explosive means, and as to the notices to be given of an intention so to condition or recondition a well;”.

14. Section 34, subsection (1) is amended

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

“(a) designate a field by describing the surface area thereof, and may designate a pool by describing the surface area vertically above the pool and by naming the geological formation, member or zone in which the pool occurs;”.

(b) as to clause (h)

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

“(iii) by distributing the portion of the provincial allowable allocated to a pool in an equitable and reasonable manner among the wells in the pool, for the purpose of giving each producer the opportunity of producing or receiving his just and equitable share of the oil in the pool; and”.

(ii) by striking out subclause (v) and by substituting the following:

“(v) by distributing the amount of gas that may be produced from a pool in an equitable and reasonable manner among the wells in the pool, for the purpose of giving each producer the opportunity of producing and receiving his just and equitable share of the gas in the pool.”.

15. The following new section is added immediately after section 70:

“70a. (1) When the Board is of the opinion that because of hazardous conditions in a field or at a well, it is necessary or expedient to close any area and to shut out therefrom all persons except such as are specifically authorized, the Board may make an order in writing setting out and delimiting the closed area and prohibiting anyone during the time the order is in effect from entering, travelling about or remaining therein without a travel permit issued under the authority of the Board.

“(2) An order under subsection (1) may contain any terms and conditions that the Board considers necessary for the prevention of fire in the closed area.

16. Makes provision for the payment of notices with regard to matters before the Board and requiring notices.

“(3) The Board may provide for such notice as is practicable under the circumstances, and may cause notice of the order setting out the area closed to be published in such papers as in its opinion will give adequate publicity.

“(4) In addition to the notice provided by subsection (3) the Board shall advise an appropriate representative of the Department of Transport in order that passage of aircraft over the closed area and adjacent areas may be controlled in the interest of public safety.”.

16. The following new section is added immediately after section 79:

“**79a.** (1) The Board may require an applicant to give, in such manner and to such persons as the Board may direct, notice of any hearing or inquiry to be conducted by the Board in connection with his application, whether under this Act or otherwise.

“(2) When the Board publishes a notice in connection with any hearing, inquiry or investigation by the Board, whether under this Act or otherwise, it may order that the cost of advertising be paid in whole or in part by any party to the hearing, inquiry or investigation.”.

PART II

17. *The Oil and Gas Resources Conservation Act*, being chapter 227 of the Revised Statutes of Alberta, 1955, is hereby amended.

18. Section 2 is amended

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

“(c) ‘field’ means

“(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;”,

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

“(d) ‘gas’ means all natural gas both before and after it has been subjected to any processing, and includes all other fluid hydrocarbons not defined as oil;”,

(c) by adding immediately after clause (e) the following:

“(ee) ‘licence’ means a licence granted pursuant to this Act, and includes a licence or permit for drilling a well and granted pursuant to any regulation made under *The Oil and Gas Wells Act*;”,

- (d) as to clause (g) by striking out the word "petroleum",
- (e) as to clause (i) by adding immediately after the words "by which oil or gas" the words "or water incidental to the production of oil or gas",
- (f) 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 or both separated or appearing to be separated from any other such accumulation;"

19. The following new section is added immediately after section 2:

"2a. In this Act and in any regulations or orders made pursuant thereto, land may be described as if it were surveyed into sections in accordance with *The Alberta Surveys Act* whether or not the land is so surveyed, and reference by number to a legal subdivision, section or township in land that is not so surveyed shall be deemed to refer to that which would be the so numbered legal subdivision, section or township if the land were so surveyed."

20. Section 6 is amended by adding immediately after subsection (5) the following new subsection:

"(6) When an appointment is made pursuant to subsection (3) or (4), the provisions of subsections (2) and (5) apply thereto."

20. Section 9, subsection (1) is amended by striking out clause (b) and by substituting the following:

"(b) appoint as acting members of the Board one or more persons to act at the call of the chairman in the case of death, illness or absence from duty of a member of the Board, or in the case of a member's inability to act for any cause, and an acting member has, during any period that he is called upon to act as a member of the Board, all the powers of and may perform all the duties of a member of the Board."

22. Section 12, subsection (4), clause (a) is amended by adding immediately after the word "secretary" the words "or solicitor".

23. The following new sections are added immediately after section 14:

"14a. (1) When, upon the written authority of the Board, photographs have been taken of any papers, books, files, documents or plans on record with the Board or of any minutes, accounts or records of the Board that relate to transactions that have been concluded more than two years

previously, if the films of the photographs have been duly certified under the signature of a member of the Board or an employee duly authorized for the purpose by the Board, the papers, books, files, plans, minutes, accounts, records or other documents may be destroyed forthwith under the direction and supervision of the member or employee of the Board.

“(2) A print from any such photographic film and a certificate under the signature of a member of the Board or an employee duly authorized for the purpose by the Board, certifying that the print is a print from the film and that the film was duly certified as a film of an original document in compliance with subsection (1), is admissible in evidence in all proceedings in which the original document of which the print is a photograph would be evidence.

“(3) Nothing in this section precludes the destruction from time to time in accordance with the instructions of the Board of any routine reports, returns or copies of routine communications that are deemed no longer of service, without the making of any photograph or other copy of such reports, returns or communications.

“14b. A copy of any record, document, plan, book, paper, minute or account belonging to or deposited with the Board and attested under the signature of a member of the Board or an employee duly authorized for the purpose by the Board, is admissible in evidence in all proceedings in which the original record, document, plan, book, paper, minute or account would be evidence.”.

24. Section 15, subsection (1) is amended

- (a) as to clause (a) by adding immediately after the word “secretary” the words “, a solicitor”,
- (b) as to clause (b) by striking out the word “other” and by substituting the words “such technical and”.

25. Section 24 is amended by adding immediately after subsection (8) the following:

“(9) Where an application is made for a licence to drill a well for gas to be used solely on a farm or ranch or for other domestic uses of the applicant, the Minister may, upon the recommendation of the Board, dispense with the deposit or any part thereof upon such terms and conditions as he may prescribe.”.

26. Section 26 is amended

- (a) as to subsection (1) by striking out the words “granted pursuant to this Part”,

- (b) as to subsection (6) by striking out the word "twenty-five" and by substituting the word "five".

27. Section 27, clause (a) is amended by striking out the words "granted pursuant to this Part".

28. Section 29, subsection (1) is amended by striking out the words "granted pursuant to this Part".

29. Section 30 is amended by striking out clause (r) and by substituting the following:

- "(r) as to the operations for the conditioning or reconditioning of wells by mechanical, chemical or explosive means, and as to the notices to be given of an intention so to condition or recondition a well,".

30. Section 34, subsection (1) is amended

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

- "(a) designate a field by describing the surface area thereof, and may designate a pool by describing the surface area vertically above the pool and by naming the geological formation, member or zone in which the pool occurs,".

- (b) as to clause (h)

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

- "(iii) by distributing the portion of the provincial allowable allocated to a pool in an equitable and reasonable manner among the wells in the pool, for the purpose of giving each producer the opportunity of producing or receiving his just and equitable share of the oil in the pool,".

- (ii) by striking out subclause (v) and by substituting the following:

- "(v) by distributing the amount of gas that may be produced from a pool in an equitable and reasonable manner among the wells in the pool, for the purpose of giving each producer the opportunity of producing and receiving his just and equitable share of the gas in the pool.".

31. The following new section is added immediately after section 72:

"72a. (1) When the Board is of the opinion that because of hazardous conditions in a field or at a well, it is necessary or expedient to close any area and to shut out

therefrom all persons except such as are specifically authorized, the Board may make an order in writing setting out and delimiting the closed area and prohibiting anyone during the time the order is in effect from entering, travelling about or remaining therein without a travel permit issued under the authority of the Board.

“(2) An order under subsection (1) may contain any terms and conditions that the Board considers necessary for the prevention of fire in the closed area.

“(3) The Board may provide for such notice as is practicable under the circumstances, and may cause notice of the order setting out the area closed to be published in such papers as in its opinion will give adequate publicity.

“(4) In addition to the notice provided by subsection (3) the Board shall advise an appropriate representative of the Department of Transport in order that passage of aircraft over the closed area and adjacent areas may be controlled in the interest of public safety.”.

32. The following new section is added immediately after section 81:

“**81a.** (1) The Board may require an applicant to give, in such manner and to such persons as the Board may direct, notice of any hearing or inquiry to be conducted by the Board in connection with his application, whether under this Act or otherwise.

“(2) When the Board publishes a notice in connection with any hearing, inquiry or investigation by the Board, whether under this Act or otherwise, it may order that the cost of advertising be paid in whole or in part by any party to the hearing, inquiry or investigation.”.

33. Part I and this section come into force on the day this Act is assented to, and Part II, except this section, comes into force and Part I is repealed on the day the Revised Statutes of Alberta, 1955, come into force.

SECOND SESSION
THIRTEENTH LEGISLATURE
4 ELIZABETH II
1956

BILL

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

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. MANNING
