

No. 68

9 Elizabeth II
2nd Session, 14th Legislature, Alberta

BILL 68

A Bill to amend The Oil and Gas Conservation Act

HON. MR. MANNING

Explanatory Note

2. Section 19, subsection (6) now reads:

"(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."

3. Subsection (2) of section 20 is rewritten with some variations in detail, including references to water supply wells. The subsection presently reads:

"(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."

BILL

No. 68 of 1961

An Act to amend The Oil and Gas Conservation Act

(Assented to _____, 1961)

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

1. *The Oil and Gas Conservation Act*, being chapter 63 of the Statutes of Alberta, 1957, is hereby amended.

2. Section 19 is amended

- (a) as to subsection (6), by striking out the words "payable to the Provincial Treasurer except" and by substituting the words ", or such greater amount not exceeding fifty dollars as may be prescribed by the Lieutenant Governor in Council, payable to the Provincial Treasurer, but no fee shall be payable",
- (b) by adding immediately after subsection (6) the following:
 - (7) Where the Lieutenant Governor in Council prescribes a fee pursuant to subsection (6) that is in excess of twenty-five dollars, he may direct the Provincial Treasurer to remit the whole or part of such excess to the Board.

3. Section 20 is amended by striking out subsection (2) and by substituting the following:

- (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
 - (a) the boundaries of the spacing unit and of the quarter section containing the location,
 - (b) any rivers, lakes, streams tributary to rivers or lakes, aircraft runways and taxiways, coal mines whether working or abandoned, and existing wells upon or within the spacing unit,
 - (c) any railways, roadways, pipe lines and other rights of way and buildings of any kind within six hundred and sixty feet of the proposed well, and
 - (d) any wells and any water wells and sources of domestic water within six hundred and sixty feet of the proposed well and the measured distance of each from the proposed well.

4. Section 25 lists kinds of companies capable of acquiring well licences. The amendment adds companies licensed under the provisions of The Alberta Insurance Act.

5. This amendment is a consequence of the enactment last year of The Public Utilities Board Act.

6. New section 49b replaces present sections 49b and 49c. The sections are rewritten for clarification, and a provision is added to dispense with the requirement of a hearing before approval of an experimental scheme.

7. Section 88 provides that an order made under Part VIII, in which section 72 is found, shall not be amended, revised, altered or revoked otherwise than in the manner provided in the Part. There is no such provision relating to orders under section 72. The amendment will cure this deficiency.

8. and **9.** Sections 79 and 80 both deal with further hearings. With the proposed amendment section 79 will serve the purposes of both sections.

4. Section 25 is amended

- (a) by striking out the word "or" at the end of clause (b) and by adding the word "or" immediately at the end of clause (c),
- (b) by adding immediately after clause (c) the following:
- (d) licensed under the provisions of *The Alberta Insurance Act*.

5. Sections 47, 48 and 49 are amended by striking out the words "Board of Public Utility Commissioners" wherever they occur and by substituting the words "Public Utilities Board".

6. Sections 49b and 49c are struck out and the following is substituted:

49b. (1) No scheme or operation for the recovery of oil or a crude hydrocarbon product from oil sands shall be proceeded with unless the Board, upon application and by order, has approved the scheme or operation for such recovery.

(2) Upon receipt of an application pursuant to subsection (1), together with any information prescribed or required by the Board, the Board shall hold a hearing of the application and may, if so authorized by the Lieutenant Governor in Council, approve the scheme or operation proposed in the application.

(3) Notwithstanding subsection (2), where the scheme or operation is for experimental purposes and involves no commercial production from oil sands, the Board, in its discretion, may proceed without a hearing.

(4) The approval granted under this section shall be subject to the terms and conditions therein prescribed and, without restricting the generality of the foregoing, may stipulate the period during which the approval will be in force and the maximum volume or rate of production of oil or crude hydrocarbon product.

7. Section 72 is amended by adding immediately after subsection (5) the following:

(6) An order made under subsection (2) or subsection (3) may be amended, revised, altered or revoked by the Board in the manner provided in Part X.

8. Section 79 is amended

- (a) as to subsection (3)
 - (i) by adding immediately after the words "order in order" the words "to vary the unit area,"
 - (ii) by striking out the word "therein" and by substituting the words "in the order",

10. Section 85 now reads

"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."

11. New. This provision would authorize the Board in certain cases to charge fees in connection with applications and hearings.

(b) by adding immediately after subsection (3) the following:

(4) Where a unit operation order is amended or revised under subsection (3) to enlarge the unit area, the Board, 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.

9. Section 80 is repealed.

10. Section 85 is struck out and the following is substituted:

85. Operations carried on under and in accordance with an order made under this Part shall, for all purposes, be deemed to be carried on on each tract and the portion of unit production allocated to each tract, and only that portion, shall, for all purposes, be deemed to have been produced from such tract within the meaning of the terms and provisions of each lease or other contract applicable thereto.

11. The following section is added immediately after section 106:

106a. In the case of an application under Part VIA or *The Gas Resources Preservation Act, 1956*, or in the case of an application for a permit under *The Pipe Line Act, 1958*, concerning which the Board holds a hearing before reporting thereon to the Department of Mines and Minerals, the Board may require the payment to it by the applicant of such sums as the Board deems fit as fees or to defray the costs and expenses of the Board incidental to or in connection with the application and any hearing or other proceeding arising from the application.

12. (1) This Act, except sections 8 and 9, comes into force on the day upon which it is assented to.

(2) Sections 8 and 9 come into force on the day upon which sections 75 to 82 of chapter 63 of the Statutes of Alberta, 1957, are proclaimed in force.

No. 68

SECOND SESSION

FOURTEENTH LEGISLATURE

9 ELIZABETH II

1961

BILL

An Act to amend The Oil and Gas
Conservation Act

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. MANNING
