

No. 43

1st Session, 15th Legislature, Alberta
12 Elizabeth II

BILL 43

A Bill to amend The Oil and Gas Conservation Act

HON. MR. MANNING

Explanatory Note

1. The Oil and Gas Conservation Act, Statutes of Alberta, 1957, chapter 63, amended.

2. (a) Section 19, subsection (5) presently reads:

"(5) No person shall apply for a licence for a well for the purpose of obtaining production from the same pool, geological formation, member or zone as that from which another well is obtaining or capable of obtaining production in the same spacing unit, unless the Board, if it believes special circumstances warrant it, authorizes the making of such an application."

(b) The Board will be empowered to increase the well licence fee to \$60 from \$50, except in cases of farm gas wells.

3. Section 20, subsection (1) which deals with applications for well licences for oil and gas wells and injection wells will now require the plans accompanying applications to be in duplicate rather than triplicate.

4. Section 43a, added in 1963 empowers the Board to declare a person a common purchaser of gas from a pool. Section 43a, subsection (4) presently reads:

"(4) Upon the application of a common purchaser of gas or of a person who offers gas for sale to a common purchaser of gas and who claims the common purchaser has discriminated against him contrary to this section in purchasing gas, the Board, to assist in giving effect to a declaration under subsection (1), may direct

(a) the point at which the common purchaser shall take delivery of any gas offered for sale to him, or

(b) the proportion of the common purchaser's acquisitions of gas from the pool which he shall purchase from each producer or owner offering gas for sale to him."

5. Section 59, subsection (1) empowers the Board to levy a tax on oil and gas properties at a rate of 10 mills or less. Under the new subsection (1a) no tax is to be levied where the total assessment against one owner in one field is less than \$3,000 i.e., where the tax would otherwise be an amount less than \$3.

BILL

No. 43 of 1964

An Act to amend The Oil and Gas Conservation Act

(Assented to . 1964)

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* is hereby amended.
2. Section 19 is amended
 - (a) as to subsection (5) by striking out the words “, geological formation, member or zone”,
 - (b) as to subsection (6), clause (b) by striking out the words “fifty dollars” and by substituting the words “sixty dollars”.
3. Section 20, subsection (1) is amended by striking out the word “triplicate” and by substituting the word “duplicate”.
4. Section 43a is amended by adding the following subsection:
 - (5) A direction by the Board under subsection (4) does not operate to require a common purchaser
 - (a) to purchase a greater total amount of gas from the pool than he was obligated to purchase from the pool under the gas purchase contracts existing immediately before the making of the declaration under subsection (1), or
 - (b) to purchase gas from the pool at a greater rate than the rate at which he was obligated to purchase gas from the pool under the gas purchase contracts existing immediately before the making of such declaration.
5. (1) Section 59 is amended by adding the following subsection after subsection (1):
 - (1a) Notwithstanding subsection (1), the Board shall not levy a tax against the oil and gas property or properties of an owner in a separate area not exempted from assessment and taxation under section 51 where the total assessed value of the property or properties is less than three thousand dollars.

6. Section 74c, subsection (2) is amended here to conform with amendments in 1963 under which unitization agreements were no longer required to be approved but rather to be filed.

7. Section 133, subsection (1) prescribes minimum and maximum fines for offences. The amendments will raise the minimum fine for a corporation from \$100 to \$300 and lower the minimum fine for a natural person from \$100 to \$50.

8. Commencement of Act.

(2) This section applies to the 1964 and subsequent taxation years.

6. Section 74*c*, subsection (2) is amended by striking out the word "approved" and by substituting the word "filed".

7. Section 133, subsection (1) is amended

(a) as to clause (a) by striking out the words "one hundred" and by substituting the words "three hundred",

(b) as to clause (b) by striking out the words "one hundred" and by substituting the word "fifty".

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

No. 43

FIRST SESSION

FIFTEENTH LEGISLATURE

12 ELIZABETH II

1964

BILL

An Act to amend The Oil and
Gas Conservation Act

Received and read the

First time

Second time

Third time

HON. MR. MANNING
