

2010 Bill 24

Third Session, 27th Legislature, 59 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 24

**CARBON CAPTURE AND STORAGE
STATUTES AMENDMENT ACT, 2010**

THE MINISTER OF ENERGY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 24

2010

CARBON CAPTURE AND STORAGE STATUTES AMENDMENT ACT, 2010

(Assented to _____, 2010)

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

Energy Resources Conservation Act

Amends RSA 2000 cE-10

1(1) The *Energy Resources Conservation Act* is amended by
this section.

(2) Section 1 is amended by adding the following after clause
(a):

- (a.1) “carbon capture and storage project” means a project for
the injection of captured carbon dioxide conducted
pursuant to rights granted under an agreement under Part
9 of the *Mines and Minerals Act*;

(3) Section 2 is amended by adding the following after clause
(e):

- (e.1) to secure the observance of safe and efficient practices in
the exploration for and use of underground formations
for the injection of substances;

(4) Section 3 is amended by adding “or carbon capture and
storage project” after “energy resource project”.

Explanatory Notes

Energy Resources Conservation Act

1(1) Amends chapter E-10 of the Revised Statutes of Alberta 2000.

(2) Adds definition.

(3) Section 2 presently reads in part:

2 The purposes of this Act are

(e) to secure the observance of safe and efficient practices in the exploration for, processing, development and transportation of the energy resources of Alberta;

(4) Section 3 presently reads:

3 Where by any other enactment the Board is charged with the conduct of a hearing, inquiry or other investigation in respect of a

(5) Section 21 is amended by adding “or the injection of substances into underground formations” after “and energy” wherever it occurs.

Mines and Minerals Act

Amends RSA 2000 cM-17

2(1) The *Mines and Minerals Act* is amended by this section.

(2) Section 1(1) is amended

(a) in clause (a) by adding “or subsurface reservoir” after “in respect of a mineral”;

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

(a.1) “captured carbon dioxide” means a fluid substance consisting mainly of carbon dioxide captured from an emissions source;

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

(y.1) “sequestration” means permanent disposal;

proposed energy resource project, it shall, in addition to any other matters it may or must consider in conducting the hearing, inquiry or investigation, give consideration to whether the project is in the public interest, having regard to the social and economic effects of the project and the effects of the project on the environment.

(5) Section 21 presently reads:

21 The Board may, and at the request of the Lieutenant Governor in Council shall, at the places, at the times and in a manner it considers advisable

- (a) make inquiries and investigations and prepare studies and reports on any matter within the purview of any Act administered by it relating to energy resources and energy, and*
- (b) recommend to the Lieutenant Governor in Council any measures it considers necessary or advisable in the public interest related to the exploration for, production, development, conservation, control, transportation, transmission, use and marketing of energy resources and energy.*

Mines and Minerals Act

2(1) Amends chapter M-17 of the Revised Statutes of Alberta 2000.

(2) Section 1(1) presently reads in part:

1(1) In this Act,

- (a) “agreement” means an instrument issued pursuant to this Act or the former Act that grants rights in respect of a mineral, but does not include a notification, a transfer referred to in section 12, a unit agreement or a contract under section 9(a);*
- (bb) “subsurface reservoir” means an underground formation or a subsurface cavern;*

(d) in clause (bb) by adding “the pore space within” after “means”.

(3) Section 2(a) is amended by adding “, pore space” after “mines and minerals”.

(4) Section 5(1) is amended

(a) in clause (a) by striking out “and” at the end of subclause (ii) and adding the following after subclause (iii):

(iv) exploration for subsurface reservoirs, and

(v) development and operation of injection wells and facilities and any other matters incidental to the use of subsurface reservoirs;

(b) by adding the following after clause (g):

(g.1) respecting the type and amount of insurance that must be carried by the lessee of an agreement under Part 9;

(c) in clause (l.2) by striking out the portion preceding subclause (i) and substituting the following:

(l.2) respecting the measurement, calculation or estimation of the quantity, quality or composition of minerals, of products obtained by processing minerals or by reprocessing such products, or of captured carbon dioxide, including, without limitation, regulations

(5) Section 9(a)(iii) is amended by adding “or sequestration” after “storage”.

(3) Section 2 presently reads:

2 This Act applies

- (a) to all mines and minerals and related natural resources vested in or belonging to the Crown in right of Alberta, and*
- (b) where the context so permits or requires, to all wells, mines, quarries and minerals in Alberta.*

(4) Section 5(1) presently reads in part:

5(1) The Lieutenant Governor in Council may make regulations

- (a) respecting*
 - (i) exploration for minerals,*
 - (ii) working and development of minerals, and*
 - (iii) development and operation of mines and any other matters incidental to mining;*
- (1.2) respecting the measurement, calculation or estimation of the quantity, quality or composition of minerals and products obtained by processing minerals or by reprocessing such products, including, without limitation, regulations*
 - (i) requiring or authorizing measurement, calculation or estimation,*

(5) Section 9(a) presently reads in part:

9 Notwithstanding anything in this Act or any regulation or agreement, the Minister, on behalf of the Crown in right of Alberta and with the authorization of the Lieutenant Governor in Council, may

(6) The following is added after section 15:

Pore Space

Pore space

15.1(1) It is hereby declared that

- (a) no grant from the Crown of any land in Alberta, or mines or minerals in any land in Alberta, has operated or will operate as a conveyance of the title to the pore space contained in, occupied by or formerly occupied by minerals or water below the surface of that land,
- (b) the pore space below the surface of all land in Alberta is vested in and is the property of the Crown in right of Alberta and remains the property of the Crown in right of Alberta whether or not
 - (i) this Act, or an agreement issued under this Act, grants rights in respect of the subsurface reservoir or in respect of minerals occupying the subsurface reservoir, or
 - (ii) minerals or water is produced, recovered or extracted from the subsurface reservoir,

and

- (c) the exception of pore space under this section is deemed to be an exception contained in the original grant from the Crown for the purposes of section 61(1) of the *Land Titles Act*.

(2) Subsection (1) does not operate to affect the title to land that, on the date on which this section comes into force, belongs to the Crown in right of Canada.

(3) The Minister may enter into agreements with respect to the use of pore space.

*(a) enter into a contract with any person or the government of
Canada or of a province or territory respecting*

(iii) the storage of substances in subsurface reservoirs;

(6) Pore space.

(4) It is deemed for all purposes, including for the purposes of the *Expropriation Act*, that no expropriation occurs as a result of the enactment of this section.

(5) No person has a right of action and no person shall commence or maintain proceedings

(a) to claim damages or compensation of any kind, including, without limitation, damages or compensation for injurious affection, from the Crown, or

(b) to obtain a declaration that the damages or compensation referred to in clause (a) is payable by the Crown,

as a result of the enactment of this section.

(7) Section 16 is amended by adding “or subsurface reservoir” after “of a mineral”.

(8) Section 17 is amended

(a) in subsection (1) by adding “or pore space” after “minerals” wherever it occurs;

(b) in subsection (2) by adding “or pore space” after “mineral” wherever it occurs.

(7) Section 16 presently reads:

16 Subject to this Act and the regulations and any express provision in any applicable ALSA regional plan limiting mineral development within a geographic area, the Minister may issue an agreement in respect of a mineral

- (a) on application, if the Minister considers the issuance of the agreement warranted in the circumstances,*
- (b) by way of sale by public tender conducted in a manner determined by the Minister, or*
- (c) pursuant to any other procedure determined by the Minister.*

(8) Section 17 presently reads:

17(1) The Minister may, in respect of any specified area and in any manner that the Minister considers warranted,

- (a) restrict the issuance of agreements granting rights to minerals;*
- (b) withdraw any or all minerals from disposition.*

(2) During the period that a mineral is withdrawn from disposition pursuant to subsection (1)(b), no person has the right to acquire an agreement granting rights to that mineral in all or any part of the area specified.

(9) Section 38 is amended

(a) in subsection (2) by adding the following before clause (f):

(e.3) any fees payable into the Post-closure Stewardship Fund under Part 9;

(b) in subsection (4)(a)(ii) by adding “, (e.3)” before “or (f)”.

(10) Section 46(1) is amended by adding “or a subsurface reservoir” after “mineral right”.

(11) Section 52(1)(b) is amended

(a) by striking out “or equipment” and substituting “, equipment or other facility”;

(b) by adding “or sequestration” after “storage”.

(9) Section 38 presently reads in part:

(2) Where the Minister considers it appropriate to do so, the Minister may, in accordance with this section, calculate, recalculate or make additional calculations of any of the following:

(e) any offset compensation;

(e.1) any consideration or charges instead of consideration referred to in section 36(2)(c.1), (c.2) or (c.3) that are made subject to this section by the regulations;

(4) A calculation, recalculation or additional calculation of any amount referred to in subsection (2) may be made,

(a) subject to subsection (6), within 4 years after the end of the calendar year in which

(i) the mineral that is the subject of the calculation, recalculation or additional calculation was recovered in a case to which subsection (2)(a) applies,

(ii) the amount referred to in subsection (2)(b), (e), (e.1) or (f), as the case may be, became owing, or

(10) Section 46(1) presently reads:

46(1) The existence or exercise of any remedy that the Crown in right of Alberta has under this Act or an agreement does not affect any other remedy that the Crown has at law in respect of a mineral or mineral right that is the property of the Crown in right of Alberta.

(11) Section 52(1)(b) presently reads:

52(1) The Minister or a person designated by the Minister for the purpose may, from time to time or on a periodic basis, conduct an investigation or inspection in relation to any of the following:

(b) any well, installation or equipment used or formerly used for or in connection with the injection of a substance into a subsurface reservoir for the purpose of storage;

(12) Section 54 is amended

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

Prohibition

54(1) No person shall

- (a) win, work or recover a mineral, or
- (b) inject any substance into a subsurface reservoir

that is the property of the Crown in right of Alberta unless the person is authorized to do so under this Act or by an agreement.

- (b) in subsection (2) by striking out “subsection (1)” and substituting “subsection (1)(a)”;**

- (c) by adding the following after subsection (2):**

(2.1) The Minister may, if the Minister has grounds to believe that a person has contravened subsection (1)(b), order that any installations and equipment used in connection with injecting a substance into a subsurface reservoir are forfeited to the Crown in right of Alberta free and clear of all interests, charges and liens.

- (d) in subsection (3)**

- (i) by adding “or (2.1)” after “subsection (2)”;**
- (ii) by striking out “the mineral” and substituting “any mineral”;**

- (e) in subsection (4) by striking out “the mineral” and substituting “any mineral”;**

- (f) in subsection (5)**

- (i) by adding “or subsurface reservoir” after “of a mineral”;**
- (ii) by adding “or the sequestration of captured carbon dioxide” after “recovery of minerals”.**

(12) Section 54 presently reads:

54(1) No person shall win, work or recover a mineral that is the property of the Crown in right of Alberta unless the person is authorized to do so under this Act or by an agreement.

(2) The Minister, if the Minister has grounds to believe that a person has contravened subsection (1), may order that the mineral and any installations and equipment used in connection with winning, working or recovering the mineral are forfeited to the Crown in right of Alberta free and clear of all interests, charges and liens.

(3) An order made under subsection (2) may direct a person to seize, remove and sell the mineral, installations and equipment so forfeited in the manner and subject to the terms and conditions in the order.

(4) The Minister may order the mineral and any installations and equipment seized pursuant to this section to be returned to the person in whose possession they were at the time of seizure.

(5) The Minister may authorize in writing the conducting of operations in respect of a mineral that is the property of the Crown in right of Alberta and that is not the subject of an agreement issued under this Act where the Minister is of the opinion that the operations are desirable in respect of the exploration for or the development, processing or recovery of minerals.

(13) Section 57(5) is amended by adding “pursuant to subsection (1) or (2)” **after** “in respect of a subsurface reservoir”.

(14) Section 58 is amended

(a) in subsection (1)

(i) by adding “the pore space and” **after** “may work through”;

(ii) by adding “the pore space or” **after** “to work through”;

(b) in subsection (2)

(i) by adding “the pore space and” **after** “may work through”;

(ii) by adding “the pore space or” **after** “to work through”;

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

(3) A person who has entered into an agreement with the Minister under Part 9 may work through the pore space and any mineral in the same tract to which the agreement relates to the extent necessary to exercise the rights granted in that agreement, without permission from or compensation to any other person for the right to work through the pore space or that mineral, subject, however, to this Act and the provisions of any other Act affecting the exercise of that right.

(15) Section 59 is amended

(a) in subsection (1)

(13) Section 57(5) presently reads:

(5) Where the Crown in right of Alberta owns storage rights in respect of a subsurface reservoir, no person has, as against the Crown, any storage rights in respect of that reservoir except under

(a) a unit agreement to which the Crown is a party,

(b) a contract entered into under section 9(a), or

(c) an agreement issued with the authorization of the Lieutenant Governor in Council,

that expressly conveys storage rights in respect of that reservoir.

(14) Section 58 presently reads:

58(1) Any person who has the right to any mineral or the right to work it may work through any other mineral in the same tract to the extent necessary to obtain the person's mineral, without permission from or compensation to any other person for the right to work through the other mineral, subject, however, to this Act and the provisions of any other Act affecting the exercise of that right.

(2) Any person who has storage rights in respect of a subsurface reservoir may work through any mineral in the same tract to which the storage rights relate to the extent necessary to exercise those storage rights, without permission from or compensation to any other person for the right to work through that mineral, subject, however, to this Act and the provisions of any other Act affecting the exercise of that right.

(15) Section 59 presently reads:

59(1) Any person who has the right to any mineral or the right to work it in a tract and who has obtained a licence under the Oil and

- (i) **by adding** “the pore space and” **after** “tract, work through”;
 - (ii) **by adding** “the pore space or” **after** “to work through”;
- (b) in subsection (2)**
- (i) **by adding** “the pore space and” **after** “extend, work through”;
 - (ii) **by adding** “the pore space or” **after** “to work through”.

(16) Section 63(1)(a) is amended by striking out “or 107” and substituting “, 107 or 117”.

(17) Section 106(b)(i) is amended by adding “or subsurface reservoirs” after “natural gas”.

Gas Conservation Act to drill a well for the recovery of the mineral may, if the orifice of the well is located outside the tract, work through all minerals outside the tract to the extent necessary to obtain the person's mineral for the recovery of which the licence was granted, without permission from or compensation to any other person for the right to work through the minerals outside the tract, subject, however, to this Act and the provisions of any other Act affecting the exercise of that right.

(2) A person who has storage rights in respect of a subsurface reservoir and who has obtained a licence under the Oil and Gas Conservation Act to drill a well completed or to be completed in that reservoir may, if the orifice of the well is located outside the tract to which the storage rights extend, work through all minerals outside the tract to the extent necessary to drill, complete and operate the well, without permission from or compensation to any other person for the right to work through the minerals outside the tract, subject, however, to this Act and the provisions of any other Act affecting the exercise of that right.

(16) Section 63(1) presently reads:

63(1) A person who contravenes

(a) section 47, 48(3), 50, 52(3), 53, 54, 79 or 107, or

(b) a regulation made under section 5(1)(j) or (l.2)

is guilty of an offence and is liable to a fine of not more than \$100 000.

(17) Section 106(b)(i) presently reads:

106 In this Part,

(b) "exploration" means,

(i) in relation to petroleum and natural gas,

(A) any operations on or over land or water to determine geologic conditions underlying the surface of land or water, and

(B) any operations that are preparatory to or otherwise connected with the operations described in paragraph

(18) The following is added after section 113:

**Part 9
Sequestration of Captured
Carbon Dioxide**

Definitions

114 In this Part,

- (a) “Board” means the Energy Resources Conservation Board;
- (b) “facility” means any building, structure, installation, equipment or appurtenance over which the Board has jurisdiction and that is connected to or associated with the injection or sequestration of captured carbon dioxide pursuant to an agreement under this Part;
- (c) “Fund” means the Post-closure Stewardship Fund established under section 122;
- (d) “orphan facility” means a well, facility, facility site or well site designated by the Board under section 123 as an orphan well, facility, facility site or well site for the purposes of this Part.

Rights to drill evaluation wells

115(1) Notwithstanding section 57, the Minister may enter into an agreement with a person that grants that person the right to evaluate the geological or geophysical properties of a subsurface reservoir in a location to determine its suitability for use for the sequestration of captured carbon dioxide.

(2) The lessee of an agreement referred to in subsection (1) shall obtain a well licence and approval of the Board under the *Oil and Gas Conservation Act* prior to drilling or using a well for the purposes of this section.

(A) that, in the opinion of the Minister, have the potential to cause surface disturbance,

but does not include operations exempted from this Part by the Minister under section 109(2);

(18) Adds Part 9 dealing with carbon capture and storage.

(3) A lessee of an agreement under this section shall in accordance with the regulations

- (a) submit a monitoring, measurement and verification plan for approval;
- (b) comply with the monitoring, measurement and verification plan that has been approved;
- (c) provide reports with respect to the lessee's compliance with the monitoring, measurement and verification plan;
- (d) fulfil the work requirements with respect to the location of the agreement.

Rights to inject captured carbon dioxide for sequestration

116(1) Notwithstanding section 57, the Minister may enter into an agreement with a person that grants that person the right to inject captured carbon dioxide into a subsurface reservoir for sequestration.

(2) The lessee of an agreement referred to in subsection (1) shall obtain a well licence and approval of the Board under the *Oil and Gas Conservation Act* prior to drilling or using a well for the purposes of this section.

(3) A lessee of an agreement under this section shall in accordance with the regulations

- (a) submit a monitoring, measurement and verification plan for approval;
- (b) comply with a monitoring, measurement and verification plan that has been approved;
- (c) provide reports with respect to the lessee's compliance with the monitoring, measurement and verification plan;
- (d) fulfil the work requirements with respect to the location of the agreement;
- (e) submit a closure plan for approval;
- (f) comply with a closure plan that has been approved;

- (g) pay fees into the Fund.

Prohibition

117 No person may inject captured carbon dioxide into a subsurface reservoir pursuant to an agreement under this Part unless the injection is conducted in accordance with that agreement, the regulations and the *Oil and Gas Conservation Act*.

Restriction on transfer of agreement

118(1) A lessee may not transfer an agreement under this Part without the consent in writing of the Minister.

(2) The Minister may in the Minister's discretion refuse to consent to a transfer of an agreement under this Part.

Duties on cessation of injection

119 The lessee of an agreement under this Part shall monitor all wells and facilities and perform all closure activities in accordance with the regulations.

Closure certificate

120(1) A lessee of an agreement under section 116 may apply to the Minister for a closure certificate in accordance with the regulations.

(2) The Minister may refuse to accept an application for a closure certificate if, in the Minister's opinion, the application is not complete and accurate.

(3) The Minister may issue a closure certificate to a lessee in respect of the lessee's wells and facilities within the location of the agreement if the Minister is satisfied that

- (a) the lessee has complied with section 119,
- (b) the lessee has abandoned all wells and facilities in accordance with the requirements under the *Oil and Gas Conservation Act* and the regulations under this Part,
- (c) the lessee has complied with the reclamation requirements under the *Environmental Protection and Enhancement Act*,

- (d) the closure period specified in the regulations has passed,
- (e) the conditions specified in the regulations have been met, and
- (f) the captured carbon dioxide is behaving in a stable and predictable manner, with no significant risk of future leakage.

(4) On issuing a closure certificate to a lessee the Minister shall notify the Board and any other person as required by the regulations.

Assumption of liability

121(1) On the Minister issuing a closure certificate to a lessee in respect of an agreement under this Part, the Crown

- (a) becomes the owner of the captured carbon dioxide injected pursuant to the agreement,
- (b) assumes all obligations of the lessee
 - (i) as owner and licensee under the *Oil and Gas Conservation Act* of the wells and facilities covered by that agreement,
 - (ii) as the person responsible for the injected captured carbon dioxide under the *Environmental Protection and Enhancement Act*,
 - (iii) as the operator under Part 6 of the *Environmental Protection and Enhancement Act* in respect of the land within the location of the agreement used by the lessee in relation to the injection of captured carbon dioxide, and
 - (iv) under the *Surface Rights Act*,

and

- (c) releases the lessee from any obligations under section 56(2)(a) with respect to the wells within the location of the agreement used by the lessee in relation to the injection of captured carbon dioxide.

(2) The Crown shall indemnify a lessee referred to in subsection (1) against liability for damages in an action in tort brought by another party if

- (a) the liability is attributable to an act done or omitted to be done by the lessee in the lessee's exercise of rights under the agreement in relation to the injection of captured carbon dioxide, and
- (b) any other conditions specified in the regulations are met.

(3) If prior to the issuing of a closure certificate to a lessee of an agreement under this Part the lessee ceases to exist, the Crown may in accordance with the regulations assume ownership of the captured carbon dioxide injected pursuant to that agreement.

(4) On issuing a closure certificate to a lessee the Minister shall notify the Board and any other person as required by the regulations.

Post-closure Stewardship Fund

122(1) The Post-closure Stewardship Fund is established.

(2) The Fund may be used

- (a) for the purposes of monitoring the behaviour of captured carbon dioxide that has been injected pursuant to an agreement under this Part;
- (b) for the purposes of fulfilling any obligations that are assumed by the Crown pursuant to section 121(1)(b);
- (c) for the purposes of paying for suspension costs, abandonment costs and related reclamation or remediation costs in respect of orphan facilities where the work is carried out
 - (i) by the Board,
 - (ii) by a person authorized by the Board, or
 - (iii) by a Director or a person authorized by a Director in accordance with the *Environmental Protection and Enhancement Act*;

- (d) for the purposes of paying for costs incurred in pursuing reimbursement for the costs referred to in clause (c) from the lessee responsible for paying them;
 - (e) for any other purpose prescribed in the regulations.
- (3) Fees must be paid by a lessee into the Fund in accordance with the regulations.
- (4) The Fund is to be held and administered by the Minister in accordance with this Act and the regulations.
- (5) The Minister may be a participant under section 40 of the *Financial Administration Act* with respect to the Fund.
- (6) The Minister may make payments out of the Fund for the purposes of the Fund.
- (7) Income earned by the Fund accrues to and becomes part of the Fund.
- (8) The Minister must maintain a separate accounting record of the Fund.

Orphan facilities

123(1) The Board may

- (a) designate wells and facilities, facility sites and well sites used by a lessee under this Part for the injection of captured carbon dioxide as orphan wells, facilities, facility sites or well sites for the purposes of this Part;
- (b) deem to be a defaulting working interest participant a lessee of an agreement under this Part who
 - (i) has an obligation under the *Oil and Gas Conservation Act* to contribute toward suspension costs, abandonment costs or related reclamation costs,
 - (ii) has not contributed to those costs as required by the *Oil and Gas Conservation Act*, and

(iii) in the opinion of the Board, does not exist, cannot be located or does not have the financial means to contribute to those costs as required by this Act.

(2) Where the Minister makes a payment from the Fund to a person in respect of a defaulting working interest participant's share of suspension, abandonment or reclamation costs,

- (a) the defaulting working interest participant is not released from any liability under this Act in respect of those costs, and
- (b) if the person who receives the payment later recovers all or a part of the costs from the defaulting working interest participant, the person shall forthwith pay to the Minister an amount equal to the amount recovered, less the reasonable costs of recovery as determined by the Minister.

(3) A debt to the Minister to the account of the Fund is recoverable by the Minister in an action in debt.

Regulations

124 The Lieutenant Governor in Council may make regulations

- (a) respecting requirements for applicants for agreements under this Part to conduct risk assessments before being granted an agreement;
- (b) respecting closure plans and monitoring, measurement and verification plans, including regulations respecting
 - (i) the form and contents of plans,
 - (ii) the submission and approval of plans,
 - (iii) the amendment of plans, and
 - (iv) the reporting requirements contained in a plan;
- (c) respecting the minimum annual work requirements that must be undertaken by a lessee;
- (d) respecting the injection of captured carbon dioxide;

- (e) respecting remedial actions that a lessee shall undertake, including regulations respecting
 - (i) the circumstances under which a remedial action plan must be prepared and submitted,
 - (ii) the form and contents of a plan,
 - (iii) the submission and approval of a plan,
 - (iv) the amendment of a plan, and
 - (v) the reporting requirements contained in a plan;
- (f) respecting the monitoring of wells and facilities that must be conducted before and after a closure certificate is issued;
- (g) respecting the closure activities that a lessee shall undertake;
- (h) respecting applications for closure certificates, including regulations respecting the form and contents of applications and the closure period that must have passed before a lessee is eligible to apply;
- (i) specifying conditions for the purposes of sections 120(3)(e) and 121(2)(b);
- (j) respecting the assumption of ownership of injected captured carbon dioxide for the purposes of section 121(3);
- (k) respecting notices for the purposes of sections 120(4) and 121(4);
- (l) respecting the Fund, including regulations
 - (i) respecting the administration of the Fund;
 - (ii) limiting, regulating and controlling the exercise of the Minister's discretion with respect to the Fund;
 - (iii) respecting the establishment of fees and payment of fees into the Fund;

- (iv) prescribing purposes for which the Fund may be used;
- (v) prescribing limits on the value of the Fund to be held and administered by the Minister;
- (m) prescribing provisions of the regulations under this Part as provisions the contravention of which is an offence.

Oil and Gas Conservation Act

Amends RSA 2000 cO-6

3(1) The *Oil and Gas Conservation Act* is amended by this section.

(2) Section 1(1) is amended

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

(j.1) “captured carbon dioxide” means captured carbon dioxide as defined in the *Mines and Minerals Act*;

(b) in clause (w) by adding “or the disposal of captured carbon dioxide” after “substances or wastes”.

(3) Section 4(b) is amended by adding “or the storage or disposal of substances” after “oil and gas”.

Oil and Gas Conservation Act

3(1) Amends chapter O-6 of the Revised Statutes of Alberta 2000.

(2) Section 1 presently reads in part:

1(1) In this Act,

(w) “facility”, except for the purposes of Part 11, means any building, structure, installation, equipment or appurtenance over which the Board has jurisdiction and that is connected to or associated with the recovery, development, production, handling, processing, treatment or disposal of hydrocarbon based resources or any associated substances or wastes, and includes, without limitation, a battery, a processing plant, a gas plant, an oilfield waste management facility, a central processing facility as defined in the Oil Sands Conservation Regulation (AR 76/88), a compressor, a dehydrator, a separator, a treater, a custom treating plant, a produced water injection plant, a produced water disposal plant, a miscible flood injection plant, a satellite or any combination of any of them, but does not include a well, a pipeline as defined in the Pipeline Act, a mine site or processing plant as defined in the Oil Sands Conservation Regulation (AR 76/88) or a mine site or coal processing plant as defined in the Coal Conservation Act;

(3) Section 4(b) presently reads:

4 The purposes of this Act are

(b) *to secure the observance of safe and efficient practices in the locating, spacing, drilling, equipping, constructing, completing, reworking, testing, operating, maintenance,*

(4) Section 10(1) is amended

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

- (u.1) as to the kind and specification of tools, casing, equipment and materials that may be used for drilling, and as to the construction, alteration or use of any works, fittings, machinery, plant or appliance in and for the transmission, supply, distribution, measurement or handling of substances to be stored or disposed of pursuant to a scheme approved under section 39(1);

(b) in clause (w) by striking out “to the stratum to” and substituting “or other substance to the underground formation into”;

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

- (x.1) prohibiting the drilling through underground formations used for storage or disposal of substances without taking adequate measures to confine the injected substances to those formations;
- (x.2) respecting the measures to be taken before the commencement of drilling and during drilling to confine substances likely to be encountered in an underground formation used for storage or disposal of substances;

(5) The following is added after section 23:

Captured carbon dioxide wells, facilities and schemes

23.1 Where the Board receives notice under Part 9 of the *Mines and Minerals Act* that the Crown has assumed the obligations of an owner and licensee with respect to a well or facility or the obligations of an approval holder with respect to a scheme,

- (a) the Board shall amend the licence or approval to reflect that the Crown is the holder of the licence for that well or facility or the approval holder for that scheme, and

*repair, suspension and abandonment of wells and facilities
and in operations for the production of oil and gas;*

(4) Section 10(1) presently reads in part:

10(1) The Board may make regulations

- (u) as to the kind and specification of tools, casing, equipment and materials that may be used for drilling, and as to the construction, alteration or use of any works, fittings, machinery, plant or appliance in and for the development, production, transmission, supply, distribution, measurement, consumption or handling of any gas or oil;*
- (v) requiring the provision of adequate well casing and the proper anchorage and cementation of well casing;*
- (w) as to the measures to be adopted to confine any injected fluid to the stratum to which it is injected;*
- (x) prohibiting the drilling through oil, gas, water, coal or other minerals without taking adequate measures to confine oil, gas or water to its original stratum and to protect that stratum or any coal seam or other mineral deposit or any workings in it from infiltration, inundation, migration or injury, and prescribing the nature and extent of those measures;*
- (y) respecting the approval, location, equipping, operation and abandonment of experimental schemes;*

(5) Captured carbon dioxide wells, facilities and schemes.

- (b) the former holder of the licence for the well or facility or approval for the scheme is relieved from all obligations under this Act with respect to the well or facility or scheme, as the case may be, except as to outstanding debts to the Board.

(6) Section 39 is amended by adding the following after subsection (1):

(1.1) The Board may not approve a scheme for the disposal of captured carbon dioxide to an underground formation under subsection (1)(d) that is pursuant to an agreement under Part 9 of the *Mines and Minerals Act* unless the lessee of that agreement satisfies the Board that the injection of the captured carbon dioxide will not interfere with

- (a) the recovery or conservation of oil or gas, or
- (b) an existing use of the underground formation for the storage of oil or gas.

(7) Section 41(1) is repealed and the following is substituted:

Escape of oil, gas, water or substance

41(1) If at any time the flow or escape of oil, gas, water or any other substance from a facility, or from a well or any underground formation that the well enters, is not prevented or controlled, the Board may take any means that appear to it to be necessary or expedient in the public interest to prevent or control the flow or escape.

(6) Section 39 presently reads:

39(1) No scheme for

- (a) enhanced recovery in any field or pool,*
- (b) the processing or underground storage of gas,*
- (c) the gathering, storage and disposal of water produced in conjunction with oil or gas,*
- (d) the storage or disposal of any fluid or other substance to an underground formation through a well,*
- (e) an experiment in any field, pool or well,*
- (f) the concurrent production of an oil accumulation and its associated gas cap, or*
- (g) the storage, treatment, processing or disposal of oil field waste*

may be proceeded with unless the Board, by order, has approved the scheme on any terms and conditions that the Board prescribes.

(2) Prior to the Board approving a scheme under subsection (1)(d), it shall refer the application to the Minister of Environment for that Minister's approval with respect to the application as it affects matters of the environment.

(7) Section 41(1) presently reads:

41(1) If at any time an escape of oil or gas from a well or from a pool is not prevented, or if a flow of water is not controlled, the Board may take any means that appear to it to be necessary or expedient in the public interest to control and prevent the escape of oil or gas or the flow of water.

(8) Section 68 is amended

(a) in clause (d) by adding the following after subclause (vii.2):

(vii.3) any facility used in connection with or associated with the disposal of captured carbon dioxide pursuant to an agreement under Part 9 of the *Mines and Minerals Act*;

(b) in clause (g.1) by striking out “include any well” and substituting “include a well completed or being drilled for injection of captured carbon dioxide into an underground formation in accordance with an agreement under Part 9 of the *Mines and Minerals Act* or any well”.

(9) Section 96(1) is amended by adding the following after clause (b):

(b.1) is entitled to enter on and inspect any well, or any place used or occupied in connection with a well, that is used for the storage or disposal of any substance to an underground formation;

(8) Section 68 presently reads in part:

68 In this Part,

- (d) "facility" has the same meaning as it has in section 1(1)(w) except that it includes a pipeline as defined in the Pipeline Act and does not include the following:*
- (v) a refinery as defined in the Pipeline Act;*
- (vi) an oil transmission pipeline and associated storage, pumping and measurement facilities;*
- (vii) a gas transmission pipeline and associated compression and measurement facilities;*
- (vii.1) a pipe used to convey water used in connection with a coal processing plant or other matter authorized under the Coal Conservation Act;*
- (vii.2) a pipe used to convey water used in connection with a mine site or processing plant authorized under the Oil Sands Conservation Act;*
- (viii) any facility listed in the regulations as specifically exempted from this Part;*
- (ix) any pipeline listed in the regulations as specifically exempted from this Part;*
- (g.1) "well" has the same meaning as it has in section 1(1)(eee) except that it does not include any well listed in the regulations as specifically exempted from this Part;*

(9) Section 96(1) presently reads:

96(1) At any reasonable time, each member of the Board and each person authorized by the Board

- (a) shall have access to all wells, equipment, plant and records,*
- (b) is entitled to enter on and inspect any well or any place at which oil or gas is refined, produced, handled, processed or treated or any place used or occupied in connection with a well or with a place at which oil or gas is refined, produced, handled, processed or treated,*

(10) Section 97(1) is repealed and the following is substituted:

Closing area to travel

97(1) When the Board is of the opinion that, because of hazardous conditions relating to

- (a) the exploration and drilling for or production, processing or transportation of oil, gas or synthetic crude oil, or
- (b) the processing, transportation or escape of a substance from a well or any underground formation that the well enters,

it is necessary or expedient to close any area and to shut out from the area all persons except those who are specifically authorized, the Board may make an order in writing setting out and delimiting the closed area and prohibiting anyone during the time the order is in effect from entering, travelling about or remaining in the area without a travel permit issued under the authority of the Board.

Public Lands Act

Amends RSA 2000 cP-40

4(1) The *Public Lands Act* is amended by this section.

(2) Section 20(1)(a)(i) is amended by adding “or underground formations” after “natural resources”.

- (c) *is entitled to inspect all books, documents, records, plant and equipment pertaining to any such well or place or found at the well or place, and*
- (d) *is entitled to take samples or particulars or to carry out any tests or examinations desired.*

(10) Section 97(1) presently reads:

97(1) When the Board is of the opinion that, because of hazardous conditions relating to the exploration and drilling for, production, processing or transportation of oil, gas or synthetic crude oil, it is necessary or expedient to close any area and to shut out from the area all persons except those who are specifically authorized, the Board may make an order in writing setting out and delimiting the closed area and prohibiting anyone during the time the order is in effect from entering, travelling about or remaining in the area without a travel permit issued under the authority of the Board.

Public Lands Act

4(1) Amends chapter P-40 of the Revised Statutes of Alberta 2000.

(2) Section 20 presently reads in part:

20(1) No person shall enter on and occupy public land for any purpose unless

- (a) *the director has authorized that person to enter on and occupy the public land for a stated period for the purpose of*
 - (i) *conducting appraisals, inspections, analyses, inventories or other investigations of the natural resources that might exist on the land, or*

Surface Rights Act

Amends RSA 2000 cS-24

5(1) The *Surface Rights Act* is amended by this section.

(2) Section 1 is amended

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

(a.1) “captured carbon dioxide” means captured carbon dioxide as defined in the *Mines and Minerals Act*;

(b) in clause (h) by striking out “or” at the end of subclause (i), adding “, or” at the end of subclause (ii) and adding the following after subclause (ii):

(iii) with reference to the injection of captured carbon dioxide into an underground formation, the lessee authorized to use that underground formation for that purpose pursuant to an agreement under Part 9 of the *Mines and Minerals Act*,

(3) Section 13.1(1)(b) is amended by adding “, operations concerning drilling” after “mineral”.

(4) The following is added after section 13.1:

Right of entry for injection of captured carbon dioxide

13.2(1) When the surface of land is required for drilling or operating a well that is to be used for the injection of captured carbon dioxide into an underground formation pursuant to an agreement under Part 9 of the *Mines and Minerals Act*, or for the necessary installations at, or pipelines to or from, that well,

- (ii) *exploring for or excavating fossil remains or objects of geological, ethnological, historical or scientific interest,*

Surface Rights Act

5(1) Amends chapter S-24 of the Revised Statutes of Alberta 2000.

(2) Section 1 presently reads in part:

1 In this Act,

(h) *“operator” means*

(i) *the person or unincorporated group of persons having the right to a mineral or the right to work it, or the agent of such a person or group of persons, or*

(ii) *with reference to a pipeline, power transmission line or telephone line, the person empowered to acquire an interest in land for the purpose of the pipeline, power transmission line or telephone line under the Pipeline Act, the Hydro and Electric Energy Act or the Water, Gas and Electric Companies Act, as the case may be;*

(3) Section 13.1(1)(b) presently reads:

13.1(1) Where a person who is an operator within the meaning of section 134(b) of the Environmental Protection and Enhancement Act

(b) *has a duty under section 137 of that Act to effect reclamation, within the meaning of that Act, of land that has been affected by the working of a mineral or an activity related to a pipeline, and*

(4) Right of entry for injection of captured carbon dioxide.

the Board may make an order under section 15 granting right of entry in respect of the surface of

- (a) that land, and
- (b) any other land that is necessary to give the operator access to the operator's drilling operations from a public roadway or other public way, and egress from the operations to the public roadway or other public way.

(2) An order referred to in subsection (1) may grant the operator right of entry in respect of the surface of the land described in that subsection

- (a) for any of the purposes listed in section 12(1);
- (b) for the injection of captured carbon dioxide into an underground formation;
- (c) for conducting the activities and monitoring that the operator is required to undertake under Part 9 of the *Mines and Minerals Act*.

(5) Section 19(1) is amended by striking out “12(1) or 13(1)” and substituting “12(1), 13(1) or 13.2”.

(5) Section 19(1) presently reads:

19(1) An operator who proposes to exercise a right of entry on land, other than land owned by the Crown, for any of the purposes mentioned in section 12(1) or 13(1) shall pay

(a) to the lessor of the land, where the right of entry is to be exercised pursuant to a surface lease, or

(b) to the respondent or to the Board under section 22, where the right of entry is to be exercised pursuant to a right of entry order

an entry fee as provided in subsection (2).

RECORD OF DEBATE

Stage	Date	Member	From	To
		Questions and Comments	From	To
Stage	Date	Member	From	To
		Questions and Comments	From	To
Stage	Date	Member	From	To
		Questions and Comments	From	To
Stage	Date	Member	From	To
		Questions and Comments	From	To