Province of Alberta

GAS RESOURCES PRESERVATION ACT

Revised Statutes of Alberta 2000
Chapter G-4

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Alberta Queen's Printer
7th Floor, Park Plaza
10611 - 98 Avenue
Edmonton, AB T5K 2P7
Phone: 780-427-4952
Fax: 780-452-0668

E-mail: qp@gov.ab.ca
Shop on-line at www.qp.alberta.ca

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Note

All persons making use of this consolidation are reminded that it has no legislative sanction, that amendments have been embodied for convenience of reference only. The official Statutes and Regulations should be consulted for all purposes of interpreting and applying the law.

Regulations

The following is a list of the regulations made under the *Gas Resources Preservation Act* that are filed as Alberta Regulations under the Regulations Act

	Alta. Reg.	*Amendments*
Gas Resources Preservation Act		
Approval of Short-Term Permits	334/2002	*112/2010, 153/2015*
Gas Resources Preservation	328/2002	*113/2010, 148/2015*

GAS RESOURCES PRESERVATION ACT

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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(a) repealed 2012 cR-17.3 s91;

(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;

(n) "Regulator" means the Alberta Energy Regulator.

(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.

RSA 2000 cG-4 s1;2012 cR-17.3 s91

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 Regulator, on evidence that the Regulator 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 Regulator, on evidence that the Regulator 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 Regulator 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 Regulator, the substantial part.

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

RSA 2000 cG-4 s2;2012 cR-17.3 s91

Information

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

RSA 2000 cG-4 s3;2012 cR-17.3 s91

Permit on approval of Lieutenant Governor in Council

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

RSA 2000 cG-4 s4;2012 cR-17.3 s91

Terms and conditions of permit

5 Without limiting the generality of section 4, the terms and conditions prescribed by the Regulator 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.

RSA 2000 cG-4 s5;2012 cR-17.3 s91

Permit on Minister's approval

6(1) Notwithstanding section 4, the Regulator 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.

RSA 2000 cG-4 s6;2012 cR-17.3 s91

Amendment by Regulator

7 Notwithstanding anything in this Act, the Regulator 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.

RSA 2000 cG-4 s7;2012 cR-17.3 s91

Limitations on granting of permit

8 The Regulator 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 Regulator.

RSA 2000 cG-4 s8;2012 cR-17.3 s91

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 Regulator, an emergency jeopardizes an adequate supply of gas or propane to consumers in Alberta, the Regulator may, with the approval of the Lieutenant Governor in Council, as long as the emergency, in the Regulator'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 Regulator directs.

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

(4) If the Regulator 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 Regulator may, on the application of either person, fix the price to be paid for the gas.

RSA 2000 cG-4 s9;2012 cR-17.3 s91

Assignment of permit

10(1) A permittee or a proposed assignee of a permit may apply to the Regulator 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 Regulator 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.

RSA 2000 cG-4 s10;2012 cR-17.3 s91

Suspension of permit

11(1) If it appears to the Regulator 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 Regulator 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 Regulator 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 Regulator may

(a) reinstate the permit subject to any conditions the Regulator directs,

(b) order the continued suspension of the permit for a specified period or until the Regulator 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.

RSA 2000 cG-4 s11;2012 cR-17.3 s91

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 and rules under it, unless other methods and conditions are prescribed by the terms and conditions of the permit.

RSA 2000 cG-4 s12;2012 cR-17.3 s91

Regulations

13(1) The Lieutenant Governor in Council may

(a) by regulation vest in the Regulator any authority and powers considered necessary or advisable for the purpose of enabling the Regulator 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.

RSA 2000 cG-4 s13;2012 cR-17.3 s91

Reconsideration of permit

14 If the Lieutenant Governor in Council, by order, directs the Regulator to reconsider a permit or an application for a permit, generally or in respect of matters specified in the order, the Regulator 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.

RSA 2000 cG-4 s14;2012 cR-17.3 s91

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 Regulator, or adduced in evidence at a hearing before the Regulator, in connection with any application to the Regulator 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.

RSA 2000 cG-4 s15;2012 cR-17.3 s91

Powers and jurisdiction

16 In performing the duties imposed on it by this Act, the Regulator has and may exercise all the powers granted to it by the *Responsible Energy Development Act* to enable it to perform the duties imposed on it by that Act.

RSA 2000 cG-4 s16;2012 cR-17.3 s91

Costs

17 The Regulator, 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 Regulator incidental to and in

connection with an application, hearing or other proceeding before the Regulator are to be paid.

RSA 2000 cG-4 s17;2012 cR-17.3 s91

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 Regulator made under this Act,

(d) an order of the Minister made under section 21, or

(e) the regulations.

RSA 2000 cG-4 s18;2012 cR-17.3 s91

Penalty

19(1) A person who contravenes this Act is guilty of an offence and is liable

(a) in the case of a corporation, to a fine of not more than $500 000, and

(b) in the case of an individual, to a fine of not more than $50 000.

(2) No person shall be convicted of an offence under this Act if that person establishes on a balance of probabilities that the person took all reasonable steps to prevent its commission.

(3) A person who is guilty of an offence under this Act is liable on conviction for each day or part of a day on which the offence occurs or continues.

(4) 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.

(5) A prosecution for an offence under this Act may not be commenced more than 2 years after

(a) the date on which the offence was committed, or

(b) the date on which evidence of the offence first came to the attention of the Regulator,

whichever is later.

RSA 2000 cG-4 s19;2012 cR-17.3 s91

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 Regulator 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;2012 cR-17.3 s91

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 Regulator, 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;2012 cR-17.3 s91

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