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## **GAS RESOURCES PRESERVATION ACT**

### Chapter G-4

#### *Table of Contents*

1	Interpretation
2	Application for permit
3	Information
4	Permit on approval of Lieutenant Governor in Council
5	Terms and conditions of permit
6	Permit on Minister's approval
7	Amendment by Board
8	Limitations on granting of permit
9	Emergency
10	Assignment of permit
11	Suspension of permit
12	Measurement of gas or propane
13	Regulations
14	Reconsideration of permit
15	Confidentiality
16	Powers and jurisdiction
17	Costs
18	Offence
19	Penalty
20	Order re contravention
21	Order to cease transporting
22	Order re exclusion from Act

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

### **Interpretation**

**1(1)** In this Act,

- (a) “Board” means the Energy Resources Conservation Board;
- (b) “condensate” means a mixture mainly of pentanes and heavier hydrocarbons, which may be contaminated with sulphur compounds, that is recovered or is recoverable at a well from an underground reservoir and that is gaseous in its virgin reservoir state but is liquid at the conditions under which its volume is measured or estimated;
- (c) “crude oil” means a mixture mainly of pentanes and heavier hydrocarbons, which may be contaminated with sulphur compounds, that is recovered or is recoverable at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated, and includes all other hydrocarbon mixtures so recovered or recoverable except raw gas or condensate;
- (d) “ethane” means, in addition to its normal scientific meaning, a mixture mainly of ethane, which may ordinarily contain some methane or propane;
- (e) “gas” means raw gas or marketable gas or any constituent of raw gas, condensate or crude oil that is recovered in processing and that is gaseous at the conditions under which its volume is measured or estimated;
- (f) “marketable gas” means a mixture mainly of methane originating from raw gas, if necessary through the processing of the raw gas for the removal or partial removal of some constituents, that meets specifications for use as a domestic, commercial or industrial fuel or as an industrial raw material;
- (g) “methane” means, in addition to its normal scientific meaning, a mixture mainly of methane, which may ordinarily contain some ethane, nitrogen, helium or carbon dioxide;

- (h) “Minister” means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act;
- (i) “oil” means condensate or crude oil, or a constituent of raw gas, condensate or crude oil that is recovered in processing and that is liquid at the conditions under which its volume is measured or estimated;
- (j) “permit” means
  - (i) a permit granted pursuant to this Act, or
  - (ii) a permit granted under *The Gas Resources Preservation Act, 1956, SA 1956 c19, The Gas Resources Preservation Act, RSA 1970 c157, and the Gas Resources Preservation Act, RSA 1980 cG-3*;
- (k) “pool” means a natural underground reservoir containing or appearing to contain an accumulation of oil or gas, or both, separated or appearing to be separated from any other such accumulation;
- (l) “propane” means, in addition to its normal scientific meaning, a mixture mainly of propane, which may ordinarily contain some ethane or butanes;
- (m) “raw gas” means a mixture containing methane, other paraffinic hydrocarbons, nitrogen, carbon dioxide, hydrogen sulphide, helium and minor impurities, or some of them, that is recovered or is recoverable at a well from an underground reservoir and that is gaseous at the conditions under which its volume is measured or estimated.

(2) Any methane, ethane or mixture containing a substantial amount of methane or ethane that is removed from Alberta, regardless of the conditions under which it is removed from Alberta, is to be considered to be gas for the purposes of this Act.

#### **Application for permit**

##### **2(1) When a person**

- (a) produces or has the right to produce gas or propane in Alberta,

- (b) appears to the Board, on evidence that the Board in its sole discretion considers sufficient, to have made an arrangement
  - (i) to purchase or otherwise acquire property in gas or propane in Alberta, or
  - (ii) giving the person the exclusive right to dispose of that gas or propane,

or

- (c) appears to the Board, on evidence that the Board in its sole discretion considers sufficient, to have made an arrangement with the owner of gas or propane produced in Alberta to transport that gas or propane to a place outside Alberta,

and proposes to remove gas or propane, or cause it to be removed, from Alberta, that person may apply to the Board for a permit authorizing the removal from Alberta of gas or propane, of which the gas or propane referred to in clause (a), (b) or (c) will be, in the opinion of the Board, the substantial part.

(2) With the approval of the Lieutenant Governor in Council, the Board may authorize a person not qualified to make an application under subsection (1) to apply to the Board for a permit authorizing the removal of gas or propane from Alberta on any terms and conditions that seem proper to the Board.

#### **Information**

**3** Any person who applies to the Board for a permit shall supply to the Board the information that the Board may prescribe or require.

1984 cG-3.1 s3

#### **Permit on approval of Lieutenant Governor in Council**

**4** The Board may, with the approval of the Lieutenant Governor in Council, grant or amend a permit subject to the terms and conditions that the Board prescribes.

1984 cG-3.1 s5;1986 c17 s3

**Terms and conditions of permit**

**5** Without limiting the generality of section 4, the terms and conditions prescribed by the Board may include all or any of the following:

- (a) the point at which the permittee may remove gas or propane from Alberta;
- (b) the maximum annual quantities of gas or propane that may be removed from Alberta during the interval or intervals set out in the permit;
- (c) the maximum daily quantities of gas or propane that may be removed from Alberta;
- (d) the conditions under which the removal of gas or propane by the permittee may be diverted, reduced or interrupted;
- (e) the period for which the permit is operative.

1984 cG-3.1 s6;1986 c17 s3;1996 c16 s1

**Permit on Minister's approval**

**6(1)** Notwithstanding section 4, the Board may, without the approval of the Lieutenant Governor in Council but with the approval of the Minister,

- (a) grant a permit authorizing the removal of not more than 3 billion cubic metres of gas or 160 000 cubic metres of propane if the permit term does not exceed 2 years, or
- (b) amend a permit referred to in clause (a) if the permit as amended would not authorize the total removal of more than 3 billion cubic metres of gas or 160 000 cubic metres of propane and would not have a term exceeding 2 years.

**(2)** Subsection (1) does not apply to an amendment referred to in section 10.

**(3)** The Minister may authorize an employee of the Minister's Department to exercise the powers conferred on the Minister under subsection (1).

**(4)** Notwithstanding subsection (1), the Minister may by regulation direct that the Minister's approval is not required in respect of

- (a) all applications, or

- (b) a specified application or class of application

for a permit or an amendment of a permit under this section.

1984 cG-3.1 s10;1986 c17 s3

#### **Amendment by Board**

**7** Notwithstanding anything in this Act, the Board may, without the approval of the Lieutenant Governor in Council or the Minister, amend a permit if the amendment

- (a) is of an administrative nature,
- (b) changes the daily quantity but not the annual quantity of gas or propane to be removed under the permit, or
- (c) changes a removal point in the permit to one that is not more than 10 kilometres from the removal point being changed.

1984 cG-3.1 s10;1986 c17 s3

#### **Limitations on granting of permit**

**8** The Board shall not grant a permit unless in its opinion it is in the public interest of Alberta to do so having regard to

- (a) the present and future needs of persons in Alberta,
- (b) the established reserves and the trends in growth and discovery of reserves of gas or propane in Alberta, and
- (c) any other matters considered relevant by the Board.

1984 cG-3.1 s5;1986 c17 s3

#### **Emergency**

**9(1)** In this section, “core consumer” means a core consumer as defined in the regulations.

**(2)** Notwithstanding any permit or any enactment, if, in the opinion of the Board, an emergency jeopardizes an adequate supply of gas or propane to consumers in Alberta, the Board may, with the approval of the Lieutenant Governor in Council, as long as the emergency, in the Board’s opinion, continues, and for the purpose of meeting the emergency, require the diversion of any gas or propane intended for use outside Alberta to any other uses the Board directs.

(3) If the Board is of the opinion that an emergency described in subsection (2) poses a threat to life or property of core consumers in Alberta, the Board may require the diversion of gas under subsection (2) without the approval of the Lieutenant Governor in Council.

(4) If the Board requires the diversion of gas pursuant to this section and the person whose gas was diverted cannot agree on the price to be paid for the gas with the person to whom the gas was diverted, the Board may, on the application of either person, fix the price to be paid for the gas.

1984 cG-3.1 s7;1986 c17 s3;1996 c16 s1

#### **Assignment of permit**

**10(1)** A permittee or a proposed assignee of a permit may apply to the Board for an amendment of a permit to show the proposed assignee as the permittee.

(2) An assignment of a permit has no effect until the Board makes the amendment referred to in subsection (1).

(3) The assignee of a permit that has been amended in accordance with this section is subject to the duties, obligations and liabilities of the original permittee and any further duties, obligations and liabilities that may be imposed, and the assignor is relieved of the duties, obligations and liabilities under the permit.

1984 cG-3.1 s8;1986 c17 s3;1995 c13 s1

#### **Suspension of permit**

**11(1)** If it appears to the Board that there has been or is a contravention of

- (a) any term or condition of a permit,
- (b) any term or condition of an approval of the Lieutenant Governor in Council or the Minister given under this Act, or
- (c) this Act or the regulations,

the Board may by order suspend the permit.

(2) If a permit is suspended pursuant to subsection (1), the permittee may request an inquiry and, if the permittee does so, the

Board shall commence the holding of an inquiry within 5 clear days, exclusive of holidays, after the date of receipt of the request.

(3) After the conclusion of an inquiry under subsection (2) or the abandonment of the inquiry by the permittee who requested it, or after the expiration of the 30-day period following the effective date of the suspension order under subsection (1) without an inquiry having been requested, the Board may

- (a) reinstate the permit subject to any conditions the Board directs,
- (b) order the continued suspension of the permit for a specified period or until the Board reinstates the permit,
- (c) amend the permit to do any or all of the following:
  - (i) reduce the maximum annual quantities of gas or propane that may be removed from Alberta under the permit;
  - (ii) reduce the period for which the permit is operative;
  - (iii) change any other term or condition in the permit or add any new term or condition to the permit,

or

- (d) cancel the permit.

(4) The amendment or cancellation of a permit pursuant to subsection (3) is subject to the approval of

- (a) the Minister, if the permit, as it stood immediately before the approval, authorized the removal of not more than 3 billion cubic metres of gas or 160 000 cubic metres of propane during the term of the permit and had a term not exceeding 2 years, or
- (b) the Lieutenant Governor in Council, in any other case.

1984 cG-3.1 s11;1986 c17 s3;1988 c21 s2

#### **Measurement of gas or propane**

**12** For the purpose of this Act and of any permit, the methods to be used for the measurement of gas or propane produced, purchased or otherwise acquired by a permittee or removed from

Alberta and the standard conditions to which those measurements are to be converted shall be the methods and conditions prescribed by the *Oil and Gas Conservation Act* and the regulations under it, unless other methods and conditions are prescribed by the terms and conditions of the permit.

1984 cG-3.1 s12

### Regulations

**13(1)** The Lieutenant Governor in Council may

- (a) by regulation vest in the Board any authority and powers considered necessary or advisable for the purpose of enabling the Board to conduct and perform its duties,
- (b) by regulation define “core consumer” for the purposes of section 9,
- (c) make regulations respecting the terms or conditions to which permits or any class of permits are subject,
- (d) make regulations respecting the confidentiality of records, returns and other information furnished under this Act and the communication of and access to those records and returns and that information, and
- (e) make any regulations considered necessary or advisable for carrying out this Act and facilitating its efficient administration.

**(2)** A regulation made under this section may be made applicable to permits granted before or after the regulation comes into force.

**(3)** An approval of the Lieutenant Governor in Council or the Minister under this Act may be made subject to any terms or conditions that the Lieutenant Governor in Council or the Minister respectively prescribes.

**(4)** If a provision of a regulation made under subsection (1) is in conflict with or is inconsistent with a term or condition in an approval given by the Lieutenant Governor in Council or the Minister under this Act, the provision of the regulation prevails.

1984 cG-3.1 s13;1986 c17 s4;1987 c23 s2;1988 c21 s3;1996 c16 s1

**Reconsideration of permit**

**14** If the Lieutenant Governor in Council, by order, directs the Board to reconsider a permit or an application for a permit, generally or in respect of matters specified in the order, the Board shall so reconsider and may, with the approval of the Lieutenant Governor in Council, grant, amend or cancel the permit if it considers it in the public interest to do so.

1986 c17 s5

**Confidentiality**

**15(1)** Except as provided in the regulations, a person who is or was employed or engaged in the administration of this Act shall not

- (a) communicate or allow to be communicated to any person any record, return or other information furnished under this Act unless that person is legally entitled to that record, return or other information, or
- (b) allow any person to have access to any record, return or other information furnished under this Act unless that person is legally entitled to have access to it.

**(2)** This section does not apply in relation to any record, return or other information furnished to the Board, or adduced in evidence at a hearing before the Board, in connection with any application to the Board under this Act.

**(3)** A person who knowingly receives any record, return or other information communicated to the person under subsection (1) holds the record, return or other information subject to the same restrictions under subsection (1) that apply to the person from whom the record, return or other information was received.

**(4)** Notwithstanding any other Act or law, no person who is or was employed or engaged in the administration of this Act may be required, other than in proceedings relating to the administration or enforcement of this Act, to give evidence relating to any record, return or other information furnished under this Act or to produce anything containing that record, return or other information.

1988 c21 s4

**Powers and jurisdiction**

**16** In performing the duties imposed on it by this Act, the Board has and may exercise all the powers granted to it by the *Energy*

*Resources Conservation Act* to enable it to perform the duties imposed on it by that Act.

1984 cG-3.1 s14;1988 c21 s5

### **Costs**

**17** The Board, in its discretion, may direct, as between the applicant and an intervener and any other parties with a declared interest in an application, hearing or other proceeding, by whom and to what extent the costs of the Board incidental to and in connection with an application, hearing or other proceeding before the Board are to be paid.

1984 cG-3.1 s18

### **Offence**

**18(1)** No person shall

- (a) remove from Alberta, by pipeline or other means, any gas or propane produced in Alberta and owned by the person, except under the authority of a permit not under suspension;
- (b) knowingly remove from Alberta, by pipeline or other means, any gas or propane produced in Alberta and not owned by the person, except under the authority of a permit not under suspension;
- (c) as the owner, or the agent of the owner, of any gas or propane produced in Alberta, enter into or continue any arrangement under which the gas or propane is removed from Alberta, by pipeline or other means, otherwise than under the authority of a permit not under suspension.

**(2)** No person shall contravene

- (a) a term or condition of a permit,
- (b) a term or condition of an approval of the Lieutenant Governor in Council or the Minister given under this Act,
- (c) an order or direction of the Board made under this Act,
- (d) an order of the Minister made under section 21, or
- (e) the regulations.

1984 cG-3.1 ss19,20;1988 c21 s6

**Penalty**

**19(1)** A person who contravenes this Act is guilty of an offence.

**(2)** A person who is guilty of an offence under this Act is liable to a fine of not more than

(a) \$100 000, or

(b) where the contravention occurs and continues for more than one day, \$100 000 for the first day on which the contravention occurs and \$25 000 for each day thereafter on which the contravention continues.

**(3)** Where a corporation is guilty of an offence under this Act, 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 fines provided for the offence.

**(4)** A prosecution for an offence under this Act may be commenced within 18 months from the date on which the subject-matter of the prosecution arose, and not afterwards.

1984 cG-3.1 s21;1988 c21 s6

**Order re contravention**

**20** If a person is contravening or has contravened section 18, the Court of Queen's Bench may, on application by the Minister or the Board on not less than 2 days' notice, make an order restraining that person from contravening that section or continuing to contravene that section, whether or not a conviction has been adjudged in respect of the contravention.

RSA 2000 cG-4 s20;2009 c53 s72

**Order to cease transporting**

**21(1)** In this section,

(a) "operator" means the holder of a licence for a pipeline under the *Pipeline Act*;

(b) "provincial pipeline" means a pipeline or pipeline system for the transmission of gas that is operated under the authority of a licence under the *Pipeline Act* and that delivers gas into an extra-provincial pipeline.

(2) If a person is contravening a provision of section 18 other than section 18(2)(d), the Minister may make an order directing an operator to cease transporting gas in the operator's provincial pipeline for the account of or on behalf of that person, commencing on the first day of the month following the date on which the order is served on the operator and continuing until the Minister notifies the operator in writing that the order is rescinded.

(3) The Minister shall serve on the person concerned a copy of the order made under subsection (2), and of any subsequent notice given to the operator under that subsection, as soon as possible after it is made or given.

(4) An order under subsection (2) does not operate

- (a) to frustrate or otherwise render ineffective any agreement between
  - (i) the person concerned and the operator to whom the order is given, or
  - (ii) the person concerned and any other person if the agreement relates to the transportation of gas by pipeline within Alberta,

or

- (b) to relieve the person concerned from any liability
  - (i) to the operator to whom the order is given, or
  - (ii) to a party under an agreement referred to in clause (a)(ii),

for the payment of any amount that would in any event have been payable in the absence of the order.

1988 c21 s6

#### **Order re exclusion from Act**

**22(1)** Notwithstanding anything in this Act, the Lieutenant Governor in Council, on the recommendation of the Board, may, by general regulations or special order, exclude from the application of this Act, under any conditions the Lieutenant Governor in Council prescribes, any propane that is removed or that is intended to be removed from Alberta by pipeline or other means.

- (2) A regulation or order made under this section
- (a) does not extend the term of any permit authorizing the removal of propane from Alberta
    - (i) that was issued before the effective date of, and
    - (ii) that would have been in effect during  
the period of exclusion prescribed in the regulation or order, and
  - (b) may provide that when the period of exclusion is terminated, a permit that would have authorized the removal of propane from Alberta is, on the effective date of termination of the exclusion, effective to authorize the removal of propane from Alberta during any unexpired portion of its term that remains after the termination of the period of exclusion.
- (3) A regulation or order made under this section must be published in The Alberta Gazette and comes into force on the day on which it is published unless another date is specified in the regulation or order.

RSA 2000 cG-4 s22;2009 c20 s4