



Oil, Gas and Salt Resources Act

R.S.O. 1990, CHAPTER P.12

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Definitions

[1.](#) (1) In this Act,

“Board” means the Ontario Energy Board; (“Commission”)

“Commissioner” means the Mining and Lands Commissioner appointed under the *Ministry of Natural Resources Act*; (“commissaire”)

“correlative rights” means the right of every owner of a property in a pool of oil or gas to produce from that property the owner's proportionate share of the oil or gas, or both, in the pool; (“droit corrélatif”)

- “facility” means any work used to store, process or transport any substance produced from or injected into a well; (“installation”)
- “gas” means a mixture containing hydrocarbons that is located in or recovered from an underground reservoir and that is gaseous at the temperature and pressure under which its volume is measured or estimated; (“gaz”)
- “inspector” means an inspector or officer appointed for the purposes of this Act and the regulations; (“inspecteur”)
- “licence” means a licence issued under this Act; (“licence”)
- “Minister” means the Minister of Natural Resources; (“2rescrip”)
- “Ministry” means the Ministry of Natural Resources; (“ministère”)
- “oil” means a mixture containing hydrocarbons that is located in or recovered from an underground reservoir, or recovered in processing, and that is liquid at the temperature and pressure under which its volume is measured or estimated; (“pétrole”)
- “oil field fluid” means,
- (a) anything that has been used as a well drilling fluid, and
 - (b) formation water that is recovered from a well; (“fluide de champ pétrolifère”)
- “operator” means, in respect of a work,
- (a) a person who has the right as lessee, sub-lessee, assignee, owner or holder of a licence or permit to operate the work,
 - (b) a person who has the control or management of the operation of the work, or
 - © if there is no person described in clause (a) or (b), the owner of the land on which the work is situated; (“exploitant”)
- “permit” means a permit issued under this Act; (“permis”)
- “pipeline” means a pipeline used for the collection of oil, gas or other substance produced from or injected into a well and transportation of the oil, gas or substance to a separating, processing or storage facility or to a distribution or transmission pipeline; (“pipeline”)
- “pool” means an underground accumulation of oil or gas or both, separated or appearing to be separated from any other such underground accumulation; (“gisement”)
- “prescribed” means prescribed by a regulation; (“2rescrip”)
- “regulation” means a regulation made under this Act; (“règlement”)
- “solution mining” means the extraction of salt from a geological formation by the injection of water and the recovery of the salt in solution through a well; (“exploitation par dissolution”)

“spacing unit” means a surface area and the subsurface beneath the surface area, established for the purpose of drilling for or producing oil or gas; (“3nite d’espacement”)

“well” means a hole in the ground, whether completely drilled or in the process of being drilled, for the purpose of,

(a) the production of oil, gas or formation water, including the production of coal bed methane but excluding the production of fresh water,

(b) the injection, storage and withdrawal of oil, gas, other hydrocarbons or other approved substances in an underground geological formation,

I the disposal of oil field fluid in an underground geological formation,

(d) solution mining, or

(e) geological evaluation or testing rocks of Cambrian or more recent age; (“puits”)

“work” means a well or any pipeline or other structure or equipment that is used in association with a well. (“ouvrage”) R.S.O. 1990, c. P.12, s. 1; 1994, c. 27, s. 131 (1); 1996, c. 30, s. 57 (1-5); 1999, c. 12, Sched. N, s. 5 (1, 2); 2001, c. 9, Sched. K, s. 4 (1); 2006, c. 19, Sched. P, s. 4 (1-4).

Oil or gas, determination by Minister

(2) In cases where doubt exists, the Minister may, in his or her absolute discretion, determine whether a substance is oil or gas. 1996, c. 30, s. 57 (6).

Powers and duties of Commissioner

(3) The Commissioner shall do the following:

1. In reviewing and adjudicating applications for pooling and unitization orders, have regard to,

i. the conservation of Ontario’s oil and gas resources,

ii. the orderly, efficient and economic development of those resources, and

iii. the protection of correlative rights.

2. Provide access, in accordance with section 175 of the *Mining Act*, to subsurface oil, gas and salt resources. 2006, c. 19, Sched. P, s. 4 (5).

Appointment of inspectors

2. (1) The Minister may appoint inspectors for the purpose of this Act and the regulations. 1996, c. 30, s. 58.

Certificate of appointment and identification

(2) The Minister shall issue to every inspector a certificate of his or her appointment and identification. R.S.O. 1990, c. P.12, s. 2 (2).

Validity of certificate

(3) A certificate purporting to bear the signature of the Minister shall be deemed to have been signed by the Minister. R.S.O. 1990, c. P.12, s. 2 (3).

Production of certificate

(4) Every inspector, in the execution of any of his or her duties under this Act and the regulations, shall produce his or her certificate of appointment upon request. R.S.O. 1990, c. P.12, s. 2 (4).

Powers of inspector

3. (1) An inspector may, for the purpose of carrying out his or her duties under this Act and the regulations,

- (a) subject to subsection (3), enter in or upon any premises at any time without a warrant for the purpose of determining whether this Act is being complied with and authorize any other person acting under the inspector's direction to enter the premises, with or without the inspector, for the purpose of assisting the inspector;
- (b) take up or use at any time any work or part thereof;
- © require the production of any drawing or specification of a work or any part thereof or any licence, permit, record or report and may inspect, and make copies of, the same and may require information from any person concerning any matter related to a work or part thereof or the handling or use thereof;
- (c.1) require the operator of a work to make such examinations, tests or inquiries as may be necessary to ascertain whether this Act and the regulations are being complied with, and to report to the inspector on the examinations, tests and inquiries in such form as the inspector may specify;
- (d) be accompanied by any person at the request of the inspector who has special or expert knowledge of any matter in relation to a work or a part thereof or the handling or use thereof;
- (e) alone, or in conjunction with such other persons possessing special or expert knowledge, make such examinations, tests or inquiries as may be necessary to ascertain whether this Act and the regulations are being complied with and for such purpose take or remove any material or substance subject to the operator or user being notified thereof;
- (f) use or cause to be used any computer system for the purpose of examining information contained in or available to the computer system, and produce or cause to be produced a printout or other output from the computer system;
- (g) make copies of any documents inspected or produced during the inspection;
- (h) remove any documents or things for the purpose of making copies or of further inspection, but the copying or further inspection shall be carried out with reasonable dispatch and the documents or things shall be returned promptly to the person from whom they were taken. R.S.O. 1990, c. P.12, s. 3 (1); 1996, c. 30, s. 59; 2006, c. 19, Sched. P, s. 4 (6); 2010, c. 16, Sched. 10, s. 3 (1).

Search in exigent circumstances

(2) If an inspector believes on reasonable grounds that there is in a building, other place or a vehicle any thing that will afford evidence of an offence under this Act but that the time required to obtain a search warrant would lead to the loss, removal or destruction of the evidence, the inspector may, without a search warrant, enter and search the building, other place or vehicle. 2010, c. 16, Sched. 10, s. 3 (2).

Dwellings

(3) Clause (1) (a) and subsection (2) do not apply to a building or part of a building that is used as a dwelling. 2010, c. 16, Sched. 10, s. 3 (2).

Search with warrant

3.1 (1) An inspector may obtain a search warrant under Part VIII of the *Provincial Offences Act* in respect of an offence under this Act. 2010, c. 16, Sched. 10, s. 3 (3).

Access to premises

(2) When executing the warrant, an inspector may pass through or over any land, other than the area surrounding a dwelling, without being liable to trespass or any other action in relation to the land, in order to gain access to the building, other place or vehicle that are subject to inspection under this section, if,

- (a) it is necessary to do so in order to gain the access or to gain the access in a timely manner; and
- (b) it is impractical to use any other means to gain the access. 2010, c. 16, Sched. 10, s. 3 (3).

Use of force

(3) The inspector named in a warrant mentioned in this section may use as much force as is reasonably necessary to execute the warrant. 2010, c. 16, Sched. 10, s. 3 (3).

Inspection of vehicles, etc.

3.2 (1) For the purpose of this Act or the regulations, an inspector may stop a vehicle, boat or aircraft if the inspector has reasonable grounds to believe that stopping the vehicle, boat or aircraft, would assist in determining whether there is compliance with this Act and the regulations. 2010, c. 16, Sched. 10, s. 3 (3).

Duty to stop

(2) On the inspector's signal to stop, the operator of the vehicle, boat or aircraft shall immediately stop and produce for inspection any document or other thing requested by the inspector. 2010, c. 16, Sched. 10, s. 3 (3).

Stop signals

(3) For the purpose of subsection (2), signals to stop include,

- (a) intermittent flashes of red light, in the case of a vehicle;
- (b) intermittent flashes of blue light in the case of a boat; and
- © a hand signal to stop, in the case of a vehicle or boat. 2010, c. 16, Sched. 10, s. 3 (3).

Seizure and forfeiture

3.3 (1) An inspector who is lawfully in a building or other place may, without a warrant, seize any thing the inspector believes on reasonable grounds,

- (a) has been used in the commission of an offence under this Act; or
- (b) will afford evidence of the commission of an offence under this Act. 2010, c. 16, Sched. 10, s. 3 (3).

Presence pursuant to warrant

(2) If the inspector is in the building or other place pursuant to a warrant, subsection (1) applies to the thing, whether or not it is specified in the warrant. 2010, c. 16, Sched. 10, s. 3 (3).

Safekeeping

(3) An inspector shall deliver any thing that the inspector seizes to a person authorized by the Minister for safekeeping, unless the thing is required to be carried before a justice as defined in the *Provincial Offences Act* by a search warrant issued under Part VIII of that Act. 2010, c. 16, Sched. 10, s. 3 (3).

Return of seized things

(4) A thing seized and not forfeited under this section shall be returned to the person from whom it was seized if,

- (a) a charge is not laid at the conclusion of the investigation; or
- (b) a charge is laid but, when the prosecution is finally disposed of, the defendant is acquitted or the charge is dismissed or withdrawn. 2010, c. 16, Sched. 10, s. 3 (3).

Costs of seizure, etc.

(5) If a person is convicted of an offence under this Act, the justice as defined in the *Provincial Offences Act* may, in addition to any other penalty, order the person to pay all or any part of any expenses incurred by the Minister with respect to the seizure, storage or disposition of any thing seized in connection with the offence. 2010, c. 16, Sched. 10, s. 3 (3).

Arrest without warrant

3.4 (1) An inspector may arrest without warrant a person the inspector believes on reasonable grounds is committing, has committed or is preparing to commit an offence under this Act. 2010, c. 16, Sched. 10, s. 3 (3).

Use of force

(2) An inspector may use as much force as is reasonably necessary to make an arrest under this section. 2010, c. 16, Sched. 10, s. 3 (3).

Release

(3) An inspector who arrests a person under this section shall, as soon as practicable, release the person from custody, unless the inspector has reasonable grounds to believe that,

- (a) it is necessary in the public interest for the person arrested to be detained, having regard to all the circumstances, including the need to,
 - (i) establish the identity of the person,
 - (ii) secure or preserve evidence of or relating to the offence, or
 - (iii) prevent the continuation or repetition of the offence or the commission of another offence; or
- (b) the person arrested, if released, will not respond to the summons or offence notice or will not appear in court. 2010, c. 16, Sched. 10, s. 3 (3).

Appearance before justice

[\(4\)](#) Section 150 of the *Provincial Offences Act* applies if the person arrested is not released. 2010, c. 16, Sched. 10, s. 3 (3).

Obstruction of inspector

[4. \(1\)](#) No person shall hinder, obstruct, molest or interfere with or attempt to hinder, obstruct, molest or interfere with an inspector in the exercise of a power or the performance of a duty under this Act and the regulations. R.S.O. 1990, c. P.12, s. 4 (1).

Assistance of inspector

[\(2\)](#) Every person shall furnish all necessary means in his or her power to facilitate any entry, inspection, examination or inquiry by an inspector in the exercise of his or her powers and duties under this Act and the regulations. R.S.O. 1990, c. P.12, s. 4 (2).

Refusal to produce records or make examinations

- [\(3\)](#) No person shall neglect or refuse to,
- (a) produce a licence, permit, drawing, specification, record or report as required by an inspector under clause 3 (1) (c); or
 - (b) make an examination, test or inquiry, or report on an examination, test or inquiry, as required by an inspector under clause 3 (1) (c.1). 1996, c. 30, s. 60.

False information

[\(4\)](#) No person shall furnish an inspector with false information or neglect or refuse to furnish information required by an inspector in the exercise of his or her duties under this Act and the regulations. R.S.O. 1990, c. P.12, s. 4 (4).

Information confidential

[5. \(1\)](#) An inspector shall not publish, disclose or communicate to any person any information, record, report or statement acquired, furnished, obtained, made or received under the powers conferred under this Act and the regulations except,

- (a) for the purposes of carrying out his or her duties under this Act and the regulations; or
- (b) as authorized under the *Regulatory Modernization Act, 2007*. 2007, c. 4, s. 38.

Compellability in civil suit

[\(2\)](#) An inspector is not a compellable witness in a civil suit or proceeding respecting any information, record, report, statement, or test acquired, furnished, obtained, made or received under the powers conferred under this Act and the regulations. R.S.O. 1990, c. P.12, s. 5 (2).

Exception

(3) The Minister may disclose or publish information, material, statements or result of a test acquired, furnished, obtained or made under the powers conferred under this Act and the regulations. R.S.O. 1990, c. P.12, s. 5 (3).

Liability of inspector

6. (1) No action or other proceeding for damages lies or shall be instituted against an inspector for an act or omission by him or her in good faith in the execution or intended execution of any power or duty under this Act or the regulations. R.S.O. 1990, c. P.12, s. 6 (1).

Liability of Crown

(2) Subsection (1) does not, by reasons of subsections 5 (2) and (4) of the *Proceedings Against the Crown Act* relieve the Crown of liability in respect of a tort committed by an inspector to which it would otherwise be subject and the Crown is liable under that Act for any such tort in like manner as if subsection (1) had not been enacted. R.S.O. 1990, c. P.12, s. 6 (2).

Directions by inspectors where non-compliance

7. (1) Where an inspector finds that any provision of this Act or the regulations is being contravened, the inspector may give to the person whom he or she believes to be the contravener, his or her supervisor or foreman or any of them an order in writing directing compliance with such provision and may require the order to be carried out forthwith or within such time as the inspector specifies. R.S.O. 1990, c. P.12, s. 7 (1).

Idem

(2) Where an inspector gives an order under this section, the order shall contain sufficient information to specify the nature of the contravention. R.S.O. 1990, c. P.12, s. 7 (2).

Affixing tags

(3) Where an inspector gives an order under this section, he or she,

(a) may order that the work shall not be used until the order is complied with;

(b) may affix a tag to the work and no person, except the inspector, shall remove the tag; and

© shall notify in writing the operator, owner or person in charge of the work of the affixing of the tag. R.S.O. 1990, c. P.12, s. 7 (3); 1999, c. 12, Sched. N, s. 5 (3).

Use of tagged work

(4) No person shall knowingly remove oil or gas from or supply oil or gas to a work to which a tag is attached. R.S.O. 1990, c. P.12, s. 7 (4).

Idem

(5) No person shall use a work to which a tag is attached. R.S.O. 1990, c. P.12, s. 7 (5).

(6)-(8) Repealed: 1996, c. 30, s. 61.

Order to plug well or decommission facility

7.0.1 An inspector may order the operator of a well to plug the well or decommission a facility within such time as the inspector considers appropriate if,

- (a) the inspector is of the opinion that the well or facility represents a hazard to the public or to the environment; or
- (b) any activity relating to the well or facility has been suspended. 2006, c. 19, Sched. P, s. 4 (7).

Appeal from inspector

7.0.2 (1) Any person who considers himself, herself or itself aggrieved by an order of an inspector made under section 7 or 7.0.1 may appeal to the Minister within 30 days after the order is made, by giving the Minister a written notice setting out the grounds for the appeal. 2002, c. 18, Sched. L, s. 6 (1).

Minister's designee

(2) The Minister may designate, as the Minister's designee for the purpose of disposing of an appeal under this section,

- (a) one individual;
- (b) two individuals;
- © any odd number of individuals greater than one; or
- (d) an agency, a board or a commission. 2002, c. 18, Sched. L, s. 6 (1).

Where two or more individuals

(3) If the Minister designates two individuals, they shall act unanimously, and if the Minister designates any odd number of individuals greater than one, they shall act by majority vote. 2002, c. 18, Sched. L, s. 6 (1).

Dismissal of appeal without hearing

(4) Subject to subsection (7), the Minister's designee may dismiss an appeal under this section without a hearing if,

- (a) the appeal is frivolous or vexatious or is commenced in bad faith; or
- (b) any of the statutory requirements for bringing the appeal has not been met. 2002, c. 18, Sched. L, s. 6 (1).

Notice

(5) Before dismissing the appeal, the Minister's designee shall give the appellant a written notice setting out,

- (a) the designee's intention to dismiss the appeal;
- (b) the reasons for the dismissal; and
- © the appellant's right to make written submissions to the Minister's designee with respect to the dismissal within the time specified in the notice. 2002, c. 18, Sched. L, s. 6 (1).

Right to make submissions

(6) An appellant who receives a notice under subsection (5) may make written submissions to the Minister's designee with respect to the dismissal within the time specified in the notice. 2002, c. 18, Sched. L, s. 6 (1).

Dismissal

(7) The Minister's designee shall not dismiss the appeal until the designee has given notice under subsection (5) and considered the submissions, if any, made under subsection (6). 2002, c. 18, Sched. L, s. 6 (1).

Powers after hearing

(8) If the Minister's designee hears an appeal under this section, the designee may substitute the designee's findings or opinions for those of the inspector who made the order appealed from, and may,

- (a) make an order rescinding the inspector's order;
- (b) make an order affirming the inspector's order; or
- © make a new order in substitution for the inspector's order. 2002, c. 18, Sched. L, s. 6 (1).

Designee's order

(9) The designee's order under subsection (8) stands in place of and has the same effect as the inspector's order. 2002, c. 18, Sched. L, s. 6 (1).

Operation of inspector's order pending appeal

(10) Subject to subsection (11), the bringing of an appeal under this section does not affect the operation of the order appealed from pending disposition of the appeal. 2002, c. 18, Sched. L, s. 6 (1).

Stay, order under cl. 7.0.1 (b)

(11) The bringing of an appeal under this section stays an order made under clause 7.0.1 (b) pending disposition of the appeal. 2002, c. 18, Sched. L, s. 6 (1).

Non-application

(12) The *Statutory Powers Procedure Act* does not apply to appeals under this section. 2002, c. 18, Sched. L, s. 6 (1).

Guidelines and fees

(13) The Minister may establish guidelines and charge fees with respect to appeals under this section. 2002, c. 18, Sched. L, s. 6 (1).

Minister's order

7.1 (1) The Minister may, by order,

- (a) establish a spacing unit by designating a surface area and the subsurface beneath the surface area as a spacing unit;
- (b) amend or revoke a designation of a spacing unit; and
- © specify where wells may be located within a spacing unit. 1994, c. 27, s. 131 (2).

Not regulation

(2) An order under subsection (1) is not a regulation within the meaning of Part III (Regulations) of the *Legislation Act, 2006*. 1994, c. 27, s. 131 (2); 2006, c. 21, Sched. F, s. 136 (1).

(3) Repealed: 2006, c. 19, Sched. P, s. 4 (8).

Joining of interests, pooling order

8. (1) The Commissioner may order that,

- (a) the oil or gas interests within a spacing unit be joined for the purpose of drilling or operating an oil or gas well;
- (b) management of the drilling or operation be carried out by the person, persons or class of persons named or described in the order; and
- © the costs and benefits of the drilling or operation within the spacing unit be apportioned in the manner specified in the order. 2002, c. 18, Sched. L, s. 6 (2).

Joining of interests, unitization order

(2) The Commissioner may order that,

- (a) the oil or gas interests within a unit area containing a pool, part of a pool, an oil or gas field or part of an oil or gas field be joined for the purpose of drilling or operating oil or gas wells;
- (b) management of the drilling or operation be carried out by the person, persons or class of persons named or described in the order; and
- © the costs and benefits of the drilling or operation within the unit area be apportioned in the manner specified in the order. 2002, c. 18, Sched. L, s. 6 (2).

Unitization order prevails

(3) An order made by the Commissioner under subsection (2) for the joining of the oil or gas interests within a unit area prevails over any requirement or condition in a regulation or licence that oil or gas interests within a spacing unit that is included in the unit area be joined. 2002, c. 18, Sched. L, s. 6 (2).

No authority re spacing units

(4) The Commissioner has no authority, in an order under subsection (1) or (2), to amend or revoke a spacing unit that has been established by an order of the Minister, by a regulation, or by a condition of a licence. 2002, c. 18, Sched. L, s. 6 (2).

9. Repealed: 1996, c. 30, s. 63.

Licence for well activities

10. (1) No person shall drill, operate, deepen, alter or enter a well, or engage in any other activity on or in a well, except in accordance with a licence. 1996, c. 30, s. 64.

No purchase without licence

(2) No person shall purchase or accept delivery of oil or gas produced from a well unless the well is subject to a licence. 1996, c. 30, s. 64.

Note: A valid permit to bore, drill or deepen a well granted under the *Petroleum Resources Act* before June 27, 1997 is deemed to be a licence relating to the well granted under the *Oil, Gas and Salt Resources Act*. A valid permit relating to a well and issued under section 154 of the *Mining Act* before June 27, 1997 is deemed to be a licence relating to the well granted under the *Oil, Gas and Salt Resources Act*. See: 1996, c. 30, ss. 74 (1), 75 (1).

Transfer of well licence or permit

10.1 (1) No person shall transfer a licence relating to a well or a permit issued under this Act without the written consent of the Minister. 2006, c. 19, Sched. P, s. 4 (9).

Appeal to Commissioner

(2) A person who considers himself, herself or itself aggrieved by the Minister's refusal of consent to a transfer under subsection (1) may appeal it to the Commissioner. 1996, c. 30, s. 64.

Hearing

(3) The Commissioner shall hold a hearing into the matter and report to the Minister on it. 1996, c. 30, s. 64.

Plugging by previous licensee

(4) If, at any time after a licence relating to a well is transferred, an order to plug the well or decommission a facility is made under section 7.0.1 but is not complied with, an inspector may require a previous licensee to plug the well or decommission the facility at the previous licensee's expense. 2006, c. 19, Sched. P, s. 4 (10).

Prohibition on construction, etc.

10.2 (1) No person shall erect, locate or construct a building or structure of a type prescribed by the regulations within 75 metres of a well or facility unless the well or facility has been decommissioned in accordance with this Act and the regulations. 2006, c. 33, Sched. W, s. 1.

Unlicensed wells and facilities

- (2)** Subsection (1) does not apply if,
- (a) the well or facility is not licensed; and
 - (b) the well or facility is not located on the same property as the building or structure. 2006, c. 33, Sched. W, s. 1.

Permit required for injection project

11. (1) No person shall, unless the person is the holder of a permit for the purpose, inject oil, gas, water or another substance into an area, including a geological formation, in connection with a project for,

- (a) enhancing the recovery of oil, gas, formation water or another substance;
- (b) injecting, storing or withdrawing oil, gas or another approved substance; or
- © disposing of oil field fluid. 2010, c. 16, Sched. 10, s. 3 (4).

Prohibition re carbon dioxide

[\(1.1\)](#) Despite subsection (1), no person shall inject carbon dioxide for the purposes of carbon sequestration into an area, including a geological formation, in connection with a project described in that subsection. 2010, c. 16, Sched. 10, s. 3 (4).

Referral to Board

[\(2\)](#) If the point of injection proposed in an application for a permit under subsection (1) is within 1.6 kilometres of an area designated as a gas storage area under the *Ontario Energy Board Act, 1998*, the Minister shall refer the application to the Board for a report. 1996, c. 30, s. 65; 1998, c. 15, Sched. E, s. 24 (1).

Hearing

[\(3\)](#) The Board may hold a hearing, but is not required to do so, before reporting to the Minister. 1996, c. 30, s. 65.

Exception

[\(4\)](#) Subsection (1) does not prohibit the injection of gas for storage in an area designated as a gas storage area under the *Ontario Energy Board Act, 1998*. 1996, c. 30, s. 65; 1998, c. 15, Sched. E, s. 24 (2).

Responsibility for compliance with Act

[12.](#) Every operator shall take every precaution reasonable in the circumstances to ensure that the operator's employees and agents comply with this Act and the regulations. R.S.O. 1990, c. P.12, s. 12.

Grant of licence, etc.

[13. \(1\)](#) Subject to section 40 of the *Ontario Energy Board Act, 1998*, the Minister may, in his or her discretion, with or without an examination of the applicant, grant a licence or permit, and the Minister may, in so doing, impose such terms and conditions, whether of a pecuniary nature or otherwise, and such duties and liabilities as the Minister in his or her discretion considers proper, but before granting a licence or permit the Minister may, and if requested by the applicant shall,

- (a) refer the matter to the Commissioner, in which case the Commissioner shall hold a hearing before reporting to the Minister; or
- (b) if the Minister is of the opinion that the matter may affect operations within an area designated as a gas storage area under the *Ontario Energy Board Act, 1998*, refer the matter to the Board, in which case the Board may hold a hearing, but is not required to do so, before reporting to the Minister. 2001, c. 9, Sched. K, s. 4 (2).

Changes to terms and conditions

[\(2\)](#) The Minister may amend, suspend or revoke any term, condition, duty or liability imposed on a licence or permit under this section or may impose an additional term, condition, duty or liability, but before doing so the Minister may, and if requested by the holder of the licence or permit shall,

- (a) refer the matter to the Commissioner, in which case the Commissioner shall hold a hearing before reporting to the Minister; or

- (b) if the Minister is of the opinion that the matter may affect operations within an area designated as a gas storage area under the *Ontario Energy Board Act, 1998*, refer the matter to the Board, in which case the Board may hold a hearing, but is not required to do so, before reporting to the Minister. 2001, c. 9, Sched. K, s. 4 (2).

Refusal, suspension or cancellation of licence

14. If a person's act or failure to act is an offence under section 19, the Minister may refuse to grant a licence or permit or may suspend or cancel a licence or permit, but before doing so the Minister may, and if requested by the holder of the licence or permit shall,

- (a) refer the matter to the Commissioner, in which case the Commissioner shall hold a hearing before reporting to the Minister; or
- (b) if the Minister is of the opinion that the matter may affect operations within an area designated as a gas storage area under the *Ontario Energy Board Act, 1998*, refer the matter to the Board, in which case the Board may hold a hearing, but is not required to do so, before reporting to the Minister. 2001, c. 9, Sched. K, s. 4 (3).

Copy of report

15. If the Commissioner or Board submits a report to the Minister pursuant to section 13 or 14, the Commissioner or Board shall send a copy of the report to each of the parties within 10 days after the report is submitted to the Minister. 2001, c. 9, Sched. K, s. 4 (3).

Trust fund

16. (1) The Minister shall establish in writing a trust to be known in English as the Oil, Gas and Salt Resources Trust and in French as Fonds des ressources en pétrole, en gaz et en sel. 1996, c. 30, s. 67.

Terms of Trust

(2) The Trust shall provide for the following matters, on such terms and conditions as may be specified by the Minister:

1. The funding of information management relating to oil, gas and salt resources.
2. The funding of research, surveys and laboratory facilities and operations relating to,
 - i. oil or gas exploration, drilling or production,
 - ii. the storage of oil, gas and other hydrocarbons in geological formations,
 - iii. the disposal of oil field fluid in geological formations, and
 - iv. solution mining.
3. Such other matters as may be specified by the Minister. 1996, c. 30, s. 67.

Trustee

(3) The Minister shall appoint a person who is not employed by the Crown as trustee of the Trust, and may provide for the trustee's remuneration from the funds of the Trust. 1996, c. 30, s. 67.

Payments to Trust

(4) The holder of a licence or permit shall pay the prescribed amounts to the Trust within the prescribed times. 1996, c. 30, s. 67.

Not part of C.R.F.

(5) Money received or held by the Trust does not form part of the Consolidated Revenue Fund. 1996, c. 30, s. 67.

Annual report

(6) The Trust shall report annually to the Minister on the financial affairs of the Trust. 1996, c. 30, s. 67.

Tabling of report

(7) The Minister shall submit the report to the Lieutenant Governor in Council and shall table the report in the Legislative Assembly. 1996, c. 30, s. 67.

Other reports

(8) The Trust shall provide the Minister with such other reports and information as he or she may request. 1996, c. 30, s. 67.

Drilling and production regulations

17. (1) The Lieutenant Governor in Council may make regulations,

- (a) for the conservation of oil or gas;
- (b) prescribing areas where drilling wells is prohibited;
- © prescribing areas or geological formations where one or more of the following are prohibited:
 1. Oil or gas production.
 2. Storage of oil, gas or other hydrocarbons.
 3. Injection of oil, gas, water or other substances into a geological formation in connection with a project for enhancing oil or gas recovery.
 4. Disposal of oil field fluid.
 5. Solution mining;
- (d) regulating the location and spacing of wells;
- (e) governing applications for the designation by the Minister of a spacing unit or for the amendment or revocation by the Minister of a designation of a spacing unit, including prescribing the requirements that must be met and the procedures that must be followed before the Minister will make, amend or revoke a designation;
 - (e.1) limiting the number of wells in a spacing unit from which a person may produce;

- (e.2) requiring and governing the joining of interests in oil or gas within a spacing unit or within a unit area containing a pool or an oil or gas field;
- (e.3) governing orders under section 8;
- (e.4) governing,
 - (i) agreements respecting the joining of interests in oil or gas within a spacing unit or within a unit area containing a pool or an oil or gas field, and
 - (ii) provisions in other agreements, if those provisions relate to the joining of interests in oil or gas within a spacing unit or within a unit area containing a pool or an oil or gas field;
- (f) governing the methods, equipment and materials to be used in drilling, completing, operating, servicing or plugging wells;
- (g) requiring operators to preserve drilling and production samples and cores and to furnish them to persons specified by the regulations;
- (h) requiring operators to register works with the Ministry, to maintain records relating to the works and to provide the Ministry with reports, returns and other information in such form and manner as the Minister may specify;
- (i) requiring dry or unplugged wells to be plugged or replugged, and prescribing the methods, equipment and materials to be used in plugging or replugging wells;
- (j) governing the design, construction, use, operation, abandonment and removal of works, including the methods, materials and equipment used;
- (k) requiring the examination of works by persons who belong to prescribed classes and have the prescribed evidence of the Minister's approval for the purposes of examinations of works, and prescribing the times or intervals at which and the manner in which the examinations are to be carried out;
- (l) governing solution mining activities and the use and abandonment of salt caverns created by those activities;
- (m) governing activities for the production or storage of fluids, the injection of fluids into underground geological formations or the withdrawal of fluids from those formations. R.S.O. 1990, c. P.12, s. 17 (1); 1994, c. 27, s. 131 (3); 1996, c. 30, s. 68 (1-3); 2002, c. 18, Sched. L, s. 6 (3, 4); 2010, c. 16, Sched. 10, s. 3 (5).

General regulations

- (2) The Lieutenant Governor in Council may make regulations,
 - (a) providing for the issue and transfer of licences and permits;
 - (b) prescribing classes of licences and permits, and prescribing standard terms and conditions upon which licences and permits may be issued;
- © prescribing the fee payable for any licence or permit;

- (d) prescribing tags and providing for their use;
- (e) governing liability insurance required by operators and governing other financial assurances to be provided by operators;
- (f) prescribing the amounts or the method of determining the amounts to be paid to the Oil, Gas and Salt Resources Trust and prescribing the times within which the amounts shall be paid;
- (g), (h) Repealed: 1996, c. 30, s. 68 (4).
- (i) requiring and providing for the keeping of records and the making of returns, statements or reports on the exploration, leasing, drilling for or production of oil or gas or the storage of oil or gas;
- (j) regulating safety standards and requiring and providing for the keeping of safety records and the making of safety returns, statements or reports in the drilling for, production, storage and measurement, of oil or gas;
- (k) for any matter provided in this Act to be done by regulation. R.S.O. 1990, c. P.12, s. 17 (2); 1996, c. 30, s. 68 (4); 2006, c. 19, Sched. P, s. 4 (12).

Scope of regulations

[\(3\)](#) Any regulation may be general or particular in its application. R.S.O. 1990, c. P.12, s. 17 (3).

[\(4\)](#) Repealed: 2000, c. 26, Sched. L, s. 8 (1).

Adoption by reference

[\(5\)](#) A regulation may adopt by reference, in whole or in part, with such changes as the Lieutenant Governor in Council considers necessary, any code, standard or guideline, as it reads at the time the regulation is made or as amended from time to time. 1999, c. 12, Sched. N, s. 5 (4).

Application fees

[17.1 \(1\)](#) The Minister may establish and charge a fee for applications under this Act. 1996, c. 30, s. 69.

Forms

[\(2\)](#) The Minister may approve forms for the purposes of this Act and provide for their use. 1996, c. 30, s. 69.

Conflict with other Acts

[18. \(1\)](#) In the event of conflict between this Act and any other general or special Act, this Act, subject only to the *Ontario Energy Board Act, 1998*, prevails. R.S.O. 1990, c. P.12, s. 18 (1); 1998, c. 15, Sched. E, s. 24 (4).

Idem, with by-laws

[\(2\)](#) This Act and the regulations prevail over any municipal by-law. R.S.O. 1990, c. P.12, s. 18 (2).

Offences

19. (1) No person shall,

- (a) contravene or fail to comply with an order of an inspector or the Commissioner;
- (b) knowingly make a false statement or provide false information in a document or other form of communication required under this Act or the regulations;
- (c) fail to carry out the instructions of an inspector;
- (d) unlawfully tamper or interfere with a work or part of a work;
- (e) waste, lose or dispose of oil, gas or other hydrocarbons, oil field fluid or brine produced in solution mining, or cause or permit its waste, loss or disposal, in a manner that results in,
 - (i) a hazard to public safety, or
 - (ii) pollution of the natural environment as defined in the *Environmental Protection Act*; or
- (f) wilfully delay or obstruct an inspector in the execution of his or her duties under this Act. 1996, c. 30, s. 70.

Penalty

(2) A person who contravenes subsection (1) or contravenes or fails to comply with any other provision of this Act or any provision of a regulation is guilty of an offence and, on conviction, is liable to a fine of not more than \$500,000, or to imprisonment for a term of not more than one year, or to both. 1996, c. 30, s. 70; 2009, c. 33, Sched. 22, s. 7.

Increased penalty

(3) The maximum fine provided by subsection (2) may be increased by an amount equal to the amount of the monetary benefit that was acquired by or that accrued to the person as a result of the offence. 1996, c. 30, s. 70.

Directors and officers

(3.1) If a corporation commits an offence under subsection (2), every director or officer of the corporation who directed, authorized, assented to, acquiesced in, or participated in the commission of the offence is guilty of the offence and on conviction is liable to the punishment provided for the offence whether or not the corporation has been prosecuted or convicted. 2000, c. 26, Sched. L, s. 8 (2).

Limitation period

(4) A proceeding in respect of an offence under this Act shall not be commenced more than five years after the date on which it was, or is alleged to have been, committed. 1996, c. 30, s. 70.

Act supersedes

20. This Act applies despite the *Energy Act*. R.S.O. 1990, c. P.12, s. 20.