

1938

(SECOND SESSION)

CHAPTER 1.

An Act for the Conservation of the Oil and Gas
Resources of the Province of Alberta.

(Assented to November 22, 1938.)

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

1. This Act may be cited as "*The Oil and Gas Resources Conservation Act*." Short title

2. In this Act unless the context requires a contrary meaning,— Definitions

- (a) "Board" means the Board constituted by this Act and appointed pursuant thereto; "Board"
- (b) "Owner" when used in connection with any well in addition to its ordinary meaning, includes the person who is entitled to dispose of any production of any petroleum from such well or property, or who would be so entitled in the absence of any contract governing the disposition of such production; "Owner"
- (c) "Petroleum" in addition to its ordinary meaning includes any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in strata, but does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation; "Petroleum"
- (d) "Well" means any made orifice in the ground made by drilling, boring or in any other manner, from which any petroleum is obtained or obtainable or which is being so made for the purpose of obtaining any petroleum. "Well"

3. The intent, purpose and object of this Act is to effect the conservation of oil resources and gas resources or both in the Province by the control or regulation of the production of oil or gas or both, whether by restriction or prohibition and whether generally or with respect to any specified area or any specified well or wells or by repressuring of any oil field, gas field or oil gas field and, incidentally thereto, providing for the compulsory purchase of any well or wells. Intent, purpose and object of Act

Application
of Act

4. This Act applies to every well as defined in this Act situate in the Province whether made before or after the coming into force of this Act from which any petroleum is obtained or is obtainable or which is being made for the purpose of obtaining or producing any petroleum.

PART I.

RELATING TO THE CONSERVATION OF OIL RESOURCES AND GAS RESOURCES.

Constitution
of Board

5. In order to effect the intent, purpose and object of this Act there is hereby constituted a Board to be called "The Petroleum and Natural Gas Conservation Board," which shall be a body politic and corporate.

Membership
of Board

6.—(1) The Board shall consist of not more than three members of whom one shall be the chairman.

First
members
thereof

(2) The first members of the Board shall be William F. Knode, Fred G. Cottle and Charles W. Dingman, of whom the first named shall be the chairman; the said William F. Knode shall hold office until the 30th day of June, 1939, and thereafter during the pleasure of the Lieutenant Governor in Council; the said Fred G. Cottle and Charles W. Dingman shall hold office until the 30th day of June, 1943, and thereafter during the pleasure of the Lieutenant Governor in Council.

Vacancies
therein

(3) In the event of any vacancy occurring in the membership of the Board the Lieutenant Governor in Council may appoint a person to fill such vacancy; and in case the office of chairman becomes vacant, the Lieutenant Governor in Council shall appoint such person or any other member of the Board as chairman thereof; and every person so appointed shall hold office for the term of five years from the date of his appointment and thereafter during the pleasure of the Lieutenant Governor in Council.

Removal of
members

(4) Notwithstanding anything contained in this section the chairman, as well as any other member of the Board, may be removed from office by the Lieutenant Governor in Council at any time upon the address of the Legislative Assembly.

Remunera-
tion of
chairman
and
members

7. The chairman and each other member of the Board shall receive such remuneration as may be fixed by the Lieutenant Governor in Council.

Prohibition
of certain
interests of
chairman
and
members

8. Neither the chairman nor any other member of the Board shall have any monetary interest of any description, directly or indirectly, in any property or in any business or undertaking carried on for the purpose of searching for, winning or getting, or for the purpose of gathering, collecting, processing, handling or distributing any petroleum in the Province.

9. The Lieutenant Governor in Council may from time to time,—

Designation of deputy chairman and appointment of *pro tempore* member

(a) designate any member of the Board as the deputy chairman thereof;

(b) in the case of death, illness or absence from the Province of Alberta of a member of the Board or of his inability to act from any cause, appoint some person to act *pro tempore* in his stead and the person so appointed shall during the period for which he is so appointed have all the powers and perform all the duties of a member of the Board.

10. The office of the Board shall be at such place as may from time to time be approved by the Lieutenant Governor in Council.

Board office

11.—(1) Meetings of the Board shall be held at the call of the chairman, or in his absence the deputy chairman, at such place or places and upon such notice as to the chairman seems proper.

Board meetings

(2) The chairman, or in his absence the deputy chairman, shall call a meeting of the Board immediately upon being requested so to do in writing by the other members of the Board.

(3) The chairman, or in his absence the deputy chairman, and one other member of the Board shall constitute a quorum at any meeting of the Board.

12.—(1) The chairman shall be the executive officer of the Board and shall sign all orders or directions issued by authority of the Board and shall have full power to act for, on behalf of, and in the name of the Board in the execution, performance and carrying out of any act, matter or thing which is within the power of the Board subject only to such express directions or decisions as may have been given or made by a resolution of the Board passed at a regularly held meeting thereof.

The chairman the executive officer of the Board

(2) At any time during which the office of chairman is vacant, or the chairman is absent from the Province, or is incapacitated for any reason from executing his functions as chairman, the deputy chairman shall have and exercise all the powers, duties and functions which are by this Act conferred upon the chairman.

Powers, duties and functions of the deputy chairman

(3) Any order or direction or other document purporting to be issued by authority of the Board shall when signed by the chairman or deputy chairman be admitted as evidence of the contents thereof without any proof of the signature of the chairman or deputy chairman, as the case may be, or of the authority of the chairman or deputy chairman, as the case may be, to sign the same.

Evidential value of certain documents when signed by the chairman or deputy chairman

13. The Board is hereby authorized and empowered to perform, execute and carry out all the duties, powers and

General powers of Board

functions imposed or conferred upon the Board by this Act, and for that purpose to do all and any acts and things which are necessary for or incidental to the performance, execution or carrying out of any such duty, power or function.

Minutes of meetings and accounts and records of financial business

14.—(1) The Board shall keep at its office,—

- (a) full and complete minutes of all business transacted at its meetings;
- (b) full and complete accounts and records of all the financial business of the Board.

(2) All such minutes, accounts and records shall be deemed to be of so public a nature as to be admissible in evidence by the mere production thereof by the Board or by any employee thereof authorized by the Board to produce the same.

Power of Board to appoint officers, obtain services of professional persons and to make enquiries

15. The Board is hereby authorized and empowered,—

- (a) to appoint such officers, servants and employees as the Board deems necessary for the transaction of its business and to prescribe their duties, conditions of employment and remuneration;
- (b) to obtain the services of such engineers, accountants and other professional persons as the Board deems necessary for the proper and convenient transaction of its business;
- (c) to make from time to time such enquiries and investigations into all or any of the following matters, namely; the production, transportation and distribution of petroleum or any classification thereof in the Province at such places and at such times and in such manner as may seem advisable to the Board.

Power to control and regulate the production of petroleum

16.—(1) In order to effect the intent, purpose and object of this Act, the Board is hereby authorized and empowered with the approval of the Lieutenant Governor in Council to control and regulate the production of petroleum either by restriction or prohibition or both, or to repressure any oil field, gas field or oil gas field and, incidentally thereto, to provide for the compulsory purchase of any well or wells, and for such purposes to make such orders and regulations as the Board deems requisite.

Revocation of orders or regulations by Order in Council

(2) The Lieutenant Governor in Council may revoke any order or regulation made pursuant to this section.

Compensation schemes

17.—(1) Within six months after the date upon which this Act comes into force, and at any other time upon the direction of the Lieutenant Governor in Council, the Board shall proceed to prepare a scheme or schemes for the provision of compensation for persons who are injured by reason of any conservation orders made pursuant to this Act, and submit every such scheme to the Lieutenant Governor in Council.

(2) The Lieutenant Governor in Council may approve any scheme so prepared, and upon such scheme being so approved may establish the same and thereupon the scheme so established shall have the same force and effect as if it had been enacted as a part of this Act.

Approval of scheme and establishment thereof

(3) The Lieutenant Governor in Council may from time to time vary, amend and revoke any scheme previously approved.

Revocation of scheme

(4) The Lieutenant Governor in Council may confer upon and vest in the Board any power which may be considered necessary or advisable to enable the Board to carry out the provisions of any such scheme.

Powers conferable on Board

(5) Any scheme may be general in its application, or may be restricted to such wells or classifications of wells in such part or parts of the Province as may be designated thereby.

Schemes general or restricted in application

(6) In any scheme provision may be made for all or any of the following matters:

Provisions of scheme as to certain matters

- (a) The circumstances and conditions under which any person is entitled to receive compensation under the scheme;
- (b) The matters in respect of which any compensation is payable and the method in which the amount of any such compensation shall be ascertained;
- (c) The conditions subject to which any compensation is to be paid to any person;
- (d) The manner in which compensation is to be payable;
- (e) The persons by whom any such compensation shall be payable;
- (f) The apportionment between all the persons by whom compensation is payable, of the amount thereof payable by each such person;
- (g) Such other matters or things as may be necessary for the purpose of carrying out the scheme.

(7) For the purpose of raising any money required for the payment of compensation under any scheme, the Board shall levy the amount thereof by means of a uniform rate on the dollar upon the assessed value of all the petroleum property of the persons who are liable under the scheme for the payment of such compensation, and all the provisions of Part III of this Act relating to the levying and collection of any tax imposed pursuant thereto shall, *mutatis mutandis*, apply to any levy made pursuant to this section.

Raising of money required for compensation

18.—(1) Every person who is the owner of any well in the Province may register with the Board an address for service in the Province of Alberta of all notices and orders made pursuant to this Act affecting or respecting any well of which such person is the owner.

Registration of address for service

(2) All notices and orders affecting or respecting any well shall be deemed to have been served upon the owner of

Service of notices and orders at address for service

such well upon the delivery thereof at his registered address for service or in case the same is sent by mail upon the expiration of twenty-four hours, exclusive of Sundays and holidays, from the time of sending such notice or order by prepaid mail to such owner at his registered address for service.

Service of notices and orders where no address for service

19. If there be no registered address for service as aforesaid, in respect of any well, all notices and orders respecting such well shall be posted up in any part of the office of the Board to which the public has access and shall be kept so posted up for twenty-four hours, exclusive of Sundays and holidays, and upon the expiration of the said period shall be deemed to have been duly served upon the owner of such well.

Keeping of production records by owners of wells;

20.—(1) Every person who is the owner of a producing well, shall keep at his office or other place of business within the Province, complete and accurate records of the production of all petroleum from his well and of the disposition made thereof.

and by refiners;

(2) Every person who is the owner or who has the control or management of any refinery in the Province shall keep at his office or other place of business in the Province records of all petroleum received into such refinery and of the names and addresses of the persons from whom such petroleum was so received, the quantity and quality of the petroleum received from each such person, and the price payable in respect thereof, and the disposition of all products obtained from refining the same, and every disposition made thereof.

and duty to produce the same

(3) Every person who is by this section required to keep records shall produce such records at all reasonable times when requested so to do by any member of the Board, or any person authorized by the Board, and shall afford such member or person facilities for inspecting the same and making copies thereof and taking extracts therefrom.

Requisition by Board from Government Departments of information

21. The Board shall be entitled to require from any Department of the Government Service any information required by the Board for the purpose of carrying out the duties and exercising the powers imposed or conferred upon the Board by this Act, and every official of every such Department shall, subject to the approval of the Minister presiding over the same, give to the Board such assistance as he is able to afford and the Board may require.

PART II.

POWERS AND DUTIES OF THE BOARD IN RESPECT OF THE OIL
AND GAS WELLS ACT, 1931.

22.—(1) It shall be the duty of the Board and it shall have the power to undertake the enforcement of any regulations made pursuant to The Oil and Gas Wells Act, 1931, whenever the Lieutenant Governor in Council directs the Board so to do or designates the Board in any such regulations as the person by whom the regulations shall be enforced or by whom any act or thing, the doing of which is authorized or required by any such regulation shall be done.

Enforcement
by Board of
regulations
under
The Oil and
Gas Wells Act,
1931

(2) The expenditures incurred by the Board in respect of the enforcement of any such regulations shall be payable to the Board by the Provincial Treasurer out of such sums as may be appropriated by the Legislature for the purpose.

Defrayal of
expenditures

PART III.

ASSESSMENT AND TAXATION OF PETROLEUM PROPERTIES.

23. In this part of this Act unless the context otherwise requires, the expression "petroleum property" means the right, title, estate or interest of any person to or in any petroleum which is in the earth in the Province, and includes,—

Definitions of
"petroleum
property"

- (i) every kind and description of right of any person to search for, win, get and retain any such petroleum, whether such right is incidental to the ownership of any land or is created by any lease, permit, contract or otherwise howsoever, and includes all buildings, structures, and erections, used for the purpose of searching for, winning, getting and retaining any such petroleum; and
- (ii) every right, title, estate, interest or benefit reserved, acquired or retained upon the making of any sale, lease, sublease, assignment, license or any other arrangement relating to the disposition of any right, title, estate or interest to or in any such petroleum, and any interest of the Crown under any sale, grant, lease, license, or permit made or issued by the Crown in respect of any such petroleum.

24. All petroleum property in the Province which is not by this Act expressly exempted, shall be liable to assessment and taxation for the purposes of this Act.

Liability of
petroleum
property to
assessment
and taxation

Exemption
from
assessment
and taxation

25. All petroleum property situate in any part of the Province for the time being designated by any order of the Lieutenant Governor in Council as a part of the Province in which such property is exempt from assessment under this Act shall so long as such order remains in force be exempt from assessment and taxation under this Act.

Statements
to be
furnished by
owners of
petroleum
property

26.—(1) Every person who is the owner of any petroleum property liable to assessment and taxation under this Act shall not later than the thirty-first day of December in the year 1938, and not later than the thirtieth day of June in every year thereafter, without any notice or demand, deliver to the Board a detailed statement in writing which shall be in such form as the Board may require, setting out,—

- (a) the legal description of the land to which such petroleum property relates;
- (b) the right, estate, or interest of the owner, with sufficient particulars of the title of such person to such petroleum property;
- (c) the rentals and royalties payable by such person in respect of such petroleum property to any other person or persons and the name and address of each such person;
- (d) particulars of all buildings, structures and erections used for the purpose of searching for, winning, getting and retaining any petroleum product to which the petroleum property relates;
- (e) in case the owner of the petroleum property is a corporate body, the last balance sheet prepared pursuant to the provisions of *The Companies Act, 1929*, or any other statute applicable to the corporation;
- (f) such further additional information as the Board may require.

Requirement
as to signing
in case of a
corporation

(2) In the case of a corporation, association or other corporate body, every such return shall be made and signed by the President, Secretary, Treasurer or other responsible officer having knowledge of the affairs of such corporation, association, or other body, or by such other person or persons employed thereby or connected with its business as the Board may require.

Prescription
by Board of
forms of
returns

(3) The Board may prescribe the forms on which such returns shall be made or furnished, and may enlarge the time for making any return under this Act.

Appoint-
ment of
assessor

27.—(1) The Lieutenant Governor in Council may from time to time appoint an assessor for the purposes of this part, who may be a member of the Board, and prescribe his remuneration which shall be payable by the Board.

Assessments
and
preparation
of assessment
roll

(2) In the year 1939 as soon as is practicable after the first day of February and in each subsequent year as soon as is practicable after the thirtieth day of June, the

assessor shall proceed to assess at its fair actual value each petroleum property liable to assessment and taxation, and shall prepare an assessment roll setting out thereon a brief description of each petroleum property assessed, the name and address of the owners thereof, and the assessed value thereof.

(3) In making such assessments the assessor may accept or disregard either wholly or in part any statements furnished pursuant to section 26, and may take any steps which he in his discretion considers necessary for the purpose of ascertaining the fair actual value of the assessed property, and for that purpose may resort to all sources of available information, and may fix such amount as appears to him to be just and equitable.

Powers of assessor as to assessments

28. Upon the completion of the assessment roll the assessor shall endorse thereon or attach thereto a certificate setting out the date upon which the roll was so completed, and sign the same and deliver the same to the Board.

Certification and delivery to Board of assessment roll

29. The Board shall as soon as may be after the delivery of the assessment roll, fix a day, time and place for the revision of the assessment roll which shall not be earlier than the thirtieth day after the day upon which the assessment roll is so delivered, and shall cause a copy of the assessment roll and the certificate endorsed thereon together with a notice of the day, time and place so fixed for the revision of the assessment roll to be posted up in a conspicuous place in any part of the offices of the Board to which the public have access and shall keep the same so posted up for twenty days, and shall within ten days after the posting up of the assessment roll cause to be sent by mail to every person whose name appears on the assessment roll as the owner of any petroleum property, an assessment notice containing the particulars appearing in the roll with respect to such petroleum property, and a notice setting out the day, time and place fixed for the revision of the assessment roll, together with a copy of the next ensuing section.

Duties of Board as to the fixing of date for revision of assessment roll, the posting up thereof, and the sending out of assessment notices

30. Any person whose name appears upon the assessment roll as a person assessed may apply to the Board to vary the assessment roll and to alter any assessment shown thereon which he alleges to be improperly assessed, or to assess any property which he alleges is liable to be and has not been assessed, and to include the same in the assessment roll, upon giving the Board notice in writing within twenty days after the date upon which the assessment roll was first posted up pursuant to the last section.

Notice of application to Board to vary assessment roll

31. At the time and place fixed for the revision of the assessment roll or at any adjournment thereof, the Board shall proceed to hear and determine every application of which notice has been given in conformity to the last preceding section, and to make such disposition thereof as the Board may in its discretion deem fit and proper.

Determination by Board of applications to vary the assessment roll upon revision

Revision of
assessment
roll and
certification
thereof by
the Board

32.—(1) As soon as the Board shall have disposed of all such applications as aforesaid, it shall proceed to revise the assessment roll in accordance with the dispositions made by the Board of such applications and thereupon shall cause to be attached to the assessment roll so revised a certificate which may be in the following form:

"This is to certify that the assessment roll hereto annexed is the assessment roll for the year 19..... as revised by the Petroleum and Natural Gas Conservation Board.

"Dated at the office of the Board this day of, 19.....

"The Petroleum and Natural
Gas Conservation Board, by

.....
Chairman."

Conclusive-
ness of
revised
assessment
roll

(2) The assessment roll so revised and every assessment matter and thing set out therein and the certificate attached thereto shall be conclusive and binding upon all persons mentioned therein or affected thereby, and shall not be questioned in any proceedings in any Court as to any statement, matter or thing contained therein whatsoever.

Levy by
Board in 1939

33.—(1) In the year 1939 and as soon as may be after the 30th day of June and not later than the 30th day of September, the Board shall proceed to levy a tax at the rate of ten mills on the dollar upon the assessed value of all properties on the assessment roll as certified by the Board or at such lesser uniform rate as will produce a sufficient sum to meet the expenditures incurred by the Board under this Act in the year ending the 30th day of June, 1939, together with the expenditures incurred by the Board constituted by *The Oil and Gas Wells Act, 1938*, under that Act in the year ending the 30th day of June, 1939, but exclusive of expenditures in respect of any of the matters set out in Part II of this Act.

Levy by the
Board in
subsequent
years

(2) In every year thereafter the Board shall as soon as may be after the 30th day of June and not later than the 30th day of September proceed to levy a tax at the rate of ten mills on the dollar upon the assessed value of all properties on the assessment roll as certified by the Board in that year or at such lesser uniform rate as will produce a sufficient sum to defray the expenditures incurred by the Board under this Act in the year ending on the 30th day of June in that year, exclusive of expenditures in respect of any matters set out in Part II of this Act.

Tax demand

34. As soon as may be after the Board has struck the rate it shall cause to be sent by mail to every person whose name appears on the assessment roll as the owner of any assessable petroleum property a notice containing a brief description of the petroleum property in respect to which

such person is assessed, the amount of the tax payable in respect thereof, and a demand for the payment of the tax.

35.—(1) In the event of any of the taxes imposed under this Act remaining unpaid after the expiration of the sixty days after the date of mailing the notice referred to in section 34, there shall be added thereto, by way of penalty, a sum equal to five per cent of the amount of taxes unpaid, and in the event of any taxes or penalties, or any part thereof remaining unpaid after the expiration of one hundred and twenty days after the date of such mailing, there shall be added thereto, by way of penalty, an additional sum equal to five per cent of the amount of such taxes and penalties at that date remaining unpaid, and such amount or amounts so added shall form part of the taxes which are created a special lien upon the petroleum property in respect of which the same are payable under the provisions of this Act.

Penalties
for non-
payment of
tax

(2) Nothing in this section contained shall be construed to extend the time for payment of the said taxes, nor in any way to impair the right of distress, nor any other remedy provided by this Act, for the collection of said taxes.

Construction
of section

36. In any case where the tax payable to the Board in respect of any petroleum property or any interest therein is not paid within thirty days after the date of mailing the notice referred to in section 34 the Board may order that from and after a date fixed by the Board all petroleum or any specified kind or kinds thereof produced from any well owned or operated by a person who is liable to the payments of such tax shall be delivered to the Board or to such person or persons who may be designated by the Board, and shall be sold in such manner and at such price as the Board may direct until such time as the Board has received out of the proceeds of sale or otherwise the full amount of the tax together with any penalties thereon and such further amount as the Board may fix as the amount of the expenses of the Board in relation to any act, matter or thing done in pursuance of this section.

Power of
Board to
order seizure
of petroleum
to enforce
payment of
tax

37. Upon the making of any order pursuant to section 36, from the date so fixed by the Board until such time as the Board has received the full amount of the tax together with any penalties thereon and the expenses of the Board, the petroleum to which the order relates shall become the property of the Board, and shall be freed and discharged from all claims and demands of every other person howsoever and whensoever created.

Ownership of
petroleum
affected by
an order
made under
section 36

38. The tax payable in respect of any petroleum property shall be a charge thereon having priority over all other claims and demands of any person other than the Crown.

Tax a charge
on petroleum
property

39. In case any person who is required under the provisions of section 26 hereof to make or furnish any state-

Penalties
for non-
compliance
with
section 26

ment or information does not comply with the provisions of the said section, the Board may by order impose upon any such person a penalty of not more than \$10.00 per day for each day during which such default is made, which penalty or sum shall be added to and become a part of the tax imposed by this Act, and may further order that any such person shall pay a tax of double the amount of the tax payable in respect of the petroleum property to which such statement or information relates.

Reference to a Judge of the Supreme Court of certain questions of law

40.—(1) In case any question of law arises with respect to any decision of the Board made pursuant to any provision of this Part, any person affected thereby may within thirty days after the date upon which such decision was made give notice in writing to the Board requiring the question to be referred to a Judge of the Supreme Court of Alberta.

Application by Board

(2) Upon the receipt of any such notice the Board shall cause an application to be made to a Judge to fix the day, time and place for proceeding with the reference and for directions as to the notice thereof to be given and the persons to be given notice and the manner in which such notice is to be given.

Determination of question by order of Judge

(3) Upon the day, time and place so fixed or at any other day, time and place to which the hearing is from time to time adjourned the Judge shall proceed to determine the question in a summary manner, and for that purpose may take evidence either orally or by affidavit and shall make such order to determine such question as he deems proper.

Finality of order

(4) Every order made by a Judge under this section shall be final and conclusive and there shall be no appeal therefrom.

Borrowings by Board

41. The Board is hereby empowered to borrow from time to time on the security of the taxes for the current year which are for the time being uncollected, such sums as may be required for the defrayal of the current expenditures of the Board.

Guarantees of borrowings of Board by Province

42. The Lieutenant Governor in Council may authorize and empower the Provincial Treasurer,—

(a) to guarantee on behalf of the Province the due payment of any money borrowed pursuant to the last preceding section, together with the interest payable thereon, upon such terms and conditions as may be prescribed by the Lieutenant Governor in Council;

Advances to Board out of General Revenue Fund

(b) to advance to the Board from time to time out of the General Revenue Fund such sums as may be deemed advisable upon such security, at such rate of interest and such terms and conditions as may be prescribed by the Lieutenant Governor in Council.

PART IV.

PROVISIONS OF GENERAL APPLICATION.

43. The procedure to be followed and the forms to be used in any inquiry, hearing, meeting, proceeding or other transaction of the Board or upon the making of any order shall be such as the Board may from time to time determine, and as are not inconsistent with any express provision of this Act.

Powers of Board as to procedure

44. Save and except only in cases where it is otherwise expressly provided by this Act the Board shall have the exclusive jurisdiction to examine, inquire into, hear and determine all matters and questions arising under this Act, and every action, decision, and order of the Board with respect to any such matter or question shall be final and conclusive and shall not be open to question or review in any court, and no proceeding of or by or before the Board shall be restrained by injunction, prohibition or other process or proceedings in any court or be removable by *certiorari* or otherwise into any court, nor shall any action or proceeding be brought against the Board or any member of the Board or any officer or employee of the Board in respect of any act or thing done in purported pursuance of this Act.

Exclusive jurisdiction of Board

45. In case the Board is satisfied after an inquiry held upon such notice and to such persons as the Board deems proper, that any well is being operated in such a way that any provision of this Act or of any order or regulation of the Board made pursuant to this Act is contravened or not complied with the Board may order that on and from a date to be fixed by the order no production shall be permitted at such well and that the same shall be shut down and kept shut down until such time as the Board may order to the contrary.

Prohibition of production at wells operated in contravention of Act or any order or regulation

46.—(1) The Board may take such steps and employ such persons as the Board considers necessary for the enforcement of any order made by it and for the purposes thereof may forcibly or otherwise enter upon, seize and take possession of the whole or part of the movable and immovable property in on or about any well or used in connection therewith or appertaining thereto together with the books and offices of the owner thereof, and may, until such order has been complied with, either discontinue all production or may take over the management and control thereof.

Enforcement of orders of Board by seizure

(2) Upon the Board so taking possession of any well and so long as such possession continues, it shall be the duty of every officer and employee of the owner thereof to obey the orders of the Board or of such person or persons as it places in charge and control thereof.

Duty of officers and employees of owner of seized well

Authority of Board upon taking possession

(3) Upon possession being so taken of any well the Board may take, deal with and dispose of all petroleum produced at such well as if the same were the property of the Board, subject to the obligation to account for the net proceeds thereof to the persons entitled thereto.

Costs of proceedings

(4) The costs and expenses of and incidental to proceedings taken by the Board under this section shall be in the discretion of the Board, and the Board may direct by whom and to what extent they shall be paid.

The giving of notice and the holding of hearings not requisite in case of certain orders

47.—(1) Unless it is otherwise expressly provided by this Act to the contrary, any order or regulation which the Board is authorized by this Act to make may be made upon its own motion or initiative, and without the giving of any notice, and without holding any hearing.

Power of Board to make orders effective in the future or upon a contingency or subject to conditions

(2) The Board may direct in any order that the same or any portion or provision thereof shall come into force at a future fixed time or upon the happening of any contingency, event, or condition in such order specified, or upon the performance to the satisfaction of the Board or of any person named by it of any terms which the Board may impose upon any party interested, and the Board may direct that the whole or any portion of such order shall have force for a limited time or until the happening of any specified event.

Extension of time fixed by any order

(3) When any work, act, matter or thing is by any order or regulation of the Board required to be done, performed or completed within a specified time, the Board may, if it thinks proper so to do, extend the time so specified.

(4) An order of the Board need not show upon its face that any proceeding or notice was had or taken, or that any circumstances existed necessary to give it jurisdiction to make such order.

Powers of the Board, its members and persons authorized by the Board in making inquiries and investigations

48. The Board and every member thereof and every other person authorized by the Board to make any inquiry or investigation pursuant to any of the provisions of this Act shall for the purpose of any such investigation or inquiry have all the powers which may be conferred upon a commissioner appointed pursuant to *The Public Inquiries Act* for the purpose of taking evidence on oath or affirmation and compelling the attendance of witnesses and the production of documents.

Power of inspection of wells and refineries

49. The Board and every member thereof and every person authorized by the Board to make any inspection shall be entitled to enter upon and inspect any place which is a well or a place at which any petroleum is refined or is occupied or used in connection with any well or any place at which petroleum is refined at any time between the hour of eight o'clock in the forenoon and six o'clock in the afternoon and at any other time during which any business or operation is being carried on thereat, and to inspect such

place and every matter and thing thereon and all books, records and documents found thereon, and every person who prevents or hinders or obstructs the Board or any member thereof or any person so authorized as aforesaid whilst making any such entry and inspection shall be guilty of an offence against this Act.

50. Every person who whether as a principal or otherwise contravenes or makes default in complying with any provisions of this Act or of any order or regulation made pursuant to this Act or who causes either alone or in conjunction or participation with others any owner of any well to contravene or to make default in complying with any such provision as last aforesaid or who instructs, orders, directs, or causes any officer, agent or employee of any owner of any well to contravene or to make default in complying with any such provision, shall be guilty of an offence against this Act.

Certain
contra-
ventions and
defaults
offences

51. Every person who contravenes or makes default in complying with any of the provisions of this Act shall be guilty of an offence and shall be liable on summary conviction therefor to a fine of not less than one hundred dollars nor more than one thousand dollars in respect of each such offence and in the case of a continuing offence to a fine of not less than one hundred dollars nor more than one thousand dollars for the first day upon which such offence occurs and of not less than fifty dollars nor more than five hundred dollars for each subsequent day during which the offence continues.

Penalties
upon
summary
conviction

52. All sums of money collected by the Board pursuant to any of the provisions of this Act on account of taxes and all fines imposed pursuant to section 51 shall be the property of the Board and shall be expended in defraying the expenditures of the Board under Part I.

Disposition
of taxes and
penalties

53. The Board shall be entitled to recover any moneys payable to the Board pursuant to any provision of this Act as if the same were a debt by action in any court of competent civil jurisdiction.

Recover-
ability of
moneys
payable to
the Board by
suit

54. In any case where the Board has pursuant to this Act more than one remedy for the enforcement of any order or for the payment of any money payable pursuant to any order of the Board, the Board may resort to any or all such remedies as it may from time to time think proper, either concurrently or successively until such time as the order has been complied with or the money payable thereunder together with all costs and expenses has been paid and satisfied.

Power of
Board as to
remedies for
enforcement
of its orders

55.—(1) Incidentally to the conservation of oil resources or gas resources or both or to repressuring of any oil field, gas field or oil gas field, and for the purpose of

Compulsory
purchase by
the Board of
wells

carrying out any order or regulation made by the Board in relation to such conservation or repressuring, the Board is hereby authorized and empowered to purchase any well or wells together with any property or right appurtenant thereto or used in connection therewith which the Board considers requisite.

Notice to
owner and
effect thereof

(2) The Board may at any time give notice to the owner of any property which is a well or any real property or any personal property or any right which is used in connection with a well or is appurtenant thereto that the Board requires the same under this section and such notice shall set out the description of the same; and upon the expiration of 30 days from the service of such notice the property mentioned therein shall become and be the absolute property of the Board freed and discharged from all claims and demands whatsoever of all persons other than the Crown.

Price payable
fixed by
agreement,
otherwise by
arbitration

(3) The price payable by the Board for such property shall be such price as may be agreed upon and in default of agreement, the price shall be determined by arbitration under the provisions of *The Arbitration Act* relating to arbitration by two arbitrators one of whom shall be appointed by the Board and one by the person who was the owner of the property set out in the notice.

Duty of
arbitrators

(4) In determining the price to be paid by the Board for any property the arbitrators shall ascertain the amount of money at which the property would be accepted in the payment of a just debt and in so doing shall not take into account any loss of production occasioned by any order or regulation of the Board made pursuant to this Act.

Payment of
money into
Court in
certain cases

(5) In case any doubt arises as to the persons entitled to receive any money payable for any such property, or as to the amount payable thereout to any person, the Board shall pay the amount payable by the Board into the Supreme Court of Alberta and thereupon the same shall be paid out to such persons and in such amount as may be determined by the Court or a judge thereof upon the application of any person claiming to be entitled thereto.

Evidential
value of
certificate of
the Board

(6) A certificate signed by the Board to the effect that it has acquired any property pursuant to this section shall be conclusive evidence of all facts stated therein.

Certain
powers of
the Board
incidental to
orders or
regulations
made under
section 16

56. Incidentally to any orders or regulations of the Board made pursuant to section 16, the Board is hereby authorized and empowered,—

- (a) to provide for the voluntary surrender to the Board of the right to produce such amount of production as may be prescribed by the Board and for the resale by the Board of the right so surrendered, upon such terms, in such manner, and to such extent as the Board deems proper, to the owners or operators of other wells, and for the payment of the proceeds of such resales into a compensation fund

and for the payment out of such fund of compensation to the persons surrendering such right to produce, having regard to the amount of production so surrendered;

- (b) to negotiate agreements from time to time with the owners of producing wells for the purpose of providing for the payment to the owners of wells who have surrendered to the Board any right to produce from such wells, such compensation as the Board considers fair and reasonable.

57. *The Oil and Gas Conservation Act, 1938*, being ^{Repeal} chapter 15 of the Statutes of Alberta, 1938, is hereby repealed.

58. This Act shall come into force on the day upon which ^{Coming into} it is assented to. _{force of Act}