

No. 14

3rd Session, 13th Legislature, Alberta
5 Elizabeth II, 1957

BILL 14

An Act to Provide for the Conservation of the Oil and Gas
Resources of the Province of Alberta

HON. MR. MANNING

Edmonton, Alberta, 1957

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

Explanatory Note

General. This Bill will enact a new Act entitled "*The Oil and Gas Conservation Act*", which will repeal and replace the earlier Act of 1950 dealing with the same subject and *The Oil and Gas Resources Conservation Act*, being chapter 227 of the Revised Statutes of Alberta, 1955.

(In these notes each clause is identified by reference to the present provision in the 1950 Act as amended to date, and, in brackets, to the provision as found in the Revised Statutes of Alberta, 1955.)

1. Short Title changed from *The Oil and Gas Resources Conservation Act*.

2. Definitions of terms used in Act.

(a) Section 2 (b) (Section 2 (b)) but name of Board changed from Petroleum and Natural Gas Conservation Board to Oil and Gas Conservation Board.

(b) New.

(c) New.

(d) Section 2 (c) (Section 2 (c) as amended 1956, c. 40, s. 18).

(e) Section 2 (d) (Section 2 (d) as amended 1956, c. 40, s. 18)

(f) Section 2 (e) (Section 2 (e)).

(g) Section 2 (ee) (Section 2 (ee) as amended, 1956, c. 40, s. 18)

(h) New.

BILL

No. 14 of 1957

An Act to Provide for the Conservation of the Oil and Gas Resources of the Province of Alberta

(Assented to _____, 1957)

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

1. This Act may be cited as "*The Oil and Gas Conservation Act*".

Interpretation

2. In This Act,

- (a) "Board" means the Oil and Gas Conservation Board constituted under the provisions of this Act;
- (b) "chairman" means the chairman of the Board designated as such pursuant to this Act;
- (c) "Director of Mines" means the officer of the Department of Mines and Minerals who bears the designation of Director of Mines, or any officer appointed to perform his duties for the time being;
- (d) "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;
- (e) "gas" means natural gas both before and after it has been subjected to any processing, and includes all fluid hydrocarbons not defined as oil;
- (f) "judge" means a judge of the Supreme Court of Alberta;
- (g) "licence" means a licence granted pursuant to this Act and includes a licence or permit for drilling a well granted pursuant to any regulation made under *The Oil and Gas Wells Act* or to *The Oil and Gas Resources Conservation Act, 1950*;
- (h) "licensee" means the holder of a licence according to the records of the Board;

(i) Section 2 (k) (Section 2 (k)) modified and changing term from "reasonable market demand" to "market demand".

(j) Section 2 (f) (Section 2 (f))

(k) Section 2 (g) (Section 2 (g) as amended, 1956, c. 40, s. 18).

(l) New.

(m) Section 2 (h) (Section 2 (h))

(n) Section 2 (i) (Section 2 (i) as amended, 1956, c. 40, s. 18).
with abbreviation in wording.

(o) Section 2 (j) (Section 2 (j) as amended, 1956, c. 40, s. 18).

(p) Section 2 (a) (Section 2 (a)) with modification and change of term from "absorption plant" to "processing plant" and relating it to plant handling the product of more than one well.

(q) New.

- (i) “market demand” means the amount of oil or gas reasonably needed for current consumption, use, storage and working stocks within and outside the Province;
- (j) “Minister” means the Minister of Mines and Minerals;
- (k) “oil” means crude oil and all other hydrocarbons, regardless of gravity, that are or can be recovered from a pool in liquid form through a well;
- (l) “operator” when used in connection with a well means
 - (i) a person who has the right as lessee, sub-lessee, assignee or owner to carry on any operation at, or to take the production from, the well, and
 - (ii) a person who has the control or management of any operation, and includes a contractor who engages in, or contracts for the carrying out of, any drilling, completing, reconditioning, producing or abandonment operation;
- (m) “owner” when that term is used in connection with a well, includes the person who is entitled to produce and dispose of any oil or gas from the well, or property, or who would be so entitled in the absence of any contract, statute, regulation or order governing the disposition of production;
- (n) “pipe line”
 - (i) means any pipe or any system or arrangement of pipes wholly within the Province and by which oil or gas or water incidental to the drilling for or production of oil or gas is conveyed, and
 - (ii) includes all property of any kind, both real and personal, 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, gas or water, but
 - (iii) does not include any pipe or any system or arrangement of pipes that constitutes a distribution system for the distribution within a community of gas to ultimate consumers;
- (o) “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;
- (p) “processing plant” means any plant for the processing of gas produced from more than one well for the extraction from the gas of hydrogen sulphide, water vapour, natural gasoline, other hydrocarbons or other substances;
- (q) “regulations” means regulations made pursuant to this Act;

(r) Section 2 (m) (Section 2 (m)) with variation. Clause (r)
(ii) thereof is new.

(s) New.

(t) Section 2 (n) (Section 2 (n)) in part.

(u) New.

- (*r*) “spacing unit” means
- (i) the area allocated to a well for the purpose of drilling for or producing oil or gas,
 - (ii) the area designated as one that will be allocated to a well if the well is drilled, or
 - (iii) the subsurface regions vertically beneath such area allocated or designated,
- 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;
- (*s*) “test hole” means an orifice in the ground drilled or being drilled to a depth of more than five hundred feet for the primary purpose of obtaining geological or geophysical information, and not used or to be used for the production of oil or gas or the injection of gas, air, water or other substance to an underground formation;
- (*t*) “waste”, in addition to its ordinary meaning, means “waste” as that term is understood in the oil and gas industry, and includes the underground or surface loss through wasteful operations of oil or gas or of potentially recoverable oil or gas;
- (*u*) “wasteful operations” means
- (i) the locating, spacing, drilling, equipping, completing, operating or producing of a well in a manner that results or tends to result in reducing the quantity of oil or gas ultimately recoverable from a pool under sound engineering and economic principles,
 - (ii) the locating, drilling, equipping, completing, operating or producing of a well in a manner that causes or tends to cause excessive surface loss or destruction of oil or gas,
 - (iii) the inefficient, excessive or improper use or dissipation of reservoir energy however caused,
 - (iv) the failure to use suitable artificial, secondary or supplementary recovery methods in a pool where it appears probable on the basis of available information, that such methods would result in increasing the quantity of oil or gas ultimately recoverable from the pool under sound engineering and economic principles,
 - (v) the escape or the flaring of gas, if it is estimated that, in the public interest and under sound engineering principles and in the light of economics and the risk factor involved, the gas could be gathered, processed if necessary, and it or the products therefrom marketed, stored for future marketing, or beneficially injected into an underground reservoir,

(v) New and Section 2 (o) (Section 2 (o)) in part.

(w) In part Section 2 (p) (Section 2 (p)).

3. Section 2a (Section 2a as added 1956, c. 40, s. 19)

4. Section 3 (Section 3) varied as to clause (c).

- (vi) the inefficient storing of oil or gas, whether on the surface or underground,
- (vii) the production of oil or gas in excess of proper storage facilities or of transportation and marketing facilities or of market demand therefor, or
- (viii) the use of gas for purposes other than gas lift, repressuring, recycling, pressure maintenance or for light or as fuel, unless such use is beneficial, in the public interest and efficient;
- (v) "well" means an orifice in the ground
 - (i) made or being made by drilling, boring or in any other manner and from which any oil or gas is obtained or obtainable, or for the purpose of obtaining oil or gas,
 - (ii) made or being made by drilling or boring for the purpose of obtaining water to inject to an underground formation,
 - (iii) used, drilled or being drilled for the purpose of injecting gas, air, water or other substance to an underground formation,
 - (iv) being a test hole, or
 - (v) drilled or being drilled to a depth of more than five hundred feet for any other purpose;
- (w) "zone" means any stratum that is designated by the Board as a zone.

3. In this Act and in any regulations or orders made pursuant hereto, 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.

Object and Application of Act

- 4.** The intent and purpose of this Act are
- (a) to effect the conservation of the oil and gas resources of the Province,
 - (b) to prevent the waste of the oil and gas resources of the Province,
 - (c) to secure the observance of safe and efficient practices in the locating, spacing, drilling, equipping, completing, reworking, testing, operating and abandonment of wells and in all operations for the production of oil and gas, and
 - (d) to afford to each owner the opportunity of obtaining his just and equitable share of the production of any pool.

5. (1) Section 4 (Section 4 (1)).

(2) Section 2 (i) of chapter 57 of 1955 (Section 4 (2)) in part. Under the terms of these sections The Oil and Gas Resources Conservation Act would not apply in any respect to "bituminous sands". The non-application now relates to "oil sands" but is otherwise the same provision.

(3) New.

6. Section 5 (Section 5), with slight modification, and omitting subsection (6) as added by 1956, c. 40, s. 20.

7. Section 6 (Section 6 as amended, 1956, c. 40, s. 20) Subsection (1) of this clause in part also Section 9 (a) (Section 9 (a)).

5. (1) This Act applies to every well situated in the Province whenever made, and to any product obtained or obtainable therefrom, and in the case of any conflict between the terms of any lease or grant from the Crown in the right of Canada or of any province or from any other person, the provisions of this Act prevail.

(2) This Act does not apply to any oil 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 oil sands so recovered and, without derogating from the generality of the foregoing, does not apply

- (a) to any operation for such recovery of oil sands, or of such hydrocarbons or other products,
- (b) to the disposal or transportation of such oil sands, hydrocarbons or other products, or
- (c) to any provision respecting such oil 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.

(3) The Lieutenant Governor in Council, upon the recommendation of the Board made after a public hearing, may exclude from the application of this Act or any provisions thereof any oil sands or any hydrocarbon or other product obtained therefrom recovered in any specified area in the Province by a method other than removing any overburden and excavating from the surface.

PART I

ORGANIZATION AND CONSTITUTION OF BOARD

Appointment

6. There is hereby constituted a Board to be called the "Oil and Gas Conservation Board", which is a body politic and corporate.

7. (1) The Board shall consist of not more than three members to be appointed by the Lieutenant Governor in Council, one of whom shall be designated as chairman, and one of whom may be designated as deputy chairman.

(2) In the event of any vacancy occurring in the membership of the Board, the Lieutenant Governor in Council may appoint a member.

(3) Each of the members of the Board holds office for a term of five years from the date of his appointment and thereafter during the pleasure of the Lieutenant Governor in Council.

(4) In case the office of chairman or deputy chairman becomes vacant, the Lieutenant Governor in Council may designate any member to fill the vacancy.

(6) Section 7 (Section 7) with slight variation.

8. Section 8 (Section 8) extended to include persons continuously employed by the Board by new subsection (2).

9. Section 9 (b) (Section 9 (b) as added 1956, c. 40, s. 21) with slight variation.

10. New,

(5) Notwithstanding anything contained in this section, any member of the Board may be removed from office by the Lieutenant Governor in Council at any time upon the address of the Legislative Assembly.

(6) Each member of the Board shall receive such remuneration as may be fixed from time to time by the Lieutenant Governor in Council and the remuneration shall be paid by the Board.

8. (1) No member of the Board shall have a monetary interest of any description, directly or indirectly, in any oil or gas property or in any business engaged in any phase of the oil and gas industry and carried on in the Province.

(2) No person continuously employed by the Board shall, directly or indirectly, have a monetary interest of a kind described in subsection (1) other than shares of a company that are regularly quoted and dealt in on a recognized stock exchange.

9. (1) The Lieutenant Governor in Council may from time to time nominate one or more persons from among whom acting members of the Board may be selected.

(2) In the case of the death of a member of the Board or of a member's inability to act for any cause, the chairman may name as an acting member a person nominated under subsection (1).

(3) An acting member has, during any period or with respect to any matter for which he is named an acting member but terminating with the end of the member's inability to act, all the powers of and may perform all the duties of a member of the Board.

10. (1) Where a hearing, inquiry or investigation is held by the Board, and a member or members of the Board is or are for any reason unable to attend on any day or date, the other member or members has or have power to continue the hearing, inquiry or investigation as fully and effectively as if the member or members unable to attend were present.

(2) If a member or members of the Board is or are unable to attend at a hearing, inquiry or investigation referred to in subsection (1), the member or members nevertheless has or have power and is or are qualified to resume attendance at any time or from time to time at such hearing, inquiry or investigation and take part therein as fully and effectively as if he or they had been present continuously during the hearing, inquiry or investigation, and a decision given by the Board following the conclusion of the hearing, inquiry or investigation is valid and effective notwithstanding the absence from time to time of a member or members of the Board during the hearing, inquiry or investigation.

11. New—Section 10 (Section 10) required the office of the Board to be at such place as the Lieutenant Governor in Council approved. Clause 11 prescribes Calgary as the site of the head office.

12. Section 11 (1) and (2) (Section 11 (1) and (2)).

13. Section 12 (1) and (2) (Section 12 (1) and (2)) as to subsections (1) to (3) of this clause.

(4) New.

14. (1) Section 12 (3) (Section 12 (3)).

(3) Where a hearing, inquiry or investigation is commenced before two members of the Board, the other member has power and is qualified to participate at any time or from time to time in the hearing, inquiry or investigation, and participate in any decision of the Board thereon as fully and effectively as if he had been present during the whole of the hearing, inquiry or investigation.

Office and Business Practices of Board

11. The head office of the Board shall be at the city of Calgary, in the Province of Alberta.

12. (1) Meetings of the Board shall be held at the call of the chairman at such place or places and upon such notice as to the chairman seems proper.

(2) The chairman shall call a meeting of the Board immediately upon being requested in writing to do so by the other members of the Board.

13. (1) The chairman

- (a) shall be the executive officer of the Board, and
- (b) has full power to act for, and in the name of, the Board in the execution, performance and carrying out of any act, matter or thing that is within the power of the Board, subject only to such express directions or decisions as are given or made by a resolution of the Board passed at a regularly held meeting thereof.

(2) The chairman or deputy chairman shall sign all orders or directions issued by authority of the Board.

(3) At any time during which the office of chairman is vacant or the chairman is absent from the head office of the Board or is incapacitated for any reason from executing his functions as chairman, or upon the direction of the chairman, the deputy chairman has and shall exercise all the powers, duties and functions that are by this Act conferred upon the chairman.

(4) At any time during which the office of deputy chairman is vacant or the deputy chairman is absent from the head office of the Board or is incapacitated for any reason from executing his functions as deputy chairman, or upon the direction of the chairman, each member of the Board has and may exercise all the powers, duties and functions that are by this Act conferred upon the deputy chairman.

14. (1) An order, direction or other document purporting to be issued by authority of the Board is, when signed by the chairman or the deputy chairman, admissible in evidence to prove the contents thereof without any proof of the signature or of the authority of the chairman or deputy chairman, as the case may be, to sign the document.

(2) New. Makes copies of Board orders, directions or other documents admissible in evidence when certified as true copies by the secretary or solicitor of the Board to the same extent as a document signed by the Chairman of the Board under subsection (1) of this clause.

15. Section 13 (Section 13).

16. Section 15 (a) to (c) and (d) in part (Section 15 (a) to (d)).

17. Section 16 (Section 16) with slight modification.

(2) A copy of an order, direction or other document purporting to be issued by authority of the Board is, when certified as a true copy by the solicitor or secretary to the Board, admissible in evidence to prove the order, direction or other document and its contents without any proof of the authority of the member by whom the order, direction or document purports to be signed and without any proof of the signature or of the authority of the solicitor or secretary, as the case may be.

15. The Board may perform all the duties, powers and functions imposed upon it by this Act and by any other Act, and for that purpose may do all things that are necessary for or incidental to the performance of any such duty, power or function.

16. The Board may

- (a) appoint a secretary, a solicitor and such other employees as the Board deems necessary for the transaction of its business, and prescribe their duties, conditions of employment and remuneration,
- (b) obtain the services of such engineers, accountants, legal counsel and such technical or professional persons or persons engaging in work of a kind required by the Board to be done, as the Board deems necessary for the proper and convenient transaction of its business,
- (c) appoint from time to time one or more experts or persons having special technical or other knowledge of any matter before the Board to inquire into and report to the Board in respect of the matter in question, any of which experts or persons may or may not be an employee of the Board, and
- (d) appoint examiners for the purpose of conducting hearings, inquiries and other investigations and reporting thereon to the Board.

PART II

GENERAL POWERS OF THE BOARD

17. The Board, with the approval of the Lieutenant Governor in Council, may make such just and reasonable orders and directions as the Board deems requisite to effect the intent and purpose of this Act and as are not otherwise specifically authorized by this Act.

18. Section 17 (Section 17).

19. (1) Section 18 (1) (Section 18 (1)).

(2) Section 18 (2) in part (Section 18 (2)).

(3) Section 18 (2) (a) in part (Section 18 (3)).

(4) New.

(5) Section 18 (3) (Section 18 (4)).

(6) (Section 18 (4) Section 18 (5)) with slight change.

20. (1) Section 19 (1) in part (Section 19 (1)).

PART III**LICENCES AND PERMITS****Licences**

18. (1) No person shall commence to drill a well or undertake any operations preparatory or incidental to the drilling of a well or continue any drilling operations or any producing operations unless a licence has been issued and is in full force and effect.

(2) Notwithstanding subsection (1), the site for a well may be surveyed without a licence.

(3) No well shall be drilled elsewhere than at the exact location specified in the licence, or, if the licence has been amended with respect to the location of the well, then at the exact location specified in the amendment.

19. (1) An application for a licence shall be submitted to the Board on the form prescribed by and obtainable from the Board.

(2) The application shall set out in the manner required by the Board,

(a) the name proposed for the well, including the identifying number,

(b) the location at which it is proposed to drill the well,

(c) the proposed program of drilling operations, and

(d) such other information as the Board may require.

(3) The name proposed for the well shall not duplicate any previously recorded name, nor shall it be one that in the opinion of the Board bears a close resemblance to a previously recorded name or is of a misleading nature.

(4) The Board may direct that the name proposed for the well shall not exceed a specified length.

(5) In an area where there may be more than one productive zone, the Board may require that the application set out the zone to which the well is to be drilled and from which the well is to be produced.

(6) The application shall be accompanied by a fee of twenty-five dollars payable to the Provincial Treasurer except in the case of a well to be drilled to a depth of one thousand feet or less for the purpose of obtaining water for use other than injection to an underground formation.

20. (1) In the case of a well to be drilled for the purpose of obtaining oil or gas or of a well to be drilled for the purpose of injecting gas, air, water or other substance to an underground formation, the application shall be accompanied by a suitable plan in triplicate and on a readable scale.

(2) Section 19 (1) balance (Section 19 (2)).

(3) and (4). Section 19 (2) and (3) (Section 19 (3) and (4)).

21. Section 21 (Section 21).

22. Section 20 (Section 20).

(2) The plan shall be prepared from a survey by a surveyor or competent engineer, and shall show the location of the proposed well in relation to the boundaries of the lands and to any rivers, lakes, roadways, pipe lines, railways and other rights of way, aircraft runways and taxiways, coal mines whether being worked or abandoned, existing wells and structures of every kind upon or within the lands, and shall show the distances to wells in the spacing unit.

(3) The plan shall be dated and signed by the applicant or his agent and certified by the surveyor or engineer, and their signatures shall be duly witnessed.

(4) All measurements and distances shall be tied to a survey monument, and in the case of a well to be drilled in unsurveyed territory within the boundaries of a lease that has been defined on the ground by staking, shall also be tied to Post No. 1 of the lease.

21. (1) The applicant for a licence shall advise the Board if he intends to drill through a bed or seam of coal in respect of which operations have been undertaken for the working of the coal.

(2) Where an applicant advises the Board that he intends to drill through such a bed or seam of coal, then before a licence may be granted, he shall satisfy both the Board and the Director of Mines that it is practicable to drill through the bed or seam

- (a) without danger to the persons engaged in mining operations therein, and
- (b) in such a way as to permit in the opinion of the Board and the Director of Mines the safe and practicable recovery of coal, oil and gas.

22. (1) No person shall apply for a licence for a well for the recovery of oil or gas from a spacing unit unless he is entitled, or is the authorized representative of the person who is entitled, to the drilling and producing rights for the oil or gas for the recovery of which the well is to be drilled.

(2) If it is proved to the satisfaction of the Minister that a licensee was not entitled, or was not the authorized representative of the person who was entitled, to the drilling and producing rights at the time the licence was granted, the licence is null and void for all purposes except as to the liability of the holder of the licence to complete or abandon the well or to suspend operations as the Board may prescribe.

(3) If after thirty days from the mailing of a notice by the Minister to a licensee at his last known address the licensee fails to prove to the satisfaction of the Minister that he is entitled to drill for and produce oil or gas from a

23. New. Makes specific provision re “test hole” programs and drilling.

24. (1) and (2) Section 22 (1) and (2) (Sections 22 (1) and (2)).

(3) New.

25. (1) (a) Section 23 (Section 23) with variation in wording.

well, the Minister, at his discretion, may cancel the licence or suspend the licence upon such terms and conditions as he may specify.

23. (1) An application may be made for a licence for one or more wells to be drilled pursuant to a program of test holes, and in such a case subsection (3) of section 18, clause (b) of subsection (2) of section 19 and section 20 do not apply.

- (2) An application under subsection (1) shall set out
- (a) the maximum number of test holes included in the program,
 - (b) the townships in which the holes are to be drilled,
 - (c) the approximate depth of the holes,
 - (d) the formation, stratum or zone in which drilling will terminate, and
 - (e) such other information as the Board may require.

(3) An application under subsection (1) shall be accompanied by a fee of twenty-five dollars payable to the Provincial Treasurer irrespective of the number of wells to be drilled pursuant to one program of test holes for which the licence is applied for.

(4) A licence granted upon an application under subsection (1) may be for more than one well, and in that event, the Minister may at any time, amend the licence by removing therefrom any of the wells and issuing, without further fee, a separate licence for the well so removed.

(5) As soon as possible but not more than thirty days after a test hole is drilled, the licensee shall furnish to the Minister and to the Board, on a form prescribed by the Board, full information as to the location and depth of the well and the strata penetrated by it, and such further information as the Board may require.

24. (1) The application for a licence shall be examined by the Board and forwarded to the Minister with its recommendation.

(2) The Minister or a person authorized by the Minister to do so, may in his discretion, grant or refuse the licence.

(3) The Board shall keep a record of each licence granted under subsection (2).

25. No company shall acquire a licence by application or transfer unless it is

- (a) registered under the provisions of *The Companies Act* of the Province,

(b) New.

(c) New.

26. Section 24 (Section 24) with slight variation in wording.

- (b) incorporated by an Act of the Province and approved by the Minister as a company that may acquire a licence, or
- (c) incorporated under the *Bank Act* (Canada).

26. (1) An application for a licence or for the transfer to the applicant of a licence shall be accompanied by a deposit payable to the Provincial Treasurer to guarantee the proper drilling, control, completion, suspension or abandonment of the well or of any other well of which the applicant is licensee, unless, in the opinion of the Board, the applicant has a sufficient deposit with the Provincial Treasurer.

(2) Subject to subsection (3), the amount of the deposit shall be two thousand five hundred dollars or such greater amount as may be required by the Board where, in its opinion, special circumstances exist.

(3) If an applicant applies for more than one licence or is the licensee of an earlier licence, the Board may fix as the amount of the deposit for all wells of which the applicant is licensee a single amount of not less than three thousand five hundred dollars.

(4) The amount fixed under subsection (2) or subsection (3) may be increased by the Board on any subsequent application for a licence or for the transfer of a licence.

(5) If a licence is refused the deposit, or so much of it as is not required for other wells of which the applicant is licensee, shall be returned to the applicant.

(6) If a person is licensee of more than one well, one of which is abandoned or transferred, the portion of the deposit, if any, in excess of the amount fixed by the Board as required for the remaining wells shall be returned to the licensee, but the deposit shall not be reduced to an amount less than

- (a) three thousand five hundred dollars, if the person remains the licensee of more than one well, or
- (b) two thousand five hundred dollars, if the person remains the licensee of one well.

(7) Upon the abandonment in accordance with the requirements of the Board of, or the transfer of, all wells of a licensee the deposit, or so much thereof as has not been used or expended under the provisions of Part XI, shall be returned to the licensee.

(8) In the case of an application for a licence to drill a well for water the Board may

(9) Section 24 (9) (Section 24 (9) as added by 1956, c. 40, s. 25).

27. Section 25 (Section 25).

28. (1) Section 26 (1) (Section 26 (1) as amended, 1956, c. 40, s. 26) except that "assignment" references replaced by references to "transfer" and "Minister" replaced by the "Board".

(2) New.

(3) Section 26 (6) (Section 26 (6) as amended, 1956, c. 40, s. 26).

(4) Section 26 (2) in part (Section 26 (2) in part).

(5) New.

29. Section 27 (Section 27 as amended, 1956, c. 40, s. 27) with reference to regulations and orders added.

- (a) fix the deposit in accordance with subsections (2) and (3),
 - (b) fix the deposit at such lesser amount as it deems fit, or
 - (c) dispense with the deposit.
- (9) Where 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.

27. The Board may require a deposit or an additional deposit payable to the Provincial Treasurer in an amount not to exceed ten thousand dollars including the original deposit, before a licensee

- (a) undertakes operations to recondition a well, or
- (b) resumes drilling operations at a well after the original completion, suspension or abandonment of the well,

and the deposit is subject to section 26 in so far as it is applicable.

28. (1) A licence shall not be transferred without the consent in writing of the Board.

(2) The transfer shall be in Form 1 in the Schedule and shall have endorsed thereon or attached thereto proof of execution satisfactory to the Board.

(3) The transferee shall submit the transfer to the Board together with a fee of five dollars payable to the Board.

(4) The Board shall keep a record of every transfer to which it has given consent and notify the Minister.

(5) Where the licensee is a company that has been dissolved or struck off the register pursuant to *The Companies Act*, the Minister may direct that the licence be transferred to such person as agrees to accept transfer of the licence and as in the opinion of the Minister has the right to receive it, and the direction of the Minister has the same effect as a transfer of licence.

29. The Minister, upon the recommendation of the Board, may

- (a) cancel a licence or suspend a licence for a definite time or indefinitely if it is made to appear to him that a contravention of this Act or any regulation or order thereunder has occurred with respect to the well for which the licence was granted,
- (b) cancel a licence if drilling has not been commenced within ninety days of its issue,
- (c) cancel a licence at the request of the licensee, or
- (d) issue a new licence in place of a cancelled licence.

30. Section 28 (Section 28).

31. Section 29 (Section 29 as amended by 1956, c. 40, s. 28).

32. Section 22 (3) (Section 22 (3)).

33. Section 33 (Section 33).

30. (1) An application to amend a licence shall be submitted to the Board.

(2) The Board shall examine the application and forward it to the Minister with its recommendation.

(3) The Minister, or a person authorized to do so by the Minister, may, in his discretion, direct the amendment applied for, direct such other amendment as he deems fit or refuse the application.

31. (1) A licence granted pursuant to this Part shall be in the form prescribed by the Minister, either generally or for any specified case and shall be issued to the licensee in duplicate.

(2) The duplicate of the licence, together with the duplicate of any amendment thereof shall be posted and kept prominently displayed at the well site during drilling operations.

32. A licence is subject to such conditions, restrictions and stipulations as may be set out therein or attached thereto.

Permits

33. (1) No person shall engage in any drilling operation at any well, or undertake any operation preparatory or incidental to the drilling of any well, or continue any drilling operation at a well or recondition or abandon a well, unless he is the holder of a subsisting permit to operate drilling equipment.

(2) An application for a permit to operate drilling equipment shall be made to the Board in such form as the Board may prescribe.

(3) The application shall be accompanied by a fee of twenty-five dollars payable to the Board for the permit and the fee shall be refunded if the permit is not granted.

(4) The Board shall examine the application and in its discretion may grant or refuse the permit.

(5) The permit shall be for a period of one year and shall be in such form and is subject to such terms and conditions as the Board may prescribe.

(6) If, in the opinion of the Board, a permittee fails to comply with any provision of this Act, the regulations or any order of the Board, the Board may cancel his permit.

34. (a) Section 30 (a) (Section 30 (a)) with method described.

(b) Section 30 (b) (Section 30 (b)).

(c) Section 30 (c) (Section 30 (c)) extended to permit the prescribing of penalties for and prohibitions against completing well in other parts of spacing unit.

(d) Section 30 (d) (Section 30 (d)).

(e) Section 30 (e) (Section 30 (e)).

(f) Section 30 (f) (Section 30 (f)).

(g) Section 30 (g) (Section 30 (g)).

(h) Section 30 (h) (Section 30 (h)).

PART IV**DRILLING AND PRODUCTION****Regulation of Drilling and Production**

34. The Lieutenant Governor in Council, upon the recommendation of the Board, may make general regulations or special orders

- (a) prescribing normal spacing units by describing their surface areas, and authorizing the Board to prescribe
 - (i) other spacing units in any field, pool or area, or
 - (ii) such special spacing units as may be proper in individual cases,
- (b) prohibiting the drilling of a well at any point within a prescribed distance of any boundary, roadway, road allowance, right of way, building of any specified type, or any specified works either public or private,
- (c) prescribing and describing the part of a spacing unit within which a well is to be completed, and providing penalties for and prohibitions against completing the well in other parts of the spacing unit,
- (d) requiring notice of intention and approval of the Board before
 - (i) the suspension of normal drilling or normal producing operations,
 - (ii) the abandonment of a well,
 - (iii) the reconditioning of a well,
 - (iv) the resumption of drilling operations after a previous completion, suspension or abandonment of a well, or
 - (v) the resumption of producing operations after a previous suspension,and authorizing the Board to prescribe the conditions under which it grants its approval in any such case,
- (e) prescribing the methods to be employed in any drilling or abandonment operations,
- (f) prescribing the conditions under which drilling operations may be carried out in water covered areas, and any special measures to be taken in such operations,
- (g) prescribing the measures to be adopted to confine any gas, oil or water encountered during drilling operations to its original stratum and to protect the contents of such stratum from infiltration, inundation and migration,
- (h) as to the kind and specification of tools, casing, equipment and materials that may be used for

(i) New.

(j) Section 30 (i) (Section 30 (i)).

(k) Section 30 (j) (Section 30 (j)).

(l) Section 30 (k) (Section 30 (k)).

(m) Section 30 (l) (Section 30 (l)).

(n) Section 30 (m) (Section 30 (m)).

(o) Section 30 (n) (Section 30 (n)).

(p) Section 30 (o) (Section 30 (o)).

(q) New.

drilling, and as to the construction, alteration or use of any works, fittings, machinery, plant or appliance in and for the development, production, transmission, supply, distribution, measurement, consumption or handling of any gas or oil,

- (i) governing multi-zone wells, prohibiting completion of a well as a multi-zone well without the permission of the Board, prohibiting the use of a well for the production from or injection to more than one zone without the approval of the Board and authorizing the Board to prescribe the terms and conditions under which it grants its approval in any such case,
- (j) providing for the registration and certification of persons having charge of any drilling operations and of any persons employed in connection with any drilling operations, and prohibiting the carrying on of any drilling operations unless they are conducted under the continuous and personal supervision of a person or persons registered as having charge thereof,
- (k) prohibiting the drilling through oil, gas, water, coal or other minerals without taking adequate measures to confine oil, gas or water to its own stratum and to protect any coal seam or other mineral deposit or any workings therein from injury, and prescribing the nature and extent of such measures,
- (l) requiring the provision of adequate well casing and the proper anchorage and cementation thereof,
- (m) requiring and prescribing the taking and method of taking of samples of any kind and their submission to the Board,
- (n) requiring and prescribing any tests, analyses, surveys and logs and the submission of the information so obtained to the Board,
- (o) prescribing the measures to be taken before the commencement of drilling and during drilling to conserve any gas, oil or water likely to be encountered,
- (p) as to the methods of operation to be observed during drilling and in the subsequent management and conduct of any well for any purpose including, without restricting the generality of the foregoing,
 - (i) the protection of life, property and wild life,
 - (ii) the prevention and extinguishment of fires,
 - (iii) the prevention of wells blowing out of control, and
 - (iv) the prevention of pollution of water,
- (q) as to the location and equipping of production batteries,

(r) Section 30 (r) (Section 30 (r) as amended, 1956, c. 40, s. 29).

(s) Section 30 (s) (Section 30 (s)).

(t) Section 30 (t) (Section 30 (t)).

(u) New.

(v) Section 30 (u) (Section 30 (u)).

(w) Section 30 (v) (Section 30 (v)).

35. (a) and (b) Section 34 (1) (a) (Section 34 (1) (a) as amended, 1956 c. 40, s. 30).

(c) Section 34 (1) (b) (Section 34 (1) (b)).

(d) Section 34 (1) (c) (Section 34 (1) (c)).

(e) Section 34 (1) (g) (Section 34 (1) (g)).

(f) Section 2 (p) (Section 2 (p)) in part.

36. Section 34 (1) (h) (Section 34 (1) (h) as amended, 1956 c. 40, s. 30).

- (*r*) as to operations for the conditioning or reconditioning of wells by mechanical, chemical or explosive means, and as to the notices to be given of intention to so condition or recondition a well,
- (*s*) as to the inspection of wells both during and after drilling,
- (*t*) providing for the capping of or otherwise closing in of wells for the purpose of preventing waste,
- (*u*) prescribing the conditions under which the Board or its representative may order the suspension of drilling or producing operations at a well,
- (*v*) requiring the cleaning out of any wells, and
- (*w*) generally to conserve oil and gas, and to prevent waste or improvident disposition thereof, and to do any other matter reasonably incidental to the development and drilling of any oil or gas wells, the operation thereof, and the production therefrom.

35. The Board may, by general or special orders,

- (*a*) designate a field by describing the surface area thereof,
- (*b*) 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,
- (*c*) designate the area that is to be allocated to a well in connection with fixing allowable production,
- (*d*) control and regulate the production of oil, gas and water by restriction, proration or prohibition,
- (*e*) require the disposal into an underground formation or otherwise, in accordance with such terms and conditions as the Board may prescribe, of any water produced, and
- (*f*) designate any stratum or strata as a zone, either generally or in respect of any designated area or any specified well or wells.

36. The Board, with the approval of the Lieutenant Governor in Council, may, by general or special orders, restrict the amount of oil or gas or both that may be produced in the Province

- (*a*) by fixing a provincial allowable for oil not exceeding the market demand as determined by the Board,
- (*b*) by allocating the provincial allowable for oil in a reasonable manner among the producing pools in the Province by fixing the amount of oil that may be produced from each pool without waste to meet the provincial allowable so determined,
- (*c*) by distributing the portion of the provincial allowable allocated to a pool in an equitable manner

37. (a) Section 34 (1) (e) (Section 34 (1) (e)) in part and in part new.

(b) Section 34 (1) (c) and (b) (Section 34 (1) (d) and (f)).

38. Section 75 (Section 77).

39. Section 32 (Section 32).

40. (1) Section 36 (Section 36).

among the wells in the pool, for the purpose of giving each well owner the opportunity of producing or receiving his just and equitable share of the oil in the pool,

- (d) by limiting the total amount of gas that may be produced from any pool having regard to the market demand for gas therefrom as determined by the Board, to the efficient use of gas for the production of oil and to the efficient utilization of the gas reserves of the Province, and
- (e) by distributing the amount of gas that may be produced from a pool in an equitable manner among the wells in the pool, for the purpose of giving each well owner the opportunity of producing or receiving his just and equitable share of the gas in the pool.

37. In order to prevent waste, the Board may

- (a) require the repressuring, recycling or pressure maintenance of any pool or portion thereof, and for or incidental to such purpose require the introduction or injection into any pool or portion thereof of gas, air, water or other substance, and
- (b) require that any gas be gathered, processed if necessary, and the gas or products therefrom marketed or injected into an underground reservoir for storage or for any other purpose.

38. No scheme for

- (a) repressuring, recycling or pressure maintenance in any field or pool,
- (b) the processing, storage or disposal of gas, or
- (c) the gathering, storage and disposal of water produced from any field or pool,

shall be proceeded with unless the Board, by order, has approved the scheme upon such terms and conditions as the Board may prescribe.

39. (1) If at any time an escape of oil or gas from a well is not prevented or if a flow of water is not controlled, the Board, with the approval of the Minister, may take such means as may appear to it to be necessary or expedient in the public interest to control and prevent the escape of oil, gas or water.

(2) Any action taken by the Board pursuant to subsection (1) is governed by subsections (2) to (7) of section 127 in so far as they are applicable.

40. (1) If the Board is satisfied after an inquiry held upon such notice and to such persons as the Board deems proper, that a well is being operated in such a way that any provision of this Act, of the regulations or of an order

(2) New.

41. (1) Section 38 (1) (Section 40 (1)).

(2) Section 38 (3) (Section 40 (3)).

42. Section 39 (Section 41).

43. Section 40 (Section 42) subsections (1) to (4).

of the Board made pursuant to either of them is contravened or not complied with, the Board may order that on and after a date to be fixed by the order no production is to be permitted at the well and that it is to be shut down and kept shut down until such time as the Board orders to the contrary.

(2) If, in the opinion of the Board, waste, damage to property or pollution can thereby be prevented, the Board may order the well to be shut down pending an inquiry under subsection (1), which inquiry shall be held within fifteen days of the making of the order.

41. (1) The Board may prescribe the methods to be used for the measurement of oil, gas and water and the standard conditions to which such measurements are to be converted.

(2) If methods of measurement and standard conditions are prescribed pursuant to this section, the measurements and standard conditions shall be used whenever the measurement of oil, gas or water is required as a result of the provisions of any statute of the Province, whether the provisions deal with conservation, preservation, utilization, taxation, royalties or any other matter.

PART V

TRANSPORTATION AND DISPOSITION OF OIL AND GAS

Common Carrier

42. (1) The Board, with the approval of the Lieutenant Governor in Council, may from time to time declare each proprietor of a pipe line in any designated part of the Province or the proprietor of any designated pipe line to be a common carrier as and from a date fixed by the order for that purpose, and thereupon any such proprietor is a common carrier of oil or gas or both in accordance with the declaration.

(2) No proprietor of a pipe line who is a common carrier shall directly or indirectly make or cause to be made or suffer or allow to be made any discrimination of any kind as between any of the persons for whom any oil or gas is gathered, transported, handled or delivered by means of a pipe line.

(3) No common carrier shall discriminate in favour of his own oil or gas or oil or gas in which he is directly or indirectly interested in whole or in part.

Common Purchaser

43. (1) The Board, with the approval of the Lieutenant Governor in Council, may declare any person who purchases, produces or otherwise acquires oil or gas produced

44. Section 40 (Section 42 (5)).

45. Section 41 (Section 43).

46. Sections 35, 42, 44 and 45 (Sections 35, 44, 46 and 47) combined and in part, but with the requirement necessitating Lieutenant Governor in Council approval to be obtained being removed.

from any pool in the Province to be a common purchaser of oil or gas from the pool or pools designated by the Board.

(2) Each common purchaser shall purchase oil or gas, as the case may be, offered for sale to him without discrimination in favour of one producer or owner as against another in the same pool.

(3) Each common purchaser shall purchase without discrimination between the pools in the Province from which he is designated to be a common purchaser.

(4) No common purchaser shall discriminate in favour of his own production, or production in which he is directly or indirectly interested either in whole or in part.

44. The Board, by order, may relieve any common purchaser, after due notice and hearing, from the duty of purchasing oil or gas of inferior or different quality or grade.

Conservation and Prevention of Waste of Gas Resources

45. (1) No gas produced in the Province shall be used or consumed in the Province for any purpose other than for gas lift, repressuring, recycling, pressure maintenance, or for light or as fuel, until a permit authorizing its use or consumption for another purpose is granted by the Board.

(2) The Board shall grant a permit when the applicant therefor, after giving notice to such persons as the Board may direct, proves to the satisfaction of the Board, at a hearing before the Board, that the gas is to be used or consumed for a beneficial purpose, and that it would be in the public interest to grant the permit.

(3) Any permit granted pursuant to this section

- (a) shall authorize the use or consumption of gas for the purpose prescribed in the permit,
- (b) may designate the period for which the permit is granted, and
- (c) may be subject to such other terms and conditions as the Board may prescribe.

(4) The holder of a permit shall not assign, transfer, subrogate or part with any of the rights granted by the permit without the consent in writing of the Board.

46. (1) Where the Board finds that it is reasonable and practicable and in the public interest to do so, the Board, after a public hearing, may order

- (a) the owner or operator of a well
 - (i) to continue or resume production of gas,
 - (ii) to deliver gas to such person, pipe line or processing plant as the Board may direct, and
 - (iii) to furnish and erect the equipment and installations necessary for the delivery of gas,

47. Section 43 (Section 45).

48. Section 46 (Section 48).

- (b) the owner or operator of a gas pipe line
 - (i) to take delivery of, gather in, transport or deliver any gas to and from such wells, well sites, points, pipe lines, processing plants and gas distributing systems as the Board may direct, and
 - (ii) to lay, construct, rearrange, furnish and erect the pipe lines, processing plant and equipment and installations of any kind necessary for the taking delivery of, gathering in, transportation and delivery of gas,
 and
 - (c) the owner or operator of a processing plant
 - (i) to gather in, take delivery of, process or deliver gas as the Board may direct, and
 - (ii) to construct, furnish and erect the pipe lines, plant and equipment and installations of any kind necessary to gather in, take delivery of, process and deliver gas.
- (2) Where the Board issues an order pursuant to subsection (1) to the owner or operator of a well, gas pipe line or processing plant, it may order
- (a) the owner or operator to buy or sell the gas, or
 - (b) any other person to buy or sell the gas from or to the owner or operator.
- (3) An order made under this section is subject to such terms or conditions as the Board may prescribe.
- (4) An order under this section may be made with respect to any gas or supply of gas, person, gas pipe line, processing plant or gas distributing system existing in the Province when the order is made or with respect to any gas or supply of gas, person, gas pipe line, processing plant or gas distributing system anticipated or expected to exist in the future.

47. In any case where the Board directs the purchase or sale of gas under this Act the price to be paid for such gas shall be the price agreed upon by the parties, or failing agreement, the price which may be determined by the Board of Public Utility Commissioners on the application of any person interested.

48. Unless otherwise directed by the Board, each owner or operator of a processing plant shall accept and process at prices and charges agreed upon, or in the event of failure to agree, at prices and charges which may be determined by the Board of Public Utility Commissioners, all gas offered to him for processing, and no such owner or operator shall directly or indirectly make or cause to be made or suffer or allow to be made any discrimination of any kind as between any of the persons for whom any gas is processed in the plant.

49. (1) Section 47 (1) and 48 (1) (Sections 49(1) and 50(1)) combined and in part.

(2) Section 47 (1) and 48 (1) (Section 49 (1) and 50 (1)) balance of combined subsections.

(3) Section 47 (2) (Section 49 (2)).

50. (1) Section 50 (Section 52).

PART VI**OVERRIDING PROVISIONS**

- 49.** (1) A provision of
- (a) this Act,
 - (b) the regulations,
 - (c) a declaration, order or direction of the Board pursuant to this Act or in any matter over which it has jurisdiction, or
 - (d) an order of the Board of Public Utility Commissioners pursuant to this Act,

overrides the terms and conditions of any contract or other arrangement conflicting with the provisions of the Act, regulations, order or direction.

(2) No terms or conditions of a contract or other arrangement that conflict with a provision referred to in subsection (1) are enforceable or give rise to any cause of action by any party against any other party to the contract or arrangement.

(3) This section does not apply to a franchise conferred by statute, or to a contract or arrangement entered into pursuant to a statute and between a municipal corporation and a person supplying gas to the ultimate consumer, in so far as the franchise, contract or arrangement relates to the supply or distribution of gas by wholesale or retail within the municipality.

PART VII**ASSESSMENT AND TAXATION OF OIL AND GAS PROPERTIES****Property Liable to Assessment and Taxation**

- 50.** (1) In this Part, "oil and gas property" means the right, title or interest of any person to or in any oil or gas that is in the earth in the Province and includes
- (a) every kind of right to search for or obtain production of any oil or gas, whether the right is incidental to the ownership of land or is created by a lease, permit, contract or in any other way,
 - (b) every right, title, interest or benefit acquired or withheld upon the making of any sale, lease, sub-lease, assignment, licence or other arrangement relating to the disposition of any right, title or interest to or in any oil or gas,
 - (c) any interest of the Crown under any sale, grant, lease, licence, reservation or other agreement or permit made or issued by the Crown in respect of any oil or gas, and

(2) New.

51. Section 51 (Section 53).

52. Section 52 (Section 54).

(d) oil and gas, the property of the Crown, not subject to a sale, grant, lease, licence, reservation or other agreement or permit.

(2) When a loan or advance is made in accordance with section 82 of the *Bank Act* (Canada), no "oil and gas property" shall be deemed to be divested or acquired thereby until the powers arising under section 82 of the *Bank Act* (Canada) upon non-payment of the loan or advance or failure to care for, maintain, protect or preserve the property covered by the security, are exercised.

51. (1) All oil and gas property in the Province that is not expressly exempted is liable to assessment and taxation under this Part.

(2) All oil and gas property situated in any part of the Province for the time being designated by an order of the Lieutenant Governor in Council as a part of the Province in which such property is exempt from assessment under this Part, is exempt, so long as the order remains in force, from assessment and taxation under this Part.

52. (1) A person who is the owner of any oil and gas property liable to assessment and taxation under this Part shall, not later than the thirty-first day of December in each year and without any notice or demand therefor, deliver to the Board a detailed statement in writing.

(2) The written statement shall be in such form as the Board may require and shall set out

- (a) the legal description of the land to which the oil and gas property relates,
- (b) the right, title or interest of the owner with sufficient particulars of his ownership rights to the oil and gas property,
- (c) the royalties payable by the owner in respect of the oil and gas property to any other person and the name and address of each such person,
- (d) the name and address of any person who is the owner of oil and gas property in the land with respect to the production from which the royalty is paid and the nature of ownership rights of each person, and
- (e) such further information as the Board may require.

(3) Where the ownership rights of an oil and 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.

(4) In the case of a corporation, association or other corporate body the statement required by subsection (1) shall

53. Section 53 (Section 55) but permits the Board to make the appointments of assessors and assistant assessors and to fix their remuneration instead of the Lieutenant Governor as at present.

54. Section 54 (Section 56).

55. Section 55 (Section 57).

be made and signed by the president, secretary, treasurer or other responsible officer having knowledge of the affairs of the corporation, association or other body, or by such other person or persons employed thereby or connected with its business as the Board may require.

(5) The Board may prescribe the forms on which the statements required by this section shall be made or furnished.

(6) The Board may extend the time for the delivery of any statement.

Preparation and Revision of Assessment Roll

53. (1) The Board may from time to time

- (a) appoint an assessor for the purposes of this Part,
- (b) appoint assistant assessors to perform any of the duties of the assessor under his direction, and
- (c) prescribe the remuneration which the assessor and assistant assessors shall be paid by the Board.

(2) As soon as practicable after the thirty-first day of December in each year, the assessor shall proceed to assess at its fair actual value each oil and gas property liable to assessment and taxation, and shall prepare an assessment roll setting out thereon

- (a) a brief description of each oil and gas property assessed,
- (b) the name and address of the owner thereof, and
- (c) the assessed value thereof.

(3) In making the assessment the assessor may

- (a) accept or disregard either wholly or in part any statements furnished pursuant to section 52,
- (b) take any steps that he in his discretion considers necessary for the purpose of ascertaining the fair actual value of the oil and gas property,
- (c) resort to any source of available information for such purpose, and
- (d) fix as the assessed value such amount as appears to him to be just and equitable.

54. Upon completion of the assessment roll the assessor shall

- (a) endorse thereon or attach thereto a certificate setting out the date upon which the roll was completed,
- (b) sign the certificate, and
- (c) deliver the roll with the certificate to the Board.

55. (1) The Board, as soon as possible after the delivery of the assessment roll, shall fix a day, time and place

56. (1) Section 56 (Section 58) re-arranged.

(2) New.

57. Section 57 (Section 59).

58. Section 58 (Section 60).

for the revision of the assessment roll not earlier than the thirtieth day after the day upon which the assessment roll is delivered.

(2) The Board shall cause a copy of the assessment roll and the certificate endorsed thereon or attached thereto, and a notice of the day, time and place fixed for the revision of the assessment roll, to be posted in a conspicuous place in a part of the office of the Board to which the public has access, and shall keep them posted for twenty days.

(3) The Board, within ten days after the posting of the assessment roll, shall cause to be sent to each person whose name appears on the assessment roll as the owner of an oil and gas property

- (a) an assessment notice containing the particulars appearing in the roll with respect to the oil and gas property,
- (b) a notice setting out the day, time and place fixed for the revision of the assessment roll, and
- (c) a copy of section 56.

56. (1) Upon giving the Board notice in writing within thirty days after the date upon which the assessment roll was first posted pursuant to section 55, a person whose name appears upon the assessment roll or the secretary to the Board may apply to the Board

- (a) to vary the assessment roll and to alter any assessment shown thereon that he alleges to be wrongfully made or improperly assessed, or
- (b) to assess any property that he alleges is liable to be and has not been assessed, and to include it in the assessment roll.

(2) Where an application under subsection (1) affects an owner or alleged owner whose name does not appear upon the assessment roll with respect to an oil and gas property, the Board shall send a copy of the notice of the application to such person, and he has the same right to apply under subsection (1) as if his name had appeared in the assessment roll.

57. At the time and place fixed for the revision of the assessment roll or at any adjournment thereof, the Board shall proceed to hear and determine each application of which notice has been given in conformity with section 56 and to make such disposition thereof as the Board in its discretion deems fit and proper.

58. (1) As soon as the Board has disposed of all applications it shall proceed to revise the assessment roll in accordance with the disposition made by it of the applications and thereupon the Board shall cause to be attached to the assessment roll so revised a certificate, which may be in Form 2 in the Schedule.

59. Section 59 (Section 61).

60. Section 60 (Section 62).

61. Section 61 (Section 63).

(2) The assessment roll so revised and every assessment matter and thing set out therein and the certificate attached thereto are conclusive and binding upon all persons mentioned therein or affected thereby, and may not be questioned in any proceedings in any court as to any statement, matter or thing contained therein.

Levy and Payment of Taxes

59. (1) In each year the Board as soon as possible after the thirty-first day of March and not later than the thirty-first day of July, shall proceed to levy a tax at the rate of ten mills on the dollar upon the assessed value of all properties on the assessment roll as certified by the Board in that year or at such lesser uniform rate as will produce a sufficient sum to defray such percentage as may be fixed by the Lieutenant Governor in Council of the estimated net expenditures to be incurred by the Board under this Act in the year ending on the thirty-first day of March in the next succeeding year.

(2) In proceeding to levy the tax in accordance with this section, the Board in every case shall have regard to any deficit or surplus existing at the end of each fiscal year ending on the thirty-first day of March.

(3) Where the tax levy under this section against 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 shall be the minimum sum of three dollars.

60. As soon as possible after the Board has struck the rate it shall cause to be sent by mail to each person whose name appears upon the assessment roll as the owner of any assessable oil and gas property a notice containing

- (a) a brief description of the oil and gas property in respect of which he is assessed,
- (b) the amount of the tax payable in respect of the property, and
- (c) a demand for the payment of the tax.

61. (1) When any of the taxes imposed under this Part remain unpaid after the expiration of sixty days after the date of mailing the notice referred to in section 60, there shall be added to the unpaid taxes, by way of penalty, a sum equal to five per cent of their amount.

(2) When any taxes or penalties remain unpaid after the expiration of one hundred and twenty days after the date of the mailing there shall be added thereto, by way of penalty, an additional sum equal to five per cent of the amount of the taxes and penalties at that date remaining unpaid.

(3) Nothing contained in this section shall be construed to extend the time for payment of the taxes, or in any way

62. Section 62 (Section 64).

63. Section 63 (Section 65).

64. Section 64 (1) to (3) (Section 66 (1) to (3)).

65. Section 64 (4) (Section 66 (4)).

to impair the right of distress or any other remedy provided by this Act for the collection of taxes.

62. When the tax payable to the Board in respect of any oil and gas property or any interest therein is not paid within thirty days after the date of mailing the notice referred to in section 60, the Board may order that, from and after the date fixed by the Board, all oil or gas, or any specified kind or kinds thereof produced from any well owned or operated by the person who is liable for the payment of the tax shall be delivered to the Board or to such person or persons as are designated by the Board and be sold in such manner and at such price as the Board may direct until such time as the Board has received, out of the proceeds of sale or otherwise, the full amount of the tax together with any penalties thereon and such further amount as the Board may fix as the amount of the expenses of the Board in relation to any act, matter or thing done pursuant to this section.

63. From the date fixed by the Board in an order made under section 62 until such time as the Board has received the full amount of the tax together with any penalties thereon and the expenses of the Board, the oil or gas to which the order relates is the property of the Board and is freed and discharged from all claims and demands of every other person however and whenever created.

64. (1) After the date of mailing the notice referred to in section 60, the Board has a lien or charge, for the amount remaining unpaid of the taxes and penalties added thereto, upon the oil and gas property in respect of which the taxes and penalties are payable under the provisions of this Part.

(2) The lien is a first lien or charge upon all the property described in subsection (1) and has priority over all mortgages, bills of sale, charges, liens, claims and demands of every description, whenever they were created, notwithstanding the provisions of any other Act heretofore or hereafter passed.

(3) Any person purchasing or otherwise acquiring any of the property described in subsection (1) takes it subject to any lien then existing against it and arising under subsection (1), and shall be deemed to be indebted to the Board in a sum equal to the taxes and penalties thereon owing to the Board with respect to the property or any part thereof.

65. Any taxes and penalties thereon, imposed pursuant to this Part and unpaid, may be recovered in any court of competent jurisdiction by action in the name of the Board against the person primarily liable therefor or against a person purchasing or otherwise acquiring the property described in subsection (1) of section 64.

66. Section 65 (Section 67).

67. Section 66 (Section 68).

68. Section 67 (Section 69).

69. Section 68 (Section 70).

70. Section 69 (Section 71).

General

66. If any person who is required to make or furnish any statement or information under section 52 does not comply with that section, the Board by order may impose upon such person a penalty of not more than ten dollars for each day during which the default is made, which penalty shall be added to and become a part of the tax imposed by this Part, and may further order that such person pay a tax of double the amount of the tax payable in respect of the oil and gas property to which the statement or information relates.

67. (1) When a question of law arises with respect to any decision of the Board made pursuant to any provisions of this Part, any person affected thereby may, within thirty days after the date upon which the decision was made, give notice in writing to the Board requiring the question to be referred to a judge.

(2) Upon the receipt of any such notice the Board shall cause an application to be made to a judge to fix the day, time and place for proceeding with the reference and for directions as to the notice thereof to be given, the persons to be given notice and the manner in which notice is to be given.

(3) Upon the day, time and place so fixed or at any other day, time and place to which the hearing is from time to time adjourned, the judge shall proceed to determine the question in a summary manner, and for that purpose may take evidence either orally or by affidavit, and shall make such order determining the question as he deems proper.

(4) An order made by a judge under this section is final and conclusive and no appeal lies therefrom.

68. The Board may borrow from time to time on the security of the taxes for the time being uncollected such sums as are required for the defrayal of the current expenditures of the Board.

69. (1) When anything to be done within a number of days or at a time fixed by or under this Part cannot be or is not so done, the Lieutenant Governor in Council by order from time to time may appoint a further or other time for doing it, whether the time at or within which it ought to have been done has or has not arrived or expired, as the case may be.

(2) Anything done at or within the time specified in such order is as valid as if it had been done at or within the time fixed by or under this Act.

70. The Lieutenant Governor in Council may authorize and empower the Provincial Treasurer to do either or both of the following:

71. New. Defines terms as used in this Part.

72. (1) Section 95 (1) (Section 99 (1)) but not restricted to designated pools as previously.

- (a) to guarantee on behalf of the Province the due payment of any money borrowed pursuant to section 68, together with the interest payable thereon, upon such terms and conditions as may be prescribed by the Lieutenant Governor in Council;
- (b) to advance to the Board from time to time out of the General Revenue Fund such sums as are deemed advisable upon such security at such rate of interest and on such terms and conditions as may be prescribed by the Lieutenant Governor in Council.

PART VIII

UNIT OPERATION

Interpretation

71. In this Part,

- (a) "owner" when that term is used in connection with a tract includes the person who has the right or an interest in the right to drill for, produce and dispose of any oil or gas from the tract or who would have such right or interest in the absence of any contract, statute, regulation or order governing the disposition of the production;
- (b) "tract" means an area within a spacing unit or a pool, as the case may be, within which an owner has the right or an interest in the right to drill for and produce oil or gas;
- (c) "unit area" means the area described in an agreement approved under section 72 or an order under section 75 and being the area subject to the plan of unit operation;
- (d) "unit operation" means the operation in accordance with a scheme or plan for combining the interests of all owners in a common source of supply of oil or gas in any field, pool or part thereof so that
 - (i) the operation may be conducted as if there were only one operator and one tract, and
 - (ii) the cost of the operation and the oil or gas produced thereby are distributed among the owners or tracts according to a formula or a schedule of participation.

Agreement to Establish Unit

72. (1) The Board shall encourage efforts initiated by owners of oil and gas interests in any pool to consolidate, merge or otherwise combine their interests for the purpose of accomplishing the more efficient and more economical development and production of the oil and gas resources of the pool, irrespective of whether that purpose is accomplished by unit operation, co-operative development or joint participation.

(2) Section 95 (2) (Section 99 (2)) with slight rewording for clarification.

(3) New.

(4) Section 95 (4) (Section 99 (4)).

(5) New.

73. (1) New. This clause will authorize applications for compulsory pooling of tracts within a spacing unit.

(2) New. Prescribes the matter that must be set forth in the application for compulsory pooling.

(3) New. The Board after a hearing and upon approval of the Lieutenant Governor in Council may order a compulsory unit operation of the tracts, i.e. a pooling.

(4) New. Sets out the matter of any such compulsory pooling.

(2) The drilling, production and other field operations provided for in an agreement for the unit operation of a pool or a part thereof shall not be put into effect until the agreement has been approved by the Board.

(3) If an agreement for the unit operation of a pool or part thereof has been approved by the Board, the Board, on application, may order that any provision of the Act or regulations or both regarding the development of the oil or gas resources be varied or suspended in the pool or part thereof during the unit operation.

(4) If by an agreement approved under subsection (2), the owners of oil and gas interests and the operators agree that a designated person shall be their agent with respect to their functions, powers, duties, obligations and responsibilities under the Act, the performance or non-performance thereof by such designated person shall, subject to section 89, be deemed conclusively to be the performance or non-performance by the owners or operators otherwise responsible therefor under the provisions of the Act.

(5) This section does not apply to an agreement for the pooling of tracts within a spacing unit.

Pooling

73. (1) The owner of a tract within a spacing unit may apply to the Board for an order that all tracts within the spacing unit be operated as a unit to permit the drilling for or the production of oil or gas from the spacing unit.

(2) The applicant in his application shall state

- (a) the legal description of each tract comprising the spacing unit and the ownership thereof,
- (b) that an agreement to operate the tracts as a unit cannot be made on reasonable terms,
- (c) particulars of the efforts made by him to obtain agreement to the operation as a unit of all tracts within the spacing unit,
- (d) if there is a well on the spacing unit, the name of the well and its producing zone or zones, and
- (e) if there is not a well on the spacing unit, that if an order is made by the Board, he is prepared to drill a well to a specified depth or zone, and in the event that no production of oil or gas is obtained, he will pay all costs incurred in the drilling and abandonment of the well.

(3) The Board shall hear the application and may, with the approval of the Lieutenant Governor in Council, order that the tracts comprising the spacing unit be operated as a unit.

(4) An order made under the provisions of subsection (3) shall provide for any or all of the following matters, that is to say:

(5) New. Makes provision for the share of drilling cost payable by a tract owner who refused to agree to the pooling.

(6) Excludes owner of tract who cannot be located from the requirements of subsection (5) above.

74. New.

75. New. Permits a compulsory unit operation of a field or pool.

- (a) for the drilling and operation of a well on the spacing unit, or if a well has already been drilled, for the operation of such well;
 - (b) for the appointment of an operator to be responsible for the drilling, operation or abandonment of the well whether drilled before or after the order;
 - (c) for the allocation to each tract of its share of the production of oil or gas from the spacing unit, which allocation shall be on an acreage basis unless it can be shown to the Board that such basis is inequitable;
 - (d) for the payment of the cost of drilling, if applicable, and the costs of operation and abandonment of a well incurred by the operator;
 - (e) that the share of the cost of the drilling, if applicable, and the costs of operation and abandonment of a well payable by an owner who refused to agree to the inclusion of his tract in the proposed unit or by an owner who cannot be traced, shall be recoverable only out of such owner's share of the production.
- (5) For the purpose of determining the share of the cost of drilling a well payable by the owner of a tract who refused to agree to the inclusion of his tract in the proposed unit, the Board in its order may specify that in the event production of oil or gas is obtained, the amount payable by such owner shall be an amount not exceeding one and one-half times the amount that would be payable by the owner if the cost of drilling the well were allocated to each tract on the same basis as the share of the production is allocated to each tract.
- (6) Subsection (5) does not apply to the owner of a tract who cannot be traced, or in a case where the drilling of the well was started before the order of the Board was made.

74. (1) Where a well capable of production has been drilled and is capped or shut in, the Board upon application may order that the tracts within the spacing unit be combined as a unit for future operations, and the provisions of section 73 apply *mutatis mutandis*.

(2) Where an order is made under subsection (1) the well shall be deemed to be located on each tract within the spacing unit at all times from the date of the order irrespective of when the future operations are conducted.

Unit Operation in Field or Pool

75. (1) If owners of freehold or leasehold oil or gas interests in a field or pool or part thereof exceeding in area a spacing unit cannot agree to consolidate, merge or otherwise combine their interests for the purpose of accomplishing the more efficient and more economical development,

production and recovery of the oil or gas resources in a pool, any such owner may apply to the Board to have the field, pool or part thereof operated as a unit.

(2) The Board shall hear an application that is made by owners of over fifty per cent of the working interests calculated on an acreage basis, and may, in its discretion, hear an application made by owners of less than fifty per cent of such interests.

(3) If it is shown that operation as a unit would prevent waste and inefficient operation of the field, pool or part thereof having regard to the production and recovery of oil or gas, the gathering and processing of gas, the disposal of salt water production and such other circumstances as are pertinent, the Board may, with the approval of the Lieutenant Governor in Council, order that the field, pool or part thereof be operated as a unit.

- (4) The order under subsection (3) shall set out
- (a) the date on which, subject to section 76, it comes into force,
 - (b) a legal description of the unit area,
 - (c) a legal description of the tracts included in the unit area,
 - (d) a description of the operations to be conducted in the unit area,
 - (e) an allocation to each tract in the unit area of its fair share of the oil and gas produced from the unit area and not required or consumed in the operations of the unit or unavoidably lost,
 - (f) a provision for the adjustment among the owners of tracts for their respective investments contributed to the unit operation,
 - (g) a provision for the consideration of the net amount charged in accordance with clause (f) against the owner of each tract as an expense of the unit operation,
 - (h) a provision for charging the expenses of unit operation, including capital investments, to the tracts, and for determining by whom the expenses chargeable to a tract shall be paid,
 - (i) a provision for the establishment of an operators' committee and for the appointment of a person to be known as the unit operator and to be responsible, under the direction and supervision of the committee, for the management and conduct of the unit operation,
 - (j) a provision for determining the voting interest of each member of the committee,
 - (k) a provision determining the method of voting upon any motion before the operators' committee and the percentage of votes required to carry the motion,

76. New. Prescribes the consents required before compulsory unit operation of a field or pool can become effective.

- (l) a provision specifying that if the person responsible for paying the expenses chargeable to a tract fails to do so, the unit operator
 - (i) may appropriate and sell the share of production of oil and gas allocated to the said tract to which the person failing to pay expenses is entitled exclusive of
 - (A) in the case of oil or gas rights owned by the Crown, any royalty payable to the Crown, and
 - (B) in the case of freehold oil or gas rights where the owner has granted a lease or other agreement to win and work the same, the royalty specified in the said lease or other agreement,
 to the extent necessary to recover the amount of such expenses, and
 - (ii) shall have a first lien upon the interest of the owner of the tract in the equipment belonging to the unit to secure the payment of the amount of expenses charged to the said tract,
 - (m) a provision specifying the manner in which and circumstances under which the unit operation shall terminate, and
 - (n) such further provisions, terms and conditions as are necessary to provide for the efficient operation of the unit area so as to secure the greatest economic recovery of oil and gas in accordance with sound engineering practice, to conserve gas produced, to dispose of in a proper manner salt water produced, and to protect the interests in the unit area of the respective owners of oil and gas.
- (5) If the operators' committee fails to appoint a unit operator within the time specified in an order under this section the Board shall appoint a unit operator.

76. (1) No order pursuant to section 75 shall come into force unless

- (a) there are filed with the Board statements in writing consenting to the plan of unit operation set out in the order and signed by
 - (i) persons having the right to drill for and produce the oil or gas for the development, production and recovery of which the order provides, in seventy-five per cent of the unit area,
 - (ii) if one person has the right to drill for and produce such oil and gas in seventy-five per cent of the unit area but not in all of the unit area, one other person having the right to drill for and produce the oil and gas in a tract,

77. New. Creates a trusteeship with respect to the property involved in a unit operation, and provides that an order shall not be construed to affect ownership in either of the ways specified.

78. New. Self-explanatory.

79. New. Permits a rehearing of unit operation order for the unit operation of a field or pool, and to alter such an order.

- (iii) persons having either the head lessor's royalty interests in such oil or gas if it is subject to lease or the ownership of the oil or gas if it is not subject to lease, in seventy-five per cent of the unit area, and
 - (iv) if one person has the lessor's royalty interest or ownership in seventy-five per cent of the unit area but not in all of the unit area, one other person having the royalty interest or ownership in a tract,
- and
- (b) the Board makes a finding in either the order pursuant to section 75 or a supplemental order that the statements required by this section have been filed.
- (2) If the Board, in the order pursuant to section 75 does not find that the statements required by subsection (1) have been filed, the Board, on application and notice, shall hold such additional hearings as are necessary to enable it to make a finding that the statements have been filed.
- (3) If the statements required by subsection (1) are not found by the Board to have been filed within six months of the order under section 75, the Board shall revoke the order.

77. (1) All property acquired by the unit operator of a unit area established pursuant to section 75 shall be held by him as trustee and agent for and on behalf of the owners of the tracts who are responsible for paying their respective tracts' share of the operating expenses of a unit.

(2) The order providing for unit operation shall be construed as an operating arrangement and shall not be construed as affecting or transferring title to the unit operator or entitling an owner of a separately owned tract to an undivided interest in all tracts included in the unit area.

78. (1) The unit operator of a unit area established pursuant to section 75 shall exercise generally all the powers incidental to the proper conduct and management of the unit operation.

(2) The unit operator may contract and may sue and be sued in his own name with respect to the duties, functions and powers imposed or conferred upon him by or pursuant to this Act.

79. (1) An order under section 75 may provide for a rehearing by the Board upon the application of any interested person or after a future date specified in the order.

(2) Following the rehearing, the Board may, with the approval of the Lieutenant Governor in Council, amend or revise a unit operation order in order to supply any de-

80. New. Permits the Board in certain cases, to add to the area of a unit operation area.

81. New. Permits an order under clause 75 to include with the area of the unit operation any unit area established by a previous order, and the manner in which the same shall be accomplished.

82. New. Prohibits operations within an area of a unit operation except in accordance with the unit operation order.

83. New. Makes special provision for the share of production of a missing or untraceable tract owner under a pooling or unit operation order.

iciency therein or to meet changing conditions, and may alter or revoke any provision which is deemed to be unfair or inequitable, and the provisions of section 76 apply to the amending or revising order.

80. (1) Notwithstanding section 79, upon application of the operator or of the owner of oil and gas rights adjoining a unit area established pursuant to section 75 and after a hearing of the application, the Board may, with the approval of the Lieutenant Governor in Council, add to the unit area any area that is proved to the satisfaction of the Board to be overlaid by the pool that is the common source of supply of oil or gas for the unit operation, and shall amend the original order accordingly.

(2) The amending order made under subsection (1), in providing for allocation of production from the enlarged unit area, shall first treat the unit area established under the original order as a single tract, and the portion of the production allocated to the unit area established under the original order then shall be allocated among the tracts therein in the same proportion as specified in the original order.

81. (1) An order under section 75 may provide that a unit area established thereby include a unit area established by a previous order.

(2) The order, in providing for allocation of production from the new unit area, shall first treat the previously established area as a single tract, and the portion of the production allocated to the previously established unit area then shall be allocated among the tracts included in the previously established unit area in the same proportion as specified in the previous order.

82. From and after the date on which a unit operation order pursuant to section 75 comes into force and while the order remains in force, no person shall carry on any operations within the unit area for the purpose of drilling for or producing oil or gas, except in accordance with the provisions of the order.

General

83. Where an owner of a tract is missing and untraceable, an order under this Part may provide that the operator or unit operator shall

- (a) sell the share of production to which the missing owner is entitled under the order,
- (b) pay out of the proceeds of sale the costs and expenses payable under the order by the owner, and
- (c) pay the balance of the proceeds to the Public Trustee to be held by him as custodian of the property of the missing owner pending an order of a judge.

84. New. Payment into court in case of dispute as to ownership of tract herein authorized.

85. New. Operations under orders under this Part presumed to be conducted on each tract in fulfilment of obligations of owner or producer, and the portion allocated to each tract to be presumed to have been produced from each tract.

86. New. Obligation of tract owner for operating expenses is several and not joint liability.

87. New. Makes provision for the filing of an approved unit operation agreement or order under this Part in the Land Titles Office or with the Minister of Mines and Minerals, as the case may require.

Rescinding orders may be filed in the same manner and be given effect.

84. (1) Where as a result of operations in accordance with an order of the Board made pursuant to this Part moneys are payable to the owner of a tract and dispute arises as to who is the owner, the operator or unit operator may pay the moneys into the Supreme Court of Alberta to be held until the dispute is settled.

(2) Where moneys are paid to and held by the court under subsection (1)

- (a) the owner is not thereby entitled to any interest or penalty, and
- (b) the payment of the moneys for the purposes of any contract or other arrangement shall be deemed to have been made when the moneys were paid into court.

85. Where operations are carried on or conducted under and in accordance with an order made under this Part,

- (a) the operations shall for all purposes be deemed to be operations carried on or conducted on each tract in the unit area in the fulfilment of all obligations of the owner of the tract or of a producer under each lease or contract applicable thereto, and
- (b) the portion of the production allocated to each tract, and only that portion, shall be deemed to have been produced from the tract.

86. The obligation or liability of each owner who is responsible for paying a tract's share of the operating expenses of the unit is at all times several and not joint, and in no event is such an owner chargeable with, obligated or liable, directly or indirectly, for more than the amount apportioned, assessed or otherwise charged to his interests in such tract pursuant to the plan of unit operation.

87. (1) Where an agreement is approved or an order is made by the Board under this Part, it may be filed with the Registrar of the land registration district within which the unit is situated and, if the unit contains oil and gas that are the property of the Crown, with the Minister.

(2) The Registrar or the Minister, upon such filing and upon payment of the proper fees, shall enter the approved agreement or order in such of his records and do such other things as are necessary to give effect to the filing of the approved agreement or order.

(3) Where an agreement is approved or an order is made by the Board under this Part, then if the approved agreement or order is filed

- (a) in so far as it affects oil and gas that are the property of the Crown, with the Minister, and

88. New.

89. Section 95 (5) (Section 99 (5)).

90. Section 14 (Section 14).

91. Section 14a (Section 14a as added by, 1956 c. 40, s. 23)

(b) in so far as it affects other oil and gas, with the Registrar,
any interest in the oil and gas in each tract in the unit is subject to the approved agreement or order so long as it is in effect.

(4) When an approval or order of the Board under this Part is rescinded, the Board shall send copies of the rescinding order to the Minister and the Registrar of the land registration district within which the unit is situated, and, if the approved agreement or order under this Part has been registered, the Minister or Registrar shall, without further fees, enter the rescinding order and do such other things as are necessary to give effect to the filing thereof.

88. Notwithstanding anything to the contrary elsewhere provided in this Act, an order made under this Part shall not be amended, revised, altered or revoked otherwise than in the manner provided in this Part.

89. An agreement approved or an order made under this Part does not affect the duties and liabilities of any owner of oil and gas property under Part VII.

PART IX

REGISTERS, RECORDS AND REPORTS

Board Records

90. (1) The Board shall keep at its office

- (a) minutes of the business transacted at its meetings, and
- (b) full and complete accounts and records of all the financial business of the Board.

(2) All such minutes, accounts and records are admissible in evidence by the production thereof by any member of the Board or by any employee thereof who is authorized by the Board to produce them.

91. (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, 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.

92. Section 14b (Section 14b as added by, 1956 c. 40, s. 23)

93. Section 70 (1) to (3) (Section 72 (1) to (3)).

(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.

92. 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.

Registered Address of Owner or Licensee

93. (1) Each owner of a well and each licensee of a well shall register with the Board his address, and

(a) if resident outside the Province shall

- (i) register with the Board an address for service in the Province,
- (ii) appoint an agent within the Province to carry out his duties and other responsibilities under this Act,
- (iii) notify the Board in writing of such appointment, and
- (iv) 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.

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

94. Section 31 (1), (2), (3) and (5) (Section 31 (1), (2), (3) and (5)) but fee for change of official name to be paid to Board instead of Provincial Treasurer. Subsection (4) is new.

95. Section 31 (6) (Section 31 (6)), but extended in (a) to require an indication of the legal description of the well's location on the well sign.

96. (1) Section 37 (1) (Section 37 (1)).

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

Well Names

94. (1) The Board shall maintain at its office a record of official well names, to be known as the Well Name Register, in which shall be entered

- (a) the original name of each well and every subsequent official name,
- (b) the licence number of the well,
- (c) the location of the well,
- (d) the names of the original licensee and every transferee,
- (e) the names of the present licensee and his agent, and
- (f) the name of the drilling contractor.

(2) The name last entered in the Well Name Register for a well is the official name of the well and the one by which it shall be known and referred to.

(3) If the licensee wishes to change the official name of a well, he shall apply to the Board on a form obtainable from the Board and pay a fee of twenty-five dollars to the Board.

(4) If the licensee applies for a change in the official name of a well in response to and in accordance with a request of the Board, the payment of a fee is not required.

(5) The Board, in its discretion, may grant or refuse an application to change the official name, and if the application is granted,

- (a) the new name shall be entered in the Well Name Register, and the Minister notified thereof, and
- (b) the granting of the application has the effect of an amendment to the well licence as to the name of the well.

95. The licensee of a well shall

- (a) mark the well with a conspicuous sign bearing the official name of the well and the legal description of its location, and
- (b) maintain the sign in a satisfactory condition until the well is abandoned.

Records and Reports

96. (1) If a well is producing or is capable of producing oil or gas, the owner shall keep at his field office or other place of business in the Province and within reasonable distance of the well a daily record of the well

(2) Section 37 (2) (Section 37 (2))

(3) Section 37 (3) (Section 37 (3)).

(4) Section 37 (4) (Section 37 (4)), with exception added.

(5) New. Self-explanatory.

in a form satisfactory to the Board, and the original recording of measurements used to determine the particulars for the record, which record shall show

- (a) the oil, gas and water produced or reproduced from the well,
- (b) the average separator pressure if a separator is in use,
- (c) full particulars of the disposition of all products from the well, and
- (d) if a product is sold, the name of the purchaser and the amount realized from the sale.

(2) If gas, air, water or other substance is being injected into a well, the owner shall keep at his field office or other place of business in the Province and within reasonable distance of the well a daily record of the well in a form satisfactory to the Board, and the original recording of measurements used to determine the particulars for the record, which record shall show

- (a) the amounts of gas, air, water or other substance injected into the well,
- (b) the source from which the gas, water or other substance was obtained, and
- (c) particulars of any treatment to which the gas, air, water or other substance has been subjected.

(3) The owner of a well, that during the preceding month produced or was capable of producing oil or gas, or into which gas, air, water or other substance was injected during the preceding month, shall, not later than the fifteenth day of the month, file with the Board, on forms furnished or approved by the Board a full report of

- (a) the oil, gas and water produced from the well during the preceding month and the disposition thereof,
- (b) the gas, air, water or other substance injected into the well during the preceding month,
- (c) the average separator pressure for the preceding month if a separator was in use, and
- (d) unless otherwise directed by the Board, the amount realized from the sale during the preceding month of
 - (i) oil produced from the well, and
 - (ii) gas produced from the well and products derived therefrom.

(4) If a well is shut in, the owner shall, unless otherwise directed by the Board, file with the Board each month a return so stating until production is resumed or the well is abandoned.

(5) If, after a well is shut in or abandoned, oil previously produced from the well is sold or disposed of, the owner of the well shall, not later than the fifteenth day of the

(6) Section 37 (6) (Section 37 (6)).

(7) New. Self-explanatory.

97. (1) Section 37 (5) (Section 37 (5)).

(2) New. Self-explanatory.

98. Section 37a (Section 38).

99. Section 71 (Section 73).

month following the sale or disposition, file with the Board a report of the sale or disposition and the name of the purchaser and the amount realized.

(6) The owner of a well shall keep such other records and file with the Board such other reports as the Board, by order, may require.

(7) In this section "separator" means any apparatus at the surface designed and used in separating oil from gas or water, and includes a treater.

97. (1) The Board, upon application, may permit the keeping of records or the filing of reports in accordance with section 96 for a battery or group of wells, but in such case

(a) the figures shall be prorated in a manner satisfactory to the Board to indicate as nearly as possible the actual production of the individual wells, and

(b) the prorated figures shall represent the production of each well for all purposes.

(2) In this section, "battery" means a system or arrangement of tanks, separators, pipes, measuring devices or other surface installations whereby oil, gas or water produced from two or more wells are commingled before delivery to market or other disposition, whether or not the production from the separate wells are commingled before measurement.

98. A purchaser or transporter of oil or gas shall

(a) keep a daily record of oil and gas purchased or transported, and

(b) on forms furnished or approved by the Board, file with the Board, not later than the fifteenth day of each month, a full report of the oil and gas purchased or transported during the preceding month.

99. A person who is the owner, or who has the control or management, of any refinery or processing plant in the Province shall keep at his office or other place of business in the Province a daily record of

(a) all oil and gas received into the refinery or processing plant,

(b) the names and addresses of the persons from whom the oil and gas was received,

(c) the quantity and quality of the oil and gas received from each person,

(d) the price payable in respect of the oil and gas received from each person, and

(e) each disposition of a product obtained from refining or processing the oil or gas.

100. Section 37b (Section 39) but extended by addition of requirement set out in new clause (d).

101. Section 30 (p) and (q) (Section 30 (p) and (q)) but clause (c) is added and new; regulations to be made upon the recommendation of Board and not by the Board as previously.

102. Section 72 (Section 74).

103. Section 79 (1) to (3) (Section 81 (1) to (3)).

100. Unless otherwise directed by the Board, each plant operator processing oil or gas shall file with the Board, on forms furnished or approved by the Board, not later than the fifteenth day of each month, a full report of the oil and gas processed during the preceding month, showing

- (a) particulars of the oil and gas received at the plant,
- (b) particulars of the products derived from such oil and gas and the disposition thereof,
- (c) where applicable, the proportion of the products of a gas processing plant allocated to each individual well or battery and the manner in which the proportion is calculated, and
- (d) such further particulars as the Board may require.

101. The Lieutenant Governor in Council, on the recommendation of the Board, may make regulations

- (a) as to the records to be kept, the manner and form thereof, the persons by whom and the place at which they are to be kept and the length of time they are to be kept, and providing for their submission to the Board,
- (b) as to the reports to be made, the persons to make them, the authority or person to whom they are to be made, the time of making them, and their form, nature and extent, and
- (c) as to the records, reports and information submitted to or acquired by the Board under this Act which shall be confidential, and as to when and to whom the information contained therein may be made available.

102. Each person who is required by this Act or the regulations to keep records shall produce such records at all reasonable times when requested to do so by any member of the Board or by any person authorized by the Board, and shall afford him facilities for inspecting the records and making copies thereof and taking extracts therefrom.

PART X

PROCEEDINGS BEFORE THE BOARD

Powers of Board

103. (1) Except where otherwise provided, the Board has exclusive jurisdiction to examine, inquire into, hear and determine all matters and questions arising under this Act.

(2) Subject to sections 118 and 119, every action, decision and order of the Board with respect to any such matter or question is final and conclusive, and is not open to question or review in any court.

104. Section 78 (Section 80) but extended to make this provision mandatory upon the Board when the Lieutenant Governor in Council requests any inquiry or investigation by the Board into any of the matters here mentioned.

105. Section 82 (1) (Section 85 (1)).

106. Section 71 (1) and (2) (Section 79 (1) and (2)), but reworded for clarity and extended to deal specifically with rules of evidence.

107. New. Applies the power of Board to conduct hearings under this Act to any inquiry required by any other Act to be made by the Board.

108. Section 82 (2) to (4) (Section 85 (2) to (4)).

(3) Subject to section 119, no proceedings of or before the Board may be restrained by injunction, prohibition or other process or proceedings in any court nor are they removable by *certiorari* or otherwise into any court.

104. The Board may, and at the request of the Lieutenant Governor in Council shall, at such places, at such times and in such manner as seems advisable to it, make inquiries and investigations into any matter or thing in relation to the drilling for, or the resources, occurrence, production, transportation, distribution, disposition or processing of, oil or gas or products derived therefrom in the Province.

105. Unless it is otherwise expressly provided by this Act to the contrary, any order or direction that the Board is authorized to make, may be made upon its own motion or initiative, and without the giving of any notice, and without holding any hearing.

106. (1) The Board may make rules of practice, not inconsistent with this Act, governing its hearings and procedure and regulating the places and times of its sittings, and in the conduct of its hearings the Board is not bound by legal rules of evidence.

(2) In contentious matters the Board shall give or may require to be given such notice, of not less than ten days, of an application to or a hearing by the Board as the Board deems requisite.

107. If the Board is charged with the conduct of any hearing, inquiry or other investigation by or pursuant to any other Act, it has for the purpose of conducting such inquiry, hearing or other investigation all of the powers granted to it by this Act, and each witness shall have the protection given to him by this Act, for the purpose of conducting an inquiry, hearing or other investigation hereunder.

108. (1) The Board may provide in any order or direction that the order or direction or any portion or provision thereof is to come into force

- (a) at a future fixed time,
- (b) upon the happening of any contingency, event or condition specified in the order or direction, or
- (c) upon the performance to the satisfaction of the Board or of any person named by it of any terms that the Board imposes upon any party interested.

(2) The Board may direct that the whole or any portion of the order or direction is to have force for a limited time or until the happening of any specified event.

(3) When any work, act, matter or thing is by an order or direction of the Board required to be done, performed or

109. Section 82 (5) (Section 85 (5)).

110. Section 15 (d) balance thereof (Section 15 (2) and (3)).

111. Section 12 (4) (Section 12 (4)) as amended, 1956, c. 40, s. 22).

112. Section 70 (4) and (5) (Section 72 (4) and (5)) with minor drafting changes.

completed within a specified time, the Board if it thinks proper to do so, may extend the time specified.

109. An order of the Board need not show upon its face that any proceeding or notice was had or taken, or that any circumstances existed necessary to give it jurisdiction to make the order.

110. (1) When a hearing, inquiry or investigation is conducted by examiners appointed by the Board for that purpose, any interested party who is registered as such may at any time file with the examiner or examiners an application to the Board to have the hearing, inquiry or investigation conducted by the Board.

(2) Upon the filing of such application the examiner or examiners shall adjourn the hearing, inquiry or investigation.

(3) 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 it and the proceedings before the examiner or examiners are of no effect.

(4) If the Board refuses the application, the examiner or examiners shall proceed with the hearing, inquiry or investigation on such date as the Board may designate.

Notices

111. Any notice with regard to matters before or to come before the Board that is required or authorized to be given in writing

- (a) by the Board, may be signed by any member of the Board or the secretary or solicitor of the Board,
- (b) by any person appointed by the Board, may be signed by such person, or
- (c) by any other person, may be signed by such person or his duly authorized agent or solicitor.

112. (1) Any notice or order that the Board is required or may desire to serve shall be deemed to have been served upon an owner or licensee of a well

- (a) upon delivery thereof at an address registered under section 93 as his address, his address for service in the Province or the address of his agent, or
- (b) upon the expiration of twenty-four hours, exclusive of Sundays and statutory holidays, from the time of sending the notice or order by mail to any of such addresses.

(2) In the event of non-compliance by an owner or a licensee with the provisions of subsections (1) and (3) of section 93, all notices or orders required to be served or

113. Section 79a (Section 81a as added by, 1956, c. 40, s. 32).

114. Section 84 (Section 88).

115. Section 85 (Section 89).

116. Section 86 (Section 90).

that the Board desires to serve may be posted in a part of the office of the Board to which the public has access, and shall be kept so posted for twenty-four hours, exclusive of Saturdays, Sundays and statutory holidays, and upon the expiration of that period shall be deemed to have been duly served upon the owner or licensee of the well, as the case may be.

113. (1) Subject to section 106, 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.

Evidence

114. The Board and every member thereof and every other person authorized by the Board to conduct a hearing or to make an inquiry or investigation pursuant to any of the provisions of this Act have for the purpose of any such hearing, inquiry or investigation all the powers that may be conferred upon a commissioner appointed pursuant to *The Public Inquiries Act* for the purpose of taking evidence on oath or affirmation and compelling the attendance of witnesses and the production of documents.

115. (1) No person shall be excused from testifying or from producing any book, document or paper in an investigation or inquiry by or upon a hearing before the Board, when ordered to do so by the Board, upon the ground that the testimony, book, document or paper might tend to criminate him or subject him to penalty or forfeiture.

(2) No person shall be prosecuted, punished or subjected to any penalty or forfeiture for or on account of any act, transaction, matter or thing, concerning which, upon being ordered to do so by the Board, he has testified or produced documentary evidence under oath before the Board.

(3) No person testifying before the Board shall be exempted from prosecution or punishment for any perjury committed by him in his testimony.

116. (1) In case of failure or refusal on the part of any person to comply with a notice to attend issued by the Board, a judge, on the application of the Board, may issue a bench warrant requiring the attendance of the witness before the Board.

117. New. Self-explanatory.

118. (1) New. Gives right of hearing to a person affected by a Board order made without a hearing.

(2) Section 77 (3) (Section 79 (3)) but time changed from ten days to forty-five.

(3) New. Self-explanatory.

(4) New. Self-explanatory.

(5) Section 77 (4) (Section 79 (4)) but time limit of ten days added.

119. (1) New.

(2) to (16) in part new, in part section 80 (Section 82).

This section permits appeals to the courts in certain cases either upon leave or as of right. In the first case, the appeal upon leave is permitted from repressuring or pressure maintenance orders or from gas production orders. The appeal as of right will lie on jurisdictional or legal grounds from orders under drilling regulation orders and transportation and disposition orders.

(2) In case of the refusal of a witness to give evidence or answer as to any matter regarding which he is questioned before the Board, a judge, on the application of the Board, may commit the witness for contempt.

Rehearings and Appeals

117. The Board may review, rescind, change, alter or vary any order or direction made by it, or may rehear any application before deciding it.

118. (1) Any person affected by an order or direction made by the Board without the holding of a hearing may, within forty-five days after the date upon which the order or direction was made, apply to the Board for a hearing.

(2) Any person affected by an order or direction made by the Board after a hearing and to whom notice of the hearing was not given may, within forty-five days after the date upon which the order or direction was made, apply to the Board to vary, amend or rescind it.

(3) An application under this section shall set forth the matters complained against and the reasons for the complaint.

(4) Upon making an application under this section the applicant may request that the order or direction referred to in the application be suspended until the application is heard, and the Board may suspend the order or direction upon such terms and conditions as it prescribes or may refuse the request.

(5) When an application is made under this section, the Board shall, after not less than ten days' notice to all persons affected by the order or direction, hold a public hearing of the application, and may confirm, vary or rescind the order or direction, as to the Board seems just.

119. (1) In this section "a person entitled to appeal" means any person affected by an order or direction of the Board and who had in the case of an appeal under subsection (2) appeared or been represented before the Board upon the hearing upon which the order or direction had been made.

(2) When an order or direction is made by the Board under section 37 or section 46 a person entitled to appeal may, upon leave therefor being obtained from a judge of the Appellate Division of the Supreme Court of Alberta, appeal the order or direction to the Appellate Division of the Supreme Court of Alberta upon the following grounds or any of them:

(a) that the Board lacked jurisdiction to make the order or direction;

- (b) that there was insufficient or no evidence before the Board to enable it to make the order or direction made;
 - (c) that the order or direction was otherwise wrongly made.
- (3) Where an order or direction is made by the Board under Part IV or Part V, a person entitled to appeal may appeal the order or direction upon any question of jurisdiction or upon any question of law to the Appellate Division of the Supreme Court of Alberta.
- (4) An application for leave to appeal or an appeal, as the case may be, shall be made within one month after the making of the order or direction sought to be appealed from, or within such further time as a judge of the Appellate Division may allow under special circumstances, and ten days' notice of the application or of the appeal shall be given to the Board and to other persons who appeared or were represented before the Board upon the hearing upon which the order or direction was made.
- (5) Such of the persons entitled to appeal as appear and desire to be heard shall be heard on the application for leave to appeal, and the costs of the application are in the discretion of the court.
- (6) An order or direction of the Board takes effect at the time prescribed by the order or direction, and its operation is not suspended by any appeal to the Appellate Division, or by any further appeal, but the Board itself may if it thinks fit suspend the operation of its order, when appealed from, until the decision of the Appellate Division or other appellate tribunal is rendered.
- (7) Upon leave for appeal being granted or upon a notice of appeal being entered, as the case may be, the party appealing shall deposit with the Registrar of the Appellate Division the sum of two hundred and fifty dollars by way of security for costs.
- (8) Within thirty days after leave has been obtained or notice of an appeal has been received, as the case may be, the Board shall forward to the Registrar the transcript and record of the hearing and its findings and reasons for the order or direction, and no other evidence shall be admitted before the court on the hearing of the appeal.
- (9) Upon receipt of the transcript, record, findings and reasons from the Board and of the security the Registrar shall set the appeal down for hearing at the next sittings that will commence at least two weeks after the appeal is so set down, and the party appealing, within ten days after the appeal has been set down, shall give to the persons entitled to appeal or the respective solicitors by whom such persons were represented before the Board, and to the secretary to the Board, notice in writing that the appeal has been so set down for hearing.

120. Section 79 (4) (Section 81 (4)) .

121. Section 73 (Section 75).

122. Section 83 (Section 87).

(10) The appeal shall be heard by the Appellate Division as speedily as practicable.

(11) On the hearing of the appeal the court may draw all such inferences as are not inconsistent with the facts appearing in the evidence, and as are necessary for determining the appeal.

(12) The Board is entitled to be heard by counsel or otherwise upon the argument of the appeal.

(13) The Appellate Division has power to fix the costs and fees to be taxed, allowed and paid upon the appeal and to make rules of practice respecting appeals under this section, and until such rules are made the rules and practice applicable to appeals from a judge of the Supreme Court to the Appellate Division are applicable to appeals under this section.

(14) Neither the Board nor any member of the Board is in any case liable to costs by reason or in respect of an appeal or application.

(15) Upon the hearing of the appeal the Appellate Division or other appellate tribunal may confirm or set aside the order or direction appealed from or direct that it be varied.

(16) If the order or direction is set aside or a variation is directed, the matter shall be reconsidered and re-determined by the Board, and the Board shall vary or rescind its order in accordance with the judgment of the Appellate Division or other appellate tribunal.

PART XI

PROVISIONS OF GENERAL APPLICATION

Incidental Powers of Board

120. No action or proceeding may be brought against the Board or any member of the Board or any officer, assessor or employee of the Board in respect of any act or thing done purportedly in pursuance of this Act.

121. (1) The Board may require from any Department of the Public Service of the Province any information required for the purpose of carrying out the duties and exercising the powers imposed or conferred upon the Board by this Act.

(2) Each official of each Department, subject to the approval of the Minister presiding over it, shall give to the Board such assistance as he is able to afford and the Board may require.

122. (1) At any reasonable time, each member of the Board and each person authorized by the Board

123. Section 70a (Section 72a as added by, 1956 c. 40, s. 31).

- (a) shall have access to all wells, equipment, plant and records,
- (b) is entitled to enter upon and inspect any well or any place at which oil or gas is refined, handled, processed or treated or any place used or occupied in connection with a well or with a place at which oil or gas is refined, handled, processed or treated,
- (c) is entitled to inspect all books, documents, records, plant and equipment pertaining to any such well or place or found thereon, and
- (d) is entitled to take samples or particulars or to carry out any tests or examinations desired.

(2) A person authorized by the Board to exercise any of the powers referred to in subsection (1) shall, at any time during which he is exercising any of such powers, produce on demand his certificate of authority from the Board.

(3) Any person who is the operator of or who is in charge of any of the wells, places, equipment, plant or records mentioned in subsection (1) shall permit or assist any member of the Board or any person authorized by the Board in the exercise of the powers conferred by subsection (1).

(4) A person who prevents, hinders or obstructs or who fails to permit or assist any member of the Board or any person authorized by the Board pursuant to subsection (1) in the exercise of the powers conferred by subsection (1), is guilty of an offence under this Act.

123. (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.

124. Section 82a (Section 86).

125. (1) Section 74 (1) (Section 76 (1)).

(2) New. Requires that a compensation scheme when directed to be set up, shall be initiated by a public hearing held by the Board.

(3) Section 74 (2) (Section 76 (2)) in part but changed to permit the Board to set up the scheme so arrived at if approved by the Lieutenant Governor in Council. Previously the Lieutenant Governor in Council established the scheme.

(4) Section 74 (2) (Section 76 (2)) balance thereof.

(5) Section 74 (3) (Section 76 (3)) but altered to require public hearing before variation made, to permit Board to vary with approval of Lieutenant Governor in Council, rather than as at present empowering Lieutenant Governor in Council to vary the scheme.

(6) Section 74 (4) (Section 76 (4)).

(7) Section 74 (5) (Section 76 (5)).

(8) Section 74 (6) (Section 76 (6)).

Offset Wells

124. (1) Where a well is drilled and the well produces oil or gas from a spacing unit, and oil or gas in a spacing unit that laterally adjoins the first mentioned spacing unit is subject to an oil or gas lease that provides for the drilling of an offset well by reason of the kind or nature of the well that produces the oil or gas, then the well shall be deemed to be in that part of the spacing unit where its presence would give rise to the obligation to drill an offset well in the laterally adjoining spacing unit.

(2) For the purpose of subsection (1), a road allowance shall not be considered

- (a) in determining whether spacing units are laterally adjoining, or
- (b) in computing the distance from a producing well.

Certain Plans and Operations for Conservation Purposes

125. (1) At any time upon the direction of the Lieutenant Governor in Council, the Board shall proceed to prepare a scheme or schemes for the provision of compensation for persons who are injured by reason of any conservation orders made pursuant to this Act.

(2) Upon receipt of the direction of the Lieutenant Governor in Council the Board shall hold a public hearing on not less than thirty days' notice to hear representations of interested persons regarding the proposed scheme.

(3) After the public hearing the Board

- (a) shall send the scheme prepared by it and a transcript of the evidence given at the hearing to the Lieutenant Governor in Council, and
- (b) may, with the approval of the Lieutenant Governor in Council, order the scheme to be established.

(4) A scheme so established has the same force and effect as if it had been enacted as part of this Act.

(5) The Board, after a public hearing may, with the approval of the Lieutenant Governor in Council, vary, amend or revoke any scheme previously established.

(6) The Lieutenant Governor in Council may confer upon and vest in the Board any power that is considered necessary or advisable to enable the Board to carry out the provisions of any scheme.

(7) A scheme may be general in its application, or may be restricted to such wells or classification of wells in such part or parts of the Province as may be designated thereby.

(8) In any scheme provision may be made for all or any of the following matters:

- (a) the circumstances and conditions under which any person is entitled to receive compensation under the scheme;

(9) Section 74 (7) (Section 76 (7)).

(10) New.

126. Section 80a (Section 83).

- (b) the matters in respect of which any compensation is payable and the method by which the amount of any compensation is to be ascertained;
 - (c) the manner in which the compensation is to be payable;
 - (d) the persons to whom any such compensation is to be payable;
 - (e) the apportionment of liability between all the persons by whom compensation is payable, which liability shall be several;
 - (f) such other matters or things as are necessary for carrying out the scheme.
- (9) For the purpose of raising any money required for the payment of compensation under a scheme, the Board may, if in its opinion it would facilitate the payment or collection of compensation, levy the amount thereof by means of a uniform rate on the dollar upon the assessed value of all oil and gas property to which the scheme applies of the persons who are liable under the scheme for the payment of compensation, and all the provisions of Part VI relating to levying and collection of any tax imposed pursuant thereto apply to any levy made pursuant to this section in so far as they are applicable.

(10) If a levy under subsection (9) is not made, the amount of compensation payable by any person under a scheme is a debt due and owing and is recoverable by the person entitled to receive the compensation under the provisions of the scheme, by action in a court of competent civil jurisdiction in the Province.

126. (1) Without restricting the generality of section 122, if in the opinion of the Board the control of a well or any completion, suspension or abandonment is not in accordance with an order, direction or requirement of the Board, a member of the Board or any person duly authorized by it shall have access to and may enter upon the well site or any structures thereon, and do whatever the Board deems necessary because of the failure to comply with the order, direction or requirement.

(2) The Provincial Treasurer may use or expend all or any part of the deposit made under section 26 to defray the costs, determined by the Board, of or incidental to the work of control, completion, suspension or abandonment of the well to the satisfaction of the Board.

(3) The return of the deposit or any part thereof does not relieve the licensee, the owner of the well or either of them of liability for any costs of or incidental to the control, completion, suspension or abandonment of a well, and does not reduce their liability for such costs.

(4) The costs incurred by the Board under this section remaining unpaid after applying thereto a deposit held by the Provincial Treasurer are a debt payable by the licensee and owner of the well and by each of them to the Provincial treasurer.

127. Section 81 (Section 84).

127. (1) The Board, for the enforcement of any order made by it, may

- (a) take such steps and employ such persons as it considers necessary,
- (b) forcibly or otherwise enter upon, seize and take possession of any well, together with the whole or part of the movable and immovable property in, on or about the well or used in connection therewith or appertaining thereto together with the books of the owner thereof,
- (c) either discontinue all production or take over the management and control of it,
- (d) plug the well at any depth, and
- (e) take such steps as it considers necessary to prevent the flow or escape of oil, gas or water from any stratum that the well enters.

(2) Upon the Board taking possession of a well and so long as such possession continues, every officer and employee of the owner of the well shall obey the orders concerning the well given by the Board or by such person or persons as it places in charge or control of the well.

(3) Upon possession being taken of any well the Board may take, deal with and dispose of all oil and gas produced at the well as if it were the property of the Board, subject to the payment of the net proceeds thereof as provided in this section.

(4) The costs and expenses of and incidental to proceedings taken by the Board under this section are in the discretion of the Board, and the Board may direct by whom and to what extent they are to be paid.

(5) Without restricting the generality of the foregoing subsections, the Board may pay from the proceeds of the oil and gas produced at the well,

- (a) all costs and expenses of and incidental to the proceedings taken by the Board under this section, including the costs and expenses of the management, operation and control of the well by the Board, and
- (b) all costs and expenses of carrying out investigations and conservation measures that the Board deems necessary in connection with the well.

(6) The net proceeds of the oil and gas produced at the well remaining after payment of the costs and expenses pursuant to subsection (5), shall be paid by the Board into the Supreme Court of Alberta and thereafter shall be paid out to such persons and in such amounts as may be determined by a judge upon the application of any person claiming to be entitled to any of the proceeds.

(7) If the proceeds of the oil and gas produced at the well are not sufficient to pay all costs and expenses of and incidental to the proceedings, investigations and measures taken by the Board, and the Board directs that the balance of the costs and expenses or any part of it is to be paid by the owner of the well or by the licensee, then the provisions of section 126 regarding the use of the deposit and regarding the further liability of the owner of the well or of the licensee with respect to the costs referred to in that section,

128. Section 90 (Section 94).

129. Section 91 (Section 95).

130. Section 92 (Section 96).

131. Section 87 (Section 91) but subsection (3) is new.

132. Section 88 (Section 92) but subsection (3) thereof omitted.

apply *mutatis mutandis* to the use of such deposit, and to the further liability of the owner or of the licensee, to defray the balance of the costs and expenses that are incurred pursuant to this section.

Money Payable to the Board

128. Any sum of money collected by the Board pursuant to any of the provisions of this Act on account of taxes and any fine imposed pursuant to section 133 are the property of the Board and shall be expended in defraying the expenditures of the Board.

129. The Board may recover any moneys payable to it pursuant to any provision of this Act by action in any court of competent civil jurisdiction, as if the moneys payable were a debt.

130. Where the Board has more than one remedy for the enforcement of any order or for the payment of any money payable pursuant to any order or direction of the Board, the Board may resort to any or all such remedies from time to time as it thinks proper, either concurrently or successively, until such time as the order has been complied with or the money payable thereunder together with all costs and expenses has been paid and satisfied.

Offences and Penalties

131. (1) Waste is prohibited and any person who commits waste is guilty of an offence under this Act.

(2) No prosecution may be instituted under subsection (1) without the consent in writing of the Board.

(3) In a prosecution under this section no person shall be deemed to have committed waste by reason of a wasteful operation referred to in subclause (iv) or (v) of clause (u) of section 2 unless he has been directed by the Board to do the things, the failure of which constituted the wasteful operation, and has failed to do such things within the time specified in the direction of the Board.

(4) A prosecution under this Act does not deprive any person suffering damages or injury of any cause of action that he may have.

(5) Notwithstanding any prosecution under this Act, the Board may commence and maintain an action

- (a) to enjoin any person from committing waste, or
- (b) for violation of any regulation or of any order or direction of the Board.

132. (1) Every person who

- (a) whether as a principal or otherwise, contravenes or defaults in complying with any provision of this Act or of the regulations or of any order or direction made pursuant to this Act,
- (b) either alone or in conjunction or participation with others causes any owner of any well to contravene or to default in complying with any such provision, or
- (c) instructs, orders, directs, or causes any officer, agent or employee of any owner of any well to con-

133. Section 89 (Section 93), but provision for default added.

134. Repeal of existing Act.

135. Transition provisions.

136. Coming into force provisions.

travene or to default in complying with any such provision,
is guilty of an offence under this Act.

(2) Every person who contravenes or defaults in complying with any provision of this Act or of the regulations, or any order or direction of the Board, or any term or condition of a licence or permit granted under the provisions of this Act is guilty of an offence under this Act.

133. A person found guilty of an offence under this Act is liable on summary conviction to a fine of not less than one hundred dollars nor more than one thousand dollars and in default of payment thereof to a term of imprisonment not exceeding six months, and in the case of a continuing offence to a fine of not less than one hundred dollars nor more than one thousand dollars for the first day upon which the offence occurs and of not less than fifty dollars nor more than five hundred dollars for each subsequent day during which the offence continues, and in default of payment to a term of imprisonment not exceeding six months.

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

135. (1) Wherever a reference is made to *The Oil and Gas Resources Conservation Act, 1950*, or to *The Oil and Gas Resources Conservation Act*, in any other Act, regulation, order or direction or in any contract, agreement or other instrument in force in the Province the reference shall be deemed to be to this Act.

(2) Wherever anything has been done, constituted, effected, instituted or ordered to be done under *The Oil and Gas Resources Conservation Act, 1950*, it has the same force and effect as though done, constituted, effected, instituted or ordered to be done under this Act.

(3) Wherever a reference is made to the Petroleum and Natural Gas Conservation Board in any Act, regulation, order or direction or in any contract, agreement or other instrument in force in the Province the reference shall be deemed to be to the Oil and Gas Conservation Board constituted pursuant to this Act.

(4) All officers and persons appointed or acting under *The Oil and Gas Resources Conservation Act, 1950*, shall continue to act as if appointed under this Act until others are appointed in their stead in accordance with the requirements of this Act.

(5) All by-laws, orders, regulations, rules and assessments and levies made under *The Oil and Gas Resources Conservation Act, 1950*, continue good and valid in so far as they are not inconsistent with the provisions of this Act, until they are annulled and others made in their stead.

136. (1) This Act, except sections 75 to 82, comes into force on the first day of July, 1957.

(2) Sections 75 to 82 come into force upon a date to be fixed by Proclamation of the Lieutenant Governor in Council.

SCHEDULE

FORM 1

(Section 28)

TRANSFER OF LICENCE made this day of
....., 19.....

BETWEEN:

..... of the
..... of, in the
Province of Alberta, (hereinafter called the "Trans-
feror"),

— and —

..... of the
..... of, in the
Province of Alberta, (hereinafter called the "Trans-
feree").

The Transferor, being holder of well licence No.....
dated the day of, 19....., granted
for

(name of well)

Well in Legal Subdivision....., of Section, Town-
ship....., Range....., West of the..... Meridian, in
the Province of Alberta, in consideration of the sum of
\$...... and other valuable consideration hereby
transfers unto the Transferee the licence and all of the
Transferor's right, title, and interest in, to and under the
licence.

And the Transferee hereby agrees to this transfer to him
of the said licence.

IN WITNESS WHEREOF the parties hereto have here-
unto set their hands and seals the day and year first above
written.

SIGNED, SEALED AND }
DELIVERED in the presence } (Transferor)
of }
}
} (Transferee)

FORM 2

(Section 58)

This is to certify that the assessment roll hereto annexed
is the assessment roll for the year 19—— as revised by the
Oil and Gas Conservation Board.

Dated at the office of the Board this day of
....., 19.....

Oil and Gas Conservation Board.
by
Chairman.

THIRD SESSION
THIRTEENTH LEGISLATURE
5 ELIZABETH II
1957

BILL

An Act to Provide for the Conserva-
tion of the Oil and Gas Resources
of the Province of Alberta

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. MANNING
