

1983 BILL 106

---

First Session, 20th Legislature, 32 Elizabeth II

---

THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 106**

**OIL SANDS CONSERVATION ACT**

---

---

THE MINISTER OF ENERGY AND NATURAL RESOURCES

---

---

First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

---

---

# BILL 106

1983

## OIL SANDS CONSERVATION ACT

(Assented to , 1983)

### TABLE OF CONTENTS

	Section No.
<b>INTERPRETATION</b>	
Definitions	1
References to subdivisions of unsurveyed land	2
<b>APPLICATION AND PURPOSES OF THE ACT</b>	
Purposes of the Act	3
Overriding provisions	4
<b>POWERS AND DUTIES OF THE BOARD</b>	
Jurisdiction of the Board	5
Scope of authority to make orders	6
Board's power to make orders	7
Inspections and investigations	8
Stop orders	9
<b>APPROVALS AND PERMITS</b>	
Approval of a scheme or operation	10
Approval of processing plant	11
Approval by Ministers	12
Industrial development permits	13
Amendment of approvals	14
Failure to comply with orders	15
Cancellation of approvals or permits	16
<b>GENERAL</b>	
Registered address of holder and agent	17
Statutory obligations of holder not affected by agreement	18
Scheme to maximize recovery of oil sands or crude bitumen	19
Remedial action by the Board	20
<b>Regulations</b>	
Regulations	21
<b>OFFENCES AND PENALTIES</b>	
False reports	22
Waste	23
Civil cause of action not affected by prosecution	24
Offences	25

Limitations on prosecutions	26
General offence	27

**TRANSITIONAL AND CONSEQUENTIAL AMENDMENTS**

Transitional	28,29
Consequential	30
Commencement	31

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

**INTERPRETATION**

Definitions

**1(1)** In this Act,

- (a) “Board” means the Energy Resources Conservation Board under the *Energy Resources Conservation Act*;
- (b) “contractor” means a person who undertakes to perform any drilling, mining, service or other operation at an oil sands site by agreement
  - (i) directly with the operator of the oil sands site, or
  - (ii) with a person who has entered directly into an agreement with the operator;
- (c) “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, will not flow to a well;
- (d) “declared oil sands” means those hydrocarbon substances declared to be oil sands under section 7(2);
- (e) “discard” means solid or liquid material, whether naturally occurring or introduced during operations at a mine site, an in situ operation site or a processing plant, that does not have an immediate use and is removed or rejected during recovery or processing operations or during the operation of an associated power plant;
- (f) “discard site” means an area within which discard is stored, either temporarily or permanently;
- (g) “evaluation well” means a well that when being drilled is expected by the Board to penetrate an oil sands deposit and that is drilled for the purpose of evaluating that deposit;
- (h) “experimental scheme” means a scheme or operation
  - (i) for the recovery of oil sands or crude bitumen, or
  - (ii) for the processing of crude bitumen, derivatives of crude bitumen or declared oil sands
 not designed for commercial purposes, utilizing methods that may be untried or unproven in a particular application and includes, but is not limited to, test and pilot schemes;

(i) “experimental well” means a well drilled or being drilled or operated pursuant to an experimental scheme approved by the Board under this Act, the *Oil and Gas Conservation Act*, *The Oil and Gas Wells Act*, *The Oil and Gas Resources Conservation Act*, *The Oil and Gas Conservation Act*, chapter 63 of the Statutes of Alberta, 1957 or *The Oil and Gas Conservation Act, 1969*;

(j) “in situ operation” means

(i) a scheme or operation ordinarily involving the use of well production operations for the recovery of crude bitumen from oil sands, or

(ii) a scheme or operation designated by the Board as an in situ operation

but does not include a mining operation;

(k) “in situ operation site” means an area within which an in situ operation is being conducted or that is the subject of an approval under this Act for an in situ operation, and includes a discard site and any area within which any facilities or equipment used in connection with the in situ operation are located;

(l) “mine site” means an area within which mining operations are being conducted or that is the subject of an approval under this Act for a mining operation, and includes a stockpile area, a discard site and any area within which facilities or equipment used in connection with a mining operation are located;

(m) “mining operation” means

(i) a surface or underground operation for the recovery of oil sands, or

(ii) an operation designated by the Board as a mining operation;

(n) “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, other than natural gas, in association with that crude bitumen or those sands and other rock materials referred to in subclauses (i) and (ii);

(o) “oil sands products” means any products obtained

(i) by processing oil sands, crude bitumen or derivatives of crude bitumen, or

(ii) by reprocessing a product referred to in subclause (i),

and includes any products obtained by any subsequent reprocessing of the products obtained under subclauses (i) and (ii);

(p) “oil sands site” means an in situ operation site, a mine site or a processing plant, or any one or more of them;

- (q) “operator” means the holder of an approval under this Act;
  - (r) “permit” means an industrial development permit issued under section 13;
  - (s) “permittee” means the holder of a permit;
  - (t) “processing plant” means a facility
    - (i) for obtaining crude bitumen from oil sands that have been recovered, or
    - (ii) for obtaining oil sands products from oil sands, crude bitumen or derivatives of crude bitumen that have been recovered;
  - (u) “processing plant site” means an area within which a processing plant is located or that is the subject of an approval under this Act for a processing plant, and includes any area within which facilities or equipment used in connection with a processing plant are located;
  - (v) “waste”, in addition to its ordinary meaning, means wasteful operations;
  - (w) “wasteful operations” means
    - (i) the establishment, construction, operation, suspension or abandonment of an oil sands site in a manner that results or tends to result in a reduction
      - (A) in the quantity or quality of oil sands, crude bitumen or derivatives of crude bitumen ultimately recovered from an oil sands deposit, or
      - (B) in the quantity or quality of oil sands products obtained from oil sands, crude bitumen or derivatives of crude bitumen
 relative to that which would otherwise be recovered or obtained under sound engineering and economic principles,
    - (ii) the locating, drilling, equipping, completing, operating or producing of a well in a manner that causes or tends to cause excessive loss or destruction of crude bitumen, derivatives of crude bitumen or declared oil sands,
    - (iii) the inefficient storing on the surface or underground of oil sands, crude bitumen, derivatives of crude bitumen or oil sands products, or
    - (iv) the production of oil sands, crude bitumen, derivatives of crude bitumen or oil sands products in excess of proper storage facilities or transportation and marketing facilities or of market demand for them;
  - (x) “zone” means a geological formation, member or zone.
- (2) A decision of the Board is final as to whether any substance or mixture comes within a definition in subsection (1) or as to whether a definition in subsection (1) is applicable in a particular case.

References to subdivisions of unsurveyed land

**2** In this Act and in any regulations or orders made under this Act, unsurveyed land may be described or referred to as if it were surveyed into sections in accordance with the *Surveys Act*, and reference to a legal subdivision, section or township in land not so surveyed shall be deemed to refer to what would be the legal subdivision, section or township if the land were so surveyed.

### APPLICATION AND PURPOSES OF THE ACT

Purposes of the Act

**3** The purposes of this Act are

- (a) to effect conservation and prevent waste of the oil sands resources of Alberta,
- (b) to ensure orderly, efficient and economical development in the public interest of the oil sands resources of Alberta,
- (c) to provide for the appraisal of Alberta's oil sands resources,
- (d) to provide for appraisals of oil sands, crude bitumen, derivatives of crude bitumen and oil sands product requirements in Alberta and in markets outside Alberta,
- (e) to assist the Government in controlling pollution in the development and production of the oil sands resources of Alberta,
- (f) to provide for the recording and for the timely and useful dissemination of information regarding the oil sands resources of Alberta, and
- (g) to ensure the observance, in the public interest, of safe and efficient practices in the exploration for and the recovery, storing, processing and transporting of oil sands, discard, crude bitumen, derivatives of crude bitumen and oil sands products.

Overriding provisions

**4(1)** A provision of

- (a) this Act,
- (b) the regulations made pursuant to this Act,
- (c) a declaration, order, approval or permit of the Board pursuant to this Act in any matter over which the Board has jurisdiction, or
- (d) an order of the Lieutenant Governor in Council under this Act,

overrides any term or condition of any contract or other arrangement that conflicts with the provision of this Act, the regulations, the order, the declaration, the approval or the permit.

(2) No term or condition of a contract or other arrangement that conflicts with a provision referred to in subsection (1) is enforceable or gives rise to any cause of action by any party against any other party to the contract or arrangement.

## POWERS AND DUTIES OF THE BOARD

Jurisdiction of the Board	<p><b>5</b> Except as otherwise provided in this or any other Act, the Board has exclusive jurisdiction to examine, inquire into, hear and determine all matters or questions arising under this Act.</p>
Scope of authority to make orders	<p><b>6</b> The Board, with the approval of the Lieutenant Governor in Council, may make any just and reasonable orders or directions that it considers to be necessary to effect the purposes of this Act and that are not otherwise specifically authorized by this Act.</p>
Board's power to make orders	<p><b>7(1)</b> The Board may by order</p> <ul style="list-style-type: none"><li>(a) designate a scheme or operation as an in situ operation;</li><li>(b) designate an operation as a mining operation;</li><li>(c) prescribe official names for oil sands sites.</li></ul> <p>(2) The Board may by order, with respect to a zone within a specified area set out in the order, declare any hydrocarbon substance, except natural gas and coal, to be oil sands if the Board is satisfied</p> <ul style="list-style-type: none"><li>(a) that the zone adjoins or is in reasonable proximity to an oil sands deposit, and</li><li>(b) that to do so would be in the interests of the orderly, efficient or economic development of<ul style="list-style-type: none"><li>(i) the hydrocarbon substance, or</li><li>(ii) the oil sands in the oil sands deposit referred to in clause (a).</li></ul></li></ul> <p>(3) An oil sands deposit may be designated by the Board</p> <ul style="list-style-type: none"><li>(a) by describing the surface area vertically above the oil sands deposit and by naming the geological formation, member or zone in which the oil sands deposit occurs, or</li><li>(b) by any other method of description that the Board considers appropriate.</li></ul> <p>(4) Where the Board under subsection (2) declares a hydrocarbon substance in a zone to be oil sands, a reference in this Act to oil sands includes a reference to the hydrocarbon substance in that zone.</p>
Inspections and investigations	<p><b>8(1)</b> At any reasonable time, a member of the Board, or a person authorized by the Board, when acting in the performance of any duties or when exercising any powers under this Act,</p> <ul style="list-style-type: none"><li>(a) shall have access to an oil sands site, and to any facilities used in connection with operations at an oil sands site,</li><li>(b) may make inspections, investigations or tests and take samples at an oil sands site, and</li><li>(c) may examine all books, records and documents pertaining to operations at an oil sands site.</li></ul> <p>(2) A person authorized by the Board to exercise any powers referred to in subsection (1) shall, when exercising them, produce on demand his certificate of authority from the Board.</p>

(3) A Board member, or a person authorized by the Board, may, if he considers that the circumstances so warrant, take possession of any book, record or document referred to in subsection (1)(c) for a period of time that he considers reasonable and proper and shall issue a receipt for the book, record or document so taken.

(4) Every operator, agent or other person at an oil sands site shall provide to a Board member or a person authorized by the Board any reasonable assistance that he requires for the proper exercise of any of the powers conferred on him under subsection (1).

(5) A person who prevents, hinders or obstructs or who fails to permit or assist any Board member or person authorized by the Board in the exercise of the powers referred to in subsection (1) is guilty of an offence.

Stop orders

**9(1)** If it appears to the Board, or a person authorized by the Board, that in respect of any construction or operation at an oil sands site there has been or is a contravention of, or a failure to comply with, any provision of this Act, the regulations or an approval, order, direction, term or condition of the Lieutenant Governor in Council or the Board, or that a method or practice employed or any equipment or facility at the oil sands site is hazardous, inadequate or defective, the Board, or the person authorized by the Board, may, by order, direct that the contractor, operator or owner of the oil sands site shall

(a) adopt methods or use equipment approved by the Board or take remedial measures before proceeding further with the construction or operation, or

(b) suspend the construction or operation in whole or in part.

(2) Where the Board, or a person authorized by the Board, makes an order under subsection (1), it or he shall, as soon as possible, advise the contractor, operator or owner in writing setting out the reasons for its action.

(3) If the Board, or a person authorized by the Board, has made an order under subsection (1), the Board on its own initiative may, or at the request of a person directly affected by the order shall, hold an inquiry within a reasonable time of the date of the making of the order or of the request of that person, as the case may be, to investigate the circumstances leading to the making of the order.

(4) After an inquiry under subsection (3), the Board may

(a) renew or rescind the order issued under subsection (1), or

(b) take any other action or make any other order not inconsistent with this Act that it considers to be warranted by the circumstances.

## APPROVALS AND PERMITS

Approval of  
scheme or  
operation

**10(1)** No person shall

(a) construct facilities for a scheme or operation, or

(b) commence or continue a scheme or operation

for the recovery of oil sands or crude bitumen, unless the Board, on application, has granted an approval in respect of the scheme or operation.



(2) The Board shall, on receiving an application referred to in subsection (1), make any investigations or inquiries and hold any hearings that it considers necessary or desirable in connection with the application.

(3) The Board may, with respect to an application referred to in subsection (1),

(a) if in its opinion it is in the public interest to do so, and with the prior authorization of the Lieutenant Governor in Council, grant an approval on any terms and conditions that the Board considers appropriate,

(b) refuse to grant an approval,

(c) defer consideration of the application on any terms and conditions that the Board may prescribe, or

(d) make any other disposition of the application that the Board considers to be appropriate.

(4) An authorization of the Lieutenant Governor in Council is subject to any terms and conditions prescribed by the Lieutenant Governor in Council.

(5) Notwithstanding subsections (3) and (4), the authorization of the Lieutenant Governor in Council is not required under this section in respect of

(a) an approval of an experimental scheme where the total quantity of energy, as estimated by the Board, in the oil sands, crude bitumen or derivatives of crude bitumen recovered in any year will not exceed 12.5 petajoules, or

(b) an application to construct a facility or to commence or continue a scheme or operation for the recovery of oil sands or crude bitumen where the total quantity of energy, as estimated by the Board, in the oil sands, crude bitumen or derivatives of crude bitumen recovered in any year will not exceed 5 petajoules.

Approval  
respecting  
processing plant

11(1) No person shall construct or operate a processing plant unless the Board has, on application, granted an approval in respect of the processing plant.

(2) The Board shall, on receiving an application referred to in subsection (1), make any investigations or inquiries and hold any hearings that it considers necessary or desirable in connection with the application.

(3) The Board may, with respect to an application referred to in subsection (1),

(a) if in its opinion it is in the public interest to do so, and with the prior authorization of the Lieutenant Governor in Council, grant an approval on any terms and conditions that the Board considers appropriate,

(b) refuse to grant an approval,

(c) defer consideration of the application on any terms and conditions that the Board may prescribe, or

(d) make any other disposition of the application that the Board considers appropriate.

(4) An authorization of the Lieutenant Governor in Council is subject to any terms and conditions prescribed by the Lieutenant Governor in Council.

(5) Notwithstanding subsections (3) and (4), the authorization of the Lieutenant Governor in Council is not required under this section in respect of

(a) an experimental scheme where the total quantity of energy, as estimated by the Board, of oil sands products obtained in any year will not exceed 12.5 petajoules, or

(b) an application to operate or construct a processing plant where the total quantity of energy, as estimated by the Board, of oil sands products obtained in any year will not exceed 5 petajoules.

Approval by  
Ministers

**12(1)** The Board shall refer an application made under section 10 or 11 to

(a) the Minister of the Environment for his approval of the application as it affects matters of the environment, and

(b) the Associate Minister of Public Lands and Wildlife for his approval of the application as it affects land and resources that are the property of the Crown in right of Alberta.

(2) The Minister of the Environment and the Associate Minister of Public Lands and Wildlife, or either of them, may give their approval of the application with or without conditions, but where conditions are imposed, the Board shall, unless otherwise directed by the Lieutenant Governor in Council, make its approval, if it grants an approval, subject to the conditions imposed by the Minister of the Environment or the Associate Minister of Public Lands and Wildlife, or both of them.

(3) Notwithstanding subsection (1), the Minister of the Environment or the Associate Minister of Public Lands and Wildlife may direct that

(a) an application, or

(b) a type of application

for an approval under section 10 or 11 or an amendment or type of amendment of an approval be not referred to him.

(4) The Minister of the Environment or the Associate Minister of Public Lands and Wildlife may authorize an employee of his department to exercise the powers conferred on him by this section.

Industrial  
development  
permits

**13(1)** No crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products produced in Alberta shall be used in Alberta as a raw material or fuel in an industrial or manufacturing operation unless the Board, on application, has granted in accordance with this section an industrial development permit authorizing that use.

(2) Notwithstanding subsection (1), a permit under this section, under section 30 of the *Oil and Gas Conservation Act* or under section 28 of the *Coal Conservation Act* is not required if

(a) the industrial or manufacturing operation is wholly in the performance of a scheme or operation or of the operation of a processing plant, as the case may be, approved

(i) under section 10 or 11 of this Act, or

(ii) before the date of the coming into force of this section, under section 31 of the *Oil and Gas Conservation Act*,

unless the approval requires that a permit be obtained, or

(b) the total quantity of energy in crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products used in any year as raw material or fuel or both in the industrial or manufacturing operation will not exceed 1 petajoule, and the total quantity of energy of crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products used in that year as a raw material in the industrial or manufacturing operation will not exceed 100 terajoules.

(3) The Board, on receiving an application under subsection (1) together with any information required by it, may,

(a) with the prior authorization of the Lieutenant Governor in Council, grant a permit for the use of crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products proposed in the application, subject to the terms and conditions that it prescribes in the permit,

(b) refuse the application,

(c) defer consideration of the application on any terms and conditions that the Board may prescribe, or

(d) make any other disposition of the application that the Board considers appropriate.

(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

(a) the efficient use without waste of crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products,

(b) the present and future availability of hydrocarbons in Alberta, and

(c) any other matter that the Board considers to be relevant.

(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 crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products for the purposes prescribed in the permit,

(d) may prescribe the term for which the permit is granted,

(e) may prescribe the maximum quantities of crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products that may be used annually or during the term of the permit, and

(f) shall be subject to any other terms and conditions prescribed in the permit.

(7) The Lieutenant Governor in Council may make regulations exempting from the operation of this section

(a) any person or class of persons,

(b) any industrial or manufacturing operation or any part of the operation or any class of industrial or manufacturing operation, or

(c) any declared oil sands or oil sands product or any class of declared oil sands or oil sands products.

Amendment  
of approvals

**14(1)** The Board may, on application or its own motion, amend an approval granted under section 10 or 11 or a permit granted under section 13.

(2) The prior authorization of the Lieutenant Governor in Council is required in respect of an amendment under this section unless

(a) an authorization was not required in respect of the application under section 10, 11 or 13, as the case may be, or

(b) the amendment is, in the opinion of the Board, of a minor nature that does not warrant the authorization.

(3) The approval of the Minister of the Environment and the Associate Minister of Public Lands and Wildlife is required in respect of an amendment under this section unless an approval was not required in respect of the application under section 12.

(4) No change in the operator of an oil sands site has force or effect until the approval or permit has been amended to reflect the change.

Failure to comply  
with orders

**15(1)** The Lieutenant Governor in Council may direct that the Board conduct an inquiry to determine any question relating to the compliance with a term or condition of an authorization of the Lieutenant Governor in Council under this Act.

(2) The Board shall, where directed by the Lieutenant Governor in Council under subsection (1) to conduct an inquiry,

(a) fix a time and place for the inquiry,

(b) give the operator or permittee not less than 60 days' notice in writing of the time and place so fixed, and

(c) publish notice of the inquiry.

(3) The Board shall report its findings to the Lieutenant Governor in Council.

(4) The Lieutenant Governor in Council may after receipt of the report of the Board direct that the Board amend or cancel the approval or permit or make any other order that in the opinion of the Lieutenant Governor in Council is just and reasonable under the circumstances.

Cancellation of approvals or permits

**16(1)** If an operator or permittee fails to comply with this Act or the regulations or with a term or condition of an approval or permit, as the case may be, issued under this Act, the Board, with the prior authorization of the Lieutenant Governor in Council, may by order cancel or suspend the approval or permit or make any other order that in the opinion of the Board is just and reasonable under the circumstances.

(2) Notwithstanding subsection (1), the authorization of the Lieutenant Governor in Council is not required under this section if the approval or permit was granted without the authorization of the Lieutenant Governor in Council.

(3) Unless, in the opinion of the Board, an immediate danger to a person or to public or private property exists, the Board shall not

(a) cancel or suspend the approval or permit or make any other order under subsection (1) until it has given the operator or permittee at least 30 days' notice to rectify his default, or

(b) require any action that would result in any significant expense, loss or deprivation to the operator or permittee without giving notice to the operator or permittee and an opportunity to be heard by the Board.

## GENERAL

Registered address of holder and agent

**17(1)** Each operator shall register with the Board his address and,

(a) if he is resident outside Alberta, shall

(i) register with the Board an address for service in Alberta,

(ii) appoint an agent within Alberta to carry out his duties and responsibilities under this Act and the regulations,

(iii) notify the Board in writing of the appointment of the agent under subclause (ii), and

(iv) register with the Board the address in Alberta of his agent,

or

(b) if he is resident in Alberta,

(i) may carry out his duties and responsibilities under this Act and the regulations through an agent, and

(ii) shall, if he carries out his duties and responsibilities through an agent, notify the Board in writing of the appoint-

ment of the agent and register with the Board the address in Alberta of the agent.

(2) The appointment of an agent in accordance with subsection (1) and the registration of his appointment and address with the Board does not relieve the operator of any duty or responsibility under this Act or the regulations.

(3) If any of the addresses required or the agent appointed in accordance with subsection (1) is changed, the operator shall within 15 days of the change register the change with the Board.

Statutory obligations of holder not affected by agreement

**18** No agreement between an operator, owner or person having an interest in a mining operation, in situ operation or processing plant or in oil sands and any other person

(a) relieves the operator, owner or person having the interest of the obligation

(i) to perform a required abandonment operation, or

(ii) to comply with the relevant provisions, orders, directives, terms or conditions prescribed by the Board or by the Lieutenant Governor in Council,

(b) precludes or prevents the conduct of any operation necessary for the purposes of clause (a), or

(c) relieves the operator, owner or person having the interest, as between himself and any other person, of liability with respect to any abandonment or other operation and the costs and expenses of that operation.

Scheme to maximize recovery of oil sands or crude bitumen

**19(1)** The Board

(a) shall, on the direction of the Lieutenant Governor in Council, or

(b) may, on receiving an application or on its own initiative,

prepare a scheme to enable an operator to maximize the recovery of oil sands or crude bitumen in the area at or adjoining the boundaries of his oil sands site.

(2) The Board shall refer a scheme prepared under subsection (1) to

(a) the Minister of Energy and Natural Resources for his approval insofar as the scheme affects mines and minerals that are the property of the Crown in right of Alberta, and

(b) the Associate Minister of Public Lands and Wildlife for his approval insofar as the scheme affects the surface of land that is the property of the Crown in right of Alberta.

(3) The Minister of Energy and Natural Resources and the Associate Minister of Public Lands and Wildlife, or either of them, as the case may be, may approve a scheme with or without conditions.

(4) The Board shall, with respect to a scheme prepared under subsection (1),

- (a) hold a public hearing to hear representations of interested persons regarding the proposed scheme, or
  - (b) obtain the views of interested persons in any manner other than at a public hearing that, in the opinion of the Board, is suitable in the circumstances.
- (5) The Board shall, following the proceedings held under subsection (4), make a recommendation to the Lieutenant Governor in Council with respect to the establishment of a scheme.
- (6) The Lieutenant Governor in Council may order the scheme recommended by the Board to be established with or without all or any of the conditions prescribed under subsection (3).
- (7) The Lieutenant Governor in Council may, in an order establishing a scheme, prescribe that the scheme is general in its application or is restricted to those operators or oil sands sites designated in the order.
- (8) The Lieutenant Governor in Council may, in an order establishing a scheme, provide for all or any of the following:
- (a) the circumstances and conditions under which any person is entitled to receive compensation under the scheme;
  - (b) the matters in respect of which compensation is payable as a result of the scheme and the method by which the amount of any compensation is to be ascertained;
  - (c) the manner in which compensation ascertained under clause (b) is to be payable;
  - (d) the persons to whom and by whom compensation ascertained under clause (b) is to be payable;
  - (e) any other matter or thing that the Lieutenant Governor in Council considers necessary or appropriate for carrying out the scheme.
- (9) The Lieutenant Governor in Council may, on the recommendation of the Board, amend or revoke any scheme established under this section.

Remedial action  
by Board

**20(1)** If, in the opinion of the Board, an operation at an oil sands site or a suspension or abandonment of any scheme or operation is not in accordance with the terms or conditions prescribed under this Act or the regulations or in an approval issued under this Act, the Board or any person authorized by it may enter on the oil sands site and do whatever the Board considers necessary to assure that the operation, suspension or abandonment complies with the conditions prescribed in the approval.

(2) Any costs incurred or authorized by the Board under this section are a debt payable to the Board by the holder of the approval.

### **Regulations**

Regulations

**21(1)** The Board may make regulations

- (a) prescribing the manner in which an application under this Act or the regulations is to be made;
- (b) specifying the information that is to be included in or to accompany an application under this Act or the regulations;

- (c) requiring that an applicant deposit a specified performance bond with the Provincial Treasurer as a guarantee of proper operation and abandonment of any operation authorized by this Act, and prescribing the form and amount of the deposit;
- (d) regulating, restricting or prohibiting the construction or operation of an oil sands site at a point within a prescribed distance of a railway, pipeline or other right of way, road allowance, surveyed roadway, dwelling or other man-made structure;
- (e) requiring the erection of fences and the posting of signs or notices at an oil sands site;
- (f) prescribing the methods, equipment and materials to be used in the construction, operation or abandonment of an oil sands site;
- (g) respecting methods of operation to be observed for the prevention of waste;
- (h) requiring and prescribing the taking and method of taking of samples of any kind;
- (i) requiring and prescribing any tests, analyses, surveys and logs;
- (j) requiring the submission to the Board of samples, cores, information obtained by tests, analyses, surveys or logs, or any other data relating to oil sands, crude bitumen or oil sands products;
- (k) prescribing the methods to be used for the measurement of oil sands, crude bitumen, derivatives of crude bitumen or oil sands products or of other products or materials obtained from or used in the recovery or production of oil sands or crude bitumen or oil sands products and the standard conditions to which those measurements shall be converted;
- (l) respecting the construction, operation and abandonment of oil sands sites;
- (m) exempting experimental schemes or parts of them from all or any part of this Act or the regulations, except with respect to the granting of an approval under section 10 or 11;
- (n) requiring the submission to the Board of records and reports of operations, plot plans, process flow diagrams, process piping and instrument diagrams, operating and equipment schedules, mine plans, geological, geotechnical and hydrological studies and capital and operating cost information;
- (o) prescribing the inspections that shall be made at an oil sands site and by whom those inspections shall be carried out and reported;
- (p) prescribing the records to be kept and the persons by whom, the manner in which, the place at which and the length of time for which they shall be kept, and providing for their submission to the Board;
- (q) respecting the records, reports and information submitted to or acquired by the Board under this Act that shall be confidential,



and prescribing when, to whom and the manner in which those records, reports or information may be made available;

(r) specifying types, classes or kinds of reports that shall be made, the persons required to make them, the authority or person to whom they shall be submitted, the times at which they shall be made, and the form, nature and extent of those reports;

(s) establishing a schedule of fees

(i) pertaining to an application or proceeding under this Act or the regulations;

(ii) for providing any map, report, document or other record of the Board;

(iii) for any other service provided by the Board;

(t) prescribing the forms to be used under this Act or the regulations, either generally or for a particular case;

(u) generally to conserve oil sands and crude bitumen and to prevent the waste or improvident disposition of oil sands, crude bitumen, derivatives of crude bitumen, declared oil sands or oil sands products.

(2) If a regulation made pursuant to subsection (1) authorizes the Board to approve an activity or method of operation, the Board may prescribe the conditions under which it grants the approval.

(3) Notwithstanding a regulation made under subsection (1)(b), the Board may act on an application that does not contain all the information specified in the regulation or may require any other information in addition to or in lieu of the information specified in that regulation.

## OFFENCES AND PENALTIES

False reports **22** No person shall knowingly make a false statement in a report or entry required by this Act or the regulations.

Waste **23(1)** No person shall commit waste.  
**(2)** No prosecution may be instituted under subsection (1) without the consent in writing of the Board.

**(3)** Notwithstanding a prosecution under this Act, the Board may commence and maintain an action to enjoin a person from committing waste.

Civil cause of action not affected by prosecution **24** A prosecution under this Act does not deprive a person suffering damages or injury of any cause of action that he may have.

Offences **25** A person who  
**(a)** whether as a principal or otherwise, contravenes or fails to comply with this Act or the regulations or with a term or condition of an authorization, approval or permit, as the case may be,  
**(b)** either alone or in conjunction or participation with any other person induces or causes a holder of an authorization, approval

or permit to contravene or to default in complying with a provision of the authorization, approval or permit, or

(c) instructs, orders, directs, induces or causes an officer, agent or employee of a holder of an authorization, approval or permit to contravene or to default in complying with a term or condition of the authorization, approval or permit

is guilty of an offence.

Limitations on prosecutions **26** A prosecution of an offence under this Act may be commenced within 18 months from the date on which the subject matter of the prosecution arose, and not afterwards.

General offence **27(1)** A person who is guilty of an offence under this Act is liable,  
(a) in the case of a corporation, to a fine of not less than \$500 and not more than \$5000, and  
(b) in the case of an individual, to a fine of not less than \$50 and not more than \$1000 or to a term of imprisonment not exceeding 6 months or to a fine and imprisonment.  
**(2)** A person who is guilty of a continuing offence under this Act is liable,  
(a) in the case of a corporation, to a fine of not less than \$500 and not more than \$5000 for the first day on which the offence occurs and of not less than \$300 and not more than \$3000 for each subsequent day during which the offence occurs, and  
(b) in the case of an individual, to a fine of not less than \$50 and not more than \$500 for the first day on which the offence occurs and of not less than \$25 and not more than \$500 for each subsequent day during which the offence occurs.  
**(3)** A penalty imposed for a breach of a provision of this Act or the regulations is in addition to a penalty imposed by any other Act for the same offence or matter.

#### TRANSITIONAL AND CONSEQUENTIAL AMENDMENTS

Transitional **28(1)** *Wherever a reference is made to Part VIA of The Oil and Gas Conservation Act, chapter 63 of the Statutes of Alberta, 1957, to Part 8 of The Oil and Gas Conservation Act, 1969 or to Part 8 of the Oil and Gas Conservation Act, in any other Act, regulation, order or direction or in any contract, agreement or other instrument in force in Alberta, the reference shall be deemed to be to this Act.*

*(2) Wherever anything has been done, constituted, effected, instituted or ordered to be done under Part VIA of The Oil and Gas Conservation Act, chapter 63 of the Statutes of Alberta, 1957, Part 8 of The Oil and Gas Conservation Act, 1969 or Part 8 of the Oil and Gas Conservation Act, it has the same force and effect as though done, constituted, effected, instituted or ordered to be done under this Act.*

Transitional **29(1)** *Any proceeding commenced pursuant to Part 8 of the Oil and Gas Conservation Act before the commencement of this section shall be continued and completed pursuant to this Act.*

(2) *An approval of*

(a) *a scheme or operation for the recovery of oil sands, crude bitumen or products derived from them, or*

(b) *a processing plant for the processing of oil sands or crude bitumen*

*under The Oil and Gas Conservation Act, chapter 63 of the Statutes of Alberta, 1957, The Oil and Gas Conservation Act, 1969 or the Oil and Gas Conservation Act shall be deemed to be an approval of a scheme or operation, or an approval of a processing plant, as the case may be, under this Act.*

(3) *An industrial development permit relating to the use of crude bitumen, derivatives of crude bitumen or oil sands products under the Oil and Gas Conservation Act shall be deemed to be a permit under this Act.*

Consequential  
amendments

**30(1)** *The Energy Resources Conservation Act is amended in section 19(1) and (2) and section 20 by adding “, the Oil Sands Conservation Act” after “the Turner Valley Unit Operations Act” wherever it occurs.*

(2) *The Expropriation Act is amended in the Schedule by adding the following after section 7:*

- |                                 |                          |
|---------------------------------|--------------------------|
| 8. Oil Sands Conservation Act   | Schemes under section 19 |
| 9. Oil and Gas Conservation Act | Schemes under section 91 |

(3) *The Labour Relations Act is amended by repealing section 63(d) and substituting the following:*

(d) “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, other than natural gas, in association with that crude bitumen or those sands and other rock materials referred to in subclauses (i) and (ii);

(4) *The Mines and Minerals Act is amended*

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

(d) “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, will not flow to a well;

(b) *by repealing section 1(1)(q) and substituting the following:*

(q) “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, other than natural gas, in association with that crude bitumen or the sands and other rock materials referred to in subclauses (i) and (ii),

and includes a hydrocarbon substance declared to be oil sands under section 7(2) of the *Oil Sands Conservation Act*;

(5) *The Municipal Taxation Act* is amended in section 1(n)(iii.1) by striking out “the *Oil and Gas Conservation Act*” and substituting “section 1(1)(n) of the *Oil Sands Conservation Act*”.

(6) *The Oil and Gas Conservation Act* is amended

(a) in section 1(1)

(i) in clause (b) by striking out “, crude bitumen”,

(ii) by repealing clause (f) and substituting the following:

(f) “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, will not flow to a well;

(iii) by repealing clause (o) and substituting the following:

(o) “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, other than natural gas, in association with that crude bitumen or those sands and other rock materials referred to in subclauses (i) and (ii);

(iv) in clause (x)

(A) by striking out “, gas or crude bitumen” wherever it occurs and substituting “or gas”, and

(B) in subclause (i) by striking out “or oil sands deposit”;

(v) in clause (y)(i) by striking out “, gas or crude bitumen” and substituting “or gas”;

(b) in section 3 by striking out “and to crude bitumen from oil sands in Alberta and products derived therefrom.”;

(c) in section 4

(i) by striking out “, gas and crude bitumen” wherever it occurs and substituting “and gas”,

(ii) in clause (d) by striking out “or of crude bitumen from any oil sands deposit”;

(d) in section 5(4) by adding “, the *Oil Sands Conservation Act*” after “the *Turner Valley Unit Operations Act*”;

(e) in section 10(1)

- (i) in clause (g.1) by striking out “, oil or crude bitumen” and substituting “or oil”,
- (ii) by repealing clause (m),
- (iii) in clause (n.1) by striking out “, oil sands”, and
- (iv) in clause (v) by striking out “, oil sands, crude bitumen”;
- (f) in section 10(2)(c) by striking out “, gas and crude bitumen” and substituting “and gas”;
- (g) in section 21
  - (i) by repealing subsection (1)(c),
  - (ii) in subsection (2) by striking out “, zone or oil sands deposit” and substituting “or zone”;
- (h) in section 22 by adding the following after subsection (2):
  - (3) This section does not apply in respect of crude bitumen or synthetic crude oil.
- (i) in section 26(1) by adding “or” at the end of clause (d), by striking out “or” at the end of clause (e) and by repealing clause (f);
- (j) by repealing section 29(2);
- (k) in section 30
  - (i) in subsection (1)(a) by striking out “, crude oil, crude bitumen or synthetic crude oil” and by substituting “or crude oil”,
  - (ii) in subsection (3)(a) by striking out “or section 31”;
- (l) by repealing Part 8;
- (m) in section 46(b) by striking out “under section 31” and substituting “under the Oil Sands Conservation Act”;
- (n) in section 88(1)(b) by striking out “, gas, oil sands or crude bitumen” wherever it occurs and substituting “or gas”.
- (7) *The Oil Sands Technology and Research Authority Act* is amended
  - (a) by repealing section 1(b) and substituting the following:
    - (b) “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, will not flow to a well;
  - (b) by repealing section 1(h) and substituting the following:
    - (h) “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, other than natural gas, in association with that crude bitumen or those sands and other rock materials referred to in subclauses (i) and (ii);

(8) *The Pipeline Act is amended in section 1(1)*

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

(a.1) “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, will not flow to a well;

(b) *by repealing clause (p) and substituting the following:*

(p) “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, other than natural gas, in association with that crude bitumen or those sands and other rock materials referred to in subclauses (i) and (ii);

(c) *in clause (x) by adding “or the Oil Sands Conservation Act” after “Oil and Gas Conservation Act”.*

Commencement **31** *This Act comes into force on Proclamation.*