

BILL

No. 62 of 1926.

An Act to provide for the Regulation of Oil and Gas Wells.

(Assented to _____, 1926.)

WHEREAS the drilling for oil and gas is a matter of concern to all the citizens of the Province; and

Whereas much wastage in drilling and producing operations is likely to result if such operations are not controlled by regulations; and

Whereas the provision of such regulations is a matter of concern not only to the public at large, but also to the operators of oil and natural gas wells;

Now therefore, His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. This Act may be cited as "*The Oil and Gas Wells Act.*"
2. This Act shall apply to all oil and gas wells whether drilled before or after the passing of this Act.
3. The Lieutenant Governor in Council shall have power to make regulations—
 - (a) forbidding the boring or undertaking to bore an oil or gas well without the license of the Minister of Public Works;
 - (b) as to the location of oil and gas wells, including the determination of distances between, or offsetting of wells;
 - (c) prescribing methods of drilling and making provision for water shut-offs;
 - (d) prescribing the keeping of accurate logs by the persons responsible for, or engaged in the drilling of oil and gas wells, and the way in which such logs are to be kept;
 - (e) calculated to bring about confinement of gas and oil encountered during drilling operations to their original strata for such periods as may seem advisable, and to protect such strata from infiltration;
 - (f) enforcing the provision of proper anchorage, casing and cementing;
 - (g) enforcing the use of proper tools and equipment, and regulating the construction, alteration or use of any works, machinery, plant or appliance in and for the development, production, transmission, supply,

distribution, measurement or consumption of natural gas or oil;

- (h) presenting the measures to be taken before the commencement of drilling, with the object of controlling and conserving gas, oil or water likely to be met with;
- (i) prohibiting the drilling through oil, gas or water without taking adequate measures to confine the production arising to its own strata for such periods as may seem advisable;
- (j) prescribing what reports are to be made, the persons or authorities to whom they are to be made, their contents and form, and the times at which they are to be made;
- (k) prescribing what records are to be kept, and the manner and form in which such records are to be kept;
- (l) directing tests to be made for any purpose, and prescribing the methods of making such tests;
- (m) requiring the correction of any condition existing subsequent to the completion of a well which is causing or is likely to cause damage to any formation bearing oil, gas or water, or to coal measures, or other mineral deposits, or which is dangerous to life or property, or wasteful of oil or gas;
- (n) prescribing times for taking the rock pressure and open floor capacity;
- (o) prescribing the time and method of shooting wells, and making provision for notices of intention to shoot;
- (p) restricting production of gas wells to a certain percentage of the open flow capacity;
- (q) providing for the inspection of oil and gas wells and the taking over of such wells as are a menace to oil, gas or water-bearing formations, or to property or life if, upon inspection they prove to be out of repair, and the repairing of such wells at the cost of the owners thereof;
- (r) providing for notice of intention to begin drilling and to abandon drilling;
- (s) prescribing the proportion of natural gas or oil that may be produced from any one area whenever the full production from any common source of supply of natural gas or oil is in excess of market demands;
- (t) providing for the capping of or otherwise closing wells for the purpose of preventing waste;
- (u) calculated, in general, to conserve gas and oil, or to prevent waste or undue use thereof; to prevent the use of natural gas or oil in a manner calculated to threaten the common reservoirs thereof with pre-

mature exhaustion, or to compel the drilling for and marketing of gas and oil in accordance with the most approved practices, or controlling the production, transmission, distribution, sale, disposal and consumption of all natural gas or oil produced in Alberta;

- (v) respecting any other matter reasonably incidental to the production by or conduct of oil or gas wells;
- (w) prescribing penalties for the breach of any regulations made under this Act.

4. In making any such regulations the Lieutenant Governor in Council may rely upon the technical advice of competent persons and may consult with operators of wells in order that the regulations may be as effective as possible, and impose no further hardship upon individuals than is necessitated by the prime importance of conserving oil and gas, and may constitute a Board of Reference consisting of operators, technical experts and other persons with such powers or duties as it may seem advisable to delegate or impose upon it.

5.—(1) All such regulations shall be laid upon the table of the Legislative Assembly within the first week of the Session next held after the making of such regulations.

(2) All such regulations when made, shall, unless and until disallowed by the Legislative Assembly at its Session next held after the making of the same, have the same force and effect as if they were set out at length in this Act.

6. This Act is only intended to, and shall be deemed only to, operate as to matters which are within the exclusive legislative jurisdiction of the Province of Alberta, and all matters not within such exclusive jurisdiction are hereby declared to be outside the provisions of this Act.

7. This Act shall come into force on.....

No. 62.

SIXTH SESSION
FIFTH LEGISLATURE
16 GEORGE V
1926

BILL

An Act to provide for the Regulation
of Oil and Gas Wells.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. BROWNLEE.

EDMONTON:
W. D. McLEAN, ACTING KING'S PRINTER
A.D. 1926.