

1974 Bill 59

Third Session, 17th Legislature, 23 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 59

The Oil and Gas Conservation Amendment Act, 1974

THE MINISTER OF INDUSTRY AND COMMERCE

First Reading

Second Reading

Third Reading

Printed by L. S. WALL, Queen's Printer for the Province of Alberta, EDMONTON

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1974

THE OIL AND GAS CONSERVATION AMENDMENT ACT, 1974

(Assented to _____, 1974)

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

1. *The Oil and Gas Conservation Act is hereby amended.*

2. *Section 42 is struck out and the following substituted therefor:*

42. (1) In this section, "gas product" means any constituent of gas extracted by processing including methane, ethane, propane, butanes and pentanes plus but not including sulphur or any sulphur compound.

(2) No gas or gas product produced in Alberta shall be used in Alberta as a raw material or fuel in the production of carbon black, ammonia, urea, ethanol, methanol or any petrochemical product unless the Board, upon application, has granted a permit authorizing such use for that purpose in accordance with this section.

(3) Upon receipt of an application pursuant to subsection (2) together with any information prescribed or required by the Board, the Board may,

- (a) if so authorized by the Lieutenant Governor in Council, grant a permit for the use of gas or gas products proposed in the application, or
- (b) refuse the application.

(4) The Board may hold a hearing with respect to an application under this section.

(5) The Board shall not grant a permit under this section unless in its opinion it is in the public interest to do so having regard to, among other considerations,

- (a) the efficient use without waste of gas or gas products, and
- (b) the present and future availability of hydrocarbons in Alberta,

Explanatory Notes

1. This Bill will amend chapter 267 of the Revised Statutes of Alberta 1970.

2. Section 42 presently reads:

42. (1) No person shall, within Alberta, use or consume gas produced in Alberta, for a purpose other than drilling, enhanced recovery, light or fuel, until he has filed with the Board particulars concerning such use or consumption in such detail as the Board may require.

(2) Where a person uses or consumes gas or proposes to use or consume gas for a purpose such that he is required to file particulars under subsection (1), the Board may order the person to use or consume the gas so that there is no waste.

- (6) A permit granted pursuant to this section
- (a) shall be referred to as an "industrial development permit",
 - (b) shall be in the form prescribed by the order of the Lieutenant Governor in Council authorizing the granting of the permit and shall be subject to any terms or conditions prescribed by the Lieutenant Governor in Council,
 - (c) shall authorize the use of the gas or gas products for the purpose or purposes prescribed in the permit,
 - (d) may prescribe the term for which the permit is granted,
 - (e) may prescribe the maximum volumes of gas or gas products that may be used during the term of the permit, and
 - (f) shall be subject to any other terms and conditions contained in the permit.
- (7) A person is exempt from the operation of this section
- (a) if, at the commencement of this section, he is using gas or a gas product in Alberta as a raw material or fuel in the production of carbon black, ammonia, urea, ethanol, methanol or any petrochemical product but the exemption under this clause continues only for so long as that person
 - (i) uses production facilities for that purpose that are in existence at the commencement of this section and continues such production at an annual rate of production not exceeding the rate of production for the 12-month period ending April 30, 1974, or
 - (ii) uses production facilities for that purpose that are in existence at the commencement of this section but which have been added to, extended or altered to increase production capacity where the construction of the addition, extension or alteration commenced on or before May 16, 1974;
 - (b) if he intends to use gas or a gas product in Alberta as a raw material or fuel in the production of carbon black, ammonia, urea, ethanol, methanol or any petrochemical product and had commenced the construction of production facilities for that purpose on or before May 16, 1974, but the exemption under this clause continues only for so long as that person uses the production facilities that were under construction on May 16, 1974 and does not thereafter construct any addition, extension to or alteration of those facilities to increase production capacity which results in an increase in the rate of use of the gas or gas products;

(c) if he is so exempted by the regulations under subsection (8).

(8) The Lieutenant Governor in Council may make regulations exempting any persons or classes of persons from the operation of this section.

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