

2020 Bill 12

Second Session, 30th Legislature, 69 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 12

LIABILITIES MANAGEMENT STATUTES AMENDMENT ACT, 2020

THE MINISTER OF ENERGY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 12

2020

LIABILITIES MANAGEMENT STATUTES AMENDMENT ACT, 2020

(Assented to _____, 2020)

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

Oil and Gas Conservation Act

Amends RSA 2000 cO-6

1(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 (aa):

(aa.001) “impairment or damage” means impairment or damage that results in or could reasonably be expected to result in harm to the integrity of a well or facility or harm to the environment, human health or safety or property;

(b) in clause (cc) by striking out “trustee or receiver-manager” and substituting “receiver, receiver-manager, trustee or liquidator”;

(c) in clause (vv) by striking out “well or facility” and substituting “well, facility, well site or facility site”;

(d) by adding the following after clause (vv.1):

(vv.11) “remediation” means remediation within the meaning of the *Environmental Protection and Enhancement Act*;

Explanatory Notes

Oil and Gas Conservation Act

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

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

1(1) In this Act,

(aa) “holding” means an area established as a holding pursuant to the regulations or rules;

(cc) “licensee” means the holder of a licence according to the records of the Regulator and includes a trustee or receiver-manager of property of a licensee;

(vv) “reclamation costs” means the reasonable costs actually incurred in the reclamation of a well or facility and includes such costs associated with assessment for the purpose of applying for a reclamation certificate under the Environmental Protection and Enhancement Act;

(vv.1) “Regulator” means the Alberta Energy Regulator;

(vv.12) “remediation costs” means the reasonable costs actually incurred in the remediation in respect of a well, facility, well site or facility site, and, whether or not an application for a remediation certificate is made, includes such costs associated with assessment for the purpose of applying for a remediation certificate under the *Environmental Protection and Enhancement Act*;

(3) Section 4 is amended by repealing clause (c) and substituting the following:

- (c) to provide for the economic, orderly, efficient and responsible development in the public interest of the oil and gas resources of Alberta;
- (c.1) to provide for the responsible management of a well, facility, well site or facility site throughout its life cycle;

(4) Section 7 is amended by adding “subject to section 77,” after “The Regulator,”.

(5) Section 10 is amended

(a) in subsection (1)

(i) by adding the following after clause (p):

- (p.1) respecting reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site;

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

- (r) respecting costs of providing reasonable care and measures to prevent impairment or damage, suspension costs, abandonment costs, remediation costs and reclamation costs in respect of wells, facilities, well sites and facility sites;

(3) Section 4 presently reads in part:

4 The purposes of this Act are

- (c) to provide for the economic, orderly and efficient development in the public interest of the oil and gas resources of Alberta;*

(4) Section 7 presently reads:

7 The Regulator, with the approval of the Lieutenant Governor in Council, may make any just and reasonable orders and directions the Regulator considers necessary to effect the purposes of this Act and that are not otherwise specifically authorized by this Act.

(5) Section 10 presently reads in part:

10(1) The Regulator may make rules

- (p) respecting the repair of wells;*
- (r) respecting suspension costs, abandonment costs and reclamation costs in respect of wells and facilities;*

(2) The Regulator, with the approval of the Minister of Environment and Sustainable Resource Development, may make rules

- (a) restricting drilling and producing operations in water covered areas, and prescribing any special measures to be taken in those operations;*
- (b) as to the location of wells and facilities and the methods of operation to be observed during drilling and construction and in the subsequent management and conduct of any operations for the prevention of pollution;*

(b) in subsection (2) by striking out “Sustainable Resource Development” and substituting “Parks”.

(6) Section 11 is amended

(a) in subsection (2)

(i) by striking out “or” at the end of clause (a);

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

(a.1) on the direction or with the consent of the Regulator, a delegated authority under Part 11 may continue producing or injecting operations where it takes over the management and control of a well under section 105, or

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

(2.1) Where a delegated authority takes over management and control of a well and is not the owner or holder of the mineral rights associated with the well, the delegated authority shall not undertake any production without the consent of the owner or holder of the mineral rights and the person who has the right to win, work and recover the minerals.

(7) Section 12 is amended

(a) in subsection (2)

(i) by striking out “or” at the end of clause (a);

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

(a.1) on the direction or with the consent of the Regulator, a delegated authority under Part 11 may continue operations referred to in subsection (1) where it takes over the management and control of a facility under section 105, or

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

(c) prescribing the measures to be taken to control pollution above, at or below the surface in the drilling of wells and in operations for the production of oil and gas and in other operations over which the Regulator has jurisdiction.

(6) Section 11 presently reads in part:

(2) Notwithstanding subsection (1),

(a) the site for a well may be surveyed, or

(b) on the direction or with the consent of the Regulator, operations to suspend or abandon a well may be undertaken,

without a licence or by a person other than the licensee.

(7) Section 12 presently reads in part:

(2) Notwithstanding subsection (1),

(a) the site for a facility may be surveyed, or

(b) on the direction or with the consent of the Regulator, operations to suspend or abandon a facility may be undertaken,

without a licence or approval or by a person other than the licensee or approval holder.

(2.1) Where a delegated authority takes over management and control of a facility and is not the owner or holder of the mineral rights associated with the facility, the delegated authority shall not undertake any production without the consent of the owner or holder of the mineral rights and the person who has the right to win, work and recover the minerals.

(8) The following is added after section 26.1:

Reasonable care, measures to prevent impairment or damage

26.2(1) A licensee or approval holder shall provide reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site.

(2) If, in the opinion of the Regulator, a licensee or approval holder has failed or is unable to provide reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site, the working interest participants in the well, facility, well site or facility site shall provide reasonable care and measures to prevent impairment or damage in respect of the well, facility, well site or facility site.

(3) If reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site are not being provided in a manner satisfactory to the Regulator, the Regulator may order the licensee, a working interest participant or a delegated authority under Part 11 to provide reasonable care and measures to prevent impairment or damage in respect of the well, facility, well site or facility site and may impose any terms or conditions that the Regulator determines are necessary in the order.

(4) The provision of reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site must be carried out in accordance with the rules and any terms or conditions imposed by the Regulator.

(9) Section 30 is amended

(a) by repealing subsections (1) and (2) and substituting the following:

(8) Reasonable care, measures to prevent impairment or damage.

(9) Section 30 presently reads in part:

30(1) Subject to subsection (2), the well or facility suspension costs, abandonment costs and reclamation costs must be paid by the working interest participants in accordance with their proportionate share in the well or facility.

Costs

30(1) Subject to subsection (2), the suspension costs, abandonment costs, remediation costs and reclamation costs for a well and well site or facility and facility site must be paid by each working interest participant in accordance with their proportionate share in the well or facility.

(1.1) Subject to subsection (2), the costs paid by a person who is subject to an order under section 26.2(3) in providing reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site must be paid by each working interest participant in accordance with their proportionate share in the well or facility.

(2) The Regulator may determine the costs referred to in subsection (1) or (1.1)

- (a) on the application of the person who provided the reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site, or conducted the suspension, abandonment, remediation or reclamation, in the case of a well or facility that was operated, suspended, abandoned, remediated or reclaimed by a licensee, approval holder, working interest participant or agent, or
- (b) on the Regulator's own motion, in the case of a well or facility suspended, abandoned, remediated or reclaimed by a person authorized by the Regulator,

and the Regulator shall allocate those costs to each working interest participant in accordance with their proportionate share in the well or facility and shall prescribe a time for payment.

(b) in subsection (4)

- (i) **by striking out** "well or facility" **and substituting** "well, facility, well site or facility site";
- (ii) **by striking out** "abandoned or reclaimed" **and substituting** "abandoned, remediated or reclaimed";

(2) The Regulator may determine the suspension costs, abandonment costs and reclamation costs

(a) on the application of the person who conducted the suspension, abandonment or reclamation, in the case of a well or facility that was suspended, abandoned or reclaimed by a licensee, approval holder, working interest participant or agent, or

(b) on the Regulator's own motion, in the case of a well or facility suspended or abandoned by the Regulator or by a person authorized by the Regulator,

and the Regulator shall allocate those costs to each working interest participant in accordance with its proportionate share in the well or facility and shall prescribe a time for payment.

(4) Where a well or facility is suspended, abandoned or reclaimed by a licensee, approval holder, working interest participant or agent, the costs as determined under subsection (2), together with any penalty prescribed by the Regulator under subsection (3), constitute a debt payable to the licensee, approval holder, working interest participant or agent who carried out the suspension, abandonment or reclamation.

(5) Where a well or facility is suspended or abandoned by the Regulator or by a person authorized by the Regulator, the costs as determined under subsection (2), together with any penalty prescribed by the Regulator under subsection (3), constitute a debt payable to the Regulator.

(iii) **by striking out** “abandonment or reclamation” **and substituting** “abandonment, remediation or reclamation”;

(c) in subsection (5)

(i) **by striking out** “well or facility” **and substituting** “well, facility, well site or facility site”;

(ii) **by striking out** “or abandoned” **and substituting** “, abandoned, remediated or reclaimed”.

(10) Section 31(1)(c) is amended by striking out “suspension, abandonment or reclamation costs” **and substituting** “suspension costs, abandonment costs, remediation costs or reclamation costs”.

(11) Section 31.1(c) is amended by striking out “suspension, abandonment and reclamation costs” **and substituting** “suspension costs, abandonment costs, remediation costs and reclamation costs”.

(12) Section 32 is repealed and the following is substituted:

Extended obligation

32 Where a provision of this Act or the regulations or rules or an order of the Regulator imposes a responsibility, obligation or liability on a licensee, approval holder or working interest participant in respect of the reasonable care and measures to prevent impairment or damage or the operation, suspension,

(10) Section 31(1) presently reads in part:

31(1) Where

(c) the successor working interest participant fails to pay its proportionate share of the suspension, abandonment or reclamation costs,

the Regulator may deem the person referred to in clause (a) to continue to be a working interest participant for the purposes of sections 27 to 30 and Part 11 if subsection (2) applies.

(11) Section 31.1 presently reads in part:

31.1 Where

(c) the Regulator determines that the transfer has resulted in suspension, abandonment and reclamation costs being transferred without a corresponding value in assets being transferred,

the Regulator may deem the transferor to be the licensee of the large facility.

(12) Section 32 presently reads:

32 Where a provision of this Act or the regulations or rules imposes a responsibility, obligation or liability on a licensee, approval holder or working interest participant in respect of the operation, suspension or abandonment of a well or facility or in respect of any matter arising out of the operation, suspension or abandonment of a well or facility, the responsibility, obligation or

abandonment, remediation or reclamation in respect of a well, facility, well site or facility site or in respect of any matter arising out of the reasonable care and measures to prevent impairment or damage or the operation, suspension, abandonment, remediation or reclamation in respect of a well, facility, well site or facility site, the responsibility, obligation or liability extends also to associated equipment and non-licensed facilities that are located on the site or used in connection with the reasonable care and measures to prevent impairment or damage or the operation, suspension, abandonment, remediation or reclamation in respect of the well, facility, well site or facility site, unless such equipment or facilities are exempted from the application of the provision by the regulations or rules.

(13) Section 70 is amended

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

Use of fund

70(1) The orphan fund may be used

- (a) for the purpose of paying the costs of providing reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site, and paying for the costs of providing reasonable care and measures to prevent impairment or damage, suspension costs, abandonment costs, remediation costs and reclamation costs in respect of orphan wells, facilities, well sites and facility sites, where the work is carried out
 - (i) by the Regulator, or
 - (ii) by a person ordered, directed or authorized by the Regulator;
- (b) for the purpose of repaying the principal and paying interest and any other borrowing costs under a loan agreement entered into by a delegated authority established or designated under this Part for the purposes of providing reasonable care and measures to prevent

liability extends also to associated equipment and non-licensed facilities that are located on the site or used in connection with the operation, suspension or abandonment of the well or facility, unless such equipment or facilities are exempted from the application of the provision by the regulations or rules.

(13) Section 70 presently reads in part:

70(1) The purposes of the orphan fund are

- (a) to pay for suspension costs, abandonment costs and related reclamation costs in respect of orphan wells, facilities, facility sites and well sites where the work is carried out*
 - (i) by the Regulator,*
 - (ii) by a person authorized by the Regulator, or*
 - (iii) by a Director or a person authorized by a Director in accordance with the Environmental Protection and Enhancement Act;*
- (a.1) to repay the principal and to pay interest and any other borrowing costs under a loan agreement entered into by a delegated authority established or designated under this Part for the purposes of conducting suspension, abandonment and reclamation in respect of orphan wells, facilities, facility sites and well sites;*
- (b) to pay for costs incurred in pursuing reimbursement for the costs referred to in clause (a) from the person responsible for paying them;*
- (c) except in respect of a large facility, to pay for a defaulting working interest participant's share of suspension costs, abandonment costs and related reclamation costs incurred by a working interest participant if the person who carried*

impairment or damage in respect of wells, facilities, well sites and facility sites, and for the purposes of suspension, abandonment, remediation and reclamation in respect of orphan wells, facilities, well sites and facility sites;

- (c) for the purpose of monitoring the behaviour and condition of orphan wells, facilities, well sites and facility sites;
- (d) for the purpose of paying for costs incurred in pursuing reimbursement for the costs referred to in clause (a) or (c) from the person responsible for paying them;
- (e) for the purpose of paying for costs incurred in providing reasonable care and measures to prevent impairment or damage in respect of a well, facility, well site or facility site and the costs of a delegated authority ordered to do so under section 26.2;
- (f) for the purpose of making payments associated with taking over the management and control of wells or facilities in accordance with the regulations;
- (g) except in respect of a large facility, for the purpose of paying for a defaulting working interest participant's share of the costs of providing reasonable care and measures to prevent impairment or damage, suspension costs, abandonment costs, remediation costs and reclamation costs incurred by a working interest participant if the person who carried out the work has taken all reasonable steps necessary to collect that share and has been unable to do so;
- (h) in respect of a large facility, for the purpose of paying for a defaulting licensee's share of the costs of providing reasonable care and measures to prevent impairment or damage, suspension costs, abandonment costs, remediation costs and reclamation costs incurred by a working interest participant or a person referred to in clause (a) and a defaulting licensee's proportionate share of any subsequently defaulting working interest participant's share of the costs of providing reasonable care and measures to prevent impairment or damage,

but the work has taken all reasonable steps necessary to collect that share and has been unable to do so;

- (c.1) in respect of a large facility, to pay for a defaulting licensee's share of suspension costs, abandonment costs and related reclamation costs incurred by a working interest participant or a person referred to in clause (a) and a defaulting licensee's proportionate share of any subsequently defaulting working interest participant's share of suspension costs, abandonment costs and related reclamation costs;*
- (d) to pay for any other costs directly related to the operations of the Regulator in respect of the orphan fund.*

(2) The Regulator may

- (a) designate wells, facilities, facility sites and well sites to be orphan wells, facilities, facility sites or well sites for the purposes of this Part;*
- (b) deem to be a defaulting working interest participant a working interest participant who*
 - (i) has an obligation under this Act to contribute toward suspension costs, abandonment costs or related reclamation costs,*
- (b.1) deem to be a defaulting licensee a licensee of a large facility who*
 - (i) has an obligation under this Act to contribute toward suspension costs, abandonment costs or related reclamation costs,*

suspension costs, abandonment costs, remediation costs and reclamation costs;

- (i) for the purpose of paying for any other costs directly related to the operations of the Regulator in respect of the orphan fund;
- (j) for the purpose of paying the costs of administering the orphan fund, including for
 - (i) hiring and retaining staff, experts and professionals that, in the opinion of the Regulator, are necessary for the purposes of conducting, analysing and responding to monitoring under this Part, or
 - (ii) hiring and retaining staff and experts that, in the opinion of the Regulator, are necessary for the prudent management of accounting, investment and risk management activities in respect of the orphan fund;
- (k) for the purpose of paying the costs of a receiver, receiver-manager, trustee or liquidator appointed on an application under section 106.1;
- (l) for any other purpose prescribed by the regulations.

(b) in subsection (2)

(i) by repealing clause (a) and substituting the following:

- (a) designate wells, facilities, well sites and facility sites to be orphan wells, facilities, well sites or facility sites for the purposes of this Part;

(ii) by repealing clause (b)(i) and substituting the following:

- (i) has an obligation under this Act to contribute toward the costs of providing reasonable care and measures to prevent impairment or damage, suspension costs, abandonment costs, remediation costs and reclamation costs,

(iii) in clause (b.1)(i) by striking out “or related reclamation costs” and substituting “, remediation costs or reclamation costs”.

(14) Section 71(1) and (2) are amended by striking out “or reclamation costs” and substituting “, remediation costs or reclamation costs”.

(15) Section 73(3) and (4) are amended by striking out “70(1)(c.1)” and substituting “70(1)(h)”.

(16) Section 77 is amended

(14) Section 71(1) and (2) presently read:

71(1) Where the Regulator makes a payment from the orphan 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 part of the costs from the working interest participant, the person shall forthwith pay to the Regulator an amount equal to the amount recovered, less the reasonable costs of recovery as determined by the Regulator.*

(2) Where the Regulator makes a payment from the orphan fund to a person in respect of a defaulting licensee's share of suspension, abandonment or reclamation costs,

- (a) the defaulting licensee 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 licensee, the person shall forthwith pay to the Regulator an amount equal to the amount recovered, less the reasonable costs of recovery, as determined by the Regulator.*

(15) Section 73(3) and (4) presently read:

(3) Orphan fund levies in respect of large facilities shall be held and accounted for separately in the orphan fund and used only to pay for a purpose referred to in section 70(1)(c.1).

(4) The Regulator may authorize money to be paid in respect of a purpose referred to in section 70(1)(c.1) only from the orphan fund levies collected in respect of large facilities.

(16) Section 77 presently reads in part:

(a) in subsection (1)

(i) in clause (b) by striking out “in respect of suspension, abandonment and reclamation of orphan wells, facilities, facility sites and well sites” **and substituting** “in respect of providing reasonable care and measures to prevent impairment or damage in respect of wells, facilities, well sites and facility sites, suspension, abandonment, remediation and reclamation of orphan wells, facilities, well sites and facility sites”;

(ii) by repealing clauses (e) and (f);

(iii) by adding the following after clause (h):

(i) respecting the payments associated with management and operation of wells or facilities.

(b) by adding the following after subsection (1):

(1.1) The Lieutenant Governor in Council may make regulations necessary to carry out the provisions of this Part according to their intent or to meet cases that arise and for which no provision is made by this Part, including regulations

- (a) respecting the administration of the orphan fund;
- (b) limiting, regulating and controlling the exercise of the Regulator’s discretion with respect to the orphan fund;
- (c) respecting the purposes for which the orphan fund may be used;
- (d) authorizing the Regulator to pay any or all of the money in the orphan fund from time to time to a delegated authority for the purpose of the delegated authority’s carrying out of the powers, duties and functions in respect of the orphan fund that are delegated to it or that it carries out under an order or directions of the Regulator;
- (e) respecting all matters related to the making of payments referred to in clause (d) to the delegated authority, including, without limitation, the power to enter into agreements in respect of the payments, the imposition of

77(1) *The Lieutenant Governor in Council may make regulations*

- (b) *delegating to one or more delegated authorities any of the Regulator's powers, duties or functions under this Act or the regulations or rules in respect of suspension, abandonment and reclamation of orphan wells, facilities, facility sites and well sites or related to or incidental to the orphan fund, other than the power to make regulations or rules and the power to delegate;*
- (e) *authorizing the Regulator to pay any or all of the money in the orphan fund from time to time to a delegated authority for the purpose of the delegated authority's carrying out the powers, duties and functions in respect of the orphan fund that are delegated to it;*
- (f) *respecting all matters related to the making of payments referred to in clause (e) to the delegated authority including, without limitation, the power to enter into agreements in respect of the payments, the imposition of terms and conditions, the times at which and the manner in which payments are to be made and the repayment of unused or improperly used money;*
- (h) *making applicable, in regard to the delegation of authority, any of the other provisions of Schedule 10 to the Government Organization Act, with necessary modifications.*

(2) Where money is paid to a delegated authority pursuant to regulations under subsection (1)(e), that money is to be considered to be part of the orphan fund for the purpose of the interpretation of provisions in this Act and the regulations and rules, if any, as they relate to the delegated authority's carrying out its powers, duties and functions in respect of the orphan fund.

terms and conditions, the times at which and the manner in which payments are to be made and the repayment of unused or improperly used money;

(f) respecting the determination and allocation of costs under section 30.

(c) in subsection (2) by striking out “subsection (1)(e)” and substituting “subsection (1.1)(d)”.

(17) Section 101 is amended by repealing subsection (1) and substituting the following:

Entry on land

101(1) A person ordered, directed or authorized to provide reasonable care and measures to prevent impairment or damage in respect of wells, facilities, well sites and facility sites, or to carry out suspension, abandonment, remediation or reclamation under section 26.2, 27 or 28, is entitled to have access to and may enter on the land and any structures on the land concerned for the purposes of providing the reasonable care and measures to prevent impairment or damage or carrying out the suspension, abandonment, remediation or reclamation.

(18) Section 103(1)(a) is amended by adding “, deposit or other form of security” after “penalty”.

(19) Section 106 is amended

(a) in subsection (1)(b) by striking out “abandonment or reclamation” and substituting “abandonment, remediation or reclamation”;

(b) in subsection (3)(d) and (e) by striking out “abandonment and reclamation deposits” and substituting “deposits or other forms of security for the purposes of abandonment, remediation and reclamation”.

(17) Section 101 presently reads in part:

101(1) A person carrying out suspension or abandonment operations pursuant to section 27 or 28 is entitled to have access to and may enter on the land and any structures on the land concerned for the purposes of carrying out the suspension or abandonment.

(18) Section 103(1)(a) presently reads:

103(1) In this section,

(a) “debtor” means a person who is indebted to the Regulator for any costs, levy, fee, penalty or other amount;

(19) Section 106 presently reads in part:

106(1) Where a licensee, approval holder or working interest participant

(b) has an outstanding debt to the Regulator, or to the Regulator to the account of the orphan fund, in respect of suspension, abandonment or reclamation costs,

(3) Where the Regulator makes a declaration under subsection (1), the Regulator may, subject to any terms and conditions it considers appropriate,

(20) The following is added after section 106:

**Appointment of receiver, receiver-manager, trustee,
liquidator**

106.1 The Regulator may, subject to the regulations, apply to the Court of Queen’s Bench for the appointment of a receiver, receiver-manager, trustee or liquidator of the property of a licensee.

(21) The following is added after section 110:

Regulations

Regulations

110.1 The Lieutenant Governor in Council may make regulations

- (a) respecting an application by the Regulator or a delegated authority under Part 11 to the Court of Queen’s Bench for the appointment of a receiver, receiver-manager, trustee or liquidator of the property of a licensee;
- (b) defining any term that is used but not defined in this Act.

Pipeline Act

Amends RSA 2000 cP-15

2(1) The *Pipeline Act* is amended by this section.

(2) Section 1(1) is amended

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

(d) require the submission of abandonment and reclamation deposits in an amount determined by the Regulator prior to granting any licence, approval or transfer to an applicant, transferor or transferee under this Act, or

(e) require the submission of abandonment and reclamation deposits in an amount determined by the Regulator for any wells or facilities of any licensee or approval holder,

(20) Appointment of receiver, receiver-manager, trustee, liquidator.

(21) Regulations.

Pipeline Act

2(1) Amends chapter P-15 of the Revised Statutes of Alberta 2000.

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

1(1) In this Act,

(k.1) “impairment or damage” means impairment or damage that results in or could reasonably be expected to result in harm to the integrity of a pipeline, well or facility or harm to the environment, human health or safety or property;

(b) in clause (w) by striking out “incurred in the reclamation of a pipeline” **and substituting** “incurred in respect of the reclamation of a pipeline”;

(c) by adding the following after clause (x.1):

(x.2) “remediation” means remediation within the meaning of the *Environmental Protection and Enhancement Act*;

(x.3) “remediation costs” means the reasonable costs actually incurred in the remediation in respect of a pipeline, and whether or not an application for a remediation certificate is made, includes such costs associated with assessment for the purpose of applying for a remediation certificate under the *Environmental Protection and Enhancement Act*;

(3) Section 3(1)

(a) is amended by adding the following after clause (l):

(l.1) respecting reasonable care and measures to prevent impairment or damage in respect of a pipeline;

(b) in clause (m) by striking out “and reclamation costs” **and substituting** “, the costs of providing reasonable care and measures to prevent impairment or damage, remediation costs and reclamation costs”.

(4) Section 16 is amended by adding the following after subsection (2):

(3) Despite subsection (1), on the direction or with the consent of the Regulator, a person other than the licensee may operate a pipeline to maintain the pipeline when ordered under section 22.1 to provide reasonable care and measures to prevent

- (k) *“highway” means a provincial highway under the Highways Development and Protection Act;*
- (w) *“reclamation costs” means the reasonable costs actually incurred in the reclamation of a pipeline and includes such costs associated with assessment for the purpose of applying for a reclamation certificate under the Environmental Protection and Enhancement Act;*
- (x.1) *“Regulator” means the Alberta Energy Regulator;*

(3) Section 3(1) presently reads in part:

3(1) The Regulator may make rules

- (l) *respecting the discontinuation, abandonment and removal of pipelines, including the circumstances under which a pipeline must be discontinued, abandoned or removed, the timing of such discontinuation, abandonment or removal and the manner in which discontinuation, abandonment and removal are to be carried out;*
- (m) *respecting discontinuation costs, abandonment costs and reclamation costs in respect of pipelines;*

(4) Section 16 presently reads in part:

(2) No person shall operate a pipeline unless the pipeline has first been tested pursuant to the rules or as otherwise approved by the Regulator, and been found to be satisfactory.

impairment or damage in respect of the pipeline, or when taking over management and control of a well or facility under section 105 of the *Oil and Gas Conservation Act*.

(5) The following is added after section 22:

Reasonable care, measures to prevent impairment or damage

22.1(1) A licensee shall provide reasonable care and measures to prevent impairment or damage in respect of a pipeline in accordance with the rules.

(2) If reasonable care and measures to prevent impairment or damage in respect of a pipeline are not being provided in a manner satisfactory to the Regulator, the Regulator may order a licensee or a delegated authority under Part 11 of the *Oil and Gas Conservation Act* to provide reasonable care and measures to prevent impairment or damage in respect of the pipeline on any terms or conditions that the Regulator considers appropriate.

(3) Reasonable care and measures to prevent impairment or damage in respect of a pipeline shall be provided in accordance with the rules.

(6) Section 28 is amended

(a) by renumbering subsection (1) as subsection (1.1);

(b) by adding the following before subsection (1.1):

Entry on land

28(1) A person ordered, directed or authorized to provide reasonable care and measures to prevent impairment or damage in respect of a pipeline is entitled to have access to and may enter on the land and any structures on the land concerned for the purposes of providing reasonable care and measures to prevent impairment or damage.

(c) in subsections (2), (3) and (4) by adding “or (1.1)” after “subsection (1)”.

(5) Reasonable care, measures to prevent impairment or damage.

(6) Section 28 presently reads in part:

28(1) A person carrying out discontinuation or abandonment operations pursuant to section 23 or 24 is entitled to have access to and may enter on the land and any structures on the land concerned for the purpose of carrying out the discontinuation or abandonment operations.

(2) A person shall, before entering on any land under subsection (1), give prior written notice of intention to enter to the landowner and to the occupant, if any, unless it is impractical under the circumstances to do so.

(3) If a person who enters on any land under subsection (1) is prevented from entering, that person may apply to the Court of Queen's Bench for an order permitting the person to enter on the land for the purposes specified in the order, and an order so made may be enforced by the sheriff.

(4) A person who enters on any land under subsection (1) shall compensate the landowner or the occupant, if any, for direct

Coming into Force

Coming into force

3 This Act comes into force on Proclamation.

expenses and for any damage to the landowner's or occupant's land, crop or livestock arising directly from that entry.

Coming into Force

- 3** Coming into force.

