

1983 BILL 49

First Session, 20th Legislature, 32 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 49

PETROLEUM MARKETING AMENDMENT ACT, 1983

MR. KOWALSKI

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 49
Mr. Kowalski

BILL 49

1983

PETROLEUM MARKETING AMENDMENT ACT, 1983

(Assented to _____, 1983)

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

1 *The Petroleum Marketing Act is amended by this Act.*

2 *Section 1(d) is repealed and the following is substituted:*

(d) "pentanes plus" means pentanes plus as defined in regulations under the *Mines and Minerals Act* respecting royalty.

3 *The following is added after section 21:*

21.1(1) In this section,

(a) "designated financial institution" means a bank or treasury branch approved by the Commission under subsection (5);

(b) "operator", in relation to any petroleum, means the person who, according to the records of the Commission, is responsible for the delivery of the petroleum to the Commission under this Part on behalf of the owners of the petroleum.

(2) Notwithstanding section 21(1)(c), the Commission may pay any sale proceeds owing by the Commission under section 21(1)(c) in respect of petroleum recovered in any month to the operator in relation to that petroleum.

(3) Subject to subsection (4), an operator to whom a payment is made by the Commission pursuant to subsection (2)

(a) is the agent of the owners otherwise entitled to the net sale proceeds under section 21(1)(c) for the purposes of receiving those proceeds and paying them to the owners in accordance with this section;

(b) shall keep any proceeds so paid to him separate from other money held by him;

Explanatory Notes

- 1 This Bill will amend chapter P-5 of the Revised Statutes of Alberta 1980.
- 2 Section 1(d) presently reads:
 - 1 *In this Act,*
 - (d) *“pentanes plus” means pentanes plus as defined by the Oil and Gas Conservation Act and condensate as defined by that Act, but does not include petroleum.*
- 3 Payment of sale proceeds of petroleum to an operator.

(c) shall hold those proceeds in trust for the owners of the petroleum entitled to receive them;

(d) shall pay those proceeds to the owners entitled to them within 5 days after receiving them.

(4) An operator is not under a duty to comply with subsection (3)(b) and (c) until the date prescribed by regulation of the Lieutenant Governor in Council as the date on which subsection (3)(b) and (c) come into operation.

(5) An operator may, with the approval of the Commission, designate a bank or treasury branch as a financial institution to whom the Commission may make payments under subsection (6).

(6) Notwithstanding section 21(1)(c), the Commission may pay any sale proceeds owing by the Commission under section 21(1)(c) in respect of petroleum recovered in any month to the financial institution designated under subsection (5) by the operator in relation to that petroleum.

(7) If the Commission makes a payment pursuant to subsection (6) to a designated financial institution, subsection (3) applies to that institution with respect to that payment as though it were the operator in relation to the petroleum.

(8) A payment by the Commission of sale proceeds to

(a) an operator pursuant to subsection (2), or

(b) a designated financial institution pursuant to subsection (6),

discharges the obligation of the Commission under section 21(1)(c) to the owners of the lessee's share of petroleum to the extent of the payment.

4 *The following is added after section 30:*

30.1(1) In this section,

(a) "designated financial institution" means a bank or treasury branch approved by the Commission under subsection (5);

(b) "operator", in relation to any pentanes plus, means the person who, according to the records of the Commission, is responsible for the delivery of the pentanes plus to the Commission under this Part on behalf of the owners of the pentanes plus.

(2) Notwithstanding section 30(1)(c), the Commission may pay any sale proceeds owing by the Commission under section 30(1)(c) in respect of pentanes plus recovered in any month to the operator in relation to that pentanes plus.

(3) Subject to subsection (4), an operator to whom a payment is made by the Commission pursuant to subsection (2)

4 Payment of sale proceeds of pentanes plus to an operator.

(a) is the agent of the owners otherwise entitled to the net sale proceeds under section 30(1)(c) for the purposes of receiving those sale proceeds and paying them to the owners in accordance with this section;

(b) shall keep any proceeds so paid to him separate from other money held by him;

(c) shall hold those proceeds in trust for the owners of the pentanes plus entitled to receive them;

(d) shall pay those proceeds to the owners entitled to them within 5 days after receiving them.

(4) An operator is not under a duty to comply with subsection (3)(b) and (c) until the date prescribed by regulation of the Lieutenant Governor in Council as the date on which subsection (3)(b) and (c) come into operation.

(5) An operator may, with the approval of the Commission, designate a bank or treasury branch as a financial institution to whom the Commission may make payments under subsection (6).

(6) Notwithstanding section 30(1)(c), the Commission may pay any sale proceeds owing by the Commission under section 30(1)(c) in respect of pentanes plus recovered in any month to the financial institution designated under subsection (5) by the operator in relation to that pentanes plus.

(7) If the Commission makes a payment pursuant to subsection (6) to a designated financial institution, subsection (3) applies to that institution with respect to that payment as though it were the operator in relation to the pentanes plus.

(8) A payment by the Commission of sale proceeds to

(a) an operator pursuant to subsection (2), or

(b) a designated financial institution pursuant to subsection (6),

discharges the obligation of the Commission under section 30(1)(c) to the owners of the lessee's share of pentanes plus to the extent of the payment.

5 *The following sections are amended*

(a) *by striking out "section 54 of" wherever it occurs;*

(b) *by striking out "that section" wherever it occurs and substituting "that Act":*

section 18;
section 27.

In accordance with section 4(1) of the Interpretation Act, this Bill comes into force on the date it receives Royal Assent.

5 Corrects a cross reference.