

1973 Bill 94

Second Session, 17th Legislature, 22 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 94

The Mines and Minerals Amendment Act, 1973

THE MINISTER OF MINES AND MINERALS

First Reading

Second Reading

Third Reading

BILL 94

1973

THE MINES AND MINERALS AMENDMENT ACT, 1973

(Assented to _____, 1973)

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

1. *The Mines and Minerals Act is hereby amended.*

2. *Section 31 is amended by striking out subsection (4) and by substituting the following:*

(4) A royalty reserved to the Crown in right of Alberta on a mineral

(a) is payable in kind except as otherwise provided by this Act or any order of the Lieutenant Governor in Council, and

(b) is payable on the mineral when and where obtained, recovered or produced.

3. *The following section is added after section 47:*

47.1 A reference in an agreement or certificate of record to an Act of Alberta shall be deemed to be a reference to the Act as amended from time to time.

4. *The following section is added after section 142:*

142.1 Where a lease of petroleum and natural gas rights, natural gas rights or petroleum rights granted before the commencement of this section contains a provision stating

(a) that the maximum royalty on the petroleum during the first term of the lease shall not exceed one-sixth of the gross recovery from the lands described in the lease, or

(b) that the maximum royalty payable on the petroleum and natural gas during the initial term of the lease shall not exceed one-sixth of the production obtained from the location,

or a provision to the like effect, the Lieutenant Governor in Council may fix a rate of royalty greater than the maximum provided for by any such provision, notwithstanding that provision.

Explanatory Notes

1. This Bill will amend chapter 238 of the Revised Statutes of Alberta 1970.

2. Section 31, subsection (4) presently reads:

(4) The royalty is payable on any mineral when and where obtained, recovered or produced.

3. Self-explanatory.

4. The Lieutenant Governor in Council may prescribe royalty rates greater than the maximum royalty rates in certain existing Crown leases of petroleum and natural gas rights.

5. *The following heading and sections are added after section 170:*

The Alberta Petroleum Marketing Commission

170.1 (1) Every agreement to which this section applies is subject to the condition that the Crown's royalty share of the petroleum recovered pursuant to the agreement shall be delivered to the Alberta Petroleum Marketing Commission incorporated under *The Petroleum Marketing Act*.

(2) This section applies only to those agreements to which it is made applicable by the regulations under subsection (3).

(3) The Lieutenant Governor in Council may make regulations declaring this section applicable either

- (a) to all agreements granting petroleum and natural gas rights or petroleum rights, or
- (b) to agreements granting petroleum and natural gas rights or petroleum rights the locations of which are situated in the part or parts of Alberta specified in the regulations.

(4) The Minister may, with respect to any agreement to which this section applies and in any special case where he considers it warranted by circumstances to do so, waive compliance with subsection (1) for any period of time and upon any conditions he may prescribe.

170.2 (1) Every agreement to which this section applies is subject to the condition that the petroleum recovered pursuant to the agreement, other than the Crown's royalty share thereof, shall be sold through the Alberta Petroleum Marketing Commission incorporated under *The Petroleum Marketing Act*.

(2) This section applies only to those agreements to which it is made applicable by the regulations under subsection (3).

(3) The Lieutenant Governor in Council may make regulations declaring this section applicable either

- (a) to all agreements granting petroleum and natural gas rights or petroleum rights, or
- (b) to agreements granting petroleum and natural gas rights or petroleum rights the locations of which are situated in the part or parts of Alberta specified in the regulations.

(4) This section applies to an agreement notwithstanding any contract or arrangement made before or after the commencement of this section and relating to the sale or other disposition of the petroleum recovered from the location of the agreement and no party to any such contract or

5. Requirement to deliver petroleum to the Alberta Petroleum Marketing Commission and to sell the lessee's share thereof through the Commission.

See Bill 95 for The Petroleum Marketing Act.

arrangement has a cause action against any other party thereto by reason of the effect of the operation of this section upon that contract or arrangement.

(5) The Minister may, with respect to any agreement to which this section applies and in any special case where he considers it warranted by circumstances to do so, waive compliance with subsection (1) for any period of time and upon any conditions he may prescribe.

6. (1) *This Act, except section 5, comes into force on the day upon which it is assented to.*

(2) *Section 5 comes into force on a date to be fixed by Proclamation.*