

1978 BILL 39

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Fourth Session, 18th Legislature, 27 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# BILL 39

THE MINES AND MINERALS AMENDMENT ACT, 1978

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MINISTER OF ENERGY AND NATURAL RESOURCES

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

## BILL 39

1978

### THE MINES AND MINERALS AMENDMENT ACT, 1978

(Assented to , 1978)

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 amended by this Act.*

2 *Section 2(1) is amended*

(a) *in clause 3 by striking out "the quartz mining regulations or the placer mining regulations under this Act" and substituting "the regulations",*

(b) *by repealing clause 7,*

(c) *by repealing clause 16, and*

(d) *by repealing clause 20 and substituting the following:*

20 "oil sands" means

(i) sands and other rock materials containing crude bitumen,

(ii) the crude bitumen contained in those sands and other rock materials, and

(iii) any other mineral substances in association with that crude bitumen or those sands and other rock materials,

but does not include petroleum or natural gas that in its naturally occurring state is recoverable through a well by conventional methods;

## Explanatory Notes

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

**2** Section 2(1) contains definitions for the purposes of the Act.

(a) Clause 3 defines “certificate of record” and is amended as a consequence of the repeal of section 14(c)(i) and (ii) of the Act by this Bill.

(b)(c) The definitions of “Director” and “Mining Recorder” are repealed as those expressions will no longer appear in the Act upon the enactment of this Bill.

(d) The definitions of “crude bitumen” and “oil sands” presently read:

*5 “crude bitumen” means a naturally occurring viscous mixture, mainly of hydrocarbons heavier than pentane, that may contain sulphur compounds, and that in its naturally occurring viscous state is not recoverable at a commercial rate through a well;*

*20 “oil sands” means sands and other rock materials which contain crude bitumen and includes all other mineral substances in association therewith;*

See also the amendments in this Bill to sections 110 and 116 of the Act and to Part 6 of the Act (sections 171 to 174).

3 Section 4(2) is amended by adding “; *The Coal Conservation Act*” after “*The Quarries Regulation Act*”.

4 Section 6 is repealed.

5 Section 7 is repealed.

6 The following is added after section 8:

**8.1** The Minister may delegate to any employee of the Department any of his powers or duties under this Act, the regulations or a disposition.

7 Section 9 is repealed and the following is substituted:

**9** Agreements made or entered into pursuant to this Act may be executed on behalf of the Crown by the Minister or by an employee of the Department authorized in writing for the purpose by the Minister.

8 Section 12.1(1) is amended

(a) by adding the following after clause (c):

(c.1) accept the surrender of, cancel or refuse to renew a certificate of record as to all or part of the mineral claim where the Minister is of the opinion that any or any further exploration for or development of the mineral to which the certificate of record relates within that mineral claim or part thereof is not in the public interest, subject to the payment of compensation determined in accordance with the regulations for the owner's interest under the certificate of record;

**3** Section 4(2) presently reads:

*(2) If any question arises, otherwise than in legal proceedings, whether a quarry, coal mine or well is a quarry, coal mine or well to which this Act, The Quarries Regulation Act, The Coal Mines Safety Act or The Oil and Gas Conservation Act applies, the question shall be referred to the Minister, whose decision thereon is final.*

**4** Section 6 presently reads:

*6 In accordance with The Public Service Act there may be appointed a Director of Minerals, a Provincial Geologist, a Provincial Assayer, inspectors, mining recorders and such other officers as may be necessary, who shall perform the duties required of them under this Act and such other duties as may be assigned to them.*

The section is repealed as being redundant to section 3(2)(b) of *The Department of Energy and Natural Resources Act*.

**5** Section 7 permits the Minister to employ persons for specialized services and is repealed as being redundant to section 4 of The Department of Energy and Natural Resources Act.

**6** Delegation power. The new section will replace section 49 of the Act which is to be repealed by this Bill.

**7** Section 9 presently reads:

*9 Agreements made or entered into pursuant to this Act may be executed on behalf of the Crown by the Minister or the Deputy Minister, or by any other officer of the Department authorized in writing for the purpose by the Minister.*

**8** Section 12.1(1) enumerates certain powers of the Minister. The proposed clause (c.1) is the equivalent of the present clause (c) which relates to leases, licences, reservations and permits. Section 12.1 (1)(e) and (f) presently read:

*12.1(1) The Minister may*

*(e) where any provision for this Act, the regulations or an agreement requires the doing of any act within a fixed period or at a fixed time, by order extend that period or fix another time by or on which that act is to be done, whether the period within which or the time by or on which the act ought to be done has or has not expired or arrived, as the case may be;*

*(b) in clause (e) by adding “, with or without conditions,” after “by order”, and*

*(c) by repealing clause (f) and substituting the following:*

(f) where he receives evidence satisfactory to him that a lessee has been prohibited by circumstances beyond the lessee’s control, other than financial circumstances, from conducting operations on his location, from time to time agree with the lessee to extend the term of the lessee’s agreement for an additional period or periods not exceeding 5 years in the aggregate upon any conditions specified by the Minister in the case of any extension;

(g) reinstate upon such terms and conditions he may prescribe, an agreement, a part of the location of an agreement or a zone in the location of an agreement, that has been surrendered, cancelled or forfeited, if application for the reinstatement is made

(i) within 30 days of the date of the surrender, cancellation or forfeiture, or

(ii) within 90 days of the date of the surrender, cancellation or forfeiture, where the surrender, cancellation or forfeiture was made in error;

(h) where he considers that the circumstances warrant it, agree with a lessee to grant an agreement to the lessee in substitution for an agreement held by the lessee.

*9 Section 14 is amended*

*(a) in clause (c) by repealing subclauses (i), (ii) and (v) and adding “and” at the end of subclause (iv),*

*(b) by repealing clauses (e) and (g), and*

*(c) in clause (g.2) by striking out “an agreement pursuant to section 12.1, subsection (1), clause (c)” and substituting “an agreement or certificate of record pursuant to section 12.1 (1)(c) or (c.1), as the case may be”.*

*(f) where he is satisfied that special circumstances exist, from time to time agree with a lessee to extend the term of an agreement for an additional period or periods not exceeding five years in the aggregate upon any terms or conditions specified by the Minister in the case of any extension.*

Clause (g) replaces section 14(g) of the Act which is being repealed by this Bill.

Clause (h) is new and provides a means whereby a lessee can arrange an exchange of one agreement for another.

**9** Section 14 presently reads in part:

*14 The Lieutenant Governor in Council may from time to time*

*(c) make regulations,*

*(i) governing quartz mining,*

*(ii) governing placer mining,*

*(v) governing the operation of mines, including working conditions and any other matter incidental to mining, and*

*(e) divide the Province into districts for each Mining Recorder,*

*(g) reinstate upon such terms and conditions as may be prescribed, any lease or any part of the location described in any lease, that has been surrendered, cancelled or forfeited, if application for reinstatement is made within three months of the date of surrender, cancellation or forfeiture,*

*(g.2) make regulations governing the determination of compensation upon the surrender, cancellation or refusal of renewal of an agreement pursuant to section 12.1, subsection (1), clause (c),*

As to the repeal of clause (g), see section 8 of this Bill.

*10 The heading preceding section 16 and sections 16, 17 and 18 are repealed.*

*11 Section 22(1) is repealed and the following is substituted:*

**22(1)** When any person is entitled to receive a title in fee simple to any minerals to which this Act applies and for which no certificate of title is registered in a land titles office, a notification in Form A in the Schedule shall be issued by the Minister accordingly in favour of that person.

*12 Section 24(2) is amended by striking out “that the application is granted for” and substituting “in respect of which the application was made”.*

*13 Section 25 is amended by adding “The Coal Conservation Act,” after “the provisions of this Act,”.*

*14 Section 27 is amended by striking out “Director” and substituting “Minister”.*



**10** Sections 16, 17 and 18 and the heading preceding them presently read:

*Duties of the Mining Recorder*

*16 Every Mining Recorder shall keep the books and records prescribed by the Minister to be used for the recording of applications, certificates of record and agreements and documents pertaining to any of them.*

*17 Such books and records of a Mining Recorder as the Minister may specify shall, during office hours, be open to public inspection upon payment of a fee in connection with each search.*

*18 A Mining Recorder shall obtain the moneys directed to be paid to him before he makes any entry in any book or record.*

**11** Section 22(1) presently reads:

*22(1) When any person is entitled to receive a title in fee simple to any minerals to which this Act applies and for which no certificate of title is registered in the land titles office, a notification in Form A in the Schedule shall be issued, which shall be*

*(a) signed by the Minister or Deputy Minister, and*

*(b) signed by the Director.*

**12** Section 24(2) presently reads:

*(2) When an application is granted pursuant to subsection (1), the applicant becomes entitled to receive a title in fee simple to the mineral or minerals that the application is granted for.*

**13** Section 25 presently reads:

*25 Notwithstanding section 4, any person who has the right to any mineral or the right to work the same may work through any other mineral in the same tract to the extent necessary to obtain his mineral, without permission from or compensation to any other person for the right to work through the other mineral, subject, however, to the provisions of this Act, The Coal Mines Safety Act, The Oil and Gas Conservation Act and The Quarries Regulation Act.*

**14** The reference to the Director of Minerals is removed as a consequence of the repeal of section 6 of the Act by this Bill.

15 *The following is added after section 27:*

**27.1** The Minister may refuse to grant an agreement to a person who is indebted to the Crown in right of Alberta.

**27.2(1)** Subject to subsection (2), an agreement shall bear the date upon which it is issued.

(2) The date of commencement of the term of an agreement shall be its date of issue unless otherwise specified by the Minister.

16 *Section 29 is repealed.*

17 *The following is added after section 31:*

**31.1(1)** When a mineral is obtained during any month pursuant to an agreement or any disposition or sale is made during any month of a mineral obtained pursuant to an agreement, the lessee or his agent authorized in writing shall file with the Department, on forms prescribed by the Minister, a full report showing

(a) the amounts of the mineral so obtained during that month,

(b) the dispositions and sales so made during that month, and

(c) any other information required by the form.

(2) A report required under subsection (1) shall be filed not later than

(a) the 30th day after the end of the month during which the mineral was obtained, disposed of or sold, or

(b) the last day of the month following the month during which the mineral was obtained, disposed of or sold,

whichever is later.

**15** The proposed sections 27.1 and 27.2 will replace similar provisions presently in Part 2 (coal), Part 3 (quarriable minerals) and Part 5 (petroleum and natural gas).

**16** Section 29 presently reads:

*29(1) Upon the registration of a transfer of a part of a location there shall be issued to the transferee a new agreement or agreements with respect to the part of the location transferred and the description of the location of the agreement from which the part of the location has been transferred shall be amended by the Director.*

*(2) The new agreement or agreements shall be issued with a term similar to that of the original agreement.*

The content of section 29 will be dealt with in regulations.

**17** The proposed section 31.1 will replace similar provisions now contained in Part 2 (coal), Part 3 (quarriable minerals) and Part 5 (petroleum and natural gas).

(3) The Minister may exempt any class of agreement from the requirements of this section.

18 Section 32 is amended

(a) by repealing subsection (1) and substituting the following:

**32(1)** The Crown in right of Alberta has a lien for any royalty on a mineral payable under a disposition that remains unpaid for a period of 60 days after the end of the month during which the mineral was obtained.

(b) in subsection (2) by striking out “goods and chattels” and substituting “goods, chattels and fixtures”,

(c) in subsections (2), (4) and (5) by striking out “goods or chattels” wherever it occurs and substituting “goods, chattels or fixtures”.

19 Section 33 is amended

(a) in subsection (1) by striking out “goods and chattels” and substituting “goods, chattels or fixtures”,

(b) in subsections (2), (3) and (4) by striking out “goods or chattels” wherever it occurs and substituting “goods, chattels or fixtures”.

20 Section 43 is amended by adding “offer,” before “application”.

21 Section 44 is amended by adding “offer,” before “application or transfer” wherever it occurs.

22 Section 47(1) is amended by striking out “the Deputy Minister or the Director or any other person” and substituting “an employee of the Department”.

**18** Section 32 relates to the Crown's lien on goods and chattels for unpaid royalty. The amendment will extend the lien to fixtures on the land described in the disposition under which the royalty is payable and also clarify the time when the lien arises.

**19** Section 33 deals with seizures to enforce a lien under section 32. See the note to section 18 of this Bill.

**20** Section 43 presently reads:

*43 No person under the age of 18 years shall acquire an agreement by application or transfer.*

The amendment will make it clear that a minor cannot make an offer for an agreement at a sale by public tender.

**21** Section 44 restricts the kinds of corporations and unincorporated bodies that may acquire agreements by application or transfer. The amendment will extend the restrictions to cases where the agreement is acquired as a result of an offer made at a sale by public tender.

**22** Section 47(1) presently reads:

*47(1) Any notice that may be given by the Minister pursuant to this Act, the regulations or an agreement may be given by the Deputy Minister or the Director or any other person authorized in writing by the Minister.*

23 *The following is added after section 47:*

**47.1(1)** Where an offer or application is made for an agreement, the offeror or applicant shall file with the Department an official address for service for the agreement in the event it is granted.

(2) The lessee of an agreement issued before July 1, 1978 shall file with the Department an official address for service for the agreement not later than one year after the first anniversary of the date of issue of the agreement occurring after June 30, 1978.

(3) An official address for service filed under subsection (1) or (2) of this section or section 176(2)(e) shall provide for only one address for service regardless of the number of persons holding the agreement.

(4) An official address for service filed under subsection (2) of this section or section 176(2)(e) shall be signed by or on behalf of each of the holders of the agreement.

(5) A lessee of an agreement who wishes to change the official address for service for his agreement shall file with the Department a notice of change of the official address for service in Form E in the Schedule.

(6) The giving of a notice under this Act, the regulations or an agreement, personally at, or by mail to, the official address for service for the agreement filed with the Department under this section or section 176(2)(e), constitutes service of the notice to the lessee of the agreement or, where there is more than one lessee of the agreement, to all of them.

24 *The following is added after section 48:*

**48.1(1)** Where a corporation registered under *The Companies Act* is struck off the register and the corporation is then the sole lessee of an agreement, the Minister may cancel the agreement after giving 60 days' notice of his intention to do so in the Gazette, unless before the expiration of that 60-day period the corporation is restored to the register under *The Companies Act*.

(2) Where a corporation, other than a corporation registered under *The Companies Act*, is wound up or dissolved and is then the sole lessee of an agreement, the Minister may cancel the agreement.

**23** Official addresses for service. See also the amendments in this Bill to section 176(2)(e) of the Act and Forms B, C and D, and the proposed Form E.

**24** Cancellation of agreements held by defunct or unregistered corporations. Cancellation and transfer of specified undivided interests in agreements held by defunct or unregistered corporations.

(3) Where a corporation is struck off the register of companies under *The Companies Act* or is wound up or dissolved and the corporation is then a lessee having a specified undivided interest in an agreement according to the records of the Department, the Minister may cancel that interest and transfer it to such person, in such manner and upon such conditions as the Minister considers just in the circumstances.

25 *Section 49 is repealed.*

26 *Section 56(1) is amended by striking out “an inspector or other person” and substituting “any person”.*

27 *Section 58(1) is amended by striking out “\$500 or to imprisonment for a term not exceeding six months or to both fine and imprisonment” and substituting “\$5000”.*



**25** Section 49 presently reads:

*49 In the absence of the Deputy Minister of Mines and Minerals or the Director, all the powers, duties, rights and capacities that are by this Act vested in or conferred or imposed upon such officials are vested in, conferred and imposed upon any other person appointed or authorized by the Minister to carry on or exercise such powers, duties, rights and capacities as if such person had been named herein.*

Section 49 is to be replaced by the proposed section 8.1 of the Act in this Bill.

**26** Section 56(1) presently reads:

*56(1) Notwithstanding section 4, if the Minister has reason to believe that operations on any location or mineral claim are being so conducted as to expose others to the risk of damage or loss, the Minister may authorize an inspector or other person to enter the mine, quarry, works, plant, buildings and structures and to remain for such period or periods as the Minister may deem necessary, for the purpose of enforcing compliance with such provisions and remedying existing defaults.*

**27** Section 58(1) presently reads:

*58(1) Every person who is guilty of an offence against this Act for which no penalty is prescribed is liable on summary conviction to a fine of not more than \$500 or to imprisonment for a term not exceeding six months or to both fine and imprisonment.*

28 *Part 2 is repealed and the following is substituted:*

**PART 2**

**COAL**

**Leases**

**59** Coal rights that are the property of the Crown may be leased by the Minister in accordance with this Part.

**60** A coal lease shall be in such form as may be determined by the Minister and may include such terms and conditions as the Minister prescribes.

**61** (1) A person is entitled to a coal lease where

(a) his offer for the lease is accepted by the Minister at a sale by public tender of the lease, or

(b) he applies for the lease and the Minister considers the granting of the lease warranted in the circumstances.

(2) The sale of a coal lease by public tender shall be conducted in the manner prescribed by the Minister.

(3) An application for a coal lease shall be filed by the applicant in writing with an employee of the Department authorized by the Minister to receive applications for coal leases.

(4) When making an application for a coal lease, the applicant shall provide such information as the Minister may require.

**62**(1) The annual rental for a coal lease shall be \$1 an acre payable yearly in advance.

(2) The rental for the first year and the prescribed fee shall accompany an offer or application for a coal lease.

(3) The fee and rental shall be refunded if the application or offer is refused or the granting of a lease is refused.

**63**(1) The area of the location of a coal lease shall consist of sections, quarter sections or legal subdivisions or, in the discretion of the Minister, may comprise any part of a legal subdivision, but the parcels in the location shall adjoin or corner.

(2) In unsurveyed territory the area of a location may include what would be road allowances if the lands were surveyed under *The Surveys Act*.

**59** Coal leases authorized.

**60** Form of coal lease.

**61** Offer or application for lease.

**62** Fee and rental.

**63** Area of location.

(3) Where the boundaries of a tract applied for in unsurveyed territory may be difficult to determine on the ground because of terrain or distance from a survey monument, the Minister before granting the lease may require that the location be defined on the ground in accordance with instructions given by the Minister.

**64** A coal lease grants the right to the coal that is the property of the Crown in the location subject to any exceptions expressed in the lease.

**65**(1) Subject to subsection (2), the term of a coal lease shall be 15 years.

(2) The term of a coal lease granted prior to July 1, 1976 shall be 21 years.

(3) A coal lease, whether granted before, on or after July 1, 1976, is renewable for further terms of 15 years each subject to the provisions of this Act and the regulations and, in the case of any particular renewal, to any terms and conditions prescribed by order of the Minister.

**66**(1) The lessee of a coal lease who operates a coal mine shall make available for sale at his mine to Alberta residents the coal they require for their own domestic household needs at a price per ton not exceeding the average price per ton for the last month during which the lessee sold similar coal otherwise than for domestic household needs.

(2) This section does not apply to a lessee with respect to a mine where all the coal obtained from that mine is sold for domestic household needs only.

**67** The Lieutenant Governor in Council may make regulations

(a) authorizing the Minister to give a notice to the lessee of a coal lease requiring work to be done by the lessee including, without limitation, work with respect to one or more of the following:

(i) exploratory programs for coal in the location;

(ii) the development of a coal mine site or coal mine in the location;

(iii) the commencement or resumption of coal mining operations in the location;

**64** Rights granted by lease.

**65** Term of coal lease.

**66** Coal supply for local residents.

**67** Regulations re work requirements.

- (iv) the mining from the location of a specified amount of coal within a specified period;
- (b) prescribing the circumstances under which the Minister may or may not give a notice referred to in clause (a).

### **Royalty**

**68**(1) The coal obtained pursuant to a coal lease is subject to the payment to the Crown in right of Alberta of such royalty on the coal as may from time to time be prescribed by the Lieutenant Governor in Council.

(2) The royalty may be collected in such manner as may be prescribed by the Minister.

**69** Where the payment of a royalty has been reserved to the Crown in right of Canada in any patent or agreement for sale that conveys coal or the right to mine, win or work the same, the royalty to be computed, levied and collected and paid to the Crown in right of Alberta on the coal mined shall be

(a) 7 cents a ton, or

(b) such other royalty as may be prescribed from time to time by the Lieutenant Governor in Council in accordance with the provisions of the Transfer Agreement.

### **General Coal Barrier**

**70**(1) Notwithstanding section 4 or the terms and provisions of any certificate of title, conveyance, agreement for sale, lease, licence, permit or other contract under which he has, before, on or after June 1, 1962, acquired coal or the right to mine, win or work coal, no person shall, without the consent of the Minister,

(a) mine coal, or

(b) make or cause or permit to be made any opening,

within 30 feet of a boundary line of the tract or parcel of land described in the certificate of title, conveyance, agreement for sale, lease, licence, permit or other contract.

(2) In this section, "boundary line" means the vertical plane or line in which the surface boundary of the tract or parcel lies.

**68** Royalty on leases.

**69** Royalty where coal rights were acquired by patent or agreement for sale prior to the Natural Resources Transfer of 1930.

**70** General Coal Barrier. This is the present section 80 re-enacted without change.

29 *Part 3 is repealed and the following is substituted:*

### **PART 3**

#### **QUARRIABLE MINERALS**

##### **Leases**

**81** The right to any quarriable mineral, other than coal or oil sands, that is the property of the Crown may be leased by the Minister in accordance with this Part.

**82** A quarriable mineral lease shall be in such form as may be determined by the Minister and may include such terms and conditions as the Minister prescribes.

**83**(1) A person is entitled to a quarriable mineral lease where he applies for the lease and the Minister considers the granting of the lease warranted in the circumstances.

(2) An application for a quarriable mineral lease shall be filed in writing with an employee of the Department authorized in writing by the Minister to receive applications for quarriable mineral leases.

(3) When making an application for a quarriable mineral lease, the applicant shall indicate the uses intended to be made of the quarriable mineral and shall furnish such additional information as the Minister may require.

**84**(1) The annual rental for a quarriable mineral lease shall be \$1 an acre payable yearly in advance.

(2) The annual rental for the first year and the prescribed fee shall accompany an application for the lease.

(3) The fee and rental shall be refunded if the granting of the lease is refused.

**85**(1) The area of the location of a quarriable mineral lease shall consist of a section, quarter sections or legal subdivisions or, in the discretion of the Minister, may comprise any part of a legal subdivision, but the parcels included in the location shall adjoin or corner.

(2) The location of a quarriable mineral lease may include an adjoining road allowance.



**81** Quarriable mineral leases authorized.

**82** Form of lease.

**83** Application for lease.

**84** Fee and rental.

**85** Area of location.

(3) Where the boundaries of a tract applied for in unsurveyed territory may be difficult to determine on the ground because of terrain or distance from a survey monument, the Minister before granting the lease may require the applicant to define the location on the ground in accordance with instructions given by the Minister.

**86** A quarriable mineral lease grants the right to the quarriable mineral named in the lease that is the property of the Crown in the location subject to any exceptions expressed in the lease.

**87**(1) Subject to subsection (2), the term of a quarriable mineral lease shall not exceed 15 years.

(2) The term of a quarriable mineral lease granted before July 1, 1978 shall be 21 years.

(3) A quarriable mineral lease, whether granted before, on or after July 1, 1978, is renewable for further terms of 15 years each subject to the provisions of this Act and the regulations and, in the case of any particular renewal, to any terms and conditions prescribed by order of the Minister.

**88** The Lieutenant Governor in Council may make regulations

(a) authorizing the Minister to give a notice to the lessee of a quarriable mineral lease requiring work to be done by the lessee including, without limitation, work with respect to one or more of the following:

(i) exploratory programs in the location for the quarriable mineral to which the lease relates;

(ii) the development of a quarry or quarry site in the location;

(iii) the commencement or resumption of quarrying operations;

(iv) the quarrying from the location of a specified amount of the quarriable mineral within a specified period;

(b) prescribing the circumstances under which the Minister may or may not give a notice referred to in clause (a).

**86** Rights granted by lease.

**87** Term of quarriable mineral lease.

**88** Regulations re work requirements.

## **Royalty**

**89(1)** A quarriable mineral obtained pursuant to a quarriable mineral lease is subject to the payment to the Crown in right of Alberta of such royalty on the mineral as may from time to time be prescribed by the Lieutenant Governor in Council.

(2) The royalty may be collected in such manner as may be prescribed by the Minister.

*30 Sections 100 to 103 are repealed and the following is substituted:*

**100(1)** Coal rights in road allowances may be leased by the Minister in accordance with this Part.

(2) The annual rental under a lease granted pursuant to this section shall be \$50 payable yearly in advance.

(3) The term of a lease granted pursuant to this section on or after July 1, 1978 shall not exceed 15 years.

(4) A lease, whether granted before, on or after July 1, 1978, is renewable for further terms of 15 years each subject to the provisions of this Act and the regulations and, in the case of any particular renewal, to any terms or conditions prescribed by order of the Minister.

**101(1)** A lease shall not be granted under section 100 unless the applicant satisfies the Minister that he has obtained a licence under *The Coal Conservation Act* authorizing him to conduct mining operations in the proposed location.

(2) Where a lessee ceases to hold the licence referred to in subsection (1) or the licence is amended with respect to the area on which the mining operations may be conducted, the Minister may cancel or amend the lease as the circumstances warrant.

*31 Section 105 is amended*

*(a) by repealing subsection (1) and substituting the following:*

**105(1)** Where coal rights in a road allowance are held under lease and adjoin a location subject to royalty under section 68, a report required by section 31.1 in respect of the amounts of coal obtained during any month from the road allowance and dispositions and sales during any month of coal obtained from the road allowance may be included in the report for the same month for that adjoining location.

**89** Royalty on quarriable minerals.

**30** Sections 100 to 103 presently read:

*100(1) Coal rights in road allowances may be leased at an annual rental of \$10 payable yearly in advance.*

*(2) The term of a lease or any renewal thereof shall not exceed 21 years and may be for such lesser period as the Minister may prescribe.*

*101 A lease shall not be issued unless the applicant satisfies the Minister that he has the right to mine coal in land adjoining the road allowance.*

*102 No lease shall be issued for more than one mile of road allowance, but the block at the intersection of two road allowances may be included in a lease.*

*103(1) Where the Minister has reason to believe that a lessee no longer has the right to mine coal from land adjoining his road allowance lease, the Minister may give 39 days' notice to the lessee to submit evidence as to his ownership.*

*(2) If the lessee fails to submit evidence satisfactory to the Minister within 30 days of the giving of the notice the Minister in his discretion may cancel the lease.*

**31** Section 105(1) presently reads:

*105(1) Where coal rights in a road allowance are held under lease and adjoin a location subject to royalty as prescribed by section 78, subsection (1), the reports accounting for the full quantity of coal mined may be included in the reports for the adjoining location.*

The present section 78(1) is renumbered in the proposed Part 2 as section 68(1).

*(b) in subsection (2) by striking out “section 78, subsection (1)” and substituting “section 68”.*

*32 Section 106 is amended by striking out “, bituminous sands”.*

*33 Section 110 is amended by renumbering it as subsection (1) and by adding the following:*

*(2) An agreement granting rights to petroleum and natural gas or either of them, whether granted before, on or after July 1, 1978, does not grant the right to oil sands.*

*34 Section 112(4) is repealed.*

*35 Section 116(2) is repealed.*

*36 Section 117 is repealed.*

*37 Section 119(3) is repealed.*

*38 Section 120 is amended*

*(a) by adding the following after subsection (2):*

**32** Removes a reference to bituminous sands as a consequence of the amendments in this Bill to Part 6 of the Act (sections 171 to 174).

**33** Section 110 presently reads:

*110 Petroleum rights and natural gas rights that are the property of the Crown may be disposed of by the Minister in accordance with this Part.*

See also the proposed new definition of “oil sands” in section 2 of this Bill and the proposed amendments to Part 6 of the Act (sections 171 to 174.)

**34** Section 112(4) presently reads:

*(4) The Minister may refuse to grant a lease to any person who is indebted to the Crown in right of Alberta.*

This provision is to be replaced by the proposed section 27.1 of the Act. See section 15 of this Bill.

**35** Section 116(2) presently reads:

*(2) Notwithstanding subsection (1), a lease does not grant the right to bituminous sands or to the petroleum and natural gas that may be recovered therefrom.*

See the proposed section 110(2) to be added by section 33 of this Bill.

**36** Section 117 presently reads:

*117(1) Subject to subsection (2), a petroleum and natural gas lease shall bear the date upon which it is issued.*

*(2) The date of commencement of the term of a lease shall be its date of issue unless otherwise specified by the Minister.*

Section 117 is to be replaced by the proposed section 27.2 of the Act. See section 15 of this Bill.

**37** The text of section 119(3) is to be re-enacted as section 123.1 but extended to other cases. See section 40 of this Bill.

**38** Section 120 presently reads in part:

*120(1) Subject to section 121, where at the expiration of the term of a lease or at the expiration of the six-month period referred to in section 119, subsection (1), clause (b) or (c), a well is being drilled on a spacing unit comprising the whole or part of the location, the lease continues during the period that drilling is being conducted diligently and continuously to the satisfaction of the Minister*

(2.1) Where the well referred to in subsection (1) is completed as a producing well, the lease further continues for a period of 90 days from the finished drilling date of the well as to any part of the location that is contained in the section in which the producing well was drilled but is not qualified to continue under subsection (2)(b).

*(b) by repealing subsection (4) and substituting the following:*

(4) Where the lease is continued as to part of the location for 90 days pursuant to subsection (2.1), the lessee may drill one or more wells in that part of the location subject to the following:

(a) the drilling of the first well pursuant to this subsection must be commenced within that 90-day period and the drilling of each subsequent well must be commenced within 90 days after the finished drilling date of the previous well;

(b) subsections (1), (2) and (2.1) apply with respect to each well drilled pursuant to this subsection as though the expiration of the 90-day period in which drilling commenced were the expiration of the term of the lease, whether or not the well in any case is completed as a producing well.

(4.1) Where the lease is continued for 90 days pursuant to subsection (3), the lessee may drill one or more wells in the location subject to the following:

(a) the drilling of the first well pursuant to this subsection must be commenced within that 90-day period and the drilling of each subsequent well must be commenced within 90 days after the finished drilling date of the previous well;

(b) subject to clause (c), where a well drilled pursuant to this subsection is not completed as a producing well, subsections (1) and (3) apply with respect to the well as though the expiration of the 90-day period in which drilling commenced were the expiration of the term of the lease;

(c) upon the completion of a well drilled pursuant to this subsection as a producing well, subsections (1), (2), (2.1) and (4) apply, and this subsection ceases to apply, with respect to the well as though the expiration of the 90-day period in which drilling commenced were the expiration of the term of the lease.

*(c) in subsection (5) by striking out “subsection (1) or (4)” and substituting “subsection (1), (4) or (4.1)”.*



*(a) as to that part of the location comprising the spacing unit for the well, and*

*(b) as to any other part of the location contained in the section in which the well is being drilled.*

*(2) Where the well referred to in subsection (1) is completed as a producing well then, subject to section 123, the lease further continues*

*(a) as to that part of the location that is within the spacing unit for the producing well, and*

*(b) as to any other part of the location contained in the section in which the producing well was drilled and that is considered by the Minister to be capable of production of petroleum or natural gas in paying quantity.*

*(3) Where the well referred to in subsection (1) is not completed as a producing well, the lease further continues as to the same part of the location continued under subsection (1), for a period of 90 days from the finished drilling date of the well.*

*(4) Where, during the period that a lease is further continued under subsection (3) the drilling of another well on the same part of the location is commenced before the expiration of the 90-day period referred to in that subsection, the lease further continues as to that same part during the period that drilling is being conducted diligently and continuously to the satisfaction of the Minister and*

*(a) if the well is completed as a producing well then, subject to section 123, the lease further continues*

*(i) as to the part of the location comprising the spacing unit for the well, and*

*(ii) as to any other part of the location contained in the section in which the producing well was drilled and that is considered by the Minister to be capable of production of petroleum or natural gas in paying quantity,*

*or*

*(b) if the well is not completed as a producing well, the lease further continues as to that same part of the location for a period of 90 days following the finished drilling date of the well.*

*(5) Where due to mechanical or other difficulties encountered in the drilling of a well referred to in subsection (1) or (4) the well cannot be completed but within 30 days from the date of cessation of such drilling operations the drilling of another well is commenced on the location, the drilling of that well shall be deemed to be a continuation of the drilling of the uncompleted well.*

The effect of the amendments is to allow the lessee to drill successive wells in the section of land continued under section 120(1) in order to earn the right to continue productive acreage under the lease. If a well is a dry hole, the lessee may continue to drill on that section in the location (i.e. leased area). If a well is completed as a producing well, the lessee may continue to drill wells in the unproven part of the remainder of the section in which the well is located.

39 *Section 121(1)(b) is amended*

(a) *by striking out “section 119 or 120” and substituting “section 119(1)(b) or (c)”, and*

(b) *by striking out “those sections” and substituting “those clauses”.*

40 *The following is added after section 123:*

**123.1** Where the lease is continued under section 119(1) (a) or (d) or section 120(2) or (4) as to all or any part of the location and

(a) a well on the location is abandoned, or

(b) the Minister considers that all or any part of the location is no longer capable of production of petroleum or natural gas in paying quantity,

the Minister may, upon giving the lessee notice in writing, cancel the lease or cancel the lease as to part of the location at the expiration of 6 months after the date of the notice, unless before then the lessee provides evidence satisfactory to the Minister that the location or the part of the location referred to in the notice, as the case may be, is then capable of production of petroleum or natural gas in paying quantity.

41 *Section 129(5) is repealed.*

42 *The title to Part 6 is amended by striking out “BITUMINOUS SANDS AND”.*

43 *Sections 171 and 172 are repealed and the following is substituted:*

**171(1)** In this Part,

(a) “McMurray formation” means the stratigraphic formation lying above the upper Devonian carbonate sediments and below the Clearwater formation;

**39** Corrects a reference.

**40** The proposed section 123.1 is a re-enactment of the present section 119(3) but extended to cases where the lease is continued under section 120(2) or (4).

**41** Section 129(5) presently reads:

*(5) The Minister may, upon the application by the holder of a natural gas lease and upon such terms and conditions as the Minister may prescribe, accept the surrender of the lease or any part of the location of the lease in exchange for one or more five-year leases of all available petroleum and natural gas rights in the same location or in the same part of the location, as the case may be, but not including that part of the location that is stratigraphically below the base of the deepest zone in the location that is considered by the Minister to be capable of production in paying quantity.*

**42** The title to Part 6 presently reads "**BITUMINOUS SANDS AND OIL SANDS**".

**43** Sections 171 and 172 presently read:

*171(1) If any question arises as to the meaning of bituminous sands given in section 2, subsection (1), clause 2, the question shall be referred to the Minister whose decision thereon is final.*

(b) "oil sands rights" means

(i) the right to mine, quarry, work, remove, treat or process oil sands that occur in a zone designated by the Energy Resources Conservation Board, including the right to recover any products therefrom whether above or below the surface, and

(ii) the right to dispose of the oil sands and any products recovered therefrom.

(2) A lease of bituminous sands rights granted before July 1, 1978 shall be deemed for all purposes to be a lease of oil sands rights with respect to the McMurray formation.

(3) For the purposes of this Act, the McMurray formation shall be deemed to be and to have always been a zone designated by the Energy Resources Conservation Board.

(4) Where any question arises under a disposition or in the administration of this Act or the regulations as to whether

(a) any stratigraphic formation is or is not the McMurray formation, or

(b) any mineral occurring in a stratigraphic formation is or is not oil sands,

the question shall be referred to the Minister whose decision on the question is final.

(5) The Minister may, upon the application of the lessee of a bituminous sands lease, accept the surrender of the bituminous sands lease and grant to the lessee in substitution for it a lease of oil sands rights with respect to the McMurray formation and having the same location.

**172** The Lieutenant Governor in Council may make regulations governing leases, licences or permits of oil sands rights.

**44** *Section 173 is amended*

*(a) in subsection (1) by striking out "bituminous sands or" wherever it occurs, and*

*(b) in subsection (2) by striking out "bituminous sands rights or" wherever it occurs.*

*(2) In this Part,*

*(a) "bituminous sands rights" means*

*(i) the right to mine, quarry, work, remove, treat or process bituminous sands, including the recovery of any products therefrom whether above or below the surface, and*

*(ii) the right to dispose of bituminous sands and any products recovered therefrom;*

*(b) "oil sands rights" means*

*(i) the right to mine, quarry, work, remove, treat or process oil sands that occur in a zone designated by the Energy Resources Conservation Board, including the recovery of any products therefrom whether above or below the surface, and*

*(ii) the right to dispose of the oil sands and any products recovered therefrom.*

*172 The Lieutenant Governor in Council may make regulations*

*(a) governing leases, licences or permits of bituminous sands rights, and*

*(b) governing leases, licences or permits of oil sands rights.*

**44 Section 173 presently reads:**

*173(1) The Minister may prohibit the conduct of any operation to recover bituminous sands or oil sands that would, in his opinion, preclude or render more difficult the recovery of the other bituminous sands or oil sands recoverable by practical and reasonable operations.*

*(2) The Minister may grant, on such terms as he may prescribe, a deferment of any obligation to conduct operations under a lease or bituminous sands rights or oil sands rights to a lessee who has entered into an agreement satisfactory to the Minister with the holder of other bituminous sands rights or oil sands rights to contribute to or assist in the performance of similar operations of such other holder.*

45 Section 174 is amended

(a) by repealing subsection (1) and substituting the following:

**174(1)** Each lease of oil sands rights, whether granted before, on or after July 1, 1978, is subject to the payment to the Crown of such royalty as may from time to time be prescribed by the Lieutenant Governor in Council

(a) on each of the products derived from oil sands, and

(b) on oil sands sold or otherwise disposed of without processing or treatment.

(b) by adding the following after subsection (2):

(2.1) Any provision contained in

(a) a lease of oil sands rights granted before August 31, 1956 and providing that the royalty on each of the products derived from oil sands shall not exceed one-tenth of the products, or

(b) a lease of oil sands rights granted after August 31, 1956 and providing that the royalty on each of the products derived from oil sands shall not exceed one-sixth of the products,

and any provision to a like effect contained in such a lease, is void.

46 Section 176(2) is amended

(a) in clause (c) by striking out "10 per cent" and substituting "1%", and

(b) by adding "or" at the end of clause (d) and by adding the following after clause (d):

(e) the transferee does not submit for filing with the Department an official address for service for the agreement or a notice of change of the official address for service for the agreement in Form E in the Schedule.

47 Section 177 is amended

(a) in clause (b) by adding " , or security furnished to," before "the Minister or the Provincial Treasurer", and

**45** Section 174(1) presently reads:

*174(1) Each lease of bituminous sands rights or oil sands rights whether granted before, on or after June 1, 1962 is subject to the payment to the Crown of such royalty as may from time to time be prescribed by the Lieutenant Governor in Council*

*(a) on each of the products derived from bituminous sands or oil sands provided that the royalty shall not exceed*

*(i) one-sixth of the products, during the first term of any lease granted after the 31st day of August, 1956,*

*and*

*(b) on bituminous sands or oil sands sold or otherwise disposed of without processing or treatment.*

The effect of the amendments is to remove all maximum royalty restrictions under bituminous sands leases and oil sands leases whenever granted.

**46** Section 176(2)(c) presently reads:

*(2) The Minister may in his discretion refuse to register a transfer submitted for registration if*

*(c) an undivided interest conveyed is less than a 10 per cent undivided interest in the agreement, or*

As to the proposed clause (e) see the proposed section 47.1 in this Bill respecting official addresses for service.

**47** Section 177 presently reads:

*177 Where it is a condition*

*(a) of an application for an agreement that a deposit be furnished with or accompany the application, or*

*(b) by adding “or security” after “the deposit” wherever it occurs.*

*48 Section 183(1) is repealed and the following is substituted:*

**183(1)** The Minister may on behalf of the Crown enter into a unit agreement.

(1.1) The Minister shall, within 60 days after the execution by him of a unit agreement, cause to be published in the Gazette a notice respecting his execution of the agreement and the agreement itself.

*49 Part 9 is repealed and the following is substituted:*

## **PART 9**

### **EXPLORATION**

**187** In this Part,

(a) “approved exploration program” means a program of exploration under a preliminary plan for the program approved under the regulations;

(b) “exploration” means any operations on or over land or water to determine geologic or other conditions underlying the surface of land or water, but does not include any kind of operation exempted from this Part by the regulations;

(c) “exploration approval” means an approval under the regulations of a preliminary plan for a program of exploration;

(d) “exploration equipment” means any equipment used or employed in exploration but does not include any type of equipment exempted from the provisions of this Part by the regulations;

(e) “exploration licence” or “licence” means a licence to conduct exploration issued pursuant to the regulations;



*(b) of an agreement that a deposit be placed with the Minister or the Provincial Treasurer,*

*upon the registration of the agreement or of a specified undivided interest in the agreement, the transferee becomes entitled to the lessee's right to the deposit or the undivided interest in the deposit, as the case may be.*

**48** Section 183(1) presently reads:

*183(1) The Lieutenant Governor in Council may authorize the Minister to enter into a unit agreement.*

**49** Replaces Part 9 entitled "Geophysical Exploration".

**187** Definitions.

(f) “exploration permit” or “permit” means a permit to operate exploration equipment issued pursuant to the regulations;

(g) “licensee” means the holder of an exploration licence;

(h) “permittee” means the holder of an exploration permit.

**188**(1) No person shall conduct exploration in Alberta unless

(a) he is the holder of an exploration licence or is a person authorized by that holder to conduct exploration on his behalf, and

(b) the exploration is conducted under an approved exploration program.

(2) No person shall operate exploration equipment in Alberta unless

(a) he is the holder of an exploration permit or is a person authorized by that holder to operate that equipment, and

(b) the permit is not suspended or is not suspended with respect to that equipment.

**189** The Lieutenant Governor in Council may make regulations

(a) respecting the circumstances and conditions under which, the methods by which, the manner in which and the areas of Alberta in which exploration may be conducted;

(b) respecting the circumstances and conditions under which, the methods by which, the manner in which and the areas of Alberta in which exploration equipment may be operated;

(c) respecting applications for and the issuing of exploration approvals, exploration licences and exploration permits;

(d) prescribing the fees payable in respect of applications for, or for the issuing of, exploration approvals, exploration licences or exploration permits;

(e) respecting the furnishing of deposits, bonds or other forms of security to the Government by applicants for exploration approvals, exploration licences or exploration permits or by licensees or permittees, and providing for

**188** Prohibitions re exploration and use of equipment.

**189** Regulations.

- (i) the amounts of the deposits, bonds or other security, or the fixing of those amounts by the Minister,
  - (ii) the circumstances under which the deposits, bonds or security become payable or forfeited,
  - (iii) the purposes for which the deposits, bond proceeds or security so paid or forfeited may be expended by the Government,
  - (iv) the circumstances under which the deposits, bonds, bond proceeds or security may be returned or refunded, or
  - (v) any other matter relating to the deposits, bonds or other security;
- (f) establishing systems and procedures for the submission, referral, evaluation and review of applications for exploration approvals;
- (g) prescribing the circumstances under which and the times at or within which any kinds of reports, plans, maps, surveys, logs or other data obtained as a result of exploration must be filed with or surrendered to the Department, and prescribing the content of any reports, plans or maps required to be so filed or surrendered;
- (h) respecting the retention, disposition and publication of preliminary plans filed under the regulations and of plans, reports, maps, surveys, logs or other data obtained as a result of exploration;
- (i) respecting remedial measures to be taken in relation to property damaged or destroyed in the course of exploration;
- (j) exempting any kind of operations from this Part;
- (k) exempting any kind of exploration equipment from this Part;
- (l) prescribing, for the purposes of section 193, maximum penalties in respect of the contravention of this Part or the regulations or a failure of compliance with a condition of an exploration approval, licence or permit.

**190** The Minister may

- (a) refuse to grant an exploration approval or refuse to issue a licence or permit, or
- (b) make an exploration approval, licence or permit subject to any conditions he may prescribe.

**190** Minister's powers of refusal and of attaching conditions.

**191**(1) The Minister may cancel an exploration licence or an exploration permit where the licensee or permittee, as the case may be, or any person performing any operation or function under the authority of a licence or permit,

- (a) contravenes this Part or the regulations, or
- (b) fails to comply with any condition of an exploration approval, licence or permit.

(2) The Minister may cancel a licence or permit

- (a) where the licence or permit was issued in error, or
- (b) where the licensee or permittee, as the case may be, requests the cancellation.

(3) Where a permittee or any person authorized by the permittee to operate exploration equipment

- (a) contravenes this Part or the regulations, or
- (b) fails to comply with any condition of an exploration approval, licence or permit,

the Minister may, with or without conditions, order the suspension of the permit of that permittee with respect to all or any specified exploration equipment of the permittee, either indefinitely or for a specified period.

(4) The Minister may

- (a) reinstate a licence or permit cancelled pursuant to subsection (1) upon any conditions the Minister may prescribe, or
- (b) terminate a suspension made under subsection (3).

**192** Where a licensee

- (a) withdraws from Alberta and discontinues carrying on business in Alberta, or
- (b) being a corporation, has been struck off the register pursuant to *The Companies Act* or is wound up or dissolved,

all reports, plans, maps, surveys, logs and other data filed with or surrendered to the Department pursuant to the regulations become the property of the Crown in right of Alberta and may be made available to the public by the Minister after the expiration of one year of the termination or cancellation of the licence.

**191** Cancellation of licence or permit.

**192** Effect of withdrawal.

**193(1)** Where a person

- (a) contravenes this Part or the regulations, or
- (b) fails to comply with any condition of an exploration approval, licence or permit,

the Minister may order that person to pay to the Crown a penalty not exceeding the maximum penalty prescribed by the regulations in relation to that contravention or failure to comply.

(2) Where the contravention or failure to comply is of a continuing nature, the penalty ordered to be paid under subsection (1) may, subject to the regulations, be a penalty payable for each day on which the contravention or failure to comply occurs.

(3) Where the Minister orders a person to pay a penalty under subsection (1), he shall serve upon that person personally or by registered mail a notice demanding payment of the amount of the penalty and stating the grounds upon which the penalty was ordered.

(4) A person who has been served with a notice pursuant to subsection (3) shall pay to the Minister the amount of the penalty within 30 days from the date of the service of the notice upon him.

(5) Where a person fails to pay a penalty in accordance with subsection (4), the Minister may recover the penalty by an action in debt and in the action the court shall

- (a) determine whether the person is liable to a penalty under subsection (1),
- (b) if it is determined that the person is liable to a penalty, confirm or vary the amount of the penalty ordered by the Minister, and
- (c) give judgment for the amount of the penalty so confirmed or varied.

**194(1)** A licence issued under this Part before July 1, 1978 shall be deemed to be an exploration licence.

(2) A permit to operate geophysical equipment issued under the regulations before July 1, 1978 shall be deemed to be an exploration permit.



**193** Penalties for contraventions, etc.

**194** Transitional.

50 *The Schedule is amended*

(a) *in Form A by striking out “Director of Minerals”,*

(b) *in Forms B, C and D by striking out “AND the post office address of the transferee is . . . .”, and*

(c) *by adding Form E in the Schedule to this Act.*

### **Metric Conversion**

51 *Section 70(1), as enacted by section 28 of this Act, is amended by striking out “30 feet” and substituting “10 metres”.*

52(1) *Section 36 is amended by striking out “640 acres, 160 acres or 40 acres” and substituting “256 hectares, 64 hectares or 16 hectares”.*

(2) *Section 62(1), as enacted by section 28 of this Act, is amended by striking out “\$1 an acre” and substituting “\$2.50 per hectare”.*

(3) *Section 84(1), as enacted by section 29 of this Act, is amended by striking out “\$1 an acre” and substituting “\$2.50 per hectare”.*

(4) *Section 113 is amended by striking out “\$1 an acre” and substituting “\$2.50 per hectare”.*

(5) *Section 115 is amended in clauses (c) and (d) by striking out “acreage” and substituting “area”.*

(6) *Section 122(2) is amended by striking out “acreage” and substituting “area”.*

(7) *Section 122(3) is amended by striking out “unproven acreage” and substituting “the unproven area”.*

(8) *Section 122(3) is amended by striking out “\$10 for each acre” and substituting “\$25 for each hectare”.*

(9) *Section 122(3) is amended by striking out “unproven acreage” and substituting “unproven area”.*

(10) *Section 122 is amended in subsections (4), (5)(a) and (b) and (6) by striking out “acreage” and substituting “area”.*

(11) *Section 129(3) is amended by striking out “33 cents an acre” and substituting “80 cents per hectare”.*

(12) *Section 131(5) is amended by striking out “33 cents an acre” and substituting “80 cents per hectare”.*

**50** Form A is the form of “Notification for Issue of Certificate of Title”. The signature of the Director of Minerals will no longer be required as a result of the amendment in this Bill to section 22 of the Act. In Forms B, C and D, which are forms of transfers, the transferee’s address will no longer be required in view of the proposed requirement to submit an official address for service with a transfer. Form E is a “Notice of Change of Official Address for Service” and is added as a consequence of the new section 47.1 being added to the Act by this Bill. See the Schedule to this Bill.

**51** Metric Conversion as to a reference to distance. This section replaces the amendments to the Act in Schedule A to *The Metric Conversion Statutes Amendment Act, 1976*. See section 55(1) of this Bill. This amendment comes into force on proclamation.

**52** Metric conversion as to references to area. This section replaces the amendments to the Act in Schedule B of *The Metric Conversion Statutes Amendment Act, 1976*. See section 55(1) of this Bill. These amendments come into force on proclamation.

*(13) Section 133(a) is amended by striking out “acreage” and substituting “area”.*

*53(1) Section 128(3)(a) is amended by striking out “10,000 cubic feet to the barrel” and substituting “1800 to 1”.*

*(2) Section 131(2)(a) is amended by striking out “10,000 cubic feet to the barrel” and substituting “1800 to 1”.*

*54(1) Section 66(1), as enacted by section 28 of this Act, is amended by striking out “ton” and substituting “tonne”.*

*(2) Section 69(a), as enacted by section 28 of this Act, is amended by striking out “7 cents a ton” and substituting “7.7 cents per tonne”.*

*55(1) The Metric Conversion Statutes Amendment Act, 1976 is amended in Schedules A and B by repealing the amendments to The Mines and Minerals Act.*

*(2) The Metric Conversion Statutes Amendment Act, 1977 is amended*

*(a) in Schedule C by repealing section 7, and*

*(b) in Schedule G by repealing section 8.*

#### **Amendment to The Turner Valley Unit Operations Act**

*56 The Turner Valley Unit Operations Act is amended by adding the following after section 15:*

**15.1** Notwithstanding anything in this Act or any order under this Act, section 134 of *The Mines and Minerals Act* applies with respect to the calculation of royalty payable to the Crown in right of Alberta on petroleum and natural gas obtained from a unit.

#### **Consequential Amendments**

*57(1) The Land Surface Conservation and Reclamation Act is amended*

*(a) in section 1 by repealing clauses (f) and (g) and substituting the following:*

**53** Metric conversion as to references to volume. This section replaces the amendments to the Act in Schedule C of The Metric Conversion Statutes Amendment Act, 1977. See section 55(2) of this Bill. These amendments come into force on proclamation.

**54** Metric conversion as to references to mass. This section replaces the amendments to the Act in Schedule G of The Metric Conversion Statutes Amendment Act, 1977. See section 55(2) of this Bill. These amendments come into force on proclamation.

**55** This section will amend chapter 73 of the Statutes of Alberta, 1976 and chapter 79 of the Statutes of Alberta, 1977 to remove the metric conversion amendments to The Mines and Minerals Act. The amendments in those two Acts will be partly obsolete as a result of this Bill and so are being replaced in this Bill.

**56** This section will amend chapter 375 of the Revised Statutes of Alberta 1970. The new section 15.1 is intended to allay any existing doubt about the applicability to unit operations in Turner Valley of the provisions of section 134 of *The Mines and Minerals Act* which deals with the calculation of royalty where a unit operation is involved.

**57** Amends, respectively, chapter 34 of the Statutes of Alberta, 1973 and chapters 295 and 297 of the Revised Statutes of Alberta 1970 as a consequence of the re-enactment of Part 9 of The Mines and Minerals Act by this Bill. The provisions concerned relate to regulations and orders respecting geophysical exploration.

(f) "exploration", except in section 14, means any operations on or over land or water to determine geologic or other conditions underlying the surface of land or water;

(g) "exploration operations" means any work or acts done in connection with or incidental to exploration;

(b) in section 10 by striking out "geophysical operations" wherever it occurs and substituting "exploration operations",

(c) in section 23(1)(e) by striking out "geophysical operations" and substituting "exploration operations",

(d) in section 32(1)(e) by striking out "geophysical operations" and substituting "exploration operations", and

(e) in section 47(1) by striking out "geophysical operations" wherever it occurs and substituting "exploration operations".

(2) *The Public Highways Development Act* is amended in section 55(c) by striking out "geophysical exploration within the meaning of *The Mines and Minerals Act*" and substituting "exploration as defined in Part 9 of *The Mines and Minerals Act*".

(3) *The Public Lands Act* is amended in section 10(a) by striking out "geophysical exploration within the meaning of *The Mines and Minerals Act*" and substituting "exploration as defined in Part 9 of *The Mines and Minerals Act*".

#### **Commencement**

58(1) *This Act, except sections 49, 51 to 54 and 57, comes into force on July 1, 1978.*

(2) *Sections 49 and 57(1)(a) to (c), (2) and (3) come into force on August 1, 1978.*

(3) *Sections 51 to 54 come into force on a date or dates to be fixed by Proclamation.*

(4) *Section 57(1)(d) comes into force on the date upon which section 32(1)(e) of *The Land Surface Conservation and Reclamation Act* is proclaimed in force.*

(5) *Section 57(1)(e) comes into force on the date upon which section 47(1) of *The Land Surface Conservation and Reclamation Act* is proclaimed in force.*



**SCHEDULE**

**FORM E**

**THE MINES AND MINERALS ACT**

(Section 47.1)

**NOTICE OF CHANGE OF  
OFFICIAL ADDRESS FOR SERVICE**

To the Minister of Energy and Natural Resources:

Take notice that the official address for service for the agreement(s) listed below is changed from

*(previous address)*

to

*(new address)*

**List of Agreements**

*(here enumerate the agreement(s) in respect of which the notice is given)*

Dated this . . . . . day of . . . . ., 19. . .

*(Signatures of all lessees\*)*

*(\*NOTE: The notice must be signed by or on behalf of all lessees of the agreements enumerated. A person who signs on behalf of a lessee must indicate the capacity in which he signs.)*