

1983 BILL 68

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First Session, 20th Legislature, 32 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 68**

**MINES AND MINERALS AMENDMENT ACT, 1983**

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THE MINISTER OF ENERGY  
AND NATURAL RESOURCES

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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## BILL 68

1983

### MINES AND MINERALS AMENDMENT ACT, 1983

(Assented to \_\_\_\_\_, 1983)

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

1 *The Mines and Minerals Act is amended by this Act.*

2(1) *Section 1(1) is amended*

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

(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);

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

(f) “disposition” means a grant, a transfer referred to in section 12 or an agreement;

(f.1) “estate in a mineral” means an estate in fee simple in a mineral or an estate for a life or lives in being in a mineral;

(c) *by adding the following after clause (h):*

(h.1) “issue”, with reference to a disposition, means to issue the disposition in accordance with the regulations;

(d) *by repealing clause (p);*

(e) *by adding the following after clause (r):*

(r.1) “quarriable mineral” means

(i) a mineral that can be quarried and used in its natural state for building, construction, industrial, manufacturing or agricultural purposes including, without limitation, anhydrite, bentonite, diatomite, gypsum, granite, limestone, marble, mica, potash, quartz rock, rock phosphate, sandstone, shale, slate, talc or volcanic ash, or

## Explanatory Notes

This Bill will amend chapter M-15 of the Revised Statutes of Alberta 980.

Section 1(1)(a), (f), (p) and (s) presently read:

*1(1) In this Act,*

*(a) "agreement" means any lease, licence, reservation, permit or certificate of record or any other agreement made or entered into under*

*(i) this Act or the former Act, or*

*(ii) The Provincial Lands Act or the Dominion Lands Act (Canada) and relating to a mineral,*

*but does not include a unit agreement under Part 8;*

*(f) "disposition" means an instrument executed pursuant to this Act, the former Act, The Provincial Lands Act or the Dominion Lands Act (Canada) whereby any estate, right or interest in any mineral is or has been granted to any person or by which the Crown divests or has divested itself in favour of any person of any estate, right or interest in any mineral and, without restricting the generality of the foregoing, includes a grant, agreement, transfer, deed, conveyance, notification, assurance, sale or contract made, entered into or issued pursuant to any of those Acts and relating to a mineral;*

*(p) "officer" means any person appointed under this Act or the Department of Energy and Natural Resources Act in connection with the administration of this Act;*

*(s) "quarry" means a pit or excavation in the ground for the purpose of removing, opening up or proving any mineral other than coal, and includes works and machinery belonging to or used in connection with the quarry;*

*to the addition of clauses (v.1), (v.2) and (v.3), see the amendments in this Bill to sections 145 and 146 of the Act. Section 1(2) will be re-enacted as section (1) of the Act by section 6 of the Bill.*

(ii) a mineral that can be quarried and cut or polished for use as an ornament, a decoration or for personal adornment,

but does not include coal or oil sands;

(f) in clause (s), by adding “or oil sands” after “coal”;

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

(s.1) “record” means a record as defined in the *Financial Administration Act*;

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

(v.1) “unit agreement” means an agreement entered into by the Minister under section 146(1);

(v.2) “unit operation”, except in Part 9, means an operation authorized by a unit agreement or unit operation order;

(v.3) “unit operation order” means an order under the *Turner Valley Unit Operations Act*;

(2) *Section 1(2) is repealed.*

3 *The following is added after section 1:*

1.1(1) A reference in this Act to a township, section, half-section, quarter-section and legal subdivision means a township, section, half-section, quarter-section and legal subdivision, respectively, within the meaning of the *Surveys Act*.

(2) For the purposes of this Act, a reference to a township, section, half-section, quarter-section or legal subdivision shall, in respect of land in unsurveyed territory, be deemed to refer to what would be a township, section, quarter-section or legal subdivision if the land were surveyed in accordance with the *Surveys Act*.

4 *Section 3 is repealed.*

3 Section 1.1 is the present section 34(1) and (2) without change.

4 Section 3 presently reads:

*3(1) Except as otherwise provided, this Act does not apply*

*(a) to a quarry,*

*(b) to a coal mine, or*

*(c) to any drilling, production or abandonment operation of a well.*

*(2) If any question arises, otherwise than in legal proceedings, whether a quarry, coal mine or well is a quarry, coal mine or well to which this Act, the Quarries Regulation Act, the Coal Conservation Act, the Coal Mines Safety Act or the Oil and Gas Conservation Act applies, the question shall be referred to the Minister, whose decision thereon is final.*

5 *Section 4 is repealed and the following is substituted:*

4 This Act applies to an agreement made, entered into or renewed under the former Act notwithstanding anything in the agreement.

6 *Part 1 is repealed and the following is substituted:*

## **PART 1**

### **ADMINISTRATION**

#### **General Powers of the Lieutenant Governor in Council**

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;
- (b) respecting applications for agreements;
- (c) respecting the issuing of dispositions;
- (d) respecting the terms and conditions of agreements;
- (e) respecting the rights and obligations of lessees;
- (f) respecting deposits or forms of security to the Government furnished or to be furnished under this Act and providing for
  - (i) the form and amounts of the deposits or other security, or the fixing of those amounts by the Minister,
  - (ii) the circumstances under which the deposits or security become payable or forfeited,
  - (iii) the purposes for which the deposits or security so paid or forfeited may be expended by the Government,
  - (iv) the circumstances under which the deposits or security may be returned or refunded, and
  - (v) any other matter relating to the deposits or other security;
- (g) providing for any matter relating to the duration and extension of the terms of agreements, renewals of agreements,

**5** Section 4 presently reads:

**4** *Notwithstanding anything in any agreement made or entered into*

*(a) under the former Act or the regulations thereunder, or*

*(b) under The Provincial Lands Act or the Dominion Lands Act (Canada) or the regulations under those Acts and relating to a mineral,*

*every such agreement and any renewal or reissue thereof is in every respect subject to this Act and the regulations made under this Act.*

**6** Part 1 of the Act governs the administration of Crown minerals and has been reorganized and rewritten.

the size, shape and boundaries of the locations of agreements and the grouping, surrender, cancellation, expiry or forfeiture of agreements;

(h) respecting the keeping of records for any purpose under this Act and the persons required to keep them;

(i) respecting the confidentiality of and the filing with or submission to the Minister of reports, returns, estimates, declarations, plans, maps, surveys or other information, and the form and nature of the content of those reports, returns, estimates, declarations, plans, maps or surveys or of that information;

(j) respecting the communication of and access to records, returns or other information obtained under section 47 or 48;

(k) respecting the payment of money or the granting of other incentives relating to the exploration for or recovery or processing of a mineral;

(l) respecting the application of credits against the payment of any money owing to the Crown in right of Alberta under an agreement or under this or any other Act under the administration of the Minister;

(m) respecting the determination of compensation on the surrender of, cancellation of or refusal to renew an agreement pursuant to section 8(1)(c);

(n) respecting the imposition of pecuniary penalties for the late filing of any reports, returns, estimates, declarations, plans, maps, surveys or other information required to be filed with or submitted to the Minister under this Act or an agreement or pursuant to a notice given under this Act or an agreement;

(o) respecting the matters provided for in section 27;

(p) respecting the determination of the circumstances under which persons may be regarded as not dealing with each other at arm's length for any purpose under this Act or as being associated with each other for any purpose under this Act;

(q) respecting the liability of lessees and others for the payment of interest on amounts owing to the Crown in right of Alberta under this Act and on the value of arrears of royalty deliverable to the Crown in kind under this Act, the rates of interest payable and the computation of interest payable;

(r) respecting the liability of the Crown in right of Alberta for the payment of interest on overpayments under this Act, the rates of interest payable and the computation of interest payable, and defining "overpayment" for the purposes of the regulations under this clause;

(s) establishing a tariff of fees





- (i) pertaining to applications, agreements and renewals or reinstatements of agreements,
  - (ii) for the filing of any documents that may be filed with the Minister under the *Builders' Lien Act*,
  - (iii) for copies of maps, plans, field notes, documents, papers or other records of the Department, and
  - (iv) for any other service provided by the Department;
  - (t) prescribing anything required to be prescribed under this Act.
- (2) A deposit or security required to be furnished pursuant to regulations under subsection (1)(f) shall be held by the Minister in accordance with the regulations and shall not be paid into the General Revenue Fund.
- (3) The Lieutenant Governor in Council may make any regulations and orders that may be necessary to carry out the provisions of this Act according to their intent, to carry out the Transfer Agreement, or to meet cases that may arise and for which no provision is made by this Act.
- 6** Orders made by the Lieutenant Governor in Council pursuant to this Act, other than orders prescribing regulations within the meaning of the *Regulations Act*, shall be published in The Alberta Gazette.
- 7** An order, decision or determination of the Lieutenant Governor in Council under this Act may be made subject to any terms or conditions that the Lieutenant Governor in Council considers warranted.

#### **General Powers of the Minister**

- 8(1)** The Minister may
- (a) exchange any Crown minerals for other minerals in Alberta;
  - (b) acquire by expropriation any estate or interest in minerals, if the Minister is of the opinion that any or any further exploration for or development of those minerals is not in the public interest;
  - (c) accept the surrender of, cancel or refuse to renew an agreement as to all or part of a location when the Minister is of the opinion that any or any further exploration for or development of the mineral to which the agreement relates within that location or part of it is not in the public interest, subject to the payment of compensation determined in accordance with the regulations for the lessee's interest under the agreement;
  - (d) order the remission of all or part of any rental, fee or other sum payable under this Act or a disposition;



(e) reinstate an agreement, a part of the location of an agreement or a zone in the location of an agreement that has been surrendered, cancelled or forfeited, if application for the reinstatement is made

(i) within 30 days of the date of the surrender, cancellation or forfeiture, or

(ii) within 90 days of the date of the surrender, cancellation or forfeiture, when the surrender, cancellation or forfeiture was made in error;

(f) if he considers that the circumstances warrant it, agree with a lessee to grant an agreement to the lessee in substitution for an agreement held by the lessee;

(g) if any provision of this Act, the regulations or an agreement requires the doing of any act within a fixed period or at a fixed time, extend that period or fix another time by or at which that act is to be done, whether the period within which or the time by or at which the act ought to be done has or has not expired or arrived, as the case may be;

(h) if he is satisfied that it is in the public interest to do so, agree from time to time with the lessee to extend the term of the lessee's agreement for an additional period or periods not exceeding 10 years in the aggregate;

(i) determine the form of any document to be used in connection with the administration of this Act, or adopt a variation of any form so determined that he considers applicable to any special case;

(j) delegate, in writing, to any person any of his powers or duties under this Act or an agreement.

(2) Within 60 days of the completion of an exchange under subsection (1)(a), the Minister shall publish in The Alberta Gazette a notice stating the particulars of the exchange and the reason for the exchange.

(3) An order, authorization, direction, determination or other decision made by the Minister under this Act may be made subject to any terms or conditions that the Minister considers warranted.

**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

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

(i) the recovery of minerals, the processing of the minerals so recovered and the sale or other disposition of those minerals or the products obtained by processing those minerals or by reprocessing those products;



- (ii) the development of mines or quarries for the recovery of minerals;
  - (iii) the royalty reserved to the Crown in right of Alberta on the minerals recovered;
  - (iv) the provision for a consideration payable to the Crown in right of Alberta in lieu of royalty on the minerals recovered;
  - (v) any matter that the Minister considers to be necessarily incidental to, in relation to or in connection with any of the matters referred to in subclauses (i) to (iv);
- (b) issue an agreement
- (i) containing a provision that is a variation of a provision of this Act or the regulations that would otherwise apply to the agreement, or
  - (ii) making inapplicable a provision of this Act or the regulations that would otherwise apply to the agreement;
- (c) issue an agreement containing a provision providing for the waiver by the lessee of a benefit under this Act or any other Act under the administration of the Minister.

#### **Title to Minerals**

**10** It is hereby declared that no grant from the Crown, whether relating to land, minerals in land or otherwise, has operated or will operate as a conveyance of gold and silver unless gold and silver are expressly named and conveyed in the grant.

**11** No disposition shall be made of an estate in a mineral owned by the Crown in right of Alberta unless the disposition is specifically authorized by this or another Act.

**12(1)** When a person is entitled to receive from the Crown in right of Alberta a title for an estate in a mineral for which a certificate of title is registered under the *Land Titles Act*, a transfer shall be issued by the Minister.

(2) Before the issue of the transfer, the registration fee payable under the *Land Titles Act* shall be paid to the Minister.

(3) The Minister shall forward the fee paid and the transfer to the Registrar for registration of the transfer under the *Land Titles Act*.

**13(1)** When a person is entitled to receive from the Crown in right of Alberta a title for an estate in a mineral for which no certificate of title is registered under the *Land Titles Act*, a notification shall be issued by the Minister accordingly in favour of that person.

(2) Before issue of the notification, the fee payable under the *Land Titles Act* shall be paid to the Minister.



(3) The Minister shall forward the fee paid and the notification to the Registrar for registration of the notification under the *Land Titles Act*.

(4) When a notification issues to or in the name of a person who is dead, the notification is not void for that reason but the title to the minerals granted or intended to be granted forms part of the estate of the deceased person on registration of the notification.

(5) When a notification or other grant has issued to or in the name of an incorrect person or contains any clerical error, misnomer or incorrect or defective description of the minerals intended to be granted, or when any of the conditions of the notification or grant have been omitted, the Minister, if there is no adverse claim, may direct the defective notification or grant to be cancelled and a correct notification or grant to be issued in its stead.

(6) The correct notification or grant referred to in subsection (5) shall relate back to the date of the notification or grant cancelled and has the same force and effect as if issued at the date of the cancelled notification or grant.

(7) If a certificate of title has not been issued under the *Land Titles Act* for any minerals vested in or belonging to the Crown in right of Alberta, the Minister may issue a notification respecting those minerals in favour of Her Majesty in right of Alberta as represented by the Minister.

(8) When a notification is issued under subsection (7), it shall be forwarded to the Registrar who shall, without fee, forthwith issue a certificate of title.

**14(1)** When, by letters patent,

(a) the surface of land and any mineral in the land were granted, and

(b) an area or strip of land was excepted or reserved for a road, roadway or trail,

the letters patent shall be deemed for all purposes to have conveyed that mineral underlying the road, roadway or trail.

(2) Subsection (1) does not apply to any mineral granted

(a) by other letters patent before October 1, 1930, or

(b) by notification pursuant to an Ordinance of the Northwest Territories or an Act of the Legislature before May 1, 1951,

whether before or after the letters patent referred to in subsection (1).

(3) When, under subsection (1), doubt arises as to whether an exception or reservation of an area or strip of land was for a road,





roadway or trail, the Minister shall rule on the matter and his ruling when delivered in writing to the Registrar is final.

**15(1)** If land that included any minerals was transferred to or expropriated by the Crown and the land was used or intended to be used for a road diversion or roadway or for the purposes of obtaining gravel or any other road material, the Minister, on application to him for the acquisition of the minerals or any of them, may approve the application on payment of any sum that he may determine.

**(2)** When an application is approved pursuant to subsection (1), the applicant is entitled to receive a title for an estate in fee simple in the minerals in respect of which the application was made.

### **Agreements**

**16** Subject to this Act and the regulations, 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.

**17(1)** The Minister may, in respect of any specified area and in any manner he 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.

**18(1)** The Minister may

- (a)** refuse to issue or may withhold the issuance of an agreement, or
- (b)** cancel an agreement issued in error and refund money paid in connection with that agreement.

**(2)** Without restricting the generality of subsection (1)(a), the Minister may refuse to issue an agreement to a person who is indebted to the Crown in right of Alberta.

**19(1)** An agreement shall be in the form determined by the Minister.



(2) The Minister may in the case of any particular agreement vary the form determined for that class of agreement under subsection (1).

(3) The form of an agreement may confer or impose rights and obligations on the Minister or the lessee in addition to those provided for under this Act.

**20(1)** An agreement shall be issued in accordance with the regulations.

(2) An agreement shall bear the date on which it is issued.

(3) The date of commencement of the term of an agreement shall be its date of issue unless otherwise specified by the Minister.

(4) When an agreement that is required to be executed by the holder is issued, the person in whose favour it is made

(a) subject to subsection (5), is deemed to be the holder of it as against the Crown and all other persons as of the date of issue, and

(b) is bound by the agreement as if it were fully executed.

(5) When an agreement is issued and the holder does not execute the agreement and return it to the Minister within 90 days from the date of issue,

(a) the Minister may cancel the agreement in the records of the Department, and

(b) the holder is deemed to have been the holder of the agreement only as to any liability incurred under it by him.

**21** If an agreement purports to grant rights in respect of a mineral and those rights are included in any disposition issued previously, the agreement is void in so far as it interferes with the previous disposition.

**22** For the purposes of an agreement, a section, quarter-section and legal subdivision of land are deemed to contain 256 hectares, 64 hectares and 16 hectares respectively.

**23(1)** Wherever the singular or masculine or neuter is used in an agreement, it shall be construed as meaning the plural or feminine or a corporation where the context or the parties to the agreement so require.

(2) A reference in an agreement to an enactment shall be construed as a reference to

(a) that enactment, as amended from time to time, and

(b) any replacement of all or part of that enactment, as amended from time to time.

(3) In subsection (2), "enactment" means an Act, regulation, order, directive, by-law or other subordinate legislation.



**24(1)** A person under the age of 18 years is ineligible to become the lessee or 1 of the lessees of an agreement by offer, application or transfer.

(2) A corporation is ineligible to become the lessee or 1 of the lessees of an agreement by offer, application or transfer unless the corporation is

- (a) registered under the *Companies Act*,
- (b) registered, incorporated or continued under the *Business Corporations Act*,
- (c) incorporated under the *Bank Act* (Canada),
- (d) a railway company incorporated under an Act of Canada,
- (e) a trust company registered under the *Trust Companies Act*,
- (f) an insurance company licensed under the *Insurance Act*, or
- (g) in any other case, approved by the Minister as a corporation that may hold an agreement.

(3) If a person who is ineligible under this section becomes the lessee or 1 of the lessees of an agreement, the Minister may, subject to subsection (4),

- (a) cancel the agreement, where the ineligible person is the sole lessee of the agreement or 1 of the lessees other than as the holder of a specified undivided interest in the agreement, or
- (b) if the ineligible person is the holder of a specified undivided interest in the agreement, cancel the interest and transfer it to any person, in any manner the Minister considers warranted in the circumstances.

(4) The Minister may not cancel an agreement or an interest in any agreement pursuant to subsection (3) unless

- (a) he has given the lessee notice requiring
  - (i) that the agreement or the interest be transferred to a person who is not ineligible under this section, and
  - (ii) that the transfer be registered under Part 8,

within the time specified in the notice, and

- (b) the notice is not complied with within the time specified.

(5) No agreement shall be issued to an unincorporated syndicate or association or other unincorporated group of persons in the name of the syndicate, association or group.



**25** The Minister may refuse to issue an agreement if any of the lessees would hold less than a 1% undivided interest under the agreement.

**26(1)** An agreement issued and executed under this Act is deemed to be executed under seal notwithstanding that a seal is not used.

(2) An agreement entered into under this Act with a corporation is deemed to be sufficiently executed by that corporation if it is signed by 1 officer or 2 directors of the corporation, notwithstanding anything to the contrary contained in the corporation's instrument of incorporation, its by-laws or articles of association or legislation applicable to the corporation.

**27** Subject to the regulations, a lessee may

- (a) surrender an agreement;
- (b) transfer or dispose of an interest in an agreement;
- (c) with the consent of the Minister,
  - (i) surrender any part of the location in an agreement;
  - (ii) transfer any part of the location in an agreement;
  - (iii) divide an agreement into 2 or more agreements;
  - (iv) consolidate 2 or more agreements into 1 agreement.

**28(1)** If for any reason the Minister considers it necessary or advisable to have a survey or re-survey made of any location to determine the exact position of the location or in order to settle any dispute that may arise respecting it, he may direct that the survey or re-survey be made by an Alberta land surveyor.

(2) The Minister may require the lessee of the location to be surveyed to pay, in advance, all or part of the costs of the survey or re-survey.

(3) If the lessee fails to make the payment in advance when required to do so by the Minister, the Minister may cancel the lease.

(4) The surveyor shall file with the Department plans, notes and any other information that may be required to determine the exact position of the location and the Department shall forward a copy of the information to the lessee.

**29(1)** As soon as any area of land that includes a location, or any part of a location, becomes surveyed, the Minister after consultation with the lessee may amend the description by describing the area as surveyed land.

(2) The decision of the Minister as to the surveyed land to be included in the lease is final.

**30(1)** In determining the size of a location all measurements shall be taken horizontally, irrespective of the inequalities of the sur-





face of the ground, and the boundaries beneath the surface shall be the vertical planes in which the surface boundaries lie.

(2) In calculating distances, the widths of road allowances are not to be considered unless expressly included in the agreement.

**31(1)** When an offer or application is made for an agreement, the offeror or applicant shall file with the Department an official address for service for the agreement in the event it is issued.

(2) An official address for service filed under this section or section 136(2)(d) shall provide for only 1 address for service regardless of the number of persons holding the agreement.

(3) An official address for service filed under this section or section 136(2)(d) shall be signed by all of the holders of the agreement either personally or by an authorized agent.

(4) A lessee who wishes to change the official address for service for the agreement shall file a notice of change of the official address for service in the prescribed form with the Department.

(5) The giving of a notice under this Act or an agreement personally at or by mail to the official address for service for the agreement filed with the Department under this section or section 136(2)(d) is deemed to be service of the notice to the lessee or, if there is more than 1 holder of the agreement, to all of them.

**32(1)** If

(a) a corporation that is registered under the *Companies Act* ceases to be registered under that Act, or

(b) a corporation that is registered, incorporated or continued under the *Business Corporations Act* ceases to be registered, incorporated or continued under that Act,

and the corporation is at that time the sole lessee of an agreement, the Minister may cancel the agreement after giving 60 days' notice of his intention to do so in *The Alberta Gazette*, unless before the expiration of that 60-day period the corporation

(c) is restored to the register under the *Companies Act*,

(d) has its registration reinstated or is revived under the *Business Corporations Act*, or

(e) is registered under the *Business Corporations Act* pursuant to an application under section 266(2) of that Act.

(2) If a corporation, other than a corporation registered under the *Companies Act* or registered, incorporated or continued under the *Business Corporations Act*, is wound up, dissolved or liquidated and dissolved and is at that time the sole lessee of an agreement, the Minister may cancel the agreement.

(3) If a corporation



(a) ceases to be registered under the *Companies Act*, or is wound up or dissolved, or

(b) ceases to be registered, incorporated or continued under the *Business Corporations Act*,

and the corporation is at that time a lessee having a specified undivided interest in an agreement according to the records of the Department, the Minister may cancel that interest and transfer it to any person, in any manner and on any conditions the Minister considers warranted.

**33(1)** When an agreement expires or is surrendered, cancelled or forfeited, the ownership of

(a) any well in the location and the installations and equipment, including casing, incidental to the well, and

(b) any mine or quarry in the location,

vests in the Crown in right of Alberta free and clear of all interests, charges and liens.

(2) Subsection (1) applies whether or not

(a) the well or its installations, equipment or casing or the mine or quarry, as the case may be, was the property of the former lessee, and

(b) any notice has been given or sent to any person owning or having an interest, charge or lien on the well or its installations, equipment or casing or in the mine or quarry, as the case may be, immediately before the vesting.

(3) Subsection (1)(a) does not apply to a well when the spacing unit for the well or part of the spacing unit for the well continues under another agreement.

(4) Subsection (1) does not apply if

(a) the agreement expires but is renewed, or

(b) the agreement is terminated by reason of the exercise by the lessee of a right to apply for a lease that contains in its location the same well, mine or quarry.

(5) The Minister may give a written authorization to a former lessee of an agreement to which subsection (1) applies or to any other person to enter upon the location of the former agreement for the purpose of

(a) removing any installations, equipment or casing incidental to the well,

(b) removing any installations or equipment incidental to the mine or quarry, or

(c) doing any act specified in the authorization in relation to the well, mine or quarry.



(6) If a well, mine or quarry becomes the property of the Crown under this section, the Minister has the same rights and duties that the former lessee had in respect of any right of entry order or surface lease relating to the land on which the well, mine or quarry is located.

(7) Notwithstanding subsection (6), the Minister is not subject to any penalty, debt or other obligation incurred by the former lessee under the right of entry order or surface lease.

(8) In subsections (6) and (7) “right of entry order” and “surface lease” have the same meanings as those given to them under the *Surface Rights Act*.

### **Royalty and Other Revenues**

**34** A royalty determined under this Act is reserved to the Crown in right of Alberta on any mineral recovered pursuant to an agreement.

**35(1)** The royalty reserved to the Crown in right of Alberta on a mineral recovered pursuant to an agreement shall be the royalty prescribed from time to time by the Lieutenant Governor in Council.

(2) If a royalty has been reserved to the Crown in right of Canada in any letters patent that convey a mineral, there is reserved to the Crown in right of Alberta

(a) the royalty prescribed from time to time by the Lieutenant Governor in Council in accordance with the Transfer Agreement, or

(b) if no royalty is prescribed under clause (a), the royalty at the rate in effect immediately before the coming into force of the Transfer Agreement.

(3) Except as otherwise provided by the regulations,

(a) the royalty reserved to the Crown in right of Alberta shall be deliverable in kind,

(b) the quantity of the royalty reserved to the Crown in right of Alberta shall be calculated at the place where the mineral is first measured after it is recovered, and

(c) the royalty reserved to the Crown in right of Alberta shall be delivered to the Crown at the place at which the quantity of the royalty is calculated.

**36(1)** The Crown in right of Alberta is the owner of its royalty share of the mineral at all times until that royalty share is disposed of by or on behalf of the Crown, notwithstanding that its share is commingled with and indistinguishable from the lessee's share prior to or at the time of the disposal.

(2) If, at the place where the Crown's royalty share of a mineral is to be delivered to the Crown in right of Alberta, the Crown's



royalty share of the mineral is commingled with the lessee's share of the mineral so that the Crown's royalty share cannot be identified, the Crown in right of Alberta is entitled to the quantity of the mineral of equivalent quality that is equal to the Crown's royalty share.

(3) If under the regulations the quantity of the royalty on a mineral is calculated on the basis of all or any of the products obtained by processing that mineral or by reprocessing the products obtained by processing that mineral, unless otherwise provided a reference to the mineral in any provision in this Act or the regulations respecting royalty on the mineral shall be read as a reference to the product obtained by the processing or reprocessing, as the case may be.

**37(1)** The Lieutenant Governor in Council may make regulations

- (a) prescribing the royalty on a mineral;
- (b) prescribing that the quantity of the royalty on a mineral be calculated at a place other than the place where the mineral is first measured after it is recovered;
- (c) prescribing that the royalty on a mineral be delivered to the Crown in right of Alberta at a place other than that at which its quantity is calculated;
- (d) authorizing the Minister to determine any component or value in the calculation of the royalty on a mineral;
- (e) respecting the circumstances under which the quantity of the royalty on a mineral shall be calculated on all or any of the products obtained by processing the mineral or by reprocessing any of those products instead of on the mineral;
- (f) respecting the waiver or variation of all or part of the royalty on a mineral.

(2) The Lieutenant Governor in Council may make regulations

- (a) respecting the Crown's royalty share of a mineral;
- (b) respecting the circumstances under which the lessee or any other person may be required to act or requiring the lessee or any other person to act as agent of the Crown in right of Alberta for any purpose leading to and including the disposal of the Crown's royalty share of a mineral;
- (c) respecting the conditions of any agency relationship created pursuant to clause (b) and the powers, rights and duties of the Minister and of the lessee or any other person under the agency relationship;
- (d) authorizing the Minister to determine the value of a mineral at the time the Crown's royalty share of the mineral is disposed of by an agent, notwithstanding the consideration actually given for the Crown's royalty share when it is disposed of by the agent;





(e) respecting the costs and allowances for which the Crown may consent to be liable in relation to the Crown's royalty share of a mineral.

(3) The Lieutenant Governor in Council may make regulations

(a) prescribing a money royalty on a mineral instead of a royalty in kind;

(b) authorizing the Minister to determine any component or value in the calculation of a money royalty on a mineral;

(c) authorizing the Minister to determine the costs and allowances that may be deducted in computing a money royalty on a mineral.

(4) Regulations made under this section may relate to

(a) a specified mineral or class of minerals, or

(b) a specified agreement or class of agreements.

(5) If regulations are made under this section respecting the calculation of royalty on a mineral recovered pursuant to an agreement subject to a unit agreement or unit operation order, the regulations operate notwithstanding anything in the unit agreement or unit operation order.

**38** If, in the opinion of the Minister, the result of one or more acts, agreements, arrangements, transactions or operations is to artificially or unduly reduce

(a) the Crown's royalty share in respect of a mineral, or

(b) the consideration given for the Crown's royalty share when it is disposed of by an agent,

the royalty or value shall be calculated as if the act, agreement, arrangement, transaction or operation had not taken place.

**39(1)** The Minister may, as circumstances require, recalculate or make additional calculations of the Crown's royalty share of a mineral, or of amounts owing on account of a money royalty or in respect of the disposal of the Crown's royalty share of a mineral by an agent,

(a) at any time, if the recalculation or additional calculation has been necessitated by misrepresentation attributable to neglect, carelessness or wilful default or by fraud in the filing or supplying of any report or other information under this Act, or

(b) in any other case, within 4 years after

(i) the end of the month in which the Crown's royalty share was deliverable to the Crown, or

(ii) the date on which the amount became due to the Crown,



as the case may be.

(2) If the Minister makes a recalculation or additional calculation under subsection (1), he may also make recalculations or additional calculations of interest payable.

**40(1)** Unless the Minister directs otherwise, if a person pays money to the Crown in right of Alberta in respect of an agreement, the money shall be applied

(a) first, on any penalties charged under this Act,

(b) 2nd, on any interest charged under this Act,

(c) 3rd, on rentals in arrears, and

(d) 4th, on money owing on account of a money royalty or in respect of the disposition of the Crown's royalty share of a mineral by an agent.

(2) If a person pays money on account of 2 or more agreements and does not specify the amount of the payment to be applied to each agreement, the Minister may apply the payment to any 1 or more of the agreements.

**41** The Minister has the same remedies and powers in relation to the failure to pay interest owing to the Crown in right of Alberta under this Act that he has in relation to the failure to pay the principal amount on which the interest is computed.

**42(1)** In this section, "debtor" means a person indebted to the Crown in right of Alberta in respect of royalty on a mineral.

(2) If the Minister has knowledge or suspects that a person is or is about to become indebted or liable to make any payment to a debtor, the Minister may, by a notice, require that person to pay the money otherwise payable to the debtor to the Minister on account of the liability in respect of royalty on a mineral to the Crown in right of Alberta.

(3) If a notice is given to a person pursuant to subsection (2), the requirement to pay is applicable to all future payments by that person to the debtor until the liability in respect of royalty on a mineral to the Crown in right of Alberta is fully satisfied.

(4) The receipt by the Minister of money paid as required under subsection (2) or (3) is a good and sufficient discharge of the liability to the debtor to the extent of the payment.

(5) A person who discharges any liability to the debtor without complying with a notice given to him pursuant to subsection (2) is liable to pay to the Minister an amount equal to the liability discharged or the amount he was required to pay to the Minister, whichever is the lesser.

(6) If a person carries on business under a name or style other than his own name, a notice to that person under subsection (2)



- (a) may be addressed to the name or style under which he carries on business, and
  - (b) is validly given if it is left with an adult person employed at the place of business of the addressee.
- (7) If 2 or more persons carry on business as a partnership, a notice to those persons under subsection (2)
- (a) may be addressed to the partnership name, and
  - (b) is validly given if it is given to 1 of the partners or left with an adult person employed at the place of business of the partnership.

### **General**

**43** There shall be implied in every disposition any and all reservations that are required to be made on the disposal of any mineral rights owned by the Crown in right of Alberta.

**44(1)** The Minister may cancel an agreement if

- (a) there is a breach of any condition contained in the agreement,
  - (b) the lessee has not complied with a notice given under this Act with respect to the agreement or with a notice given under the agreement, or
  - (c) subject to subsection (2), the lessee has not complied with
    - (i) this Act or the regulations in relation to the agreement, or
    - (ii) a covenant under the agreement.
- (2) The Minister may not cancel an agreement pursuant to subsection (1)(c) unless
- (a) he has sent a notice by mail to the lessee stating the nature of the default and that the Minister will cancel the agreement if the default is not remedied before the expiration of the 30-day period following the date on the notice, and
  - (b) the default is not remedied within the 30-day period.
- (3) The right of the Minister to cancel an agreement pursuant to the terms of the agreement is in addition to any power of the Minister to cancel the agreement under this Act.

**45(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.

(2) Notwithstanding the provisions of an agreement, a demand for or acceptance of rental or royalty deliverable or payable under



the agreement shall not be deemed a waiver of the right of the Minister

(a) to enforce compliance with a regulation or a term or condition of the agreement, or

(b) to cancel the agreement for breach of a regulation or a term or condition of the agreement.

(3) Notwithstanding anything in this Act or an agreement, a waiver on behalf of the Crown in right of Alberta of a breach of a term or condition of the agreement

(a) shall be made by the Minister in writing, and

(b) does not limit or affect the rights of the Crown in respect of any other breach.

**46(1)** A person required to do so by the regulations shall keep records in accordance with the regulations.

(2) The records shall be kept

(a) at the person's place of business in Alberta,

(b) if the person has no place of business in Alberta, at a place in Alberta prescribed by the regulations, or

(c) subject to any terms and conditions the Minister may impose, at a place in Alberta or elsewhere approved in writing by the Minister.

(3) The records shall be kept until the expiration of the 5-year period following the end of the year to which the information contained in the records relates unless

(a) in the case of any particular records, the Minister consents in writing to their destruction before the end of the 5-year period, or

(b) the regulations authorize their destruction before the end of the 5-year period.

(4) Notwithstanding subsection (3), if the Minister is of the opinion that it is necessary for the administration of this Act, he may, by a direction sent by registered mail or served personally, require any person required to keep records to retain those records for any longer period that is specified in the direction.

(5) The records that are required to be kept by a person shall be made available by that person for inspection by the Minister whether or not those records are in that person's possession.

**47(1)** The Minister may, by notice in writing, require any person to submit to him, within the time stated in the notice,

(a) a written return showing in detail any information required by the notice if it relates to or is incidental to





(i) any operations that are or were conducted on the location of an agreement,

(ii) the minerals recovered from the location or any products obtained by processing those minerals or by reprocessing the products obtained by processing those minerals, or the disposal of those minerals or products, or

(iii) the costs of recovering any minerals from the location or of obtaining any products by processing those minerals or by reprocessing the products obtained by processing those minerals,

or

(b) a return containing or pertaining to any records if the records relate to anything mentioned in clause (a)(i), (ii) or (iii) and are sufficiently described in the notice to enable them to be identified.

(2) The Minister may waive compliance with a notice given under this section to the extent that the notice relates to records that are no longer required to be retained under section 46 and have been destroyed.

(3) The person to whom a notice is given under subsection (1) shall comply with the notice but may comply with a notice under subsection (1)(b) by permitting any person designated by the Minister to audit the records to which the notice relates and, on the request of that person, to take them away for further examination or copying.

(4) Any record taken away under subsection (3) shall be returned to the person from whose custody it was taken within 21 days after it was taken or within any longer period that the Court of Queen's Bench directs for cause or if agreed to by a person who is entitled to its return.

(5) An application to the Court of Queen's Bench under subsection (4) shall be made on notice to the lessee or former lessee of the agreement concerned and, if the person from whom the record was taken was not the lessee or former lessee of the agreement, to that person.

(6) A document purporting to be certified by an employee of the Department responsible for its custody to be a copy of a record made pursuant to subsection (3) is admissible in evidence in any judicial proceeding and is, in the absence of evidence to the contrary, proof of the contents of the record without proof of the employee's signature or appointment or of his responsibility for custody of the document.

**48(1)** The Minister may apply ex parte to the Court of Queen's Bench for an order that the Minister or a person authorized by the Minister may, for any purpose related to the administration of this Act,

- (a) enter at all reasonable times into any place where a business of a person required to keep records under this Act specified in the application or of an agent or employee of that person is carried on,
- (b) examine or seize and take away a record that is part of the records of that person required to be kept under this Act,
- (c) examine or seize and take away a record that, in the opinion of the Minister or person authorized by the Minister, will assist him in determining the accuracy of the records that are required to be kept under this Act, and
- (d) require a person at the place of business to give the Minister or person authorized by the Minister all reasonable assistance in carrying out his powers under clauses (b) and (c),

and the Court, on being satisfied that an order is necessary for the proper administration of this Act, may make any order it considers appropriate.

(2) The Minister or any person authorized by the Minister may make copies of records seized under subsection (1) and may, in lieu of returning the original of a record, provide the person from whom it was seized or his agent or employee with a copy of the record.

**49(1)** Except as provided under the regulations, no person shall communicate or allow to be communicated any record, return or information obtained under section 47 or 48 to a person not legally entitled to that information or allow any person not legally entitled to that record, return or information to have access to any record, return or information obtained under section 47 or 48.

(2) A person who knowingly receives records or information obtained under section 47 or 48 holds the records or information subject to the same restrictions under subsection (1) that apply to the person from whom the records or information were received.

**49.1** Notwithstanding any other Act or law, no Minister of the Crown and no person who is or was employed or engaged in the administration or enforcement of this Act shall be required, other than in proceedings relating to the administration or enforcement of this Act, to give evidence relating to any record, report, return, estimate, declaration, plan, map, survey or other information that is obtained under this Act or to produce anything containing that record, report, return, estimate, declaration, plan, map, survey or other information.

**50(1)** The Minister may conduct an investigation or inspection in relation to

- (a) the operation of any well, battery, mine, quarry, installation or equipment used or formerly used for or in connection with the recovery of a mineral pursuant to an agreement, or



of any plant used or formerly used for the processing of a mineral recovered pursuant to an agreement or the reprocessing of the products obtained by processing that mineral,

(b) the disposal of a mineral recovered pursuant to an agreement or of the products obtained by processing that mineral or by reprocessing the products obtained by processing that mineral, or

(c) the delivery of the Crown's royalty share of a mineral or of any product obtained by processing that mineral or by reprocessing the products obtained by processing that mineral.

(2) The Minister may enter into and have access to the site of the well, battery, mine, quarry, installation, equipment or plant to which an investigation or inspection relates, and the lessee or other person in charge of it shall

(a) render whatever assistance is requested by the Minister, and

(b) supply the information requested by the Minister if it is available at the well, battery, mine, quarry, installation, equipment or plant, and, in the opinion of the Minister, it is relevant to the investigation or inspection.

**51** Any notice that may be given by the Minister pursuant to this Act or an agreement may be given by mail.

**52** No person shall, before or at the time of a sale by public tender of the right to an agreement, by intimidation, combination, unfair management or otherwise, hinder or prevent, or attempt to hinder or prevent, any other person from bidding on or making an offer for the agreement.

**53(1)** No person shall win, work or recover a mineral that is the property of the Crown in right of Alberta unless

(a) he is the holder of an agreement that pertains to that mineral, or

(b) he is authorized to do so under this Act or an agreement.

(2) The Minister, if he 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 an applicant for an agreement to conduct operations on the land that is the subject of the agreement applied for before the agreement is issued.

**54(1)** A person has, as against the Crown in right of Alberta,

(a) the right to use a well or drill a well for the injection of any substance into an underground formation, if he is required by or has the approval of the Energy Resources Conservation Board to do so, and

(b) the right to remove and withdraw any machinery, tool, plant, building, erection and fixture used in or in connection with the operation of that well, if the removal or withdrawal is approved by the Board.

(2) A person who exercises a right referred to in subsection (1)(a)

(a) shall indemnify the Crown in right of Alberta for loss or damage suffered by the Crown in respect of any claims or demands made by reason of anything done by that person or any other person on his behalf in the exercise or purported exercise of that right, and

(b) shall abandon the well when so directed or authorized by the Energy Resources Conservation Board, in accordance with the directions of the Board.

**55** 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 his 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.

**56** 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 Gas Conservation Act* to drill a well for the removal 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 his mineral for the removal 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.

**57(1)** If the Minister has reason to believe that operations on any location are being conducted in such a manner as to expose others to the risk of damage or loss, the Minister may authorize any person to enter the mine, quarry, works, plant, buildings and structures on the location and to remain for any period or periods that the Minister considers necessary, for the purpose of enforcing compliance with any safety provisions required to eliminate the risk of damage or loss and remedying existing defaults.

(2) The Minister may charge and collect from the lessee the expenses incurred in connection with the supervision authorized by the Minister under subsection (1).

**58(1)** The Minister may order any mining or quarrying in Alberta to be carried on so as not to interfere with or endanger the safety of any person or property.

(2) The Minister may order any person either to fill up or to guard any mine or quarry or any part of a mine or quarry in any manner that the Minister considers proper.

**59(1)** Notwithstanding and in addition to any other penalty provided for by this Act or the regulations, a person who contravenes section 46, 47(3), 49, 50(2), 52, 53 or 89 or a regulation made under section 5(1)(i) is guilty of an offence and liable to a fine of not more than \$100 000.

(2) Every person who, under this Act, files or submits any report, return, estimate, declaration, plan, map, survey or other information or makes any statement or answers any question, whether in connection with an agreement or otherwise, knowing that the report, return, estimate, declaration, plan, map, survey, other information, statement or answer is false or misleading or misrepresents or fails to disclose a material fact, is guilty of an offence and liable

(a) to a fine of not more than an amount of money equal to the value of the Crown's royalty share of a mineral or the amount of money, as the case may be, of which the Crown in right of Alberta was deprived by reason of the commission of the offence, or

(b) to a fine of not more than \$100 000,

whichever is the greater.

(3) In any prosecution for an offence under this section, it is sufficient proof of the offence to establish that it was committed by an employee or agent of the accused, whether or not the employee or agent is identified or has been prosecuted for the offence, unless the accused establishes that the offence was committed without his knowledge or consent and that he took all reasonable measures to prevent its commission.

(4) If a corporation is guilty of an offence under this section, an officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and guilty of the offence and is liable to the punishment provided for the offence, whether or not the corporation has been prosecuted or convicted.

**7** *Sections 60 to 62 are repealed and the following is substituted:*

**60** Except as provided in section 71, this Part applies to coal rights that are the property of the Crown in right of Alberta.



7 Sections 60, 61 and 62 presently read:

*60 Coal rights that are the property of the Crown may be leased by the Minister in accordance with this Part.*

*61 A coal lease shall be in a form that may be determined by the Minister and may include any terms and conditions the Minister prescribes.*

*62(1) A person is entitled to a coal lease when*

*(a) his offer for the lease is accepted by the Minister at a sale by public tender of the lease, or*

*8 Section 65 is amended by striking out “subject to any exceptions expressed in the lease” and substituting “in accordance with the terms and conditions of the lease”.*

*9 Section 69 is repealed.*

*10 Section 71(1) is amended by striking out “section 3 or”.*

*11 Sections 72 to 75 are repealed and the following is substituted:*

**72** This Part applies to quarriable mineral rights that are the property of the Crown in right of Alberta.

*(b) he applies for the lease and the Minister considers the granting of the lease warranted in the circumstances.*

*(2) The sale of a coal lease by public tender shall be conducted in the manner prescribed by the Minister.*

*(3) An application for a coal lease shall be filed by the applicant in writing with an employee of the Department authorized by the Minister to receive applications for coal leases.*

*(4) When making an application for a coal lease, the applicant shall provide all information that the Minister requires.*

**8 Section 65 presently reads:**

*65 A coal lease grants the right to the coal that is the property of the Crown in the location subject to any exceptions expressed in the lease.*

**9 Section 69 presently reads:**

*69(1) The coal obtained pursuant to a coal lease is subject to the payment to the Crown in right of Alberta of the royalty on the coal that is from time to time prescribed by the Lieutenant Governor in Council.*

*(2) The royalty may be collected in a manner prescribed by the Minister.*

**10 Section 71(1) presently reads:**

*71(1) Notwithstanding section 3 or the terms and provisions of any certificate of title, conveyance, agreement for sale, lease, licence, permit or other contract under which he has, before, on or after June 1, 1962, acquired coal or the right to mine, win or work coal, no person shall, without the consent of the Minister,*

*(a) mine coal, or*

*(b) make or cause or permit to be made any opening,*

*within 10 metres of a boundary line of the tract or parcel of land described in the certificate of title, conveyance, agreement for sale, lease, licence, permit or other contract.*

**11 Sections 72 to 75 presently read:**

*72 In this Part, "quarriable mineral" means a mineral that may be quarried and used in its natural state for building, construction, industrial, manufacturing or agricultural purposes and without limitation includes*

*(a) anhydrite, bentonite, diatomite, gypsum, granite, limestone, marble, mica, potash, quartz rock, rock phosphate, sandstone, shale, slate, talc, volcanic ash, and*

*(b) a mineral rock or stone that may be cut or polished for use as an ornament, a decoration or personal adornment but does not include precious stone.*

*73 The right to any quarriable mineral, other than coal or oil sands, that is the property of the Crown may be leased by the Minister in accordance with this Part.*

*74 A quarriable mineral lease shall be in a form that may be determined by the Minister and may include any terms and conditions the Minister prescribes.*

*12 Section 78 is amended by striking out “subject to any exceptions expressed in the lease” and substituting “in accordance with the terms and conditions of the lease”.*

*13 The heading preceding section 81 and section 81 are repealed.*

*14 Section 83 is repealed and the following is substituted:*

**83(1)** The annual rental under a lease of coal rights in a road allowance shall be \$50 payable yearly in advance.

(2) The term of a lease of coal rights in a road allowance on or after July 1, 1978 shall not exceed 15 years.

(3) A lease of coal rights in a road allowance, whether granted before, on or after July 1, 1978, is renewable for further terms of 15 years each, subject to this Act, and, in the case of a particular renewal, to any terms or conditions required by the Minister.

*15 Section 84(1) is amended by striking out “A lease shall not be granted under section 83” and substituting “A lease of coal rights in a road allowance shall not be issued”.*

*16 Section 85 is repealed.*

*17 Section 86 is amended*

*(a) in subsection (1) by striking out “a location subject to royalty under section 69, a report required by section 29” and substitut-*

*75(1) A person is entitled to a quarriable mineral lease if he applies for the lease and the Minister considers the granting of the lease warranted in the circumstances.*

*(2) An application for a quarriable mineral lease shall be filed in writing with an employee of the Department authorized in writing by the Minister to receive applications for quarriable mineral leases.*

*(3) When making an application for a quarriable mineral lease, the applicant shall indicate the uses intended to be made of the quarriable mineral and shall furnish any additional information the Minister requires.*

**12** Section 78 presently reads:

*78 A quarriable mineral lease grants the right to the quarriable mineral named in the lease that is the property of the Crown in the location subject to any exceptions expressed in the lease.*

**13** The heading preceding section 81 and section 81 presently read:

*Royalty*

*81(1) A quarriable mineral obtained pursuant to a quarriable mineral lease is subject to the payment to the Crown in right of Alberta of the royalty on the mineral that is from time to time prescribed by the Lieutenant Governor in Council.*

*(2) The royalty may be collected in the manner prescribed by the Minister.*

**14** Section 83 presently reads:

*83(1) Coal rights in road allowances may be leased by the Minister in accordance with this Part.*

*(2) The annual rental under a lease granted pursuant to this section shall be \$50 payable yearly in advance.*

*(3) The term of a lease granted pursuant to this section on or after July 1, 1978 shall not exceed 15 years.*

*(4) A lease, whether granted before, on or after July 1, 1978, is renewable for further terms of 15 years each subject to the provisions of this Act and the regulations and, in the case of any particular renewal, to any terms or conditions prescribed by order of the Minister.*

**15** Section 84(1) presently reads:

*84(1) A lease shall not be granted under section 83 unless the applicant satisfies the Minister that he has obtained a licence under the Coal Conservation Act authorizing him to conduct mining operations in the proposed location.*

**16** Section 85 presently reads:

*85 A lease shall be in any form determined by the Minister and may include any terms and conditions the Minister prescribes.*

**17** Section 86 presently reads:

*86(1) When coal rights in a road allowance are held under lease and adjoin a location subject to royalty under section 69, a report required by*

*ing “the location of a coal lease to which Part 2 applies, a report required by the regulations”; and*

*(b) in subsection (2) by striking out “a location subject to royalty as prescribed by section 69” and substituting “the location of a coal lease to which Part 2 applies”.*

*18 Section 89 is amended*

*(a) in subsection (1) by striking out “a lease of a road allowance” and substituting “a lease of mineral rights in a road allowance”;*

*(b) in subsection (2)*

*(i) by striking out “Director of Mines of the Department” and substituting “Minister”;*

*(ii) by striking out “Director of Mines” and substituting “Minister”.*

*19 Section 90(g) is repealed.*

*20 Section 91(1) is repealed and the following is substituted:*

**91(1)** This Part applies to petroleum rights and natural gas rights that are the property of the Crown in right of Alberta.

*21 Section 92, the heading preceding section 93 and section 93 are repealed and the following is substituted:*

**Petroleum and Natural Gas Leases Rental**

*section 29 in respect of the amounts of coal obtained during any month from the road allowance and dispositions and sales during any month of coal obtained from the road allowance may be included in the report for the same month for that adjoining location.*

*(2) When coal rights in a road allowance are held under lease but do not adjoin a location subject to royalty as prescribed by section 69,*

*(a) the lessee shall, at least every 12 months, have a mine surveyor survey the workings of the mine in so far as they relate to the area included in the road allowance, and*

*(b) within 30 days thereafter the lessee or his agent authorized in writing shall supply to the Department, on forms prescribed by the Minister, a report accounting for the full quantity of coal mined during that period.*

**18** Section 89 presently reads:

*89(1) Without compensation of any nature whatsoever a lessee shall, at all times during the term of a lease of a road allowance and any renewal thereof, perform, observe and comply with the orders or directions of the Minister of Transportation or a person he appoints and, without restricting the generality of the foregoing, those orders or directions may require the construction and maintenance of a temporary road and any reconstruction and surfacing of the road allowance that the Minister of Transportation considers necessary.*

*(2) Without compensation of any nature whatsoever the lessee shall, at all times during the term of a lease of a road allowance and any renewal thereof, perform, observe and comply with the orders and directions of the Director of Mines of the Department affecting underground operations and, without restricting the generality of the foregoing, those orders or directions may require any measures that the Director of Mines considers necessary to prevent any subsidence.*

**19** Section 90(g) presently reads:

*90 In this Part,*

*(g) "unit operation" means an operation authorized by*

*(i) an agreement entered into under Part 9, or*

*(ii) an order made under Part 12 of the Oil and Gas Conservation Act, or*

*(iii) an order made under the Turner Valley Unit Operations Act.*

**20** Section 91(1) presently reads:

*91(1) Petroleum rights and natural gas rights that are the property of the Crown may be disposed of by the Minister in accordance with this Part.*

**21** Section 92, the heading preceding section 93 and section 93 presently read:

*92 A lease shall be in a form determined by the Minister and may include*

*(a) a condition providing that the natural gas produced shall be used within Alberta, and*

22 *Section 97 is amended*

- (a) *by renumbering the section as section 97(1),*
- (b) *by striking out “subject to any exceptions expressed in the lease” and substituting “in accordance with the terms and conditions of the lease”, and*
- (c) *by adding the following after subsection (1):*
  - (2) Notwithstanding subsection (1), a petroleum and natural gas lease may except from the rights granted
    - (a) the petroleum rights in all or part of the location or in 1 or more zones in all or part of the location, or
    - (b) the natural gas rights in all or part of the location or in 1 or more zones in all or part of the location.

23 *The heading preceding section 106 and sections 106 to 108 are repealed and the following is substituted:*

**Natural Gas Leases**

**108** Sections 109 to 111 apply only to leases of natural gas rights that are the property of the Crown in right of Alberta issued

- (a) out of a natural gas licence or Crown reserve natural gas licence,
- (b) as the first or a subsequent renewal of a lease issued pursuant to an order of the Lieutenant Governor in Council made before June 1, 1962, or
- (c) pursuant to an order of the Lieutenant Governor in Council made before July 1, 1976.



- (b) *any other terms and conditions the Minister prescribes.*

*Petroleum and Natural Gas Leases  
Acquisition of Leases*

93(1) *A person is entitled to a petroleum and natural gas lease when*

- (a) his offer for the lease is accepted by the Minister at a sale by public tender of the lease,*
- (b) he is the holder of a licence or reservation of petroleum and natural gas rights and applies for a lease therefrom in accordance with the regulations, or*
- (c) he applies for the lease and the Minister considers the granting of the lease warranted in the circumstances.*

*(2) The sale of a lease by public tender shall be conducted in the manner prescribed by the Minister.*

*(3) Notwithstanding anything in subsection (1)(b), an application for a lease out of a licence or reservation is subject to review by the Minister who may confirm or refuse the application.*

22 Section 97 presently reads:

*97 A petroleum and natural gas lease grants the right to the petroleum and natural gas that are the property of the Crown in the location subject to any exceptions expressed in the lease.*

23 The heading and sections 106 to 108 presently read:

*Petroleum and Natural Gas Licences*

*106(1) The Lieutenant Governor in Council may make regulations governing licences of petroleum and natural gas rights that are the property of the Crown.*

*(2) Regulations under subsection (1) may*

- (a) prescribe the manner in which or the conditions on which licences may be disposed of by the Minister;*
- (b) prescribe the rights and duties of applicants for or holders of licences;*
- (c) provide for any matter relating to licences including the term thereof, renewals or extensions of the term and the size of locations;*
- (d) prescribe the manner in which locations for petroleum and natural gas leases may be selected.*

*24 Section 109 is amended by striking out “natural gas licence or”.*

*25 Section 113 is repealed and the following is substituted:*

**113** Any provision contained in a lease of petroleum and natural gas rights, natural gas rights or petroleum rights granted by the Minister before December 14, 1973 and stating

(a) that the maximum royalty on the petroleum during the first term of the lease shall not exceed  $\frac{1}{6}$  of the gross recovery from the land described in the lease,

#### *Petroleum and Natural Gas Reservations*

*107(1) The Lieutenant Governor in Council may make regulations governing reservations of petroleum and natural gas rights that are the property of the Crown in all of Alberta, other than Block A.*

*(2) Regulations under subsection (1) may*

- (a) prescribe the rights and duties of holders of reservations;*
- (b) provide for any matter relating to reservations including the term thereof, renewals or extensions of the term and the size of locations;*
- (c) prescribe the manner in which locations for leases may be selected.*

*(3) No reservation of petroleum and natural gas rights shall be issued after June 30, 1976.*

*(4) In this section "Block A" means that part of Alberta in townships 1 to 64 inclusive, west of the 4th meridian.*

#### *Natural Gas Licences and Leases*

*108(1) The Lieutenant Governor in Council may make regulations governing licences of natural gas rights that are the property of the Crown.*

*(2) Regulations under subsection (1) may*

- (a) prescribe the manner in which or the conditions on which natural gas licences may be disposed of by the Minister;*
- (b) prescribe the rights and duties of applicants for or holders of natural gas licences;*
- (c) provide for any matter relating to natural gas licences including the term thereof, renewals or extensions of the term and the size of locations;*
- (d) prescribe the manner in which locations for leases may be selected.*

**24** Section 109 presently reads:

*109 In a natural gas licence or natural gas lease, "natural gas", for purposes other than those dealing with the computation, levy and collection of royalties,*

- (a) means the production from any well that, in the opinion of the Energy Resources Conservation Board, initially produces gas either alone or with oil at a gas-oil ratio of 1800 to 1 or higher, but*
- (b) does not include any production that may be obtained from any well that, in the opinion of the Board, initially produces gas with oil at a lower gas-oil ratio.*

**25** Section 113 presently reads:

*113(1) The petroleum and natural gas obtained pursuant to any agreement acquired under this Part is subject to the payment to the Crown of the royalty thereon that is from time to time prescribed by the Lieutenant Governor in Council.*

*(2) The royalty may be collected in a manner prescribed by the Minister.*

(b) that the maximum royalty payable on the petroleum and natural gas during the initial 10-year term of the lease shall not exceed  $\frac{1}{6}$  of the production obtained from the location,

(c) that the maximum royalty payable on natural gas during the first term of the lease shall not exceed  $\frac{1}{6}$  of the production obtained from the location, or

(d) that the maximum royalty on petroleum during the first term of the lease shall not exceed  $\frac{1}{6}$  of the production obtained from the location,

is void, and any provision to a like effect contained in such a lease is void.

26 *Sections 114 and 115 are repealed.*

27 *Section 119(5) is repealed and the following is substituted:*

(5) In this section and sections 120 and 120.1, "pentanes plus" means pentanes plus as defined in the regulations.

28 *The following is added after section 120:*

**120.1(1)** The Minister may, by a notice to a lessee of an agreement to which section 119 or 120 applies, direct that the natural gas recovered pursuant to the agreement, or the natural gas liq-

*(3) The Minister may specify the deductions for costs, charges and expenses incurred in gathering, compressing or processing natural gas that are allowed in the computation of the royalty on the natural gas and on any substance obtained from or by processing the natural gas.*

*(4) Any provision contained in a lease of petroleum and natural gas rights, natural gas rights or petroleum rights granted by the Minister before December 14, 1973 and stating*

*(a) that the maximum royalty on the petroleum during the first term of the lease shall not exceed 1/6 of the gross recovery from the lands described in the lease,*

*(b) that the maximum royalty payable on the petroleum and natural gas during the initial 10-year term of the lease shall not exceed 1/6 of the production obtained from the location,*

*(c) that the maximum royalty payable on natural gas during the first term of the lease shall not exceed 1/6 of the production obtained from the location, or*

*(d) that the maximum royalty on petroleum during the first term of the lease shall not exceed 1/6 of the production obtained from the location,*

*and any provision to a like effect contained in such a lease, is void.*

**26** Sections 114 and 115 presently read:

*114 When the whole or part of a location forms a part only of a spacing unit for a well, the royalty to be paid to the Crown shall be*

*(a) in the proportion that the area of the part of the spacing unit contained in the location bears to the whole area of the spacing unit, or*

*(b) where an order under section 72 or 73 of the Oil and Gas Conservation Act is in effect with respect to the spacing unit, in the proportion that the share of production allocated to the part of the spacing unit contained in the location bears to the whole of the production from the spacing unit,*

*and if the well is not on the location, it shall be deemed to be on the location.*

*115 When Crown petroleum or natural gas is subject to a unit operation, the area of the unit shall be deemed to be a location for the purpose of determining the rate of royalty applicable to the portion of the production allocated to any tract contained in an agreement.*

**27** Section 119(5) presently reads:

*(5) In this section and section 117, "pentanes plus" means pentanes plus as defined in the Oil and Gas Conservation Act and condensate as defined by that Act, but does not include petroleum.*

**28** Separation of pentanes plus.

uids obtained from that natural gas, be processed for the purpose of extracting pentanes plus as a separate product.

(2) A notice under subsection (1)

(a) shall specify a date on which it is to come into effect that shall not be earlier than 3 months from the date on which the notice is given, and

(b) may be terminated by the Minister at any time by the giving of a further notice to the lessee.

(3) If a notice is given to a lessee under subsection (1), the lessee shall not do any act inconsistent with his obligation to deliver the pentanes plus to the Alberta Petroleum Marketing Commission under section 119 or 120, as the case may be.

(4) If a notice is given to a lessee under subsection (1), this section applies to the agreement notwithstanding any contract or arrangement made before or after the giving of the notice and relating to the disposal of the natural gas recovered from the location or any natural gas liquids obtained from that natural gas, and no party to that contract or arrangement has a cause of action against any other party to it by reason of the effect of the operation of the notice on the contract or arrangement.

29 *Section 121 is repealed and the following is substituted:*

**121** This Part applies to oil sands rights that are the property of the Crown in right of Alberta.

30 *Section 123 is repealed.*

31 *Section 125 is repealed and the following is substituted:*

**125** Any provision contained in

(a) a lease of oil sands rights granted before August 31, 1956 and providing that the royalty on each of the products derived from oil sands shall not exceed 1/10 of the products, or

**29** Section 121 presently reads:

*121 In this Part,*

*(a) "bituminous sands" means the oil sands being within townships 84 to 104 inclusive in ranges 4 to 18 inclusive, west of the 4th meridian and occurring in the McMurray formation;*

*(b) "McMurray formation" means the stratigraphic formation lying above the upper Devonian carbonate sediments and below the Clearwater formation;*

*(c) "oil sands rights" means*

*(i) the right to mine, quarry, work, remove, treat or process oil sands that occur in a zone designated by the Energy Resources Conservation Board, including the right to recover any products therefrom whether above or below the surface, and*

*(ii) the right to dispose of the oil sands and any products recovered therefrom.*

**30** Section 123 presently reads:

*123 The Lieutenant Governor in Council may make regulations governing leases, licences or permits of oil sands rights.*

**31** Section 125 presently reads:

*125(1) Each lease of oil sands rights, whether granted before, on or after July 1, 1978, is subject to the payment to the Crown of the royalty that is from time to time prescribed by the Lieutenant Governor in Council*

*(a) on each of the products derived from oil sands, and*

(b) a lease of oil sands rights granted after August 31, 1956 and providing that the royalty on each of the products derived from oil sands shall not exceed 1/6 of the products,

is void, and any provision to a like effect contained in such a lease is void.

*32 Section 126 is amended in clauses (a), (b) and (c) by striking out "Part" and substituting "Act".*

*33 Section 127 is repealed and the following is substituted:*

**127** This Part applies to metallic mineral rights that are the property of the Crown.

*34 Sections 129 to 131 are repealed.*



*(b) on oil sands sold or otherwise disposed of without processing or treatment.*

*(2) The rate or rates of royalty prescribed under subsection (1) may be of general application or with respect to any specified operation or operations.*

*(3) Any provision contained in*

*(a) a lease of oil sands rights granted before August 31, 1956 and providing that the royalty on each of the products derived from oil sands shall not exceed 1/10 of the products, or*

*(b) a lease of oil sands rights granted after August 31, 1956 and providing that the royalty on each of the products derived from oil sands shall not exceed 1/6 of the products,*

*and any provision to a like effect contained in such a lease, is void.*

*(4) In this section "products" includes any products recovered from hydrocarbons obtained from oil sands.*

**32** Section 126 presently reads:

*126 In this Part,*

*(a) "lease" means a metallic mineral lease issued under this Part;*

*(b) "metallic mineral" means a mineral prescribed as a metallic mineral in the regulations for the purposes of this Part;*

*(c) "permit" means a metallic mineral exploration permit issued under this Part;*

*(d) "permittee" means the holder of a permit.*

**33** Section 127 presently reads:

*127 A permit or lease shall be in the form determined by the Minister and may include any terms or conditions prescribed by him.*

**34** Sections 129 to 131 presently read:

*129 A lessee or permittee may surrender all of the location described in his permit or lease, and may, with the consent of the Minister, surrender a part of that location.*

*130(1) A permit entitles the permittee to search for, mine, quarry, work and remove metallic minerals that are the property of the Crown in right of Alberta in the location for the purposes and in accordance with the regulations and the terms and conditions prescribed in the permit.*

*(2) A lease grants the right to metallic minerals that are the property of the Crown in right of Alberta in the location in accordance with the terms and conditions prescribed in the lease.*

*Royalty*

*131(1) A metallic mineral obtained pursuant to a permit or lease is subject to the payment to the Crown in right of Alberta of the royalty on the metallic mineral that is from time to time prescribed by the Lieutenant Governor in Council.*

35 *Section 132 is repealed and the following is substituted:*

**132** The Lieutenant Governor in Council may make regulations

(a) authorizing the Minister to give a notice to a lessee requiring work to be done by the lessee on the location of a lease including, without limiting the generality of the foregoing, notice to do either or both of the following:

(i) commence or resume mining operations on the location within a specified period;

(ii) mine from the location a specified amount of the metallic mineral within a specified period;

(b) prescribing minerals, other than

(i) gold, silver and precious stones that are recoverable from

(A) sand and gravel that belong to the owner of the surface of land under section 54 of the *Law of Property Act*, or

(B) clay and marl that belong to the owner of the surface of land under section 53 of the *Law of Property Act*,

(ii) coal, petroleum, natural gas and oil sands, and

(iii) quarriable minerals to which Part 3 applies,

as metallic minerals for the purposes of this Act;

(c) respecting the granting of a permit in substitution for a certificate of record or quartz mineral exploration permit;

(d) respecting the granting of a metallic mineral lease in substitution for a quartz mineral lease.

*(2) The Minister may prescribe the manner of collection of the royalty and the royalty shall be collected in the manner so prescribed.*

35 Section 132 presently reads:

132 *The Lieutenant Governor in Council may make regulations*

- (a) respecting applications for and the issuing of permits and leases;*
- (b) prescribing fees payable in respect of applications for, or for the issuing of, permits and leases;*
- (c) respecting the furnishing of deposits or other forms of security to the Government by applicants for permits and by permittees and providing for
  - (i) the form and amounts of the deposits or other security, or the fixing of those amounts by the Minister,*
  - (ii) the circumstances under which the deposits or security become payable or forfeited,*
  - (iii) the purposes for which the deposits or security so paid or forfeited may be expended by the Government,*
  - (iv) the circumstances under which the deposits or security may be returned or refunded, and*
  - (v) any other matter relating to the deposits or other security;**
- (d) respecting the rights and duties of permittees and lessees;*
- (e) providing for any matter relating to the term of permits and leases, renewals or extensions of the term, size, shape and boundaries of the locations of permits and leases and the grouping, surrender, cancellation, expiry or forfeiture of permits and leases;*
- (f) respecting the filing with or submission to the Department of reports, estimates, declarations, plans, maps or surveys by permittees and lessees and the form and the nature of the content of those reports, estimates, declarations, plans, maps or surveys;*
- (g) respecting the retention, confidentiality, disposition and publication of reports, declarations, plans, maps, surveys or other data submitted by permittees and lessees to the Department;*
- (h) prescribing the work and spending requirements to be met by permittees on the location of a permit and specifying the charges, credits or deposits required or allowed against those work and spending requirements;*
- (i) prescribing the manner in which locations for leases may be selected;*
- (j) prescribing rentals payable by lessees and deductions from or credits against those rentals;*
- (k) authorizing the Minister to give a notice to a lessee requiring work to be done by the lessee on the location of a lease including, without limiting the generality of the foregoing, notice to
  - (i) commence or resume mining operations on the location within a specified period;**

*36 The following is added after section 136:*

**136.1(1)** If, in a proceeding, a claim is made for a judgment or order of the court

(a) directing the Minister to transfer an agreement or any interest in an agreement, or

(b) vesting an agreement or any interest in an agreement in a person,

no judgment or order may be made unless 14 days' written notice of the proceeding has been given to the Minister.

(2) The notice shall give reasonable particulars of the proposed argument.

(3) The Minister is entitled to be heard, notwithstanding that the Crown is not a party to the proceeding.

(4) If the Minister appears in a proceeding referred to under subsection (1), the Minister is deemed to be a party to the proceeding for the purposes of an appeal from the adjudication in respect of the proceeding and has the same rights with respect to an appeal as any other party to the proceeding.

*37 Section 137 is repealed and the following is substituted:*

**137** If a deposit or security is deposited with or furnished to the Minister or the Provincial Treasurer under this Act, on the registration of the transfer of the agreement or of a specified undivided interest in the agreement, the transferee becomes entitled to the transferor's right to the deposit or security.

*(ii) mine from the location a specified amount of the metallic mineral within a specific period;*

*(l) prescribing minerals, other than*

*(i) gold, silver and precious stone that are recoverable from*

*(A) sand and gravel that belong to the owner of the surface of land under section 54 of the Law of Property Act, or*

*(B) clay and marl that belong to the owner of the surface of land under section 53 of the Law of Property Act,*

*(ii) coal, petroleum, natural gas and oil sands, and*

*(iii) quarriable minerals to which Part 3 applies,*

*as metallic minerals for the purposes of this Part;*

*(m) respecting the granting of a permit in substitution for a certificate of record or quartz mineral exploration permit;*

*(n) respecting the granting of a metallic mineral lease in substitution for a quartz mineral lease.*

**36** The Minister is added as a party to proceedings in court in respect of the transfer of agreements.

**37** Section 137 presently reads:

*137 When it is a condition*

*(a) of an application for an agreement that a deposit be furnished with or accompany the application, or*

*(b) of an agreement that a deposit be placed with, or security furnished to, the Minister or the Provincial Treasurer,*

38 *Section 145(b) is repealed.*

39 *Section 146 is amended*

*(a) in subsection (1) by striking out “a unit agreement” and substituting “an agreement for a unit operation”; and*

*(b) in subsection (3) by striking out all that portion of the subsection preceding clause (a) and substituting the following:*

*(3) Notwithstanding this Act or in an agreement but subject to section 37(5), a unit agreement may provide*

40 *Section 147 is repealed and the following is substituted:*

**147** Notwithstanding this Act or an agreement, the Lieutenant Governor in Council may authorize the Minister to enter into a contract respecting the royalty on the mineral produced under a unit operation in respect of any tract that is subject to a royalty to the Crown in right of Alberta.

41 *All regulations made under the Mines and Minerals Act prescribing the rate of royalty payable or deliverable to the Crown in right of Alberta on a mineral or otherwise pertaining to the Crown's royalty share of a mineral and made prior to the commencement of this section are validated, ratified and confirmed as of their respective commencement dates.*

*on the registration of a transfer of the agreement or of a specified undivided interest in the agreement, the transferee becomes entitled to the lessee's right to the deposit or security or the undivided interest in the deposit or security, as the case may be.*

Section 145(b) presently reads:

*145 In this Part,*

*(b) "unit agreement" means an agreement for a unit operation;*

Section 146 presently reads in part:

*146(1) The Minister may on behalf of the Crown enter into a unit agreement.*

*(3) Notwithstanding the other provisions of this Act or the provisions and terms of any regulation or agreement made or entered into pursuant to this Act, the former Act or The Provincial Lands Act, the unit agreement may provide*

*(a) for the designation of a person to conduct the unit operation,*

*(b) for participation in the development of the mineral,*

*(c) for compensation for interests adversely affected,*

*(d) that any provision or condition of an agreement, whether statutory or otherwise, will be nullified, changed or varied to the extent necessary to give effect to the unit agreement,*

*(e) that so long as operations are conducted in accordance with the unit agreement the operational requirements with respect to each location in so far as they relate to the location or part thereof within the unit operation will be deemed to have been met,*

*(f) that the product allocated by the unit agreement to a tract will be deemed to have been produced from the tract,*

*(g) that production of a mineral in accordance with the unit agreement will be deemed to be production in commercial quantity from any tract covered by the agreement when that production is necessary to entitle the lessee of an agreement to an extension or renewal of his agreement, and*

*(h) for any other matters the Minister considers necessary or advisable.*

Section 147 presently reads:

*147 Notwithstanding anything in this Act or any regulation, agreement or certificate of record, the Lieutenant Governor in Council may authorize the Minister to enter into an agreement for calculation of the royalty payable on the mineral produced under a unit operation in respect of any tract that is subject to the payment of a royalty to the Crown.*

*Confirms regulations made with respect to royalty or a mineral before coming into force of this section of the Bill.*

*42 The Occupational Health and Safety Amendment Act, RSA 1980 c15 (Supp.) is amended by repealing section 27.*

*43 The Oil and Gas Conservation Amendment Act, RSA 1980 c16 (Supp.) is amended by adding the following after section 4:*

*4.1 The Mines and Minerals Act is amended by repealing section 1(1)(v.3) and substituting the following:*

*(v.3) “unit operation order” means*

*(i) an order under section 76.1 of the Oil and Gas Conservation Act, or*

*(ii) an order under the Turner Valley Unit Operations Act.*

*44 The Turner Valley Unit Operations Act is amended by repealing section 15.*

*45 This Act comes into force on Proclamation.*



Consequential amendments to RSA 1980 c.15(Supp.).

RSA 1980, c. 16 (Supp.) contains unproclaimed amendments to the Oil Gas Conservation Act dealing with compulsory unitization orders. In the event that those amendments are proclaimed in force, the definition of “unitization order” in the Mines and Minerals Act must be changed to reflect the change resulting from the proclamation.

Consequential amendment to RSA 1980 cT-12 because of the repeal of section 115 of the Mines and Minerals Act and the proposed section 37(5) in section 6 of this Bill.