

1970 Bill 94

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Third Session, 16th Legislature, 19 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 94**

**An Act to amend The Oil and Gas Conservation Act, 1969**

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HON. MR. PATRICK

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**First Reading** .....

**Second Reading** .....

**Third Reading** .....

# BILL 94

1970

An Act to amend The Oil and Gas Conservation Act, 1969

(Assented to \_\_\_\_\_, 1970)

**H**ER 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, 1969* is hereby amended.

**2.** Section 5 is amended by striking out the word “and” at the end of clause (c), by adding the word “and” at the end of clause (d) and by adding the following clause:

(e) to control pollution above, at or below the surface in the drilling of wells and in operations for the production of oil, gas and crude bitumen and other operations over which the Board has jurisdiction.

**3.** Section 22, subsection (1) is amended

(a) as to clause 14 by adding after the word “drilling” the words “and producing”,

(b) by adding the following clause after clause 27:

27a. prescribing the measures to be taken to control pollution above, at or below the surface in the drilling of wells and in operations for the production of oil, gas and crude bitumen and other operations over which the Board has jurisdiction;

**4.** Section 81 is amended

(a) by striking out subsections (2) and (3) and by substituting the following subsections:

(2) Two copies of the forms of each unit agreement and unit operating agreement shall be filed with the Board before or within one month after their effective date.

## Explanatory Notes

1. This Bill amends chapter 83 of the Statutes of Alberta, 1969.

2. Section 5 presently reads:

5. The purposes of this Act are
- (a) to effect the conservation of, and to prevent the waste of, the oil, gas and crude bitumen resources of Alberta,
  - (b) 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 operations for the production of oil, gas and crude bitumen,
  - (c) to afford each owner the opportunity of obtaining his share of the production of oil or gas from any pool or of crude bitumen from any oil sands deposit, and
  - (d) to provide for the recording and the timely and useful dissemination of information regarding the oil, gas and crude bitumen resources of Alberta.

The amendments to section 5 and 22 of the Act are designed to broaden the scope of the Act in order to permit the Oil and Gas Conservation Board to take measures to control pollution arising from any drilling or producing operations.

3. Section 22, subsection (1), clause 14 presently reads:

22. (1) The Board may make regulations

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14. restricting drilling operations in water covered areas, and prescribing any special measures to be taken in such operations;

4. Section 81, subsections (2), (3) (4) and (5) presently read:

(2) Two copies of the form of each unit agreement, which shall include a participation schedule, shall be filed with the Board before or within one month after its effective date.

(3) Where the form of a unit agreement has been filed with the Board, the unit operator shall,

(a) immediately upon the coming into effect of the agreement or upon the filing of the form of agreement, whichever is later, advise the Board as to what tracts have qualified for inclusion in the unit area, and

(b) immediately upon any change in the unit area coming into effect, advise the Board of each addition to or deletion from the unit area,

and shall file, as soon as possible, with the Board copies of any amendment to the unit agreement and any new participation schedule.

(4) Where a pool or part thereof is

(a) subject to a unit agreement filed with the Board, or

(b) within a block,

the Board, on application, may order that any provision of this Act or the regulations regarding the development and production of the oil or gas resources be varied or suspended in the pool or part thereof for the duration of the unit operation or block.

(5) If, by a unit agreement filed under subsection (2), or by an operating agreement complementary to such a unit agreement and filed with the Board, 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 101, be deemed conclusively to be the performance or non-performance by the owners or operators otherwise responsible therefor under the provisions of the Act.

The amendments are made for the purpose only of requiring the filing of a unit operating agreement as well as the unit agreement where owners of oil and gas interests enter into a unit operation scheme.

(3) Where the forms of a unit agreement and unit operating agreement have been filed with the Board, the unit operator shall,

(a) immediately upon the coming into effect of the agreements or upon the filing of the forms of the agreements, whichever is later, advise the Board as to what tracts have been qualified for inclusion in the unit area, and

(b) immediately upon any change in the unit area coming into effect, advise the Board of each addition to or deletion from the unit area,

and shall file, as soon as possible, with the Board, copies of any amendments to either of the agreements.

(b) as to subsection (4), clause (a) by adding after the words "unit agreement" the words "and unit operating agreement",

(c) as to subsection (5) by striking out the words "filed under subsection (2), or by an operating agreement complementary to such unit agreement and filed with the Board" and by substituting the words "or unit operating agreement filed under subsection (2)".

**5.** Section 105 is amended by adding the following subsection:

(5) Where the Board has granted an application under section 106 to permit the keeping of records and the filing of reports for a battery or group of wells, the battery or group operator shall be deemed to be the agent, duly appointed and registered under this section, of the licensee of each well in the battery or group for purposes related to that well.

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

**5. Section 105 provides for the registration with the Board by well licensees and others of certain information, including information pertaining to the appointment of an agent. Section 106, referred to in the new subsection (5), presently reads:**

**106. The Board, upon application, may permit the keeping of records or the filing of reports for a battery or group of wells at which the product of wells is commingled before measurement, but in such case**

- (a) the figures shall be attributed to individual wells in the battery or group in a manner satisfactory to the Board to indicate as nearly as possible the actual production of the individual wells, and**
- (b) the attributed figures shall represent the production of each well for all purposes.**