

1990 BILL 43

Second Session, 22nd Legislature, 39 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 43

OIL AND GAS CONSERVATION
AMENDMENT ACT, 1990

THE MINISTER OF ENERGY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 43

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1990

OIL AND GAS CONSERVATION AMENDMENT ACT, 1990

(Assented to _____, 1990)

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

1 The Oil and Gas Conservation Act is amended by this Act.

2 The following is added after section 22:

Ethane Supply for Straddle Plants

22.1(1) In this section,

- (a) “field ethane plant” means a processing plant in Alberta for the extraction from gas of ethane, but does not include a straddle plant;
- (b) “policy effective date” means August 21, 1987;
- (c) “straddle plant” means a processing plant designated by the Board as a straddle plant for the purposes of this section;
- (d) “threshold amount” means the amount of ethane determined by the Board as the threshold amount for a specified period for the purposes of this section.

(2) The Board may

- (a) in accordance with the regulations, designate as a straddle plant for the purposes of this section a processing plant in Alberta for the extraction from gas of ethane, if the plant is the subject of an approval under section 26(1)(b) in effect on the policy effective date;

Explanatory Notes

- 1** This Bill will amend chapter O-5 of the Revised Statutes of Alberta 1980.
- 2** Ethane supply for straddle plants.

- (b) in accordance with the regulations, determine a threshold amount for a specified period for all straddle plants;
 - (c) in accordance with the regulations, allocate the threshold amount for a specified period among the respective straddle plants;
 - (d) make any orders or directions it considers necessary for the purpose of ensuring that a supply of ethane is made available to each straddle plant during a specified period in an amount equal to its allocated portion of the threshold amount for the same period.
- (3) If a field ethane plant is the subject of an approval under section 26(1)(b) initially made before the policy effective date, the Board has no power to make an order or direction under this section to the operator of that plant except in relation to amounts of ethane extracted at the plant in excess of the plant's ethane extraction capacity as determined by the Board as of the policy effective date.
- (4) If a field ethane plant is the subject of an approval under section 26(1)(b), the approval is subject to the condition that the holder of the approval is responsible for compliance with orders and directions of the Board under this section.
- (5) The Board may make regulations respecting
- (a) designations by the Board of straddle plants pursuant to subsection (2)(a);
 - (b) the manner of determining a threshold amount for all straddle plants for a specified period;
 - (c) the allocation of the threshold amount for a specified period among the respective straddle plants;
 - (d) the powers and duties of the Board in relation to the making of orders or directions under this section;
 - (e) the rights and duties of persons to whom orders or directions are made by the Board under this section in relation to matters arising under this section;
 - (f) the settlement by arbitration of disputes arising under this section or the regulations made under this section;
 - (g) exempting any field ethane plant or class of field ethane plant from the operation of this section either indefinitely or for a specified period;

(h) any other matters relating to the administration or enforcement of this section.

(6) This section is repealed on June 30, 2008.

3 Section 72(5) is amended by striking out “but not exceeding 1/2 of” and substituting “in an amount equal to not more than 2 times”.

3 Section 72(5) presently reads:

(5) The Board in its order may specify that, in the event production of oil or gas is obtained and the owner of a tract fails to pay his share of the actual cost of drilling the well by the time specified in the order, then the amount payable by that owner shall include, in addition to his tract's share of the actual cost of drilling, a penalty payable to the operator but not exceeding 1/2 of his tract's share of the actual cost of drilling.